

PRESS RELEASE

Verona, 12<sup>th</sup> February 2008

## **CAD IT: THE BOARD OF DIRECTORS APPROVES THE QUARTERLY REPORT AT 31<sup>st</sup> DECEMBER 2007 WHICH SHOWS AN INCREASE IN REVENUES AND MARGINS**

**The CAD IT Group closes the fourth quarter of 2007 with Value of Production at €18 million, a 30% growth compared to the €13.9 million of the same period in the previous year.**

**All profit margins have increased in quarterly and yearly terms.**

**The Group's Net Financial Position at 31<sup>st</sup> December 2007 was in credit by €11.5 million.**

**The CAD IT S.p.A. Board of Directors has moreover deliberated the date of the Ordinary Shareholders' Meeting.**

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market and quoted in the STAR segment of Borsa Italiana, today approved the Quarterly Report at 31<sup>st</sup> December 2007.

The main Profit and Loss Account results relating to the fourth quarter of 2007 are as follows:

- **Value of Production** showed a **30% increase** and stood at €18 million compared to the €13.9 million of the fourth quarter in 2006. Value of Production increased despite the reduction of internal work capitalised under fixed assets which fell from €1.1 million in 2006 to €0.6 million.
- **Gross Operational Result (EBITDA)** was €4.7 million, equal to 26.2% of Value of Production and showed a **159% increase** compared to the €1.8 million of the fourth quarter in 2006 (13.1% of Value of Production)<sup>1</sup>;
- **Operational Result (EBIT)** was €3.8 million, equal to 20.9% of Value of Production and showed a **175% increase** compared to the €1.4 million of the same period in the previous year (9.8% of Production Revenues)<sup>1</sup>;
- **The Group's Pre-tax Profit** was €3.9 million, equal to 21.5% of Value of Production, a **90% increase** compared to €2 million in the fourth quarter of 2006 (14.7% of Value of Production)<sup>2</sup>.

\* \* \*

**Value of Production** showed an overall **16% increase** throughout 2007 compared to the previous year (€60.7 million compared to €52.2 million in 2006). The Group recorded an increase in Value of Production despite the reduction of internal work capitalised under fixed assets which fell from €4.4 million in 2006 to €2.3 million in 2007.

All profit margins increased, including: **EBITDA (+67%)** and **EBIT (+71%)** which stood at €5.1 million and €12.6 million respectively compared to the €9 million and €7.4 million of the previous financial period<sup>1</sup>.

**The Group's Pre-tax Profit** showed an **82% increase** and stood at €13.9 million compared to €7.6 million in the previous financial period<sup>2</sup>.

Moreover, CAD IT also reports that the **Net Consolidated Financial Position** at 31<sup>st</sup> December 2007 was **in credit** by €1.5 million, showing an increase compared to the €1.2 million registered at 30<sup>th</sup> September 2007 and compared to the €8.1 million of 31<sup>st</sup> December 2006.

\* \* \*

The manager responsible for preparing the company's financial reports (Maria Rosa Mazzi) declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

\* \* \*

The CAD IT S.p.A. Board of Directors summon a first Ordinary Shareholders' Meeting on **29<sup>th</sup> April 2008** with a second summoning on 6<sup>th</sup> May 2008, to approve the balance budget, to be held at the company offices in Verona.

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<sup>1</sup> The reference value at the fourth quarter of 2006 was amended when drafting the 2006 Annual Balance following a €60,000 increase in "Other administrative costs".

<sup>1</sup> The reference value at the fourth quarter of 2006 was amended when drafting the 2006 Annual Balance following the extremely positive result of Class Editori shares during the first three months of 2007. The B of D decided that the negative variation in fair value of the share at 31/12/2006 was not a reduction in value to be included in the profit and loss account and the variation in value was therefore removed and placed in the net patrimony reserve.

## Consolidated Profit and Loss Account

(in thousands of Euro)

	4° Quarter 2007		4° Quarter 2006		Period 2007 01/01 - 31/12		Period 2007 01/01 - 31/12		Variations	
										%
Turnover - goods and services	17,571	97.4%	12,818	92.2%	58,257	96.0%	47,669	91.2%	10,588	22.2%
Variations in stock of products being elaborated	(91)	(0.5%)			(91)	(0.1%)			(91)	
Variations in contract work in progress	(223)	(1.2%)	(81)	(0.6%)	(106)	(0.2%)	56	0.1%	(162)	(287.1%)
Increase in internal work capitalised under fixed assets	552	3.1%	1,102	7.9%	2,335	3.8%	4,406	8.4%	(2,071)	(47.0%)
Other revenues and income	230	1.3%	70	0.5%	269	0.4%	111	0.2%	158	142.9%
<b>Production revenues</b>	<b>18,040</b>	<b>100.0%</b>	<b>13,910</b>	<b>100.0%</b>	<b>60,665</b>	<b>100.0%</b>	<b>52,243</b>	<b>100.0%</b>	<b>8,422</b>	<b>16.1%</b>
Raw materials, consumables and supplies	(346)	(1.9%)	(447)	(3.2%)	(1,227)	(2.0%)	(1,223)	(2.3%)	(4)	0.4%
Services	(2,975)	(16.5%)	(2,466)	(17.7%)	(9,996)	(16.5%)	(8,923)	(17.1%)	(1,074)	12.0%
Other operating costs	(297)	(1.6%)	(465)	(3.3%)	(835)	(1.4%)	(1,035)	(2.0%)	199	(19.3%)
<b>Added value</b>	<b>14,422</b>	<b>79.9%</b>	<b>10,531</b>	<b>75.7%</b>	<b>48,606</b>	<b>80.1%</b>	<b>41,062</b>	<b>78.6%</b>	<b>7,543</b>	<b>18.4%</b>
Personnel expenses	(9,049)	(50.2%)	(8,099)	(58.2%)	(30,999)	(51.1%)	(29,670)	(56.8%)	(1,329)	4.5%
Other administrative expenses	(650)	(3.6%)	(606)	(4.4%)	(2,499)	(4.1%)	(2,350)	(4.5%)	(149)	6.3%
<b>Gross operating result (EBITDA)</b>	<b>4,722</b>	<b>26.2%</b>	<b>1,826</b>	<b>13.1%</b>	<b>15,108</b>	<b>24.9%</b>	<b>9,042</b>	<b>17.3%</b>	<b>6,066</b>	<b>67.1%</b>
Allocation to Credit Depreciation Fund	(178)	(1.0%)	(3)	(0.0%)	(279)	(0.5%)	(3)	(0.0%)	(277)	9903.8%
Amortizations:										
- Intangible fixed asset amortization	(575)	(3.2%)	(244)	(1.8%)	(1,434)	(2.4%)	(835)	(1.6%)	(599)	71.8%
- Tangible fixed asset amortization	(202)	(1.1%)	(210)	(1.5%)	(793)	(1.3%)	(825)	(1.6%)	33	(3.9%)
<b>Operational result (EBIT)</b>	<b>3,768</b>	<b>20.9%</b>	<b>1,368</b>	<b>9.8%</b>	<b>12,602</b>	<b>20.8%</b>	<b>7,380</b>	<b>14.1%</b>	<b>5,222</b>	<b>70.8%</b>
Financial receipts	114	0.6%	78	0.6%	376	0.6%	281	0.5%	95	34.0%
Financial charges	(46)	(0.3%)	(32)	(0.2%)	(173)	(0.3%)	(124)	(0.2%)	(49)	39.4%
<b>Profit from ordinary activities</b>	<b>3,836</b>	<b>21.3%</b>	<b>1,415</b>	<b>10.2%</b>	<b>12,805</b>	<b>21.1%</b>	<b>7,536</b>	<b>14.4%</b>	<b>5,269</b>	<b>69.9%</b>
Revaluations and depreciations	44	0.2%	623	4.5%	1,060	1.7%	87	0.2%	973	1122.6%
<b>Pre-tax and pre-third party share result</b>	<b>3,881</b>	<b>21.5%</b>	<b>2,038</b>	<b>14.7%</b>	<b>13,865</b>	<b>22.9%</b>	<b>7,623</b>	<b>14.6%</b>	<b>6,242</b>	<b>81.9%</b>
Third party pre- tax (Profit)/loss	(451)	(2.5%)	(406)	(2.9%)	(1,096)	(1.8%)	(756)	(1.4%)	(340)	45.0%
<b>Group pre-tax profit/loss</b>	<b>3,430</b>	<b>19.0%</b>	<b>1,631</b>	<b>11.7%</b>	<b>12,769</b>	<b>21.0%</b>	<b>6,867</b>	<b>13.1%</b>	<b>5,902</b>	<b>85.9%</b>

## Net Consolidated Financial Position

(in thousands of Euro)

	at 31.12.2007	at 30.09.2007	at 31.12.2006
Cash on hand and other equivalent assets	10,645	10,239	3,333
Insurance policies capitalised	2,136	2,121	6,197
Short-term payables due to banks	(1,017)	(905)	(1,138)
<b>Net short-term financial position/(indebtedness)</b>	<b>11,764</b>	<b>11,455</b>	<b>8,391</b>
Long-term loans net of short-term portion	(284)	(301)	(308)
<b>Net long-term financial position/(indebtedness)</b>	<b>(284)</b>	<b>(301)</b>	<b>(308)</b>
<b>Net financial position / (indebtedness)</b>	<b>11,479</b>	<b>11,154</b>	<b>8,084</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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