

PRESS RELEASE

Verona, 12th May 2003

CAD IT: FIRST QUARTER RESULTS FOR 2003

CAD IT closes its first quarter of 2003 with a production value of 13.3 million Euros

The net financial position, equal to 37.7 million Euros, is growing fast thanks to the considerable growth in cash flows from operating activities

The Board of Directors of CAD IT SpA, leader in the Italian financial *software* market, has approved the first quarterly report for 2003, which shows a strong increase in pre-tax profit (+44%) compared to the previous quarter despite the decrease in the production value.

The **quarterly report** approved by the Board of Directors states the following consolidated data:

- a **production value** of 13.3 million Euros compared to 14.3 million in the first quarter of 2002;
- a **gross operational margin (EBITDA)** of 2.3 million Euros, corresponding to 17.6% of the production value compared to 19% (2.7 million Euros) in the first quarter of 2002, although this has actually increased by 48% compared to the previous quarter (1.6 million Euros);
- a **pre-tax profit** of 946 thousand Euros (equal to 7% of the production value).

During the first quarter of 2003, the Group has continued investing in Research and Development to enrich the range of products on offer but, at the same time, has put into effect the policy of cost curbing for services (-25% compared to the last quarter) which was announced at the end of 2002, limiting the use of external staff. The investments in R&D, mostly due to staff costs, were entirely expensed in that period.

The operational result (EBIT) of 1.4 million Euros (10.6% on the production value), although inferior to that recorded in the first quarter of 2002 (1.9 million Euros), is actually almost double if compared to the previous quarter (0.72 million Euros).

The pre-tax profit stands at 946 thousand Euros against the 658 thousand of the previous quarter (in the first quarter of 2002 it was 1.9 million Euros).

Furthermore, CAD IT reports that the **consolidated net financial position** at 31st March 2003 was 37.7 million Euros, an increase of 20% compared to the amount recorded at the end of the previous period. The net financial position at the end of the next quarter will suffer due to the payment of dividends paid out by the Company in April and May 2003.

The increase in the net financial position mostly comes from operating activities cash flow, which stands at 6.5 million Euros compared to 1.6 million Euros generated in the first quarter of 2002. The cash out deriving from investments, mostly due to the increase in material and immaterial fixed assets, has also improved, decreasing to from -1.339 thousand Euros in the first quarter of 2002, to just -447 thousand Euros.



The President of CAD IT, Giuseppe Dal Cortivo, said: "During the first quarter of this year we have seen a persistent fall in investments in information technology by banks and financial institutions, but, despite this, we have been able to maintain good levels of profitability".

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 50% 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.

Contacts: CAD IT Spa
Paolo Dal Cortivo
Tel. +39 045 8211 236
Investor@cadit.it
www.cadit.it

Weber Shandwick Italia A
Alberto Paletta
Tel. +39 02 57 378 452 – 454
apaletta@webershandwick.com