

PRESS RELEASE

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CAD IT: THE BOARD APPROVES THE 2003 HALF YEARLY REPORT

CAD IT closes the first 2003 semester with a production value of € 29.1 million and a 23% gross operational margin compared to 21% for the same semester of 2002 (+4%).

The net financial position stands at € 11 million after dividend payments of approximately € 29 million

The CAD IT SpA Board of Directors has approved the 2003 half yearly report, which shows a 4% growth in the **gross operational margin** compared to the same semester of 2002.

The **half yearly report** highlights the following consolidated data:

- a **production value** of €29.1 million (-3%) compared to €30 million for the same semester of 2002;
- a **gross operating result** (EBITDA) of € 6.6 million (corresponding to 23% of the production value) showing an increase of 4% compared to the 2002 semester report which then equalled €6.3 million (i.e. 21% of the production value);
- an **operating profit** (EBIT) of €4.61 million (15.9% of the production value), showing a 0.7% increase compared to the €4.58 million for the 2002 semester, despite an increase (+13%) in amortizations and depreciations;
- a **net profit** of €1.89 million after taxes of €2.51 million and third party fees of €0.68 million.

During the 2003 semester the Group has continued to invest in research and development activities in order to enrich the range of products on offer and at the same time implementing a cost-containing policy for services (-12% compared to the first 2002 semester), which had already been announced at the beginning of 2003 limiting the use of external staff. Investments in R&D, mainly made up of internal staff costs, are not capitalized.

CAD IT further reports that the **consolidated net financial** at 30th June 2003 was €10.98 million. The cash flow from operating activities generated during the first semester was €9.5 million compared to €4.5 million during the first 2002 semester. The cash outlay for investments absorbed in material assets, which amounted to an expenditure of €5.3 million in 2002, has nearly been completed with the building of the new technological centre in Verona (CAD IT headquarters), with a further benefit to the net financial position of the subsequent periods.

The President of CAD IT, Giuseppe Dal Cortivo, said: "The CAD IT Group is continuing its considerable investment in both, research and development activities, which aim at creating and producing new products, and in marketing activities to support our internationalisation. These may already show results over the next year.

In the first semester of this year we have more than doubled the cash flow from operating activities compared to the first 2002 semester confirming our estimations made at the beginning of the year".

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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