

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

***Quarterly figures and
related information***

Second 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
Chairman

GIUSEPPE CEREGHINI
Statutory Auditor

GIANNICOLA CUSUMANO
Statutory Auditor

GIAN PAOLO RANOCCHI
Substitute Statutory Auditor

CESARE BRENA
Substitute Statutory Auditor

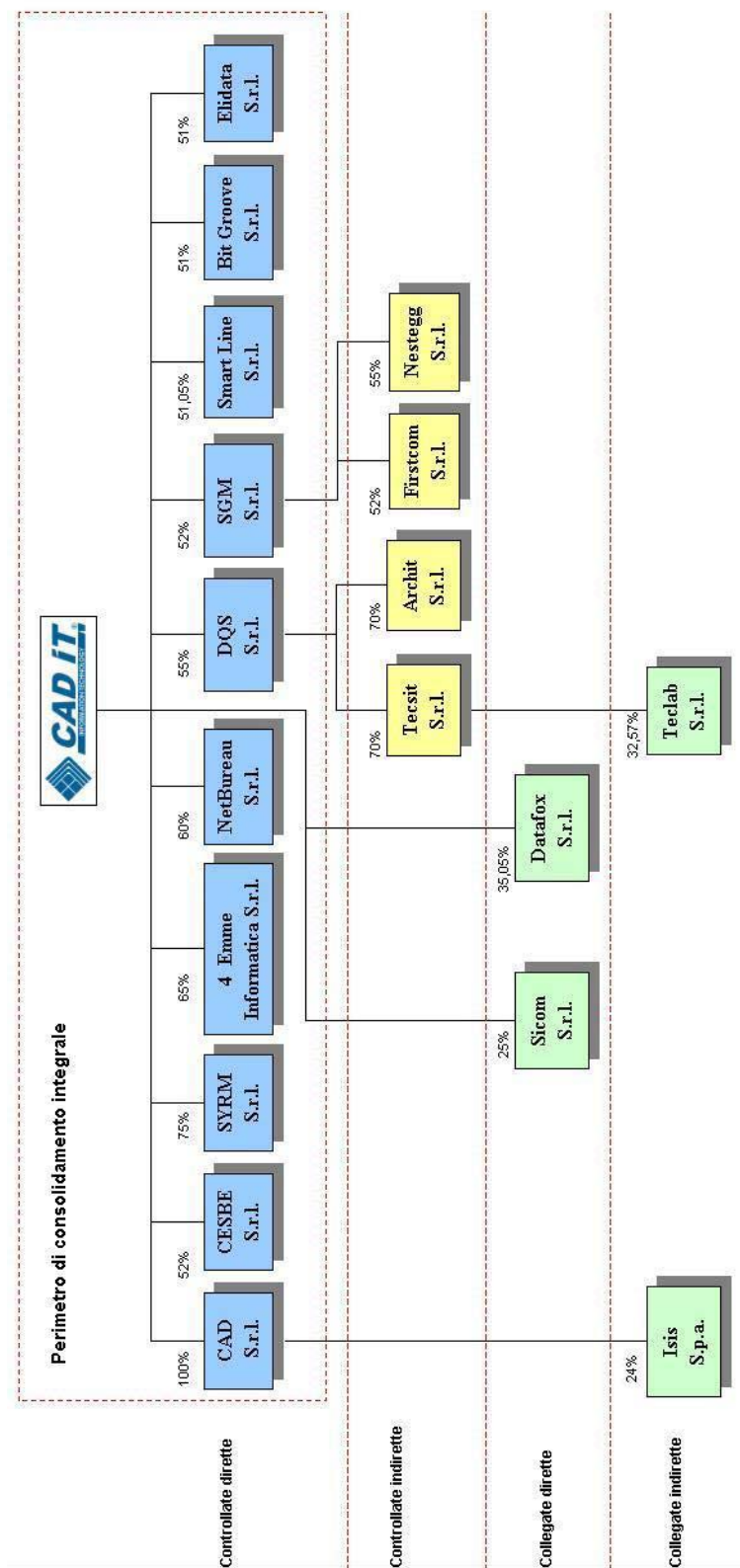
AUDITORS
KPMG S.p.A.

⁽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 € 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 June 2003

<i>Consolidated profit and loss account</i>	<i>Second quarter 2003</i>		<i>Second quarter 2002</i>		<i>Period 01/01-30/06/2003</i>		<i>Period 01/01-30/06/2002</i>	
Turnover - goods and services	15,618,509	99.16%	15,674,558	99.75%	28,812,072	99.10%	29,944,917	99.65%
Variation in contract work in progress	86,000	0.55%	(6,875)	(0.04%)	169,000	0.58%	10,000	0.03%
Other revenues and income	47,083	0.30%	45,467	0.29%	93,247	0.32%	94,506	0.31%
<i>Production revenues</i>	<i>15,751,592</i>	<i>100.00%</i>	<i>15,713,150</i>	<i>100.00%</i>	<i>29,074,319</i>	<i>100.00%</i>	<i>30,049,423</i>	<i>100.00%</i>
Raw materials, consumables and supplies	(226,903)	(1.44%)	(333,861)	(2.12%)	(566,906)	(1.95%)	(758,179)	(2.52%)
Services	(3,055,160)	(19.40%)	(3,432,644)	(21.85%)	(5,763,644)	(19.82%)	(6,560,416)	(21.83%)
Other operating costs	(197,150)	(1.25%)	(374,871)	(2.39%)	(457,924)	(1.58%)	(708,238)	(2.36%)
<i>Added value</i>	<i>12,272,379</i>	<i>77.91%</i>	<i>11,571,774</i>	<i>73.64%</i>	<i>22,285,845</i>	<i>76.65%</i>	<i>22,022,591</i>	<i>73.29%</i>
Personnel expenses	(7,357,934)	(46.71%)	(7,326,787)	(46.63%)	(14,337,921)	(49.31%)	(14,363,873)	(47.80%)
Other administrative expenses	(660,798)	(4.20%)	(629,260)	(4.00%)	(1,349,099)	(4.64%)	(1,315,143)	(4.38%)
<i>Gross operating result (EBITDA)</i>	<i>4,253,647</i>	<i>27.00%</i>	<i>3,615,726</i>	<i>23.01%</i>	<i>6,598,825</i>	<i>22.70%</i>	<i>6,343,575</i>	<i>21.11%</i>
Accrual to provision for bad debts	(58,660)	(0.37%)	(32,089)	(0.20%)	(90,444)	(0.31%)	(65,300)	(0.22%)
Amortisation and depreciation								
- Amortisation of intangible fixed assets	(736,723)	(4.68%)	(693,680)	(4.41%)	(1,370,991)	(4.72%)	(1,294,066)	(4.31%)
- Depreciation of tangible fixed assets	(251,498)	(1.60%)	(205,732)	(1.31%)	(497,833)	(1.71%)	(408,202)	(1.36%)
Other accruals	(4,005)	(0.03%)	(516)	(0.00%)	(29,834)	(0.10%)	(516)	(0.00%)
<i>Operating profit (EBIT)</i>	<i>3,202,761</i>	<i>20.33%</i>	<i>2,683,709</i>	<i>17.08%</i>	<i>4,609,723</i>	<i>15.85%</i>	<i>4,575,492</i>	<i>15.23%</i>
Financial income and charges, net	135,156	0.86%	440,742	2.80%	342,954	1.18%	786,576	2.62%
<i>Profit from ordinary activities</i>	<i>3,337,917</i>	<i>21.19%</i>	<i>3,124,451</i>	<i>19.88%</i>	<i>4,952,677</i>	<i>17.03%</i>	<i>5,362,068</i>	<i>17.84%</i>
Revaluations and write-downs	118,574	0.75%	23,585	0.15%	151,244	0.52%	61,231	0.20%
Extraordinary income and expenses	64,646	0.41%	361,041	2.30%	64,529	0.22%	363,100	1.21%
<i>Profit before taxation and minority interests</i>	<i>3,521,137</i>	<i>22.35%</i>	<i>3,509,077</i>	<i>22.33%</i>	<i>5,168,450</i>	<i>17.78%</i>	<i>5,786,399</i>	<i>19.26%</i>
Profit/(loss) of minority interests before taxation	(549,168)	(3.49%)	(633,581)	(4.03%)	(1,250,013)	(4.30%)	(1,057,404)	(3.52%)
<i>Profit/(loss) of the Group before taxation</i>	<i>2,971,969</i>	<i>18.87%</i>	<i>2,875,496</i>	<i>18.30%</i>	<i>3,918,437</i>	<i>13.48%</i>	<i>4,728,995</i>	<i>15.74%</i>

Consolidated turnover - goods and services at 30 June 2003

<i>Turnover - goods and services</i>	<i>Second quarter 2003</i>		<i>Second quarter 2002</i>		<i>Period 01/01-30/06/2003</i>		<i>Period 01/01-30/06/2002</i>	
Financial instruments B.O.	12,028,752	77.02%	11,217,874	71.57%	21,434,576	74.39%	21,760,737	72.67%
Banking services software	1,631,101	10.44%	2,084,246	13.30%	3,402,884	11.81%	3,343,535	11.17%
Integrated IT systems	237,904	1.52%	497,471	3.17%	392,225	1.36%	830,779	2.77%
Training, organisation consulting	204,975	1.31%	307,418	1.96%	582,493	2.02%	499,948	1.67%
New technologies	428,047	2.74%	474,666	3.03%	991,544	3.44%	1,215,381	4.06%
Total banking division	14,530,779	93.04%	14,581,675	93.03%	26,803,722	93.03%	27,650,380	92.34%
Industrial hardware, software	888,511	5.69%	987,968	6.30%	1,660,819	5.76%	2,001,010	6.68%
Consulting, training and industrial services	199,219	1.28%	104,914	0.67%	347,531	1.21%	293,527	0.98%
Total industry division	1,087,730	6.96%	1,092,882	6.97%	2,008,350	6.97%	2,294,537	7.66%
Total turnover - goods and services	15,618,509	100.00%	15,674,557	100.00%	28,812,072	100.00%	29,944,917	100.00%

Net consolidated financial position as at 30 June 2003

<i>Net financial position</i>	<i>as at 30.06.2003</i>	<i>at 31.03.2003</i>	<i>at 31.12.2002</i>
Cash, bank current accounts	6,478,264	33,123,977	27,069,127
Financial assets not of a fixed nature	5,335,346	5,292,157	5,249,442
Sums due to banks net of short-term portion of medium to long-term financing	(838,399)	(739,621)	(842,662)
Net short-term financial position/(indebtedness)	10,975,211	37,676,513	31,475,907
Long-term financing net of short-term portion	0	0	0
Net long-term financial position/(indebtedness)	0	0	0
Net financial position/(indebtedness)	10,975,211	37,676,513	31,475,907

Investments in intangible fixed assets at 30 June 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								
Opening value	1,763,690	16,012	368,117	19,522	116,009	9,269,492	880,043	12,432,886
Variation in consolidation area								
Purchases			758,145		129,236			887,381
Transfers			245,966		(245,245)			721
Reduction in amortisation due to disposals								
Disposals								
Revaluations for the year								
Amortisation and write-downs for the year	(441,094)	(11,233)	(260,315)	(1,627)		(605,324)	(51,399)	(1,370,991)
Adjustments to write-downs for the year						(10,972)		(10,972)
Total intangible fixed assets	1,322,596	4,779	1,111,913	17,895		8,653,197	828,644	11,939,024

Investments in tangible fixed assets at 30 June 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)
Opening value	11,433,644	211,256	484	2,090,803		13,736,187
Variation in consolidation area						
Purchases	137,295	24,322	553	137,855		300,025
Transfers		704	(555)	(870)		(721)
Reduction in depreciation due to disposals		15,709	72	55,903		71,683
Disposals		(20,450)		(61,577)		(82,027)
Revaluations for the year						
Depreciation and write-downs for the year	(178,253)	(29,373)	(180)	(290,027)		(497,833)
Adjustments to write-downs for the year						
Total tangible fixed assets	11,392,686	202,168	374	1,932,087		13,527,315
<i>(of which revaluations)</i>	<i>120,837</i>					<i>120,837</i>

Investments in financial fixed assets at 30 June 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	0	0	(13,573,466)	6,629,665
Previous years revaluations	0		0	0	197,432	197,432
Previous years write-downs	(18,623)	(1,402)	0	0	(33,447)	(53,472)
Adjustments to previous years write-downs	0	0	0	0		
<i>Opening value</i>	<i>20,114,655</i>	<i>68,451</i>	<i>0</i>	<i>0</i>	<i>(13,409,481)</i>	<i>6,773,625</i>
Variation in consolidation area	0	0	0	0	0	0
Purchases - subscriptions	0	22,159	0	0	0	22,159
Transfers	0	0	0	0	0	0
Reimbursements	0	(7,388)	0	0	0	(7,388)
Disposals	0	0	0	0	0	0
Revaluations for the year	0	617	0	0	108,993	109,610
Write-downs for the year	0	0	0	0	(21,788)	(21,788)
Adjustments to write-downs for the year	(10,972)	0	0	0	10,972	0
<i>Total financial fixed assets</i>	<i>20,103,684</i>	<i>83,838</i>	<i>0</i>	<i>0</i>	<i>(13,311,304)</i>	<i>6,876,218</i>

Summary of investments - second quarter 2003

<i>Summary of investments</i>	<i>2nd quarter 2003</i>	<i>2nd quarter 2002</i>	<i>Period 01/01 - 30/06/2003</i>	<i>Period 01/01 - 30/06/2002</i>
Intangible fixed assets	651,559	255,614	888,101	654,849
Assets under development and payments on account				
Plant, machinery, equipment and other tangible fixed assets	93,009	151,314	299,305	394,298
Buildings under construction and payments on account		1,828,307		2,175,866
<i>Total investments in tangible and intangible fixed assets</i>	<i>744,569</i>	<i>2,235,234</i>	<i>1,187,406</i>	<i>3,225,012</i>
Shareholdings and financial investments		780,784		1,019,711
Financial amounts receivable	22,159	627	22,159	1,167
<i>Total shareholdings and financial investments</i>	<i>22,159</i>	<i>781,411</i>	<i>22,159</i>	<i>1,020,878</i>
<i>Total investments</i>	<i>766,728</i>	<i>3,016,645</i>	<i>1,209,565</i>	<i>4,245,890</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 June 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 June 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.	Rome	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 June 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 0.83% and 1.27% 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.	Florence	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.	Republic of San Marino 24.000	24.000	24.000
La Spezia	32.571	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 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 June 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 2,972.0 thousand in the quarter of reference, compared to Euro 2,875.5 thousand for the same period in 2002, before taxation and after minority interest of Euro 549.2 thousand (Euro 633.6 thousand in the same previous year period).

The achieved gross operating result is related to a recovery of the demand for new licences by banks and institutional operators, which postponed new investments in 2002.

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

Added value records an increase of approximately 4.27 percentage points and of 3.99 percentage points in gross operating result (EBITDA), which increases to Euro 4,254 thousand compared to Euro 3.62 thousand in the corresponding quarter in 2002. This improvement is due to the sale of new licences, as a result of the research and development carried out and expensed in the current and previous years, and to the cost reduction deriving from the recourse to external personnel.

Operating profit (EBIT) at 30 June 2003 amounts to Euro 3,203 thousand, compared to Euro 2,684 thousand in the corresponding period in 2002, even though amortisation, depreciation and accruals increased by Euro 118 thousand. The variation is principally due to the increase in added value margin, which rose by Euro 12,272 thousand in the first quarter (Euro 11,572 thousand in the same previous year period).

Production revenues of the Group amount to Euro 15,752 thousand in the second quarter 2003, against Euro 15,713 thousand in the corresponding previous year period, which was registered as the record for the year.

6.2 The market

The IT turnover is expected to grow by 2.6% in Italy in 2003. According to the European Information Technology Observatory (EITO), in fact, the Italian growth rate doubles the European average rate. Whereas the European growth rate is affected by the negative performance of the ITC sector in Germany (down 1.9% in the current year), the Italian growth rate approximates those of France, Spain and United Kingdom. The research institute foresees a much more remarkable growth in 2004: up 4.3% in Italy and up 3.7% in Europe. The 2003 figure represents a sharp improvement compared to the 1.5% contraction registered in Italy in 2002. In Italy, the current year increase is particularly relevant in the TLC sector (up 4.5%) and is significant in the software and services sector (up 2.6%), whereas hardware sales continue to decrease (down 1.6%), even though less than in previous years.

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 have a good effect on the market in terms of 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, created for the management of the entire IT systems of Italian and foreign banks and financial institutions, is currently being used by the Central Bank of San Marino (Istituto di Credito Sammarinese) as a pilot bank and is being installed at Gestnord Intermediazione, a stock brokerage company of the Banca Sella Group.

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 industry 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 prior year figures.

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

Production revenues amount to Euro 15,619 thousand in the second quarter 2003 compared to Euro 15,675 thousand in the same previous year period.

<i>Turnover - goods and services</i>	<i>Second quarter 2003</i>		<i>Second quarter 2002</i>		<i>Period 01/01-30/06/2003</i>		<i>Period 01/01-30/06/2002</i>	
Financial instruments B.O.	12,028,752	77.02%	11,217,874	71.57%	21,434,576	74.39%	21,760,737	72.67%
Banking services software	1,631,101	10.44%	2,084,246	13.30%	3,402,884	11.81%	3,343,535	11.17%
Integrated IT systems	237,904	1.52%	497,471	3.17%	392,225	1.36%	830,779	2.77%
Training, organisation consulting	204,975	1.31%	307,418	1.96%	582,493	2.02%	499,948	1.67%
New technologies	428,047	2.74%	474,666	3.03%	991,544	3.44%	1,215,381	4.06%
<i>Total banking division</i>	<i>14,530,779</i>	<i>93.04%</i>	<i>14,581,675</i>	<i>93.03%</i>	<i>26,803,722</i>	<i>93.03%</i>	<i>27,650,380</i>	<i>92.34%</i>
Industrial hardware, software	888,511	5.69%	987,968	6.30%	1,660,819	5.76%	2,001,010	6.68%
Consulting, training and industrial services	199,219	1.28%	104,914	0.67%	347,531	1.21%	293,527	0.98%
<i>Total industry division</i>	<i>1,087,730</i>	<i>6.96%</i>	<i>1,092,882</i>	<i>6.97%</i>	<i>2,008,350</i>	<i>6.97%</i>	<i>2,294,537</i>	<i>7.66%</i>
<i>Total turnover - goods and services</i>	<i>15,618,509</i>	<i>100.00%</i>	<i>15,674,557</i>	<i>100.00%</i>	<i>28,812,072</i>	<i>100.00%</i>	<i>29,944,917</i>	<i>100.00%</i>

6.5 Gross operating result (EBITDA)

The gross operating result for the second quarter of 2003 (Euro 4,254 thousand) is equal to 27.0%, of production revenues while the gross operating result for the second quarter 2002 (Euro 3,616 thousand) was equal to 23.01% of the production revenues.

The increase of the operating result for the quarter mainly derives from the expected recovery of demand for new products, which has allowed the achievement of positive results, as already mentioned in paragraph 6.1.

6.6 Operating profit (EBIT)

Operating profit for second quarter 2003 reached Euro 3,203 thousand compared to Euro 2,684 thousand in the corresponding previous year period.

Amortisation and depreciation and accruals for the second quarter of 2003 total Euro 1,051 thousand compared to Euro 932 thousand in the same previous year period, with an increase of Euro 119 thousand.

6.7 Financial income and charges

Net financing activities resulted in an income of Euro 135 thousand in the second quarter of 2003 (Euro 441 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 allotment to shareholders passed on by the meetings of 9 and 30 April 2003.

<i>Financial income and charges</i>	<i>2nd quarter 2003</i>	<i>2nd quarter 2002</i>	<i>Period 1/1-30/6/2003</i>	<i>Period 1/1-30/6/2002</i>
Financial income from investments in other companies	56,470	116,474	56,470	116,474
Financial income from receivables classified as fixed assets	225	861	617	861
Financial income from invested liquidity				
Bank interest	110,656	346,597	342,369	702,364
<i>Total other financial income</i>	<i>167,351</i>	<i>463,832</i>	<i>399,456</i>	<i>819,599</i>
	-	-	-	-
Interest expense and other financial charges	(32,195)	(23,090)	(56,502)	(33,022)
	-	-	-	-
<i>Financial income and charges, net</i>	<i>135,156</i>	<i>440,742</i>	<i>342,954</i>	<i>786,576</i>

7 Net consolidated financial position

The net consolidated financial position shows a decrease to Euro 10,975 thousand at the end of the second quarter 2003, compared to Euro 37,677 thousand at 31 March 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 and after carrying out new investments in operating assets of Euro 1,187 thousand in 2003.

<i>Net financial position</i>	<i>at 30.06.2003</i>	<i>at 31.03.2003</i>	<i>at 31.12.2002</i>
Cash, bank current accounts	6,478,264	33,123,977	27,069,127
Financial assets not of a fixed nature	5,335,346	5,292,157	5,249,442
Sums due to banks net of short-term portion of medium to long-term financing	(838,399)	(739,621)	(842,662)
<i>Net short-term financial position/(indebtedness)</i>	<i>10,975,211</i>	<i>37,676,513</i>	<i>31,475,907</i>
Long-term financing net of short-term portion			
Net long-term financial position/(indebtedness)			
<i>Net financial position/(indebtedness)</i>	<i>10,975,211</i>	<i>37,676,513</i>	<i>31,475,907</i>

7.1 Cash flow statement

at 31/12/2002	Cash flow statement of Cad It Group	at 30/06/2003	at 30/06/2002
<u>OPERATING ACTIVITIES</u>			
2,566,895	Profit (loss) for the year	3,918,437	4,728,995
	Amortisation and depreciation:		
794,959	- tangible fixed assets	497,833	408,202
1,351,342	- intangible fixed assets	765,667	688,133
1,211,866	- goodwill arising on consolidation	605,324	605,933
	Accruals:		
1,335,537	- employees' leaving entitlement	685,608	651,940
1,264	- other provisions	29,834	516
71,873	Increase/(Utilisation) of provisions for contingencies and other charges	18,698	18,902
7,333,736	Sub-total	6,521,401	7,102,621
(471,059)	Utilisation of employees' leaving entitlement	(268,445)	(271,020)
(302,241)	(Increase)/Decrease in receivables included under assets forming part of working capital	(1,274,390)	(5,167,434)
(176,884)	(Increase)/Decrease in inventory	(150,343)	(11,220)
12,051	(Increase)/Decrease in deferred expenses and accrued income	(204,468)	(89,982)
(2,593,154)	Increase/(Decrease) in accounts due to creditors	(297,077)	(1,893,646)
57,681	Increase/(Decrease) in accrued expenses and deferred income	3,011,871	2,595,430
355,722	Increase/(Decrease) in sums due to other financial institutions	(7,399)	7,512
(951,804)	Increase/(Decrease) in other non-financial payables	1,712,580	1,638,762
(4,069,687)	Sub-total	2,522,329	(3,191,598)
3,264,049	(A) - Cash flows from (for) operating activities	9,043,730	3,911,023
<u>INVESTING ACTIVITIES</u>			
(26,900)	(Increase)/ Decrease in investments in subsidiary companies valued using the equity method	(56,013)	122
(2,029,973)	(Increase)/Decrease in intangible fixed assets	(877,130)	(1,695,834)
(5,366,765)	(Increase)/Decrease in tangible fixed assets	(288,961)	(2,609,333)
(1,556)	(Increase)/Decrease in other fixed assets	(15,387)	(4,931)
	Acquisition of investments in unconsolidated subsidiaries		
(47,745)	(Increase)/Decrease in investments in associated companies	(31,193)	(47,098)
991	(Increase)/Decrease in other investments and securities	-	1,016
(7,471,948)	(B) - Cash flows from (for) investing activities	(1,268,684)	(4,356,057)
<u>FINANCING ACTIVITIES</u>			
	Increase/(Decrease) in financial payables		
-	- Increase/(Decrease) in reserves	(26,940,000)	-
435,356	Minority interest	280,658	622,068
(5,837,000)	Distribution of dividends	(1,616,400)	(5,837,000)
-	Capital injections	-	-
(5,401,644)	(C) - Cash flows from (for) financing activities	(28,275,742)	(5,214,932)
(9,609,543)	(A+B+C) - Total cash flows	(20,500,696)	(5,659,967)
41,085,449	Opening liquid funds	31,475,907	41,085,449
31,475,907	Closing liquid funds	10,975,211	35,425,482

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 June 2003, excluding current profit before taxation, are shown below:

<i>Shareholders' equity excluding current profit</i>	<i>CAD IT S.p.a</i>	<i>GROUP CAD IT S.p.a</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	35,246,400	35,246,400
Other reserves	9,888,528	9,888,528
Retained earnings		(416,172)
Variation in retained earnings		
<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 second quarter of 2003 are shown in aggregate in the following table:

Summary of investments – second quarter 2003

<i>Summary of investments</i>	<i>2nd quarter 2003</i>	<i>2nd quarter 2002</i>	<i>Period 1/1-30/6/2003</i>	<i>Period 1/1-30/6/2003</i>
Intangible fixed assets	651,559	441,538	888,101	654,849
Assets under development and payments on account				
Plant, machinery, equipment and other tangible fixed assets	93,009	(34,610)	299,305	394,298
Buildings under construction and payments on account		1,828,307		2,175,866
<i>Total investments in tangible and intangible fixed assets</i>	<i>744,569</i>	<i>2,235,234</i>	<i>1,187,406</i>	<i>3,225,012</i>
Shareholdings and financial investments		780,784		1,019,711
Financial amounts receivable	22,159	627	22,159	1,167
<i>Total shareholdings and financial investments</i>	<i>22,159</i>	<i>781,411</i>	<i>22,159</i>	<i>1,020,878</i>
<i>Total investments</i>	<i>766,728</i>	<i>3,016,645</i>	<i>1,209,565</i>	<i>4,245,890</i>

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 increased by only 7 units at 30 June 2003 compared to the previous year end in line with its strategic development program, although it maintained its flexible structure, in which human resources are 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:

<i>Category of Employees</i>	<i>at</i> <i>30/06/2003</i>	<i>at</i> <i>31/03/2003</i>	<i>at</i> <i>31/12/2002</i>	<i>at</i> <i>30/09/2002</i>	<i>at</i> <i>30/06/2002</i>	<i>at</i> <i>31/03/2002</i>
Management	15	15	15	3	3	3
White collars	620	621	611	631	632	620
Blue collars	1	1	2	2	2	2
Apprentices	3	4	4	3	3	3
<i>Total</i>	<i>639</i>	<i>641</i>	<i>632</i>	<i>639</i>	<i>640</i>	<i>628</i>

The average number of employees in 2002 was 632 units, while the average number of employees in the second quarter of 2003 is 637 units.

10 Significant events at 30 June 2003 and expected future developments

Subsequent to 30 June 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 those of the previous year (Euro 9 million against Euro 3.9 million in the first half of 2002). This gap will be maintained also over the following months in favour of the net financial position, which draws up to Euro 10.9 million in June, after the distribution of dividends for Euro 28.5 million.

On behalf of the Board of Directors
The Chairman

(Signed on the original)

Giuseppe Dal Cortivo