

**PRESS RELEASE**

**Verona, 12<sup>th</sup> November 2002**

## **CAD IT: THIRD QUARTERLY RESULTS 2002**

**CAD IT closes the first nine months of 2002 with a  
production value of € 43 million**

Late this afternoon the Board of Directors of CAD IT SpA, leader in the Italian financial software market, approved the third quarterly report of 2002.

On the **30<sup>th</sup> September 2002** CAD IT reported the following consolidated data:

- a **production value** of € 43 million;
- a **EBITDA** of about € 8.2 million, corresponding to 19.2% of the production value;
- a **group pre-tax profit** of approximately € 5.3 million, equal to 12.2% of the production value.

In particular reference to the **third quarter**, the production value amounted to about € 13 million, the gross operational margin to € 1.9 million (equal to 14.6% of the production value) and group pre-tax profit totalled € 0.53 million (4.1% of the production value).

During the third quarter of 2002 the Group continued its policy of increasing **investment in research and development activities**, in order to enrich its range of products. Investments in R&D, mainly due to staff costs, were completely financed by funds set aside for that period. These costs referred mainly the following new products, many of which were offered to clients in October:

- **SIBAC**, a complete integrated, modular and multi-platform I.T. system for banks;
- **EasySet**, for the automatic management of international securities transaction settlement;
- **Caronte**, a direct bank and broker linking system to over 50 financial markets world-wide;
- **Private Banking**, a multi-channel software to support private banking activities at outlets or on the financial promoter network;
- **Sicav Web**, for the automation of the SICAV distribution network;
- **Client General Database**, for an individual and complete view of each client with regard to single banks or banking groups;
- **Client general condition management**, to centrally manage all banking conditions;
- **Blue Chip Management Report**, a business intelligence platform to support the bank's choices and commercial decisions;
- **Investor adequacy care**, to control transaction adequacy on financial instruments in line with CONSOB and CESR regulations;
- **Contractual and modular banking management**;
- **Pago@web, Teso@Web, Set@Web and TRF@Web**, products for the management via internet of tax payments, various payments and data flow transmissions to tax collectors, public bodies, banks and companies.

The Group's staff, 639 people at the end of September, has increased by 39 members (+6.1%) since the beginning of the year.

CAD IT further reports that the **consolidated net financial position** on the 30<sup>th</sup> September 2002 was € 34.1 million, a reduction of 17.1% compared to the amount recorded at the end of the previous financial period. This reduction in the net financial position, equal to approximately € 7 million, is mainly due to the purchasing of stakes and investments in technical assets for a total of € 7.2 million and dividend payments of € 5.8 million, partially compensated by a positive monetary flow from operating activities amounting to about € 4.7 million.

**The President of CAD IT, Giuseppe Dal Cortivo, said:** "The negative economical situation has induced our clients to defer some technological investment decisions. As a result, our Group's third quarterly revenues have suffered a slight drop. We maintain that some of the investments, which the banks have postponed up to now, will come into effect over the next few months, especially those relating to the introduction of new SWIFT messages in accordance with the ISO 15022 standard, for whose management we have designed the EasySet software. In the meantime, CAD IT has introduced many new products which, by the end of the year or within the first months of 2003, will allow us to meet the demand of software for increasing efficiency and effectiveness of many banking services".

#### **The CAD IT Group**

*The CAD IT Group has developed and distributed information systems for the banking sector and small and medium sized companies for over 20 years. CAD IT's offers include standard and personalised applicative packages, software maintenance, updating, consultancy and training.*

*CAD IT is leader in the Italian software market for the banking sector with its main product, Financial Area, a programme which completely manages all functions connected to negotiation, settlement and administration of security transactions, bonds, derivatives (in any currency) and adopted by over 50% of Italian banking outlets.*

*In addition, the Group boasts a long-standing activity in the industrial sector and the capacity to offer solutions for e-business, credit and industrial companies in constant evolution.*

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## Consolidated profit and loss account for the period ended 30 September 2002

euro

	<i>Third quarter</i> <i>01/07-30/09/2002</i>		<i>Third quarter</i> <i>01/07-30/09/2001</i>		<i>Period</i> <i>01/01-30/09/2002</i>		<i>Period</i> <i>01/01-30/09/2001</i>	
Turnover - goods and services	12.907.473	99,39%	13.972.783	99,38%	42.852.390	99,57%	43.212.660	99,93%
Variation in contract work in progress	(10.000)	(0,08%)	0	0,00%	0	0,00%	(169.442)	(0,39%)
Other revenues and income	89.544	0,69%	87.026	0,62%	184.050	0,43%	200.066	0,46%
<b>Production revenues</b>	<b>12.987.017</b>	<b>100,00%</b>	<b>14.059.809</b>	<b>100,00%</b>	<b>43.036.440</b>	<b>100,00%</b>	<b>43.243.284</b>	<b>100,00%</b>
Raw materials, consumables and supplies	(266.431)	(2,05%)	(393.274)	(2,80%)	(1.024.610)	(2,38%)	(1.181.337)	(2,73%)
Services	(3.027.021)	(23,31%)	(2.877.755)	(20,47%)	(9.587.436)	(22,28%)	(9.014.794)	(20,85%)
Other operating costs	(311.664)	(2,40%)	(246.999)	(1,76%)	(1.019.902)	(2,37%)	(630.830)	(1,46%)
<b>Added value</b>	<b>9.381.901</b>	<b>72,24%</b>	<b>10.541.781</b>	<b>74,98%</b>	<b>31.404.492</b>	<b>72,97%</b>	<b>32.416.322</b>	<b>74,96%</b>
Personnel expenses	(6.780.929)	(52,21%)	(5.998.771)	(42,67%)	(21.144.801)	(49,13%)	(17.705.319)	(40,94%)
Other administrative expenses	(708.101)	(5,45%)	(737.822)	(5,25%)	(2.023.245)	(4,70%)	(2.081.900)	(4,81%)
<b>Gross operating result (EBITDA)</b>	<b>1.892.871</b>	<b>14,58%</b>	<b>3.805.188</b>	<b>27,06%</b>	<b>8.236.446</b>	<b>19,14%</b>	<b>12.629.103</b>	<b>29,20%</b>
Charge to provision for bad debts Amounts receivable	(25.280)	(0,19%)	(15.155)	(0,11%)	(90.579)	(0,21%)	(82.311)	(0,19%)
Amortisation and depreciation								
- Amortisation of intangible fixed assets	(676.750)	(5,21%)	(588.659)	(4,19%)	(1.970.816)	(4,58%)	(1.671.094)	(3,86%)
- Depreciation of tangible fixed assets	(178.569)	(1,37%)	(180.331)	(1,28%)	(586.771)	(1,36%)	(461.170)	(1,07%)
Other provisions	(516)	(0,00%)	0	0,00%	(1.032)	(0,00%)	0	0,00%
<b>Operating result (EBIT)</b>	<b>1.011.756</b>	<b>7,79%</b>	<b>3.021.043</b>	<b>21,49%</b>	<b>5.587.248</b>	<b>12,98%</b>	<b>10.414.528</b>	<b>24,08%</b>
Financial income and charges, net	281.473	2,17%	488.986	3,48%	1.068.049	2,48%	1.898.574	4,39%
<b>Result from operating activities</b>	<b>1.293.229</b>	<b>9,96%</b>	<b>3.510.029</b>	<b>24,97%</b>	<b>6.655.297</b>	<b>15,46%</b>	<b>12.313.102</b>	<b>28,47%</b>
Revaluations and write-downs	9.414	0,07%	467	0,00%	70.645	0,16%	27.113	0,06%
Extraordinary income and expense, net	(21.791)	(0,17%)	(4.392)	(0,03%)	341.309	0,79%	(143.069)	(0,33%)
<b>Profit before taxation and minority interests</b>	<b>1.280.852</b>	<b>9,36%</b>	<b>3.506.104</b>	<b>24,94%</b>	<b>7.067.251</b>	<b>16,42%</b>	<b>12.197.145</b>	<b>28,21%</b>
<b>Profit/(loss) of minority interests before taxation</b>	<b>(747.830)</b>	<b>(5,76%)</b>	<b>(453.319)</b>	<b>(3,22%)</b>	<b>(1.805.234)</b>	<b>(4,19%)</b>	<b>(1.283.319)</b>	<b>(2,97%)</b>
<b>Profit/(loss) of the group before taxation</b>	<b>533.022</b>	<b>4,10%</b>	<b>3.052.785</b>	<b>21,72%</b>	<b>5.262.017</b>	<b>12,23%</b>	<b>10.913.826</b>	<b>25,24%</b>

### **Net consolidated financial position at 30 September 2002**

	<b>al 30.09.2002</b>	<b>al 30.06.2002</b>	<b>al 31.03.2002</b>
Cash, bank current accounts	29.563.122	31.298.758	39.097.654
Financial assets not of a fixed nature	5.180.343	5.160.795	2.801.643
Sums due to banks net of short term portion of medium to long term financing	(671.232)	(1.018.576)	(490.988)
	<b>34.072.232</b>	<b>35.440.976</b>	<b>41.408.310</b>
<i><b>Net short term financial position (indebtedness)</b></i>			
Medium to long term financing net of short term portion	(7.747)	(15.494)	0
	<b>(7.747)</b>	<b>(15.494)</b>	<b>0</b>
<i><b>Net medium to long term financial position (indebtedness)</b></i>			
<i><b>Net financial position / (indebtedness)</b></i>	<b>34.064.485</b>	<b>35.425.482</b>	<b>41.408.310</b>