

CAD IT: THE BOARD OF DIRECTORS APPROVES THE QUARTERLY REPORT AT 30TH SEPTEMBER 2006

The CAD IT Group closes the 2006 third quarterly report with Production Revenues of Euro 12.4 million, in line with the 12.4 million of the 2005 third quarter.

A clear growth:

**EBITDA at € 2.6 million compared to € 2.2 million;
EBIT equal to € 2.2 million compared to € 1.9 million.**

Pre-tax Profit is in line with expectations, standing at € 2.1 million compared to the € 2.2 million registered in the third quarter of 2005.

EBITDA and EBIT have also increased in the first nine months of this financial period, standing at € 7.2 and € 6 million respectively compared to € 6.9 and € 5.9 in the previous year.

The Group's Net Financial Position at 30th September 2006 is in credit by € 6.4 million.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market and quoted in the STAR segment of Borsa Italiana, has today approved the Quarterly Report at 30th September 2006.

CAD IT's main consolidated results of the third quarter 2006 are as follows:

- **Production Revenues** of € 12.4 million against the €12.4 million of the third quarter 2005. Production Revenues have remained substantially unchanged despite the considerable drop in intangible fixed assets which have decreased from €1.2 million to € 0.8 million.
- **Gross Operating Result (EBITDA)** of € 2.6 million, equal to 21.2% of Production Revenues compared to the € 2.2 million (17.7% of Production Revenues) of the third quarter in 2005;
- **Operating Result (EBIT)** of € 2.2 million, equal to 17.8% of Production Revenues compared to the € 1.9 million (15% of Production Revenues) of the third quarter 2005;
- **Group Pre-tax Profit** of € 2.1 million, equal to 17.1% of Production Values compared to the € 2.2 million of the third quarter 2005 (17.5% of Production Revenues). This income margin has been considerably affected by the devaluation of Group shareholdings classified among the assets for sale in accordance with the IAS/IFRS international accounting standards.



During the first nine months of this financial period, with **Production Revenues** in line with those of the previous year (€ 38.3 million compared to € 38.5 million of 2005), the Group has registered an increase in **EBITDA** and **EBIT** which stand at € 7.2 and € 6 million respectively compared to the €6.9 and € 5.9 million of the third quarter 2005.

The **Group's Pre-tax Profit** equals € 5.6 million compared to the € 6.1 million of the last year. This also has been considerably affected by the devaluation of Group shareholdings classified among the assets for sale in accordance with the IAS/IFRS international accounting standards.

The increase in EBITDA and EBIT both on a quarterly and nine-monthly level is mainly due to an increase in the productive efficiency of the Group.

Furthermore, CAD IT reports that the **Net Consolidated Financial Position** at 30th September 2006 is in credit by € 6.4 million compared to the € 9.2 million registered at 30th June 2006.

CAD IT Consolidated profit and loss account	First Quarter 2006		First Quarter 2005		2,006 01/01 - 30/09		2,005 01/01 - 30/09		Δ
Turnover - goods and services	11,530	93.2%	11,232	90.4%	34,851	90.9%	34,582	89.9%	269
Variation in contract work in progress	0	0.0%	32	0.3%	0	0.0%	32	0.1%	(32)
Increase in internal work capitalised under fixed assets	826	6.7%	1,183	9.5%	3,304	8.6%	3,873	10.1%	(569)
Other revenues and income	3	0.0%	25	0.2%	41	0.1%	36	0.1%	4
	0		0						0
Production revenues	12,378	100.0%	12,431	100.0%	38,333	100.0%	38,483	100.0%	(150)
Raw materials, consumables and supplies	(202)	(1.6%)	(335)	(2.7%)	(776)	(2.0%)	(737)	(1.9%)	(39)
Services	(1,975)	(16.0%)	(2,111)	(17.0%)	(6,457)	(16.8%)	(6,198)	(16.1%)	(259)
Other operating costs	(214)	(1.7%)	(342)	(2.8%)	(569)	(1.5%)	(786)	(2.0%)	217
	0		0						0
Added value	9,987	80.7%	9,643	77.6%	30,531	79.6%	30,763	79.9%	(232)
	0		0						0
Personnel expenses	(6,766)	(54.7%)	(6,889)	(55.4%)	(21,571)	(56.3%)	(22,182)	(57.6%)	611
Other administrative expenses	(594)	(4.8%)	(552)	(4.4%)	(1,744)	(4.5%)	(1,712)	(4.4%)	(32)
	0		0						0
Gross operating result (EBITDA)	2,626	21.2%	2,202	17.7%	7,216	18.8%	6,869	17.8%	348
	0		0						0
Accrual to provision for bad debts	0	0.0%	1	0.0%	0	0.0%	(2)	(0.0%)	2
Amortisation and depreciation	0		0						0
- Amortisation of intangible fixed assets	(209)	(1.7%)	(63)	(0.5%)	(590)	(1.5%)	(344)	(0.9%)	(246)
- Depreciation of tangible fixed assets	(212)	(1.7%)	(278)	(2.2%)	(615)	(1.6%)	(671)	(1.7%)	57
Other accruals	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0
	0		0						0
Operating profit (EBIT)	2,205	17.8%	1,862	15.0%	6,011	15.7%	5,851	15.2%	160
	0		0						0
Financial income and charges, net	22	0.2%	45	0.4%	111	0.3%	202	0.5%	(92)
	0		0						0
Profit from ordinary activities	2,228	18.0%	1,907	15.3%	6,122	16.0%	6,053	15.7%	69
	0		0						0
Revaluations and write-downs	(107)	(0.9%)	272	2.2%	(537)	(1.4%)	45	0.1%	(581)
Profit before taxation and minority interests	2,121	17.1%	2,179	17.5%	5,585	14.6%	6,098	15.8%	(512)
Profit/(loss) of minority interests before taxation	(32)	(0.3%)	(203)	(1.6%)	(349)	(0.9%)	(284)	(0.7%)	(65)
Profit/(loss) of the Group before taxation	2,089	16.9%	1,976	15.9%	5,236	13.7%	5,813	15.1%	(577)

Net financial position	as at 31.03.2006	as at 31.12.2005
Cash, bank current accounts	7,507	10,161
Sums due to banks, net of short-term portion of medium to long-term financing	(682)	(671)
Net short-term financial position/(indebtedness)	6,825	9,490
Long-term financing, net of short-term portion	(445)	(364)
Net long-term financial position/(indebtedness)	(445)	(364)
Net financial position/(indebtedness)	6,379	9,126



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 works in Italy by means of its own branches and related companies. The Group's head offices are in Verona, related companies are 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 program which completely manages all functions connected to negotiation, settlement and administration of security transactions, debentures, derivatives (in any currency) and adopted by 60% 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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