

CAD IT: THE SHAREHOLDERS' MEETING APPROVES THE 2010 FINANCIAL STATEMENTS, CONFIRMS THE APPOINTMENT OF THE CO-OPTED DIRECTOR, AMENDS THE MEETING REGULATIONS AND THE COMPANY'S BYLAWS

The CAD IT Group closes 2010 with a Production value of Euro 52.5 million compared to Euro 54.3 million in the previous financial period.

EBITDA stood at Euro 4.5 million compared to Euro 7.3 million in the previous financial period;

EBIT was equal to Euro 0.7 million compared to Euro 3.5 million in 2009;

The Net Consolidated Financial Position was in credit by Euro 4.2 million compared to Euro 1.3 million at 30th September 2010.

The ordinary Shareholders' Meeting has confirmed the appointment of the new director, co-opted at Board of Directors on 11th March 2011, to replace the outgoing one and has amended articles 2, 4, 8, 14, 17 e 19 of the Meeting Regulations.

The extraordinary Shareholders' Meeting has modified the Company's bylaws.

The ordinary Shareholders' Meeting of CAD IT S.p.A. (www.cadit.it), leader in the Italian financial software market and quoted in STAR, today approved the 2010 Annual Financial Statements.

The Consolidated Financial Statements at 31st December 2010 shows:

- **Production Value** of Euro 52.5 million compared to Euro 54.3 million in 2009; internal work capitalised under fixed asset stood at Euro 4.3 million compared to Euro 4.2 million in 2009;
- **Gross Operational Result (EBITDA)** of Euro 4.5 million (8.6% of Production Value) compared to Euro 7.3 million in 2009 (equal to 13.4% of Production Value);
- **Operational Result (EBIT)** of Euro 0.7 million (1.4% of Production Value), compared to Euro 3.5 million in 2009 (equal to 6.5% of Production Value). The intangible fixed asset amortization went from Euro 2.8 million in 2009 to Euro 3 million in 2010;

- **Pre-tax and pre-third party share result** stood at Euro 0.8 million (1.4% of Production Value) compared to Euro 3.8 million in the previous financial period (7% of Production Value);
- **Net Result** of Euro -0.6 million, equal to -1.2% of Production Value compared to Euro 2 million in the previous year (3.7% of Production Value). The negative result is due to tax payment of Euro 1.4 million.

The **Parent Company CAD IT S.p.A.** recorded a Production Value of Euro 49.8 million compared to Euro 50.5 million in the previous financial period with a net result of Euro -0.4 million compared to Euro 2.4 million at 31st December 2009.

CAD IT announces that the cash generated from operating activities amounts to EUR 6.3 million compared to EUR 1.5 million generated in 2009. Thanks to this increased cash flow the **Net short-term Consolidated Financial Position** at 31st December 2010 was **in credit** at Euro 4.2 million compared to Euro 1.3 million at 30th September 2010 and to Euro 5.1 million compared to 31st December 2009 despite a payment of Euro 2.2 million for dividends during 2010.

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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.

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To replace the resigning Matthias Sohler, the Shareholders' Meeting of CAD IT has confirmed the appointment of the co-opted non-executive and non-independent Director Jörg Karsten Brand, who will be in charge until the expiry date for the entire Board of Directors, that is the date of the Shareholders' Meeting convocation for approval of the financial statements ending on 31st December 2011.

The curriculum vitae and the statements made by the new director Jörg Karsten Brand are available on the Company's website www.cadit.it.

Following the above mentioned changes, the Board of Directors is now composed of the following members:

- **Giuseppe Dal Cortivo**, Chairman and Executive Director
- **Giampietro Magnani**, Vice-chairman and Executive Director
- **Luigi Zanella**, Vice-chairman and Executive Director
- **Paolo Dal Cortivo**, Executive Director
- **Maurizio Rizzoli**, non-executive Director
- **Jörg Karsten Brand**, non-executive Director
- **Francesco Rossi**, non-executive and Independent Director
- **Lamberto Lambertini**, non-executive and Independent Director

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The Shareholders' Meeting has furthermore deliberated over (i) in the ordinary part, the amendment of the Meeting Regulations in order to adapt to the new provisions introduced by D. Lgs. n. 27/2010; (ii) in the extraordinary part, the amendment and insertion of some articles in the Company's bylaws concerning:

- D. Lgs. n. 27/2010, transposing directive 2007/37/CE, regarding the exercising of some shareholders' rights;
- D. Lgs. n. 39/2010, transposing directive 2006/43/CE, regarding statutory audit on annual and consolidated accounts;
- Consob resolution n. 17221/2010, setting rules regarding the operations with related parties, as amended by Consob resolution n. 17389/2010

and has also proceeded to the re-numbering and titling of all statutory articles.

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The documentation relative to the 2010 Annual Financial Statements and Consolidation Financial Statements is available to the public at the Company's registered office, at Borsa Italiana S.p.A., as well as online at www.cadit.it.

Consolidated Financial Statements of the CAD IT Group

Consolidated income statement

(in thousands of Euro)

	Period 2010		Period 2009		Variations	
						%
Income from sales and services	48,224	91.8%	48,863	90.0%	(639)	(1.3%)
Changes in ongoing orders	(115)	(0.2%)	(41)	(0.1%)	(74)	182.0%
Asset increases due to internal work	4,334	8.3%	4,232	7.8%	102	2.4%
Other revenue and receipts	67	0.1%	1,267	2.3%	(1,199)	(94.7%)
Production value	52,510	100.0%	54,321	100.0%	(1,811)	(3.3%)
Costs for raw	(836)	(1.6%)	(1,086)	(2.0%)	250	(23.0%)
Service costs	(11,360)	(21.6%)	(11,238)	(20.7%)	(123)	1.1%
Other operational costs	(741)	(1.4%)	(948)	(1.7%)	207	(21.8%)
Added value	39,573	75.4%	41,050	75.6%	(1,477)	(3.6%)
Labour costs	(32,455)	(61.8%)	(31,337)	(57.7%)	(1,118)	3.6%
Other administrative expenses	(2,592)	(4.9%)	(2,461)	(4.5%)	(131)	5.3%
Gross operational result - EBITDA	4,525	8.6%	7,252	13.4%	(2,727)	(37.6%)
Allocation to Credit Depreciation Fund	(75)	(0.1%)	(96)	(0.2%)	21	(21.8%)
Intangible fixed asset amortization	(2,960)	(5.6%)	(2,761)	(5.1%)	(199)	7.2%
Tangible fixed asset amortization	(768)	(1.5%)	(794)	(1.5%)	27	(3.3%)
Other allocation	(10)	(0.0%)	(70)	(0.1%)	60	(85.7%)
Operational result - EBIT	713	1.4%	3,531	6.5%	(2,818)	(79.8%)
Net financial income	90	0.2%	197	0.4%	(108)	(54.6%)
Net financial expenses	(79)	(0.1%)	(57)	(0.1%)	(21)	37.5%
Ordinary result	724	1.4%	3,671	6.8%	(2,947)	(80.3%)
Revaluations and depreciations	36	0.1%	153	0.3%	(117)	(76.6%)
Pre-tax result	760	1.4%	3,824	7.0%	(3,065)	(80.1%)
Income taxes	(1,361)	(2.6%)	(1,967)	(3.6%)	607	(30.8%)
Profit (loss) for the period	(601)	(1.1%)	1,857	3.4%	(2,458)	(132.4%)
Profit (loss) for the period attributable to:						
Non- controlling interests	22	0.0%	(128)	(0.2%)	151	(117.2%)
Owners of the parent	(623)	(1.2%)	1,985	3.7%	(2,608)	(131.4%)
Weighted average number of ordinary shares in circulation	8,980,000		8,980,000			
Basic earnings per share (in €)	(0.069)		0.221			

Statement of comprehensive income

(in thousands of Euro)

	Period 2010	Period 2009
Profit/(loss) for the period	(601)	1,857
Gains/(Losses) on fair value of available-for-sale financial assets	(49)	135
Total Comprehensive income	(650)	1,992
Comprehensive income attributable to:		
Non- controlling interests	22	(128)
Owners of the parent	(672)	2,121

Consolidated Statement of financial position

(in thousands of Euro)

	31/12/2010	31/12/2009
ASSETS		
A) Non-Current Assets		
Property, plant and equipment	18,651	19,212
Intangible assets	19,297	17,747
Goodwill	8,309	8,309
Investments	329	220
Other financial assets available for sale	609	781
Other non-current credits	95	72
Credits due to deferred taxes	342	244
TOTAL NON-CURRENT ASSETS	47,631	46,583
B) Current Assets		
Inventories	111	112
Ongoing orders	197	312
Trade receivables and other credits	25,948	28,905
Tax credits	856	1,791
Cash on hand and other equivalent assets	6,101	6,379
TOTAL CURRENT ASSETS	33,211	37,498
TOTAL ASSETS	80,843	84,081
EQUITY AND LIABILITIES		
A) Equity		
Company capital and reserves attributable to owners of the parent	53,593	56,505
Non-controlling interests	2,226	2,489
TOTAL EQUITY	55,819	58,993
B) Non-current liabilities		
Financing	150	179
Deferred tax liabilities	3,442	3,452
Employee benefits and quiescence provisions	6,379	6,317
Expense and risk provisions	59	135
TOTAL NON-CURRENT LIABILITIES	10,029	10,083
C) Current liabilities		
Trade payables	3,869	4,393
Current tax payables	2,457	2,644
Short-term financing	1,851	1,286
Other liabilities	6,818	6,682
TOTAL CURRENT LIABILITIES	14,994	15,005
TOTAL LIABILITIES AND EQUITY	80,843	84,081

Consolidated Cash Flow Statement

(in thousands of Euro)

	Period 2010	Period 2009
A) OPERATING ACTIVITIES		
Profit (loss) for the period	(623)	1,985
Amortisation, revaluation and depreciation:		
- Property, plant and equipment amortisation	768	794
- Intangible fixed asset amortisation	2,960	2,761
- revaluation of investments and financial assets available for sale	(159)	(163)
- depreciation of investments and financial assets available for sale	123	10
Allocations (utilization) of provisions:	(15)	151
Financial performance:		
- Net financial receipts (charges)	(11)	(140)
- Profit / (losses) on exchanges	(1)	(1)
Working capital variations	4,115	(2,424)
Income taxes paid	(791)	(1,378)
Interest paid	(77)	(56)
(A) - Cash flows from (used in) operating activities	6,289	1,540
B) INVESTMENT ACTIVITIES		
Investments in activities		
- Property, plant and equipment purchases	(200)	(394)
- Intangible assets purchases	(4,510)	(4,719)
- Investments in subsidiary companies purchases	(230)	-
- increase in other fixed assets	(26)	(11)
Disinvestment activities		
- Property, plant and equipment transfers	(8)	9
- Decrease in other fixed assets	3	4
Cashed Interest	84	185
Cashed dividends	56	167
(B) - Cash flows from (used in) investment activities	(4,831)	(4,759)
C) FINANCING ACTIVITIES		
Medium/long term financing repayment	(29)	(27)
Effects on consolidation reserve	6	0
Third party net patrimony	(33)	(516)
Dividends paid	(2,245)	(4,490)
(C) - Cash flows from (used in) financing activities	(2,301)	(5,034)
(A+B+C) - Total cash and other equivalent assets flows	(843)	(8,253)
Opening cash balances and equivalents	5,093	13,346
Closing cash balances and equivalents	4,250	5,093

CAD IT S.p.A. Financial Statements

Income Statement

(in thousands of Euro)

	Period 2010		Period 2009		Variations	
		%		%		%
Income from sales and services	44,987	90.4%	45,146	89.4%	(159)	(0.4%)
Asset increases due to internal work	4,739	9.5%	4,330	8.6%	409	9.4%
Other revenue and receipts	27	0.1%	1,022	2.0%	(995)	(97.4%)
Production value	49,753	100.0%	50,499	100.0%	(746)	(1.5%)
Costs for raw	(313)	(0.6%)	(367)	(0.7%)	54	(14.8%)
Service costs	(26,034)	(52.3%)	(25,147)	(49.8%)	(887)	3.5%
Other operational costs	(430)	(0.9%)	(411)	(0.8%)	(19)	4.7%
Added value	22,976	46.2%	24,574	48.7%	(1,598)	(6.5%)
Labour costs	(18,062)	(36.3%)	(17,291)	(34.2%)	(771)	4.5%
Other administrative expenses	(1,114)	(2.2%)	(1,002)	(2.0%)	(112)	11.1%
Gross operational result - EBITDA	3,800	7.6%	6,281	12.4%	(2,481)	(39.5%)
Allocation to Credit Depreciation Fund	(62)	(0.1%)	(95)	(0.2%)	33	
Intangible fixed asset amortization	(2,732)	(5.5%)	(2,526)	(5.0%)	(206)	8.2%
Tangible fixed asset amortization	(676)	(1.4%)	(688)	(1.4%)	12	(1.7%)
Operational result - EBIT	330	0.7%	2,972	5.9%	(2,642)	(88.9%)
Net financial income	184	0.4%	741	1.5%	(557)	(75.1%)
Net financial expenses	(11)	(0.0%)	(3)	(0.0%)	(9)	346.8%
Ordinary result	503	1.0%	3,711	7.3%	(3,208)	(86.4%)
Revaluations and depreciations	(123)	(0.2%)	(10)	(0.0%)	(113)	1157.1%
Pre-tax result	380	0.8%	3,701	7.3%	(3,321)	(89.7%)
Income taxes	(760)	(1.5%)	(1,322)	(2.6%)	561	
Profit (loss) for the period	(380)	(0.8%)	2,380	4.7%	(2,760)	(116.0%)

Weighted average number of ordinary shares in circulation	8,980,000	8,980,000
Basic earnings per share (in €)	(0.042)	0.265

Statement of comprehensive income

(in thousands of Euro)

	Period 2010	Period 2009
Profit/(loss) for the period	(380)	2,380
Gains/(Losses) on fair value of available-for-sale financial assets	(49)	135
Total comprehensive income	(429)	2,515

Statement of financial position

(in thousands of Euro)

	31/12/2010	31/12/2009
ASSETS		
A) Non-Current Assets		
Property, plant and equipment	18,146	18,646
Intangible assets	19,724	17,576
Investments	14,914	14,684
Other financial assets available for sale	608	781
Other non-current credits	17	19
Credits due to deferred taxes	3	7
TOTAL NON-CURRENT ASSETS	53,412	51,712
B) Current Assets		
Inventories	5	28
Trade receivables and other credits	26,402	29,501
Tax credits	744	1,576
Cash on hand and other equivalent assets	5,033	5,502
TOTAL CURRENT ASSETS	32,184	36,607
TOTAL ASSETS	85,595	88,319
EQUITY AND LIABILITIES		
A) Equity		
Company capital	4,670	4,670
Reserves	35,432	35,481
Accumulated profits/losses	14,301	16,926
TOTAL EQUITY	54,403	57,077
B) Non-current liabilities		
Deferred tax liabilities	3,259	3,265
Employee benefits and quiescence provisions	3,205	3,178
Expense and risk provisions	-	65
TOTAL NON-CURRENT LIABILITIES	6,464	6,508
C) Current liabilities		
Trade payables	19,056	18,918
Current tax payables	1,757	1,994
Other liabilities	3,915	3,822
TOTAL CURRENT LIABILITIES	24,728	24,734
TOTAL LIABILITIES AND EQUITY	85,595	88,319

Cash Flow Statement

(in thousands of Euro)

	31/12/2010	31/12/2009
A) OPERATING ACTIVITIES		
Profit (loss) for the period	(380)	2,380
Amortisation, revaluation and depreciation:		
- Property, plant and equipment amortisation	676	688
- Intangible fixed asset amortisation	2,732	2,526
- depreciation of investments and financial assets available for sale	123	10
Allocations (utilization) of provisions:	(38)	126
Financial performance:		
- Net financial receipts (charges)	(173)	(739)
- Profit / (losses) on exchanges	(1)	(1)
Working capital variations	4,383	(1,231)
Income taxes paid	(436)	(1,107)
Interest paid	(10)	(1)
(A) - Cash flows from (used in) operating activities	6,876	2,649
B) INVESTMENT ACTIVITIES		
Investments in activities		
- Property, plant and equipment purchases	(180)	(287)
- Intangible assets purchases	(4,880)	(4,768)
- increase in other fixed assets	(230)	(1)
Disinvestment activities		
- Property, plant and equipment transfers	4	5
- Decrease in other fixed assets	2	0
Cashed Interest	78	162
Cashed dividends	107	579
(B) - Cash flows from (used in) investment activities	(5,100)	(4,309)
C) FINANCING ACTIVITIES		
Dividends paid	(2,245)	(4,490)
(C) - Cash flows from (used in) financing activities	(2,245)	(4,490)
(A+B+C) - Total cash and other equivalent assets flows	(469)	(6,150)
Opening cash balances and equivalents	5,502	11,652
Closing cash balances and equivalents	5,033	5,502

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, 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 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.

Contacts:

CAD IT S.p.A.

Investor Relations Office

Michele Zanella

Tel. +39 045 8211 236

investor@cadit.it

www.cadit.it