

CAD IT: THE BOARD OF DIRECTORS APPROVES THE 2006 BALANCE AND THE PROPOSAL FOR AN ORDINARY DIVIDEND OF €0.29 PER SHARE

The CAD IT Group closed 2006 with Production Revenues of Euro 52.2 million, a 4% growth compared to the previous year (€50.1 million)

Compared to the previous year all income margins show an increase:

- *EBITDA equal to Euro 9 million, a 29% increase;*
- *EBIT equal to Euro 7.4 million, a 34% increase;*
- *Net profit equal to Euro 3 million, a 95% increase.*

The Net Consolidated Financial Position is in credit by Euro 8.1 million.

At the shareholders meeting a proposal for a payment of an ordinary dividend of €0.29 per share will be made, an increase of 61% compared to the €0.18 per share given in 2005.

The Board of Directors of CAD IT S.p.A., leader in the Italian financial software market, and quoted on the Italian stock exchange "STAR" has today approved the Draft of the Balance and the Consolidated Balance for 2006.

Based on the results of the 2006 financial year, the Board of Directors has decided to propose the distribution of an ordinary dividend of €0.29 per share. The dates for dividends and dividends payment will be the 14th and 17th May 2007.

The Consolidated Balance at 31st December 2006 shows:

- **Production Revenues** of Euro 52.2 million, an increase of 4% compared to the Euro 50.1 million registered in 2005; production revenues showed a €4.4 million increase in intangible assets due to internal work.
- **Gross Operational Result (EBITDA)** of Euro 9 million (17.3% of Production Revenues) showing an increase of 29% compared to the Euro 7 million in 2005 (14% of Production Revenues);
- **Operational Result (EBIT)** of Euro 7.4 million (14.1 7% of Production Revenues) showing a 34% increase compared to the Euro 5.5 million in 2005 (11% of Production Revenues);
- **Pre-tax profit** stands at Euro 7.6 million, a 37.3 % increase compared to the Euro 5.5 million of the previous financial year. In the approval phase of the final quarterly report, the 2006 pre-tax profit was Euro 7.3 million. The approved figures vary from those in the actual quarterly report of 13/02/2006 due to a different calculation of the fair value of shares accounted as "available for sale". The Board of Directors, given the extremely positive progress of the share during the first few months of 2007, maintains that the negative variation in the shared company's fair value at 31/12/2006, registered in the assets available for sale, is not a reduction to be included in the profit and loss account and the value variation has therefore been directly registered in the net patrimony reserve;



- **Net Profit** of Euro 3 million, equal to 5.7% of Production Revenues, an increase of 95% compared to the Euro 1.5 million on the previous financial year.

Furthermore, CAD IT also reports that the **Net Consolidated Financial Position** at 31st December 2006 was positive, standing at Euro 8.1 million and in line with the Euro 8.3 million of the previous financial year, despite dividend payments of Euro 1.6 million relating to the 2005 financial period.

The CAD IT S.p.A. Board of Directors will summon a first Ordinary Shareholders' Meeting to be held at the company offices in Verona on **30th April 2007** with a second summoning on 8th May 2007 to approve the balance budget.

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 a leader in the Italian software market for the banking sector with its main product, Financial Area, a programme which completely manages all functions connected with 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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Consolidated financial statements of CAD IT Group

Consolidated balance sheet

<i>(in thousands of euro)</i>	31/12/2006	31/12/2005	Variations	Var. %
Assets				
A) Non-current assets				
Assets, equipment and machinery	20.592	20.943	(351)	(1,68%)
Intangible assets	14.452	10.847	3.604	33,23%
Goodwill	8.309	8.309	(0)	(0,00%)
Holdings	152	153	(1)	(0,52%)
Other financial assets available for sale	2.787	3.087	(300)	(9,72%)
Other non-current credits	46	59	(13)	(21,98%)
Credits due to deferred taxes	322	283	40	13,98%
TOTAL NON-CURRENT ASSETS	46.660	43.682	2.979	6,82%
B) Current assets				
Stock	660	647	12	1,93%
Ongoing orders	392	336	56	16,82%
Commercial credits and other credits	26.276	24.865	1.412	5,68%
Tax credits	54	1.252	(1.198)	(95,66%)
Cash on hand and other equivalent assets	9.529	9.789	(260)	(2,65%)
	-	-	-	
TOTAL CURRENT ASSETS	36.912	36.889	23	0,06%
C) Non-current assets for sale				
TOTAL ASSETS	83.572	80.571	3.002	3,73%
LIABILITIES				
A) Net patrimony				
Company capital	4.670	4.670	-	
Reserves	34.997	35.298	300	(0,85%)
Accumulated profits/losses	14.918	13.575	1.343	9,89%
TOT NET PATRIMONY OF THE GROUP	54.585	53.543	1.042	1,95%
Third party net patrimony	2.708	2.570	138	5,36%
TOTAL NET PATRIMONY	57.293	56.113	1.180	2,10%
B) Non-current liabilities				
Financing	308	374	(66)	(17,78%)
Liabilities due to deferred taxes	3.546	3.354	193	5,74%
TFR and quiescence reserves	6.915	6.437	479	7,44%
Expense and risk reserves	25	25	-	
TOTAL NON-CURRENT LIABILITIES	10.794	10.189	605	
C) Current liabilities				
Commercial debts	4.623	4.183	440	10,52%
Tax debts	3.227	2.559	667	26,08%
Short-term financing	1.138	1.121	17	1,52%
Other debts	6.497	6.405	92	1,44%
TOTAL CURRENT LIABILITIES	15.485	14.268	1.217	8,53%
TOTAL LIABILITIES AND NET PATRIMONY	83.572	80.571	3.002	3,73%

Consolidated profit and loss account

<i>(in thousands of euro)</i>	Period 2006		Period 2005		Variations	
	01/01 - 31/12		01/01 - 31/12			
Income from sales and services	47.669	91,2%	44.889	89,5%	2.780	6,2%
Variation in stock of products being elaborated			32	0,1%	(32)	(100,0%)
Changes in ongoing orders	56	0,1%	(469)	(0,9%)	525	(112,0%)
Asset increases due to internal work	4.406	8,4%	5.645	11,3%	(1.239)	(21,9%)
<i>of which related parties</i>	1.908	3,7%	2.717	5,4%	(809)	(29,8%)
Other revenues and receipts	111	0,2%	43	0,1%	68	156,8%
Production value	52.243	100,0%	50.142	100,0%	2.101	4,2%
Costs for raw materials, subsidiaries and consumer goods	(1.223)	(2,3%)	(984)	(2,0%)	(239)	24,3%
Services costs	(8.923)	(17,1%)	(8.807)	(17,6%)	(116)	1,3%
Other operational costs	(1.035)	(2,0%)	(1.055)	(2,1%)	20	(1,9%)
Added value	41.062	78,6%	39.295	78,4%	1.767	4,5%
Labour costs	(29.670)	(56,8%)	(29.998)	(59,8%)	328	(1,1%)
Other administrative expenses	(2.350)	(4,5%)	(2.280)	(4,5%)	(70)	3,1%
<i>of which related parties</i>	(1.050)	(2,0%)	(1.033)	(2,1%)	(17)	1,6%
Gross operational result (EBITDA)	9.042	17,3%	7.017	14,0%	2.025	28,9%
Allocation to Credit Depreciation Fund	(3)	(0,0%)	(23)	(0,0%)	20	(87,7%)
Amortizations:						
- Intangible fixed assets amortization	(835)	(1,6%)	(588)	(1,2%)	(247)	42,0%
- Tangible fixed assets amortization	(825)	(1,6%)	(901)	(1,8%)	75	(8,4%)
Other allocations						
Operational result (EBIT)	7.380	14,1%	5.506	11,0%	1.874	34,0%
Net financial receipts	281	0,5%	343	0,7%	(62)	(18,1%)
Net financial charges	(124)	(0,2%)	(116)	(0,2%)	(8)	7,0%
Ordinary result	7.536	14,4%	5.733	11,4%	1.803	31,5%
Revaluations and depreciations	27	0,1%	(224)	(0,4%)	251	(112,0%)
Pre-tax and pre-third party share result	7.563	14,5%	5.509	11,0%	2.055	37,3%
Income taxes	(4.303)	(8,2%)	(3.796)	(7,6%)	(507)	13,4%
Third party (profit) loss for the period	(300)	(0,6%)	(196)	(0,4%)	(103)	52,6%
Profit (loss) for the period	2.961	5,7%	1.517	3,0%	1.444	95,2%

Consolidated Cash Flow Statement

<i>(in thousands of euro)</i>	Year 2006	Year 2005
<u>OPERATING ACTIVITIES</u>		
Profit (loss) for the period	2.961	1.517
Amortization and depreciation:		
- Tangible fixed assets	825	901
- Intangible fixed assets	835	588
Net financial (receipts)/charges	(160)	(231)
Accruals - Employees' leaving entitlement	1.429	1.687
Accruals - Other provisions	0	0
Increase/(Decrease) in provisions for contingencies and other charges	(154)	15
Sub-total	5.736	4.477
Utilization of employees' leaving entitlement	(796)	(853)
(Increase)/Decrease in receivables included under assets forming part of working capital	(1.283)	5.268
(Increase)/Decrease in inventory	(69)	(73)
(Increase)/Decrease in accrued income and deferred expenses	(93)	4
Increase/(Decrease) in accounts due to creditors	679	764
Increase/(Decrease) in accrued expenses and deferred income	(256)	155
Increase/(Decrease) in sums due to other financial institutions	(53)	46
Increase/(Decrease) in other non financial payables	14	(52)
Increase/(Decrease) in sums payable to taxation authorities	4.356	1.949
Taxes paid in the financial period	(2.337)	(6.028)
Interest payment	(120)	(112)
Sub-total	101	1.068
(A) - Cash flows from (for) operating activities	5.836	5.544
<u>INVESTING ACTIVITIES</u>		
(Increase)/Decrease in investments in subsidiary companies valued using the equity method	0	115
(Increase)/Decrease in intangible fixed assets	(4.439)	(5.069)
(Increase)/Decrease in tangible assets	(474)	(917)
(Increase)/Decrease in other fixed assets	13	5
Income from assets available for sale	17	27
Financial income	263	315
(Increase)/Decrease in investments in associated companies	1	16
(Increase)/Decrease in other investments and securities	300	2.935
(B) - Cash flows from (for) investing activities	(4.319)	(2.573)
<u>FINANCING ACTIVITIES</u>		
Increase/(Decrease) in IFRS transition reserve	(0)	(2.737)
Increase/(Decrease) in reserve for fin. assets avail. for sale	(300)	51
Effects on consolidation reserve	(2)	(24)
Third party net patrimony	138	(6)
Distribution of dividends	(1.616)	(2.963)
Capital injections	0	0
(C) - Cash flows from (for) financing activities	(1.780)	(5.679)
(A+B+C) - Total cash flows	(263)	(2.708)
Opening liquid funds	8.347	11.055
Closing liquid funds	8.084	8.347