

PRESS RELEASE

Verona, 29th April 2004

CAD IT S.p.A.: The Shareholder's Meeting approves the 2003 report and distributes an ordinary dividend of €0.30 per share

The Group closes 2003 with a Production Revenue of € 54.6 million.

The Net Consolidated Financial Position is in credit by €14.1 million, thanks to a cash flow from operating activities of €12.5 million (€3.3 million at the end of 2002).

The Shareholder's Meeting has approved the payment of an ordinary dividend of €0.30 per share, an increase compared to the 2002 dividend (€0.18).

The Shareholder's Meeting of CAD IT S.p.A. (www.cadit.it), leader in the Italian financial software market, has today approved the consolidated Annual Report and the Annual Report project for 2003.

On the basis of the financial results of 2003, which confirm the Veronese Group's ability to generate positive income margins, the shareholder's meeting has approved the **distribution of a €0.30 ordinary dividend per share and the allocation of €0.5 million into reserves**. Following this transaction, the **available reserves** for future distribution, will exceed € 9.0 million

The consolidated annual report at 31st December 2003 reports:

- **Production Revenues of €54.6 million (€57.1 million in 2002);**
- **a Gross Operational Result of €9.9 million, corresponding to 18% of Production Revenues and in line with the € 9.8 million in 2002 (corresponding to 17% of the income);**
- **a Net Consolidated Profit of €1.8 million, corresponding to 3.4% of Production Revenues after €3.6 million in tax.**

The Net Profit made by the head of the group, CAD IT S.p.A., was €3.15 million compared to €3.13 million in 2002.

In 2003, the CAD IT Group enriched its range of products by making important **investments in R&D**, which were **entirely expensed in the P&L**.

The **Net Consolidated Financial Position** at 31st December 2003 was €14.1 million (€11.6 million at 30/09/2003) thanks to the €12.5 million cash flow from operating activities, an increase of 280% compared to the €3.3 million of 2002.

The ex-dividend (No. 5) and the dividend payment dates are the 10th and 13th of May 2003 respectively. The dividend will give those subjects who hold the legal requirements the right to a full tax credit of 51.51%.



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 Economic Account	31/12/2003	%	31/12/2002	%
Income from sales and services	53.996.086	98,83%	56.825.622	99,50%
Work order variations	480.000	0,88%	-	-
Assett increases due to internal work	-	-	-	-
Other income and proceeds	159.712	0,29%	285.423	0,50%
Production Revenue	54.635.798	100,00%	57.111.045	100,00%
Raw material, subsidiary, consumer and goods purchase costs	(1.058.836)	(1,94%)	(1.349.966)	(2,36%)
Service costs	(12.073.570)	(22,10%)	(13.212.072)	(23,13%)
Other operational costs	(883.042)	(1,62%)	(1.210.011)	(2,12%)
Added Value	40.620.350	74,35%	41.338.996	72,38%
Labour costs	(28.167.646)	(51,56%)	(28.693.998)	(50,24%)
Other administration costs	(2.567.651)	(4,70%)	(2.829.086)	(4,95%)
Gross Operating Result (EBITDA)	9.885.053	18,09%	9.815.912	17,19%
Credit Devaluation Fund Allocation	(258.703)	(0,47%)	(149.928)	(0,26%)
Amortizations	(3.781.534)	(6,92%)	(3.358.167)	(5,88%)
Other allocations	(31.929)	(0,06%)	(1.264)	(0,00%)
Operational Profit (EBIT)	5.812.887	10,64%	6.306.553	11,04%
Net financial proceeds (charges)	605.944	1,11%	1.379.364	2,42%
Ordinary Result	6.418.831	11,75%	7.685.917	13,46%
Revaluations and depreciation	170.144	0,31%	88.901	0,16%
Net extraordinary proceeds (charges)	227.684	0,42%	323.086	0,57%
Pre-tax Result	6.816.659	12,48%	8.097.904	14,18%
Income tax	(3.571.998)	(6,54%)	(4.446.618)	(7,79%)
Pre-third Party Fee Result	3.244.661	5,94%	3.651.286	6,39%
Third party fee (profit)/loss	(1.404.122)	(2,57%)	(1.084.391)	(1,90%)
Profit (loss) of the period	1.840.539	3,37%	2.566.895	4,49%

CAD IT Group Consolidated Property Position	31/12/2003	31/12/2002
Asset Activities		
Non-material assets	10.601.258	12.432.885
Material assets	13.140.788	13.736.187
Other asset activities	7.089.154	6.773.625
Total Asset Activities	30.831.200	32.942.697
Current Activities		
Net commercial activities with clients	24.388.358	28.520.891
Final balance	950.106	323.553
Other current activities	924.633	3.822.248
Accrued Income and Rediscounts	206.418	184.088
Total Current Activities	26.469.515	32.850.780
Current Liabilities		
Payments to clients	30.000	133.971
Commercial debts to suppliers	4.254.162	4.195.316
Debts to other financiers	338.590	355.722
Other current liabilities	6.209.172	6.830.072
Tributary debts	1.328.737	1.327.936
Accrued Expenses and Rediscounts	414.813	118.853
Total Current Liabilities	12.575.474	12.961.870
Net Capital of the period	13.894.041	19.888.910
End report handling	4.769.385	4.009.989
Net Invested Capital	39.955.856	48.821.618
Own means and net financial borrowing		
Total Net Property of the Group	51.228.895	77.944.755
Third-party Property	2.679.642	2.256.270
Mid to long-term bank debts	-	-
Risk and Charges funds	174.738	96.500
Short-term net borrowing (availability)	(14.127.419)	(31.475.907)
Total own means and net financial borrowing	39.955.856	48.821.618

CAD IT Group financial statement
al 31/12/2003
al 31/12/2002
FINANCIAL ACTIVITIES
Profit (loss) of the period **1.840.539** **2.566.895**
Amortizations:

- material assets	1.012.643	794.959
- non-material assets	1.558.244	1.351.342
- consolidation differences	1.210.647	1.211.866

Fund allocations:

- end report handling	1.380.747	1.335.537
- other risks	31.929	1.264

 Increase/(Use) of funds for risk and charges **46.309** **71.873**
subtotal **7.081.058** **7.333.736**

 Payment for end report handling **(621.351)** **(471.059)**

 (Increase)/Decrease in money credits **7.030.149** **(302.241)**

 (Increase)/Decrease in cash balance **(626.553)** **(176.884)**

 (Increase)/Decrease in accrued income and rediscounts **(22.330)** **12.051**

 Increase/(Decrease) in debts to suppliers **(149.603)** **(2.593.154)**

 Increase/(Decrease) in accrued expenses and rediscounts **295.960** **57.681**

 Increase/(Decrease) in debts to other financiers **(17.132)** **355.722**

 Increase/(Decrease) in other non-financial debts **(515.621)** **(951.804)**
Subtotal **5.373.519** **(4.069.688)**
(A) - Monetary flow from (for) business activities **12.454.577** **3.264.048**
INVESTMENT ACTIVITIES

 (Increase)/Decrease in controlled companies evaluated with the Net Property Method **(184.335)** **(26.900)**

 (Increase)/Decrease in non-material assets **(937.264)** **(2.029.972)**

 (Increase)/Decrease in material assets **(417.244)** **(5.366.764)**

 (Increase)/Decrease in other assets **(4.281)** **(1.556)**

 Unconsolidated controlled company share purchasing **123.087** **(47.745)**

 (Increase)/Decrease in associated company shares **(250.000)** **991**

 (Increase) /Decrease in other shares and securities **(1.670.037)** **(7.471.946)**
(B) - Monetary flow from (for) investment activities **(1.670.037)** **(7.471.946)**
FINANCING ACTIVITIES

 Increase/(Decrease) financial debts **(26.940.000)**

 Increase/(Decrease) PN reserves (extraordinary dividend) **(26.940.000)**

 Effects on consolidation reserves **-**

 Third party property **423.372** **435.356**

 Ordinary dividend payment **(1.616.400)** **(5.837.000)**

 Increase in capital **(28.133.028)** **(5.401.644)**
(C) - Monetary flow from (for) financing activities **(28.133.028)** **(5.401.644)**
(A+B+C) - Liquid assets availability flows **(17.348.488)** **(9.609.542)**

 Net available liquid assets at the beginning of the period **31.475.907** **41.085.449**
Net available liquid assets at the end of the period **14.127.419** **31.475.908**