

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

***Quarterly figures and
related information***

***as at and for the fourth quarter ended
31 December 2002***

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Corporate Bodies

BOARD OF DIRECTORS

¹ GIUSEPPE DAL CORTIVO
Chairman and Managing Director

¹ LUIGI ZANELLA
Managing Director

¹ GIAMPIETRO MAGNANI
Managing Director

¹ MAURIZIO RIZZOLI
Managing Director

³ PAOLO DAL CORTIVO

² WOLFGANG KOENIG

² JOZE GRICAR

⁴ GIOVANNI COSTA

STATUTORY AUDITORS

¹ SONIA MAZZI
Chairman

¹ GIUSEPPE CEREGHINI
Statutory Auditor

¹ GIANNICOLA CUSUMANO
Statutory Auditor

AUDITORS KPMG S.p.A.

(1) Appointed on 23 February 2000; office expires on 22 February 2003.

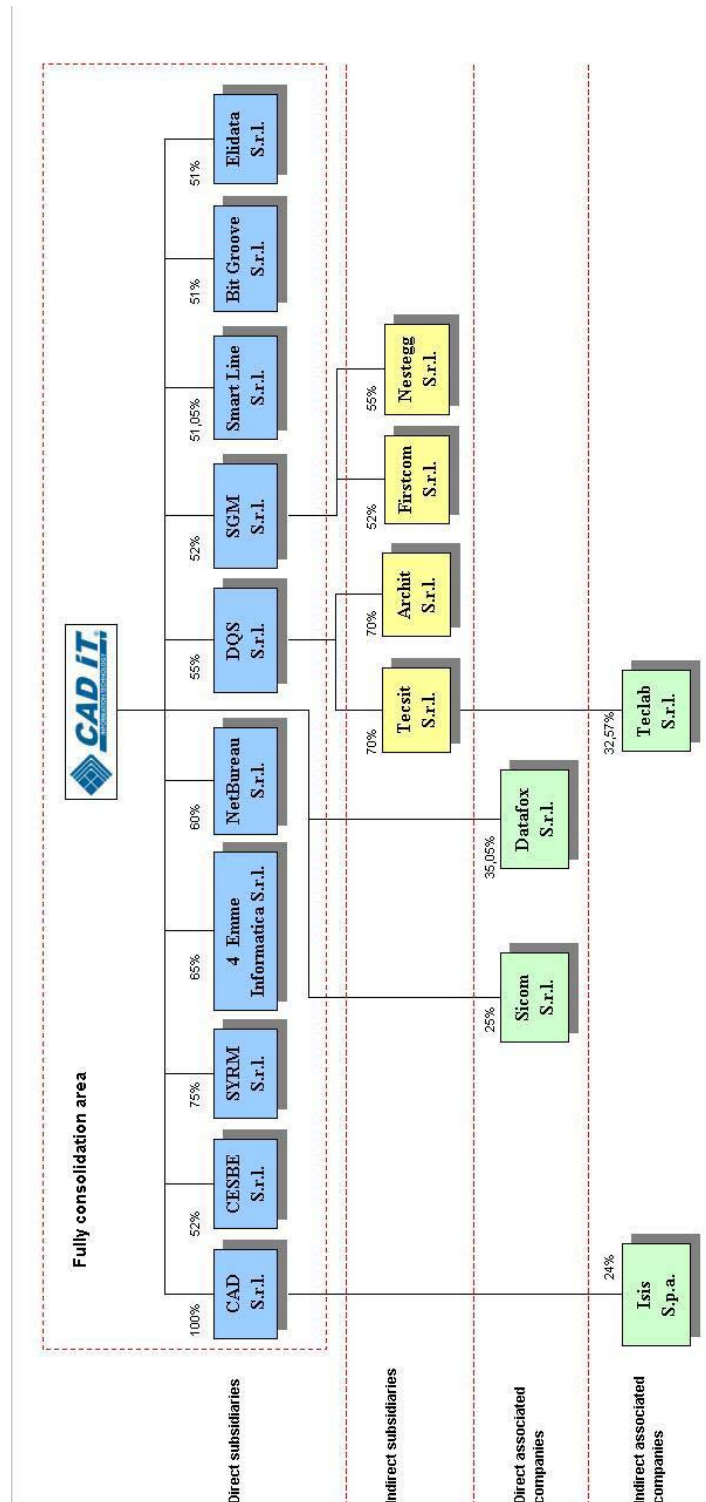
(2) Appointed on 22 August 2000; office expires on 22 February 2003.

(3) Appointed on 30 April 2001; office expires on 22 February 2003.

(4) Appointed on 30 April 2001; office expired on 03 February 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 and also to acquire or sell registered moveable assets.



Summary schedules

Consolidated profit and loss account for the period ended 31 December 2002

Euros

	Fourth quarter 01/10-31/12/2002		Fourth quarter 01/10-31/12/2001		Period 01/01-31/12/2002		Period 01/01-31/12/2001	
Turnover - goods and services	13,903,889	99.28%	17,742,743	100.16%	56,756,279	99.50%	60,955,403	100.00%
Variation in contract work in progress	0	0.00%	(117,954)	(0.67%)	0	0.00%	(287,395)	(0.47%)
Other revenues and income	101,371	0.72%	89,392	0.50%	285,421	0.50%	289,458	0.47%
Production revenues	14,005,260	100.00%	17,714,182	100.00%	57,041,700	100.00%	60,957,466	100.00%
Raw materials, consumables and supplies	(319,644)	(2.28%)	(365,151)	(2.06%)	(1,344,254)	(2.36%)	(1,546,488)	(2.54%)
Services	(3,576,068)	(25.53%)	(4,072,692)	(22.99%)	(13,163,504)	(23.08%)	(13,087,486)	(21.47%)
Other operating costs	(190,008)	(1.36%)	(423,143)	(2.39%)	(1,209,910)	(2.12%)	(1,053,973)	(1.73%)
Added value	9,919,540	70.83%	12,853,196	72.56%	41,324,032	72.45%	45,269,518	74.26%
Personnel expenses	(7,549,197)	(53.90%)	(7,132,855)	(40.27%)	(28,693,998)	(50.30%)	(24,838,175)	(40.75%)
Other administrative expenses	(804,090)	(5.74%)	(382,378)	(2.16%)	(2,827,335)	(4.96%)	(2,464,278)	(4.04%)
Gross operating result (EBITDA)	1,566,253	11.18%	5,337,963	30.13%	9,802,699	17.19%	17,967,066	29.47%
Charge to provision for bad debts	(28,689)	(0.20%)	(39,693)	(0.22%)	(119,268)	(0.21%)	(122,004)	(0.20%)
Amortisation and depreciation								
- Amortisation of intangible fixed assets	(592,392)	(4.23%)	(649,687)	(3.67%)	(2,563,208)	(4.49%)	(2,320,781)	(3.81%)
- Depreciation of tangible fixed assets	(208,189)	(1.49%)	(200,614)	(1.13%)	(794,959)	(1.39%)	(661,784)	(1.09%)
Other provisions	(232)	(0.00%)	0	0.00%	(1,264)	(0.00%)	0	0.00%
Operating profit (EBIT)	736,751	5.26%	4,447,969	25.11%	6,323,999	11.09%	14,862,497	24.38%
Financial income and charges, net	277,851	1.98%	658,603	3.72%	1,345,900	2.36%	2,557,176	4.20%
Result from operating activities	1,014,602	7.24%	5,106,572	28.83%	7,669,899	13.45%	17,419,673	28.58%
Revaluations and write-downs	125,912	0.90%	76,815	0.43%	196,557	0.34%	103,928	0.17%
Extraordinary income and expenses, net	(18,223)	(0.13%)	(31,952)	(0.18%)	323,086	0.57%	(175,022)	(0.29%)
Profit before taxation and minority interests	1,122,291	8.01%	5,151,434	29.08%	8,189,542	14.36%	17,348,579	28.46%
Profit/(loss) of minority interests before taxation	(445,418)	(3.18%)	(485,808)	(2.74%)	(2,250,651)	(3.95%)	(1,769,127)	(2.90%)
Profit/(loss) of the Group before taxation	676,873	4.83%	4,665,627	26.35%	5,938,891	10.41%	15,579,452	25.56%

Consolidated turnover - goods and services at 31 December 2002

		Euros						
	<i>Fourth quarter</i> <i>01/10-31/12/2002</i>		<i>Fourth quarter</i> <i>01/10-31/12/2001</i>		<i>Period</i> <i>01/01-31/12/2002</i>		<i>Period</i> <i>01/01-31/12/2001</i>	
B.O. financial instruments	9,963,941	71.7%	11,727,723	66.1%	40,785,801	71.9%	41,571,226	68.2%
Banking services software	1,934,776	13.9%	2,750,649	15.5%	6,939,967	12.2%	7,295,470	12.0%
Integrated IT systems	129,757	0.9%	79,018	0.4%	1,130,488	2.0%	694,635	1.1%
Training, consultancy, organisation	259,167	1.9%	816,002	4.6%	920,755	1.6%	3,422,043	5.6%
New technologies	402,851	2.9%	1,121,744	6.3%	2,393,992	4.2%	3,078,600	5.1%
Total banking division	12,690,491	91.3%	16,495,136	93.0%	52,171,004	91.9%	56,061,974	92.0%
Industrial hardware, software	949,825	6.8%	1,050,836	5.9%	3,918,680	6.9%	4,102,734	6.7%
Consulting, training and industrial services	263,573	1.9%	196,770	1.1%	666,596	1.2%	790,696	1.3%
Total industry division	1,213,398	8.7%	1,247,606	7.0%	4,585,275	8.1%	4,893,429	8.0%
Total turnover - goods and services	13,903,889	100.0%	17,742,742	100.0%	56,756,279	100.0%	60,955,403	100.0%

Net consolidated financial position at 31 December 2002

	Euros				
	at 31.12.2002	at 30.09.2002	at 30.06.2002	at 31.03.2002	at 31.12.2001
Cash, bank current accounts	27,069,127	29,563,122	31,298,758	39,097,654	38,470,170
Financial assets not of a fixed nature	5,246,291	5,180,343	5,160,795	2,801,643	2,662,226
Sums due to banks net of short term portion of medium to long term financing	(842,662)	(671,232)	(1,018,576)	(490,988)	(46,946)
Net short term financial position (indebtedness)	31,472,755	34,072,232	35,440,976	41,408,310	41,085,449
Medium to long term financing net of short term portion	0	(7,747)	(15,494)	0	0
Net medium to long term financial position (indebtedness)	0	(7,747)	(15,494)	0	0
Net financial position / (indebtedness)	31,472,755	34,064,485	35,425,482	41,408,310	41,085,449

Investments in intangible fixed assets at 31 December 2002

Euros								
<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</i>	<i>Total</i>
Purchase or production cost	4,417,008	0	1,397,087	32,537	0	11,131,501	681,207	17,659,340
Previous year amortisation and write-downs	(1,777,013)	0	(1,010,147)	(9,761)	0	(1,637,303)	(258,995)	(4,693,219)
Adjustments to previous years write-downs	0	0	0	0	0	0	0	0
Opening value	2,639,995	0	386,940	22,776	0	9,494,198	422,212	12,966,121
Variation in consolidation area	6,290	38,479	2,889	0	0	0	4,102	51,760
Purchases	1,300	0	419,647	0	0	987,161	570,105	1,978,213
Transfers	0	0	(114,249)	0	116,009	0	0	1,760
Reduction in amortisation due to disposals/transfers	0	0	(1,760)	0	0	0	0	(1,760)
Disposals	0	0	0	0	0	0	0	0
Revaluations for the year	0	0	0	0	0	0	0	0
Amortisation and write-downs for the year	(883,896)	(22,467)	(325,350)	(3,254)	0	(1,211,866)	(116,376)	(2,563,208)
Adjustments to write-downs for the year	0	0	0	0	0	0	0	0
Total intangible fixed assets	1,763,690	16,012	368,117	19,522	116,009	9,269,492	880,043	12,432,886

Variation in tangible fixed assets at 31 December 2002

Euros						
	<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	41,015	363,779	0	3,671,491	7,608,187	11,684,472
Previous years revaluations	120,837	0	0	0	0	120,837
Previous year depreciation and write-downs	(42,302)	(244,271)	0	(2,352,644)	0	(2,639,216)
Adjustments to previous years write-downs	0	0	0	(1,711)	0	(1,711)
Opening value	119,550	119,509	0	1,317,136	7,608,187	9,164,382
Variation in consolidation area	352,350	1,447	0	59,874	0	413,670
Purchases	11,496,099	155,637	587	1,290,563	0	12,942,886
Transfers	0	0	0	0	(7,608,187)	(7,608,187)
Reduction in depreciation due to disposals/transfers	14,829	46,833	0	188,091	0	249,753
Disposals	(362,111)	(62,203)	0	(207,044)	0	(631,358)
Revaluations for the year	0	0	0	0	0	0
Depreciation and write-downs for the year	(187,074)	(49,966)	(103)	(557,816)	0	(794,959)
Adjustments to write-downs for the year	0	0	0	0	0	0
Total tangible fixed assets	11,433,644	211,256	484	2,090,803	0	13,736,187

Investments in financial fixed assets at 31 December 2002

	<i>Euros</i>					
<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	19,074,652	67,251	0	0	(12,528,116)	6,613,787
Previous years revaluations	0	0	0	0	126,901	126,901
Previous years depreciation and write-downs	(7,344)	(356)	0	0	(34,572)	(42,273)
Adjustments to previous years write-downs	0	0	0	0	0	0
Opening value	19,067,308	66,894	0	0	(12,435,787)	6,698,415
Variation in consolidation area	0	2,644	0	0	0	2,644
Purchases - subscriptions	1,058,626	6,388	0	0	(1,045,350)	19,664
Transfers	0	0	0	0	0	0
Reimbursements	0	(8,864)	0	0	0	(8,864)
Disposals	0	0	0	0	0	0
Revaluations for the year	0	1,388	0	0	182,069	183,457
Depreciation and write-downs for the year	(11,278)	0	0	0	(2,756)	(14,034)
Adjustments to write-downs for the year	0	0	0	0	0	0
Total financial fixed assets	20,114,655	68,451	0	0	(13,301,824)	6,881,282

Summary of investments for the fourth quarter of 2002

	<i>4th quarter 2002</i>	<i>4th quarter 2001</i>	<i>Period 01/01-30/09/2002</i>	<i>Period 01/01-30/09/2001</i>
Intangible fixed assets	45,606	432,543	875,043	767,214
Costs and payments on account related to intangible fixed assets	0	0	116,009	0
Plant, machinery, equipment and other tangible fixed assets	10,141,042	188,628	12,942,886	1,040,622
Buildings under construction and related payments on account	(9,572,619)	3,092,033	(7,608,187)	5,137,599
Total investments in tangible and intangible fixed assets	614,030	3,713,204	6,325,751	6,945,436
Shareholdings and other financial investments	38,889	6,027,587	1,058,626	10,307,326
Financial amounts receivable	0	3,104	6,388	3,311
Total shareholdings and other financial investments	38,889	6,030,691	1,065,014	10,310,636
Total investments	652,919	9,743,896	7,390,766	17,256,072

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.

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 offices are in Via Torricelli no. 37, Verona, while the administrative and operating offices are in the new building at Via Torricelli no. 44/a, Verona.

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

Share capital amounts to € 4,669,600 at 31 December 2002 and comprises 8,980,000 ordinary shares.

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 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 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.

4 Consolidation area

The fully consolidated companies included in the financial schedules of CAD IT Group at 31 December 2002 are the following:

Fully consolidated companies	Registered offices	% of control	% held by the Group
CAD IT S.p.A. – Parent company	Verona	-	-
Direct subsidiaries:			
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 2001, fully consolidated companies include Bit Groove S.r.l. and Elidata S.r.l. with effect from 1 January 2002.

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., incorporated on 23 July 2001 and immaterial;
- Firstcom S.r.l., controlled by SGM S.r.l., incorporated on 27 February 2001 and immaterial;
- Nestegg S.r.l., acquired on 12 December 2001 and controlled by SGM S.r.l. It is immaterial.

Total assets and revenues of the non-consolidated indirect subsidiaries represent 0.68% and 1.14% of the Group assets and revenues, respectively.

4.2 Other investments

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

The principal direct and indirect associated companies are as follows:

Directly associated companies	Registered offices	% of investment	% held by the Group
Datafox S.r.l.	Florence	35.055	35.055
Sicom S.r.l.	Viadana (MN)	25.000	25.000

Indirectly associated companies	Registered offices	% of investment	% held by the Group
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 applied in the preparation of the quarterly financial schedules are consistent with those adopted for the annual consolidated financial statements, especially with respect to the valuation of the captions and continuity of the accounting policies.

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 from 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 on an accruals basis. Unrealised profits are not recorded and provision is made for contingencies and losses matured during the period even when they only came to light after period end.

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 1 January 2002 to 31 December 2002. They are compared to the same previous year periods.

The figures representing the net financial position are compared with the figures at 30 September 2002, 30 June 2002, 31 March 2002 and 31 December 2001.

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

Profit before taxation for the period ended 31 December 2002 amounts to € 5,938.9 thousand, against € 15,579.5 thousand with respect to the corresponding period in 2001.

The Group recorded a positive consolidated operating profit of € 676.9 thousand in the fourth quarter of 2002, compared to € 4,665.6 thousand for the same period in 2001, before taxation and after minority interest of € 445.4 thousand (€ 485.8 thousand in the same previous year period).

This reduction is an effect of the company's strategic decision to strongly intensify investments in new products. Furthermore, the generalised negative market trend has contributed to a decline in the

demand and consequently to a decrease in turnover.

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

Operating profit for the year at 31 December 2002 amounts to € 6,324.0 thousand, compared to € 14,862.5 thousand in the corresponding period of 2001; the variation is an effect of the increase of € 3,855.8 thousand over the twelve months in personnel expenses, due to recruitment of new personnel, an increase in investments in new product research and development activities and a decrease in turnover.

This result is consistent with the company's strategic decision to increase and speed up research and development activities for new products, while demand is temporarily slowing down, so as to be ready to face the imminent acquisition of a greater share in the Group's reference market.

Operating profit for the fourth quarter of 2002 amounts to € 736.8 thousand compared to € 4,448.0 thousand in the fourth quarter of 2001, principally due to the fact that the usual increase in revenues in the last quarter of the year has not occurred.

The Group's production revenues in the fourth quarter amount to € 14,005.3 thousand compared to € 17,714.2 thousand in the corresponding period in 2001, while production revenues for the period 1 January 2002 to 31 December 2002 amount to € 57,041.7 thousand compared to € 60,957.5 in the same period in 2001.

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

The results are impacted by:

- the considerable resources currently dedicated to the training of new employees;
- the intense research and development activities for the development of new products, which normally involve the most highly skilled and costly employees and consultants.

6.2 The market

In the first half of the year the IT and telecommunications market was characterised by an aggregate demand equal to approximately € 30,063 million, a drop of 1.2% compared to € 30,416 million in the first half of 2001, when growth was at 12.2% (source: Assinform, 23 September 2002).

In achieving € 10,113 million, the IT sector saw a progression of 0.5% with respect to the first half of 2001, as compared to a growth of 10.7% in the first half of 2001.

The following table reports the performance of the divisions into which the IT market is conventionally divided (software and services, technical assistance, hardware).

<i>Division</i>	<i>Aggregate demand in the first half of 2002 € m</i>	<i>Variation first half of 2002 compared to first half of 2001</i>
Software and services	6,852	+5.2%
Technical assistance	475	-4.7%
Hardware	2,786	-8.6%

According to CAD IT management, the expected increase in demand for IT products and services in the second half year 2002 compared to the first half year did not take place due to the persistent downfall of the market and the uncertainty caused by the possible war.

6.3 Research and development

The boost given to these activities throughout 2001 was further developed in 2002, taking advantage of a slow down period in the demand for supply of services to produce and complete new products, which will meet an expected future growth in demand.

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 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 system 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 financial institution of the Banca Sella Group.

The Group is also upgrading the private banking platform in the Back Office financial instrument 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 onto the market in 2003. They are also focused on the integration of the "Babele" software, produced by the newly-acquired company Bit Groove, with several products of the CAD IT Group offered to clients of both the industry and banking sector.
- An innovative project called EasySET was completed in the first half of 2002. This software procedure allows Italian and foreign banks to comply with the new ISO15022 SWIFT message standard for the management of securities and entails significant benefits in terms of organisation, security and complexity of manageable transactions.
- Cesbe S.r.l. has continued to invest in the technological and functional upgrading of its solutions for on-line trading and 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 functionalities 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 in the period 1 January 2002 to 31 December 2002 amount to € 56,756.3 thousand.

Consolidated turnover - goods and services at 31 December 2002

							Euros	
	<i>Fourth quarter</i> <i>01/10-31/12/2002</i>		<i>Fourth quarter</i> <i>01/10-31/12/2001</i>		<i>Period</i> <i>01/01-31/12/2002</i>		<i>Period</i> <i>01/01-31/12/2001</i>	
B.O. financial instruments	9,963,941	71.7%	11,727,723	66.1%	40,785,801	71.9%	41,571,226	68.2%
Banking services software	1,934,776	13.9%	2,750,649	15.5%	6,939,967	12.2%	7,295,470	12.0%
Integrated IT systems	129,757	0.9%	79,018	0.4%	1,130,488	2.0%	694,635	1.1%
Training, consultancy, organisation	259,167	1.9%	816,002	4.6%	920,755	1.6%	3,422,043	5.6%
New technologies	402,851	2.9%	1,121,744	6.3%	2,393,992	4.2%	3,078,600	5.1%
Total banking division	12,690,491	91.3%	16,495,136	93.0%	52,171,004	91.9%	56,061,974	92.0%
Industrial hardware, software	949,825	6.8%	1,050,836	5.9%	3,918,680	6.9%	4,102,734	6.7%
Consulting, training and industrial services	263,573	1.9%	196,770	1.1%	666,596	1.2%	790,696	1.3%
Total industry division	1,213,398	8.7%	1,247,606	7.0%	4,585,275	8.1%	4,893,429	8.0%
Total turnover - goods and services	13,903,889	100.0%	17,742,742	100.0%	56,756,279	100.0%	60,955,403	100.0%

6.5 Gross operating result (EBITDA)

Gross operating result for the fourth quarter of 2002 (€ 1,566.3 thousand) is equal to 11.18%, compared to 30.13% in the corresponding previous year period (€ 5,338.0 thousand).

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

Gross operating result for the year is also affected by the higher incidence of personnel expenses, due to the recruitment of new employees under training agreements, the greater utilization of resources for research and development activities and the acceleration for the finalisation of new products.

6.6 Operating profit (EBIT)

The fourth quarter operating profit of € 736.8 thousand, compared to € 4,448.0 thousand in the same period in 2001, is principally affected by the components of gross operating result, as accruals and amortisation and depreciation for the fourth quarter 2002 have remained almost unvaried compared to the same previous year period.

Amortisation and depreciation for the fourth quarter of 2002 total € 800.6 thousand compared to € 850.3 thousand in the same previous year period.

6.7 Financial income and charges

Net financing activities resulted in an income of € 278 thousand in the fourth quarter of 2002 (€ 658 thousand in the same previous year period); the balance has been affected by widespread lower investment rates of the liquidity.

<i>Description</i>	<i>4th quarter 2002</i>	<i>4th quarter 2001</i>	<i>Period 01/01- 30/09/2002</i>	<i>Period 01/01- 30/09/2001</i>
Financial income from investments in other companies	3	-	119	-
Financial income from receivables classified as fixed assets	-	(2)	1	2
Financial income from invested liquidity	-	298	-	842
Bank interest and other	303	371	1,317	1,744
<i>Total other financial income</i>	<i>306</i>	<i>667</i>	<i>1,438</i>	<i>2,588</i>
Interest expense and other financial charges	(28)	(9)	(92)	(31)
<i>Financial income and charges, net</i>	<i>278</i>	<i>658</i>	<i>1,346</i>	<i>2,557</i>

7 Net consolidated financial position

Despite the significant investments of € 7,390.8 thousand made in the year and the payment of 2001 dividends of € 5,837.0 thousand, the net consolidated financial position amounts to a positive € 31,472.8 thousand at the end of the fourth quarter 2002, compared to € 41,085.4 thousand at 31 December 2001.

Net consolidated financial position at 31 December 2002

	<i>Euros</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>	<i>at 31.12.2001</i>
Cash, bank current accounts	27,069,127	29,563,122	31,298,758	39,097,654	38,470,170
Financial assets not of a fixed nature	5,246,291	5,180,343	5,160,795	2,801,643	2,662,226
Sums due to banks net of short term portion of medium to long term financing	(842,662)	(671,232)	(1,018,576)	(490,988)	(46,946)
<i>Net short term financial position (indebtedness)</i>	<i>31,472,755</i>	<i>34,072,232</i>	<i>35,440,976</i>	<i>41,408,310</i>	<i>41,085,449</i>
Medium to long term financing net of short term portion	0	(7,747)	(15,494)	0	0
<i>Net medium to long term financial position (indebtedness)</i>	<i>0</i>	<i>(7,747)</i>	<i>(15,494)</i>	<i>0</i>	<i>0</i>
<i>Net financial position / (indebtedness)</i>	<i>31,472,755</i>	<i>34,064,485</i>	<i>35,425,482</i>	<i>41,408,310</i>	<i>41,085,449</i>

7.1 Cash flows

Cash flows of the Cad It Group for the period 01 January to 31 December 2002		<i>Euros</i>
<u>OPERATING ACTIVITIES</u>		
Profit (loss) for the year		5,938,891
Amortisation and depreciation:		
- tangible fixed assets		794,959
- intangible fixed assets		1,351,342
- goodwill arising on consolidation		1,211,866
Accruals:		
- employees' leaving entitlement		1,335,537
- other provisions		1,264
Increase/(Utilisation) of provisions for contingencies and other charges		69,055
(Gains)/losses on sale of fixed assets		-
Sub-total		10,702,914
Utilisation of employees' leaving entitlement		(471,059)
(Increase)/Decrease in receivables included under assets forming part of working capital		2,802,113
Prior year taxation		(7,230,458)
(Increase)/Decrease in inventory		(176,884)
(Increase)/Decrease in deferred expenses and accrued income		12,671
(Increase)/Decrease in other financial assets not of a fixed nature		-
Increase/(Decrease) in accounts due to creditors		(2,649,804)
Increase/(Decrease) in accrued expenses and deferred income		57,681
Increase/(Decrease) in sums due to other financial institutions		355,722
Increase/(Decrease) in other non-financial payables		(1,200,602)
Sub-total		(8,500,620)
(A) - Cash flows from (for) operating activities		2,202,295
<u>INVESTING ACTIVITIES</u>		
(Increase)/Decrease in intangible fixed assets		(2,029,973)
(Increase)/ Decrease in investments in associated companies		(82,035)
(Increase)/ Decrease in investments in subsidiary companies valued using the equity method		(48,702)
Effect of 2001 taxation on investments in subsidiaries valued using the equity method		(4,373)
Effect of 2001 taxation on investments in associated companies		(47,192)
(Increase)/Decrease in tangible fixed assets		(5,366,765)
(Increase)/Decrease in other fixed assets		(1,556)
Valuation of associated companies using the equity method		-
Acquisition of investments in non-consolidated subsidiaries		-
(Increase)/Decrease in other investments and securities		991
(B) - Cash flows from (for) investing activities		(7,579,605)
<u>FINANCING ACTIVITIES</u>		
Increase/(Decrease) in financial payables		-
Increase/(Decrease) in reserves		-
Minority interest		729,584
Effect of 2001 taxation on minority interest		872,032
Distribution of dividends		(5,837,000)
Capital injections		-
(C) - Cash flows from (for) financing activities		(4,235,384)
(A+B+C) - Total cash flows		(9,612,694)
Opening liquid funds		41,085,449
Closing liquid funds		31,472,755

7.2 Shareholders' equities of the parent company and the Group

As an effect of the capital injections made for the listing on the New Market, realised on 26 October 2000, the parent company avails of adequate resources to pursue its planned development.

The shareholders' equities of CAD IT S.p.A. and the Group at 31 December 2002, excluding current profit, are shown below:

	CAD IT S.p.A.	GROUP
Share capital - € 4,669,600	4,669,600	4,669,600
Share premium reserve	62,186,400	62,186,400
Other reserves	8,371,070	8,371,070
Previous year reserves		150,791
Total net shareholders' equity less profit for the period	75,227,070	75,377,861

8 Investments

As described in the 2001 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 building became operative at the end of September.

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.

Total investments in tangible and intangible fixed assets made during the fourth quarter of 2002 by the consolidated companies may be analysed as follows:

<i>Summary of investments for the fourth quarter of 2002</i>				<i>Euros</i>
	<i>4th quarter 2002</i>	<i>4th quarter 2001</i>	<i>Period 01/01- 30/09/2002</i>	<i>Period 01/01- 30/09/2001</i>
Intangible fixed assets	45,606	432,543	875,043	767,214
Costs and payments on account related to intangible fixed assets	0	0	116,009	0
Plant, machinery, equipment and other tangible fixed assets	10,141,042	188,628	12,942,886	1,040,622
Buildings under construction and related payments on account	(9,572,619)	3,092,033	(7,608,187)	5,137,599
Total investments in tangible and intangible fixed assets	614,030	3,713,204	6,325,751	6,945,436
Shareholdings and other financial investments	38,889	6,027,587	1,058,626	10,307,326
Financial amounts receivable	0	3,104	6,388	3,311
Total shareholdings and other financial investments	38,889	6,030,691	1,065,014	10,310,636
Total investments	652,919	9,743,896	7,390,766	17,256,072

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.

Reference should be made to the section "Significant events in 2002" for information on the acquisition of investments.

9 Employees

The Group's workforce increased in number in line with its strategic development program until the first quarter 2002, although it maintained its flexible structure, in which the importance of employees is a guarantee for continued future development, and remained stable throughout the rest of the year.

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, at 31 December 2000 and 31 December 2001 is reported below:

<i>Category of employees</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>	<i>at 31.12.2001</i>	<i>at 31.12.2000</i>
Management	15	3	3	3	3	2
White collars	611	631	632	620	593	432
Blue collars	2	2	2	2	2	2
Apprentices	4	3	3	3	2	
Total	632	639	640	628	600	436

The average number of employees in 2001 was 545 units, while the average number of employees in the fourth quarter of 2002 is 636 units.

10 Significant events in 2002

The main events impacting the Group's performance in 2002 are described below.

In March, the Group signed a contract with Monte Paschi Asset Management S.p.A. for the supply of the new RG software and related services for the automation of the asset management operating room.

Recently launched onto the market, this software has been designed for the automation of the front office asset management of banks and other savings management companies.

The fact that this new product has been sold to a banking group already included in the customer portfolio confirms the success of CAD IT's cross-selling policies, aimed at offering an increasingly wide range of effective and innovative solutions to its numerous existing customers.

In March, CAD IT S.p.A. also acquired 51% of the quota capital of Bit Groove S.r.l., a Prato-based company specialised in the production of software for business intelligence.

This acquisition allows an extension of the technical and functional know-how of CAD IT in the field of management control, in which Bit Groove operates, and increases its offer with an innovative business intelligence product called "Babele". The Group will be able to provide its customer banks with an innovative automated system for the management control of financial instruments. In addition, the Group will be able to integrate the software already installed at tax collection agencies and complete its offer to the industrial sector by adding "Babele" to the "SIGMAWEB" ERP system.

This investment of approximately € 180 thousand corresponds to an overall estimated value of the acquired company of approximately € 354 thousand. Based on the agreement with Bit Groove's shareholders, who will maintain an operating role in the company, CAD IT may pay a maximum of another € 40 thousand after the approval of the 2002 financial statements, provided that Bit Groove achieves a 40% increase in turnover and a pre-tax profit of at least 15% of 2002 turnover. Based on the results of these objectives, the maximum investment might reach a total of € 220 thousand.

In March, CAD IT signed a contract with Gestnord Intermediazione, a stock brokerage company of the Banca Sella Group, for the supply of the newly implemented SIBAC software of the Verona-based IT group to all banks, stock brokerage companies and savings management companies. On the basis of this contract, CAD IT will provide Gestnord Intermediazione with a license to use this software and the related installation services.

SIBAC is innovative integrated modular software for the complete automation of a bank. As such it allows CAD IT to extend its offer to other clients such as virtual banks, the foreign branches of Italian banks, stock brokerage companies and savings management companies. With its leading edge technology, this web-based software can be used with the most well-known Internet browsers and is independent of the hardware platform. This ensures high flexibility and therefore adaptability to the hardware architecture of potentially every Italian or foreign bank.

The ordinary shareholders' meeting held at first call on 30 April 2002 approved the 2001 financial statements and resolved on the distribution of a dividend of € 0.65 per share, with an increase of approximately 80% on the previous year.

In June, CAD IT purchased 51% of the quota capital of Elidata S.r.l., a Milan-based company specialised in the production of software for financial institutions.

With this operation CAD IT takes over the great technical and operating know-how developed by ELIDATA and widens its offer with Caronte - an innovative software for the connection of banks, brokers, stock brokerage companies and savings management companies to the Italian and foreign stock markets.

Caronte is complementary to the Finance Area software developed by CAD IT for the complete automation of the financial instruments back office currently used by over 50% of Italian bank branches.

The cost of the investment is approximately € 184 thousand, corresponding to a total estimated value of the acquired company of approximately € 361 thousand. Based on the agreement with Elidata shareholders, who will maintain an operating role in the company, CAD IT may pay another € 591 thousand in two batches after the approvals of the 2002 and 2003 financial statements, respectively. These payments are subject to the achievement by Elidata of a 100% increase in turnover each year and an increase of at least 40% in pre-tax profit. In such a case, the maximum investment might reach a total of € 775 thousand.

With the product Caronte already operating at several Italian banking groups, Elidata achieved a 2001 turnover of approximately € 302 thousand (up 116% on 2000) and a pre-tax profit equal to 66% of turnover.

In October, CAD IT took part at SIBOS 2002, a forum organised by SWIFT in Geneva to focus on the challenges of leading edge technologies, production processes and of the market, which the global financial industry can face only with greater efficiency of operations.

On this occasion, CAD IT introduced the international financial community to two of its products destined also to the foreign market: EasySet and SIBAC, the latter being highly flexible multi-platform software. Hewlett Packard, world leader in the production of hardware systems, has made available to CAD IT its sales network for the distribution of SIBAC worldwide and passed on the names of potential customers to the Verona-based software house also during the SIBOS 2002 forum.

11 Significant subsequent events and expected future developments

No significant events occurred after 31 December 2002.

As regards the expected future developments for the current year, waiting for an improvement in the currently negative market trend, CAD IT will adopt a cost reduction policy, which will be 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