

CAD IT: THE BOARD OF DIRECTORS APPROVES THE SIX-MONTHLY RESULTS AT 30TH JUNE 2010

Value of production stands at Euro 26 million compared to Euro 27.3 million in the first six months of 2009.

EBITDA is Euro 2 million compared to Euro 4.1 million in the first six months of 2009;

EBIT is Euro 0.1 million compared to Euro 2.4 million in the first six months of 2009;

The Net Consolidated Financial Position is in credit by Euro 3.7 million compared to the Euro 5.1 million at 31st December 2009 after the payment of dividends for Euro 2.2 million.

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 2010.

The main Consolidated Profit and Loss Account results relating to the first half of 2010 are as follows:

- **Value of Production** of Euro 26 million (Euro 27.3 million in the first six months of 2009). During the six months in question the internal work capitalized for the development of new products (internal work capitalized under fixed assets) came to Euro 2.1 million compared to Euro 1.5 million in the same period last year.
- **Gross Operational Result (EBITDA)** of Euro 2 million (7.8% of the Value of Production), compared to Euro 4.1 million in the first six months of 2009, corresponding to 15.1% of the Value of Production.

- **Operational Result (EBIT)** of Euro 0.1 million (0.3% of the Value of Production) compared to Euro 2.4 million in the first six months of 2009, corresponding to 8.7% of the Value of Production.
- **Result of the period** net of pre-third party share stood at Euro -0.3 million (-1% of the Value of Production) after the calculation of taxes for Euro 0.6 million, compared to a net profit of Euro 1.4 million (5.2% of the Value of Production) in the same period last year.

The profit margins have declined principally due to the decrease in revenues related to the economic crisis that has hit the industrial sector in which the Group operates and the increase in labour costs following the renewal of the National Contract for the engineering sector and by the effect resulting from the actuarial calculation for Severance Pay in accordance with IAS 19.

Although the macro-economic context is not so favorable, the CAD IT Group is still making considerable investments into research and development with the aim of widening its own product portfolio and to further extend its offer on an international level and towards neighboring market segments such as investment banks, insurance companies, fund administration and brokers. The recent contracts signed with one of the most important Italian merchant bank and with one of the leading German retail banks, together with the agreement with Xchanging to expand the financial tool management platform onto the European market, are fundamental steps towards achieving these strategic objectives.

The short-term Net Consolidated Financial Position at 30th June 2010 is in credit by Euro 3.7 million compared to the Euro 5.1 million at 31st December 2009 after the payment of dividends for Euro 2.2 million.

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The Half-Year Report as of June 30th 2010, with the certification in compliance with art.154 bis, paragraph 5, of Legislative Decree 58/98 (Consolidated Finance Act) and the report by the auditing firm will be made available to the public at the Company's registered office and at Borsa Italiana S.p.A. and will be published on the www.cadit.it website by August 29th 2010. Written notification of such publication will be given.

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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 Income Statement

(in thousands of Euro)

	Period 2010		Period 2009	
	01/01 - 30/06		01/01 - 30/06	
Income from sales and services	23,985	92.2%	25,316	92.8%
Changes in ongoing orders	(143)	(0.5%)	(83)	(0.3%)
Asset increases due to internal work	2,146	8.3%	1,540	5.6%
Other revenue and receipts	16	0.1%	503	1.8%
Production value	26,004	100.0%	27,276	100.0%
Costs for raw	(373)	(1.4%)	(638)	(2.3%)
Service costs	(5,133)	(19.7%)	(5,244)	(19.2%)
Other operational costs	(362)	(1.4%)	(413)	(1.5%)
Added value	20,136	77.4%	20,981	76.9%
Labour costs	(16,764)	(64.5%)	(15,638)	(57.3%)
Other administrative expenses	(1,333)	(5.1%)	(1,230)	(4.5%)
Gross operational result (EBITDA)	2,039	7.8%	4,113	15.1%
Allocation to Credit Depreciation Fund	(63)	(0.2%)	(69)	(0.3%)
Amortizations:				
- Intangible fixed asset amortization	(1,500)	(5.8%)	(1,283)	(4.7%)
- Tangible fixed asset amortization	(388)	(1.5%)	(385)	(1.4%)
Operational result (EBIT)	88	0.3%	2,376	8.7%
Financial receipts	45	0.2%	135	0.5%
Financial charges	(29)	(0.1%)	(29)	(0.1%)
Ordinary result	104	0.4%	2,483	9.1%
Revaluations and depreciations	167	0.6%	223	0.8%
Pre-tax and pre-third party share result	271	1.0%	2,706	9.9%
Income taxes	(643)	(2.5%)	(1,210)	(4.4%)
Profit (loss) for the period	(372)	(1.4%)	1,496	5.5%

Profit/(loss) for the period attributable to:				
Non-controlling interests	(101)	(0.4%)	80	0.3%
Owners of the parent	(270)	(1.0%)	1,416	5.2%
Weighted average number of ordinary shares in circulation	8,980,000		8,980,000	
Basic result per share (in Euro)	(0.030)		0.158	

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	<i>Period 2010</i>	<i>Period 2009</i>
	<i>01/01 - 30/06</i>	<i>01/01 - 30/06</i>
Profit/(loss) for the period	(372)	1,496
Gains/(Losses) on fair value of available-for-sale financial assets	(161)	121
Total Comprehensive income	(533)	1,616
Profit/(loss) for the period attributable to:		
Non-controlling interests	(101)	80
Owners of the parent	(431)	1,537

Consolidated Statement of Financial Position

(in thousands of Euro)

	30/06/2010	31/12/2009
ASSETS		
A) Non-Current Assets		
Assets, equipment and machinery	18,934	19,212
Intangible assets	18,511	17,747
Goodwill	8,309	8,309
Holdings	337	220
Other financial assets available for sale	620	781
Other non-current credits	88	72
Credits due to deferred taxes	200	244
TOTAL NON-CURRENT ASSETS	46,999	46,583
B) Current Assets		
Stock	210	112
Ongoing orders	169	312
Commercial credits and other credits	30,468	28,905
Tax credits	1,505	1,791
Cash on hand and other equivalent assets	4,969	6,379
TOTAL CURRENT ASSETS	37,321	37,498
TOTAL ASSETS	84,320	84,081
LIABILITIES		
A) Equity		
Issued capital and reserves attributable to owners of the parent	53,828	56,505
Non-controlling interests	2,387	2,489
TOTAL EQUITY	56,216	58,993
B) Non-current liabilities		
Financing	165	179
Liabilities due to deferred taxes	3,439	3,452
TFR and quiescence reserves	6,489	6,317
Expense and risk reserves	131	135
TOTAL NON-CURRENT LIABILITIES	10,224	10,083
C) Current liabilities		
Commercial debts	6,315	4,393
Tax debts	2,328	2,644
Short-term financing	1,232	1,286
Other debts	8,004	6,682
TOTAL CURRENT LIABILITIES	17,880	15,005
TOTAL LIABILITIES AND EQUITY	84,320	84,081

Consolidated Cash Flow Statement

(in thousands of Euro)

	30/06/2010	30/06/2009
A) OPERATING ACTIVITIES		
Profit (loss) for the period	(270)	1,416
Amortisation, revaluation and depreciation:		
- Assets, equipment and machinery amortisation	388	385
- Intangible fixed asset amortization	1,500	1,283
- revaluation of holding and financial assets available for sale	(167)	(223)
Allocations (utilisation) of funds:	168	(255)
Financial performance:		
- Net financial receipts (charges)	(16)	(107)
- Profit / (losses) on exchanges	(1)	(1)
Working capital variations	1,728	(240)
Interest payment	(28)	(28)
(A) - Cash flows from (for) operating activities	3,301	2,230
B) INVESTING ACTIVITIES		
Investing activities		
- Assets, equipment and machinery purchases	(114)	(239)
- Intangible assets purchases	(2,265)	(1,947)
- increase in other fixed assets	(18)	(11)
Disinvestment activities		
- Assets, equipment and machinery transfers	3	6
- decrease in other fixed assets	2	4
Cashed Interest	40	123
Cashed dividends	56	167
(B) - Cash flows from (for) investing activities	(2,296)	(1,896)
C) FINANCING ACTIVITIES		
Medium/long term debts repairement	(14)	(13)
Third party net patrimony	(101)	(112)
Distribution of dividends	(2,245)	(4,490)
(C) - Cash flows from (for) financing activities	(2,361)	(4,616)
(A+B+C) - Total cash and other equivalent assets flows	(1,356)	(4,282)
Opening liquid funds and other equivalent assets	5,093	13,346
Closing liquid funds and other equivalent assets	3,737	9,064

Consolidated net financial position

(in thousands of Euro)

<i>Net financial position/(indebtedness)</i>	<i>30/06/2010</i>	<i>31/12/2009</i>	<i>Variation</i>	<i>%</i>
Cash-on-hand and at bank	2,635	3,873	(1,239)	(32.0%)
Capitalisation insurance policies	2,334	2,505	(171)	(6.8%)
Payables due to banks current portion	(1,232)	(1,286)	54	(4.2%)
Net short-term financial position/(indebtedness)	3,737	5,093	(1,356)	(26.6%)
Long-term loans	(165)	(179)	14	(8.0%)
Net long-term financial position/(indebtedness)	(165)	(179)	14	(8.0%)
Net financial position/(indebtedness)	3,572	4,914	(1,342)	(27.3%)

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, with head offices in Verona, operates in Italy through its own branches and associated companies in Milan, Rome, Prato, 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 software 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 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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