

CAD IT: THE BOARD OF DIRECTORS APPROVES THE SIX-MONTHLY REPORT AT 30TH JUNE 2006

The results of the CAD IT Group in the first half of 2006 recorded Production Revenues of Euro 26 million, in line with the Euro 26.1 million recorded for the same period of the previous year.

The other income margins are as follows:

EBITDA equal to Euro 4.6 million compared to Euro 4.7 million in the first half of 2005;

EBIT equal to Euro 3.8 million compared to Euro 4 million in the first half of 2005;

Net profit results equal to Euro 1.1 million compared to the Euro 1.5 million of the same period in the previous year.

The Net Consolidated Financial Position is in credit by Euro 9.1 million, showing an increase compared to the Euro 8.3 million at 31st December 2005.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market, met today to discuss the figures for the half year report 2006.

The main results in the Consolidated profit and loss account for the **first six months of 2006** are as follows:

- **Production Revenues** of Euro 26 million (Euro 26.1 million in the first six months of 2005). Increases in internal assets came to Euro 2.5 million compared to the Euro 2.7 million of the same period in the previous year;
- **Gross Operational Result (EBITDA)** of Euro 4.6 million, in line with the Euro 4.7 million of the first half of 2005;
- **Operational Result (EBIT)** of Euro 3.8 million compared to Euro 4 million in the first half of 2005;
- **Net profit** of Euro 1.1 million compared to Euro 1.5 million in the first six months of 2005. This income margin was also substantially influenced by the devaluation of shareholdings belonging to the Group and classified among the activities available for sale in accordance with the IAS/IFRS international accounting standards.

The **Net Consolidated Financial Position** at 30th June 2006 is in credit by Euro 9.1 million showing an increase compared to the Euro 8.3 million at 31st December 2005. This increase is mainly due to cash flows generated by operating activities, despite paying dividends last May to the total of about Euro 1.6 million.

Consolidated profit and loss account

<i>(thousands of euro)</i>	<i>Period 2006</i> <i>01/01 - 30/06</i>		<i>Period 2005</i> <i>01/01 - 30/06</i>		<i>Variations</i>
Income from sales and services	23,321	89.9%	23,351	89.6%	(30)
Variations in stock of products being elaborated					
Changes in ongoing orders	118	0.5%			118
Asset increases due to internal work	2,478	9.5%	2,690	10.3%	(212)
Other revenue and receipts	38	0.1%	12	0.0%	26
Production value	25,955	100.0%	26,053	100.0%	(98)
Costs for raw materials, subsidiaries and consumer goods	(573)	(2.2%)	(402)	(1.5%)	(172)
Service costs	(4,482)	(17.3%)	(4,087)	(15.7%)	(394)
Other operational costs	(356)	(1.4%)	(444)	(1.7%)	88
Added value	20,544	79.2%	21,120	81.1%	(575)
Labour costs	(14,805)	(57.0%)	(15,293)	(58.7%)	488
Other administrative expenses	(1,149)	(4.4%)	(1,160)	(4.5%)	11
Gross operational result (EBITDA)	4,590	17.7%	4,666	17.9%	(76)
Allocation to Credit Depreciation Fund			(3)	(0.0%)	3
Amortizations:					
- Intangible fixed asset amortization	(381)	(1.5%)	(281)	(1.1%)	(100)
- Tangible fixed asset amortization	(403)	(1.6%)	(393)	(1.5%)	(10)
Other allocations					
Operational result (EBIT)	3,806	14.7%	3,989	15.3%	(183)
Net financial receipts (charges)	88	0.3%	158	0.6%	(70)
Ordinary result	3,894	15.0%	4,146	15.9%	(252)
Revaluations and depreciations	(457)	(1.8%)	(228)	(0.9%)	(229)
Pre-tax and pre-third party share result	3,437	13.2%	3,919	15.0%	(482)
Income taxes	(2,203)	(8.5%)	(2,341)	(9.0%)	139
Third party (profit)loss for the period	(120)	(0.5%)	(81)	(0.3%)	(39)
Profit (loss) for the period	1,115	4.3%	1,496	5.7%	(520)
<i>(euro)</i>					
Profit per share	0.12		0.17		

Consolidated balance sheet

	31/12/2005 <i>(thousands of euro)</i>	30/06/2006	30/06/2005
Assets			
20,943 Assets, equipment and machinery		20,810	20,614
1,527 - Land		1,527	1,527
15,447 - Buildings		15,386	15,439
2,770 - Plant and equipment		2,642	2,329
1,199 - Other assets		1,256	1,319
- - Assets under construction and payments on account		-	-
19,156 Intangible assets		21,231	17,151
8,309 - Goodwill		8,309	8,309
- - Development costs		-	-
2,814 - Industrial patents and similar rights		3,159	617
143 - Licences, trademarks and similar rights		118	321
7,891 - Assets under development		9,644	7,266
- - Intangible assets		-	638
153 Holdings		153	194
3,087 Other financial assets available for sale		2,691	3,192
59 Other non-current credits		55	68
283 Credits due to deferred taxes		279	397
43,682 TOTAL NON-CURRENT ASSETS		45,219	41,616
647 Stock		639	436
336 Ongoing orders		454	435
24,865 Commercial credits and other credits		27,074	24,738
1,252 Tax credits		82	146
- Financial assets available for sale		-	-
9,789 Cash on hand and other equivalent assets		10,161	16,827
36,889 TOTAL CURRENT ASSETS		38,410	42,582
Non-current assets for sale		-	45
80,571 TOTAL ASSETS		83,629	84,244

31/12/2005	<i>(thousands of euro)</i>	30/06/2006	30/06/2005
Liabilities			
4,670	Company capital	4,670	4,670
35,298	Reserves	35,337	35,341
13,575	Accumulated profits/losses	13,072	13,579
53,543	TOTAL NET PATRIMONY OF THE GROUP	53,079	53,589
2,570	Third party net patrimony	2,626	2,406
2,374	- third party capital and reserves	2,506	2,325
196	- third party profit/(loss)	120	81
56,113	TOTAL NET PATRIMONY	55,705	55,995
374	Financing	364	310
3,354	Liabilities due to deferred taxes	3,432	3,239
6,437	TFR and quiescence reserves	6,458	6,150
25	Expense and risk reserves	25	25
10,189	TOTAL non-current liabilities	10,279	9,724
4,183	Commercial debts	6,335	5,534
2,559	Tax debts	3,195	5,233
1,121	Short-term financing	670	331
6,405	Other debts	7,445	7,427
14,268	TOTAL current liabilities	17,644	18,524
80,571	TOTAL LIABILITIES AND NET PATRIMONY	83,629	84,244

Consolidated Cash Flow Statement of CAD IT Group

31/12/2005		30/06/2006
	<i>(thousands of euro)</i>	
<u>OPERATING ACTIVITIES</u>		
1,517	Profit (loss) for the period	1,115
Amortisation and depreciation:		
901	- Tangible fixed assets	403
588	- Intangible fixed assets	381
Accruals:		
1,687	- Employees' leaving entitlement	424
	- Other provisions	
15	Increase/(Decrease) in provisions for contingencies and other charges	12
4,708	Sub-total	2,335
(853)	Utilisation of employees' leaving entitlement	(415)
4,212	Increase/(Decrease) in receivables included under assets forming part of working capital	(1,814)
(73)	(Increase)/Decrease in inventory	(110)
4	(Increase)/Decrease in accrued income and deferred expenses	(396)
764	Increase/(Decrease) in accounts due to creditors	89
155	Increase/(Decrease) in accrued expenses and deferred income	2,063
46	Increase/(Decrease) in sums due to other financial institutions	(53)
(3,075)	Increase/(Decrease) in other non-financial payables	2,928
1,180	Sub-total	2,292
5,887	(A) - Cash flows from (for) operating activities	4,628
<u>INVESTING ACTIVITIES</u>		
115	(Increase)/ Decrease in investments in subsidiary companies valued using the equity method	
(5,069)	(Increase)/Decrease in intangible fixed assets	(2,456)
(917)	(Increase)/Decrease in tangible fixed assets	(270)
5	(Increase)/Decrease in other fixed assets	4
16	(Increase)/Decrease in investments in associated companies	(1)
2,935	(Increase)/Decrease in other investments and securities	396
(2,916)	(B) - Cash flows from (for) investing activities	(2,326)
<u>FINANCING ACTIVITIES</u>		
	Increase/(Decrease) in financial payables	
(2,737)	Increase/(Decrease) in IFRS transition reserve	
51	Increase/(Decrease) in reserve for fin. assets avail. for sale	40
(24)	Effects on consolidation reserve	(2)
(6)	Third party net patrimony	56
(2,963)	Distribution of dividends	(1,616)
	Capital injections	
(5,679)	(C) - Cash flows from (for) financing activities	(1,522)
(2,708)	(A+B+C) - Total cash flows	779
11,055	Opening liquid funds	8,347
8,347	Closing liquid funds	9,126



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, Florence, 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.

For further information:

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