

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

Half year report as at and for the period ended 30 June 2002

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FIRST HALF YEAR REPORT 2002

This report has been drawn-up in accordance with CONSOB resolution No. 11971 of 14 May 1999 and subsequent integrations and modifications.

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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 GIOVANNI COSTA

² WOLFGANG KOENIG

² JOZE GRIVAR

STATUTORY AUDITORS

¹ SONIA MAZZI
Chairman

¹ GIUSEPPE CEREGHINI
Statutory Auditor

¹ GIANNICOLA CUSUMANO
Statutory Auditor

AUDITORS KPMG S.p.A.

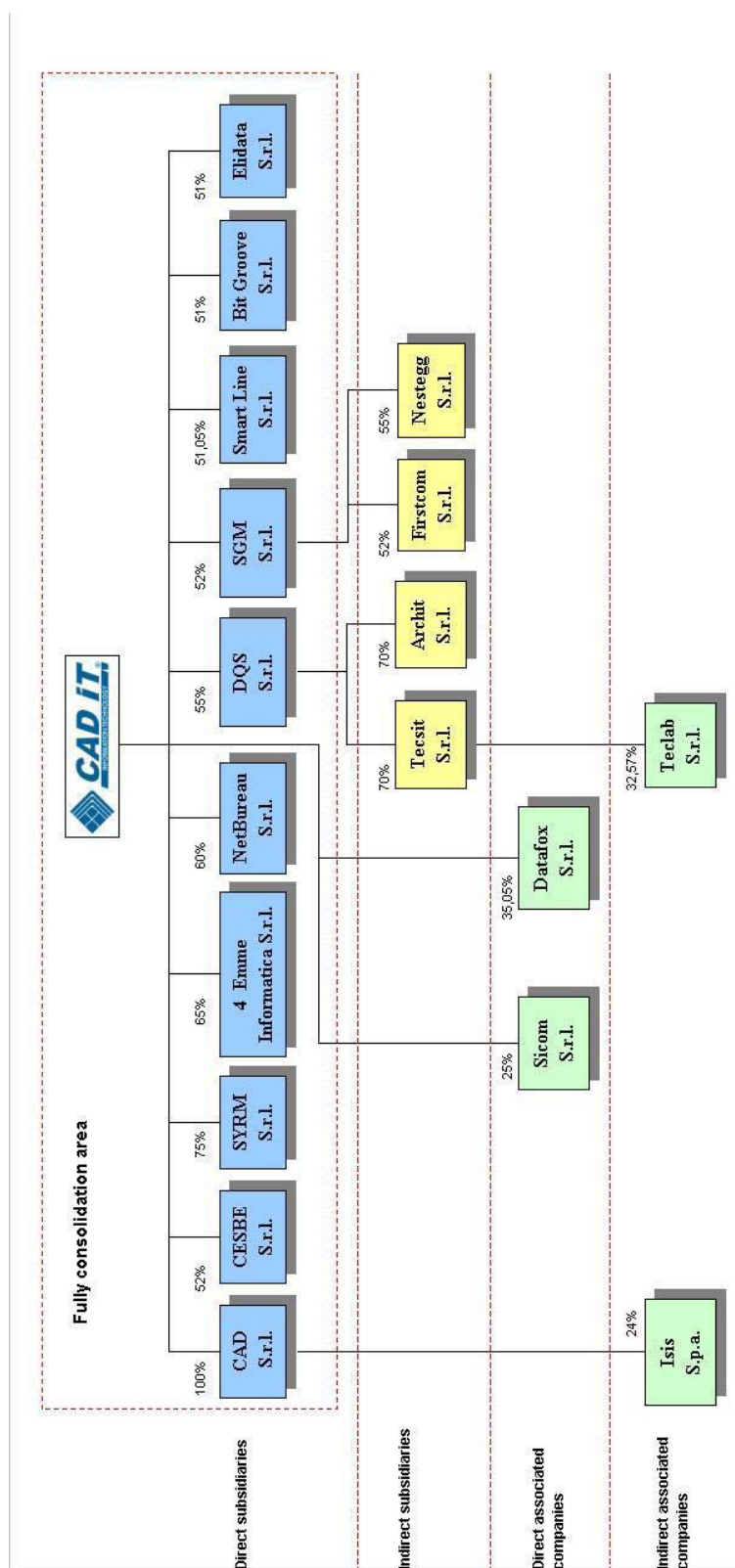
(1) Appointed on 23 February 2000; office expires on 22 February 2003.

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

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

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 obligation 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.

The Managing Directors are authorised to perform all ordinary administrative duties and also to acquire or sell registered moveable assets.



1) Information on the performance of the Group and of the company

1.1 Foreword

This report has been drawn-up in accordance with the criteria and provisions established by CONSOB under resolution No. 12475 of 6 April 2000 and under resolution No. 11971 of 14 May 1999.

The Balance Sheet and the Profit and Loss Account have been drawn-up in accordance with the regulations provided by Legislative Decree No. 127/1991 and by the bills and regulations provided by the Civil Code (Articles 2424, 2424 bis, 2425 and 2425 bis).

1.2 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, 37, Verona. The company is registered in the Companies Registry of Verona under No. 01992770238.

Share capital amounts to € 4,669,600 at 30 June 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.

1.2.1 Corporate bodies

The Board of Directors of CAD IT S.p.A. is composed of eight directors, three of whom are independent, as follows:

- Giuseppe Dal Cortivo	Chairman and Managing Director
- Luigi Zanella	Managing Director
- Giampietro Magnani	Managing Director
- Maurizio Rizzoli	Managing Director
- Paolo Dal Cortivo	
- Giovanni Costa	
- Wolfgang Koenig	
- Joze Gricar	

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.

The Managing Directors are authorised to perform all ordinary administrative duties and also to acquire or sell registered moveable assets.

The Board of Auditors of CAD IT S.p.A. is composed of five members, three of whom are statutory and two are alternate, as follows:

- Mazzi Sonia	Chairman
- Giuseppe Cereghini	Statutory Auditor
- Giannicola Cusumano	Statutory Auditor
- Cesare Brena	Alternate Auditor
- Paolo Debortoli	Alternate Auditor

1.3 Activities of the Group

CAD IT Group has developed and distributed IT solutions for the banking sector and small to medium-sized companies 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 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 industrial sector, providing and continuing to develop e-business solutions for banks and industrial companies.

1.4 Significant events in 2002

After 31 December 2001, CAD IT Group completed the acquisition of controlling investments strategically important for the integration of its own products and its offer, without significantly changing the financial and economic structure of the consolidation area, which remained consistent with prior year periods.

In order to clarify the Group's performance and results in the first half year 2002, the main events that characterised the management and the most significant variations in the consolidation area with respect to the same period of the previous year are set out hereunder.

In March, the Group signed a contract with Monte Paschi Asset Management S.p.A. for the supply of a new RG software package and the 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 financial institutions. 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 stock 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. The agreement between CAD IT and Bit Groove's shareholders, who will continue to have an operating role in the company, also provides for the possible payment of a further maximum tranche of € 40 thousand after the approval of the 2002 financial statements. This is subject to Bit Groove achieving 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 total investment would amount to € 220 thousand.

Bit Groove already counts a banking group, four government agencies and twenty municipalities among its customers and realized a 2001 turnover of approximately € 370 thousand - up 200% on 2000. Bit Groove's operating profit, which balanced in 2001, is expected to rise sharply in the current and future years.

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 IT group to all banks, stock brokerage companies and other financial institutions. On the basis of this contract, Verona-based CAD IT will grant a licence to Gestnord Intermediazione for the use this software and the related installation services.

SIBAC is an innovative integrated modular software for the complete automation of a bank. As such it allows CAD IT to extend its offer to new types of clients like virtual banks, the foreign branches of Italian banks, stock brokerage companies and other financial institutions. This new system is multi-lingual and will be launched onto the export market from 2003. With its leading edge technology, this web-based software can be used through the most well-known Internet browsers and is independent from its hardware platform. This ensures high flexibility and therefore adaptability of the structure to the hardware architecture of potentially every Italian or foreign bank. The agreement with Gestnord Intermediazione for the supply of the SIBAC software and related services will contribute approximately 0.7% to the consolidated revenues of the Group in 2002.

The shareholders' ordinary 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 80% on the previous year.

In June, CAD IT purchased 51% of the share capital of Elidata S.r.l., a Milan-based company specialised in the production of software for financial institutions. Through this operation CAD IT acquires the considerable technical and operating know-how developed by ELIDATA and broadens its offer with Caronte, an innovative software for the connection of banks, brokers, stock brokerage companies and other financial institutions 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 back office financial instruments currently used by approximately half of the Italian bank branches.

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 the turnover.

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 continue to have an operating role in the company, CAD IT may pay another € 591 thousand in two tranches after the approval of the 2002 and 2003 financial statements, provided that Elidata achieves a 100% increase in turnover per year and an increase of at least 40% in pre-tax profit. Depending on the achievement of these objectives, the total investment would amount to a maximum of € 775 thousand.

1.5 The market

In February 2002, Sirmi S.p.A. forecasted a growth of 7.8% in the Italian IT sector in 2002, achieving a total value of € 24.8 billion. The IT market comprises hardware, with an expected growth of 6%, software, with an expected growth of 8.2%, and IT services, with an expected growth of 10.4%.

More specifically, Sirmi S.p.A. estimates an increase of 8.3% in investments in IT solutions for the financial sector, which represents CAD IT's reference market, and an expected total turnover of € 5.6 billion. The growth of the IT market in the industrial sector, instead, is estimated at 6.2%, with an expected total turnover of € 6.4 billion.

In recent years, an average 90% of the CAD IT Group's turnover derived from the sale of software and services to the Italian financial sector. The products and services offered are specifically addressed to support the stock brokerage activities of banks, financial institutions and stock brokerage companies. The dynamism of this sector allowed the Group to achieve an increase in CAGR of 30% from 1997 to 2001.

The underlying reasons for this excellent performance are related to the ongoing consolidation and reorganisation of Italian banks (the Group's key customers), and to the strategic importance of its IT solutions.

1.6 Research and development

The boost given to these activities throughout 2001 continued in the first half year 2002, funded by the cash flows generated by the Group's core business and the share capital increase paid in when the parent company's shares were listed on the New Market.

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 in order to strengthen its core business.

It continued to intensify R&D activities related to the SIBAC platform, which was launched during April 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 it is being installed at Gestnord Intermediazione, a financial institution of the Banca Sella Group. Moreover, the Group is also upgrading the private banking platform in the back office financial instrument division.

Thanks to its many Italian and international contacts, the Group has several expert teams involved in researching the most innovative technologies, Internet banking, multi-channel services and technologies to manage the proposed solutions using ASP.

The main projects which involve the Group's companies are as follows:

- CAD IT S.p.A. and CAD S.r.l. are developing new important modules of the Finance Area software, which will be launched on the market in 2002 and 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 industrial and banks sectors.
- 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 standard for the management of securities and entails significant benefits in terms of organisation, security and complexity of manageable transactions. A first return should already be visible in the second half of the current year.
- Cesbe S.r.l. has continued to invest in the technological and functional upgrading of its solutions for on-line trading and distance training solutions;
- NetBureau S.r.l. is developing vertical portals (mainly for tax and financial purposes), Internet sites and e-commerce solutions using the technology of Macromedia-Allaire (international market leader for this technology), for which it is "Premier Partner" in Italy;
- SGM S.r.l. is developing vertical IT solutions of the SIGMAWEB project 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. dedicates particular resources to the technological upgrade of a platform, called "Caronte", for the linking to the Italian and foreign financial markets.

1.7 Investments

As described in the 2001 annual report, the Group made considerable investments for the construction of the new Verona head offices owned by CAD IT S.p.A. as part of its programmed expansion. The building has been completed and will become operative in 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 levels.

Total investments in tangible and intangible fixed assets made during the first half year 2002 by the consolidated companies may be analysed as follows:

Investments for the 1st half year 2002	1st half year 2002	1st half year 2001
Intangible fixed assets	654,849	189,023
Plant, machinery, equipment and other tangible fixed assets	394,298	598,574
Buildings under construction and related payments on account	2,175,866	1,953,756
Total investments in tangible and intangible fixed assets	3,225,013	2,741,353
Shareholdings and other financial investments	1,019,711	3,160,200
Financial amounts receivable	1,167	-
Total shareholdings and other financial investments	1,020,878	3,160,200
Total investments	4,245,891	5,901,553

Investments in intangible fixed assets mainly relate to the purchase costs of specific software necessary for the 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.

1.8 Financial income and charges

Net financing activities resulted in an income of € 786.5 thousand in the first half year 2002:

CAD IT Group	Financial income and charges	
31.12.2001	30.06.2002	30.06.2001
1,479 Financial income from receivables classified as fixed assets	117,335	2,959
841,692 Financial income from invested liquidity	0	422,388
1,745,040 Bank interest	702,264	989,082
2,588,212 Total other financial income	819,599	1,414,430
-31,035 Interest expenses and other financial charges	-33,022	-4,842
2,557,176 Financial income and charges, net	786,576	1,409,587

1.9 Net consolidated financial position

The net financial position at the end of the first half year 2002 amounts to a positive € 35,425.5 thousand, with a decrease of € 5,660.0 thousand on 31 December 2001.

CAD IT Group		Net financial position at 30/06/2002	
31.12.2001		30.06.2002	30.06.2001
38,470,170	Cash, bank current accounts	31,298,758	36,586,575
2,662,225	Financial assets not of a fixed nature	5,160,795	15,918,636
-46,946	Sums due to banks net of short-term portion of medium to long-term financing	-1,018,576	-4,015
41,085,449	Net short-term financial position (indebtedness)	35,440,976	52,501,197
0	Long-term financing net of short-term portion	-15,494	-47,245
0	Net long-term financial position (indebtedness)	-15,494	-47,245
41,085,449	Net financial position / (indebtedness)	35,425,482	52,453,951

1.10 Significant subsequent events and expected future developments

No significant events occurred after the end of the first half year.

The current launch of certain products and the expected increase in related demand by customer banks has led the Group to estimate a higher increase in revenues for the second half year.

1.11 Consolidation area

1.11.1 Criteria for the definition of the consolidation area

The companies directly controlled by CAD IT are usually consolidated on a line-by-line basis.

Indirect subsidiaries and those which are significantly influenced by CAD IT are valued using the equity method.

Further details are provided in the following paragraph and in the list of investments in subsidiary and associated companies.

1.11.2 Consolidation area and related variations

Compared to the half year report at 30 June 2001 and to the financial statements at 31 December 2001, fully integrated companies also include Bit Groove S.r.l. and Elidata S.r.l..

Revenues of the newly consolidated companies Bit Groove S.r.l. and Elidata S.r.l., net of intercompany balances that are eliminated upon consolidation, amount to € 507.6 thousand.

The following companies, which are valued using the equity method, are excluded from the line-by-line consolidation:

- Tecsit S.r.l., 70% subsidiary of DQS S.r.l., operating in a different business sector;
- Arch It S.r.l., 70% subsidiary of DQS S.r.l., immaterial;
- Firstcom S.r.l., 52% subsidiary of SGM S.r.l., immaterial;
- Nestegg S.r.l., 52% subsidiary of SGM S.r.l., immaterial.

Total assets and revenues of the non-consolidated indirect subsidiaries represent 0.3% and 0.5% of the Group assets and revenues respectively.

The associated companies directly and indirectly held, which are valued using the equity method, are the following:

Company name	Registered offices	Percentage of investment
Sicom Informatica S.r.l.	Registered offices in Viadana (MN)	25.000%
Isis S.p.A.	Registered offices in the Republic of S. Marino	24.000%
Datafox S.r.l.	Registered offices in Florence	35.055%

1.11.3 List of investments in subsidiary and associated companies at 30 June 2002

Companies consolidated on a line-by-line basis:

Company name	Registered offices	Share capital €	Percent. of control	Percent of invstmnt of the Group
CAD S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 37 Via Torricelli , Verona	130,000	100.000%	100.000%
Cesbe S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 37 Via Torricelli, Verona	10,400	52.000%	52.000%
Syrm S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 37 Via Torricelli, Verona	10,400	75.000%	75.000%
4EmmeInfor. S.r.l.(direct subsidiary of CAD IT S.p.A.)	No. 25 Corso Archinti, Lodi	26,000	65.000%	65.000%
NetBureau S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 13 Via Morigi, Milan	50,000	60.000%	60.000%
SGM S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 28 Galleria Spagna, Padua	1,044,650	52.000%	52.000%
DQS S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 40 Via S. D'Amico, Rome	11,000	55.000%	55.000%
SmartLine S.r.l. (direct subsidiary of CAD IT S.p.A.)	No.165 Via Tagliamento, Avellino	102,700	51.000%	51.000%
BitGroove S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 8 Piazza 4 Novembre, Agliana (PT)	15,500	51.000%	51.000%
Elidata S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 1Via Sanadolo, Castiglione d'Adda (LO)	20,000	51.000%	51.000%

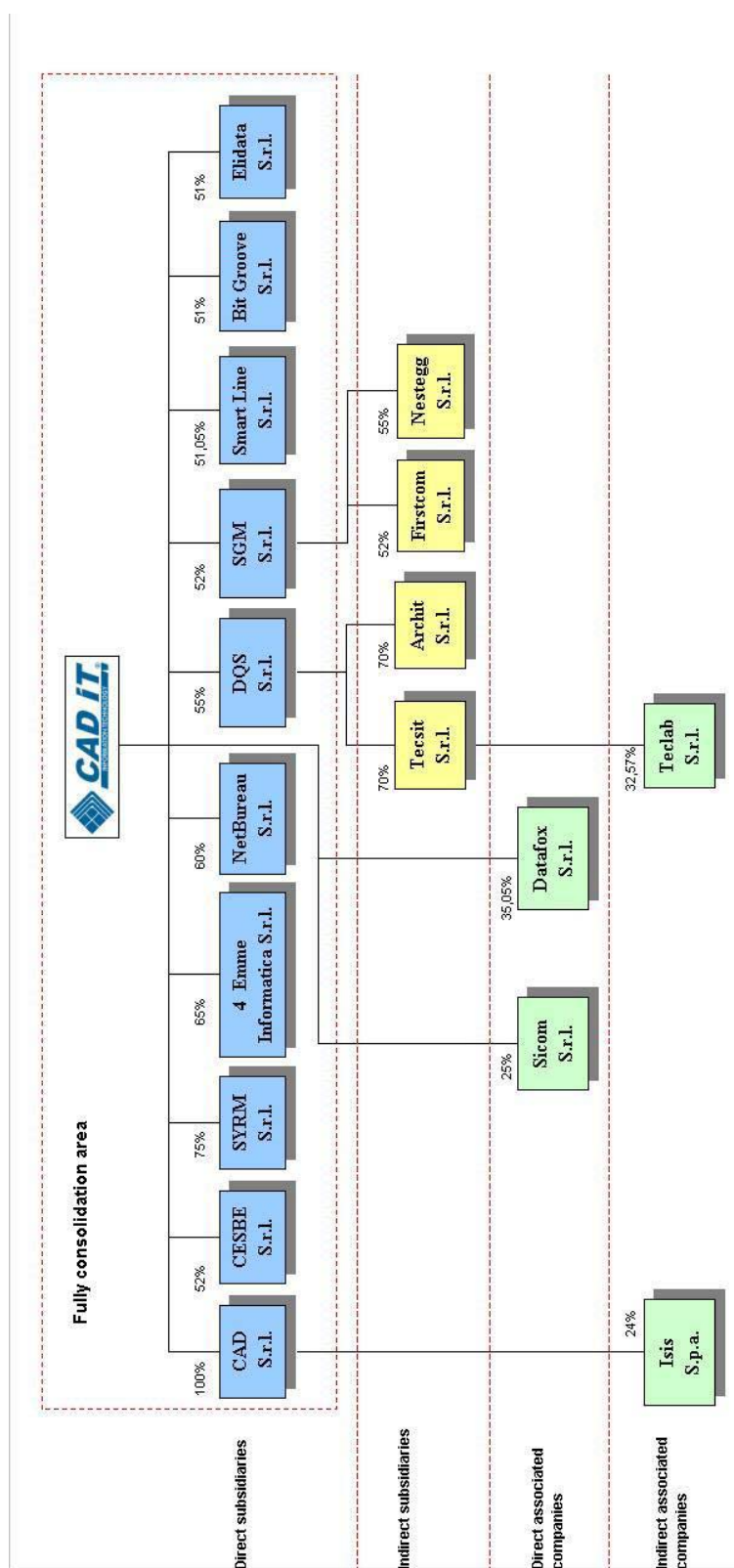
Companies valued under the equity method

a) Subsidiary companies:

Company name	Registered offices	Share capital €	Percent. of control	Percent of invstmnt of the Group
Tecsit S.r.l. (70% direct subsidiary of DQS S.r.l.)	No. 40 Via S. D'Amico, Rome	75,000	70.000%	38.500%
Arch It S.r.l. (70% direct subsidiary of DQS S.r.l.)	No. 40 Via S. D'Amico, Rome	75,000	70.000%	38.500%
Firstcom S.r.l. (52% direct subsidiary of SGM S.r.l.)	No. 28 Galleria Spagna, Padua	25,000	52.000%	27.040%
Nestegg S.r.l. (55% direct subsidiary of SGM S.r.l.)	No. 10 Piazza Borromeo, Milan	25,000	55.000%	28.600%

b) Associated companies:

Company name	Registered offices	Share capital €	Percent. of control	Percent of invstmnt of the Group
Datafox S.r.l.(direct subsidiary of CAD IT S.p.A.)	No. 56/3 Via Circondaria, Florence	99,999	35.055%	35.055%
Sicom S.r.l. (direct subsidiary of CAD IT S.p.A.)	No. 15 Via Verdi, Viadana (MN)	10,400	25.000%	25.000%
Isis S.p.A. (100% direct subsidiary of CAD S.r.l.)	No. 120 Via del Voltone, Rep.of S.Marino	284,047.5	24.000%	24.000%
Teclab S.r.l.(32.57% direct subsidiary of Tecsit S.r.l.)	No. 74 Via delle Pianazze, La Spezia	72,304	32.570%	12.539%



1.12 Consolidation criteria and accounting policies

The consolidation criteria and accounting policies used are the same as those applied in the annual consolidated financial statements.

The calculation of profit for the period considers the best estimate of the IRPEG and IRAP tax charge for the period, based on the relevant legislation and profit for the period and taking into account the tax benefits arising from the listing on a regulated market. The amendments to the tax regulations introduced at the end of 2001 rendered it impossible to fully benefit from the tax concessions which were previously realizable on the new investments.

Profit for the period and shareholders' equity pertaining to minority interest are calculated on the basis of the profit and shareholders' equity of the relevant companies, net of estimated taxation for the period.

The consolidated balance sheet and profit and loss account included in the half year report as at and for the six-month period ended 30 June 2002, are based on the balance sheet and profit and loss account included in the half year reports of the individual subsidiaries at the same date, duly reclassified and adjusted for consistency of the accounting principles applied thereto.

The accounting policies applied in the preparation of the 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 half year report has been drawn up on a consolidated basis. The half year report of CAD IT S.p.A. is also included.

1.12.1 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.

1.12.2 Comparison with previous periods

The profit and loss account figures and gross investments in fixed assets relate to the half year of reference and they are compared to the same previous year periods and to 31 December 2001.

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

2) Consolidated half year report of the Group

The consolidated figures of the Group are shown below, while the information relating to the parent company CAD IT S.p.A. is set out in the final part of this document.

As the parent company's activities are aimed at providing services mainly to the subsidiary companies and to co-ordinate management, the results of the parent company itself can be better understood by referring to the consolidation information.

Unless otherwise indicated, monetary items are stated in thousands of Euros.

2.1 Consolidated Balance Sheet - Assets

31.12.2001		30.06.2002	30.06.2001
	A) SHARE CAPITAL PROCEEDS TO BE RECEIVED		
0	I. Called up	0	0
0	II. Not yet called up	0	449
0	Total share capital proceeds to be received (A)	0	449
	B) FIXED ASSETS		
	I. Intangible fixed assets		
2,639,995	1) Start-up and capital costs	2,206,756	3,105,889
0	2) Research, development and advertising costs	0	0
0	3) Industrial patents and similar rights	26,663	0
386,940	4) Licences, trademarks and similar rights	353,235	287,538
22,776	5) Goodwill	21,149	0
9,494,198	5 bis) Goodwill arising on consolidation	9,875,425	10,046,212
0	6) Assets under development and payments on account	0	0
422,212	7) Other	884,661	190,112
12,966,121	Total intangible fixed assets	13,367,889	13,629,751
	II. Tangible fixed assets		
119,550	1) Land and buildings	114,768	124,332
119,509	2) Plant and machinery	107,929	142,608
0	3) Industrial and commercial equipment	508	0
1,317,136	4) Other assets	1,358,255	1,262,430
7,608,187	5) Assets under construction and payments on account	9,784,052	4,424,476
9,164,382	Total tangible fixed assets	11,365,513	5,953,846
	III. Financial fixed assets		
	1) Investments:		
0	a) Subsidiary companies	0	0
87,878	a-bis) Subsidiary companies valued using the equity method	85,430	63,013
520,578	b) Associated companies	529,405	516,518
6,023,064	c) Other	6,022,047	26
	2) Amounts receivable:		
0	a) From subsidiary companies	0	0
0	b) From associated companies	0	0
66,894	d) Others due after one year	71,826	165,781
0	3) Other securities	0	0
0	4) Own shares (with total nominal value)	0	0
6,698,415	Total financial fixed assets	6,708,707	745,338
28,828,917	Total fixed assets (B)	31,442,109	20,328,935

C) ASSETS FORMING PART OF WORKING CAPITAL

	I. Inventory		
2,479	1) Raw materials, consumables and supplies	1,085	1,498
0	2) Work in progress and semi-finished products	0	0
0	3) Contract work in progress	10,000	116,203
144,190	4) Finished goods	146,804	126,277
0	5) Payments on account	0	0
146,669	Total	157,889	243,978
	II. Receivables		
29,840,499	1) Trade receivables	34,197,133	29,037,129
0	2) Subsidiary companies	52	0
	2 bis) Subsidiary companies valued under the equity method	3,190	
2,311	3) Associated companies	0	3,783
2,350	4) Parent companies	240	0
2,195,738	5) Others due within one year	1,577,685	1,860,295
32,040,898	Total	35,778,300	30,901,206
0	III. Financial assets not of a fixed nature		
0	1) Investments in subsidiary companies	0	0
61,975	2) Investments in associated companies	0	1,328
0	4) Other investments	0	0
0	5) Own shares (with total nominal value)	0	0
0	6) Other securities	0	15,917,308
2,600,251	7) Insurance policies for capitalization	5,160,795	0
2,662,225	Total	5,160,795	15,918,636
	IV. Liquid funds		
38,445,075	1) Bank and postal accounts	31,281,955	36,474,571
7,592	2) Cheques on hand	0	92,061
17,502	3) Cash-in-hand and cash equivalents	16,803	19,943
38,470,170	Total	31,298,758	36,586,575
73,319,962	Total assets forming part of working capital	72,395,742	83,650,395
	D) ACCRUED INCOME AND DEFERRED EXPENSES		
2,589	Accrued income	2,479	126,277
193,550	Deferred expenses	283,642	209,366
196,139	Total	286,121	335,643
102,345,018	TOTAL ASSETS	104,123,972	104,315,423

2.2 Balance sheet - Liabilities

31.12.2001		30.06.2002	30.06.2001
	A) SHAREHOLDERS' EQUITY		
4,669,600	I. Share capital	4,669,600	4,669,600
62,186,400	II. Share premium reserve	62,186,400	62,186,400
0	III. Revaluation reserves	0	0
347,328	IV. Legal reserve	864,419	347,328
0	V. Reserve for purchase of own shares	0	0
0	- extraordinary reserve	0	0
0	- other reserves	0	0
0	- payment on capital account	0	0
0	VI. Statutory reserves	0	0
	VII. Other reserves		
3,518,921	- available reserve	7,506,650	3,518,921
1,323,150	Consolidation reserves	150,791	1,323,150
0	VIII. Retained earnings or losses carried forward	0	0
9,169,462	IX. Profit/(loss) for the period of the Group	2,597,910	4,906,066
81,214,861	Consolidated shareholders' equity of the Group	77,975,771	76,951,464
923,819	Share capital and reserves pertaining to minority interest	1,385,578	960,656
897,095	Profit/(loss) for the period pertaining to minority interest	462,455	363,769
1,820,914	Shareholders' equity pertaining to minority interest	1,848,034	1,324,425
83,035,775	Consolidated shareholders' equity	79,823,804	78,275,889
	B) PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES		
23,363	1) Pension and similar provisions	42,781	0
0	2) Taxation	0	706
0	3) Exchange rate risk	0	1,141
23,363	Total	42,781	1,847
3,145,511	C) EMPLOYEES' LEAVING ENTITLEMENT	3,526,430	3,911,210
	D) PAYABLES		
0	1) Debentures	0	0
0	2) Convertible debentures	0	0
46,946	3) Due to banks	1,018,576	4,015
0	Due after one year	15,494	47,245
0	4) Sums due to other financial institutions	7,017	0
0	Due after one year	496	0
299,209	5) Payments on account	156,510	299,483
6,588,639	6) Accounts payable to creditors	4,837,692	5,570,458
0	7) Accounts payable on bills accepted and drawn	0	0
0	Due after one year	0	0
20,671	8bis) Amounts payable to subsidiaries	26,250	0
40,298	9) Amounts payable to associated companies	27,692	27,269
0	10) Amounts payable to parent companies	0	0
2,053,751	11) Sums payable to taxation authorities	3,249,756	4,625,587
1,760,871	12) Social security charges payable	1,871,656	1,820,318

5,268,814	13) Other sums payable	6,863,215	7,272,813
16,079,198	Total	18,074,354	19,667,189
E) ACCRUED EXPENSES AND DEFERRED INCOME			
8,126	Accrued expenses	9,553	5,371
53,046	Deferred income	2,647,048	2,453,917
61,172	Total	2,656,602	2,459,288
102,345,018	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	104,123,972	104,315,423
12,394,966	MEMORANDUM AND CONTINGENCY ACCOUNTS	12,394,966	12,394,966

2.3 Consolidated Profit and Loss Account

31.12.2001		30.06.2002	30.06.2001
A) PRODUCTION REVENUES			
60,955,403	1) Turnover - goods and services	29,944,917	29,239,877
0	2) Variation in work in progress	0	0
(287,395)	3) Variation in contract work in progress	10,000	(169,442)
0	4) Increase on internal work capitalised under fixed assets	0	0
289,458	5) Other revenues and income, with contributions for operating expenses separately stated	94,506	113,040
60,957,466	Total production revenues	30,049,423	29,183,475
B) PRODUCTION COST			
(1,583,070)	6) Raw materials, consumables and supplies	(759,399)	(804,254)
(15,551,764)	7) Services	(7,875,559)	(7,481,118)
(856,103)	8) Use of third party assets	(593,017)	(324,129)
	9) Personnel expenses		
(18,048,347)	a) Wages and salaries	(10,492,384)	(8,645,091)
(5,375,438)	b) Social security contributions	(3,139,401)	(2,417,074)
(1,142,943)	c) Employees' leaving entitlement	(651,940)	(543,834)
0	d) Pension and similar costs	0	0
(271,447)	e) Other costs	(80,147)	(100,549)
(24,838,175)	Total personnel expenses	(14,363,873)	(11,706,549)
	10) Amortisation, depreciation and write-downs		
(2,320,781)	a) Amortisation of intangible fixed assets	(1,294,066)	(1,082,435)
(661,519)	b) Depreciation of tangible fixed assets	(408,202)	(280,839)
(265)	c) Write-downs of tangible fixed assets	0	0
(122,004)	d) Write-downs of receivables included under assets forming part of working capital	(65,300)	(67,156)
(3,104,569)	Total amortisation, depreciation and write-downs	(1,767,567)	(1,430,430)
36,582	11) Variation in raw materials, supplies and consumables	1,220	16,191
0	12) Provision for contingencies	0	0
0	13) Other provisions	(516)	0
(197,870)	14) Other operating costs	(115,221)	(59,702)
(46,094,969)	Total production cost	(25,473,932)	(21,789,990)
14,862,497	Difference between production revenues and cost (A-B)	4,575,492	7,393,485
C) FINANCIAL INCOME AND CHARGES			
0	15) Income from investments in subsidiary companies	(0)	0
0	- Associated companies	0	0
0	- Other	116,474	0
0	- Tax credits on dividends	0	0
0	16) Other financial income	0	0
1,479	a) Receivables classified as fixed assets	861	2,959
0	b) From securities included as fixed assets which are not investments	0	0
841,692	c) From securities included under assets forming part of working capital	0	422,388
1,745,040	d) Other income	702,264	989,082
0	17) Interest and other financial charges	0	0
(31,035)	a) From minority interest	(33,022)	(4,842)
0	b) From subsidiary companies	0	0
0	c) From associated companies	0	0

0	d) From parent companies	0	0
2,557,176	Total financial income and charges (15+16-17)	786,576	1,409,587
	D) ADJUSTMENTS TO FINANCIAL ASSET VALUES		
136,509	18) Revaluation of investments in associated companies	44,295	57,252
(84,146)	19) Write-downs of investments in associated companies	(23,662)	(30,607)
52,363	Total adjustments to financial asset values	20,633	26,646
	E) EXTRAORDINARY INCOME AND EXPENSE		
49,203	20) Income	506,450	15,780
0	Profit on sale of assets	5,139	2,776
(222,882)	21) Expense	(148,289)	(157,234)
(1,343)	Loss on sale of assets	(200)	0
(175,022)	Total extraordinary items (20-21)	363,100	(138,678)
17,297,015	PROFIT BEFORE TAXATION (A-B+C+-D+-E)	5,745,801	8,691,041
(7,230,458)	22) Taxation on profit for the period	(2,685,436)	(3,421,206)
10,066,557	23) Profit before minority interest	3,060,365	5,269,834
(897,095)	24) Profit/(loss) for the period pertaining to minority interest	(462,455)	(363,769)
9,169,462	26) Net profit /(loss) for the period	2,597,910	4,906,066

3) Information on the consolidated half year report

3.1 The main schedules

In the first half year 2002 CAD IT Group's production revenues totalled € 30,049.4 thousand with an increase of 2.97% on the corresponding prior year period 2001 (€ 29,183.5 thousand).

The profit and loss account of the Group evidences a gross operating result of € 6,343.6 thousand representing 21.11% of production revenues.

Financing activities generated net income of € 786.6 thousand.

Net extraordinary expenses were € 363.1 thousand.

Profit before taxation totalled € 5,745.8 thousand. Net half year profit of the Group amounted to € 3,060.4 thousand.

As shown in the table below, net cash flows for the period (profit before taxation, plus amortisation, depreciation, write-downs and provisions) reached € 7,913.7 thousand.

The half year results are generally consistent with the strategic decision to intensify the activities aimed at the creation of new products and at the improvement of those existing, correlated with the increase in personnel expenses and the temporary slow-down in the growth of turnover.

<i>CAD IT Group</i>		<i>Net cash flows</i>	
31.12.2001		30.06.2002	30.06.2001
17,297,015	Profit before taxation	5,745,801	8,691,041
2,982,565	Amortisation and depreciation	1,702,267	1,363,274
122,004	Write-downs	65,300	67,156
-323,942	Provisions	400,338	420,727
20,077,641	Total Net Cash Flows	7,913,707	10,542,197

The new investments in tangible and intangible fixed assets made in the period totalled € 3,225.0 thousand while investments in shareholdings were € 1,019.7 thousand.

The net financial position shows a positive balance of € 35,425.5 thousand.

3.2 Analysis of consolidated profit

The following paragraphs comment on the reclassified profit and loss account (plus a table showing the reclassified consolidated profit and loss account), which best represents the performance of the Group. This reclassified profit and loss account complies with the format required by Legislative Decree No. 127/91.

The variations shown herein refer, unless otherwise stated, to the comparison with the values of the corresponding period of the previous year.

Production revenues amount to € 30,049.4 thousand with an increase of € 865.9 thousand equal to 2.97%.

The added value rises to € 22,022.6 thousand, with an increase of 0.68% on the same period of the previous year.

Personnel expenses amount to € 14,363.9 thousand, with an increase of € 2,657.3 thousand as a consequence of an increase of 112 units to 622 in the average workforce in the half year of reference compared to the previous year period. The percentage of personnel expenses increased from 40.11% to

47.80%, as an effect of the employment of new personnel.

Other costs amount to € 1,315.1 thousand and represent 4.38% of production revenues.

Gross operating result is € 6,343.6 thousand and represents 21.11% of production revenues.

Amortisation and depreciation included in profit for the period amount to €1,702.3 thousand with an increase of € 339.0 thousand, principally due to amortisation of goodwill arising on consolidation of the new investments and to depreciation of new assets used for production.

Operating profit amounts to € 4,575.5 thousand, equal to 15.23% of production revenues.

Net financial income (for comments thereon see chapter on financing activities) amounts to € 786.6 thousand.

As an effect of financial income, profit from ordinary activities amounts to € 5,362.1 thousand, equal to 17.94% of production revenues.

Net extraordinary income of € 363.1 thousand is due to tax benefits on previous year results.

Profit before taxation amounting to € 5,745.8 thousand is equal to 19.12% of production revenues.

Profit for the period, net of taxation and minority interest, is equal to €2,597.9 thousand, representing 8.65% of production revenues.

The impact of taxation on profit before taxation is equal to 46.74% compared to 39.36% of the first half year of 2001 and to 41.80% in the full year 2001.

The taxes charged to the period were estimated taking into account the period's results and the current regulations and they represent the best possible estimate of taxation for the considered period.

3.2.1 Analysis of consolidated profit

The following table shows the reclassified consolidated profit and loss account of the Group for the six-month periods ended 30 June 2002 and 2001.

31.12.2001	%	Reclassified consolidated profit and loss account	30.06.2002	%	30.06.2001	%	% variation
60,955,403	100.00%	Turnover - goods and services	29,944,917	99.65%	29,239,877	100.19%	2.41%
(287,395)	(0.47%)	Variation in contract work in progress	10,000	0.03%	(169,442)	(0.58%)	105.90%
289,458	0.47%	Other revenues and income	94,506	0.31%	113,040	0.39%	(16.40%)
60,957,466	100.00%	Production revenues	30,049,423	100.00%	29,183,475	100.00%	2.97%
(1,546,488)	(2.54%)	Raw materials, consumables and supplies	(758,179)	(2.52%)	(788,063)	(2.70%)	(3.79%)
(13,087,486)	(21.47%)	Services	(6,560,416)	(21.83%)	(6,137,040)	(21.03%)	6.90%
(1,053,973)	(1.73%)	Other operating costs	(708,238)	(2.36%)	(383,831)	(1.32%)	84.52%
45,269,518	74.26%	Added value	22,022,591	73.29%	21,874,541	74.96%	0.68%
(24,838,175)	(40.75%)	Personnel expenses	(14,363,873)	(47.80%)	(11,706,549)	(40.11%)	22.70%
(2,464,278)	(4.04%)	Other administrative expenses	(1,315,143)	(4.38%)	(1,344,078)	(4.61%)	(2.15%)
17,967,066	29.47%	Gross operating result (EBITDA)	6,343,575	21.11%	8,823,915	30.24%	(28.11%)
(122,004)	(0.20%)	Accrual to bad debt provision	(65,300)	(0.22%)	(67,156)	(0.23%)	(2.76%)
(2,982,565)	(4.89%)	Amortisation and depreciation	(1,702,267)	(5.66%)	(1,363,274)	(4.67%)	24.87%
0	-	Other provisions	(516)	(0.00%)	0	-	
14,862,497	24.38%	Operating profit (EBIT)	4,575,492	15.23%	7,393,485	25.33%	(38.11%)
2,557,176	4.20%	Financial income (charges)	786,576	2.62%	1,409,587	4.83%	(44.20%)
17,419,673	28.58%	Profit/(loss) from ordinary activities	5,362,068	17.84%	8,803,072	30.16%	(39.09%)
52,363	0.09%	Revaluations and write-downs	20,633	0.07%	26,646	0.09%	(22.56%)
(175,022)	0.29%	Extraordinary income or expenses	363,100	1.21%	(138,678)	(0.48%)	(361.83%)
17,297,015	28.38%	Profit (loss) before taxation	5,745,801	19.12%	8,691,041	29.78%	(33.89%)
(7,230,458)	(11.86%)	Taxation on profit for the year	(2,685,436)	(8.94%)	(3,421,206)	(11.72%)	(21.51%)
10,066,557	16.51%	Profit before minority interest	3,060,365	10.18%	5,269,834	18.06%	(41.93%)
(897,095)	(1.47%)	Profit/(loss) for the period pertaining to minority interest	(462,455)	(1.54%)	(363,769)	(1.25%)	27.13%
9,169,462	15.04%	Net profit/(loss) for the period	2,597,910	8.65%	4,906,066	16.81%	(47.05%)

3.3 Information on the balance sheet

3.3.1 Analysis of the composition of the principal captions of the consolidated balance sheet

The following table presents the reclassified consolidated balance sheets of the Group as at 30 June 2002 and 2001.

Reclassified consolidated balance sheet of CAD IT Group			
31.12.2001		30.06.2002	30.06.2001
Fixed assets			
12,966,121	Intangible fixed assets	13,367,889	13,629,751
9,164,382	Tangible fixed assets	11,365,513	5,953,846
6,698,415	Other fixed assets	6,708,707	745,338
28,828,917	Total fixed assets (A)	31,442,109	20,328,935
Current assets			
29,845,160	Trade receivables, net	34,200,615	29,041,361
146,669	Closing inventory	157,889	243,978
2,195,738	Other current assets	1,577,685	1,860,295
196,139	Accrued income and deferred expenses	286,121	335,643
32,383,706	Total current assets (B)	36,222,311	31,481,277
Current liabilities			
299,209	Payments on account received	156,510	299,483
6,649,608	Accounts payable to creditors	4,891,634	5,597,727
-	- Sums due to other financial institutions	7,512	-
-	- Payables due to former shareholders	-	-
7,029,684	Other current liabilities	8,734,871	9,093,131
2,053,751	Sums payable to taxation authorities	3,249,756	4,625,587
61,172	Accrued expenses and deferred income	2,656,602	2,459,288
16,093,424	Total current liabilities (C)	19,696,886	22,075,217
16,290,282	Operating capital, net (D = B – C)	16,525,425	9,406,060
3,145,511	Employees' leaving entitlement (E)	3,526,430	3,911,210
41,973,689	Invested capital, net (F = A + D – E)	44,441,103	25,823,785
Shareholders' equity and net financial position			
81,214,861	Total shareholders' equity of the Group	77,975,771	76,951,464
1,820,914	Minority interest	1,848,034	1,324,425
-	- Medium/long-term payables due to banks	15,494	47,245
23,363	Provisions for contingencies and other charges	42,781	1,847
(41,085,449)	Net (financial position)/indebtedness	(35,440,976)	(52,501,197)
41,973,689	Total shareholders' equity and net financial position	44,441,103	25,823,785
Memorandum and contingency accounts			
12,394,966	Guarantees given	12,394,966	12,394,966

The composition and variations in the most significant captions compared to the balance sheet at 31 December 2001 may be analysed as follows (in Euros):

3.3.1.1 *Fixed assets*

Intangible fixed assets

The captions and related variations at the six-month period and may be broken down as follows:

31.12.2001		30.06.2002	30.06.2001
2,639,995	Start-up and capital costs	2,206,756	3,105,889
0	Industrial patents and similar rights	26,663	0
386,940	Licences, trademarks and similar rights	353,235	287,538
22,776	Goodwill	21,149	0
9,494,198	Goodwill arising on consolidation	9,875,425	10,046,212
422,212	Other intangible fixed assets	884,661	190,112
12,966,121	Total intangible fixed assets	13,367,889	13,629,751

Start-up and capital costs principally relate to costs incurred in 2000 by the parent company for the listing of the ordinary shares of CAD IT S.p.A. on the New Market organised and managed by Borsa Italiana S.p.A.. These costs are amortised over five years.

The caption "Licenses, trademarks and similar rights" principally includes the "Dinasty" software used by the Group for "object-oriented" programming activities.

The caption of major significance is represented by "Goodwill arising on consolidation" relating to investments in the subsidiaries Cad S.r.l. (€ 4,118,175 thousand), Cesbe S.r.l. (€ 34,532 thousand), SGM S.r.l. (€ 1,485,996 thousand), DQS S.r.l. (€ 2,767,175 thousand), Smart Line S.r.l. (€ 531,745 thousand), Bit Groove S.r.l. (€ 205.6 thousand) and Elidata S.r.l. (€ 732.2 thousand). As already mentioned, goodwill arising on consolidation is amortised over ten years, representing its estimated income-generating potential.

The caption "Other intangible fixed assets" principally includes leasehold improvements carried out by the subsidiaries.

In the first half of 2002, the caption “Intangible fixed assets” varied as follows:

Variation in intangible fixed assets at 30/06/2002

	Start up and capital costs	Research, develop. and advert. costs	Industrial patents and similar rights	Licenses, trademarks and similar rights	Goodwill	Assets under development. and p/mnts on account	Goodwill arising on consolid.	Other intangible fixed assets	Total
Purchase or production cost	4,417,008			1,397,087	32,537		11,131,501	681,207	17,659,340
Previous year revaluations									
Previous year amortisation and write-downs	(1,777,013)			(1,010,147)	(9,761)		(1,637,303)	(258,995)	(4,693,219)
Adjustments to previous years write-downs									
Opening balance	2,639,995	0	0	386,940	22,776	0	9,494,198	422,212	12,966,121
Variation in consolidation area	8,355		38,479	2,889				4,102	53,825
Additions				88,344			987,161	566,505	1,642,009
Transfers				1,760					1,760
Reduction in accumulated amortisation due to disposals				(1,760)					(1,760)
Disposals									
Revaluations for the year									
Amortisation and write-downs for the year	(441,594)		(11,816)	(124,937)	(1,627)		(605,933)	(108,158)	(1,294,066)
Adjustments to write-downs for the year									
Total intangible fixed assets	2,206,756	0	26,663	353,235	21,149	0	9,875,425	884,661	13,367,889
(of which are revaluations)	0	0	0	0	0	0	0	0	0

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.

Tangible fixed assets

The caption “Tangible fixed assets” may be broken down as follows:

	31.12.2001	30.06.2002	30.06.2001
119,550	Land and buildings	114,768	124,332
119,509	Plant and machinery	107,929	142,608
0	Industrial and commercial equipment	508	0
1,317,136	Other assets	1,358,255	1,262,430
7,608,187	Assets under construction and payments on account	9,784,052	4,424,476
9,164,382	Total tangible fixed assets	11,365,513	5,953,846

In the first half of 2002, the caption varied as follows:

Variation in tangible fixed assets at 30/06/2002

	Land and buildings	Plant and machinery	Indust. and comm. equipment	Other tangible fixed assets	Assets under construction	Total
Purchase or production cost	41,015	363,779		3,671,491	7,608,187	11,684,472
Revaluations - previous years	120,837					120,837
Depreciation and write-downs - previous years	-42,302	-244,271		-2,352,644		-2,639,216
Adjustments and write-downs - previous years				-1,711		-1,711
Opening balance	119,550	119,509	0	1,317,136	7,608,187	9,164,382
Variation in consolidation area		1,447	0	44,361	0	45,808
Additions		7,024	637	386,636	2,175,866	2,570,163
Transfers		18,439	77	-20,277		-1,760
Reduction in accumulated depreciation for disposals		-10,093		98,545		88,453
Disposals				-93,332		-93,332
Revaluations						
Depreciation and write-downs	-4,782	-28,397	-206	-374,815		-408,201
Adjustments and write-downs - previous years						
Total tangible fixed assets	114,768	107,929	508	1,358,255	9,784,052	11,365,513
(of which are revaluations)	120,837					120,837

Tangible fixed assets at 30/06/2002

	Land and buildings	Plant and machinery	Indust. and comm. equipment	Other tangible fixed assets	Assets under construction	Total
Gross value at 31/12/2001	161,852	363,779	0	3,671,491	7,608,187	11,805,309
Accumulated depreciation	(42,302)	(244,271)	0	(2,354,355)	0	(2,640,927)
Net value at 31/12/2001	119,550	119,509	0	1,317,136	7,608,187	9,164,382
Gross value at 30/6/2002	161,852	390,689	715	3,988,880	9,784,052	14,326,188
Accumulated depreciation	(47,084)	(282,760)	(206)	(2,630,625)	0	(2,960,675)
Net value at 30/06/2002	114,768	107,929	508	1,358,255	9,784,052	11,365,513

The purchases of new tangible fixed assets in the first half year amounts overall to € 2,570.2 thousand, of which € 386.6 thousand is for “Other tangible fixed assets” performed by different companies in the Group and € 2,175.9 thousand for “Assets under construction”, referring exclusively to the construction of CAD IT's new head office.

With respect to the construction of the new headquarters owned by the parent company, the related real estate acquisition cost and the cost of work in progress is accounted for under “Assets under construction and payments on account”. In the first half of 2002, the cost of construction work in progress reached € 2,175.9 thousand. Due to certain variations from the initial project, work was completed in July and the new head office is now fully operative.

The caption “Other tangible fixed assets” includes electronic equipment and computers, which are instrumental in the management of the Group's core business.

Other fixed assets

Financial fixed assets are represented by investments in non consolidated subsidiaries and in associated companies valued under the equity method or at cost, receivables for payments on account of leaving entitlements to employees and other receivables due after one year.

31.12.2001		30.06.2002	30.06.2001
1			
	Investments in subsidiary companies		
5,656	Firstcom S.r.l.	4,007	8,198
-	Nestegg S.r.l.	14,266	-
32,283	Archit S.r.l.	30,285	-
49,939	Tecsit S.r.l.	36,872	54,816
87,878	Total investments in subsidiary companies not fully consolidated	85,430	63,013
	Investments in associated companies		
322,751	Datafox S.r.l.	315,805	336,789
129,501	Sicom S.r.l.	144,456	79,173
68,327	Isis S.p.A.	69,144	38,582
-	Bitgroove S.r.l.	-	61,975
520,579	Total investments in associated companies	529,405	516,518
	Other		
1,016	Nestegg S.r.l.	-	-
26	Finiter (Finanza per le imprese)	26	26
6,022,021	Class Editori	6,022,021	-
6,023,064	Total other	6,022,047	26
47,423	Payments on account on employees' leaving entitlement	44,368	150,289
19,471	Other receivables due after one year	27,458	15,492
66,894	Total receivables due after one year	71,826	165,781
6,698,415	Total financial fixed assets	6,708,707	745,338

The values used as a basis for the valuation of investments in subsidiary and associated companies and the respective dates of reference are as follows:

A. Investments in subsidiary companies valued using the equity method:

Company name	Date of reference	Quotaholders' equity before profit for the period	Profit for the period	Percentage of investment	Investment value	Percentage of investment of the Group	Investment value of the Group	Carrying value in the consolidated half year report
Tecsit Srl	30/06/2002	57,500	(17,046)	70.00%	40,250	38.50%	22,138	36,872
Arch it Srl	30/06/2002	43,264	(2,855)	70.00%	30,285	38.50%	16,657	30,285
Nestegg Srl	30/06/2002	27,975	0	55.00%	15,386	28.60%	8,001	14,266
Firstcom S.r.l.	30/06/2002	7,705	(3,171)	52.00%	4,007	27.04%	2,083	4,007

B. Investments in associated companies valued using the equity method:

Company name	Date of reference	Share- /Quotaholders' equity before profit for the period	Profit for the period	Percentage of investment	Investment value	Percentage of investment of the Group	Investment value of the Group	Carrying value in the consolidated half year report
Datafox S.r.l.	30/06/2002	318,816	14,471	35.05%	111,745	35.05%	111,745	315,805
Sicom S.r.l.	30/06/2002	577,823	173,907	25.00%	144,456	25.00%	144,456	144,456
Isis S.p.A.	30/06/2002	288,101		24.00%	69,144	24.00%	69,144	69,144

Other investments

This item is essentially made up by Class Editori listed shares, an investment that is considered strategically important in relation to the existing co-operation agreements with this Group.

3.3.1.2 Current assets

Trade receivables, net

Trade receivables are composed as follows:

		31.12.2001	30.06.2002	30.06.2001
4,661	Trade receivables from associated companies		3,482	3,783
30,262,048	Trade receivables		34,684,163	29,403,668
(421,549)	Bad debt provision		(487,030)	(366,539)
29,845,160	Total trade receivables		34,200,615	29,040,912
145	Average collection days		167	181

Trade receivables principally comprise receivables from customers of the banking division. The increase in the first half of 2002 is mainly due to certain clients with whom highly valuable contracts were drawn up and for which payment will take place upon completion of the whole supply.

In the course of time, the peculiar type of customers (principally banks and related companies) reduced significantly the materiality of credit losses but impacted on average collection days. The

great bargaining power of the principal customers of the Group, in fact, determined an extension of the payment terms agreed and reported on invoices.

The Group accounts for receivables at their estimated realisable value. Overdue and to be due receivables with ageing exceeding average collection days are analytically valued, whereas the other receivables are subject to an overall valuation on the basis of the historic incidence of the Group's losses on sales by year of invoicing.

The current bad debt provision covers 1.40% of total trade receivables.

Closing inventory

The caption "Inventory" includes consumables and supplies, contract work in progress and finished goods, of which the amount is not material.

The caption may be broken down in the periods of reference as follows:

31.12.2001		30.06.2002	30.06.2001
2,479	Raw materials, consumables and supplies	1,085	1,498
0	Contract work in progress	10,000	116,203
144,190	Finished goods	146,804	126,277
146,669	Total closing inventory	157,889	243,978

Other current assets

The caption "Others" may be broken down as follows:

31.12.2001		30.06.2002	30.06.2001
2,136,574	Tax credits for advance payments and VAT	1,501,035	1,300,070
256	Receivables from social security institutions	15,673	1,695
35,838	Receivables for advances on travel expenses	36,205	4,851
11,272	Payments on account to suppliers	13,180	12,479
3,685	Other	10,818	112,794
0	Insurances	0	87,798
8,112	Guarantee deposits	775	3,782
0	Repurchase agreements with banks	0	336,828
2,195,738	Total other current assets	1,577,685	1,860,295

Tax credits almost fully represent direct tax payments in advance (IRPEG and IRAP) for 2002, less estimated taxation for the first half year.

Accrued income and deferred expenses

The caption “Accrued income” includes accrued tax credits of € 2,479 million due to increased personnel, while the caption “Deferred expenses” is made up as follows:

- Software assistance	66,137
- Office management expenses	56,129
- Advertising costs	45,005
- Telephone charges	21,645
- Administrative services	21,236
- Use of third party assets	17,855
- Insurances (third party liability)	14,427
- Hardware assistance	12,631
- Associative shares	12,558
- Other	16,019
Total deferred income	283,642

3.3.1.3 Current liabilities

Payments on account received

The caption varied as follows:

31.12.2001	30.06.2002	30.06.2001
299,209 Payments on account received	156,510	299,483

The item “Payments on account” is made up of down payments from clients and is part of the organisational system, partly based on orders, used by the companies of the Group which, in some cases requires the client to pay a deposit on the order..

Accounts payable to creditors

The caption varied as follows:

31.12.2001	30.06.2002	30.06.2001
6,649,608	4,891,634	5,597,727
Total accounts payable to creditors		
95 Average payment days	92	110

Accounts payable to creditors exclusively relate to current accounts payable for goods and services received, including those relating to the construction of the building destined to be CAD IT's new head office.

Other current liabilities and sums payable to taxation authorities

This entry is composed as follows:

31.12.2001		30.06.2002	30.06.2001
1,760,871	Social security charges payable	1,871,656	1,820,318
5,268,814	Other sums payable	6,863,215	7,272,813
7,029,684	Total other current liabilities	8,734,871	9,093,131
2,053,751	Sums payable to taxation authorities	3,249,756	4,625,587
9,083,435	Total other current liabilities and sums payable to taxation authorities	11,984,627	13,718,719

Social security charges payable include the payables due to employees matured on the basis of the current wages and salaries and deferred payroll.

The caption “Other sums payable” may be broken down as follows:

31.12.2001		30.06.2002	30.06.2001
38,170	Directors' emoluments	112,668	130,220
248,251	Dividends to be distributed	456,890	893,202
1,033,535	Wages and salaries	1,735,083	1,564,089
1,178,813	Production bonuses due to employees	901,488	1,499,851
1,119,067	Accrued holidays due to employees	1,617,431	1,323,471
-	Thirteenth month salary	656,654	505,685
410,007	Fourteenth month salary	-	-
1,084,562	Amount payable for purchase of investment	1,177,524	1,084,562
156,409	Other other	205,477	271,732
5,268,814	Total other sums payable	6,863,215	7,272,813

Total “Other sums payable” at 30 June 2002 comprise € 1,177.5 thousand representing the additional maximum amount due for the acquisition of the investments in DQS S.r.l., Bit Groove S.r.l. and Elidata S.r.l., to be paid to the parent company upon occurrence of the conditions provided by the contract.

The caption “Sums payable to taxation authorities” is represented by the tax charges of the individual consolidated companies for each period of reference. They comprise income taxes, VAT tax and withholding agent activities carried out by the individual companies on behalf of their employees and consultants. It also includes the estimated tax charges for the period on a pro-quota basis.

There are no pending litigations with or assessments by the tax authorities at the date of preparation of this report. With respect to the parent company, the last years closed to inspection are 1995 for direct tax purposes and 1996 for VAT purposes.

Accrued expenses and deferred income

The caption principally relates to € 2,647.0 thousand of deferred income from annual ordinary maintenance contracts on licences, already invoiced, which generally expire on 31 December.

Employees' leaving entitlement

The caption varied depending on the annual accruals made on the basis of the wages and salaries of the employees of the Cad IT Group and the utilisation for resignations and advances.

It varied as follows in the period of reference:

31.12.2001	30.06.2002	30.06.2001
3,490,483 Balance at 31 December 2001	3,145,511	3,490,483
133,434 Variation in consolidation area	2,348	133,434
1,142,943 Accruals	651,940	543,834
(1,621,350) Utilisation	(273,368)	(256,541)
3,145,511 Balance at period end	3,526,430	3,911,210

Utilisation of this provision is principally related to the transfer of personnel from/to Group companies.

3.3.1.4 Variations in net assets forming part of working capital

The following table shows the performance of total net assets forming part of working capital, specifically evidencing assets of a trading nature:

31.12.2001	30.06.2002	30.06.2001
29,845,160 Trade receivables, net	34,200,615	29,041,361
-6,649,608 Accounts payable to creditors	-4,891,634	-5,597,727
-299,209 Payments on account	-156,510	-299,483
22,896,344 Total net assets forming part of working capital	29,152,470	23,144,150
146,669 Closing inventory	157,889	243,978
2,195,738 Other current assets	1,577,685	1,860,295
196,139 Accrued income and deferred expenses	286,121	335,643
-2,053,751 Sums payable to taxation authorities	-3,249,756	-4,625,587
0 Sums due to other financial institutions	-7,512	0
-7,029,685 Other current liabilities	-8,734,871	-9,093,131
-61,172 Accrued expenses and deferred income	-2,656,602	-2,459,288
16,290,282 Operating capital, net	16,525,425	9,406,060

3.3.1.5 Shareholders' equity and net financial position

Shareholders' equity of the Group

Shareholders' equity of the Group at 30 June 2002 increased to € 77,975.8 thousand compared to € 76,951.5 thousand at 30 June 2001. For comments on the composition and variation in consolidated shareholders' equity, reference is made to the following chapter 3.5 "Other information".

Shareholders' equity pertaining to minority interest

The caption includes the portion of the subsidiaries' quotaholders' equity which, based on equity ratios, is accounted for as relating to minority interest. It is composed as follows:

31.12.2001		30.06.2002	30.06.2001
828,839	Minority interest of Cesbe S.r.l.	1,169,730	425,125
40,293	Minority interest of Syrm S.r.l.	35,006	37,852
31,445	Minority interest of 4 Emme Informatica S.r.l.	44,791	56,446
48,117	Minority interest of NetBureau S.r.l.	18,805	31,149
391,155	Minority interest of SGM S.r.l.	164,148	513,900
400,636	Minority interest of DQS S.r.l.	270,173	189,587
-	Minority interest of Bit Groove S.r.l.	18,132	-
-	Minority interest of Elidata S.r.l.	43,230	-
80,430	Minority interest of Smart Line S.r.l.	84,017	70,365
Total shareholders' equity pertaining to			
1,820,914	minority interest	1,848,034	1,324,425

Provisions for contingencies and other charges

The caption principally comprises directors' indemnities for termination of office and agents' leaving indemnities. Amounts are not significant.

Liquid funds and net financial position

The short-term net financial position reflects a balance of € 35,440,976, including the short-term portion of medium to long-term financing (the amount is not significant). In particular, the liquid funds on hand in cash and bank current accounts amount to € 31,298,758 and the other liquid funds of € 5,160,795 are contractually available on 30 days' notice.

For further information, reference should be made to the section "Financial income and charges and net financial position".

3.3.1.6 Memorandum and contingency accounts and guarantees

Guarantees given

The credit lines granted by banks but currently not utilised, are guaranteed by total mortgages of € 12,394.96 thousand on CAD IT's building, recently completed.

3.4 Information on the profit and loss account

3.4.1 Variation in revenues (turnover - goods and services)

The trend of revenues by geographic area is not significant, as they are almost entirely achieved in the domestic market.

CAD IT Group	Variation in turnover - goods and services			
	HALF YEAR		HALF YEAR	
	01/01 - 30/06/2002	%	01/01 - 30/06/2001	%
B.O. financial instruments	21,760,737	72.7%	20,235,298	69.2%
Banking services software	3,343,535	11.2%	2,687,125	9.2%
Integrated IT systems	830,779	2.8%	505,095	1.7%
Training, consultancy, organisation	499,948	1.7%	1,772,480	6.1%
New technologies	1,215,381	4.1%	1,338,656	4.6%
Total banks division	27,650,380	92.3%	26,538,654	90.8%
Industrial hardware, software	2,001,010	6.7%	2,277,212	7.8%
Consulting, training and industrial services	293,527	1.0%	424,011	1.5%
Total industry division	2,294,537	7.7%	2,701,223	9.2%
Total turnover - goods and services	29,944,917	100.0%	29,239,877	100.0%

Compared to the corresponding year period 2001, turnover from goods and services for the first six-month period of 2002 reveal a positive trend, in line with the company's expectations, consistent with the strategic decision to intensify investment in new products, consequently restricting growth in revenues.

Revenues in the banks division increased by 4.2% with respect to the period under comparison, while the industry sector suffered a setback.

The overall results are affected by lisable costs for the design and development of products which represent a basis for the future development of the company's activities and results, in particular:

- the current significant efforts to train new employees;
- the intense activities for the research and development of new products, to which the best and most costly resources are usually dedicated.

3.4.2 Variation in production costs

The trend of production costs grouped by nature is as follows:

31.12.2001	% of comp.	Variation in production costs	30.06.2002	% of comp.	30.06.2001	% of comp.
687,516	1.5%	Additions - hardware	263,617	1.0%	316,445	1.5%
600,685	1.3%	Additions - software	328,885	1.3%	326,531	1.5%
294,869	0.6%	Other additions	166,897	0.7%	161,278	0.7%
(36,582)	-0.1%	Variations in raw materials	(1,220)	0.0%	(16,191)	-0.1%
1,546,488	3.4%	Total raw material costs	758,179	3.0%	788,063	3.6%
7,318,873	15.9%	External consultants	3,890,301	15.3%	4,246,825	19.5%
		Reimbursements of out-of-pocket and travel				
2,665,504	5.8%	expenses	1,474,273	5.8%	1,401,664	6.4%
3,103,108	6.7%	Other	1,195,841	4.7%	488,568	2.2%
13,087,486	28.4%	Total service cost	6,560,416	25.8%	6,137,040	28.2%
18,048,347	39.2%	Wages and salaries	10,492,384	41.2%	8,645,091	39.7%
5,375,438	11.7%	Social security contributions	3,139,401	12.3%	2,417,074	11.1%
1,142,943	2.5%	Employees' leaving entitlement	651,940	2.6%	543,834	2.5%
0	0.0%	Pension and similar costs	0	0.0%	0	0.0%
271,447	0.6%	Other	80,147	0.3%	100,549	0.5%
24,838,175	53.9%	Total personnel expenses	14,363,873	56.4%	11,706,549	53.7%
		Emoluments to directors and legal				
1,848,245	4.0%	representatives	961,586	3.8%	1,101,686	5.1%
325,490	0.7%	Telephone charges	173,524	0.7%	152,102	0.7%
290,543	0.6%	Commissions and advertising	180,033	0.7%	90,290	0.4%
2,464,278	5.3%	Total other administrative expenses	1,315,143	5.2%	1,344,078	6.2%
2,982,565	6.5%	Amortisation and depreciation	1,702,267	6.7%	1,363,274	6.3%
122,004	0.3%	Provisions	65,816	0.3%	67,156	0.3%
856,103	1.9%	Use of third party assets	593,017	2.3%	324,129	1.5%
197,870	0.4%	Other operating costs	115,221	0.5%	59,702	0.3%
4,158,542	9.0%	Total other costs	2,476,321	9.7%	1,814,261	8.3%
46,094,969	100.0%	Total production cost	25,473,932	100.0%	21,789,990	100.0%

This table evidences the following matters:

- The cost for raw materials and consumables is not significant due to the type of activity carried out by the Group and the importance of hardware sales.
- Service cost items in the first half year 2002 represent 25.8% of total production cost and 21.8% of production revenues. They principally comprise the costs incurred by the Group for occasional or on-going technical consultancy services (€ 3,890.3 thousand compared to € 3,839.5 thousand in the corresponding year period 2001). The use of external consultants is principally due to the Group policy of structural flexibility of costs.
- Personnel expenses represent 56.4% of production costs and 47.80% of production revenues in the first half of 2002. The increase in total personnel expenses (€ 14,363.9 thousand in the first half of 2002 compared to € 11,706.5 thousand in the first half of 2001) is principally due to the increase

in workforce of 112 units with respect to the average of the previous year period. The most significant resources of the Group are represented by technical personnel (programmers, system administrators) and functional personnel (analysts).

- The total administrative expenses are almost the same as those in the first half year 2001, reducing the impact on the total production costs to 5.2% and on the production revenues to 4.4%.
- The caption other costs, which has an impact of 9.7% on production costs and 8.2% on production revenues, shows an increase in amortisation and depreciation, mainly due to:
 - goodwill arising on consolidation of approximately € 79 thousand;
 - other intangible fixed assets of approximately € 82 thousand;
 - other tangible fixed assets of approximately € 127 thousand;and other items for the remainder of approximately € 51 thousand.
- Furthermore, use of third party assets have increased mainly due to rental of fixed assets.

Net financial income and charges

Reference should be made to the section on the financial income and charges and net financial position.

Extraordinary income

The financial position and results of Cad Group evidence the following significant extraordinary income items for the periods of reference.

The net balance between extraordinary income and expense in the first half of 2002 and 2001 is equal to € 363,1 thousand and (€ 138.7) thousand respectively.

The positive balance of the first half year of 2002 is principally composed of the lower taxes due for the year 2001 with respect to the amount determined in the budget, as an effect of tax benefits the utilisation of which was ascertainable only after the 2001 financial statements had been drawn up.

Variation in the ratio of taxation to gross profit

The consolidated half year reports at 30 June 2002 and 2001 record average income taxes of 46.74% (€ 2,685.4 thousand) in 2002 and 39.36% (€ 3,421.2 thousand) in 2001.

3.5 *Other information*

3.5.1 *Personnel*

The average number of the Group's employees at the date of reference of these consolidated accounts is as follows:

Year 2001	Category	2002 1st half year	2001 1st half year
3	Management	3	2
540	White collars and cadres	614	506
2	Blue collars	2	2
-	Apprentices	3	-
545	Total average number of employees	622	510

The Group's workforce increased in number 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.

Training is of particular importance to the Group, which holds special refresher and training courses.

The personnel employed by CAD IT Group at 30 June 2002 is 640 units, being an increase of 70 units with respect to 30 June 2001.

3.5.2 *Relationships with related parties*

In accordance with CONSOB communications Nos. 97001574 of 20 February 1997 and 98015375 of 27 February 1998, intercompany trading relationships are carried out under arm's length conditions.

Moreover, no financial/economic relationships were entered into with related parties except for the relationships already in existence and indicated in the past as being of no significance.

3.5.3 *Reconciliation between the statutory half year report of CAD IT and the consolidated half year report*

Shareholders' equity of the Group

The following table shows the adjustments made to the parent company's shareholders' equity and profit for the period as an effect of the consolidation criteria applied for the preparation of the consolidated half year report at 30 June 2002.

<i>Reconciliation schedule at 30/06/2002</i>	<i>Shareholders' equity</i>	<i>Profit for the period</i>
Shareholders' equity and profit for the period of the parent company	77,819,815	2,592,746
Elimination of the carrying value of consolidated investments		
- difference between carrying value and pro-quota value of shareholders' equity	-11,000,146	
- Effects on reserves	0	
- Profit of subsidiary/associated companies on a pro-quota basis	1,189,827	1,189,827
- Goodwill arising on consolidation	9,875,425	-605,933
- Consolidation reserves	6,409	
- Elimination of intercompany dividends		-599,389
- Other effects on the profit and loss account	0	26
Valuation of investments in associated companies valued using the equity method	84,440	20,633
Total consolidated shareholders' equity at 30 June 2002	77,975,771	2,597,910

The current share capital of the parent company comprises 8,980,000 ordinary shares with the nominal value of € 0.52 each.

Neither the company nor its subsidiaries, even through trust companies or third persons, have purchased or sold own shares.

The following table presents the variations in the Group shareholders' equity from 31 December 2001 to 30 June 2002:

Variation in shareholders' equity of the Group

	<i>Share capital</i>	<i>Reserves</i>	<i>Profit for the period</i>	<i>Shareholders' equity of the Group</i>
31 December 2001	4,669,600	67,375,799	9,169,462	81,214,861
Increase in revaluation reserves				
Allocation of profit for the year to reserves		9,169,462	(9,169,462)	
Distribution of dividends - parent company		(5,837,000)		(5,837,000)
Effects on consolidation reserves				
Increase in share capital				
Profit for the period			2,597,910	2,597,910
30 June 2002	4,669,600	70,708,261	2,597,910	77,975,771

3.6 Consolidated cash flows of Cad IT Group at 30 June 2002

The following table shows the consolidated cash flows of the Group at 30 June 2002. They evidence the assets and liabilities acquired by the parent company following the investments in subsidiaries in accordance with the Accounting Principle No. 17 on consolidated financial statements.

01/01/2001 - 31/12/2001		01/01/2002 - 30/06/2002	01/01/2001 - 30/06/2001
	<u>OPERATING ACTIVITIES</u>		
9,169,462	Profit (loss) for the year	2,597,910	4,906,066
	Amortisation and depreciation:		-
661,519	Tangible fixed assets	408,202	280,839
1,237,172	Intangible fixed assets	688,133	555,390
1,083,609	Goodwill arising on consolidation	605,933	527,045
	Accruals:		-
1,142,943	Employees' leaving entitlement	651,940	543,834
	Other provisions	516	-
21,030	Utilisation of provisions for contingencies and other charges	18,902	(485)
	(Gains)/losses on sale of fixed assets		
13,315,735	Sub-total	4,971,536	6,812,689
(1,487,916)	Utilisation of employees' leaving entitlement	(271,020)	(123,107)
(3,451,421)	(Increase)/Decrease in receivables included under assets forming part of working capital	(3,737,402)	(2,312,179)
159,047	(Increase)/Decrease in inventory	(11,220)	61,738
71,844	(Increase)/Decrease in deferred expenses and accrued income	(89,982)	(67,660)
	(Increase)/Decrease in other financial assets not of a fixed nature	-	-
589,807	Increase/(Decrease) in accounts due to creditors	(1,893,646)	(428,100)
30,704	Increase/(Decrease) in accrued expenses and deferred income	2,595,430	2,428,819
(2,127,602)	Increase/(Decrease) in sums due to other financial institutions	7,512	-
	Increase/(Decrease) in other non-financial payables	2,894,166	2,473,982
(6,215,537)	Sub-total	(506,162)	2,033,493
7,100,198	(A) - Cash flows from (for) operating activities	4,465,373	8,846,182
	<u>INVESTING ACTIVITIES</u>		
	(Purchase)/Sale of tangible and intangible fixed assets		
(87,878)	(Purchase)/Sale of investments in fully consolidated subsidiaries	(0)	
(4,653,856)	(Purchase)/Sale of intangible fixed assets	(1,695,834)	(4,079,140)
(6,318,915)	(Purchase)/Sale of tangible fixed assets	(2,609,333)	(2,727,699)
109,798	(Increase)/Decrease in other fixed assets	(4,931)	(333,162)
	Realised gain from the sale of tangible and intangible fixed assets		
	Valuation of associated companies using the equity method		
	(Increase)/decrease in investments in non-consolidated subsidiaries	2,448	
(311,951)	(Increase)/decrease in investments in associated companies	(8,826)	
(5,996,208)	(Purchases)/sales of other investments and securities	1,016	
(17,259,010)	(B) - Cash flows from (for) investing activities	(4,315,459)	(7,140,002)

<u>FINANCING ACTIVITIES</u>			
	Increase/(Decrease) in financial payables		
	Increase/(Decrease) in reserves	-	
400,748	Minority interest	27,119	(95,741)
(3,200,070)	Distribution of dividends	(5,837,000)	(3,200,070)
	Capital injections	-	
(2,799,322)	(C) - Cash flows from (for) financing activities	(5,809,881)	(3,295,812)
(12,958,133)	(A+B+C) - Total cash flows	(5,659,967)	(1,589,631)
54,043,582	Opening net liquid funds	41,085,449	54,043,582
41,085,449	Closing net liquid funds	35,425,482	52,453,951

4) Half year report for the first half year 2002 of CAD IT S.p.A.

4.1 Balance sheet of CAD IT S.p.A.- Assets

31.12.2001		30.06.2002	30.06.2001
	A) SHARE CAPITAL PROCEEDS TO BE RECEIVED		
0	I. Called up	0	0
0	II. Not yet called up	0	0
0	Total share capital proceeds to be received (A)	0	0
	B) FIXED ASSETS		
	I. Intangible fixed assets		
2,627,494	1) Start-up and capital costs	2,189,578	3,065,410
0	2) Research, development and advertising costs	0	0
0	3) Industrial patents and similar rights	0	0
90,578	4) Licences, trademarks and similar rights	95,770	50,059
0	5) Goodwill	0	0
0	5 bis) Goodwill arising on consolidation	0	0
0	6) Assets under development and payments on account	0	0
360,736	7) Other	822,204	114,230
3,078,808	Total intangible fixed assets	3,107,552	3,229,699
	II. Tangible fixed assets		
0	1) Land and buildings	0	0
35,342	2) Plant and machinery	28,343	48,574
0	3) Industrial and commercial equipment	0	0
93,988	4) Other assets	177,222	58,317
7,608,187	5) Assets under construction and payments on account	9,784,052	4,424,476
7,737,518	Total tangible fixed assets	9,989,617	4,531,366
	III. Financial fixed assets		
	1) Investments:		
12,528,116	a) subsidiary companies	13,534,577	12,523,566
0	a-bis) subsidiary companies valued using the equity method	0	0
353,610	b) associated companies	353,610	353,610
6,022,021	c) Other	6,022,021	0
	2) Amounts receivable:		
0	a) From subsidiary companies	0	0
0	b) From associated companies	0	0
50,493	d) Others due after one year	52,659	58,241
0	3) Other securities	0	0
0	4) Own shares (with total nominal value)	0	0
18,954,241	Total financial fixed assets	19,962,868	12,935,417
29,770,566	Total fixed assets (B)	33,060,037	20,696,482
	C) ASSETS FORMING PART OF WORKING CAPITAL		
	I. Inventory		
0	1) Raw materials, consumables and supplies	0	0
0	2) Work in progress and semi-finished products	0	0
0	3) Contract work in progress	0	0
0	4) Finished goods	0	0
0	5) Payments on account	0	0
0	Total inventory	0	0

II. Receivables			
3,877,076	1) Trade receivables	5,164,083	492,003
18,279,799	2) Subsidiary companies	14,976,949	15,082,883
	2 bis) Subsidiary companies valued using the equity method	0	
0	3) Associated companies	0	0
0	4) Parent companies	0	0
1,304,582	5) Others due within one year	1,213,790	1,204,328
23,461,456	Total receivables	21,354,822	16,779,214
III. Financial assets not of a fixed nature			
0	1) Investments in subsidiary companies	0	0
0	2) Investments in associated companies	0	0
0	4) Other investments	0	0
0	5) Own shares (with total nominal value)	0	0
0	6) Other securities	0	15,917,308
2,600,251	7) Insurance policies for capitalization	5,160,795	0
2,600,251	Total financial fixed assets	5,160,795	15,917,308
IV. Liquid funds			
34,578,992	1) Bank and postal accounts	28,230,894	28,314,924
0	2) Cheques on hand	0	0
5,163	3) Cash-in-hand and cash equivalents	2,505	5,181
34,584,155	Total liquid funds	28,233,399	28,320,105
60,645,861	Total assets forming part of working capital	54,749,016	61,016,627
D) ACCRUED INCOME AND DEFERRED EXPENSES			
0	Accrued income	0	121,378
49,877	Deferred expenses	51,346	22,607
49,877	Total	51,346	143,985
90,466,304	TOTAL ASSETS	87,860,399	81,857,095

4.2 Balance sheet of CAD IT S.p.A. - Liabilities

31.12.2001		30.06.2002	30.06.2001
	A) SHAREHOLDERS' EQUITY		
4,669,600	I. Share capital	4,669,600	4,669,600
62,186,400	II. Share premium reserve	62,186,400	62,186,400
0	III. Revaluation reserves	0	0
347,328	IV. Legal reserve	864,419	347,328
0	V. Reserve for purchase of own shares	0	0
0	- Extraordinary reserves	0	0
0	- Other reserves	0	0
0	- Payments on capital account	0	0
0	VI. Statutory reserves	0	0
	VII. Other reserves		
3,518,921	- available reserve	7,506,650	3,518,921
0	VIII. Retained earnings or losses carried forward	0	0
10,341,820	IX. Net profit/(loss) for the period	2,592,746	5,760,803
81,064,070	Shareholders' equity	77,819,815	76,483,053
	B) PROVISIONS FOR CONTINGENCIES AND OTHER CHARGES		
0	1) Pension and similar provisions	0	0
0	2) Taxation	0	0
0	3) Exchange rate risk	0	0
0	Total	0	0
1,382,730	C) EMPLOYEES' LEAVING ENTITLEMENT	1,578,138	1,051,882
	D) PAYABLES		
0	1) Debentures	0	0
0	2) Convertible debentures	0	0
0	3) Due to banks	0	0
0	Due after one year	0	0
0	4) Sums due to other financial institutions	0	0
0	Due after one year	0	0
0	5) Payments on account	0	0
3,246,018	6) Accounts payable to creditors	1,991,075	1,802,940
0	7) Accounts payable on bills accepted and drawn	0	0
0	Due after one year	0	0
707,239	8) Amounts payable to subsidiaries	1,275,930	178,438
0	9) Amounts payable to associated companies	15,494	0
0	10) Amounts payable to parent companies	0	0
477,254	11) Sums payable to taxation authorities	672,924	185,978
799,828	12) Social security charges payable	987,835	312,259
2,761,189	13) Other sums payable	3,519,189	1,842,544
7,991,529	Total	8,462,446	4,322,160
	E) ACCRUED EXPENSES AND DEFERRED INCOME		
0	Accrued expenses	0	0
27,975	Deferred income	0	0
27,975	Total	0	0

90,466,304	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	87,860,399	81,857,095
12,394,966	MEMORANDUM AND CONTINGENCY ACCOUNTS	12,394,966	12,394,966

4.3 Profit and loss account of CAD IT S.p.A.

31.12.2001		30.06.2002	30.06.2001
	A) PRODUCTION REVENUES		
19,330,666	1) Turnover - goods and services	10,812,336	7,092,632
0	2) Work in progress and semi-finished products	0	0
0	3) Variation in contract work in progress	0	0
0	4) increase on internal work capitalised under fixed assets	0	0
74,974	5) Other revenues and income	10,286	60,394
19,405,640	Total production revenues	10,822,622	7,153,026
	B) PRODUCTION COST		
(19,655)	6) Raw materials, consumables and supplies	(19,430)	(10,427)
(3,282,521)	7) Services	(2,346,679)	(1,211,113)
(122,898)	8) Use of third party assets	(117,431)	(50,830)
	9) Personnel expenses		
(3,494,018)	a) Wages and salaries	(4,584,800)	(1,114,903)
(1,095,487)	b) Social security contributions	(1,432,925)	(348,676)
(227,796)	c) Employees' leaving entitlement	(288,619)	(81,973)
0	d) Pension and similar costs	0	0
(15,456)	e) Other costs	(2,291)	0
(4,832,757)	Total personnel expenses	(6,308,635)	(1,545,552)
	10) Amortisation, depreciation and write-downs		
(1,006,232)	a) Amortisation of intangible fixed assets	(565,157)	(465,383)
(39,629)	b) Depreciation of tangible fixed assets	(39,059)	(14,357)
0	c) Write-downs of fixed assets	0	0
0	d) Write-downs of receivables included under assets forming part of working capital	0	0
(1,045,861)	Total amortisation, depreciation and write-downs	(604,216)	(479,741)
0	11) Variation in raw materials, supplies and consumables	0	0
0	12) Provision for contingencies	0	0
0	13) Other provisions	0	0
(60,300)	14) Other operating costs	(15,592)	(10,575)
(9,363,992)	Total production cost	(9,411,983)	(3,308,237)
10,041,648	Difference between production revenues and cost (A-B)	1,410,639	3,844,788
	C) FINANCIAL INCOME AND CHARGES		
1,870,194	15) Income from investments	570,867	1,803,054
0	Associated companies	28,522	0
0	Other	116,474	0
940,641	Tax credits on dividends	261,439	676,393
0	16) Other financial income	0	0
1,479	a) Receivables classified as fixed assets	861	1,106
0	b) From securities included as fixed assets which are not investments	0	0
833,301	c) From securities included under assets forming part of working capital	0	413,997
1,356,817	d) Other income	631,797	745,761

0	17) Interest and other financial charges:	0	0
(429)	a) Other	(47)	(261)
0	b) Subsidiary companies	0	0
0	c) Associated companies	0	0
0	d) Parent companies	0	0
5,002,003	Total financial income and charges (15 + 16 - 17)	1,609,912	3,640,049
D) ADJUSTMENTS TO FINANCIAL ASSET VALUES			
0	18) Revaluation of investments in associated companies	0	0
0	19) Write-downs of investments in associated companies	0	0
0	Total adjustments to financial asset values	0	0
E) EXTRAORDINARY INCOME AND EXPENSE			
0	20) Income	426,650	0
0	Profit on sale of assets	0	0
(1,574)	21) Expense	(234)	(1,574)
0	Loss on sale of assets	0	0
(1,574)	Total extraordinary items (20-21)	426,416	(1,574)
15,042,077	PROFIT/(LOSS) BEFORE TAXATION (A-B+C+-D+-E)	3,446,968	7,483,264
(4,700,257)	22) Taxation on profit for the period	(854,222)	(1,722,460)
10,341,820	26) Net profit /(loss) for the period	2,592,746	5,760,803

4.4 Notes to the consolidated half year report of CAD IT S.p.A.

4.4.1 Relationships with subsidiary companies

During the half year the Group companies carried out transactions with subsidiary and associated companies and with subsidiaries of the parent company CAD IT. The effects of transactions with fully consolidated companies on the financial position and results are eliminated, except for certain sales of instrumental goods of a not significant amount carried out, anyway, under arm's length conditions.

Sales of goods and services to the Group companies consolidated on a line-by-line basis resulted in revenues of € 11,511.4 thousand, arising from licenses and analysis, assistance, design and development services.

All transactions with related parties are carried out on an arm's length basis.

Intercompany turnover from goods and services and intercompany receivables and payables at 30 June 2002 may be broken down as follows :

Table summarising payables and receivables				
Company	Costs	Turnover	Receivables	Payables
CAD IT S.p.A.	667,770	6,611,462	14,976,898	1,275,930
CAD S.r.l.	10,492,293	383,552	1,098,006	17,236,803
Cesbe S.r.l.	242,237	1,394,755	1,134,082	226,072
Syrm S.r.l.	6,650	32,079	38,495	9,949
4 Emme In. S.r.l.	0	547,717	354,270	0
NetBureau S.r.l.	16,237	308,593	272,448	179,036
DQS S.r.l.	5,099	1,300,232	793,242	339,936
SGM S.r.l.	11,079	675,038	479,654	9,945
Smart Line S.r.l.	29,617	198,167	159,477	44,923
Bit Groove S.r.l.	11,545	59,792	58,383	7,728
Elidata S.r.l.	28,861	0	0	34,633
Totals	11,511,388	11,511,388	19,364,955	19,364,955

The following paragraphs comment on the reclassified profit and loss account, which best represents the performance of the company.

This reclassified profit and loss account complies with the format required by law.

In order to read the economic data correctly, it is pointed out that the results take into account the total of the dividends resolved in the corresponding period and the tax credits exclusively for the dividends already distributed at the closing date of the period.

4.4.2 *Reclassified profit and loss account of CAD IT S.p.A.*

31.12.2001	%		30.06.2002	%	30.06.2001	%	Variation %
19,330,666	99.61%	Turnover - goods and services	10,812,336	99.90%	7,092,632	99.16%	52.44%
-	-	Variations in contract work in progress	-	-	-	-	-
74,974	0.39%	Other revenues and income	10,286	0.10%	60,394	0.84%	(82.97%)
19,405,640	100.00%	Production revenues	10,822,622	100.00%	7,153,026	100.00%	51.30%
(19,655)	(0.10%)	Raw materials, consumables and supplies	(19,430)	(0.18%)	(10,427)	0.15%	86.35%
(2,576,856)	(13.28%)	Services	(1,958,303)	(18.09%)	(886,847)	12.40%	120.82%
(183,198)	(0.94%)	Other operating costs	(133,023)	(1.23%)	(61,405)	0.86%	116.63%
16,625,931	85.68%	Added value	8,711,866	80.50%	6,194,347	86.60%	40.64%
(4,832,757)	(24.90%)	Personnel expenses	(6,308,635)	(58.29%)	(1,545,552)	21.61%	308.18%
(705,665)	(3.64%)	Other administrative expenses	(388,376)	(3.59%)	(324,266)	4.53%	19.77%
11,087,509	57.14%	Gross operating result	2,014,855	18.62%	4,324,529	60.46%	(53.41%)
-	-	Accrual to bad debt provision	-	-	-	-	-
(1,045,861)	(5.39%)	Amortisation and depreciation	(604,216)	(5.58%)	(479,741)	6.71%	25.95%
-	-	Other provisions	-	-	-	-	-
10,041,648	51.75%	Operating profit	1,410,639	13.03%	3,844,788	53.75%	(63.31%)
5,002,003	25.78%	Net financial income (charges)	1,609,912	14.88%	3,640,049	(50.89%)	(55.77%)
15,043,651	77.52%	Profit/(loss) from ordinary activities	3,020,552	27.91%	7,484,837	104.64%	(59.64%)
-	-	Revaluations and write-downs	-	-	-	-	-
(1,574)	(0.01%)	Net extraordinary income or expenses	426,416	3.94%	(1,574)	(0.02%)	(27196.35%)
15,042,077	77.51%	Profit (loss) before taxation	3,446,968	31.85%	7,483,264	104.62%	(53.94%)
(4,700,257)	(24.22%)	Taxation on profit for the year	(854,222)	(7.89%)	(1,722,460)	(24.08%)	(50.41%)
10,341,820	53.29%	Net profit/(loss) for the period	2,592,746	23.96%	5,760,803	80.54%	(54.99%)

4.4.3 Reclassified balance sheet of CAD IT S.p.A.

31.12.2001		30.06.2002	30.06.2001
Fixed assets			
3,078,808	Intangible fixed assets	3,107,552	3,229,699
7,737,518	Tangible fixed assets	9,989,617	4,531,366
18,954,241	Other fixed assets	19,962,868	12,935,417
29,770,566	Total fixed assets	33,060,037	20,696,482
Current Assets			
22,156,874	Trade receivables, net	20,141,032	15,574,886
-	Closing inventory	-	-
1,304,582	Other current assets	1,213,790	1,204,328
49,877	Accrued income and deferred expenses	51,346	143,985
23,511,332	Total current assets	21,406,168	16,923,199
Current liabilities			
-	Payments on account	-	-
3,953,258	Accounts payable to creditors	3,282,498	1,981,379
-	Sums due to other financial institutions	-	-
-	Payables due to former shareholders	-	-
3,561,017	Other current liabilities	4,507,024	2,154,804
477,254	Sums payable to taxation authorities	672,924	185,978
27,975	Accrued expenses and deferred income	-	-
8,019,504	Total current liabilities	8,462,446	4,322,160
15,491,828	Operating capital, net	12,943,722	12,601,039
1,382,730	Employees' leaving entitlement	1,578,138	1,051,882
43,879,664	Invested capital, net	44,425,622	32,245,639
Shareholders' equity and net financial position			
81,064,070	Total shareholders' equity of the Group	77,819,815	76,483,053
-	Medium/long-term payables due to banks	-	-
-	Provisions for contingencies and other charges	-	-
(37,184,406)	Short-term net financial position/(indebtedness)	(33,394,194)	(44,237,413)
43,879,664	Total shareholders' equity and net financial position	44,425,622	32,245,639
Memorandum and contingency accounts			
12,394,966	Guarantees given	12,394,966	12,394,966

4.4.4 Cash flows of CAD IT S.p.A.

<i>Period</i>		<i>Period</i>	<i>Period</i>
<i>01/01/2001 - 31/12/2001</i>		<i>01/01/2002 - 30/06/2002</i>	<i>01/01/2001 - 30/06/2001</i>
	<u>OPERATING ACTIVITIES</u>		
10,341,820	Profit (loss) for the year	2,592,746	5,760,803
	Amortisation and depreciation:		
39,629	- Tangible fixed assets	39,059	14,357
1,006,232	- Intangible fixed assets	565,157	465,383
-	- Goodwill arising on consolidation		
	Accruals:		
227,796	Employees' leaving entitlement	288,619	81,973
-	Other provisions	-	
-	Utilisation of provisions for contingencies and other charges	-	
	(Gains)/losses on sale of fixed assets		
11,615,478	Sub-total	3,485,581	6,322,517
139,907	Utilisation of employees' leaving entitlement	(93,212)	(45,118)
(9,357,316)	(Increase)/Decrease in receivables included under assets forming part of working capital	2,106,634	(2,675,074)
-	(Increase)/Decrease in inventory	-	
115,847	(Increase)/Decrease in deferred expenses and accrued income	(1,470)	21,738
-	(Increase)/Decrease in other financial assets not of a fixed nature	-	
1,970,599	Increase/(Decrease) in accounts due to creditors	(670,759)	557,934
25,971	Increase/(Decrease) in accrued expenses and deferred income	(27,975)	(2,004)
	Increase/(Decrease) in sums due to other financial institutions	-	
(9,454)	Increase/(Decrease) in other non-financial payables	1,141,676	(2,266,159)
(7,114,446)	Sub-total	2,454,894	(4,408,683)
4,501,032	(A) - Cash flows from (for) operating activities	5,940,475	1,913,834
	<u>INVESTING ACTIVITIES</u>		
	(Purchase)/Sale of tangible and intangible fixed assets		
(3,898,278)	(Purchase)/Sale of investments in subsidiary companies consolidated with the full consolidation method	(1,006,461)	(3,896,135)
(522,120)	(Purchase)/Sale of intangible fixed assets	(593,902)	318,864
(5,256,036)	(Purchase)/Sale of tangible fixed assets	(2,291,159)	(2,475,638)
1,042,763	(Increase)/Decrease in other fixed assets	(2,166)	1,035,015
	Realised gain from the sale of tangible and intangible fixed assets		
	Valuation of associated companies using the equity method		
	Purchase of investments in non-consolidated subsidiaries	-	
(351,010)	Increase in investments in associated companies	0	(348,603)
(6,022,021)	(Purchases)/sales of other investments and securities	0	
(15,006,703)	(B) - Cash flows from (for) investing activities	(3,893,687)	(5,366,497)
	<u>FINANCING ACTIVITIES</u>		
-	Increase/(Decrease) in financial payables		
	Increase/(Decrease) in reserves	-	

(3,200,070)	Distribution of dividends	(5,837,000)	(3,200,070)
	Capital injections	-	
(3,200,070)	(C) - Cash flows from (for) financing activities	(5,837,000)	(3,200,070)
(13,705,741)	(A+B+C) - Total cash flows	(3,790,212)	(6,652,733)
50,890,146	Opening liquid funds	37,184,406	50,890,146
37,184,405	Closing liquid funds	33,394,194	44,237,413

On behalf of the Board of Directors

The Chairman

(signed on the original)

Giuseppe Dal Cortivo



Revisione e organizzazione contabile

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

Review report

To the shareholders of
CAD IT S.p.A.

- 1 We have reviewed the consolidated balance sheet, the consolidated profit and loss account and the relative notes of the CAD IT group as at and for the six months ended 30 June 2002, which are included in the half year report of CAD IT S.p.A.. We have also reviewed that part of the notes describing the activities of the group for the period with the sole objective of verifying consistency with the remainder of the half year report.
- 2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information relating to the financial data and the consistency of application of the accounting policies through discussions with group company management and analytical procedures applied to the financial data presented. The review excluded such audit procedures as tests of controls and verification or validation of assets and liabilities and is significantly less than a full scope audit performed in accordance with generally accepted auditing standards. As a consequence, contrary to our reports on the annual consolidated financial statements, we do not express an opinion on the half year report.
- 3 With regards to the comparative figures relative to the annual consolidated financial statements and half year report of the previous year, reference should be made to our reports dated 8 April 2002 and 27 September 2001.

- 4 Based on our review, we are not aware of any material modification or integrations that should be made to the consolidated balance sheet, consolidated profit and loss account and relative notes described in paragraph 1 above for them to be in conformity with Consob guidelines governing preparation of half year reports approved with resolution no. 11971 dated 14 May 1999 and subsequent modifications and integrations.

Verona, 3 October 2002

KPMG S.p.A.

(Signed on the original)

Manuela Grattoni
Director of Audit