

CAD IT and Xchanging to expand in the Italian and European financial service market for fund administration, brokers and asset managers

CAD IT and Xchanging will achieve an important strategic objective within their partnership

CAD IT S.p.A. (www.cadit.it), leader in the Italian financial software market and quoted in the STAR segment of Borsa Italiana, has signed a Letter of Intent (LOI) with Xchanging (LSE: XCH), one of the largest and fastest growing global business processors. This LOI concerns CAD IT's supply of its software and related services to Xchanging for BPO (Business Process Outsourcing) and ITO (Information Technology Outsourcing) activities in reference to fund administration, brokers and asset managers in Italy and the rest of Europe.

This LOI was settled at the same time Xchanging signed a Letter of Intent with SIA-SSB to form a strategic partnership. As part of this proposed partnership, Xchanging will acquire 51% of Kedrios S.p.A., the Italian subsidiary of SIA-SSB that specialises in securities processing and fund administration services for the Italian market. Upon completion of this transaction, Xchanging will assume operational control of Kedrios and its 152 employees and will employ over 1300 staff and process over 40 million transactions per year for more than 100 customers on its Continental European financial markets platforms.

The LOI between CAD IT and Xchanging will be finalised on the signing of a definitive contract once Xchanging and SIA-SSB have signed theirs (expected in the third quarter 2010).

This agreement will bring CAD IT the following benefits:

- Increase its business volume;
- Expand its software and services offer into the fund administration, broker and asset manager market segment;
- Participate in Xchanging's expansion into this segment at a European level.

David Andrews, CEO Xchanging, said: "CAD IT's technical competence has been an important part of our European growth plans. We are delighted to leverage this relationship as Xchanging sets out to create a pan-European financial services platform".

Giuseppe Dal Cortivo, Chairman and CEO of CAD IT, said, "This agreement strengthens Xchanging and CAD IT's long-lasting partnership and provides the opportunity for mutual growth on the European market."

CAD IT will make further announcements when the terms of the deal are finalised and agreed and the economic effect and strategic implications can be defined in more detail.

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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.

CAD IT is leader in the Italian software market for the banking sector with its main product, Finance 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.

About Xchanging

Xchanging is one of the largest and fastest growing business processors. With a wide range of multinational customers in 42 countries and employing over 8,000 people, we are a truly global company. Our aim is simply to provide business processing services better, cheaper and faster.

Xchanging provides procurement, accounting, human resources and technology services across industries. These include banking, insurance, manufacturing, retail and real estate among others. We combine functional expertise with deep industry domain knowledge to provide industry-specific outcomes for our customers.

Listed on the London Stock Exchange in 2007, the company is in the FTSE250, the index of mid-capitalised companies traded on the London Stock Exchange. Xchanging is also a member of the FTSE4Good index which measures the performance of companies that meet globally recognised corporate responsibility standards.

www.xchanging.com

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