

**CAD IT: THE BOARD APPROVES THE SIX-MONTHLY RESULTS
AT 30TH JUNE 2008**

Net sales show an 8.8% increase and stand at Euro 28.2 million compared to Euro 25.9 million in the first six months of 2007.

**EBITDA is Euro 6 million compared to Euro 6.3 million in the first six months of 2007;
EBIT is Euro 4.2 million compared to Euro 5.3 million in the first six months of 2007;
Net profit is Euro 2.3 million compared to Euro 2.8 million in the corresponding six months of 2007.**

The Net Consolidated Financial Position is in credit by Euro 14.2 million showing an increase compared to the Euro 12.1 million at 31st December 2007.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market, met today to approve the Six Monthly Report at 30th June 2008.

The main Profit and Loss Account results relating to the first half of 2008 are as follows:

- **Value of Production** of Euro 29.4 million (Euro 27.5 million in the first six months of 2007). The Value of Production shows a 6.8% growth despite a reduction of internal work capitalised under fixed assets which came to Euro 1.2 million during the six months in question compared to Euro 1.5 million in the same period last year. **Net sales** grew by 8.8% (from Euro 25.9 million to Euro 28.2 million);
- **Gross Operational Result (EBITDA)** of Euro 6 million (20.4% of the Value of Production), compared to Euro 6.3 million in the first six months of 2007, corresponding to 22.8% of the Value of Production.
The increase in service and labour costs was compensated by an increase of about Euro 2.3 million in net sales. The difference concerning EBITDA is therefore to be mainly ascribed to the minor incidence in capitalisation which will however have a positive effect in terms of cash flow.
- **Operational Result (EBIT)** of Euro 4.2 million (14.5% of the Value of Production) compared to Euro 5.3 million in the first six months of 2007, corresponding to 19.2% of the Value of Production. The difference is due to the increase in intangible fixed asset amortizations.
- **Net profit** of Euro 2.3 million (7.9% of the Value of Production) compared to Euro 2.8 million in the first six months of 2007 and corresponding to 10.2% of the Value of Production.



The **Net Consolidated short term Financial Position** at 30th June 2008 was in credit by Euro 14.2 million showing **an increase** compared to the Euro 12.1 million at 31st December 2007 and the Euro 8.9 million in the first six months of 2007. This increase mainly derives from cash flows generated by the company's cash flow from operating activities which stand at Euro 9.9 million compared to Euro 3.1 million in the first six months of 2007.

This figure is particularly positive since dividends amounting to Euro 6.3 million were paid in 2008 compared to the Euro 2.6 million distributed in 2007.

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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 Profit and Loss Account

(in thousands of Euro)

	Period 2008		Period 2007		Variations	
	01/01 - 30/06		01/01 - 30/06			%
Income from sales and services	28,184	96.0%	25,913	94.2%	2,271	8.8%
Variations in stock of products being elaborated						
Changes in ongoing orders	(18)	(0.1%)	58	0.2%	(76)	(130.4%)
Asset increases due to internal work	1,172	4.0%	1,502	5.5%	(330)	(21.9%)
Other revenue and receipts	34	0.1%	27	0.1%	7	25.9%
Production value	29,373	100.0%	27,499	100.0%	1,873	6.8%
Costs for raw	(620)	(2.1%)	(520)	(1.9%)	(100)	19.2%
Service costs	(5,194)	(17.7%)	(4,479)	(16.3%)	(715)	16.0%
Other operational costs	(392)	(1.3%)	(391)	(1.4%)	(1)	0.1%
Added value	23,166	78.9%	22,109	80.4%	1,057	4.8%
Labour costs	(15,909)	(54.2%)	(14,599)	(53.1%)	(1,310)	9.0%
Other administrative expenses	(1,273)	(4.3%)	(1,245)	(4.5%)	(28)	2.3%
Gross operational result (EBITDA)	5,984	20.4%	6,265	22.8%	(280)	(4.5%)
Allocation to Credit Depreciation Fund	(63)	(0.2%)	(34)	(0.1%)	(29)	83.7%
Amortizations:						
- Intangible fixed asset amortization	(1,288)	(4.4%)	(571)	(2.1%)	(717)	125.7%
- Tangible fixed asset amortization	(387)	(1.3%)	(389)	(1.4%)	2	(0.5%)
Other allocations						
Operational result (EBIT)	4,246	14.5%	5,271	19.2%	(1,025)	(19.4%)
Financial receipts	320	1.1%	162	0.6%	158	97.2%
Financial charges	(36)	(0.1%)	(84)	(0.3%)	49	(57.7%)
Ordinary result	4,530	15.4%	5,349	19.5%	(818)	(15.3%)
Revaluations and depreciations	218	0.7%	611	2.2%	(394)	(64.4%)
Pre-tax and pre-third party share result	4,748	16.2%	5,960	21.7%	(1,212)	(20.3%)
Income taxes	(2,138)	(7.3%)	(2,972)	(10.8%)	833	(28.0%)
Third party (profit)loss for the period	(299)	(1.0%)	(176)	(0.6%)	(123)	69.6%
Profit (loss) for the period	2,311	7.9%	2,812	10.2%	(501)	(17.8%)

Consolidated balance sheet

(in thousands of Euro)

	30/06/2008	31/12/2007
ASSETS		
A) Non-Current Assets		
Assets, equipment and machinery	19,885	20,147
Intangible assets	15,705	15,572
Goodwill	8,309	8,309
Holdings	319	186
Other financial assets available for sale	854	1,193
Other non-current credits	66	56
Credits due to deferred taxes	219	254
TOTAL NON-CURRENT ASSETS	45,358	45,716
B) Current Assets		
Stock	472	508
Ongoing orders	269	286
Commercial credits and other credits	28,267	29,695
Tax credits	2,238	156
Financial assets at fair value through profit or loss	-	-
Cash on hand and other equivalent assets	15,349	13,097
TOTAL CURRENT ASSETS	46,594	43,744
C) Non-Current Assets For Sale	-	-
TOTAL ASSETS	91,952	89,460
LIABILITIES		
A) Equity		
Company capital	4,670	4,670
Reserves	35,090	35,428
Accumulated profits/losses	16,302	20,282
TOTAL EQUITY OF THE GROUP	56,061	60,380
Third party Equity	2,743	3,041
TOTAL EQUITY	58,804	63,421
B) Non-current liabilities		
Financing	237	284
Liabilities due to deferred taxes	3,534	3,507
TFR and quiescence reserves	6,105	6,339
Expense and risk reserves	25	25
Other non-current liabilities	-	-
TOTAL NON-CURRENT LIABILITIES	9,901	10,155
C) Current liabilities		
Commercial debts	7,840	4,346
Tax debts	6,205	3,563
Short-term financing	1,111	1,017
Other debts	8,091	6,957
TOTAL CURRENT LIABILITIES	23,247	15,884
TOTAL LIABILITIES AND EQUITY	91,952	89,460

Consolidated Cash Flow Statement

(in thousands of Euro)

	30/06/2008	30/06/2007
A) OPERATING ACTIVITIES		
Profit (loss) for the period	2,311	2,812
Amortisation, revaluation and depreciation:		
- Assets, equipment and machinery amortisation	387	389
- Intangible fixed asset amortization	1,288	571
- revaluation of holding and financial assets available for sale	(218)	(611)
- devaluation of holding and financial assets available for sale	0	0
Allocations (utilisation) of funds:	(234)	(773)
Financial performance:		
- Net financial receipts (charges)	(284)	(78)
- Profit / (losses) on exchanges	1	(23)
Working capital variations	6,733	850
Interest payment	(36)	(61)
(A) - Cash flows from (for) operating activities	9,948	3,075
B) INVESTING ACTIVITIES		
Investing activities		
- Assets, equipment and machinery purchases	(126)	(220)
- Intangible assets purchases	(1,422)	(1,547)
- increase in other fixed assets	(14)	(8)
Disinvestment activities		
- Assets, equipment and machinery transfers	1	28
- Intangible assets transfers	0	0
- Other assets available for sale transfers	0	1,596
- decrease in other fixed assets	4	1
Cashed Interest	313	145
Cashed dividends	90	80
(B) - Cash flows from (for) investing activities	(1,153)	74
C) FINANCING ACTIVITIES		
Medium/long term debts repairement	(47)	0
Opening of medium/long term debts	0	11
Effects on consolidation reserve	(5)	0
Third party net patrimony	(298)	(67)
Distribution of dividends	(6,286)	(2,604)
(C) - Cash flows from (for) financing activities	(6,637)	(2,660)
(A+B+C) - Total cash and other equivalent assets flows	2,158	488
Opening liquid funds and other equivalent assets	12,080	8,391
Closing liquid funds and other equivalent assets	14,238	8,880



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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