

PRESS RELEASE

Verona, 13th August 2002

CAD IT: RESULTS OF THE FIRST SEMESTER 2002

CAD IT closes the first semester of 2002 with a production value of 30 million Euro, 3% more than the first semester of 2001.

**Considerable improvement in second quarter profit margins
in comparison to the first
(EBITDA from 19% to 23% of the production value).**

This afternoon the Board of Directors of CAD IT SpA, leader in the Italian financial software market, approved the second quarterly report for 2002.

On **30th June 2002** CAD IT reported the following **six-monthly consolidated** data:

- a **production value** of 30 million Euro, an increase of 3% compared to the first six months of 2001;
- a **EBITDA** of 6.3 million Euro, corresponding to 21% of the production value;
- a **Group pre-tax profit** of 4.7 million Euro, corresponding to 15.7% of the production value.

Referring only to the **second quarter**, the production value amounts to approximately 15.7 million Euro, the gross operational margin to 3.6 million Euro (equal to 23% of the production value) and Group pre-tax profit to 2.9 million Euro (equal to 18% of the production value).

Compared to the **first quarter of 2002**, the second quarter figures show an appreciable **increase in the Group's operational efficiency** with an **EBITDA** rising from 19% to 23% of the production value, an **EBIT** going from 13% to 17% of the production value and a Group pre-tax profit increasing from 13% to 18% of the production value. The effect on the production value of the cash flows from operating activities generated in the second quarter has also improved compared to the first, going from 11.3% to 14.5%.

During the first semester of 2002 the Group has continued its policy of increasing investment in research and development activities in order to enrich the range of products

on offer. In particular, investments in R&D, mainly due to staff costs, were completely covered and not capitalized.

The Group's staff, 640 people at the end of June, has increased by 40 members (+6.7%) since the beginning of the year.

CAD IT further reports that the **consolidated net financial position** at 30th June 2002 was 35.4 million Euro, a reduction of 13.8% compared to the amount recorded at the end of the previous period. The reduction in the net financial position, equal to approximately 5.7 million Euro, is mainly due to the acquisition of stakes and investments in technical assets for about 4.2 million Euro and dividend payments of 5.8 million Euro, partially compensated by a positive cash flow from operating activities of about 4 million Euro.

The President of CAD IT, Giuseppe Dal Cortivo, said: "CAD IT's results show an increase in revenue for the first 6 months of 2002 and an improvement in profitability compared to the first quarter of the year, although the present slackening in the economy has induced the banks to reduce investments in instrumental assets. In this conjunctural phase our policy consists of maintenance of a high level of investment in research and development. In fact, we are convinced that our new products will allow us to meet the increased demand expected for the second semester of 2002".

The CAD IT Group

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

CAD IT is leader in the Italian software market for the banking sector with its main product, Financial Area, a programme which completely manages all functions connected to negotiation, settlement and administration of security transactions, debentures, derivatives (in any currency) and adopted by 57% of Italian banking outlets.

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

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Consolidated profit and loss account for the period ended 30 June 2002

Euro

	<i>Second quarter</i> <i>01/04-30/06/2002</i>		<i>Second quarter</i> <i>01/04-30/06/2001</i>		<i>1st half year</i> <i>01/01-30/06/2002</i>		<i>1st half year</i> <i>01/01-30/06/2001</i>	
Turnover - goods and services	15,674,558	99.75%	16,221,501	100.81%	29,944,917	99.65%	29,239,877	100.19%
Variation in contract work in progress	(6,875)	(0.04%)	(169,442)	(1.05%)	10,000	0.03%	(169,442)	(0.58%)
Other revenues and income	45,467	0.29%	39,789	0.25%	94,506	0.31%	113,040	0.39%
Production revenues	15,713,150	100.00%	16,091,848	100.00%	30,049,423	100.00%	29,183,475	100.00%
Raw materials, consumables and supplies	(333,861)	(2.12%)	(468,171)	(2.91%)	(758,179)	(2.52%)	(788,063)	(2.70%)
Services	(3,432,644)	(21.85%)	(3,074,619)	(19.11%)	(6,560,416)	(21.83%)	(6,137,040)	(21.03%)
Other operating costs	(374,871)	(2.39%)	(178,799)	(1.11%)	(708,238)	(2.36%)	(383,831)	(1.32%)
Added value	11,571,774	73.64%	12,370,259	76.87%	22,022,591	73.29%	21,874,541	74.96%
Personnel expenses	(7,326,787)	(46.63%)	(6,581,555)	(40.90%)	(14,363,873)	(47.80%)	(11,706,549)	(40.11%)
Other administrative expenses	(629,260)	(4.00%)	(976,149)	(6.07%)	(1,315,143)	(4.38%)	(1,344,078)	(4.61%)
Gross operating result (EBITDA)	3,615,726	23.01%	4,812,554	29.91%	6,343,575	21.11%	8,823,915	30.24%
Charge to provision for bad debts Amounts receivable	(32,089)	(0.20%)	(33,237)	(0.21%)	(65,300)	(0.22%)	(67,156)	(0.23%)
Amortisation and depreciation								
- Amortisation of intangible fixed assets	(693,680)	(4.41%)	(633,328)	(3.94%)	(1,294,066)	(4.31%)	(1,082,435)	(3.71%)
- Depreciation of tangible fixed assets	(205,732)	(1.31%)	(159,014)	(0.99%)	(408,202)	(1.36%)	(280,839)	(0.96%)
Other provisions	(516)	(0.00%)	0	0.00%	(516)	(0.00%)		0.00%
Operating result (EBIT)	2,683,709	17.08%	3,986,977	24.78%	4,575,492	15.23%	7,393,485	25.33%
Financial income and charges, net	440,742	2.80%	732,277	4.55%	786,576	2.62%	1,409,587	4.83%
Result from operating activities	3,124,451	19.88%	4,719,253	29.33%	5,362,068	17.84%	8,803,073	30.16%
Revaluations and write-downs	23,585	0.15%	(111,343)	(0.69%)	61,231	0.20%	26,646	0.09%
Extraordinary income and expense, net	361,041	2.30%	(123,157)	(0.77%)	363,100	1.21%	(138,678)	(0.48%)
Profit before taxation and minority interests	3,509,077	22.33%	4,484,754	27.87%	5,786,399	19.26%	8,691,041	29.78%
Profit/(loss) of minority interests before taxation	(633,581)	(4.03%)	(525,543)	(3.27%)	(1,057,404)	(3.52%)	(830,000)	(2.84%)
Profit/(loss) of the group before taxation	2,875,496	18.30%	3,959,211	24.60%	4,728,995	15.74%	7,861,041	26.94%

Net consolidated financial position at 30 June 2002

	<i>Euro</i>		
	at 30.06.2002	at 31.03.2002	at 31.12.2001
Cash, bank current accounts	31,298,758	39,097,654	38,470,170
Financial assets not of a fixed nature	5,160,795	2,801,643	2,662,226
Sums due to banks net of short term portion of medium to long term financing	(1,018,576)	(490,988)	(46,946)
	35,440,976	41,408,310	41,085,449
<i>Net short term financial position (indebtedness)</i>			
Medium to long term financing net of short term portion	(15,494)	0	0
	(15,494)	0	0
<i>Net medium to long term financial position (indebtedness)</i>			
<i>Net financial position / (indebtedness)</i>	35,425,482	41,408,310	41,085,449

<u>Investments for the second quarter of 2002</u>	2nd quarter 2002	2nd quarter 2001	1st half year 2002	1st half year 2001
Intangible fixed assets	255,614	149,773	654,849	189,023
Plant, machinery, equipment and other tangible fixed assets	151,314	370,816	394,298	598,574
Buildings under construction and related payments on account	1,828,307	1,033,430	2.175.866	1,953,756
<i>Total investments in tangible and intangible fixed assets</i>	2.235.235	1.554.019	3.225.013	2.741.353
<i>Shareholdings and other financial investments</i>	780,784	3,147,288	1,019,711	3,160,200
<i>Financial amounts receivable</i>	627	-	1,167	-
<i>Total shareholdings and other financial investments</i>	781.411	3.147.288	1.020.878	3.160.200
<i>Total investments</i>	3.016.646	4.701.307	4.245.891	5.901.553