

CAD IT: THE BOARD OF DIRECTORS APPROVES THE SIX-MONTHLY RESULTS AT 30TH JUNE 2011

Production Value stands at Euro 26.2 million compared to Euro 26 million in the first six months of 2010.

EBITDA is Euro 2.4 million compared to Euro 2 million in the first six months of 2010.

EBIT is Euro 0.6 million compared to Euro 0.1 million in the first six months of 2010.

The Net Consolidated Financial Position is in credit by Euro 4.5 million compared to Euro 4.2 million at 31st December 2010.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market, met today to approve the Half-Yearly Financial Report at 30th June 2011.

The main Consolidated Profit and Loss Account results relating to the first half of 2011 are as follows:

- **Production Value** of Euro 26.2 million (Euro 26 million in the first six months of 2010). During the six months in question the internal work capitalized for the development of new products (internal work capitalized under fixed assets) came to Euro 1.9 million compared to Euro 2.1 million in the same period last year.
- **Gross Operational Result (EBITDA)** of Euro 2.4 million (9.1% of Production Value), compared to Euro 2 million in the first six months of 2010, corresponding to 7.8% of Production Value.
- **Operational Result (EBIT)** of Euro 0.6 million (2.4% of Production Value) compared to Euro 0.1 million in the first six months of 2010, corresponding to 0.3% of Production Value.

- **Result of the period** net of pre-third party share stood at Euro 42.449 (0.2% of Production Value) after the calculation of taxes for Euro 0.8 million, compared to Euro -0.3 million (1% of Production Value) in the same period last year.

Although the macro-economic context is not so favorable, the CAD IT Group is still making considerable investments into research and development with the aim of widening its own product portfolio and to further extend its offer on an international level and towards neighboring market segments such as investment banks, insurance companies, fund administration and brokers. The recent contracts signed with one of the most important Italian merchant bank and with one of the leading German retail banks, together with the agreement with Xchanging to expand the financial tool management platform onto the European market, are fundamental steps towards achieving these strategic objectives.

The short-term Net Consolidated Financial Position at 30th June 2011 is in credit by Euro 4.5 million compared to Euro 4.2 million at 31st December 2010.

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The Half-Yearly Financial Report as of June 30th 2011, with the certification in compliance with art. 154 bis, paragraph 5, of Legislative Decree 58/98 (Consolidated Finance Act) and the report by the auditing firm will be made available to the public at the Company's registered office and at Borsa Italiana S.p.A. and will be published on the www.cadit.it website by August 29th 2011. Written notification of such publication will be given.

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The manager responsible for preparing the company's financial reports, Maria Rosa Mazzi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Consolidated Income Statement

(in thousands of Euro)

	1 st half 2011		1 st half 2010		Variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	24,198	92.4%	23,985	92.2%	213	0.9%
Changes in ongoing orders	14	0.1%	(143)	(0.5%)	156	(109.6%)
Asset increases due to internal work	1,937	7.4%	2,146	8.3%	(209)	(9.7%)
Other revenue and receipts	45	0.2%	16	0.1%	29	178.1%
Production value	26,193	100.0%	26,004	100.0%	190	0.7%
Costs for raw	(433)	(1.7%)	(373)	(1.4%)	(60)	16.2%
Service costs	(5,115)	(19.5%)	(5,133)	(19.7%)	19	(0.4%)
Other operational costs	(349)	(1.3%)	(362)	(1.4%)	13	(3.5%)
Added value	20,297	77.5%	20,136	77.4%	161	0.8%
Labour costs	(16,800)	(64.1%)	(16,764)	(64.5%)	(36)	0.2%
Other administrative expenses	(1,101)	(4.2%)	(1,333)	(5.1%)	232	(17.4%)
Gross operational result - EBITDA	2,395	9.1%	2,039	7.8%	356	17.5%
Allocation to fund and credit depreciation	(44)	(0.2%)	(63)	(0.2%)	19	(30.4%)
Amortizations :						
- Intangible fixed asset amortization	(1,390)	(5.3%)	(1,500)	(5.8%)	110	(7.4%)
- Tangible fixed asset amortization	(322)	(1.2%)	(388)	(1.5%)	66	(17.0%)
Operational result - EBIT	639	2.4%	88	0.3%	552	629.5%
Financial income	41	0.2%	45	0.2%	(4)	(8.6%)
Financial expenses	(43)	(0.2%)	(29)	(0.1%)	(14)	46.3%
Ordinary result	638	2.4%	104	0.4%	534	516.0%
Revaluations and depreciations	228	0.9%	167	0.6%	60	36.0%
Pre-tax result	865	3.3%	271	1.0%	594	219.4%
Income taxes	(813)	(3.1%)	(643)	(2.5%)	(170)	26.5%
Profit (loss) for the period	53	0.2%	(372)	(1.4%)	424	(114.1%)
Profit (loss) for the period attributable to:						
Non- controlling interests	10	0.0%	(101)	(0.4%)	111	(109.9%)
Owners of the parent	42	0.2%	(270)	(1.0%)	313	(115.7%)
Weighted average number of ordinary shares in circulation	8,980,000		8,980,000			
Basic earnings per share (in €)	0.005		(0.030)			

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	1 st half 2011	1 st half 2010
Profit/(loss) for the period	53	(372)
Gains/(Losses) on fair value of available for sale financial assets	(86)	(161)
Total comprehensive income	(34)	(533)
Profit/(loss) for the period attributable to:		
Non-controlling interests	10	(101)
Owners of the parent	(44)	(431)

Consolidated Statement of Financial Position

(in thousands of Euro)

	Notes	30/06/2011		31/12/2010	
		Total	of which related parties	Total	of which related parties
ASSETS					
A) Non-Current Assets					
Property, plant and equipment	14	18,399		18,651	
Intangible assets	15	19,851		19,297	
Goodwill	16	8,309		8,309	
Investments	17	394		329	
Other financial assets available for sale	18	522		609	
Other non-current credits		125		95	
Credits due to deferred taxes	19	426		342	
TOTAL NON-CURRENT ASSETS		48,027		47,631	
B) Current Assets					
Inventories	20	55		111	
Ongoing orders	21	210		197	
Trade receivables and other credits	22	30,979	9	25,948	22
Tax credits	23	887		856	
Cash on hand and other equivalent assets	24	6,406		6,101	
TOTAL CURRENT ASSETS		38,536		33,211	
TOTAL ASSETS		86,563		80,843	
EQUITY AND LIABILITIES					
A) Equity					
Company capital		4,670		4,670	
Reserves		35,346		35,432	
Accumulated profits/losses		13,475		13,492	
Issued capital and reserves attributable to owners of the parent	25-26-27	53,491		53,593	
Capital and reserves of third parties		2,272		2,203	
Profit (loss) of third parties		10		22	
Non- controlling interests	25	2,282		2,226	
TOTAL EQUITY		55,773		55,819	
B) Non-current liabilities					
Financing	29	135		150	
Deferred tax liabilities	30	3,457		3,442	
Employee benefits and quiescence provisions	31	6,367	134	6,379	153
Expense and risk provisions	32	10		59	
TOTAL NON-CURRENT LIABILITIES		9,969		10,029	
C) Current liabilities					
Trade payables	33	7,532	91	3,869	113
Current tax payables	34	3,260		2,457	
Short-term financing	35	1,858		1,851	
Other liabilities	36	8,170	139	6,818	110
TOTAL CURRENT LIABILITIES		20,821		14,994	
TOTAL LIABILITIES AND EQUITY		86,563		80,843	

Consolidated Cash Flow Statement

(in thousands of Euro)

	NOTES	1 st half 2011	1 st half 2010
A) OPERATING ACTIVITIES			
Profit (loss) for the period		53	(372)
Amortisation, revaluation and depreciation:			
- Property, plant and equipment amortisation	14	322	388
- Intangible fixed asset amortisation	15	1,390	1,500
- revaluation of investments and financial assets available for sale	11	(228)	(167)
Allocations (utilization) of provisions	31-32	(60)	168
Financial performance:			
- Net financial receipts (charges)	10	2	(16)
- Profit / (losses) on exchanges	10	(0)	(1)
Working capital variations		732	1,728
Interest paid	10	(43)	(28)
(A) - Cash flows from (used in) operating activities		2,166	3,200
B) INVESTMENT ACTIVITIES			
Investments in activities			
- Property, plant and equipment purchases	14	(72)	(114)
- Intangible assets purchases	15	(1,943)	(2,265)
- increase in other fixed assets		(31)	(18)
Disinvestment activities			
- Property, plant and equipment transfers	14	2	3
- Decrease in other fixed assets		0	2
Cashed Interest	10	41	40
Cashed dividends		162	56
(B) - Cash flows from (used in) investment activities		(1,841)	(2,296)
C) FINANCING ACTIVITIES			
Medium/long term financing repayment		(15)	(14)
Allocation of profits to directors of subsidiary companies		(12)	0
Dividends paid	28	0	(2,245)
(C) - Cash flows from (used in) financing activities		(27)	(2,259)
(A+B+C) - Total cash and other equivalent assets flows	37	298	(1,356)
Opening cash balances and equivalents		4,250	5,093
Closing cash balances and equivalents		4,548	3,737

Consolidated net financial position

(in thousands of Euro)

<i>Net consolidated financial position</i>	<i>30/06/2011</i>	<i>31/12/2010</i>	<i>Variations</i>	<i>%</i>
Cash-on-hand and at bank	4,007	3,731	276	7.4%
Capitalisation insurance policies	2,399	2,370	29	1.2%
Payables due to banks current portion	(1,858)	(1,851)	(7)	0.4%
Net short-term financial position/(indebtedness)	4,548	4,250	298	7.0%
Long-term loans	(135)	(150)	15	(10.1%)
Net long-term financial position/(indebtedness)	(135)	(150)	15	(10.1)%
Net financial position/(indebtedness)	4,413	4,100	313	7.6%

THE CAD IT GROUP

CAD IT is at the head of a group that represents one of the most dynamic organizations in the Italian Information Technology sector.

The group aims its operations at the banking-insurance sector, the business world and public administration, and has been offering software solutions, maintenance, customizing, integration and other correlated services, from application management to outsourcing and consulting to training for over 30 years.

The CAD IT Group, with head offices in Verona, operates in Italy through its own branches and associated companies in Milan, Rome, Prato, Bologna, Padua and Mantua.

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

Solutions for Public Administration is the most recent sector but one which capitalizes the Group's traditional skills, such as its twenty-year experience in the development of systems for the computerization of public bodies.

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