

**PRESS RELEASE**

**Verona, 12<sup>th</sup> May 2004**

**CAD IT: THE BOARD OF DIRECTORS APPROVES THE QUARTERLY  
REPORT AT 31<sup>ST</sup> MARCH 2004**

**At a consolidated level, the Production Revenues are €12.8 million, the Gross Operating Result is €1.5 million (12% of the Production Revenues) and a Profit before taxation and minority interests of €717 thousand.**

**The Net Consolidated Financial Position, in credit by €18.6 million, shows a 31% increase compared to 31st December 2003**

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market, has today approved the first quarterly report for 2004 that shows a **Profit before taxation and minority interests** of €717 thousand.

The **quarterly report** at 31<sup>st</sup> March 2004 shows the following consolidated data:

- **Production Revenues** of €12.8 million against the €13.3 million for the first quarter of 2003;
- a **Gross Operational Result (EBITDA)** of €1.5 million, corresponding to 11.8% of the Production Revenue, compared to €2.3 million for the first quarter of 2003 and €723 thousand (5.7% of the Production Revenues) for the fourth quarter of 2003;
- a **Profit before taxation and minority interests** of €717 thousand (equal to 5.6% of the Production Revenues).

**The CAD IT Net Consolidated Financial Position** at 31<sup>st</sup> March 2004 is in credit by €18.6 million and shows **an increase of 31%** compared to the value recorded at 31<sup>st</sup> December 2003. This increase mainly derives from the operating activities which amounted to €5.7 million.

**Giuseppe Dal Cortivo, the President of CAD IT, said:** "During the first quarter of this year we have intensified our commercial and production activities towards diversifying business. Soon our products will also be offered to Public Administration and Insurance markets which will join the financial and industrial market that CAD IT traditionally covers".

**The CAD IT Group**

*The CAD IT Group has developed and distributed information systems for the banking sector and small and medium sized companies for over 20 years. CAD IT's offers include standard and personalized applicative packages, software maintenance, updating, consultancy and training.*

*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 negotiation, settlement and administration of security transactions, debentures, derivatives (in any currency) and adopted by 50% 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.*

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## **Consolidated profit and loss account for the period ended 31 March 2004**

	<i>First quarter 2004</i>		<i>First quarter 2003</i>	
Turnover - goods and services	12,249,609	95.69%	13,193,563	99.03%
Variation in contract work in progress			83,000	0.62%
Increase in internal work capitalised under fixed assets	503,000	3.93%		
Other revenues and income	49,018	0.38%	46,164	0.35%
<i>Production revenues</i>	<i>12,801,627</i>	<i>100.00%</i>	<i>13,322,727</i>	<i>100.00%</i>
Raw materials, consumables and supplies	(709,479)	(5.54%)	(340,003)	(2.55%)
Services	(2,302,995)	(17.99%)	(2,708,484)	(20.33%)
Other operating costs	(215,281)	(1.68%)	(260,774)	(1.96%)
<i>Added value</i>	<i>9,573,872</i>	<i>74.79%</i>	<i>10,013,466</i>	<i>75.16%</i>
Personnel expenses	(7,390,498)	(57.73%)	(6,979,987)	(52.39%)
Other administrative expenses	(671,191)	(5.24%)	(688,301)	(5.17%)
<i>Gross operating result (EBITDA)</i>	<i>1,512,183</i>	<i>11.81%</i>	<i>2,345,178</i>	<i>17.60%</i>
Accrual to provision for bad debts	(22,482)	(0.18%)	(31,784)	(0.24%)
Amortisation and depreciation				
- Amortisation of intangible fixed assets	(684,485)	(5.35%)	(634,268)	(4.76%)
- Depreciation of tangible fixed assets	(227,825)	(1.78%)	(246,335)	(1.85%)
Other accruals	(1,204)	(0.01%)	(25,829)	(0.19%)
<i>Operating profit (EBIT)</i>	<i>576,187</i>	<i>4.50%</i>	<i>1,406,962</i>	<i>10.56%</i>
Financial income and charges, net	64,274	0.50%	207,798	1.56%
<i>Profit from ordinary activities</i>	<i>640,461</i>	<i>5.00%</i>	<i>1,614,760</i>	<i>12.12%</i>
Revaluations and write-downs	68,336	0.53%	32,670	0.25%
Extraordinary income and expenses	8,592	0.07%	(117)	(0.00%)
<i>Profit before taxation and minority interests</i>	<i>717,389</i>	<i>5.60%</i>	<i>1,647,313</i>	<i>12.36%</i>
Profit /(loss) of minority interests before taxation	(288,104)	(2.25%)	(700,845)	(5.26%)
<i>Profit/(loss) of the Group before taxation</i>	<i>429,285</i>	<i>3.35%</i>	<i>946,468</i>	<i>7.10%</i>

## Cash flow statement

<i>Year 2003</i>	<i>Cash flow statement of Cad It Group</i>	<i>1<sup>st</sup> Quarter 2004</i>
	<b>OPERATING ACTIVITIES</b>	
<b>1,840,539</b>	<b>Profit (loss) for the year</b>	<b>429,285</b>
	<b>Amortisation and depreciation:</b>	
1,012,643	- tangible fixed assets	227,825
1,558,244	- intangible fixed assets	374,425
1,210,647	- goodwill arising on consolidation	310,060
	<b>Accruals:</b>	
1,380,747	- employees' leaving entitlement	321,374
31,929	- other provisions	1,204
46,309	Increase/(Utilisation) of provisions for contingencies and other charges	(30,272)
<b>7,081,058</b>	<b>Sub-total</b>	<b>1,633,901</b>
(621,351)	Utilisation of employees' leaving entitlement	(81,365)
7,030,149	(Increase)/Decrease in receivables included under assets forming part of working capital	1,119,357
(626,553)	(Increase)/Decrease in inventory	60,621
(22,330)	(Increase)/Decrease in deferred expenses and accrued income	(302,125)
(149,603)	Increase/(Decrease) in accounts due to creditors	(119,194)
295,960	Increase/(Decrease) in accrued expenses and deferred income	1,941,687
(17,132)	Increase/(Decrease) in sums due to other financial institutions	48,579
(515,621)	Increase/(Decrease) in other non-financial payables	1,403,503
<b>5,373,519</b>	<b>Sub-total</b>	<b>4,071,063</b>
<b>12,454,577</b>	<b>(A) - Cash flows from (for) operating activities</b>	<b>5,704,964</b>
	<b>INVESTING ACTIVITIES</b>	
(184,335)	(Increase)/ Decrease in investments in subsidiary companies valued using the equity method	63,946
(937,264)	(Increase)/Decrease in intangible fixed assets	(1,404,599)
(417,244)	(Increase)/Decrease in tangible fixed assets	(143,364)
(4,281)	(Increase)/Decrease in other fixed assets	(6,678)
	Acquisition of investments in unconsolidated subsidiaries	
123,087	(Increase)/Decrease in investments in associated companies	216,529
(250,000)	(Increase)/Decrease in other investments and securities	
<b>(1,670,037)</b>	<b>(B) - Cash flows from (for) investing activities</b>	<b>(1,274,166)</b>
	<b>FINANCING ACTIVITIES</b>	
	Increase/(Decrease) in financial payables	
(26,940,000)	Increase/(Decrease) in reserves	
	Reserves on consolidation effects	
423,372	Minority interest	2,240
(1,616,400)	Distribution of dividends	
	Capital injections	
<b>(28,133,028)</b>	<b>(C) - Cash flows from (for) financing activities</b>	<b>2,240</b>
<b>(17,348,488)</b>	<b>(A+B+C) - Total cash flows</b>	<b>4,433,038</b>
31,475,907	Opening liquid funds	14,127,419
<b>14,127,419</b>	<b>Closing liquid funds</b>	<b>18,560,457</b>