

CAD IT: THE BOARD OF DIRECTORS APPROVES THE SIX-MONTHLY RESULTS AT 30TH JUNE 2013

Production Value stands at Euro 25.7 million compared to Euro 26.4 million in the first six months of 2012.

EBITDA stands at Euro 2.3 million compared to Euro 2.8 million in the first six months of 2012.

EBIT stands at Euro 0.1 million compared to Euro 1.1 million in the first six months of 2012.

The Consolidated Net Financial Position is in credit by Euro 2.8 million compared to Euro 3.9 million registered at 31st December 2012, after dividend payments of Euro 2.8 million.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market and listed in the STAR segment of Borsa Italiana, met today to approve the Half-Yearly Financial Report at 30th June 2013.

The main Consolidated Profit and Loss Account results relating to the first half of 2013 are as follows:

- **Production Value** of Euro 25.7 million (Euro 26.4 million in the first six months of 2012). During the six months in question the increases for the internal work capitalized for the development of new products (asset increases due to internal work) came to Euro 1.9 million compared to Euro 1.8 million in the same period last year.
- **Gross Operational Result (EBITDA)** of Euro 2.3 million (8.9% of Production Value), compared to Euro 2.8 million in the first six months of 2012, corresponding to 10.4% of Production Value. The positive effect on EBITDA arising from a decrease in service costs (equal to Euro 0.6

million) only partially mitigated the negative effects generated by greater labour costs (Euro +0.4 million) and a decrease in revenues (equal to Euro 0.8 million). Besides the recruitment of new employees (the number of CAD IT Group staff increased from 604 to 610), the increase in labour costs was mainly due to contractual salary increases following the national wage settlements renewal. The decrease in revenues (-3.1%) was primarily due to the temporary postponement of a few planned activities in accordance with customers' needs.

- **Operational Result (EBIT)** of Euro 0.1 million (0.4% of Production Value) compared to Euro 1.1 million in the first six months of 2012, corresponding to 4.2% of Production Value. The decrease in EBIT was mainly due to the increase (equal to Euro 0.6 million) of amortization of intangible assets which went from Euro 1.4 million in the first six months of 2012 to Euro 2.0 million in the first six months of 2013.
- **Result of the period net of third party share** of Euro -0.2 million (-0.9% of Production Value) after the calculation of taxes for Euro 0.6 million, compared to Euro 0.4 million (1.5% of Production Value) in the same period last year.

The Consolidated Net Financial Position at 30th June 2013 is in credit by Euro 2.8 million compared to Euro 3.9 million registered at 31st December 2012 and to Euro 9.8 million registered at 30th June 2012, after dividend payments in 2013 of Euro 2.8 million.

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The Half-Yearly Financial Report as of June 30th 2013, together 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. (www.borsaitaliana.it) and will be published on the www.caditgroup.com website by August 29th 2013. Written notification of such publication will be given.

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The Manager charged with 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)

	First Half 2013		First Half 2012 (*)		Variations	
	€/000	% PV	€/000	% PV	€/000	%
Income from sales and services	23,818	92.5%	24,582	93.0%	(764)	(3.1%)
Asset increases due to internal work	1,881	7.3%	1,809	6.8%	72	4.0%
Other revenue and receipts	38	0.1%	33	0.1%	5	15.0%
Production value	25,736	100.0%	26,424	100.0%	(688)	(2.6%)
Costs for purchases	(249)	(1.0%)	(249)	(0.9%)	(0)	0.1%
Costs for service	(4,162)	(16.2%)	(4,738)	(17.9%)	576	(12.2%)
Other operational costs	(325)	(1.3%)	(396)	(1.5%)	71	(17.9%)
Added value	21,001	81.6%	21,042	79.6%	(41)	(0.2%)
Labour costs	(17,675)	(68.7%)	(17,239)	(65.2%)	(436)	2.5%
Other administrative expenses	(1,026)	(4.0%)	(1,052)	(4.0%)	27	(2.5%)
Gross operational result (EBITDA)	2,300	8.9%	2,750	10.4%	(451)	(16.4%)
Allocation to fund and credit depreciation	(2)	(0.0%)	(3)	(0.0%)	1	(21.4%)
Amortizations :						
- Intangible fixed asset amortization	(1,951)	(7.6%)	(1,351)	(5.1%)	(601)	44.5%
- Tangible fixed asset amortization	(242)	(0.9%)	(298)	(1.1%)	55	(18.6%)
Operational result (EBIT)	104	0.4%	1,099	4.2%	(995)	(90.5%)
Financial income	36	0.1%	82	0.3%	(45)	(55.5%)
Financial expenses	(20)	(0.1%)	(33)	(0.1%)	12	(38.2%)
Ordinary result	120	0.5%	1,149	4.3%	(1,028)	(89.5%)
Revaluations and depreciations	280	1.1%	238	0.9%	42	17.6%
Result before taxes	400	1.6%	1,387	5.2%	(986)	(71.1%)
Income taxes	(573)	(2.2%)	(856)	(3.2%)	283	(33.1%)
Profit (loss) for the period	(173)	(0.7%)	530	2.0%	(703)	(132.6%)

Profit (loss) for the period attributable to:						
Non- controlling interests	50	0.2%	133	0.5%	(83)	(62.4%)
Owners of the parent	(223)	(0.9%)	397	1.5%	(620)	(156.1%)

Weighed average number of ordinary shares outstanding	8,980,000		8,980,000
Basic earnings per share (in €)	(0.025)		0.044

(*) Following application of the amendment to IAS 19 (retrospectively) from 1st January 2013, figures at 30th June 2012, reported for comparison, have been restated in accordance with the requirements of IAS 1. In particular, due to the reclassification of actuarial gain on liabilities for defined benefit in the consolidated statement of comprehensive income, labour costs increased by Euro 117 thousand, resulting in decreased profit for the period by the same amount.

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	First Half 2013	First Half 2012 (*)
Profit (loss) for the period	(173)	530
Other comprehensive income that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on defined benefit liabilities	146	117
Other comprehensive income that will be reclassified subsequently to profit or loss		
Gains/(Losses) on fair value of available-for-sale financial assets	-	(16)
Reclassification adjustments: gains realized on disposal of available-for-sale	(103)	-
Total Comprehensive income (loss)	(130)	631
Comprehensive income (loss) attributable to:		
- Non- controlling interests	63	141
- Owners of the parent	(193)	490

(*) Following application of the amendment to IAS 19 (retrospectively) from 1st January 2013, figures at 30th June 2012, reported for comparison, have been restated in accordance with the requirements of IAS 1. In particular the actuarial gain on liabilities for defined benefit was registered in the consolidated statement of comprehensive income for the amount of Euro 117 thousand.

Consolidated Statement of Financial Position

(in thousands of Euro)

	30/06/2013	31/12/2012 (*)
ASSETS		
A) Non-Current Assets		
Property, plant and equipment	17,654	17,783
Intangible assets	20,706	20,750
Goodwill	8,309	8,309
Investments	361	342
Other financial assets available for sale	0	243
Other non-current credits	202	162
Credits due to deferred taxes	760	746
TOTAL NON-CURRENT ASSETS	47,991	48,335
B) Current Assets		
Inventories	66	82
Trade receivables and other credits	30,993	28,687
Tax credits	2,362	1,962
Cash on hand and other equivalent assets	4,820	5,977
TOTAL CURRENT ASSETS	38,240	36,708
TOTAL ASSETS	86,232	85,043
EQUITY AND LIABILITIES		
A) Equity		
Company capital	4,670	4,670
Reserves	35,246	35,349
Accumulated profits/losses	13,605	16,395
Issued capital and reserves attributable to owners of the parent	53,521	56,414
Capital and reserves of third parties	2,484	2,253
Profit (loss) of third parties	50	322
Non- controlling interests	2,533	2,574
TOTAL EQUITY	56,055	58,989
B) Non-current liabilities		
Financing	0	0
Deferred tax liabilities	3,372	3,374
Employee benefits and quiescence provisions	6,714	6,784
Expense and risk provisions	147	151
TOTAL NON-CURRENT LIABILITIES	10,233	10,309
C) Current liabilities		
Trade payables	6,267	3,803
Current tax payables	2,986	2,543
Short-term financing	2,002	2,092
Other liabilities	8,689	7,307
TOTAL CURRENT LIABILITIES	19,944	15,745
TOTAL LIABILITIES AND EQUITY	86,232	85,043

(*) Following the application from 1 January 2013 (retrospectively) of the amendment to IAS 19, the data on 31st December 2012 reported for comparative purposes, have been restated as required by IAS 1. In particular, they have been reclassified 5 thousands of euro from Capital and reserves of third parties to Profit (loss) of third parties.

Consolidated Cash Flow Statement

(in thousands of Euro)

	First Half 2013	First Half 2012 (*)
A) OPERATING ACTIVITIES		
Profit (loss) for the period	(173)	530
Amortisation, revaluation and depreciation:		
- Property, plant and equipment amortisation	242	298
- Intangible fixed asset amortisation	1,951	1,351
- revaluation of investments and financial assets available for sale	(280)	(238)
- depreciation of investments and financial assets available for sale	0	0
Allocations (utilization) of provisions	72	(34)
Financial performance:		
- Net financial receipts (charges)	(16)	(49)
- Profit / (loss) on foreign exchange	(1)	(0)
Other working capital variations	2,457	7,170
Income taxes paid	(874)	(529)
Interest paid	(19)	(32)
(A) - Cash flows from (used in) operating activities	3,359	8,466
B) INVESTMENT ACTIVITIES		
Investments in activities		
- purchase of property, plant and equipment	(114)	(136)
- purchase of intangible assets	(1,908)	(1,957)
- increase in other fixed assets	(42)	(36)
Disinvestment activities		
- transfers of property, plant and equipment	1	0
- transfers of assets available for sale	239	182
- decrease in other fixed assets	2	14
Cashed Interest	36	82
Cashed dividends	163	159
B) - Cash flows from (used in) investment activities	(1,623)	(1,692)
C) FINANCING ACTIVITIES		
Medium/long term financing repayment	0	(119)
Allocation of profits to directors of subsidiary companies	(11)	0
Dividends paid	(2,793)	(2,237)
(C) - Cash flows from (used in) financing activities	(2,804)	(2,356)
(A+B+C) - Total cash and other equivalent assets flows	(1,068)	4,418
Opening cash balances and equivalents	3,885	5,401
Closing cash balances and equivalents	2,817	9,819

(*) Following the application from 1st January 2013 (retrospectively) of the amendment to IAS 19, the data at 30th June 2012, reported for comparative purposes, have been restated as required by IAS 1. In particular, the profit for the period is lower by 117 thousand of euro, corresponding to the actuarial profit on liabilities of the defined benefit obligation and the corresponding figure is reduced by the item Allocations (utilization) of provisions.

Consolidated net financial position

(in thousands of Euro)

Net consolidated financial position	30/06/2013	31/12/2012	Variations	%
Cash-on-hand and at bank	2,297	3,487	(1,190)	(34.1%)
Capitalization insurance policies	2,523	2,490	33	1.3%
Payables due to banks current portion	(2,002)	(2,092)	90	(4.3%)
Net short-term financial position/(indebtedness)	2,817	3,885	(1,068)	(27.5%)
Long-term loans	(0)	(0)	0	-
Net long-term financial position/(indebtedness)	(0)	(0)	0	-
Net financial position/(indebtedness)	2,817	3,885	(1,068)	(27.5%)

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 35 years.

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