

(Translation from the Italian original which
remains the definitive version)

*Quarterly figures and
related information*
Third quarter 2003

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Corporate Bodies

BOARD OF DIRECTORS ¹

GIUSEPPE DAL CORTIVO
Chairman and Managing Director

LUIGI ZANELLA
Managing Director

GIAMPIETRO MAGNANI
Managing Director

MAURIZIO RIZZOLI
Managing Director

PAOLO DAL CORTIVO

FRANCESCO ROSSI

LAMBERTO LAMBERTINI

ALBERTO MIAZZI

STATUTORY AUDITORS ²

SONIA MAZZI
Chairwoman

GIUSEPPE CEREGHINI
Statutory Auditor

GIANNICOLA CUSUMANO
Statutory Auditor

GIAN PAOLO RANOCCHI
Substitute Statutory Auditor

CESARE BRENA
Substitute Statutory Auditor

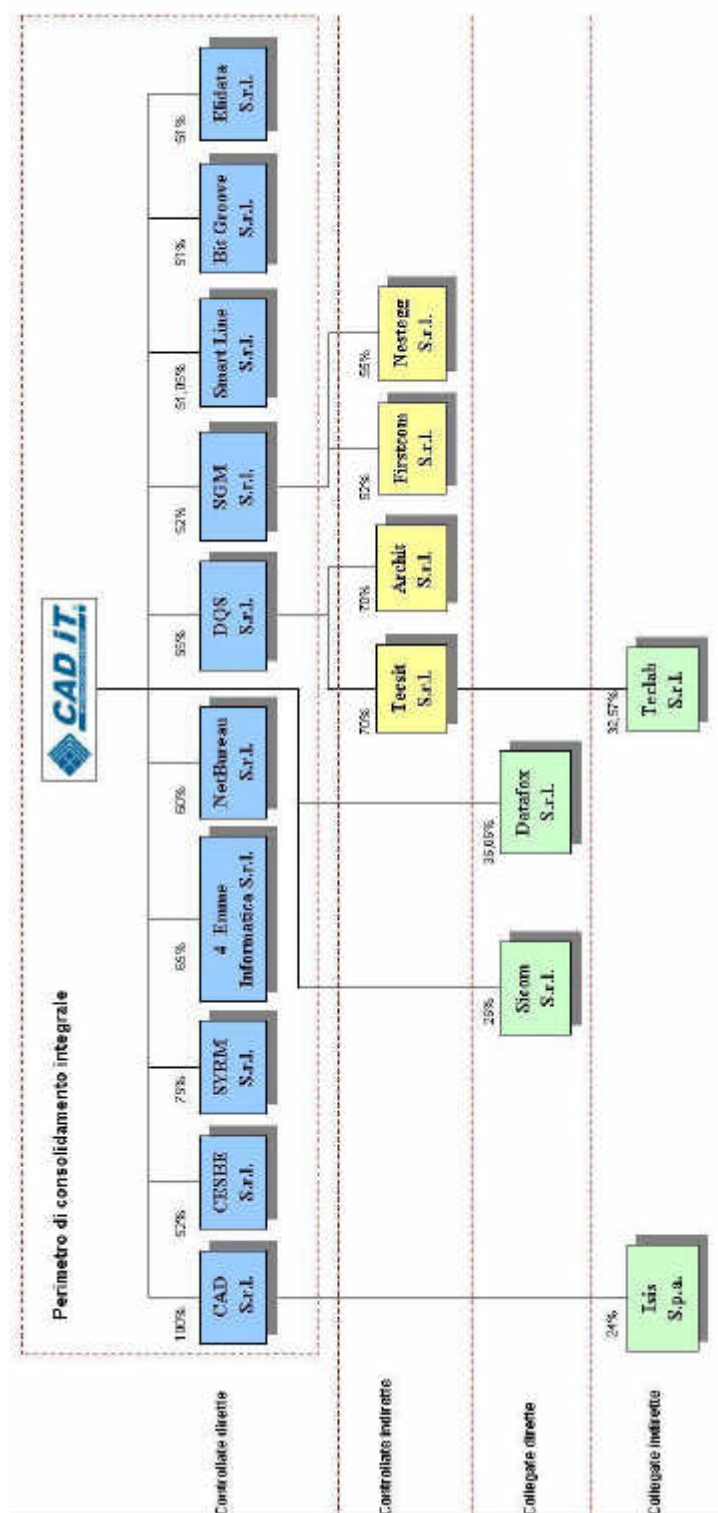
AUDITORS KPMG S.p.A.

⁽¹⁾ Appointed on 30 April 2003

⁽²⁾ Appointed on 30 April 2003

The Chairman and Managing Director of the parent company CAD IT S.p.A., Giuseppe Dal Cortivo, is authorised to perform all ordinary and extraordinary administrative duties, excluding only those which can not be delegated by law and those assigned to the Board of Directors by article 14 of the company by-laws. The principal duties assigned to the Board of Directors by the company by-laws are: the examination and approval of the strategic, industrial and financial plans of the company, the appointment of the general managers, the purchase, sale, exchange or transfer of fixed assets and real estate rights, the granting of collateral on fixed assets; the set up of new subsidiaries and the take-over, acquisition or sale of corporate investments; the acquisition, exchange or transfer of the whole company or of business lines. Furthermore, the Board of Directors is authorised to take on any kind of obligations amounting to more than Euro 4 million, and to stand surety by way of collateral or personal or other guarantees of any amount, if issued on behalf of third parties other than the parent company or its subsidiaries.

Each of the managing directors is authorised to perform all ordinary administrative duties including ordering banking transactions not exceeding Euro 1 million each. They are also authorised to acquire or sell registered moveable assets.



Summary schedules

Consolidated profit and loss account for the period ended 30 September 2003

| Consolidated profit and loss account | Third quarter 2003 | | Third quarter 2002 | | Period 2003 01/01 - 30/09 | | Period 2002 01/01 - 30/09 | |
|---|--------------------|----------------|--------------------|----------------|---------------------------|----------------|---------------------------|----------------|
| Turnover - goods and services | 12,680,160 | 98.97% | 12,907,473 | 99.39% | 41,492,232 | 99.06% | 42,852,390 | 99.57% |
| Variation in contract work in progress | 81,000 | 0.63% | (10,000) | (0.08%) | 250,000 | 0.60% | 0 | 0.00% |
| Other revenues and income | 50,815 | 0.40% | 89,544 | 0.69% | 144,062 | 0.34% | 184,050 | 0.43% |
| Production revenues | 12,811,975 | 100.00% | 12,987,017 | 100.00% | 41,886,294 | 100.00% | 43,036,440 | 100.00% |
| Raw materials, consumables and supplies | (252,827) | (1.97%) | (266,431) | (2.05%) | (819,733) | (1.96%) | (1,024,610) | (2.38%) |
| Services | (2,460,517) | (19.20%) | (3,027,021) | (23.31%) | (8,224,161) | (19.63%) | (9,587,436) | (22.28%) |
| Other operating costs | (211,628) | (1.65%) | (311,664) | (2.40%) | (669,552) | (1.60%) | (1,019,902) | (2.37%) |
| Added value | 9,887,003 | 77.17% | 9,381,901 | 72.24% | 32,172,848 | 76.81% | 31,404,492 | 72.97% |
| Personnel expenses | (6,688,286) | (52.20%) | (6,780,929) | (52.21%) | (21,026,207) | (50.20%) | (21,144,801) | (49.13%) |
| Other administrative expenses | (636,429) | (4.97%) | (708,101) | (5.45%) | (1,985,528) | (4.74%) | (2,023,245) | (4.70%) |
| Gross operating result (EBITDA) | 2,562,288 | 20.00% | 1,892,871 | 14.58% | 9,161,113 | 21.87% | 8,236,446 | 19.14% |
| Accrual to provision for bad debts | 13,540 | 0.11% | (25,280) | (0.19%) | (76,904) | (0.18%) | (90,579) | (0.21%) |
| Amortisation and depreciation - Amortisation of intangible fixed assets | (684,619) | (5.34%) | (676,750) | (5.21%) | (2,055,610) | (4.91%) | (1,970,816) | (4.58%) |
| - Depreciation of tangible fixed assets | (251,807) | (1.97%) | (178,569) | (1.37%) | (749,640) | (1.79%) | (586,771) | (1.36%) |
| Other accruals | 3,811 | 0.03% | (516) | (0.00%) | (26,023) | (0.06%) | (1,032) | (0.00%) |
| Operating profit (EBIT) | 1,643,213 | 12.83% | 1,011,756 | 7.79% | 6,252,936 | 14.93% | 5,587,248 | 12.98% |
| Financial income and charges, net | 40,976 | 0.32% | 281,473 | 2.17% | 383,930 | 0.92% | 1,068,049 | 2.48% |
| Profit from ordinary activities | 1,684,189 | 13.15% | 1,293,229 | 9.96% | 6,636,866 | 15.84% | 6,655,297 | 15.46% |
| Revaluations and write-downs | 78,053 | 0.61% | 9,414 | 0.07% | 229,297 | 0.55% | 70,645 | 0.16% |
| Extraordinary income and expenses | (1,472) | (0.01%) | (21,791) | (0.17%) | 63,057 | 0.15% | 341,309 | 0.79% |
| Profit before taxation and minority interests | 1,760,770 | 13.74% | 1,280,852 | 9.86% | 6,929,220 | 16.54% | 7,067,251 | 16.42% |
| Profit/(loss) of minority interests before taxation | (1,092,005) | (8.52%) | (747,830) | (5.76%) | (2,342,018) | (5.59%) | (1,805,234) | (4.19%) |
| Profit/(loss) of the Group before taxation | 668,765 | 5.22% | 533,022 | 4.10% | 4,587,202 | 10.95% | 5,262,017 | 12.23% |

Consolidated turnover - goods and services at 30 September 2003

| Turnover - goods and services | Third quarter 2003 | | Third quarter 2002 | | Period 2003 01/01 - 30/09 | | Period 2002 01/01 - 30/09 | |
|--|-----------------------|----------------|-----------------------|----------------|------------------------------|----------------|------------------------------|----------------|
| Financial instruments B.O. | 8,674,885 | 68.41% | 9,061,123 | 70.20% | 30,109,461 | 72.57% | 30,821,859 | 71.93% |
| Banking services software | 2,318,421 | 18.28% | 1,661,657 | 12.87% | 5,721,305 | 13.79% | 5,005,192 | 11.68% |
| Integrated IT systems | 91,695 | 0.72% | 169,953 | 1.32% | 483,920 | 1.17% | 1,000,732 | 2.34% |
| Training, organisation consulting | 168,446 | 1.33% | 161,640 | 1.25% | 750,939 | 1.81% | 661,588 | 1.54% |
| New technologies | 510,494 | 4.03% | 775,761 | 6.01% | 1,502,038 | 3.62% | 1,991,142 | 4.65% |
| Total banking division | 11,763,941 | 92.77% | 11,830,133 | 91.65% | 38,567,663 | 92.95% | 39,480,513 | 92.13% |
| Industrial hardware, software | 743,713 | 5.87% | 967,844 | 7.50% | 2,404,532 | 5.80% | 2,968,854 | 6.93% |
| Consulting, training and industrial services | 172,506 | 1.36% | 109,496 | 0.85% | 520,037 | 1.25% | 403,023 | 0.94% |
| Total industrial division | 916,219 | 7.23% | 1,077,340 | 8.35% | 2,924,569 | 7.05% | 3,371,877 | 7.87% |
| Total turnover - goods and services | 12,680,160 | 100.00% | 12,907,473 | 100.00% | 41,492,232 | 100.00% | 42,852,390 | 100.00% |

Net consolidated financial position as at 30 September 2003

| Net financial position | As at 30.09.2003 | As at 30.06.2003 | As at 31.03.2003 | As at 31.12.2002 | As at 30.09.2002 |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|
| Cash, bank current accounts | 6,952,381 | 6,478,264 | 33,123,977 | 27,069,127 | 29,563,122 |
| Financial assets not of a fixed nature | 5,379,010 | 5,335,346 | 5,292,157 | 5,249,442 | 5,180,343 |
| Sums due to banks net of short-term portion of medium to long-term financing | (697,173) | (838,399) | (739,621) | (842,662) | (671,232) |
| Net short-term financial position/(indebtedness) | 11,634,218 | 10,975,211 | 37,676,513 | 31,475,907 | 34,072,232 |
| Long-term financing net of short-term portion | | | | | (7,747) |
| Net long-term financial position/(indebtedness) | | | | | (7,747) |
| Net financial position/(indebtedness) | 11,634,218 | 10,975,211 | 37,676,513 | 31,475,907 | 34,064,485 |

Investments in intangible fixed assets at 30 September 2003

| <i>Intangible fixed assets</i> | <i>Start-up and capital costs</i> | <i>Industrial patents and similar rights</i> | <i>Licences, trademarks and similar rights</i> | <i>Goodwill</i> | <i>Assets under development and payments on account</i> | <i>Goodwill arising on consolidation</i> | <i>Other intangible fixed assets</i> | <i>Total</i> |
|---|-----------------------------------|--|--|-----------------|---|--|--------------------------------------|-------------------|
| Purchase or production cost | 4,425,218 | 38,479 | 1,706,321 | 32,537 | 116,009 | 12,118,661 | 1,255,414 | 19,692,639 |
| Previous years revaluations | | | | | | | | |
| Previous years amortisation and write-downs | (2,661,528) | (22,467) | (1,338,204) | (13,015) | | (2,849,169) | (375,371) | (7,259,754) |
| Adjustments to previous years write-downs | | | | | | | | |
| <i>Opening value</i> | <i>1,763,690</i> | <i>16,012</i> | <i>368,117</i> | <i>19,522</i> | <i>116,009</i> | <i>9,269,492</i> | <i>880,043</i> | <i>12,432,886</i> |
| Variation in consolidation area | | | | | | | | |
| Purchases | | | 766,040 | | 129,236 | | | 895,276 |
| Transfers | | | 245,966 | | (245,245) | | | 721 |
| Reduction in amortisation due to disposals | | | | | | | | |
| Disposals | | | | | | | | |
| Revaluations for the year | | | | | | | | |
| Amortisation and write-downs for the year | (661,648) | (12,009) | (394,419) | (2,440) | | (907,985) | (77,109) | (2,055,610) |
| Adjustments to write-downs for the year | | | | | | (10,972) | | (10,972) |
| <i>Total intangible fixed assets</i> | <i>1,102,042</i> | <i>4,003</i> | <i>985,704</i> | <i>17,082</i> | | <i>8,350,535</i> | <i>802,935</i> | <i>11,262,301</i> |
| <i>(of which revaluations)</i> | | | | | | | | |

Investments in tangible fixed assets at 30 September 2003

| <i>Tangible fixed assets</i> | <i>Land and buildings</i> | <i>Plant and machinery</i> | <i>Industrial and commercial equipment</i> | <i>Other tangible fixed assets</i> | <i>Assets under construction</i> | <i>Total</i> |
|--|---------------------------|----------------------------|--|------------------------------------|----------------------------------|-------------------|
| Purchase or production cost | 11,537,114 | 460,509 | 609 | 4,816,960 | | 16,815,193 |
| Previous years revaluations | 120,837 | | | | | 120,837 |
| Previous year depreciation and write-downs | (224,307) | (249,253) | (126) | (2,724,446) | | (3,198,132) |
| Adjustments to previous years write-downs | | | | (1,711) | | (1,711) |
| <i>Opening value</i> | <i>11,433,644</i> | <i>211,256</i> | <i>484</i> | <i>2,090,803</i> | | <i>13,736,187</i> |
| Variation in consolidation area | | | | | | |
| Purchases | 137,295 | 32,776 | 553 | 178,491 | | 349,115 |
| Transfers | | 704 | (555) | (870) | | (721) |
| Reduction in depreciation due to disposals | | 29,365 | 72 | 114,157 | | 143,594 |
| Disposals | | (36,706) | | (124,126) | | (160,832) |
| Revaluations for the year | | | | | | |
| Depreciation and write-downs for the year | (267,380) | (43,398) | (271) | (438,591) | | (749,640) |
| Adjustments to write-downs for the year | | | | | | |
| <i>Total tangible fixed assets</i> | <i>11,303,559</i> | <i>193,997</i> | <i>282</i> | <i>1,819,864</i> | | <i>13,317,703</i> |
| <i>(of which revaluations)</i> | <i>120,837</i> | | | | | <i>120,837</i> |

Investments in financial fixed assets at 30 September 2003

| <i>Financial fixed assets</i> | <i>Investments</i> | <i>Amounts receivable</i> | <i>Securities</i> | <i>Own shares</i> | <i>Consolidation adjustments</i> | <i>Total</i> |
|---|--------------------|---------------------------|-------------------|-------------------|----------------------------------|------------------|
| Purchase cost | 20,133,278 | 69,853 | | | (13,573,466) | 6,629,665 |
| Previous years revaluations | | | | | 197,432 | 197,432 |
| Previous years write-downs | (18,623) | (1,402) | | | (33,447) | (53,472) |
| Adjustments to previous years write-downs | | | | | | |
| <i>Opening value</i> | <i>20,114,655</i> | <i>68,451</i> | | | <i>(13,409,481)</i> | <i>6,773,625</i> |
| Variation in consolidation area | | | | | | |
| Purchases - subscriptions | | 26,599 | | | | 26,599 |
| Transfers | | | | | | |
| Reimbursements | | (16,198) | | | | (16,198) |
| Disposals | | | | | | |
| Revaluations for the year | | 762 | | | 146,092 | 146,854 |
| Write-downs for the year | | | | | (26,334) | (26,334) |
| Adjustments to write-downs for the year | (10,972) | | | | 10,972 | |
| <i>Total financial fixed assets</i> | <i>20,103,684</i> | <i>79,613</i> | | | <i>(13,278,751)</i> | <i>6,904,546</i> |

Summary of investments - third quarter 2003

| <i>Summary of investments</i> | <i>3rd quarter 2003</i> | <i>3rd quarter 2002</i> | <i>Period 01/01 - 30/09/2003</i> | <i>Period 01/01 - 30/09/2002</i> |
|--|-----------------------------|-----------------------------|--|--|
| Intangible fixed assets | 7,895 | 290,597 | 895,997 | 945,446 |
| Assets under development and payments on account | | | | |
| Plant, machinery, equipment and other tangible fixed assets | 49,089 | 2,407,546 | 348,394 | 2,801,844 |
| Buildings under construction and payments on account | | (211,434) | | 1,964,432 |
| <i>Total investments in tangible and intangible fixed assets</i> | <i>56,985</i> | <i>2,486,709</i> | <i>1,244,391</i> | <i>5,711,721</i> |
| Shareholdings and financial investments | | 26 | | 1,019,737 |
| Financial amounts receivable | 4,440 | 5,221 | 26,599 | 6,388 |
| <i>Total shareholdings and financial investments</i> | <i>4,440</i> | <i>5,247</i> | <i>26,599</i> | <i>1,026,125</i> |
| <i>Total investments</i> | <i>61,425</i> | <i>2,491,956</i> | <i>1,270,990</i> | <i>6,737,846</i> |

Information on the financial schedules

1 Foreword

In accordance with the new regulations governing the terms and requirements for the disclosure of quarterly schedules by the companies listed on the "New Market", the required data is presented here on a consolidated basis, as CAD IT S.p.A. is required to prepare consolidated financial statements.

This document comprises the required financial schedules and related information of the directors and has been prepared in accordance with the accounting principles established for the preparation of annual consolidated financial statements.

Unless otherwise indicated, the monetary items of the financial schedules are stated in Euros, those reported in the related information are stated in thousands of Euros.

2 Information on CAD IT S.p.A.

CAD IT was set up as a joint stock company under Italian law.

The registered office and the administrative and operating offices are in Via Torricelli no. 44/a, Verona.

The company is registered in the Verona Company Register under no. 01992770238.

At 30 September 2003, share capital amounts to €4,669,600, fully subscribed and paid-in, and comprises 8,980,000 ordinary shares, each with equal rights.

These shares are nominal and cannot be divided. Each of them entitles to one vote in the ordinary and extraordinary meetings of the company and to the execution of all other corporate and property rights in accordance with the law and the company's by-laws. They can be freely transferred with no limitation.

3 Activities of the Group

CAD IT Group has developed and distributed IT solutions for the banking sector and the small to medium size industry for over 20 years. It provides standard and customised application software, maintenance and upgrading services as well as consulting and training services.

CAD IT has become the Italian market leader in the supply of IT solutions in the financial sector with its Finance Area software, adopted by over 50% of the Italian bank branches, for the complete management of negotiations and related functions, as well as the regulation and administration of purchases and sales of shares, bonds and derivatives in any currency in the Italian and foreign regulated markets.

In addition, in synergy with its activities in the financial sector, the Group has long operated in the industry sector, providing and continuing to develop e-business solutions for banks and industrial companies.

Over the past years, the company has made significant investments in new products that allow taking advantage of the latest and most sophisticated technologies.

4 Consolidation area

The fully consolidated companies included in the financial schedules of CAD IT Group at 30 September 2003 are the following:

| <i>Fully consolidated companies</i> | <i>Registered office</i> | <i>Percentage of control</i> | <i>Percentage of interest of the Group</i> |
|-------------------------------------|--------------------------|------------------------------|--|
| CAD IT S.p.A. - Parent company | Verona | - | - |
| <i>Direct subsidiaries:</i> | | | |
| CAD S.r.l. | Verona | 100.00% | 100.00% |
| Cesbe S.r.l. | Verona | 52.00% | 52.00% |
| Syrm S.r.l. | Verona | 75.00% | 75.00% |
| 4 Emme Informatica S.r.l. | Lodi | 65.00% | 65.00% |
| NetBureau S.r.l. | Milan | 60.00% | 60.00% |
| SGM S.r.l. | Padua | 52.00% | 52.00% |
| DQS S.r.l. | Roma | 55.00% | 55.00% |
| Smart Line S.r.l. | Avellino | 51.05% | 51.05% |
| Bit Groove S.r.l. | Agliana (PT) | 51.00% | 51.00% |
| Elidata S.r.l. | Castiglione d'Adda (LO) | 51.00% | 51.00% |

Compared to 30 September 2002, the full consolidation area remains unchanged.

4.1 Companies valued using the equity method

The following indirect subsidiaries, which are valued using the equity method, are excluded from the full consolidation area:

- Tecsit S.r.l., controlled by DQS S.r.l., as it operates in a sector different from that of the Group;
- Arch It S.r.l., controlled by DQS S.r.l. and immaterial;
- Firstcom S.r.l., controlled by SGM S.r.l. and immaterial;
- Nestegg S.r.l., controlled by SGM S.r.l. and immaterial;

Total assets and revenues of the non-consolidated indirect subsidiaries represent 0.85% and 1.35% of the Group's assets and revenues, respectively.

4.2 Other investments

The following investments are valued at cost or equity value, possibly reduced in case of permanent impairment in value.

The principal direct and indirect associated companies are as follows:

| <i>Directly associated companies</i> | <i>Registered office</i> | <i>Percentage of investment</i> | <i>Percentage of interest of the Group</i> |
|--|--------------------------|---------------------------------|--|
| Datafox S.r.l. | Firenze | 35.055 | 35.055 |
| Sicom S.r.l. | Viadana (MN) | 25.000 | 25.000 |
| <i>Indirectly associated companies</i> | <i>Registered office</i> | <i>Percentage of investment</i> | <i>Percentage of interest of the Group</i> |
| Isis S.p.A. | Rep. San Marino | 24.000 | 24.000 |
| Teclab S.r.l. | La Spezia | 32.571 | 12.540 |

5 Accounting policies

The accounting policies adopted to present the consolidated quarterly schedules and figures are consistent with those adopted in the preparation of the consolidated financial statements.

The captions are valued in line with the general principles of prudence and accruals on a going concern basis.

No exceptional cases were identified such as to require waivers to the regulations for financial statements set out in paragraph 4 of article 2423 of the Italian Civil Code.

Estimates, which have been used where necessary to correctly reflect the Group's financial position and results for the period, are immaterial.

As CAD IT S.p.A. is obliged to prepare consolidated financial statements, this quarterly report has been drawn up on a consolidated basis.

5.1 Recognition of revenues and costs

Revenues and income are prudently accounted for according to the concepts of prudence and accruals basis. Unrealised profits, even becoming known at a subsequent date, are excluded also taking into consideration the risks and losses accrued in the period.

Assistance and/or maintenance services provided to customers against payment of an annual fee are recorded on an accruals basis.

Costs are recognised on a similar basis to revenues.

5.2 Comparison with previous periods

The profit and loss account figures and gross investments in fixed assets relate to the quarter of reference and to the period from 1 January 2003 to 30 September 2003. They are compared to the same previous year periods.

The figures representing the net financial position are compared with the figures of the previous quarter and the previous year end.

The financial schedules are comparable with the information provided in the half-year report and the consolidated financial statements.

5.3 Annexes and notes

The following consolidated figures of the Group introduce this information on the quarterly figures:

- reclassified profit and loss account;
- turnover - goods and services;
- net financial position;
- investments in intangible, tangible and financial operating fixed assets.

6 Performance

The Group recorded a positive consolidated profit of Euro 668.8 thousand in the quarter of reference, compared to Euro 533.0 thousand for the same period in 2002, before taxation and after minority interest before taxation of Euro 1,092.0 thousand (Euro 747.8 thousand in the same previous year period).

6.1 Results and information on the most significant components of operating profit

Added value records an increase of approximately 4.93 percentage points and of 5.42 percentage points in gross operating result (EBITDA), which increases to Euro 2,562.3 thousand compared to Euro 1,892.9 thousand in the corresponding quarter in 2002.

Operating profit (EBIT) at 30 September 2003 amounts to Euro 6,252.9 thousand, compared to Euro 5,587.2 thousand in the corresponding period in 2002. The variation is principally due to the increase in added value margin, which rose by Euro 9,887.0 thousand in the quarter (Euro 9,381.9 thousand in the same previous year period) while total added value at 30 September 2003 amounts to Euro 32,172.8 thousand (Euro 31,404.5 in the same previous year period).

Production revenues of the Group amount to Euro 12,811.9 thousand in the third quarter 2003, against Euro 12,987.0 thousand in the corresponding previous year period, which confirms the increase in the contribution margin of production revenues.

6.2 The market

No events occurred, nor clear symptoms were perceived, such as to modify the future prospects of the market of reference, which still remain fluctuating.

6.3 Research and development

Research and development investments are fully expensed in the period in which they are incurred and mainly consist of expenses for the personnel engaged in the design and development of new software.

The Group continues to design new modules to upgrade the technological and functional content of its broad range of software products already installed, in order to strengthen its core business. The substantial investments in research and development financed in 2002 are having a good effect on the market in terms of purchased licences.

Apart from the various projects and products related to the Finance Area, the new Private Banking and Asset Management platforms offered by CAD IT are meeting with great interest.

With respect to its new projects, it continued to intensify R&D activities for the SIBAC platform. This software has been created for the management of the entire IT systems of Italian and foreign banks and financial institutions. In this context, the marketing activity carried out by CAD IT on an international level together with its partners HP and Dynasty is intense.

The main projects in which the Group companies are involved are:

- CAD IT S.p.A. and CAD S.r.l. are developing new important modules of the Finance Area software, which will be launched into the market in 2003. They are also focused on the integration of the "Babele" software, produced by Bit Groove, with several products of the CAD IT Group offered to clients of both the industrial and banking sectors. The activities for the development of the new modules for the adjustment of the Finance Area to the new IAS are intense.
- Cesbe S.r.l. continues to invest in the technological and functional upgrading of its solutions for on-line trading and e-training solutions.
- NetBureau S.r.l. is developing vertical portals (mainly for financial purposes), Internet sites and e-commerce solutions using the technology of Macromedia-Allaire (international market leader for this technology), of which it is "Premier Partner" in Italy.
- SGM S.r.l. has developed vertical IT solutions of the SIGMAWEB software for various sectors.
- DQS S.r.l. is investing resources to re-engineer the procedure for the management of "depository

banks".

- Elidata S.r.l. continues investing to increase further the functions of its platform for linking to the financial markets.

Within the industrial division, notwithstanding the strong national and international competition, the results of the investments made for the ERP SIGMAWEB verticalisation are being obtained.

6.4 Turnover - goods and services

Turnover is summarised below by business line, with comparative figures of the prior year period.

A breakdown by geographical area is not significant as almost all the Group's turnover is evenly achieved throughout Italy. Therefore it is not provided here.

Production revenues amount to Euro 12,680.1 thousand in the third quarter 2003 compared to Euro 12,907.5 thousand in the same previous year period.

| Turnover - goods and services | Third quarter 2003 | | Third quarter 2002 | | Period 01/01 - 30/09/2003 | | Period 01/01 - 30/09/2002 | |
|--|-----------------------|----------------|-----------------------|----------------|------------------------------|----------------|------------------------------|----------------|
| Financial instruments B.O. | 8.674.885 | 68.41% | 9.061.123 | 70.20% | 30.109.461 | 72.57% | 30.821.859 | 71.93% |
| Banking services software | 2.318.421 | 18.28% | 1.661.657 | 12.87% | 5.721.305 | 13.79% | 5.005.192 | 11.68% |
| Integrated IT systems | 91.695 | 0.72% | 169.953 | 1.32% | 483.920 | 1.17% | 1.000.732 | 2.34% |
| Training, organisation consulting | 168.446 | 1.33% | 161.640 | 1.25% | 750.939 | 1.81% | 661.588 | 1.54% |
| New technologies | 510.494 | 4.03% | 775.761 | 6.01% | 1.502.038 | 3.62% | 1.991.142 | 4.65% |
| Total banking division | 11.763.941 | 92.77% | 11.830.133 | 91.65% | 38.567.663 | 92.95% | 39.480.513 | 92.13% |
| Industrial hardware, software | 743.713 | 5.87% | 967.844 | 7.50% | 2.404.532 | 5.80% | 2.968.854 | 6.93% |
| Consulting, training and industrial services | 172.506 | 1.36% | 109.496 | 0.85% | 520.037 | 1.25% | 403.023 | 0.94% |
| Total industrial division | 916.219 | 7.23% | 1.077.340 | 8.35% | 2.924.569 | 7.05% | 3.371.877 | 7.87% |
| Total turnover - goods and services | 12.680.160 | 100.00% | 12.907.473 | 100.00% | 41.492.232 | 100.00% | 42.852.390 | 100.00% |

6.5 Gross operating result (EBITDA)

The gross operating result for the third quarter of 2003 (Euro 2,562.3 thousand) is equal to 20.0%, of production revenues, while the gross operating result for the third quarter 2002 amounted to Euro 1,892.9 thousand, equal to 14.58% of production revenues.

The increase in operating profit for the quarter mainly derives from the improved gross operating result, which has allowed the achievement of positive results, as already mentioned in paragraph 6.1.

6.6 Operating profit (EBIT)

Operating profit for third quarter 2003 reached Euro 1,643.2 thousand compared to Euro 1,011.8 thousand in the corresponding previous year period.

Amortisation and depreciation and accruals for the third quarter of 2003 total Euro 919.1 thousand compared to Euro 881.1 thousand in the same previous year period, with an increase of Euro 38.0 thousand.

6.7 Financial income and charges

Net financing activities resulted in an income of Euro 41.0 thousand in the third quarter of 2003 (Euro 281.5 thousand in the same previous year period); the balance has been affected by widespread lower return rates of the liquidity compared to the same previous year period, as well as by its reduction due to the allotments to shareholders passed on by the meetings of 9 and 30 April 2003.

| <i>Financial income and charges</i> | <i>Third quarter 2003</i> | <i>Third quarter 2002</i> | <i>Period 1/1-30/9/2003</i> | <i>Period 1/1-30/9/2002</i> | <i>Period 1/1- 31/12/2002</i> |
|--|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Financial income from investments in other companies | 1.767 | | 58.237 | 116.474 | 119.180 |
| Financial income from receivables classified as fixed assets | 145 | 304 | 762 | 1.165 | 1.388 |
| Financial income from invested liquidity | | | | | |
| Bank interest | 67.110 | 311.991 | 409.479 | 1.014.355 | 1.350.550 |
| <i>Total other financial income</i> | <i>69.022</i> | <i>312.395</i> | <i>468.478</i> | <i>1.131.994</i> | <i>1.471.117</i> |
| Interest expense and other financial charges | (28.046) | (30.922) | (84.548) | (63.945) | (91.753) |
| <i>Financial income and charges, net</i> | <i>40.976</i> | <i>281.473</i> | <i>383.930</i> | <i>1.068.049</i> | <i>1.379.364</i> |

7 Net consolidated financial position

The net short-term consolidated financial position amounts to Euro 11,634.2 thousand at the end of the third quarter 2003, compared to Euro 10,975.2 thousand at 30 June 2003. It is to note that liquidity had decreased between the first and the second quarter of 2003, after an overall allotment to shareholders of Euro 28,556,400 in the second quarter 2003 according to the resolutions already mentioned in point 6.7.

| <i>Net financial position</i> | <i>at 30.09.2003</i> | <i>at 30.06.2003</i> | <i>at 31.03.2003</i> | <i>at 31.12.2002</i> | <i>at 30.09.2002</i> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cash, bank current accounts | 6,952,381 | 6,478,264 | 33,123,977 | 27,069,127 | 29,563,122 |
| Financial assets not of a fixed nature | 5,379,010 | 5,335,346 | 5,292,157 | 5,249,442 | 5,180,343 |
| Sums due to banks net of short-term portion of medium to long-term financing | (697,173) | (838,399) | (739,621) | (842,662) | (671,232) |
| <i>Net short-term financial position/(indebtedness)</i> | <i>11,634,218</i> | <i>10,975,211</i> | <i>37,676,513</i> | <i>31,475,907</i> | <i>34,072,232</i> |
| Long-term financing net of short-term portion | | | | | (7,747) |
| <i>Net long-term financial position/(indebtedness)</i> | | | | | <i>(7,747)</i> |
| <i>Net financial position/(indebtedness)</i> | <i>11,634,218</i> | <i>10,975,211</i> | <i>37,676,513</i> | <i>31,475,907</i> | <i>34,064,485</i> |

7.1 Cash flow statement

| at 31/12/2002 | Cash flow statement of Cad It Group | at 30/09/2003 | at 30/09/2002 |
|--------------------|--|---------------------|--------------------|
| | <u>OPERATING ACTIVITIES</u> | | |
| 2,566,895 | Profit (loss) for the year | 4,587,202 | 5,262,017 |
| | Amortisation and depreciation: | | |
| 794,959 | - tangible fixed assets | 749,640 | 586,771 |
| 1,351,342 | - intangible fixed assets | 1,147,625 | 1,061,916 |
| 1,211,866 | - goodwill arising on consolidation | 907,985 | 908,900 |
| | Accruals: | | |
| 1,335,537 | - employees' leaving entitlement | 995,379 | 938,569 |
| 1,264 | - other provisions | 26,023 | 1,032 |
| 71,873 | Increase/(Utilisation) of provisions for contingencies and other charges | 34,340 | 70,054 |
| 7,333,736 | Sub-total | 8,448,194 | 8,829,259 |
| (471,059) | Utilisation of employees' leaving entitlement | (449,731) | (364,073) |
| (302,241) | (Increase)/Decrease in receivables included under assets forming part of working capital | 522,136 | (3,807,871) |
| (176,884) | (Increase)/Decrease in inventory | (266,539) | (162,783) |
| 12,051 | (Increase)/Decrease in deferred expenses and accrued income | (179,682) | (82,889) |
| (2,593,154) | Increase/(Decrease) in accounts due to creditors | (889,654) | (1,113,729) |
| 57,681 | Increase/(Decrease) in accrued expenses and deferred income | 1,747,938 | 1,398,938 |
| 355,722 | Increase/(Decrease) in sums due to other financial institutions | (13,249) | 15,617 |
| (951,804) | Increase/(Decrease) in other non-financial payables | (216,013) | (44,099) |
| (4,069,687) | Sub-total | 255,206 | (4,160,889) |
| 3,264,049 | (A) - Cash flows from (for) operating activities | 8,703,400 | 4,668,370 |
| | <u>INVESTING ACTIVITIES</u> | | |
| (26,900) | (Increase)/ Decrease in investments in subsidiary companies valued using the equity method | (107,707) | (5,168) |
| (2,029,973) | (Increase)/Decrease in intangible fixed assets | (885,027) | (1,984,366) |
| (5,366,765) | (Increase)/Decrease in tangible fixed assets | (331,155) | (5,177,174) |
| (1,556) | (Increase)/Decrease in other fixed assets | (11,162) | (5,235) |
| | Acquisition of investments in unconsolidated subsidiaries | | |
| (47,745) | (Increase)/Decrease in investments in associated companies | (12,051) | (51,221) |
| 991 | (Increase)/Decrease in other investments and securities | - | 991 |
| (7,471,948) | (B) - Cash flows from (for) investing activities | (1,347,102) | (7,222,174) |
| | <u>FINANCING ACTIVITIES</u> | | |
| | Increase/(Decrease) in financial payables | | |
| - | Increase/(Decrease) in reserves | (26,940,000) | |
| 435,356 | Minority interest | 1,358,413 | 1,369,840 |
| (5,837,000) | Distribution of dividends | (1,616,400) | (5,837,000) |
| - | Capital injections | - | - |
| (5,401,644) | (C) - Cash flows from (for) financing activities | (27,197,987) | (4,467,160) |
| (9,609,543) | (A+B+C) - Total cash flows | (19,841,689) | (7,020,964) |
| 41,085,449 | Opening liquid funds | 31,475,907 | 41,085,449 |
| 31,475,907 | Closing liquid funds | 11,634,218 | 34,064,485 |

7.2 Shareholders' equities of the parent company and the Group

The shareholders' equities of CAD IT S.p.A. and the Group at 30 September 2003, excluding current profit before taxation, are shown below:

| <i>Shareholders' equity excluding current profit</i> | <i>CAD IT S.p.A</i> | <i>CAD IT GROUP</i> |
|--|---------------------|---------------------|
| Share capital - Euro 4,669,600 (8,980,000 shares each of Euro 0.52) | 4,669,600 | 4,669,600 |
| Share premium reserve | | |
| Other reserves | 35,246,400 | 35,246,400 |
| Retained earnings | 9,888,528 | 9,888,528 |
| Variation in retained earnings | | (416,172) |
| <i>Total shareholders' equity excluding current profit</i> | <i>49,804,528</i> | <i>49,388,356</i> |

8 Investments

As described in the 2002 annual report, the Group made considerable investments in the construction of the new Verona head offices owned by CAD IT S.p.A. as part of its programmed expansion. The head offices became operative in September 2002.

With a site of more than 7,000 square metres, this structure is one of the most modern centres for the production of IT software and the supply of services and organisation consulting for the financial and industrial sectors, with extremely high quality standards.

Investments in tangible and intangible fixed assets made by the consolidated companies in the third quarter of 2003 amount to only Euro 61.4 thousand (Euro 2,492 thousand in the same previous year period), while investments for the whole nine-month period ended 30 September 2003 amount to only Euro 1,271.0 thousand, compared to Euro 6,638.4 thousand in the corresponding previous year period. This slowdown is an effect of the strategic decisions taken by the latest directors' meeting.

The trend of investments is shown in the following table:

Summary of investments – Third quarter 2003

| Summary of investments | Third quarter 2003 | Third quarter 2002 | Period 1/1-30/09/2003 | Period 1/1-30/09/2002 |
|--|-----------------------|-----------------------|--------------------------|--------------------------|
| Intangible fixed assets | 7,895 | 290,597 | 895,997 | 945,446 |
| Assets under development and payments on account | | | | |
| Plant, machinery, equipment and other tangible fixed assets | 49,089 | 2,407,546 | 348,394 | 2,801,844 |
| Buildings under construction and payments on account | | (211,434) | | 1,964,432 |
| Total investments in tangible and intangible fixed assets | 56,985 | 2,486,709 | 1,244,391 | 5,711,721 |
| Shareholdings and financial investments | | 26 | | 1,019,737 |
| Financial amounts receivable | 4,440 | 5,221 | 26,599 | 6,388 |
| Total shareholdings and financial investments | 4,440 | 5,247 | 26,599 | 1,026,125 |
| Total investments | 61,425 | 2,491,956 | 1,270,990 | 6,737,846 |

Investments in intangible fixed assets mainly relate to the purchase costs of specific software necessary for production or the performance of the Group's activities.

9 Personnel

The Group's workforce decreased by 2 units at 30 September 2003 compared to the previous year end in line with its strategic human resources management plan, which even though privileging flexibility of structure, considers human resources as a guarantee for continued future development.

Personnel training is of particular importance to the Group, which specifically schedules refresher and training periods.

Information on the Group's employees at the end of each quarter in 2002 and 2003 is reported below:

| Category of employees | at 30/09/2003 | at 30/06/2003 | at 31/03/2003 | at 31/12/2002 | at 30/09/2002 | at 30/06/2002 | at 31/03/2002 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Management | 15 | 15 | 15 | 15 | 3 | 3 | 3 |
| White collars and junior management | 611 | 620 | 621 | 611 | 631 | 632 | 620 |
| Blue collars | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Apprentices | 3 | 3 | 4 | 4 | 3 | 3 | 3 |
| Total | 630 | 639 | 641 | 632 | 639 | 640 | 628 |

The average number of employees in 2002 was 632 units, while the average number of employees in the third quarter of 2003 is 636 units.

10 Significant events at 30 September 2003 and expected future developments

Subsequent to 30 September no important events affected significantly the Group's assets and results.

In the current year, signs of recovery in the demand for licences and services are expected to come from banks and industries further to the intense investment policy carried out by the Group in research and development, aimed at the realisation of new products.

As expected at the beginning of 2003, cash flows from operating activities are much higher than in the previous year (Euro 8.7 million in the first nine months of 2003 against Euro 4.7 million in the corresponding prior year period). This gap will be maintained also in the next months in favour of the net financial position, which drew up to Euro 11.6 million in September.

On behalf of the Board of Directors
The Chairman

(Signed on the original)

Giuseppe Dal Cortivo