

## CAD IT: THE BOARD OF DIRECTORS APPROVES THE QUARTERLY REPORT AT 31<sup>ST</sup> MARCH 2008

*In the first quarter of 2008, the CAD IT Group registered a Value of Production of Euro 14.8 million, showing a 13% growth compared to the Euro 13.1 million in the first quarter of 2007.*

*All other profit margins are on the increase compared to the same period in the previous year: EBITDA shows a 27% increase and stands at Euro 2.9 million (Euro 2.3 million in the first quarter of 2007);*

*EBIT shows a 14% increase and stands at Euro 2.1 million (Euro 1.8 million in the first quarter of 2007); Group pre-tax profit shows an 18% increase and stands at Euro 2.1 million (Euro 1.8 million in the first quarter of 2007).*

*The Consolidated Net Financial Position is in credit by Euro 17.1 million showing a growth compared to the Euro 12.1 million registered at 31<sup>st</sup> December 2007.*

The Board of Directors of CAD IT S.p.A. ([www.cadit.it](http://www.cadit.it)), leader in the Italian financial software market and quoted in the STAR segment of Borsa Italiana, today approved the Quarterly Report at 31<sup>st</sup> March 2008 which shows a growth in values and margins compared to the same period in the previous year.

The main results in regard to the Consolidated Profit and Loss account at 31<sup>st</sup> March 2008 are as follows:

- **Value of Production** of Euro 14.8 million compared to Euro 13.1 million in the first quarter of 2007. This 13% growth in Value of Production is due to a 16% increase in sales (from Euro 12.2 million to 14.2 million), despite a reduction of internal work capitalised under fixed assets which went from Euro 0.9 million in the first quarter of 2007 to Euro 0.6 million in the first quarter of the current year;
- **Gross Operational Result (EBITDA)** of Euro 2.9 million, corresponding to 19.5% of the Value of Production, showing a 27% growth compared to the Euro 2.3 million in the first quarter of 2007 (17.5% of the Value of Production);
- **Operational Result (EBIT)** of Euro 2.1 million corresponding to 13.9% of the Value of Production and showing a 14% increase compared to Euro 1.8 million in the first quarter of 2007 (13.8% of the Value of Production);
- **Group pre-tax and third party share result** of Euro 2.3 million (15.7% of the Value of Production) showing a 23% growth compared to the Euro 1.9 million in the first quarter of 2007 (14.5% of the Value of Production);



- **Group pre-tax profit** of Euro 2.1 million (corresponding to 14.1% of the Value of Production) showing an 18% growth compared to Euro 1.8 million in the first quarter of 2007 (13.5% of the Value of Production).

The **Consolidated Net short-term Financial Position** at 31<sup>st</sup> March 2008 is in credit by Euro 17.1 million and is on the increase compared to the Euro 12.1 million at 31<sup>st</sup> December 2007. This increase is mainly due to cash flows generated by the Company's core business which stood at Euro 5.7 million in the first quarter of 2007.

\* \* \*

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 profit and loss account

(in thousands of Euro)

	Period 2008		Period 2007		Variations	
	01/01 - 31/03		01/01 - 31/03			%
Income from sales and services	14,163	95.7%	12,186	93.3%	1,977	16.2%
Variations in stock of products being elaborated						
Changes in ongoing orders	6	0.0%	16	0.1%	(11)	(64.3%)
Asset increases due to internal work	601	4.1%	851	6.5%	(250)	(29.4%)
Other revenue and receipts	27	0.2%	11	0.1%	15	140.7%
<b>Production value</b>	<b>14,796</b>	<b>100.0%</b>	<b>13,064</b>	<b>100.0%</b>	<b>1,732</b>	<b>13.3%</b>
Costs for raw	(385)	(2.6%)	(368)	(2.8%)	(17)	4.6%
Service costs	(2,504)	(16.9%)	(2,169)	(16.6%)	(335)	15.5%
Other operational costs	(184)	(1.2%)	(167)	(1.3%)	(17)	10.5%
<b>Added value</b>	<b>11,723</b>	<b>79.2%</b>	<b>10,360</b>	<b>79.3%</b>	<b>1,363</b>	<b>13.2%</b>
Labour costs	(8,231)	(55.6%)	(7,480)	(57.3%)	(752)	10.0%
Other administrative expenses	(602)	(4.1%)	(597)	(4.6%)	(5)	0.9%
<b>Gross operational result (EBITDA)</b>	<b>2,889</b>	<b>19.5%</b>	<b>2,284</b>	<b>17.5%</b>	<b>606</b>	<b>26.5%</b>
Allocation to Credit Depreciation Fund	(3)	(0.0%)	(2)	(0.0%)	(1)	43.8%
Amortizations:						
- Intangible fixed asset amortization	(643)	(4.3%)	(284)	(2.2%)	(359)	126.4%
- Tangible fixed asset amortization	(192)	(1.3%)	(191)	(1.5%)	(2)	1.0%
<b>Operational result (EBIT)</b>	<b>2,051</b>	<b>13.9%</b>	<b>1,807</b>	<b>13.8%</b>	<b>244</b>	<b>13.5%</b>
Financial receipts	124	0.8%	68	0.5%	56	82.9%
Financial charges	(17)	(0.1%)	(50)	(0.4%)	33	(65.7%)
<b>Ordinary result</b>	<b>2,158</b>	<b>14.6%</b>	<b>1,825</b>	<b>14.0%</b>	<b>333</b>	<b>18.2%</b>
Revaluations and depreciations	161	1.1%	65	0.5%	96	147.0%
<b>Pre-tax and pre-third party share result</b>	<b>2,318</b>	<b>15.7%</b>	<b>1,890</b>	<b>14.5%</b>	<b>428</b>	<b>22.7%</b>
Third party (profit)loss for the period	(234)	(1.6%)	(124)	(0.9%)	(111)	89.7%
<b>Group pre-tax profit/loss</b>	<b>2,084</b>	<b>14.1%</b>	<b>1,766</b>	<b>13.5%</b>	<b>317</b>	<b>18.0%</b>

## Consolidated balance sheet

(in thousands of Euro)

ASSETS	31/03/2008	31/03/2007	Variations	Var. %
A) Non-Current Assets				
Assets, equipment and machinery	20,047	20,532	(485)	(2.4%)
Intangible assets	15,641	15,048	593	3.9%
Goodwill	8,309	8,309	0	-
Holdings	312	217	95	44.0%
Other financial assets available for sale	936	5,255	(4,318)	(82.2%)
Other non-current credits	54	54	(0)	(0.1%)
Credits due to deferred taxes	254	322	(68)	(21.1%)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>45,553</b>	<b>49,736</b>	<b>(4,183)</b>	<b>(8.4%)</b>
B) Current Assets			0	
Stock	492	609	(117)	(19.2%)
Ongoing orders	292	408	(116)	(28.4%)
Commercial credits and other credits	28,692	27,866	825	3.0%
Tax credits	237	113	124	109.0%
Financial assets at fair value through profit or loss	-	-		
Cash on hand and other equivalent assets	17,893	10,950	6,944	63.4%
<b>TOTAL CURRENT ASSETS</b>	<b>47,607</b>	<b>39,947</b>	<b>7,659</b>	<b>19.2%</b>
C) Non-Current Assets For Sale	-	-		
<b>TOTAL ASSETS</b>	<b>93,160</b>	<b>89,683</b>	<b>3,477</b>	<b>3.9%</b>

LIABILITIES	31/03/2008	31/03/2007	Variations	Var. %
A) Equity				
Company capital	4,670	4,670	0	-
Reserves	35,171	37,465	(2,294)	(6.1%)
Accumulated profits/losses	22,366	16,684	5,682	34.0%
<b>TOTAL EQUITY OF THE GROUP</b>	<b>62,207</b>	<b>58,819</b>	<b>3,388</b>	<b>5.8%</b>
Third party Equity	3,096	2,832	264	9.3%
<b>TOTAL EQUITY</b>	<b>65,303</b>	<b>61,650</b>	<b>3,652</b>	<b>5.9%</b>
B) Non-current liabilities				
Financing	261	359	(98)	(27.3%)
Liabilities due to deferred taxes	3,507	3,546	(39)	(1.1%)
TFR and quiescence reserves	6,321	6,926	(605)	(8.7%)
Expense and risk reserves	25	25	0	-
Other non-current liabilities	-	-		
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10,115</b>	<b>10,856</b>	<b>(741)</b>	<b>(6.8%)</b>
C) Current liabilities				
Commercial debts	6,977	6,582	395	6.0%
Tax debts	2,677	2,918	(241)	(8.3%)
Short-term financing	770	665	105	15.8%
Other debts	7,319	7,011	308	4.4%
<b>TOTAL CURRENT LIABILITIES</b>	<b>17,743</b>	<b>17,177</b>	<b>566</b>	<b>3.3%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>93,160</b>	<b>89,683</b>	<b>3,477</b>	<b>3.9%</b>

## Consolidated Cash Flow Statement

(in thousands of Euro)

	31/03/2008	31/03/2007
<b>A) OPERATING ACTIVITIES</b>		
Profit for the period	2,084	1,766
Amortisation, revaluation and depreciation:		
- Assets, equipment and machinery amortisation	192	191
- Intangible fixed asset amortization	643	284
- revaluation of holding and financial assets available for sale	(161)	(65)
- devaluation of holding and financial assets available for sale	0	0
Allocations (utilisation) of funds:	(17)	11
Financial performance:		
- Net financial receipts (charges)	(107)	(18)
- Profit / (losses) on exchanges	1	(21)
Working capital variations	3,040	550
Income taxes paid in the financial period	0	0
Interest payment	(17)	(29)
<b>(A) - Cash flows from (for) operating activities</b>	<b>5,659</b>	<b>2,670</b>
<b>B) INVESTING ACTIVITIES</b>		
Investing activities		
- Assets, equipment and machinery purchases	(93)	(157)
- Intangible assets purchases	(712)	(880)
- Other assets available for sale purchases	0	0
- Associated companies holding purghases	0	0
- increase in other fixed assets	(2)	(8)
Disinvestment activities		
- Assets, equipment and machinery transfers	0	27
- Intangible assets transfers	0	0
- Assets available for sale transfers	0	0
- Associated companies holding transfers	0	0
- Decrease in other fixed assets	4	0
Cashed Interest	122	68
Cashed dividends	35	0
<b>(B) - Cash flows from (for) investing activities</b>	<b>(646)</b>	<b>(950)</b>
<b>C) FINANCING ACTIVITIES</b>		
Medium/long term debts reairement	(23)	0
Opening of medium/long term debts	0	51
Effects on consolidation reserve	0	0
Third party net patrimony	54	124
Distribution of dividends	0	0
Company capital increase	0	0
<b>(C) - Cash flows from (for) financing activities</b>	<b>31</b>	<b>175</b>
<b>( A+B+C) - Total cash and other equivalent assets flows</b>	<b>5,043</b>	<b>1,894</b>
Opening liquid funds and other equivalent assets	12,080	8,391
<b>Closing liquid funds and other equivalent assets</b>	<b>17,124</b>	<b>10,285</b>

## Net consolidated financial position

(in thousands of Euro)

	31/03/2008	31/12/2007	30/09/2007	30/06/2007	31/03/2007
Cash on hand and bank accounts	15,021	10,645	10,239	4,989	4,707
Insurance policies capitalised	2,873	2,452	2,121	5,087	6,242
Short-term payables due to banks	(770)	(1,017)	(905)	(1,195)	(665)
<b>Net short-term financial position/(indebtedness)</b>	<b>17,124</b>	<b>12,080</b>	<b>11,455</b>	<b>8,880</b>	<b>10,285</b>
Long-term loans	(261)	(284)	(301)	(318)	(359)
<b>Net long-term financial position/(indebtedness)</b>	<b>(261)</b>	<b>(284)</b>	<b>(301)</b>	<b>(318)</b>	<b>(359)</b>
<b>Net financial position / (indebtedness)</b>	<b>16,863</b>	<b>11,796</b>	<b>11,154</b>	<b>8,562</b>	<b>9,927</b>

### THE CAD IT GROUP

*CAD IT is at the head of a group that represents one of the most dynamic organisations 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, Florence, Bologna, Padua, 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 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 capitalises the Group's traditional skills, such as its twenty-year experience in the development of systems for the computerisation of public bodies.*

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