Interim Management Report at 31st March 2009

CAD IT
INFORMATION TECHNOLOGY

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Declaration in accordance with article 154-bis, second paragraph, of legislative decree no. 58 of 24 february 1998. 20

BOARD OF DIRECTOR AND AUDITORS

BOARD OF DIRECTORS [1]

GIUSEPPE DAL CORTIVO
Chairman and Managing Director

LUIGI ZANELLA
Vice Chairman and Managing Director

GIAMPIETRO MAGNANI
Vice Chairman and Managing Director

PAOLO DAL CORTIVO
Managing Director

MAURIZIO RIZZOLI [2]
Director

MATTHIAS SOHLER
Director

FRANCESCO ROSSI [2]
Independent Director

LAMBERTO LAMBERTINI [2]
Independent Director

STATUTORY AUDITORS [1]

RICCARDO FERRARI
Chairman

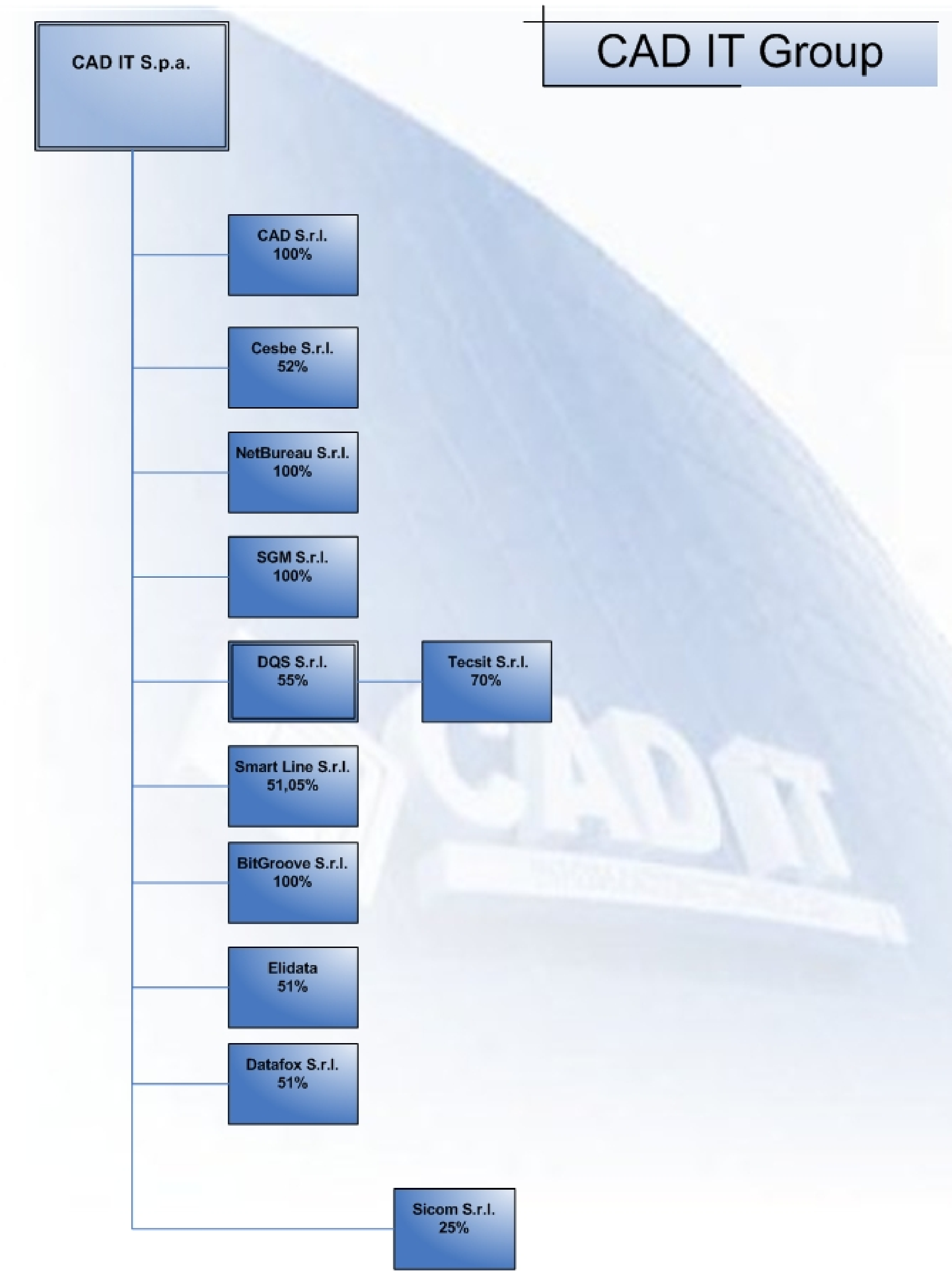
GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

AUDITORS

BDO SALA SCELSI FARINA
Società di Revisione per Azioni

(1) Appointed on 29 April 2009; office expires with the shareholders' meeting for the approval of the 2011 financial statements.
(2) Member of the Internal Control Committee; member of the Nominating and Compensation Committee.



CAD IT Group as at 31/03/2009

SUMMARY SCHEDULES

Consolidated income statement

(in thousands of Euro)

	1° Quarter		*1° Quarter*		*Variations*	
	2009		2008			%
Income from sales and services	12,260	94.3%	14,163	95.7%	(1,903)	(13.4%)
Changes in ongoing orders	52	0.4%	6	0.0%	46	792.2%
Asset increases due to internal work	651	5.0%	601	4.1%	50	8.2%
Other revenue and receipts	41	0.3%	27	0.2%	14	53.9%
Production value	**13,004**	**100.0%**	**14,796**	**100.0%**	**(1,793)**	**(12.1%)**
Costs for raw	(231)	(1.8%)	(385)	(2.6%)	154	(39.9%)
Service costs	(2,427)	(18.7%)	(2,504)	(16.9%)	77	(3.1%)
Other operational costs	(188)	(1.4%)	(184)	(1.2%)	(4)	2.2%
Added value	**10,157**	**78.1%**	**11,723**	**79.2%**	**(1,566)**	**(13.4%)**
Labour costs	(8,017)	(61.6%)	(8,231)	(55.6%)	215	(2.6%)
Other administrative expenses	(611)	(4.7%)	(602)	(4.1%)	(9)	1.4%
Gross operational result (EBITDA)	**1,529**	**11.8%**	**2,889**	**19.5%**	**(1,360)**	**(47.1%)**
Allocation and Credit Depreciation			(3)	(0.0%)	3	(100.0%)
Amortizations:						
- Intangible fixed asset amortization	(637)	(4.9%)	(643)	(4.3%)	5	(0.9%)
- Tangible fixed asset amortization	(191)	(1.5%)	(192)	(1.3%)	1	(0.7%)
Operational result (EBIT)	**701**	**5.4%**	**2,051**	**13.9%**	**(1,350)**	**(65.8%)**
Financial receipts	74	0.6%	124	0.8%	(49)	(39.9%)
Financial charges	(14)	(0.1%)	(17)	(0.1%)	3	(16.4%)
Ordinary result	**761**	**5.9%**	**2,158**	**14.6%**	**(1,397)**	**(64.7%)**
Revaluations and depreciations	188	1.4%	161	1.1%	28	17.4%
Pre-tax result for the period	**949**	**7.3%**	**2,318**	**15.7%**	**(1,369)**	**(59.0%)**
Attributable to:						
Non- controlling interests	84	0.6%	234	1.6%	(151)	(64.4%)
Owners of the parent	**866**	**6.7%**	**2,084**	**14.1%**	**(1,218)**	**(58.5%)**

Consolidated balance sheet

(in thousands of Euro)

31/12/2008	*ASSETS*	*31/03/2009*
	A) Non-Current Assets	
19,620	Assets, equipment and machinery	19,509
15,789	Intangible assets	15,821
8,309	Goodwill	8,309
212	Holdings	400
655	Other financial assets available for sale	672
64	Other non-current credits	63
231	Credits due to deferred taxes	231
44,881	**TOTAL NON-CURRENT ASSETS**	**45,005**
	B) Current Assets	
435	Stock	423
352	Ongoing orders	405
24,623	Commercial credits and other credits	27,761
4,871	Tax credits	4,753
13,999	Cash on hand and other equivalent assets	15,118
44,281	**TOTAL CURRENT ASSETS**	**48,458**
89,163	***TOTAL ASSETS***	***93,463***

31/12/2008	*LIABILITIES*	*31/03/2009*
	A) Equity	
4,670	Company capital	4,670
35,346	Reserves	35,363
18,858	Accumulated profits/losses	19,724
58,874	**TOTAL EQUITY OF THE GROUP**	**59,757**
3,005	Third party Equity	3,089
61,879	**TOTAL EQUITY**	**62,846**
	B) Non-current liabilities	
206	Financing	200
3,497	Liabilities due to deferred taxes	3,497
6,276	TFR and quiescence reserves	6,299
25	Expense and risk reserves	35
10,004	**TOTAL NON-CURRENT LIABILITIES**	**10,031**
	C) Current liabilities	
4,130	Commercial debts	7,564
5,626	Tax debts	4,682
653	Short-term financing	954
6,870	Other debts	7,387
17,279	**TOTAL CURRENT LIABILITIES**	**20,587**
89,163	***TOTAL LIABILITIES AND EQUITY***	***93,463***

Consolidated Cash Flow Statement

Cash Flow Statement of CAD IT Group	*31/03/2009*	*31/03/2008*
A) OPERATING ACTIVITIES		
Profit (loss) for the period	949	2,318
Amortisation, revaluation and depreciation:		
- Assets, equipment and machinery amortisation	191	192
- Intangible fixed asset amortization	637	643
- revaluation of holding and financial assets available for sale	(188)	(161)
- depreciation of holding and financial assets available for sale	0	0
Allocations (utilisation) of funds:	33	(17)
Financial performance:		
- Net financial receipts (charges)	(60)	(107)
- Profit / (losses) on exchanges	(1)	1
Working capital variations	(52)	3,040
Income taxes paid	0	0
Interest payment	(13)	(17)
(A) - Cash flows from (for) operating activities	**1,497**	**5,893**
B) INVESTING ACTIVITIES		
Investing activities		
- Assets, equipment and machinery purchases	(80)	(93)
- Intangible assets purchases/development	(669)	(712)
- increase in other fixed assets	(1)	(2)
Disinvestment activities		
- Assets, equipment and machinery transfers	1	0
- Decrease in other fixed assets	3	4
Cashed Interest	74	122
Cashed dividends	0	35
(B) - Cash flows from (for) investing activities	**(672)**	**(646)**
C) FINANCING ACTIVITIES		
Medium/long term debts repairement	(7)	(23)
Distribution of dividends	0	(180)
(C) - Cash flows from (for) financing activities	**(7)**	**(203)**
(A+B+C) - Total cash and other equivalent assets flows	**818**	**5,043**
Opening liquid funds and other equivalent assets	**13,346**	**12,080**
Closing liquid funds and other equivalent assets	***14,164***	***17,124***

EXPLANATORY NOTES

1. Foreword

This Interim Management Report has been drafted in accordance with art. 154-ter, paragraph 5, of the Testo Unico della Finanza that was introduced by Leg. Decree 195/2007, put into effect by the 2004/109/CE Directive (the so-called Transparency Directive).
In accordance with this regulation, this interim management report gives:

a) a general description of the Group's financial standing and financial trend in the quarter;
b) an outline of the significant events and transactions that occurred in the quarter and their effect on the Group's financial standing.

In order to be able to make a comparison between the figures and evaluations of the management trend, the patrimonial, economic and financial information in this report are shown in the same way as the contents of the previous quarterly reports which were drafted in accordance with art. 82 of the "Regulation ascribing to norms put into effect by Leg. Decree no. 58 of 24th February 1998 concerning issuers" and according to the indications in Attachment 3D of the aforesaid Regulation. Moreover, the accounting tables shown are the same as those used for drafting the annual and six-monthly financial reports.
The interim report includes balance charts in reference to the following periods:

- profit and loss account for the interim period in question and trend compared to the same interim period (period and trend) of the previous financial year;
- balance sheet at the end of the interim period concerned, also in comparison to the figures for the same period of the previous financial year;
- cash flow statement at the interim period closure date compared to the figures for the same period of the previous financial year.

The figures representing the net financial position, compared with the figures of the previous quarter and the previous year end, and tables showing investments in intangible and tangible assets, instalations and machinery relating to the intervening period between the beginning of the financial period and the closing date of the quarter, are also supplied.
This document shows the quarterly figures required on a consolidated basis, since CAD IT S.p.A is obliged to draft a consolidated balance.
Unless otherwise indicated, the monetary sums in the accounting tables and those in the notes are shown in thousands of Euro. Any minor differences deriving from rounding up figures to thousands of Euro are considered irrelevant. Due to this rounding up process, the sum of the individual entries in some of the tables containing exact figures may differ from the total amount.
The quarterly report is not subject to auditing by the auditing company.

2. Information on CAD IT S.p.A.

CAD IT was set up as a joint stock company under Italian law.
The registered office and the administrative and operating offices are in Via Torricelli no. 44/a, Verona, Italy.
The company is registered in the Verona Company Register under no. 01992770238.
Share capital amounts to € 4,669,600, fully subscribed and paid-in, and comprises 8,980,000 ordinary shares, each with equal rights.
These shares are nominal and cannot be divided. Each of them entitles the holder 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.
CAD IT S.p.A. is not subject to the control of any other company, as provided by article 2359 of the Italian Civil Code.

3. Activities of the Group

CAD IT is the leader of a group that is one of the most dynamic organisations in the Italian information technology sector.
For almost 30 years, the Group has been dealing with the banking and insurance market and the world of business and public administration by offering software solutions, maintenance, personalisation, integration and other correlated services from application management to outsourcing, consultancy to training.
The CAD IT Group operates in Italy with its own subsidiaries and associate companies. Its Head Office is in Verona but there are other units in Milan, Rome, Florence, Bologna, Mantua and Trento.
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, derivates (in any currency) and used by banks which represent more than 60% of Italian banking outlets.
In addition, the Group boasts long-standing activity in the industrial sector and the capacity to offer solutions for e-business, credit and industrial companies in constant evolution..
Solutions for local and central administration bodies make up the group’s newest sector, capitalizing on its 20-year experience in developing IT systems for public entities.

4. Accounting standards and consolidation criteria

The economic, patrimonial and financial information has been drafted in accordance with the evaluation and measurement criteria as established by the International Financial Reporting Standard (IFRS), issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure in art. 6 of the European Parliament and Council Regulation (EC) no. 1606/2002 of 19th July 2002.
The accounting standards adopted are the same as those used for drafting the last annual balance and have been applied in the same manner throughout the periods shown and for all the Group’s companies; there have been no modifications in the comparative information.
Interim Management Report has been drafted using the evaluation criteria of historical cost , except for financial instruments available for sale, which are assessed at fair value, and the holdings in subsidiaries, which are assessed in accordance with the equity method. Moreover, where some land and buildings have been included in First Time Adoption, the fair value has been used instead of the cost.
The balance has been drafted in the assumption that the company will continue as no significant uncertainties in relation to company continuity exist.

Use of estimates

In accordance with the IFRS, when drafting the Interim Management Report the company management formulates evaluations, estimates and hypotheses to apply the accounting standards which affect the amounts of credit and debit and the costs and revenues found. Estimates and their relative hypotheses are based on past experience and factors considered reasonable for the case. Since they are estimates, the results obtained are not necessarily the same as the results portrayed.
The estimates and hypotheses are reviewed on a regular basis. Any variations deriving from an accounting estimate review are shown in the period in which the review was made if such review only affects that period. If the review affects the current and future periods, the variation is recorded in the period in which the review is made and in the relative subsequent periods.

Subsidiary companies

The consolidation area includes the Mother Company and the companies it controls, that is, where it has the power to determine financial and managerial policies of a business in order to reap benefits from said company’s activities.
Subsidiary companies are consolidated from the date in which control was effectively transferred to the Group and are no longer consolidated as from the date that control becomes external to the Group.
The purchase of subsidiary companies has been accounted for in accordance with the purchase method set by IFRS 3.
These companies are consolidated using the integral

consolidation method. In order to prepare the consolidated data, the patrimonial, economic and financial situations of the subsidiary and associate companies have been used as prepared by the Group's individual companies at the reference dates, opportunely reclassified and amended to reflect the application of the homogeneous accounting standards.
In drafting the Interim Management Report all the balances and significant transactions between the Group's companies have been eliminated, as are all unrealised infra-group profit and loss transactions.

Associate companies

The share in associate companies, that is those companies in which the Group has significant influence, is evaluated using the equity method, as defined in IAS 28 – Investments in Associates. The profits or losses relevant to the Group are included in the Interim Management Report from the date in which this significant influence began up to the moment it ceases.

Property, plant and equipment

Tangible fixed assets are shown at purchase cost, including any costs that may be directly ascribable and necessary for activating the asset and putting it to the use for which it was purchased. In reference to land and buildings listed in First Time Adoption, the fair value was used instead of the cost.
Tangible fixed assets are shown at net value of the relative accumulated depreciations and losses due to the reduction in value determined in accordance with the modalities described below.
Tangible fixed assets are amortised in constant rates during the course of their expected useful life cycle, i.e. the estimated period of time in which the asset will be put to company use. Whenever significant parts of tangible fixed assets have different estimated useful life cycles, said components are amortised separately.
The value to be depreciated is given by the registered value of the asset net of any loss in value and reduced by its assumed value at the end of its useful life cycle, if significant and reasonably calculable.
The useful life cycle and the cash value are reassessed annually and any changes, where necessary, are brought in with a perspective application.
The main economic-technical tax rates used are the following:

- industrial buildings: 3%
- electrical equipment: from 5 to 10%
- air conditioning equipment: from 6 to 15%
- telephone systems: 20%
- alarm systems: from 10 to 30%
- furniture and fittings: 12%
- electrical machinery: 15%
- electronic machines and computers: 20%
- vehicles: 25%

Land, both without buildings or next to civil and industrial constructions, is accounted for separately and not amortised as it is considered an element with an unlimited useful life cycle.
In order to calculate any losses due to depreciation, the accounting value of intangible fixed assets is subject to verification.
At the time of elimination or when no future economic benefit can be expected from the use of an asset, it is eliminated from the balance and the eventual loss or profit (calculated as the difference between the assignment value and the taxation value) is shown in the income statement of the year in which the asset is eliminated.

Financial leasing

Assets owned through financial leasing contracts, through which all the risks and benefits tied to the property are transferred to the Group, are registered among the Group assets at their fair value or, if this value is lower, at the present value of the minimum payments due for the leasing and depreciated by applying coherent criteria to the other assets. The corresponding liability towards the lessor is registered in the balance among the financial debts.

Intangible fixed assets

Intangible fixed assets are shown as such when it is likely that they will bring in future economic benefits for the company and when the asset cost can be feasibly determined.
Intangible fixed assets, having a defined useful life cycle, are subsequently registered net of the relative accumulated amortizations and any losses due to a durable reduction in value.
The useful life cycle is reassessed annually and any changes, where necessary, are brought in with a perspective application.
Profits or losses deriving from the transfer of an intangible fixed asset are determined as the difference

between the elimination value and taxation value of said asset and are reported on the income statement at the time of elimination.

Project development costs for the production of instrumental software, or those to be terminated, are registered on the credit side when they satisfy the following conditions: the costs can be feasibly determined, the product is technically feasible, the expected use and/or sale of the product indicate that the sustained costs will generate future economic benefits. In respect of the standard that correlates costs and returns, these costs are amortized as from the moment in which the activity becomes available for use, in permanent amortisation amounts for the entire duration of the product's lifecycle, estimated at five years. The costs of intangible fixed assets generated internally include only those expenses that can be directly attributed to the development of said product. All other development costs that cannot be capitalised, when sustained, are reported on the income statement.

Goodwill

Goodwill resulting from the purchase of subsidiaries and associates is initially registered at cost and is the overbalance of the purchase cost in respect of the purchaser's share of the fair value of the assets and liabilities and the potential liabilities at the date of purchase.

After the initial registration, goodwill is no longer amortised and is decremented of any losses in accumulated value, calculated according to the IAS 36 Asset value reduction. Goodwill regarding shares in associates companies is included in the taxation value of said companies.

Goodwill is subject to an annual analysis of retrievableness or at shorter intervals if something happens or changes in circumstances arise, which could cause losses in value.

Goodwill deriving from purchases made prior to 1st January 2004 is registered at the recorded value ascribed to it in the last balance drafted on the basis of the previous accounting standards (31st December 2003). In fact, during the preparation of the opening balance in accordance with the international accounting standards, none of the purchase transactions made prior to 1st January 2004 have been re-considered.

Impairment loss

The Group annually verifies the accountable value of intangible and tangible assets or more often whenever there is an indication that assets may have suffered a value loss.

If the charged value exceeds the recoverable value, the assets are devalued to reflect their recoverable value, represented by the greatest figure between the net price and use value. In defining the use value, expected future financial flows are discounted back using a pre-tax discount rate that reflects the current market estimations in reference to the cost of money at the time and the specific risks of the asset in question. For an asset that does not generate widely independent financial flows, the return value is determined in relation to the unit generating the financial flows of which the asset is a part. The value losses are accounted for in the income statement among depreciation and devaluation costs. When subsequently an asset value loss, different from the goodwill, is less or decreases, the accounting value is increased to a new estimate of the recoverable value within the limit of the previous value loss. The recovery of a value loss is registered to the income statement.

Assets available for sale

Share in non-consolidated companies are classified as assets financially available for sale and are valued at fair value. For any shares quoted as fair value, this value is taken as the market value, if active. Any profits or losses found as a result of the effect of evaluating the fair value on these assets at every balance date are shown at net patrimony unless they are sold or they have durable losses in value, that are the moments when the total profit or loss found in the net patrimony is registered to the profit and loss account.

Other non-current credits

These are registered at their nominal value, representative of their fair value.

Stock

Leftover stock is valued as the lesser value between purchase cost and the net value of the assumed income. The cost is determined in accordance with the average calculated cost method.

On-going orders

On-going construction contracts are valued with reasonable certainty on the basis of the matured contractual fees according to the criterion of percentage completion (so-called cost to cost), so as to attribute the profits and the economic result of the order to each single financial period concerned in proportion to the progress of the work.

Commercial credits and other credits

Commercial credits, whose expiry limits are within normal commercial terms, are not updated and are registered at their nominal value net of any loss of value. Moreover, they are adjusted to their assumed cash value by means of the registration of an appropriate amendment fund.

Liquid asset availability and equivalent means

The availability of liquid assets and equivalent means is registered at nominal value and has the requirements to be immediately available or available at very short notice, without obstacles and with no significant expense for collection.

Employee leaving entitlement

The present value of debts related to employees for benefits allocated in connection with or following the termination of working relationships through defined benefit programmes is calculated on the basis of the method of projecting the credit in accordance with the indications in IAS 19.
The liability evaluation is calculated by private actuaries.
The profits and losses deriving form these evaluations are ascribed to the income statement.

Risk and obligation funds

In accordance with the IAS 37, the allocations are shown when there is an ongoing obligation (legal or implicit) that stems from a past event, whenever an outlay may be necessary to satisfy the obligation and a feasible estimation may be made on the obligation amount.
If the effect of updating the assumed cash value is significant, the allocations are calculated by updating the expected future financial flows at a pre-tax discount rate that reflects the current market evaluation of the cash value in relation to time. When updating has been done, the increase in the allocation caused by the passing of time is shown as a financial obligation.

Commercial debts and other current liabilities

The commercial debts, whose deadlines are within normal commercial terms, are not updated and are registered at cost (identified by their nominal value).
Financial liabilities are initially shown at cost, which corresponds to the fair value of the liability, net of transition costs, which are directly attributable to the issue of the liability itself.
After the initial determination, the financial liabilities are assessed with the criterion of amortized cost using the original effective tax rate method.

Revenues and costs

The revenues and costs are determined in accordance with the qualifying economic principle to the amount to which the fair value can be feasibly determined.
Depending on the type of operation, the revenues are determined on the basis of the specific criteria reported below:

- the revenues for services are determined with reference to the point at which they stand on the basis of the same criteria used for determining the position of ongoing orders. If it is not possible to feasibly determine the revenue values, they are then calculated until they concur with the amount of expenses sustained and which are deemed recoverable.
- the profits from the sale of goods are shown when significant risks and benefits of the ownership of the goods are transferred to the purchaser, the sale price is agreed or can be determined and payment is collected.

As for sales concerning assistance and/or maintenance services carried out with the annual subscription formula, the accrual is calculated in proportion with time.
The costs are ascribed according to the same criteria as those for revenue acknowledgment.

Balance sheet layout

The Group presents its economic account by nature, the format that is considered the most representative in terms of function presentation. In fact, the chosen format conforms to the internal reporting modalities and the business management and is in line with the way the

economic account was represented in the past.
The profit and loss account is drafted in scalar format highlighting the following intermediate results:

- Production revenues: this is the value of services and goods produced and sold by the Group, including internal assets and other income and earnings from the traditional offer.
- Added value: obtained by subtracting the operative costs for service and asset purchases from production revenues, this measures how much of the internal production and distribution of goods and services is due to company productive factors.
- Gross Operational Result (EBITDA): this figure is obtained by subtracting from the added value all of the costs that can be put down to staff and other administrative expenses. It highlights the result based on the traditional offer including depreciations, financial management, revaluations or devaluations and taxes.
- Operational Result (EBIT): this figure is obtained by subtracting the depreciation and funding amounts from the gross operational result.
- Ordinary Result: this includes the financial management result.
- Pre-tax result: obtained by including revaluations and devaluations in the ordinary Result.

As for the patrimonial situation, a distinction has been made between current and non-current assets and liabilities.
The financial statement has been presented according to the indirect method so that the profit (or loss) for the period has been adjusted of any non-monetary operations and by deferments and the setting aside of future incomes or payments.

5. *Consolidation area*

The consolidation area has not changed. The fully consolidated companies included in the financial schedules of CAD IT Group are the following:

Company name	*Registered office*	*Share/ Quota capital Euro*	*Percentage of investment*	*Percentage of investment of the Group*
consolidated using the integral method				
CAD IT S.p.A.	Verona	4,669,600	Parent company	
CAD S.r.l.	Verona	130,000	100.00%	100.00%
Cesbe S.r.l.	Verona	10,400	52.00%	52.00%
Netbureau S.r.l.	Milano	50,000	100.00%	100.00%
S.G.M. S.r.l.	Padova	100,000	100.00%	100.00%
D.Q.S. S.r.l.	Roma	11,000	55.00%	55.00%
Bit Groove S.r.l.	Verona	15,500	100.00%	100.00%
Elidata S.r.l.	Castiglione D'Adda (LO)	20,000	51.00%	51.00%
Smart Line S.r.l.	Verona	102,700	51.05%	51.05%
Datafox	Verona	99,999	51.00%	51.00%
Tecsit S.r.l. (1)	Roma	75,000	70.00%	38.50%
(1) Held through DQS S.r.l.				

Shares in associates, in which the Group has significant influence, have been evaluated using the equity method and reduced accordingly where the asset value has decreased.

Company name	*Registered office*	*Date of reference*	*Quotaholders' equity including profit for the period*	*Profit for the period*	*Percentage of investment*	*Investment value of the Group*
Sicom S.r.l.	Viadana (MN)	31/03/2009	1,601	754	25.00%	400

6. *Management results and comments on the most significant components of the quarter*

The CAD IT Group closes the first quarter of 2009 with a value of production in reduction compared to the same quarter of the previous year and positive profit margins are being maintained. The results achieved highlight the Group's ability to obtain positive results by focusing on production and offering new products and services and by acquiring new users and new market segments despite the unfavourable economic trend and the ongoing crisis in the banking system in particular.
Pre-tax and pre-third party share profit in the quarter stand at Euro 949 thousand compared to Euro 2,318 thousand of the same quarter of 2008 financial period.
The value of production in this quarter amount to Euro 13,004 (Euro14,796 thousand in the same quarter last year) and has dropped because of the fall-off of earnings from services and sales resulting from the unfavourable national economic situation, especially in the banking sector.
Returns from sales and services came to Euro 12,260 thousand (Euro14,163 thousand in the same quarter last year).
Increase in internal intangible assets resulting from investment amount to Euro 651 thousand (Euro 601 thousand in the same quarter last year).
Service costs, amounting to Euro 2,427 thousand (equal to 18.7% of the value of production) , decreased compared to Euro 2,504 thousand (equal to 16.9% of the value of production) of the first quarter in 2008.
The reduction in service costs (-77 thousand Euro) as well as the drop in purchase costs (-154 thousand Euro) have kept Added Value at 78.1% (79.2% in the same quarter last year).
Labour costs during the quarter amounted to Euro 8,017 thousand, showing a reduction of Euro 215 thousand (-2.6%) compared to Euro 8,231 thousand in the same period in 2008.
Labour costs include the effect of the actuarial calculation, in accordance with the IAS 19 standard, of the debt towards employees for Severance Pay.
The decrease in labour costs is due to a drop in the average number of employees which was 605 units in this quarter compared to 617 in the same quarter of 2008 (-1.9%).
The EBITDA return result was Euro 1,529 thousand compared to Euro 2,889 thousand in the first quarter of 2008.
Third party amortization and funding for the first quarter 2009 are in line with the same quarter of the previous year and stand at Euro 828 thousand.
The Operational Result (EBIT) for this quarter was in credit by Euro 701 thousand compared to the Euro 2,051 thousand of the same period in the previous year.
The financial management result was positive too and shows financial returns and expenses of Euro 74 thousand and Euro 14 thousand respectively compared to Euro 124 thousand and Euro 17 thousand in the first quarter of 2008 and is mainly due to a reduction in interest rates on liquid assets and equivalent means.
The Ordinary Result was in credit by Euro 761 thousand compared to Euro 2,158 thousand in the first quarter of 2008.
During the period concerned, the progress of appreciation and depreciation was positive too, which generated a Euro 188 thousand appreciation, due to the positive outcome of the associated company Sicom S.r.l., evaluated using the net patrimony method (Euro 161 thousand in the first quarter of 2008).
The pre-tax and third party share result was in credit by Euro 949 thousand (equal to 7.3% of the value of production) compared to Euro 2,318 thousand in the same quarter of the previous year.
The interim management report is presented without calculating the income taxes for the period.
Careful attention to monitoring and containing costs is still one of the management's objectives.
There now follows a brief summary of the revenues from sales and services subdivided by business line and compared to the figures of the corresponding quarter of the previous financial period.

(in thousands of Euro)

Turnover - goods and services	1° Quarter 2009		1° Quarter 2008	
Finance	11,560	94.29%	13,133	92.73%
Manufacturing	700	5.71%	1,030	7.27%
Total Turnover - goods and services	***12,260***	***100.0%***	***14,163***	***100.0%***

7. Significant events of the period

Development and commercialisation activities of new products, aimed at traditional clients as well as new types of clientele, continued throughout the period.
Moreover, the intense project activities with Xchanging UK Ltd (a company that supplies security administration services to the German and British market and which holds a 10% share of CAD IT S.p.A.) are still proceeding . Through these the CAD IT Group aims at increasing its earnings in Italy and to diversify its own business geographically.

8. Consolidated net financial position and financial income and charges

The consolidated net financial position at 31st March 2009 was positive for Euro 13,964 thousand in growhth compared to Euro 13,140 thousand at 31st December 2008.
In particular, as shown in detail in the financial report, the monetary flow generated by business activities during the quarter came to Euro 1,497 thousand and that generated by financial activities came to Euro 7 thousand, partially absorbed in investments to the value of Euro 672 thousand, thus resulting in a total positive net cash flow of Euro 818 thousand.

(in thousands of Euro)

Net consolidated financial position	31/03/2009	31/12/2008	31/03/2008
Cash on hand and bank accounts	12,667	11,565	15,021
Insurance policies capitalised	2,451	2,434	2,873
Short-term payables due to banks	(954)	(653)	(770)
Net short-term financial position/(indebtedness)	**14,164**	**13,346**	**17,124**
Long-term loans	(200)	(206)	(261)
Net long-term financial position/(indebtedness)	**(200)**	**(206)**	**(261)**
Net financial position / (indebtedness)	**13,964**	**13,140**	**16,863**

Net financing activities resulted in an income of Euro 60 thousands in the first three months of 2009 (Euro 107 thousand in the same previous year period). The decrease in financial income (Euro -49 thousand) is mainly due to a reduction in interest rates.

(in thousands of Euro)

Financial performance	*31/03/2009*	*31/03/2008*	*Variations*
Financial income from assets available for sale	-	(0)	0
Interest on bank deposits and equivalent	74	122	(48)
Profits on exchanges	-	1	(1)
Total financial income	**74**	**124**	**(49)**
Interest on bank overdrafts and loans	(10)	(14)	3
Interest on debts for financial leasing	(3)	(3)	0
Losses on exchanges	(1)	-	(1)
Total financial charges	**(14)**	**(17)**	**3**
Net financial income and (charges)	**60**	**107**	**(47)**

9. Research and development

In relation to activities aimed at consolidating traditional business, the production of new modules to increase the functional and technological development of the considerable range of software installed remains constant within the Group. Development which began in 2007 regarding the Nuovo Sportello Finanza (New Finance Desk) project is continuing with the aim to provide the successful Financial Area procedure with a WEB interface.
The creation and use of new computer systems aimed at diversifying the Group's offer towards those sectors bordering on the ones in which it is already present, is still underway.
As regards new projects, development activities are continuing on the SIBAC GS platform, which is a fundamental element for the Group's strategic growth.
Activity in the production of specialised modules for the business intelligence area (Managerial Information System) is also continuing.
CAD IT and Smart Line S.r.l. are now investing to enrich theirs own offer range of solutions and services for Public Administration and authorities for the management of local taxes.
The CAD IT Group, in its intent to develop its own products, is also creating solutions linked to the new norms and further procedures aimed at diversification for new business sectors like Insurance (Financial Area for insurance) and new software modules for international market (Easy Match).
On 6th May 2009, in accordance with Article 1, paragraphs 280 to 283 of Law no. 296 of 27th December 2006, and subsequent modifications, relating to research and development costs sustained for projects that were already ongoing as of 28th November 2008 and that were expected to run into 2009, CAD IT applied to the Agenzia delle Entrate (inland revenue office)for tax credits of Euro 415 thousand to be awarded for each year and also tax credits of Euro 337 thousand for those projects started after 28th November 2008 for expected costs in 2009.
The use of tax credits is subject to confirmation from the Agenzia delle Entrate within the limits of State balance allocations set aside to cover said credits.

10. Investments

The figures accumulated in investments in intangible and tangible assets, made during the first quarter by those companies of the Group included in the consolidation area, amount to Euro 749 thousand, compared to Euro 805 thousand in the same periods in 2008.

(in thousands of Euro)

Summary of investments	*1° Quarter 2009*	*1° Quarter 2008*	*Year 2008*
Intangible fixed assets	18	111	162
Assets under development and payments on account	651	601	2,660
Property, Plant and equipment	80	93	257
Total investments in tangible and intangible fixed assets	***749***	***805***	***3,079***

The amount of investments is a consequence of strategic decisions taken by the directors' meeting and management that approved investments to develop several new products expected to be used by the clients themselves.

Investments in intangible fixed assets under development mainly regard the development and purchasing of software for licensing to the clients or instrumental software to be used by the Group for its own activity.

During the first three months of the year, the item "intangible fixed assets" and "property, plant and equipment" varied as follows:

(in thousands of Euro)

Intangible fixed assets at 31/03/2009	*Industrial patents and similar rights.*	*Licences, trademarks and similar rights*	*Assets under development and payments on account*	*Other*	*Total*	*Goodwill*
Purchase or production cost	12,377	3,377	8,008	35	23,798	8,309
Previous years revaluations						
Previous years depreciation and write-downs	(4,803)	(3,169)		(35)	(8,008)	
Adjustments to previous years write-downs		(1)			(1)	
Opening value	***7,574***	***208***	***8,008***	***0***	***15,789***	***8,309***
Variations in consolidation area						
Purchases/increases		18	651		669	
Transfers						
Reduction in accumulated depreciation due to disposals						
Disposals						
Revaluations for the period						
Depreciation and write-downs for the period	(608)	(30)			(637)	
Adjustments to write-downs for the period						
Total intangible fixed assets	***6,966***	***196***	***8,659***	***0***	***15,821***	***8,309***

(in thousands of Euro)

Property, plant and equipment at 31/03/2009	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Total
Purchase or production cost	9,140	4,083	29	5,658	18,910
First time adoption revaluation	8,439				8,439
Previous years depreciation and write-downs	(972)	(1,999)	(17)	(4,738)	(7,727)
Adjustments to previous years write-downs				(2)	(2)
Opening value	***16,606***	***2,085***	***11***	***918***	***19,620***
Variations in consolidation area					
Purchases		7	0	72	80
Transfers					
Reduction in accumulated depreciation due to disposals				23	23
Disposals				(24)	(24)
Revaluations for the period					
Depreciation and write-downs for the period	(31)	(63)	(1)	(97)	(191)
Adjustments to write-downs for the period					
Total tangible fixed assets	***16,575***	***2,029***	***11***	***893***	***19,509***

11. Personnel

The number of CAD IT Group staff, at the end of the quarter decreased by 8 units compared to the end of 2008 financial period. Information on the actual number employees at the end of each quarter is reported below:

Category of Employees	Labour force at 31/03/2009	Labour force at 31/03/2008	Labour force at 31/12/2008
Management	17	18	17
White-collars and cadres	582	599	589
Blue-collars	1	1	1
Apprentices	2	3	3
Total	**602**	**621**	**610**

The average number of employees in the quarter was 605, decreasing compared to the corresponding quarter of 2008 (618 units)

Category of Employees	Average number at 31/03/2009	Average number at 31/03/2008	Average number at 31/12/2008
Management	17	18	18
White-collars and cadres	585	595	595
Blue-collars	1	1	1
Apprentices	2	3	3
Total	**605**	**617**	**617**

The Group continues to dedicate particular attention to professional staff training at certain periods by means of internal training programmes and updating courses.

12. Important events since 31st March 2009 and foreseeable development

A period of economic recession is continuing in 2009 despite interventions by the central banks and European governments in support of the banking system and aimed at protecting savers and bringing back trust in the markets. In this context, the Board of Directors has placed maximum attention on market needs in order to better orientate the Group's management and development strategies and to maintain efficiency levels high. This should allow the Group to continue to achieve the positive economic results obtained in the past during 2009 too. Furthermore, the present crisis could offer the Group new opportunities for supplying, for example, Application Management solutions for restructuring or re-designing financial institute activities and Risk Management applications for monitoring and evaluating risks.

The success of the Group's activities will thus depend on its ability to maintain and increase its shares of the markets in which it now operates and/or further expand into other market segments (like insurance, public administration, foreign financial institutions) through new products and high quality standards which would guarantee an adequate income level.

As of the date of this report, there are no significant elements of risk and/or uncertainty in regard to the remaining months of the ongoing financial period, other than anything previously mentioned. The managerial trend for the remaining part of the period could, however, be influenced by numerous factors, for example, the continuation of unfavourable macro-economic conditions, other variations in business conditions, changes in law and the institutional context and other factors that the Group has no control over.

The CAD IT S.p.A. Directors are constantly on the look out for any possible development opportunities, whether direct or through external lines, concerning the taking on or purchasing of further holdings in order to create activities that are complimentary and synergic to existing ones or through technical or commercial agreements.

On 29th April 2009, the Ordinary Shareholders' Meeting approved the balance at 31/12/2008 and agreed to distribute a dividend of Euro 0.50 per share. The dates for coupon release and dividend payment were 11th and 14th May respectively. Dividend payment resulted in a cash outlay of Euro 4,490 thousand.

The Shareholders' Meeting, following the expiry of terms, also nominated the Board of Directors and Board of Auditors for the 2009, 2010 and 2011 periods.

The following persons were re-nominated to the Board of Directors: Guseppe Dal Cortivo (Chairman and Managing Director), Giampietro Magnani (Vice-Chairman and Managing Director), Luigi Zanella (Vice-Chairman and Managing Director), Paolo Dal Cortivo (Managing Director), Lamberto Lambertini (Independent Director), Maurizio Rizzoli (Non-executive Director), Francesco Rossi (Independent Director). Matthias Sohler, Executive Director Financial for European Financial Market from Xchanging, the CAD IT Group's partner company and international leader in supplying Business Process Outsourcing services, was also nominated to the Board as a Non-executive Director, in order to further consolidate the strategic collaboration between the two Groups.

The Board of Auditors comprises: Riccardo Ferrari (Chairman; minority list), Renato Tengattini, Gian Paolo Ranocchi, and the following Substitute Auditors: Giannicola Cusumano (minority list), Luca Signorini.

On behalf of the Board of Directors
The Chairman

Giuseppe Dal Cortivo

DECLARATION IN ACCORDANCE WITH ARTICLE 154-BIS, SECOND PARAGRAPH, OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998.

The undersigned, Maria Rosa Mazzi, manager in charge of drafting CAD IT S.p.A. accounting documents, hereby declares, in accordance with article 154-bis, second paragraph, of the Revenue Office “Testo Unico” (Leg. Dec. 58/1998), that the accounting information in this Interim Management Report corresponds to the documentary results, books and accounting registers.

Verona, 15 May 2009

Maria Rosa Mazzi
Manager in charge of drafting
the CAD IT S.p.A. accounting documents

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