

## THE CAD IT BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AT 30<sup>TH</sup> SEPTEMBER 2014

**The CAD IT Group closes the third quarter 2014 with a Production Value of  
Euro 13.5 million.**

**EBITDA stood at Euro 2.1 million.**

**EBIT and Pre-tax Result of the quarter net of third party share were equal to Euro 0.8 and  
0.7 million respectively.**

**The Group's Consolidated Net Financial Position at 30<sup>th</sup> September 2014 was in debit by  
Euro 0.7 million.**

**In the first nine months of 2014, the Production Value was Euro 41.2 million.**

**EBITDA was Euro 5.0 million.**

**EBIT and Pre-tax Result of the period net of third party share were equal to Euro 1.3 and  
1.2 million respectively.**

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market and listed in the STAR segment of Borsa Italiana, today approved the Interim Management Report at 30<sup>th</sup> September 2014.

The main consolidated results of the **third quarter 2014** are as follows:

- **Production Value** of Euro 13.5 million compared to Euro 12.8 million in the third quarter of 2013. During the three months in question, increases in internal work capitalized for the development of new products (asset increases due to internal work) came to Euro 0.7 million compared to Euro 0.9 million in the same period of the previous year;
- **Gross Operational Result (EBITDA)** of Euro 2.1 million (15.4% of the Production Value) compared to Euro 1.5 million registered in the third quarter of 2013 (11.3% of the Production Value);
- **Operational Result (EBIT)** of Euro 0.8 million, corresponding to 5.8% of the Production Value compared to Euro 0.3 million in the third quarter of 2013 (2.5% of the Production Value);

- **Pre-Tax Result of the quarter net of third party share** of Euro 0.7 million, corresponding to 5.5% of the Production Value, compared to Euro 0.4 million in the third quarter of 2013 (3.0% of the Production Value).

The **Consolidated Net Financial Position** at 30<sup>th</sup> September 2014 is in debit by Euro 0.7 million, compared to Euro 2.0 million in credit registered at 30<sup>th</sup> June 2014 and to the Euro 2.6 million in debit registered at 31<sup>st</sup> December 2013.

The main consolidated results of the **first nine months of 2014** are outlined below:

- **Production Value** of Euro 41.2 million compared to Euro 38.6 million in the same period of the previous year. During the nine months in question, investment for internal work capitalized under fixed assets came to Euro 2.5 million compared to Euro 2.8 million in the same period of the previous year. **Net sales** were equal to Euro 38.6 million compared to Euro 35.7 million registered in the first nine months of 2013;
- **Gross Operational Result (EBITDA)** of Euro 5.0 million (12.2% of the Production Value), compared to Euro 3.8 million in the first nine months of 2013 (9.7% of the Production Value);
- **Operational Result (EBIT)** of Euro 1.3 million (3.1% of Production Value) compared to Euro 0.4 million in the first nine months of 2013, corresponding to 1.1% of Production Value;
- **Pre-tax Result of the period net of third party share** of Euro 1.2 million, corresponding to 3.0% of the Production Value, compared to Euro 0.7 million in the same period of the previous year (1.7% of the Production Value).

\* \* \*

The Manager charged with preparing the company's financial reports, Michele Miazzi, 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.

\* \* \*

The Interim Management Report at 30<sup>th</sup> September 2014 will be published in the Investor Relation section on the Company's internet website ([www.caditgroup.com](http://www.caditgroup.com)) and made available, to anyone on request, at the Company's registered office of CAD IT S.p.A. and at the authorized storage mechanism for the regulated information called "1INFO" on the website [www.1info.it](http://www.1info.it), within the deadlines provided for by law. Written notification of such publication will be given.

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## Significant events since 30<sup>th</sup> September 2014

On 30<sup>th</sup> October 2014 the companies DQS S.r.l. and CAD S.r.l., both entirely controlled by CAD IT S.p.A, with a view to simplifying and reorganising the group, decided to reduce administrative costs and generate financial and economic efficiency by drawing up a merger agreement to incorporate the first company into the second.

Consequently "CAD S.r.l." increases its company capital from Euro 295,500 to Euro 350,000, attributing the entire increase to the exclusive ownership of CAD IT S.p.A.. The statutory effects of the merger will come into effect as of 31/12/2014, while, pursuant to the combined provisions of articles 2504-bis and 2501-ter, paragraph 1, no. 6, the accounting and tax effects of the merger will be retroactive at 01/01/2014.

## Consolidated Income Statement Third Quarter 2014

(in thousands of Euro)

	III Quarter 2014		III Quarter 2013		Period variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	12,788	94.6%	11,857	92.3%	931	7.9%
Asset increases due to internal work	721	5.3%	920	7.2%	(199)	(21.7%)
Other revenue and receipts	12	0.1%	70	0.5%	(58)	(82.9%)
<b>Production value</b>	<b>13,521</b>	<b>100.0%</b>	<b>12,848</b>	<b>100.0%</b>	<b>674</b>	<b>5.2%</b>
Purchase costs	(72)	(0.5%)	(178)	(1.4%)	106	(59.7%)
Service costs	(2,709)	(20.0%)	(2,619)	(20.4%)	(90)	3.4%
Other operational costs	(177)	(1.3%)	(140)	(1.1%)	(37)	26.7%
<b>Added value</b>	<b>10,564</b>	<b>78.1%</b>	<b>9,911</b>	<b>77.1%</b>	<b>653</b>	<b>6.6%</b>
Labour costs	(8,035)	(59.4%)	(7,980)	(62.1%)	(55)	0.7%
Other administrative expenses	(452)	(3.3%)	(474)	(3.7%)	22	(4.7%)
<b>Gross operational result - EBITDA</b>	<b>2,077</b>	<b>15.4%</b>	<b>1,457</b>	<b>11.3%</b>	<b>620</b>	<b>42.6%</b>
Allocation to fund and credit depreciation	(2)	(0.0%)	0	0.0%	(2)	(577.0%)
Intangible fixed asset amortization	(1,183)	(8.7%)	(1,011)	(7.9%)	(172)	17.0%
Tangible fixed asset amortization	(111)	(0.8%)	(124)	(1.0%)	12	(10.1%)
<b>Operational result - EBIT</b>	<b>781</b>	<b>5.8%</b>	<b>322</b>	<b>2.5%</b>	<b>459</b>	<b>142.6%</b>
Financial income	16	0.1%	17	0.1%	(1)	(3.2%)
Financial expenses	(16)	(0.1%)	(21)	(0.2%)	5	(22.3%)
<b>Ordinary result</b>	<b>782</b>	<b>5.8%</b>	<b>318</b>	<b>2.5%</b>	<b>463</b>	<b>145.5%</b>
Revaluations and depreciations	47	0.3%	203	1.6%	(156)	(76.8%)
<b>Pre-tax result</b>	<b>829</b>	<b>6.1%</b>	<b>521</b>	<b>4.1%</b>	<b>307</b>	<b>58.9%</b>
<b>Pre-tax result attributable to:</b>						
Non- controlling interests	84	0.6%	135	1.1%	(51)	(37.8%)
<b>Owners of the parent</b>	<b>745</b>	<b>5.5%</b>	<b>386</b>	<b>3.0%</b>	<b>358</b>	<b>92.7%</b>

## Consolidated Income Statement First 9 Months 2014

(in thousands of Euro)

	Period 01/01 - 30/09/2014		Period 01/01 - 30/09/2013		Period variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	38,566	93.5%	35,675	92.5%	2,891	8.1%
Asset increases due to internal work	2,515	6.1%	2,801	7.3%	(286)	(10.2%)
Other revenue and receipts	145	0.4%	107	0.3%	38	35.3%
<b>Production value</b>	<b>41,227</b>	<b>100.0%</b>	<b>38,584</b>	<b>100.0%</b>	<b>2,643</b>	<b>6.9%</b>
Purchase costs	(429)	(1.0%)	(426)	(1.1%)	(2)	0.5%
Service costs	(7,768)	(18.8%)	(6,781)	(17.6%)	(987)	14.5%
Other operational costs	(789)	(1.9%)	(465)	(1.2%)	(325)	69.9%
<b>Added value</b>	<b>32,241</b>	<b>78.2%</b>	<b>30,912</b>	<b>80.1%</b>	<b>1,330</b>	<b>4.3%</b>
Labour costs	(25,785)	(62.5%)	(25,655)	(66.5%)	(131)	0.5%
Other administrative expenses	(1,445)	(3.5%)	(1,500)	(3.9%)	55	(3.6%)
<b>Gross operational result - EBITDA</b>	<b>5,011</b>	<b>12.2%</b>	<b>3,757</b>	<b>9.7%</b>	<b>1,254</b>	<b>33.4%</b>
Allocation to fund and credit depreciation	(5)	(0.0%)	(2)	(0.0%)	(3)	200.4%
Intangible fixed asset amortization	(3,383)	(8.2%)	(2,963)	(7.7%)	(420)	14.2%
Tangible fixed asset amortization	(337)	(0.8%)	(366)	(0.9%)	29	(7.9%)
<b>Operational result - EBIT</b>	<b>1,285</b>	<b>3.1%</b>	<b>426</b>	<b>1.1%</b>	<b>859</b>	<b>201.6%</b>
Financial income	50	0.1%	53	0.1%	(3)	(6.1%)
Financial expenses	(60)	(0.1%)	(41)	(0.1%)	(19)	46.6%
<b>Ordinary result</b>	<b>1,276</b>	<b>3.1%</b>	<b>439</b>	<b>1.1%</b>	<b>837</b>	<b>190.7%</b>
Revaluations and depreciations	210	0.5%	482	1.3%	(272)	(56.4%)
Income taxes <sup>1</sup>	(10)	(0.0%)	3	0.0%	(13)	(420.6%)
<b>Pre-tax result</b>	<b>1,476</b>	<b>3.6%</b>	<b>925</b>	<b>2.4%</b>	<b>551</b>	<b>59.6%</b>
<b>Pre-tax result attributable to:</b>						
Non- controlling interests	244	0.6%	264	0.7%	(20)	(7.6%)
<b>Owners of the parent</b>	<b>1,232</b>	<b>3.0%</b>	<b>661</b>	<b>1.7%</b>	<b>571</b>	<b>86.5%</b>

<sup>1</sup> The interim management report is presented without calculating the income taxes for the period; the amount shown is related to the tax variations calculated when drafting the annual balance and the punctual determination of said taxes that was calculated later when the income tax return was declared.

## Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	III Quarter 2014	III Quarter 2013	Period 2014 01/01–30/09	Period 2013 01/01–30/09
<b>Pre-tax profit (loss) for the period</b>	<b>829</b>	<b>521</b>	<b>1,476</b>	<b>925</b>
<b>Other comprehensive income that will not be reclassified subsequently to profit or loss</b>				
Actuarial gains/(losses) on defined benefit liabilities	-	-	(789)	146
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>				
Gains/(Losses) on fair value of available-for-sale financial assets	-	-	-	-
Reclassification adjustments: gains realized on disposal of available-for-sale	-	-	-	(103)
<b>Total Pre-tax comprehensive income (loss)</b>	<b>829</b>	<b>521</b>	<b>686</b>	<b>967</b>
Comprehensive income (loss) attributable to:				
- Non- controlling interests	84	135	176	277
- <b>Owners of the parent</b>	<b>745</b>	<b>386</b>	<b>511</b>	<b>690</b>

## Consolidated Statement of Financial Position

(in thousands of Euro)

31/12/2013	ASSETS	30/09/2014	30/09/2013
	A) Non-Current Assets		
17,445	Property, plant and equipment	17,240	17,553
20,650	Intangible assets	19,859	20,624
8,309	Goodwill	8,309	8,309
353	Investments	393	563
-	Other financial assets available for sale	-	-
194	Other non-current credits	254	200
776	Credits due to deferred taxes	776	746
<b>47,727</b>	<b>TOTAL NON-CURRENT ASSETS</b>	<b>46,831</b>	<b>47,995</b>
	B) Current Assets		
62	Inventories	48	73
32,768	Trade receivables and other credits	33,662	32,937
2,128	Tax credits	2,215	2,024
3,808	Cash on hand and other equivalent assets	4,722	3,557
<b>38,767</b>	<b>TOTAL CURRENT ASSETS</b>	<b>40,647</b>	<b>38,591</b>
<b>86,494</b>	<b>TOTAL ASSETS</b>	<b>87,478</b>	<b>86,586</b>

31/12/2013	EQUITY AND LIABILITIES	30/09/2014	30/09/2013
	A) Equity		
4,670	Company capital	4,670	4,670
35,246	Reserves	35,246	35,246
13,434	Accumulated profits/losses	13,945	14,489
<b>53,350</b>	<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>53,861</b>	<b>54,405</b>
<b>2,177</b>	Third party Equity	2,258	2,747
<b>55,528</b>	<b>TOTAL EQUITY</b>	<b>56,119</b>	<b>57,152</b>
	B) Non-current liabilities		
-	Financing	-	-
2,957	Deferred tax liabilities	2,957	3,045
6,908	Employee benefits and quiescence provisions	7,749	6,811
120	Expense and risk provisions	395	137
<b>9,985</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>11,101</b>	<b>9,993</b>
	C) Current liabilities		
4,473	Trade payables	6,776	5,830
3,290	Current tax payables	2,067	1,572
6,382	Short-term financing	5,470	4,941
6,835	Other liabilities	5,944	7,097
<b>20,981</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>20,258</b>	<b>19,441</b>
<b>86,494</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>87,478</b>	<b>86,586</b>

## Consolidated Cash Flow Statement

(in thousands of Euro)

Cash Flow Statement of CAD IT Group	Period 2014 01/01-30/09	Period 2013 01/01-30/09
<b>A) OPERATING ACTIVITIES</b>		
Profit (loss) for the period	1,476	925
Amortisation, revaluation and depreciation:		
- Property, plant and equipment depreciation	337	366
- Intangible fixed asset amortisation	3,383	2,963
- Revaluation of investments and financial assets available for sale	(210)	(482)
Allocations (utilization) of provisions	327	159
Financial performance:		
- Net financial receipts (charges)	10	(13)
- Profit / (loss) on foreign exchange	-	-
Other working capital variations	(595)	(3,258)
Income taxes paid	(183)	(527)
Interest paid	(60)	(40)
<b>A) - Cash flows from (used in) operating activities</b>	<b>4,485</b>	<b>92</b>
<b>B) INVESTMENT ACTIVITIES</b>		
Investments in activities		
- purchase of property, plant and equipment	(134)	(138)
- purchase/production of intangible assets	(2,592)	(2,837)
- increase in other fixed assets	(70)	(45)
Disinvestment activities		
- transfers of property, plant and equipment		1
- transfers of assets available for sale		239
- decrease in other fixed assets	10	7
Cashed Interest	50	53
Cashed dividends	170	163
<b>(B) - Cash flows from (used in) investment activities</b>	<b>(2,564)</b>	<b>(2,557)</b>
<b>C) FINANCING ACTIVITIES</b>		
Medium/long term financing repayment	-	-
Allocation of profits to directors of subsidiary companies	-	(11)
Dividends paid	(95)	(2,793)
<b>(C) - Cash flows from (used in) financing activities</b>	<b>(95)</b>	<b>(2,804)</b>
<b>(A+B+C) - Total cash and other equivalent assets flows</b>	<b>1,826</b>	<b>(5,269)</b>
<b>Opening cash balances and equivalents</b>	<b>(2,575)</b>	<b>3,885</b>
<b>Closing cash balances and equivalents</b>	<b>(748)</b>	<b>(1,384)</b>



## Consolidated Net Financial Position

(in thousands of Euro)

<i>Net consolidated financial position</i>	<i>30/09/2014</i>	<i>30/06/2014</i>	<i>31/12/2013</i>	<i>30/09/2013</i>
Cash-on-hand and at bank	2,120	3,484	1,253	1,018
Capitalization insurance policies	2,602	2,586	2,555	2,539
Payables due to banks current portion	(5,470)	(4,064)	(6,382)	(4,941)
<b>Net short-term financial position/(indebtedness)</b>	<b>(748)</b>	<b>2,006</b>	<b>(2,575)</b>	<b>(1,384)</b>
Long-term loans	0	(0)	(0)	(0)
<b>Net long-term financial position/(indebtedness)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Net financial position/(indebtedness)</b>	<b>(748)</b>	<b>2,006</b>	<b>(2,575)</b>	<b>(1,384)</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 35 years.*

*The CAD IT Group, with head offices in Verona, operates in Italy through its own branches and associated companies in Milan, Rome, Prato, Padua and Mantua.*

*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.*

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