

## **CAD IT: THE BOARD OF DIRECTORS APPROVES THE QUARTERLY REPORT AT 31<sup>ST</sup> MARCH 2006**

*In the first quarter 2006, the CAD IT Group recorded Production Revenues of Euro 12.6 million, substantially in line with the 12.7 million of the first quarter 2005.*

*The other income margins are also in line with those of the previous year:  
EBITDA equal to Euro 2 million (the same as the first quarter of 2005);  
EBIT equal to Euro 1.6 million (Euro 1.7 million in the first quarter of 2005);  
Pre-tax profit equal to Euro 1.4 million (Euro 1.5 million in the first quarter of 2005).*

*The Net Consolidated Financial Position is in credit by Euro 12.1 million, showing an increase compared to the Euro 8.3 million at 31<sup>st</sup> December 2005.*

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market, has today approved the Quarterly Report at 31st March 2006 which shows revenues and margins substantially in line with those of the previous year.

The main results at the Consolidated P&L level at 31st March 2006 are as follows:

- **Production Revenues** of Euro 12.6 million, in line with the Euro 12.7 million of the first quarter in 2005. Increases in internal assets are stable in comparison to those of the previous financial period standing at Euro 1 million;
- **Gross Operational Result (EBITDA)** of Euro 2 million, or 15.8% of Production Revenues, remains the same as the Euro 2 million registered for the first quarter of 2005 (15.9% of Production Revenues);
- **Operational Result (EBIT)** of Euro 1.6 million, or 12.7% of Production Revenues and in line with the Euro 1.7 million recorded in the first quarter of 2005 (13.1% of Production Revenues);
- **Pre-tax and third party share result** is Euro 1.6 million (12.3% of Production Revenues) against the Euro 1.5 million registered in the first quarter of 2005 (11.9% of Production Revenues);



- **Pre-tax profit** of Euro 1.4 million (or 10.9% of Production Revenues) against the Euro 1.5 million recorded in the first quarter of 2005 (11.7% of Production Revenues).

The **Net Consolidated Financial Position** at 31st March 2006 is in credit by Euro 12.1 million showing an increase compared to the Euro 8.3 million at 31<sup>st</sup> December 2005. This increase is mainly due to cash flows generated by core business activities which, in the first quarter of 2005 stood at Euro 4.5 million.

**Giuseppe Dal Cortivo**, Chairman and Managing Director of the CAD IT Group, said: "I believe that the evolution in the CAD IT Group's offer towards new services like Business Process Outsourcing and new national and international markets will allow us to reap interesting opportunities for growth over the short-to-medium term."

#### **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 operates in Italy through 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 programme which completely manages all functions connected to the 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 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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### Consolidated profit and loss account for the period ended 31 March 2006

<b>CAD IT Consolidated profit and loss account</b>	<b>First Quarter 2006</b>		<b>First Quarter 2005</b>		<b>Δ</b>
Turnover - goods and services	11,503,194	91.6%	11,609,148	91.7%	(105,954)
Variation in contract work in progress	5,664	0.0%	0	0.0%	5,664
Increase in internal work capitalised under fixed assets	1,017,506	8.1%	1,053,981	8.3%	(36,475)
Other revenues and income	25,451	0.2%	798	0.0%	24,653
					0
<b>Production revenues</b>	<b>12,55,815</b>	<b>100.0%</b>	<b>12,663,927</b>	<b>100.0%</b>	<b>(112,112)</b>
					0
Raw materials, consumables and supplies	(272,703)	(2.2%)	(227,089)	(1.8%)	(45,614)
Services	(2,106,281)	(16.8%)	(2,034,868)	(16.1%)	(71,413)
Other operating costs	(190,116)	(1.5%)	(225,521)	(1.8%)	35,405
					0
<b>Added value</b>	<b>9,982,715</b>	<b>79.5%</b>	<b>10,176,449</b>	<b>80.4%</b>	<b>(193,734)</b>
					0
Personnel expenses	(7,405,427)	(59.0%)	(7,568,959)	(59.8%)	163,532
Other administrative expenses	(597,825)	(4.8%)	(588,790)	(4.6%)	(9,035)
					0
<b>Gross operating result (EBITDA)</b>	<b>1,979,463</b>	<b>15.8%</b>	<b>2,018,700</b>	<b>15.9%</b>	<b>(39,237)</b>
					0
Accrual to provision for bad debts	(1,283)	(0.0%)	(5,651)	(0.0%)	4,368
Amortisation and depreciation					0
- Amortisation of intangible fixed assets	(186,027)	(1.5%)	(108,813)	(0.9%)	(77,214)
- Depreciation of tangible fixed assets	(204,029)	(1.6%)	(240,114)	(1.9%)	36,085
Other accruals	0	0.0%	0	0.0%	0
					0
<b>Operating profit (EBIT)</b>	<b>1,588,124</b>	<b>12.7%</b>	<b>1,664,122</b>	<b>13.1%</b>	<b>(75,998)</b>
					0
Financial income and charges, net	27,714	0.2%	56,871	0.4%	(29,157)
					0
<b>Profit from ordinary activities</b>	<b>1,615,838</b>	<b>12.9%</b>	<b>1,720,993</b>	<b>13.6%</b>	<b>(105,155)</b>
					0
Revaluations and write-downs	(65,744)	(0.5%)	(207,760)	(1.6%)	142,016
Extraordinary income and expenses	0	0.0%	0	0.0%	0
		0.0%		0.0%	0
<b>Profit before taxation and minority interests</b>	<b>1,550,094</b>	<b>12.3%</b>	<b>1,513,233</b>	<b>11.9%</b>	<b>36,861</b>
<b>Profit/(loss) of minority interests before taxation</b>	<b>(184,344)</b>	<b>(1.5%)</b>	<b>(27,646)</b>	<b>(0.2%)</b>	<b>(156,698)</b>
<b>Profit/(loss) of the Group before taxation</b>	<b>1,365,750</b>	<b>10.9%</b>	<b>1,485,587</b>	<b>11.7%</b>	<b>(119,837)</b>

### Cash flow statement

<i>Net financial position</i>	<i>as at 31.03.2006</i>	<i>as at 31.12.2005</i>
Cash, bank current accounts	13,733,228	9,789,276
Sums due to banks, net of short-term portion of medium to long-term financing	(1,236,955)	(1,067,883)
<i>Net short-term financial position/(indebtedness)</i>	<i>12,496,273</i>	<i>8,721,393</i>
Long-term financing, net of short-term portion	(373,956)	(374,004)
<i>Net long-term financial position/(indebtedness)</i>	<i>(373,956)</i>	<i>(374,004)</i>
<i>Net financial position/(indebtedness)</i>	<i>12,122,317</i>	<i>8,347,389</i>