

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

*Quarterly figures and
related information*

First 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

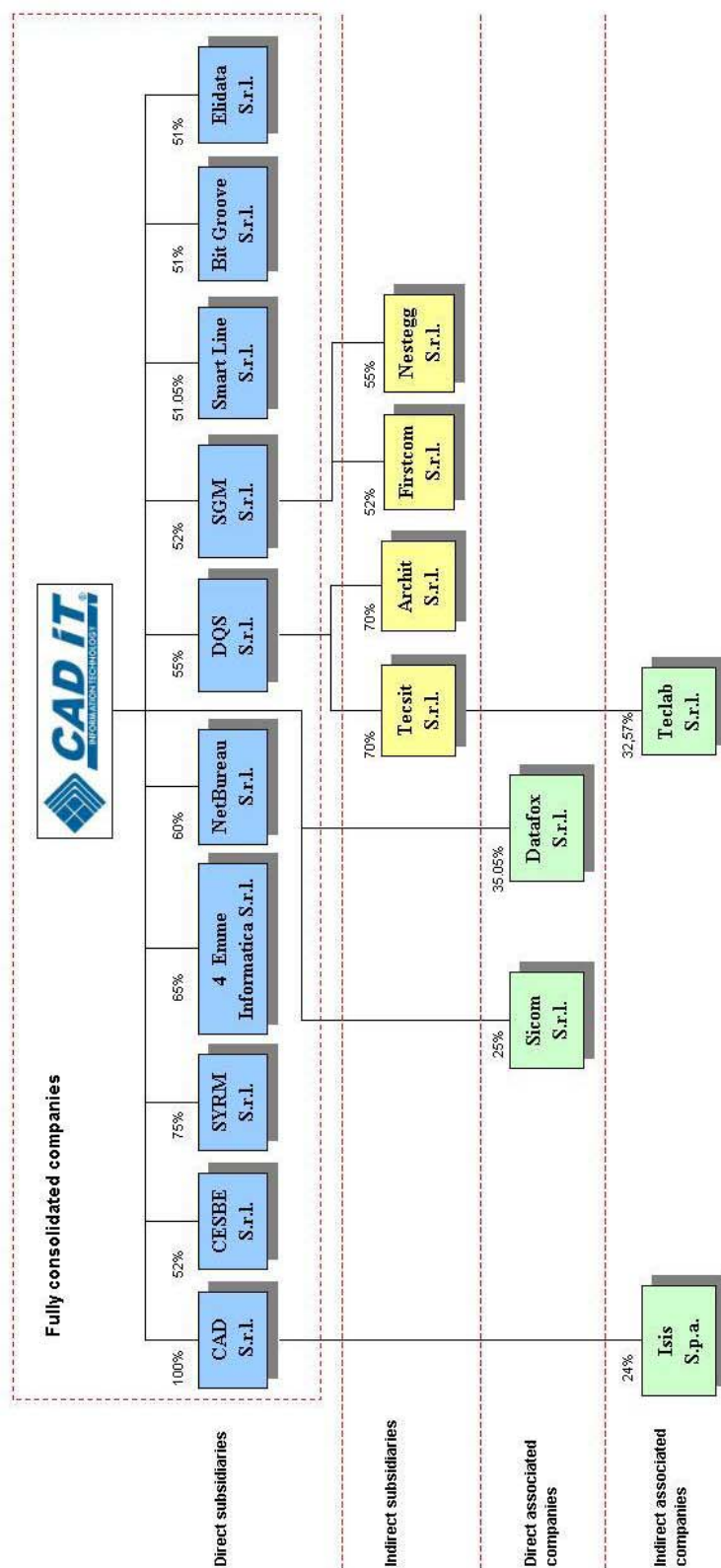
AUDITORS
KPMG S.p.A.

⁽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 31 March 2003

<i>Consolidated profit and loss account</i>	<i>First quarter 01/01-31/03/2003</i>		<i>First quarter 01/01-31/03/2002</i>	
Turnover - goods and services	13,193,563	99.03%	14,270,360	99.54%
Variation in contract work in progress	83,000	0.62%	16,875	0.12%
Other revenues and income	46,164	0.35%	49,038	0.34%
<i>Production revenues</i>	<i>13,322,727</i>	<i>100.00%</i>	<i>14,336,273</i>	<i>100.00%</i>
Raw materials, consumables and supplies	(340,003)	(2.55%)	(424,318)	(2.96%)
Services	(2,708,484)	(20.33%)	(3,127,772)	(21.82%)
Other operating costs	(260,774)	(1.96%)	(333,367)	(2.33%)
<i>Added value</i>	<i>10,013,466</i>	<i>75.16%</i>	<i>10,450,817</i>	<i>72.90%</i>
Personnel expenses	(6,979,987)	(52.39%)	(7,037,085)	(49.09%)
Other administrative expenses	(688,301)	(5.17%)	(685,883)	(4.78%)
<i>Gross operating result (EBITDA)</i>	<i>2,345,178</i>	<i>17.60%</i>	<i>2,727,848</i>	<i>19.03%</i>
Charge to provision for bad debts	(31,784)	(0.24%)	(33,211)	(0.23%)
Amortisation and depreciation				
- Amortisation of intangible fixed assets	(634,268)	(4.76%)	(600,386)	(4.19%)
- Depreciation of tangible fixed assets	(246,335)	(1.85%)	(202,470)	(1.41%)
Other provisions	(25,829)	(0.19%)	0	0.00%
<i>Operating profit (EBIT)</i>	<i>1,406,962</i>	<i>10.56%</i>	<i>1,891,782</i>	<i>13.20%</i>
Financial income and charges, net	207,798	1.56%	345,835	2.41%
<i>Profit from ordinary activities</i>	<i>1,614,760</i>	<i>12.12%</i>	<i>2,237,617</i>	<i>15.61%</i>
Revaluations and write-downs	32,670	0.25%	37,646	0.26%
Extraordinary income and expenses, net	(117)	(0.00%)	2,059	0.01%
<i>Profit before taxation and minority interests</i>	<i>1,647,313</i>	<i>12.36%</i>	<i>2,277,322</i>	<i>15.89%</i>
Profit/(loss) of minority interests before taxation	(700,845)	(5.26%)	(423,823)	(2.96%)
<i>Profit/(loss) of the Group before taxation</i>	<i>946,468</i>	<i>7.10%</i>	<i>1,853,500</i>	<i>12.93%</i>

Consolidated turnover - goods and services at 31 March 2003

<i>Turnover - goods and services</i>	<i>First quarter 01/01 - 31/03/2003</i>		<i>First quarter 01/01 - 31/03/2002</i>	
Financial instruments B.O.	9,405,824	71.29%	10,542,863	73.88%
Banking services software	1,771,783	13.43%	1,259,289	8.82%
Integrated IT systems	154,321	1.17%	333,308	2.34%
Training, organisation consulting	377,518	2.86%	192,530	1.35%
New technologies	563,497	4.27%	740,715	5.19%
Total banking division	12,272,943	93.02%	13,068,705	91.58%
Industrial hardware, software	772,308	5.85%	1,013,042	7.10%
Consulting, training and industrial services	148,312	1.12%	188,613	1.32%
Total industry division	920,620	6.98%	1,201,655	8.42%
Total turnover - goods and services	13,193,563	100.00%	14,270,360	100.00%

Net consolidated financial position as at 31 March 2003

<i>Net financial position</i>	<i>as at 31.03.2003</i>	<i>at 31.12.2002</i>	<i>at 30.09.2002</i>	<i>at 30.06.2002</i>	<i>at 31.03.2002</i>
Cash, bank current accounts	33,123,977	27,069,127	29,563,122	31,298,758	39,097,654
Financial assets not of a fixed nature	5,292,157	5,249,442	5,180,343	5,160,795	2,801,643
Sums due to banks net of short-term portion of medium to long-term financing	(739,621)	(842,662)	(671,232)	(1,018,576)	(490,988)
Net short-term financial position/(indebtedness)	37,676,513	31,475,907	34,072,232	35,440,976	41,408,310
Long-term financing net of short-term portion			(7,747)	(15,494)	
Net long-term financial position/(indebtedness)			(7,747)	(15,494)	
Net financial position/(indebtedness)	37,676,513	31,475,907	34,064,485	35,425,482	41,408,310

Investments in intangible fixed assets at 31 March 2003

<i>Intangible fixed assets</i>	<i>Start-up and capital costs</i>	<i>Industrial patents and similar rights</i>	<i>Licenses, 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			100,585		135,236			235,821
Transfers			245,966		(245,245)			721
Reduction in amortisation due to disposals								
Disposals								
Revaluations for the year								
Amortisation and write-downs for the year	(220,545)	(5,617)	(78,936)	(813)		(302,662)	(25,696)	(634,268)
Adjustments to write-downs for the year						(10,972)		(10,972)
<i>Total intangible fixed assets</i>	<i>1,543,145</i>	<i>10,396</i>	<i>635,732</i>	<i>18,709</i>	<i>6,000</i>	<i>8,955,859</i>	<i>854,347</i>	<i>12,024,187</i>
<i>(of which revaluations)</i>								

Investments in tangible fixed assets at 31 March 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	136,355	12,541		58,121		207,016
Transfers		704	(555)	(870)		(721)
Reduction in depreciation due to disposals		571	72	44,061		44,703
Disposals		(1,420)		(49,629)		(51,049)
Revaluations for the year						
Depreciation and write-downs for the year	(89,634)	(14,549)		(142,152)		(246,335)
Adjustments to write-downs for the year						
<i>Total tangible fixed assets</i>	<i>11,480,365</i>	<i>209,103</i>	<i>(0)</i>	<i>2,000,334</i>		<i>13,689,802</i>
<i>(of which revaluations)</i>	<i>120,837</i>					<i>120,837</i>

Investments in financial fixed assets at 31 March 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)
<i>Adjustments to previous years write-downs</i>						
<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						
Transfers		4,881				4,881
Reimbursements		(4,267)				(4,267)
Disposals						
Revaluations for the year		392			45,289	45,682
Write-downs for the year					(24,658)	(24,658)
Adjustments to write-downs for the year	(10,972)				10,972	
<i>Total financial fixed assets</i>	<i>20,103,684</i>	<i>69,457</i>			<i>(13,377,878)</i>	<i>6,795,262</i>

Total investments at 31 March 2003

<i>Summary of investments</i>	<i>1st quarter 2003</i>	<i>1st quarter 2002</i>	<i>Period 01/01 -31/12/2002</i>
Intangible fixed assets	236,542	213,311	991,052
Assets under development and payments on account			116,009
Plant, machinery, equipment and other tangible fixed assets	206,296	428,908	12,942,886
Buildings under construction and payments on account		347,559	(7,608,187)
<i>Total investments in tangible and intangible fixed assets</i>	<i>442,838</i>	<i>989,778</i>	<i>6,441,761</i>
Shareholdings and financial investments		238,927	1,058,626
Financial amounts receivable		540	6,388
<i>Total shareholdings and financial investments</i>		<i>239,467</i>	<i>1,065,014</i>
<i>Total investments</i>	<i>442,838</i>	<i>1,229,245</i>	<i>7,506,775</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 31 March 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 31 March 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 31 December 2002, the full consolidation area remains unchanged.

Compared to 31 March 2002, the consolidation area has included Elidata S.r.l. since the first half year 2002. This company contributes to the 2003 first quarterly results with a turnover of € 405.8 thousand.

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 0.74% and 1.19% of the Group 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
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 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 and revenues and costs*

Revenues and income are prudently accounted for according to the concepts of prudence and accrual 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, from 1 January 2003 to 31 March 2003. They are compared to the same previous year period.

The figures representing the net financial position are compared with the figures at 31 December 2002, 30 September 2002, 30 June 2002 and 31 March 2002.

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 operating profit of Euro 946.5 thousand in the first

quarter of 2003, compared to Euro 1,853.5 thousand for the same period in 2002, before taxation and after minority interest of Euro 700.8 thousand (Euro 423.8 thousand in the same previous year period).

The decline in turnover is strictly related to the slowdown in demand and, more generally, to the negative trend of the market, which temporarily holds banks and institutional operators from investing. As an effect, the achievement of greater efficiency as a necessary competitive advantage is also delayed.

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

Added value records an increase of approximately 2.26 percentage points; however, the decrease in production revenues leads to a decrease of 1.43 percentage points in gross operating result (EBITDA) as an effect of the incidence of personnel expenses and other administrative expenses.

Operating profit (EBIT) at 31 March 2003 amounts to Euro 1,407 thousand, compared to Euro 1,891.8 thousand in the corresponding period in 2002. The variation is principally due to the slight reduction (Euro 1,013.5 thousand) in production revenues, partly compensated by the reduction of Euro 419.3 thousand in service costs.

Production revenues of the Group amount to Euro 13,322.7 thousand in the first quarter 2003, against Euro 14,336.3 thousand in the corresponding previous year period.

The decline in turnover is attributable to the widespread slowdown in investments, which has affected both the Italian and the international market.

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 the previous years.

6.3 Research and development

R&D 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 boost given to these activities throughout 2001 was further developed in 2002, taking advantage of a slowdown in the demand for services for the production and completion of new products that will meet the expected future growth in demand.

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.

With respect to its new projects, it continued to intensify R&D activities for the SIBAC platform, which was launched during April 2002 thanks to the significant investments made therein. 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 Group is also upgrading the private banking platform in the financial instruments back office division.

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. In addition, within the "Banking services software" business line, they are perfecting new important software packages for the management of electronic mandate and digital signature.
- 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";
- Smart Line S.r.l. is investing resources to upgrade the functional content of the web-based tax collection procedure;
- Elidata S.r.l. continues investing to increase further the functions of its platform for linking to the financial markets.

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 13,193.6 thousand in the first quarter 2003.

<i>Turnover - goods and services</i>	<i>First quarter 01/01 - 31/03/2003</i>		<i>First quarter 01/01 - 31/03/2002</i>	
Financial instruments B.O.	9,405,824	71.29%	10,542,863	73.88%
Banking services software	1,771,783	13.43%	1,259,289	8.82%
Integrated IT systems	154,321	1.17%	333,308	2.34%
Training, organisation consulting	377,518	2.86%	192,530	1.35%
New technologies	563,497	4.27%	740,715	5.19%
<i>Total banking division</i>	<i>12,272,943</i>	<i>93.02%</i>	<i>13,068,705</i>	<i>91.58%</i>
Industrial hardware, software	772,308	5.85%	1,013,042	7.10%
Consulting, training and industrial services	148,312	1.12%	188,613	1.32%
<i>Total industry division</i>	<i>920,620</i>	<i>6.98%</i>	<i>1,201,655</i>	<i>8.42%</i>
<i>Total turnover - goods and services</i>	<i>13,193,563</i>	<i>100.00%</i>	<i>14,270,360</i>	<i>100.00%</i>

6.5 Gross operating result (EBITDA)

The gross operating result for the first quarter of 2003 (Euro 2,345.2 thousand) is equal to 17.60%, compared to 19.03% in the corresponding previous year period (Euro 2,727.8 thousand).

This contraction is principally due to the delay in the forecast recovery of demand, which has prevented the achievement of the expected targets, as mentioned in paragraph 6.1.

6.6 Operating profit (EBIT)

Operating profit for first quarter 2003 reached Euro 1,407 thousand compared to Euro 1,891.8 thousand in the corresponding previous year period. Accruals, provisions, amortisation and depreciation for the first quarter 2003 increased by Euro 102.1 thousand on the corresponding previous year period.

Amortisation and depreciation for the first quarter of 2003 total Euro 938.2 thousand compared to Euro 836.1 thousand in the same previous year period.

6.7 Financial income and charges

Net financing activities resulted in an income of Euro 207.8 thousand in the first quarter of 2003 (Euro 345.8 thousand in the same previous year period); the balance has been affected by widespread lower return rates of the liquidity.

<i>Financial income and charges</i>	<i>1st quarter 2003</i>	<i>1st quarter 2002</i>	<i>Period 1/01- 1/12/2002</i>
Financial income from investments in other companies			119,180
Financial income from receivables classified as fixed assets	392		1,388
Financial income from invested liquidity			
Bank interest	231,713	355,767	1,350,550
<i>Total other financial income</i>	<i>232,105</i>	<i>355,767</i>	<i>1,471,117</i>
Interest expense and other financial charges	(24,307)	(9,932)	(91,753)
<i>Financial income and charges, net</i>	<i>207,798</i>	<i>345,835</i>	<i>1,379,364</i>

7 Net consolidated financial position

Despite investments of Euro 442.8 thousand made in the first quarter 2003, the net consolidated financial position shows an increase to Euro 37,676.5 thousand at the end of the period, compared to Euro 31,475.9 thousand at 31 December 2002.

<i>Net financial position</i>	<i>at 31.03.2003</i>	<i>at 31.12.2002</i>	<i>at 30.09.2002</i>	<i>at 30.06.2002</i>	<i>at 31.03.2002</i>
Cash, bank current accounts	33,123,977	27,069,127	29,563,122	31,298,758	39,097,654
Financial assets not of a fixed nature	5,292,157	5,249,442	5,180,343	5,160,795	2,801,643
Sums due to banks net of short-term portion of medium to long-term financing	(739,621)	(842,662)	(671,232)	(1,018,576)	(490,988)
<i>Net short-term financial position/(indebtedness)</i>	<i>37,676,513</i>	<i>31,475,907</i>	<i>34,072,232</i>	<i>35,440,976</i>	<i>41,408,310</i>
Long-term financing net of short-term portion			(7,747)	(15,494)	
Net long-term financial position/(indebtedness)			(7,747)	(15,494)	
<i>Net financial position/(indebtedness)</i>	<i>37,676,513</i>	<i>31,475,907</i>	<i>34,064,485</i>	<i>35,425,482</i>	<i>41,408,310</i>

7.1 Cash flow statement

Cash flow statement of the Cad It Group

at 31/03/2003 at 31/03/2002 at 31/12/2002

OPERATING ACTIVITIES

Profit (loss) for the year	946,468	1,853,500	2,566,895
Amortisation and depreciation:			
- tangible fixed assets	246,335	202,470	794,959
- intangible fixed assets	331,607	316,684	1,351,342
- goodwill arising on consolidation	302,661	283,702	1,211,866
Accruals:			
- employees' leaving entitlement	303,140	292,094	1,335,537
- other provisions	25,829		1,264
Increase/(Utilisation) of provisions for contingencies and other charges	11,438	9,450	71,873
Sub-total	2,167,478	2,957,900	7,333,736
Utilisation of employees' leaving entitlement	(154,798)	(90,704)	(471,059)
(Increase)/Decrease in receivables included under assets forming part of working capital	(1,195,483)	(4,205,427)	(302,241)
(Increase)/Decrease in inventory	(77,860)	(4,137)	(176,884)
(Increase)/Decrease in deferred expenses and accrued income	(255,468)	(143,879)	12,051
Increase/(Decrease) in accounts due to creditors	(198,125)	(1,392,375)	(2,593,154)
Increase/(Decrease) in accrued expenses and deferred income	3,822,140	2,770,836	57,681
Increase/(Decrease) in sums due to other financial institutions	(1,299)	7,017	355,722
Increase/(Decrease) in other non-financial payables	2,390,834	1,725,737	(951,804)
Sub-total	4,329,941	(1,332,932)	(4,069,687)
(A) - Cash flows from (for) operating activities	6,497,419	1,624,968	3,264,049

INVESTING ACTIVITIES

(Increase)/ Decrease in investments in subsidiary companies valued using the equity method	7,150	(7,145)	(26,900)
(Increase)/Decrease in intangible fixed assets	(225,571)	(471,287)	(2,029,973)
(Increase)/Decrease in tangible fixed assets	(199,950)	(813,703)	(5,366,765)
(Increase)/Decrease in other fixed assets	(1,006)	(2,787)	(1,556)
Acquisition of investments in unconsolidated subsidiaries			
(Increase)/Decrease in investments in associated companies	(27,782)	(44,768)	(47,745)
(Increase)/Decrease in other investments and securities	-	1,016	991
(B) - Cash flows from (for) investing activities	(447,159)	(1,338,674)	(7,471,948)

FINANCING ACTIVITIES

Increase/(Decrease) in financial payables			-
Increase/(Decrease) in reserves			-
Minority interest	150,346	36,566	435,356
Distribution of dividends	-		(5,837,000)
Capital injections	-		-
(C) - Cash flows from (for) financing activities	150,346	36,566	(5,401,644)

(A+B+C) - Total cash flows	6,200,606	322,860	(9,609,543)
Opening liquid funds	31,475,907	41,085,449	41,085,449
Closing liquid funds	37,676,513	41,408,309	31,475,907

7.2 Shareholders' equities of the parent company and the Group

The shareholders' equities of CAD IT S.p.A. and the Group at 31 March 2003, excluding current profit, are shown below:

<i>Shareholders' equity excluding current profit</i>	<i>CAD IT S.p.A.</i>	<i>GROUP</i>
		<i>CAD IT S.p.A.</i>
Share capital - Euro 4,669,600 (8,980,000 units each of Euro 0.52)	4,669,600	4,669,600
Share premium reserve	62,186,400	62,186,400
Other reserves	8,371,070	8,371,069
Previous year reserves		(416,172)
Variation in previous year reserves	3,133,858	3,133,858
<i>Total shareholders' equity excluding current profit</i>	<i>78,360,928</i>	<i>77,944,755</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 first quarter of 2003 are shown in aggregate in the following table:

Summary of investments at 31 March 2003

<i>Summary of investments</i>	<i>1st quarter</i>	<i>1st quarter</i>	<i>Period</i>
	<i>2003</i>	<i>2002</i>	<i>01/01 -31/12/2002</i>
Intangible fixed assets	236,542	213,311	991,052
Assets under development and payments on account			116,009
Plant, machinery, equipment and other tangible fixed assets	206,296	428,908	12,942,886
Buildings under construction and payments on account		347,559	(7,608,187)
<i>Total investments in tangible and intangible fixed assets</i>	<i>442,838</i>	<i>989,778</i>	<i>6,441,761</i>
Shareholdings and financial investments		238,927	1,058,626
Financial amounts receivable		540	6,388
<i>Total shareholdings and financial investments</i>		<i>239,467</i>	<i>1,065,014</i>
<i>Total investments</i>	<i>442,838</i>	<i>1,229,245</i>	<i>7,506,775</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 in number at 31 March 2003 compared to the previous year end in line with its strategic development program, although it maintained its flexible structure, in which the importance of employees is 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 31 March 2003, at 31 December 2001 and at the end of each quarter in 2002 is reported below:

Category of Employees	at 31/03/2003	at 31/12/2002	at 30/09/2002	at 30/06/2002	at 31/03/2002	at 31/12/2001
Management	15	15	3	3	3	3
White collars	621	611	631	632	620	593
Blue collars	1	2	2	2	2	2
Apprentices	4	4	3	3	3	2
<i>Total</i>	<i>641</i>	<i>632</i>	<i>639</i>	<i>640</i>	<i>628</i>	<i>600</i>

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

10 Significant subsequent events and expected future developments

The shareholders' meeting of 9 April 2003 approved unanimously the proposal of the board of directors to allocate Euro 3 to each share using the reserves.

On 30 April 2003, the shareholders' meeting of CAD IT S.p.A. held upon first call approved the 2002 financial statements and resolved to distribute a dividend of Euro 0.18 per share and strengthen shareholders' equity by allocating the residual net profit for the year of Euro 1,517 thousand to the available reserve.

The same meeting also resolved on the composition of the directors' board for the next three-year period by confirming all the directors in office and appointing three new independent members. They also confirmed the members and assigned the mandate of the board of statutory auditors for the next three years.

On the same date, they also resolved to transfer the registered office to the new headquarters of Via Torricelli 44/a, Verona.

As regards the expected future developments for the current year, waiting for an improvement in the currently negative market trend, CAD IT is adopting a careful cost reduction policy, which is principally realised through a lower recourse to external personnel.

On behalf of the Board of Directors
The Chairman

(signed on the original)

Giuseppe Dal Cortivo