

## **CAD IT: THE SHAREHOLDERS' MEETING APPROVES THE 2007 BALANCE AND THE DISTRIBUTION OF AN ORDINARY DIVIDEND OF €0.70 PER SHARE**

*The CAD IT Group closes 2007 with a Value of Production of €60.7 million showing a 16.2% increase compared to the previous financial period (€52.2 million).*

*All profit margins are on the increase:*

*EBITDA was €15.2 million compared to €9 million in the previous financial period (+67.6%);  
EBIT was €12.6 million compared to €7.4 million in the previous financial period (+71.4%);  
Net Profit was €8 million compared to €3 million in the previous financial period (+169.2%).*

*The Consolidated Net Financial Position was in credit by €12.1 million, showing an increase compared to the €8.4 million at 31st December 2006.*

*The payment of an ordinary dividend of €0.70 per share was approved, an increase of 141.4% compared to the dividend of €0.29 per share in 2006, with coupon detachment and payment on 12<sup>th</sup> and 15<sup>th</sup> May 2008 respectively.*

The Ordinary Shareholders' Meeting 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 2007 balance sheet.

The Consolidated Balance at 31<sup>st</sup> December 2007 reported:

- **Value of Production** of €60.7 million, showing a **16.2% growth** compared to €52.2 million in 2006; the Group achieved this increase in Value of Production despite a reduction in internal work capitalised under fixed assets which went from €4.4 million throughout 2006 to €2.3 million;
- **Gross Operational Result (EBITDA)** of €15.2 million (25% of Value of Production), a **67.6% increase** compared to €9 million in 2006 (equal to 17.3% of Value of Production);
- **Operational Result (EBIT)** of €12.6 million (20.8% of Value of Production), a **71.4% growth** compared to €7.4 million in 2006 (equal to 14.1% of Value of Production);
- **Group pre-tax profit** stood at €13.9 million (22.8% of Value of Production), an **83.3% growth** compared to €7.6 million in the previous financial period (14.5% of Value of Production);
- **Net Profit** of €8 million, equal to 13.1% of Value of Production, a **169.2% growth** compared to €3 million in the previous financial period (5.7% of Value of Production).

CAD IT reports that the **Consolidated Net Financial Position** at 31<sup>st</sup> December 2007 was in credit and stood at €12.1 million, showing a **44% increase** compared to €8.4 million in the previous financial period. The Net Financial Position was affected over the year by internal work capitalised under fixed assets for €2.3 million and the payment of dividends in May 2007 for €2.6 million.

The Ordinary Shareholders' Meeting decided the **distribution of an ordinary dividend of €0.70 per share**. The dates for coupon detachment and dividend payments are the 12<sup>th</sup> and 15<sup>th</sup> of May 2008 respectively.

The parent company **CAD IT S.p.A.** registered a Value of Production of €39.7 million compared to €30.5 million in the previous year (**+30.1%**), with a net profit of €6.6 million compared to the €2.7 million registered at 31<sup>st</sup> December 2006 (**+144.2%**).

\* \* \*

The Board of Directors, following the adoption of the new Company Statute, as agreed at the shareholders' meeting of 30th April 2007, which acknowledged some of the new company regulations, has accordingly updated and adjusted a new Regulation text for the manner in which shareholders' meetings are to be carried out.

The new Procedure has been approved today from the Ordinary Shareholders' Meeting; the documentation has been filed, and is available to whomsoever may wish to consult it, at the CAD IT S.p.A. head offices and at Borsa Italiana S.p.A. and can also be viewed in the Investor Relations section of the company website at [www.cadit.it](http://www.cadit.it).

\* \* \*

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 financial statements of CAD IT Group

### Consolidated profit and loss account

	Period 2007		Period 2006		Variazioni	
	01/01 - 31/12		01/01 - 31/12			%
Income from sales and services	58,256	96.0%	47,669	91.2%	10,587	22.2%
<i>of which related parties</i>	<i>805</i>	<i>1.3%</i>	<i>179</i>	<i>0.3%</i>	<i>626</i>	<i>349.6%</i>
Variations in stock of products being elaborated	(91)	(0.1%)			(91)	
Changes in ongoing orders	(106)	(0.2%)	56	0.1%	(162)	(287.1%)
Asset increases due to internal work	2,335	3.8%	4,406	8.4%	(2,071)	(47.0%)
<i>of which related parties</i>	<i>832</i>	<i>1.4%</i>	<i>1,908</i>	<i>3.7%</i>	<i>(1,076)</i>	<i>(56.4%)</i>
Other revenue and receipts	301	0.5%	111	0.2%	190	171.3%
<b>Production value</b>	<b>60,696</b>	<b>100.0%</b>	<b>52,243</b>	<b>100.0%</b>	<b>8,453</b>	<b>16.2%</b>
Costs for raw	(1,227)	(2.0%)	(1,223)	(2.3%)	(4)	0.4%
Service costs	(10,002)	(16.5%)	(8,923)	(17.1%)	(1,079)	12.1%
<i>of which related parties</i>	<i>(138)</i>	<i>(0.2%)</i>	<i>(336)</i>	<i>(0.6%)</i>	<i>198</i>	<i>(59.0%)</i>
Other operational costs	(814)	(1.3%)	(1,035)	(2.0%)	221	(21.4%)
<b>Added value</b>	<b>48,652</b>	<b>80.2%</b>	<b>41,062</b>	<b>78.6%</b>	<b>7,590</b>	<b>18.5%</b>
Labour costs	(30,999)	(51.1%)	(29,670)	(56.8%)	(1,329)	4.5%
<i>of which related parties</i>	<i>(501)</i>	<i>(0.8%)</i>	<i>(368)</i>	<i>(0.7%)</i>	<i>(133)</i>	<i>36.1%</i>
Other administrative expenses	(2,499)	(4.1%)	(2,350)	(4.5%)	(149)	6.3%
<i>of which related parties</i>	<i>1,082</i>	<i>1.8%</i>	<i>1,050</i>	<i>2.0%</i>	<i>32</i>	<i>3.1%</i>
<b>Gross operational result (EBITDA)</b>	<b>15,155</b>	<b>25.0%</b>	<b>9,042</b>	<b>17.3%</b>	<b>6,112</b>	<b>67.6%</b>
Allocation to Credit Depreciation Fund	(279)	(0.5%)	(3)	(0.0%)	(277)	9,903.8%
Amortizations:						
- Intangible fixed asset amortization	(1,434)	(2.4%)	(835)	(1.6%)	(599)	71.8%
- Tangible fixed asset amortization	(793)	(1.3%)	(825)	(1.6%)	33	(3.9%)
Other allocations						
<b>Operational result (EBIT)</b>	<b>12,649</b>	<b>20.8%</b>	<b>7,380</b>	<b>14.1%</b>	<b>5,269</b>	<b>71.4%</b>
Financial receipts	393	0.6%	281	0.5%	112	39.9%
Financial charges	(173)	(0.3%)	(124)	(0.2%)	(49)	39.4%
<b>Ordinary result</b>	<b>12,868</b>	<b>21.2%</b>	<b>7,536</b>	<b>14.4%</b>	<b>5,332</b>	<b>70.8%</b>
Revaluations and depreciations	992	1.6%	27	0.1%	965	3,571.9%
<b>Pre-tax and pre-third party share result</b>	<b>13,861</b>	<b>22.8%</b>	<b>7,563</b>	<b>14.5%</b>	<b>6,297</b>	<b>83.3%</b>
Income taxes	(5,316)	(8.8%)	(4,303)	(8.2%)	(1,013)	23.5%
Third party (profit)loss for the period	(576)	(0.9%)	(300)	(0.6%)	(277)	92.3%
<b>Profit (loss) for the period</b>	<b>7,968</b>	<b>13.1%</b>	<b>2,961</b>	<b>5.7%</b>	<b>5,008</b>	<b>169.2%</b>

## Consolidated balance sheet

	31/12/2007	31/12/2006	Variations	Var. %
<b>ASSETS</b>				
A) Non-Current Assets				
Assets, equipment and machinery	20,147	20,592	(446)	(2.16%)
Intangible assets	15,572	14,452	1,120	7.75%
Goodwill	8,309	8,309	0	-
Holdings	186	152	34	22.68%
Other financial assets available for sale	1,193	2,787	(1,594)	(57.20%)
Other non-current credits	56	46	10	20.78%
Credits due to deferred taxes	254	322	(68)	(21.14%)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>45,716</b>	<b>46,660</b>	<b>(944)</b>	<b>(2.02%)</b>
B) Current Assets				
Stock	508	660	(151)	(22.94%)
Ongoing orders	286	392	(106)	(26.94%)
Commercial credits and other credits	29,695	26,276	3,419	13.01%
Tax credits	156	54	102	187.58%
Cash on hand and other equivalent assets	13,097	9,529	3,568	37.44%
<b>TOTAL CURRENT ASSETS</b>	<b>43,744</b>	<b>36,912</b>	<b>6,832</b>	<b>18.51%</b>
C) Non-Current Assets For Sale				
<b>TOTAL ASSETS</b>	<b>89,460</b>	<b>83,572</b>	<b>5,888</b>	<b>7.04%</b>
<b>LIABILITIES</b>				
A) Equity				
Company capital	4,670	4,670	0	-
Reserves	35,428	34,997	431	1.23%
Accumulated profits/losses	20,282	14,918	5,364	35.96%
<b>TOTAL EQUITY OF THE GROUP</b>	<b>60,380</b>	<b>54,585</b>	<b>5,795</b>	<b>10.62%</b>
Third party Equity	3,041	2,708	333	12.31%
<b>TOTAL EQUITY</b>	<b>63,421</b>	<b>57,293</b>	<b>6,128</b>	<b>10.70%</b>
B) Non-current liabilities				
Financing	284	308	(23)	(7.56%)
Liabilities due to deferred taxes	3,507	3,546	(39)	(1.10%)
TFR and quiescence reserves	6,339	6,915	(577)	(8.34%)
Expense and risk reserves	25	25	0	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10,155</b>	<b>10,794</b>	<b>(639)</b>	<b>(5.92%)</b>
C) Current liabilities				
Commercial debts	4,346	4,623	(277)	(5.99%)
Tax debts	3,563	3,227	337	10.44%
Short-term financing	1,017	1,138	(121)	(10.61%)
Other debts	6,957	6,497	459	7.07%
<b>TOTAL CURRENT LIABILITIES</b>	<b>15,884</b>	<b>15,485</b>	<b>398</b>	<b>2.57%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>89,460</b>	<b>83,572</b>	<b>5,888</b>	<b>7.04%</b>

## Consolidated Cash Flow Statement

	31/12/2007	31/12/2006
<b>A) OPERATING ACTIVITIES</b>		
Profit (loss) for the period	7,968	2,961
Amortisation, revaluation and depreciation:		
- Assets, equipment and machinery amortisation	793	825
- Intangible fixed asset amortization	1,434	835
- revaluation of holding and financial assets available for sale	(992)	(85)
- devaluation of holding and financial assets available for sale	-	-
Allocations (utilisation) of funds:	(577)	479
Financial performance:		
- Net financial receipts (charges)	(220)	(157)
- Profit / (losses) on exchanges	(36)	(3)
Working capital variations	2,065	3,407
Income taxes paid in the financial period	(4,780)	(2,337)
Interest payment	(137)	(120)
<b>(A) - Cash flows from (for) operating activities</b>	<b>5,518</b>	<b>5,805</b>
<b>B) INVESTING ACTIVITIES</b>		
Investing activities		
- Assets, equipment and machinery purchases	(408)	(489)
- Intangible assets purchases	(2,554)	(4,489)
- increase in other fixed assets	(11)	(512)
Disinvestment activities		
- Assets, equipment and machinery transfers	61	15
- Intangible assets transfers	-	50
- Other assets available for sale transfers	2,919	-
- decrease in other fixed assets	2	526
Cashed Interest	376	263
Cashed dividends	80	102
<b>(B) - Cash flows from (for) investing activities</b>	<b>465</b>	<b>(4,535)</b>
<b>C) FINANCING ACTIVITIES</b>		
Medium/long term debts repayment	(23)	(66)
Opening of medium/long term debts	-	-
Effects on consolidation reserve	-	(2)
Third party net patrimony	333	138
Distribution of dividends	(2,604)	(1,616)
<b>(C) - Cash flows from (for) financing activities</b>	<b>(2,294)</b>	<b>(1,547)</b>
<b>( A+B+C) - Total cash and other equivalent assets flows</b>	<b>3,689</b>	<b>(277)</b>
<b>Opening liquid funds and other equivalent assets</b>	<b>8,391</b>	<b>8,668</b>
<b>Closing liquid funds and other equivalent assets</b>	<b>12,080</b>	<b>8,391</b>

## Financial statements of CAD IT S.p.A.

### Profit and loss account

	Period 2007		Period 2006		Variations	
	01/01 - 31/12		01/01 - 31/12			%
Income from sales and services	38,268	96.5%	28,163	92.4%	10,105	35.9%
<i>of which related parties</i>	17,431	43.9%	11,890	39.0%	5,541	46.6%
Variations in stock of products being elaborated						
Changes in ongoing orders						
Asset increases due to internal work	1,307	3.3%	2,307	7.6%	(1,000)	(43.3%)
Other revenue and receipts	100	0.3%	25	0.1%	75	294.8%
<b>Production value</b>	<b>39,675</b>	<b>100.0%</b>	<b>30,495</b>	<b>100.0%</b>	<b>9,180</b>	<b>30.1%</b>
Costs for raw	(245)	(0.6%)	(266)	(0.9%)	22	(8.1%)
Service costs	(10,637)	(26.8%)	(7,428)	(24.4%)	(3,208)	43.2%
<i>of which related parties</i>	6,845	17.3%	(3,919)	(12.9%)	10,764	(274.7%)
Other operational costs	(319)	(0.8%)	(296)	(1.0%)	(23)	7.8%
<b>Added value</b>	<b>28,475</b>	<b>71.8%</b>	<b>22,505</b>	<b>73.8%</b>	<b>5,971</b>	<b>26.5%</b>
Labour costs	(16,783)	(42.3%)	(15,555)	(51.0%)	(1,228)	7.9%
<i>of which related parties</i>	385	1.0%	(254)	(0.8%)	639	(251.4%)
Other administrative expenses	(954)	(2.4%)	(921)	(3.0%)	(32)	3.5%
<i>of which related parties</i>	607	1.5%	(585)	(1.9%)	1,192	(203.8%)
<b>Gross operational result (EBITDA)</b>	<b>10,738</b>	<b>27.1%</b>	<b>6,028</b>	<b>19.8%</b>	<b>4,710</b>	<b>78.1%</b>
Allocation and Credit Depreciation	(207)	(0.5%)			(207)	
Amortizations:						
- Intangible fixed asset amortization	(1,178)	(3.0%)	(606)	(2.0%)	(572)	94.4%
- Tangible fixed asset amortization	(641)	(1.6%)	(626)	(2.1%)	(15)	2.4%
Other allocations						
<b>Operational result (EBIT)</b>	<b>8,713</b>	<b>22.0%</b>	<b>4,797</b>	<b>15.7%</b>	<b>3,916</b>	<b>81.6%</b>
Financial receipts	592	1.5%	538	1.8%	54	10.1%
Financial charges	(62)	(0.2%)	(5)	(0.0%)	(57)	1094.2%
<b>Ordinary result</b>	<b>9,243</b>	<b>23.3%</b>	<b>5,329</b>	<b>17.5%</b>	<b>3,914</b>	<b>73.4%</b>
Revaluations and depreciations	787	2.0%	(58)	(0.2%)	845	(1465.2%)
<b>Pre-tax result</b>	<b>10,030</b>	<b>25.3%</b>	<b>5,271</b>	<b>17.3%</b>	<b>4,759</b>	<b>90.3%</b>
Income taxes	(3,463)	(8.7%)	(2,582)	(8.5%)	(881)	34.1%
<b>Profit (loss) for the period</b>	<b>6,567</b>	<b>16.6%</b>	<b>2,690</b>	<b>8.8%</b>	<b>3,877</b>	<b>144.2%</b>

## Balance sheet

	31/12/2007	31/12/2006	Variations	Var. %
<b>ASSETS</b>				
A) Non-Current Assets				
Assets, equipment and machinery	19,501	19,893	(392)	(1.97%)
Intangible assets	14,967	13,953	1,014	7.27%
Holdings	14,684	14,684	0	-
Other financial assets available for sale	1,193	2,787	(1,594)	(57.20%)
Other non-current credits	18	18	(0)	(2.18%)
Credits due to deferred taxes	23	48	(25)	(51.18%)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>50,386</b>	<b>51,383</b>	<b>(997)</b>	<b>(1.94%)</b>
B) Current Assets			0	
Stock	35	41	(6)	(13.97%)
Ongoing orders	-	-	-	-
Commercial credits and other credits	26,442	22,626	3,816	16.87%
Tax credits	43	0	43	
Cash on hand and other equivalent assets	8,507	7,153	1,355	18.94%
<b>TOTAL CURRENT ASSETS</b>	<b>35,028</b>	<b>29,819</b>	<b>5,209</b>	<b>17.47%</b>
C) Non-Current Assets For Sale	-	-		
<b>TOTAL ASSETS</b>	<b>85,414</b>	<b>81,202</b>	<b>4,212</b>	<b>5.19%</b>

<b>LIABILITIES</b>				
A) Equity				
Company capital	4,670	4,670	0	-
Reserves	35,428	34,997	431	1.23%
Accumulated profits/losses	20,687	16,724	3,963	23.70%
<b>TOTAL EQUITY</b>	<b>60,785</b>	<b>56,391</b>	<b>4,393</b>	<b>7.79%</b>
B) Non-current liabilities				
Financing	-	24	(24)	(100.00%)
Liabilities due to deferred taxes	3,298	3,433	(136)	(3.95%)
TFR and quiescence reserves	3,201	3,493	(292)	(8.37%)
Expense and risk reserves	-	-	-	-
Other debts	-	-		
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,499</b>	<b>6,950</b>	<b>(452)</b>	<b>(6.50%)</b>
C) Current liabilities				
Commercial debts	11,560	12,480	(921)	(7.38%)
Tax debts	2,767	1,866	900	48.24%
Short-term financing	24	48	(24)	(49.83%)
Other debts	3,781	3,466	314	9.07%
<b>TOTAL CURRENT LIABILITIES</b>	<b>18,131</b>	<b>17,861</b>	<b>270</b>	<b>1.51%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>85,414</b>	<b>81,202</b>	<b>4,212</b>	<b>5.19%</b>

## Cash Flow Statement

	2007	2006
<b>A) OPERATING ACTIVITIES</b>		
Profit (loss) for the period	6,567	2,690
Amortisation, revaluation and depreciation:		
- Assets, equipment and machinery amortisation	641	626
- Intangible fixed asset amortization	1,178	606
- revaluation of holding and financial assets available for sale	(894)	0
- devaluation of holding and financial assets available for sale	0	0
Allocations (utilisation) of funds:	(292)	394
Financial performance:		
- Net financial receipts (charges)	(530)	(533)
- Profit / (losses) on exchanges	(36)	(3)
Working capital variations	176	5,178
Income taxes paid in the financial period	(3,847)	(1,539)
Interest payment	(26)	(2)
<b>(A) - Cash flows from (for) operating activities</b>	<b>2,936</b>	<b>7,417</b>
<b>B) INVESTING ACTIVITIES</b>		
Investing activities		
- Assets, equipment and machinery purchases	(287)	(408)
- Intangible assets purchases	(2,192)	(4,927)
- Increase in investments in associated companies	0	(242)
- Increase in other fixed assets	0	(1)
Disinvestment activities		
- Assets, equipment and machinery transfers	38	1
- Intangible assets transfers	0	50
- Other assets available for sale transfers	2,919	0
Cashed Interest	255	203
Cashed dividends	337	334
<b>(B) - Cash flows from (for) investing activities</b>	<b>1,071</b>	<b>(4,990)</b>
<b>C) FINANCING ACTIVITIES</b>		
Medium/long term debts repayment	(24)	0
Opening of medium/long term debts	0	24
Distribution of dividends	(2,604)	(1,616)
Capital injections	0	0
<b>(C) - Cash flows from (for) financing activities</b>	<b>(2,628)</b>	<b>(1,593)</b>
<b>( A+B+C) - Total cash and other equivalent assets flows</b>	<b>1,379</b>	<b>835</b>
<b>Opening liquid funds and other equivalent assets</b>	<b>7,105</b>	<b>6,270</b>
<b>Closing liquid funds and other equivalent assets</b>	<b>8,483</b>	<b>7,105</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 a leader in the Italian software market for the banking sector with its main product, Financial Area, a programme which completely manages all functions connected with 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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