



CAD IT S.p.A.
FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2008

*This document has been translated into English
for the convenience of readers outside of Italy.
The original Italian version remains the definitive
and authoritative document.*

CAD IT S.p.A.

Registered office in Verona, Via Torricelli No. 44/a
 Share capital € 4,669,600 fully paid in.
 Tax code and Verona Company Register No. 01992770238
 Chamber of Commerce REA No. 210441

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Financial statements as at end for the year ended 31 december 2008

Drawn up in accordance with CONSOB resolution no. 11971 of 14 May 1999 and subsequent changes and integrations

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CORPORATE BODIES

BOARD OF DIRECTORS ¹

GIUSEPPE DAL CORTIVO
Chairman and Managing Director

LUIGI ZANELLA
Vice Chairman and Managing Director

GIAMPIETRO MAGNANI
Vice Chairman and Managing Director

PAOLO DAL CORTIVO
Managing Director

MAURIZIO RIZZOLI
Director

MICHAEL JOHN MARGETTS
Director

FRANCESCO ROSSI
Independent Director

LAMBERTO LAMBERTINI
Independent Director

BOARD OF STATUTORY AUDITORS ²

GIANNICOLA CUSUMANO
Chairman

GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

LUCA SIGNORINI
Substitute Statutory Auditor

AUDITORS



BDO SALA SCELSI FARINA
Società di Revisione per Azioni

(1) Appointed on 28 April 2006; office expires with the shareholders' meeting for the approval of the 2008 financial statements.

(2) Appointed on 28 April 2006; office expires with the shareholders' meeting for the approval of the 2008 financial statements; on 6.12.2007 the Substitute Auditor, Cesare Brena, resigned from his position.

The Chairman and Managing Director of the parent company CAD IT S.p.A., Giuseppe Dal Cortivo, is authorised to perform all ordinary and extraordinary administrative duties, excluding only those which can not be delegated by law and those assigned to the Board of Directors by article 19 of the company by-laws.

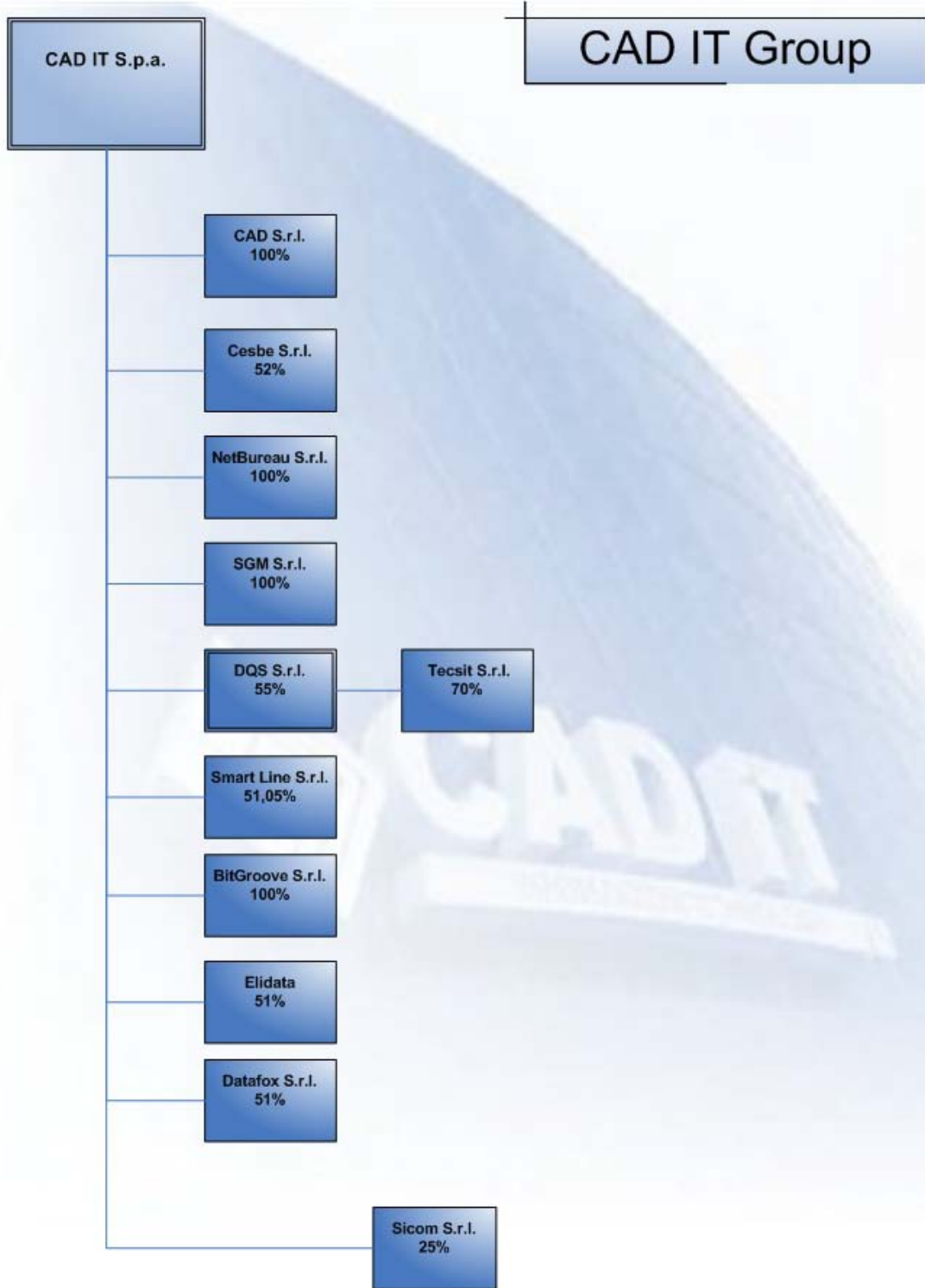
The main powers reserved in the statute to the Board of Directors are: the examination and approval of the strategic, industrial and financial plans of the company; the purchase, sale, exchange or transfer of fixed assets and real estate rights; the granting of collateral on fixed assets; the set up of new subsidiaries and the take-over, acquisition or sale of corporate investments; the acquisition, sale, exchange or transfer of the whole company or of business lines; the underwriting of obligations, commitments and responsibilities which, either singularly or jointly with other connected negotiations, come to more than €4,000,000; the nomination of managing directors; the release of warranties and real or personal guarantees of any kind to the sum of more than €2,000,000 for each individual transaction and, if in the interest of subjects other than the Company and its subsidiaries, to any sum whatsoever; the examination and preventive approval of significant transactions including those with company related parties and company subsidiaries; verification of the appropriateness of the administrative and organisational structure and the general accounting, the internal control system and any conflicts of interest.

The managing directors, Giampietro Magnani and Luigi Zanella, will have full ordinary administrative power including the faculty to prepare reports and to order banking transactions, within the limits of account availability and credit worthiness, with the power to act alone with their single signature to the maximum amount of Euro 1,000,000 (one million) for each individual transaction and with the joint signature of another managing director for amounts exceeding Euro 1,000,000 (one million) up to a maximum of Euro 3,000,000 (three million) for each individual transaction. Moreover, each of them will also be authorised to acquire and/or sell registered moveable assets with their single signature.

The Managing Director Paolo Dal Cortivo is authorised to represent the company before the institutional investors and the shareholders, and before Borsa Italiana S.p.A., the Italian Stock Exchange company, and Consob. The Managing Director, Paolo Dal Cortivo, on behalf and in the interests of the Company, is responsible for the drawing up and signing of contracts with clients for the supply of goods and/or services up to the amount of € 500,000 per contract.

The Managing Directors are authorised to represent the company to the extent, and within the limits, of the proxies received.





CAD IT Group at 31/12/2008

DIRECTORS' REPORT ON OPERATIONS

This management report is an integral part of CAD IT S.p.A.'s annual financial report at 31/12/2008 and includes references to the important events which occurred during the financial year and their incidence on the balance sheet and consolidated balance, together with a description of both CAD IT S.p.A.'s and the Group's primary risks and uncertainties.

The balance sheet at 31st December 2008 was drafted to conform with the applicable international accounting standards recognised in the European Community in accordance with EC regulation no. 1606/2002 issued by the European Parliament and Council on 19th July 2002 and with the provisions laid down in art. 9 of Leg. Dec. no. 38/2005, as well as in observance of Consob regulation no. 11971 of 14th May 1999 and subsequent modifications and integrations.

CAD IT S.p.A. is obliged to draft a consolidated balance to which reference may be made for further information on the Group's result and economic-financial situation.

Unless otherwise indicated, the monetary quantities in the accounting tables and those quoted in the notes, are expressed in thousands of Euro. Any modest differences that may arise from rounding off figures to thousands of Euro will be considered irrelevant. Due to this rounding off, the sum of the details in some charts containing specific figures may differ from the total amount.

Information on CAD IT S.p.A.

CAD IT was set up as a joint stock company under Italian law.

The registered office and the administrative and operating offices are in Via Torricelli 44/a, Verona.

The company is registered in the Verona Company Register under no. 01992770238.

Share capital amounts to € 4,669,600, fully subscribed and paid-in, and comprises 8,980,000 ordinary shares.

The company is listed in the STAR market of the Italian stock exchange.

These shares are nominal and cannot be divided. Each of them entitles to one vote in the ordinary and extraordinary meetings of the company and to the execution of all other corporate and property rights in accordance with the law and the company's by-laws.

CAD IT S.p.A. is not subject to the control of any other company, as provided by article 2359 of the Italian Civil Code and it is fully responsible for defining its own general and operational strategic policies. CAD IT S.p.A. manages and coordinates its own subsidiaries.

Activities of the Group

CAD IT is the leader of a group that is one of the most dynamic organisations in the Italian information technology sector.

For almost 30 years, the Group has been dealing with the banking and insurance market and the world of business and public administration by offering software solutions, maintenance, personalisation, integration and other correlated services from application management to outsourcing, consultancy to training.

The CAD IT Group operates in Italy with its own branches and Group companies. Its Head Office is in Verona but there are other units in Milan, Rome, Florence, Bologna, Mantua, Prato 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 negotiation, settlement and administration of security transactions, debentures, derivatives (in any currency) and adopted by 60% of Italian banking outlets.

In addition, the Group boasts 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 make up the newest sector but they capitalize the Group's traditional abilities like its 20-year experience in developing computer systems for public body.



Synthesis of CAD IT's results

The most significant results of the profit and loss account are shown in the table below:

	Period 2008		Period 2007		Variations	
	01/01 - 31/12		01/01 - 31/12			%
Production value	50,944	100.0%	39,675	100.0%	11,269	28.4%
Added value	28,098	55.2%	28,475	71.8%	(377)	(1.3%)
Gross operational result (EBITDA)	9,457	18.6%	10,738	27.1%	(1,281)	(11.9%)
Operational result (EBIT)	6,388	12.5%	8,713	22.0%	(2,325)	(26.7%)
Ordinary result	7,680	15.1%	9,243	23.3%	(1,563)	(16.9%)
Pre-tax and pre-third party share result	7,224	14.2%	10,030	25.3%	(2,806)	(28.0%)
Income taxes	(2,589)	(5.1%)	(3,463)	(8.7%)	874	(25.2%)
Profit (loss) for the period	4,635	9.1%	6,567	16.6%	(1,932)	(29.4%)

Analysis of CAD IT S.p.A. income results

CAD IT S.p.A.'s 2008 financial period is to be considered as positive both in terms of margins and results.

The Value of Production, higher by 28.4%, reached Euro 50,944 thousand compared to Euro 39,675 thousand in the previous financial period. This continual growth is mainly due to the transfer of some contractual client relations from CAD S.r.l. to the parent company.

The company has continued with its investment plans aimed at creating new procedures in order to be able to offer innovative solutions and to be increasingly more competitive. The value of production includes increases in internal intangible assets to the amount of Euro 2,442 thousand (Euro 1,307 thousand in the previous year).

The added value of Euro 28,098 thousand (previously Euro 28,475 thousand) represents 55.2% of the value of production (71.8% in the previous financial period), and shows a contained decrease (-1.3%) compared to the previous year. This consistent reduction in marginalisation is due, as mentioned previously, to the transfer of contractual relations to CAD IT S.p.A. from CAD S.r.l., which caused an increase in earnings from sales and services and the contextual increase in costs for services to the latter subsidiary.

The gross operational result (EBITDA) of Euro 9,457 thousand, equal to 18.6% of the value of production, suffered a reduction of Euro 1,281 thousand (-11.9%) compared to the Euro 10,738 thousand in 2007, equal to 27.1% of the value of production; the cause can mainly be put down to the labour cost trend which increased by Euro 847 thousand (+5%) compared to 2007 following the renewal of employment contracts and staff pay rises as well as the actuarial gains (Euro 192 thousand) on the TFR (severance pay) debt which benefitted the previous year.

The operational result (EBIT) stood at Euro 6,388 thousand (previously Euro 8,713 thousand), equal to 12.5% of the value of production, compared to 22% in the previous financial period. The decrease in marginality (-26.7% equal to Euro 2,325 thousand), as well as the increase in the Value of Production denominator, is due to an increase in intangible asset amortisations (+97.3% equal to Euro 1,147 thousand), following the activation of amortization plans for capitalized software procedures in this current financial period and previous ones. The sum of all of the amortizations comes to Euro 2,970 thousand compared to Euro 1,819 thousand in the previous year.

The financial management result has clearly improved and thus reduces the marginalisation difference between 2008 and 2007 of the ordinary Result of Euro 7,680 thousand (previously Euro 9,243 thousand). Financial earnings of Euro 1,325 thousand (+123.8% compared to Euro 592 thousand in 2007) mainly increased due to dividends paid to subsidiaries and a greater stock of liquid and equivalent assets.

The pre-tax profit of Euro 7,224 thousand (Euro 10,030 thousand in 2007) was affected by the calculation of activities available for sale made up of shareholdings in quoted companies and which, in 2008, caused the

registration in the profit and loss account of a Euro 456-thousand devaluation due to a drop in value compared to a Euro 894-thousand revaluation in the previous financial period following their partial transfer.

Income taxes amounted to Euro 2,589 thousand compared to Euro 3,463 thousand in 2007. Tax incidence was 35.84%, while this figure was 34.53% in 2007. The taxes were affected by the abolition of the extra reductions and IRAP, whose incidence tends to increase when pre-tax results drop.

The 2008 result came to Euro 4,635 thousand, equal to 9.1% of the value of production, compared to Euro 6,567 thousand, equal to 16.6%, in the previous financial year.

Financial indicators

In order to better understand the Company's situation, trend and result, below are some financial indicators that compare the two financial periods of reference.

Patrimonial soundness analysis aims at studying the company's ability to maintain financial equilibrium in the medium-to-long term. This ability depends on two types of reasoning:

- financing modality for medium/long-term uses;
- the composition of financing sources.

In reference to the former aspect, on the assumption that the recovery time of these uses must logically be correlated to the recovery time of the sources, the indicators for studying these correlations are:

ASSET FINANCING INDICATORS		2008	2007
Primary structure margin	$\text{Shareholders' equity} - \text{Non-current assets}$	9,279	10,399
Primary structure quotient	$\text{Shareholders' equity} / \text{Non-current assets}$	1.19	1.21
Secondary structure margin	$(\text{Shareholders' equity} + \text{Non-current liabilities}) - \text{Non-current assets}$	15,693	16,897
Secondary structure quotient	$(\text{Shareholders' equity} + \text{Non-current liabilities}) / \text{Non-current assets}$	1.32	1.34

In reference to the latter aspect, regarding the composition of financing sources, the following indicators are given:

FINANCING STRUCTURE INDEXES		2008	2007
Total debt quotient	$(\text{Non current Liabilities} + \text{Current liabilities}) / \text{Shareholders' equity}$	0.51	0.41
Financial debt quotient	$\text{Financing liabilities} / \text{Shareholders' equity}$	-	-

In reference to earning capacity analysis, the following indicators, which are frequently used in company practices, are shown below:

EARNING CAPACITY INDEXES		2008	2007
Net ROE	$\text{Net result} / \text{Average Shareholders' equity}$	7.7%	11.2%
Gross ROE	$\text{Gross result} / \text{Average Shareholders' equity}$	12.1%	17.1%
ROI	$\text{Operational result} / (\text{Invested operating capital} - \text{Average operational liabilities})$	14.6%	19.4%
ROS	$\text{Operational result} / \text{Sales income}$	13.3%	22.8%

The following solvency indicators are frequently used to study the company's ability to maintain financial equilibrium in the short term, i.e. to face short-term expenses (current liabilities) with existing liquid assets (immediate liquidity) and expected short-term receipts (deferred liquidity). Consequently, on the assumption that the recovery time for uses must "logically" be correlated to the recovery time for sources, the indicators for studying this correlation are:

SOLVENCY INDICATORS		2008	2007
Availability margin	<i>Current assets – Current liabilities</i>	15,693	16,897
Availability quotient	<i>Current assets / Current liabilities</i>	1.66	1.93
Treasury margin	<i>(Deferred liquidity + Immediate liquidity) – Current liabilities</i>	15,235	16,679
Treasury quotient	<i>(Deferred liquidity + Immediate liquidity) / Current liabilities</i>	1.64	1.92

The short-term outlook

2008 saw an increasing worsening of the international economic situation and the financial crisis, which began in the USA in 2007, became more intense, particularly in the last three months. On the European front numerous governmental interventions were made to nationalize the banks in difficulty and to inject capital to protect savers and avoid blocking the interbank and credit market. These interventions have not stopped the spreading of a general mistrust of the banking system which has thus caused the crisis to become more serious for the economy and the macro-economic situation which thus slid towards profound stagnation and eventually recession.

Despite this unfavourable economic trend and especially the ongoing banking system crisis, the CAD IT Group did not suffer any particular slackening in its supply and demand in 2008 to and from its financial institution clients, thus maintaining positive results thanks to its ability to continue to invest in years of Research and Development and hold on to a strategic and leading position in the Italian financial software market.

Significant events of the period

Projects that began in May 2007 aimed at assisting the Group's financial institution clients to comply to the MiFID directive also continued during the 2008 first half period.

The MiFID directive (Market in Financial Instruments Directive), which came into force on 1st November 2007, has obliged banks and investment companies to make many changes to their operational modalities for conducting business with their clients. In fact, the financial institutions have had to review their existing processes in order to comply to the new obligations in terms of investor guarantees. The MiFID sets a new scene for national intermediaries, imposing considerable efforts to come into line but, at the same time, paves the way for new business prospects. In this context, 200 financial institutions will be using software developed by CAD IT to bring themselves in line with information technology system norms.

On 29th April 2008, the ordinary Shareholders' Meeting approved the 31/12/2007 balance and decided on the distribution of a Euro 0.70 dividend per share. The dates for coupon release and dividend payment were May 12th and 15th 2008 respectively.

As a result of adopting the new statute, approved on shareholder decision at the meeting on 30th April 2007, the Shareholder Meeting also approved the new text on Regulations for carrying out company shareholder meetings. The new Regulations are available for viewing in the Investor Relations section of the company's internet site at www.cadit.it.

On August CAD IT concluded the contract with Equitalia for the supply of application management services and the evolutionary maintenance of its own procedures. Following the tax collection system reform introduced by Article 3, Leg. Dec. no 203 of 25th September 2005, the national concession system for tax collection was abolished and the tax service was then granted to the Tax Office responsible, under a private monopoly scheme, through Equitalia S.p.A (already known as Riscossione S.p.A.). Equitalia S.p.A directly carries out functions concerning tax collection or uses collection agents, i.e. companies that are already national collection service agencies, whose shareholdings are owned by Equitalia S.p.A, and other firms that are part of company branches given over to Equitalia S.p.A. by banks that were already national collection service agencies. The contract involves application management services including corrective and evolutionary maintenance of tax collection software procedures already operational at some Collection Agencies. The contract is worth a total of about Euro 3.9 million. The duration, and consequently the financial impact that it will give rise to, is for 17 months as of 1st



August 2008.

In October, CAD IT, as proxy agent for a Temporary Company Grouping, won the contract for the supply of an applicative platform for operational management in the “Third Party and Property Investment Services” sector and the relative services for Poste Italiane S.p.A. This project foresees the supply of the licence to use the CAD IT “Financial Area” platform and its relative activation services, *Application Management* and ordinary maintenance. In terms of the total value of this contract, which amounts to about 10 million Euros, the CAD IT Group stands to gain Euro 9.6 million. The contract, and therefore the economic effects deriving from it, has a three-year duration as of the date of signing. With Poste Italiane, CAD IT can count yet another important Financial Institution among its client reference list.

CAD IT's and Group research and development

In relation to activities aimed at consolidating traditional business, the production of new modules to increase the functional and technological development of the considerable range of software installed remains constant within the Group.

The creation and use of new computer systems aimed at diversifying the Group's offer towards those sectors bordering on the ones in which it is already present, is still underway.

As regards new projects, development are continuing on the SIBAC GS platform, which is a fundamental element for the Group's strategic growth.

Specialised modules are continuing to be used in the business intelligence sector (Sistema Informativo Direzionale – Managerial Information System). CAD IT and Smart Line S.r.l. are continuing to invest in order to enrich their offer of solutions and services aimed at Public Administration and Consortiums for local taxation management.

The CAD IT Group, in terms of the development of its own products, is also creating solutions linked to the new regulations and further procedures aimed at diversification for new business sectors such as insurance (Area Finanza for insurances) and new software modules aimed at the international market (Easy Match).

Investments

Investments in tangible and intangible fixed assets made by the company in the year 2008 amount to Euro 2,891 thousand (Euro 2,479 thousand in the same previous year period).

The consisting amount of investments is a consequence of strategic decisions taken by the directors' meeting and management that approved investments to develop several new products needed by its own customers.

As planned, investments were reduced during the year and a further gradual reduction in respect of last year's figures is forecast for future financial periods.

<i>Summary of investments</i>	<i>2008</i>	<i>2007</i>
Intangible fixed assets	129	53
Assets under development and payments on account	2,562	2,139
Plant, machinery, equipment and other tangible fixed assets	200	287
<i>Total investments</i>	<i>2,891</i>	<i>2,479</i>

Investments in intangible fixed assets mainly regard the development and purchasing of software for licensing to the clients or instrumental software to be used by the Group for its own activity.

Transactions with related party

As regards transactions made with third parties, including infra-group transactions, it is hereby declared that said

transactions are neither atypical or unusual and are a normal procedure within the activities of the Group's companies. These transactions are governed by market conditions bearing in mind the characteristics of the goods and services concerned.

Information on relations with third parties, including that required by the Consob Communication of 28th July 2006, is shown in the Consolidated Financial Statement Notes and the Financial Statement Notes.

Relationships with subsidiaries, associates and parent companies

Being the parent company, CAD IT carries out commercial and financial transactions with its subsidiary and associated companies. Relationships between the Group's companies are governed by the competitive conditions of the market, bearing in mind the quality of the goods and services supplied.

The table below gives a summary of the income and service performances, as well as the credit and debit position of all the Group's consolidated companies, as of 31/12/2008:

Company	Costs	Capitalized costs			Turnover	Receivables	Payables
		Increases in internal work	Increases in internal work	Increases in internal work			
Cad S.r.l.	908	-	-	-	8,999	7,242	2,268
Cesbe S.r.l.	432	-	-	1	2,151	2,136	81
NetBureau S.r.l.	38	-	0	-	769	440	257
DQS S.r.l.	1	-	-	-	2,591	1,042	-
SGM S.r.l.	11	-	0	-	277	724	47
SmartLine Line S.r.l.	40	-	-	1	363	242	174
BitGroove S.r.l.	57	-	2	-	607	573	146
Elidata S.r.l.	69	-	0	-	176	87	15
Datafox S.r.l.	10	-	0	-	479	149	9
Tecsit S.r.l.	1	-	-	-	-	-	2
Total	1,567	-	3	2	16,412	12,636	2,999

For further information on relations between the Group's companies, please refer to the management's report in the Consolidated Financial Statement as at 31 December 2008.

During the 2008 financial year, CAD IT purchases the activity of developing software procedures from CAD S.r.l. for the value of Euro 1,041 thousand, capitalised from ongoing intangible assets.

There have been no abnormal or unusual transactions between the CAD IT Group's companies in this financial period.

Shares held by managerial and controlling organs and by the managers with strategic responsibilities

Information on shares held by the components of the administrative and control organs, and by the managers with strategic responsibilities within the issuing company and in the companies controlled by it, is given in the following table¹:

¹ (in accordance with sheet 3, attachment 3c, of Consob Regulation no. 11971)

Name and surname	Company	Number of shares held at 31.12.2007		Number of shares bought	Number of shares sold	Number of shares held at 31.12.2008	
Dal Cortivo Giuseppe	Cad It S.p.A.	1,329,234	(1)	5,300	-	1,334,534	(1)
Magnani Giampietro	Cad It S.p.A.	1,325,721	(1)	5,300	-	1,331,021	(1)
Rizzoli Maurizio	Cad It S.p.A.	1,435,936	(2)	3,750	-	1,439,686	(3)
Zanella Luigi	Cad It S.p.A.	1,328,180	(4)	5,300	-	1,333,480	(4)
Dal Cortivo Paolo	Cad It S.p.A.	5,481		-	-	5,481	
Margetts Michael John	Cad It S.p.A.	-		-	-	-	
Lamberto lambertini	Cad It S.p.A.	-		-	-	-	
Francesco Rossi	Cad It S.p.A.	-		-	-	-	
Cusumano Giannicola	Cad It S.p.A.	-		-	-	-	
Ranocchi Gian paolo	Cad It S.p.A.	-		-	-	-	
Tengattini Renato	Cad It S.p.A.	60		-	-	60	
Dirigenti con responsabilità strategiche	Cad It S.p.A.	1,300		-	-	1,300	
(1) of which in spouse's name n.:	370,885						
(2) of which in spouse's name n.:	531,264						
(3) of which in spouse's name n.:	535,014						
(4) of which in spouse's name n.:	380,985						

Payments for any title of the main company or its direct or indirect subsidiaries to Board members or auditors are shown in the balance notes.

Corporate Governance

In conformity with the laws in force, the CAD IT S.p.A. Board of Directors annually approves the *Corporate Governance Report* in accordance with articles 124-ter TUF and 89-bis of the Consob Issuer Regulation, with the aim of supplying CAD IT S.p.A. shareholders with an adequate description of the governance system that the company adopts, with information on the ownership structure and adherence to the Governance Code for quoted companies promoted by Borsa Italian S.p.A. The report is available to the public in the Investor Relations sector of the company website: www.cadit.it.

The main risks and uncertainties to which CAD IT S.p.A. and the Group are exposed

Risks connected to the sector in which the Group operates

The principle market outlet with which the Group deals is banking and financial institutions, a sector which is not normally subject to significant critical risk. In 2008, and particularly in the last quarter, the financial markets became remarkably volatile creating considerable repercussions on the various financial institutions and, more generally, on the entire economic trend. If this considerably weak and uncertain period should continue, or should the present banking institution crisis become even worse, the market conditions risk significant and widespread deterioration with the consequent negative impact on the Group's economic, patrimonial and financial situation.

Credit risks concerning commercial relations with its clients

the Group mainly operates with banks and their associated companies and other clients of approved soundness and solvency. This is why, in previous financial periods, credit losses have been relatively insignificant; as previously shown, a further deterioration in the current financial institution crisis could be a major credit risk for the Group. If objective conditions on the partial or total irrecoverableness of a credit of an individual client should arise, the relative credit will be subject to depreciation on the basis of an estimation of recoverable flows and of



collection times. For credits that are not subject to individual depreciation, credit depreciation funds are allocated on a collective basis in correlation with the past incidence of occurred losses.

Interest rate risk

CAD IT and the Group's companies use available liquidity in bank accounts and capitalisation insurance policies and other financial resources, principally in the form of advances on commercial credits and the use of current account overdrafts. Changes in market interest rates can influence investment performance and the cost of financing affect revenues and financial outlay.

Exchange rate risk

At the moment the Group only operates marginally on an international level and is therefore not subject to exchange rate risks.

Liquidity risk

keeping up an adequate amount of liquid assets and the ability, as demonstrated in the past, to generate positive cash flows, make the risk of not having enough financial resources to fulfil the needs of the Group's activity very slight.

No operations were carried out using derivate instruments during the period since it is not the company's policy to carry out these kind of operations, whether for cover purposes or for negotiation.

Other Information

Neither CAD IT S.p.A. nor its controlled companies own, or have purchased and sold during the financial period CAD IT or their own shares, not even through trust companies or third parties.

CAD IT S.p.A. is not subject to the management and coordination of controlling companies.

During this financial period, and the previous one, no atypical or unusual operations have been carried out as defined in the Consob communication no. DEM/6064293.

In the balance report, no alternative performance indicators have been adopted with the exception of the net financial position, shown in the balance notes, for which no reclassifications have been made in terms of balance figures and relative explanations are supplied and linked to the patrimonial status entries concerned, as defined in the CESR Recommendations.

CAD IT adopts an adequate system to protect information in accordance with Leg. Dec no. 196 of 30th June 2003 "Personal data protection code". In reference to article 26 of attachment B of the Legislative Degree no. 196 of 30th June 2003, the programmatic document on security and personal data protection and the use of the measures stated within has been drafted and updated.

For information about staff that is useful for understanding and analysing the Group's trend, please refer to note 7 of the Financial Statement.

Foreseeable development and significant events since 31/12/2008

The diffusion of the financial crisis on an international level and the series of repercussions on the economy has forced the principle national and international organisms to make a general reappraisal of growth forecasts for the next year. Despite the interventions conducted by the central banks and the coordinated measures of the USA and European governments in an attempt to give the banking system support , to protect the savers and to bring trust back in the markets, 2009 is likely to be a period characterised by economic recession.

In this context the Board of Directors has placed maximum attention on market needs in order to lead the Group's management and development strategies in the right direction and to maintain high levels of efficiency so that the favourable economic results of the past can also be achieved over the next financial period.

The crisis could also be an opportunity for the Group to supply, for example, Application Management in the

restructuring or redesigning of financial institution activities and Risk Management applications for monitoring and assessing risks. The success of the Group's activities will therefore depend on its ability to maintain and increase the shares it has in the markets in which it currently operates and/or to further expand into other markets and segments (like insurance, public administration, foreign financial institutions) through new and high standard, quality products that would guarantee adequate income levels.

Furthermore, during 2009 development and commercialisation activities for new products, aimed at traditional and new clients, will continue.

The intense project activities with Xchanging UK Ltd (the company which supplies administration services to the German and British markets and which has a 10% holding share in CAD IT S.p.A.), through which the CAD IT Group aims to increase its own earnings in Italy and to geographically diversify its business, are also proceeding. The CAD IT S.p.A. managers are also constantly on the look-out for any development opportunities, whether direct or through external lines, by taking on or acquiring further holdings in order to create activities that are complimentary and synergic to existing ones.

Balance approval and profit-sharing proposal

Dear shareholders,

the 2008 financial statements of your company closed in a net profit for the year of €4,635,042.

If you agree with the criteria and accounting policies adopted in the preparation of these financial statements, we suggest that you resolve as follows:

"Having heard the Board of Directors' communications and taken note of the Board of Statutory Auditors' report to the shareholders, as per article 153 of Legislative Decree No. 58/1998, and of the auditors' report regarding the balance for the year ending 31st December 2008, the shareholders

resolve:

to approve the directors' report;

to approve the financial statements as at and for the year ended 31 December 2008 as a whole and in all their parts;

to allocate the net profit for the year of €4,635,042 as follows:

= to dividends, in the proportion of €0.50, gross of withholding tax, for each of the 8,980,000 ordinary shares	Euro	4,490,000
= to the available reserve of undistributed earnings	Euro	145,042
<i>equal to a total net profit for the year of</i>	<i>Euro</i>	<i>4,635,042</i>

The dividends will be paid starting 14 May 2009 (the dividend coupon will be detached on 11 May 2009)."

On behalf of the Board of Directors
 The Chairman
 /s/ Giuseppe Dal Cortivo



FINANCIAL STATEMENTS AT 31 DECEMBER 2008

Income statement

(Euro thousands)	NOTES	Period 2008 01/01 - 31/12		Period 2007 01/01 - 31/12		Variations	
							%
Income from sales and services		48,115	94.4%	38,268	96.5%	9,847	25.7%
<i>of which related parties</i>	35	1,903	3.7%	17,431	43.9%	(15,528)	(89.1%)
Variations in stock of products being elaborated							
Changes in ongoing orders							
Asset increases due to internal work		2,442	4.8%	1,307	3.3%	1,135	86.9%
<i>of which related parties</i>	35	1,042	2.0%			1,042	
Other revenue and receipts		387	0.8%	100	0.3%	287	285.7%
Production value	2	50,944	100.0%	39,675	100.0%	11,269	28.4%
Costs for raw	4	(254)	(0.5%)	(245)	(0.6%)	(10)	3.9%
Service costs	5	(22,245)	(43.7%)	(10,637)	(26.8%)	(11,609)	109.1%
<i>of which related parties</i>	35	(17,118)	(33.6%)	(6,845)	(17.3%)	(10,273)	150.1%
Other operational costs	6	(346)	(0.7%)	(319)	(0.8%)	(28)	8.7%
Added value		28,098	55.2%	28,475	71.8%	(377)	(1.3%)
Labour costs	7	(17,630)	(34.6%)	(16,783)	(42.3%)	(847)	5.0%
<i>of which related parties</i>	35	(423)	(0.8%)	(385)	(1.0%)	(39)	10.1%
Other administrative expenses	8	(1,011)	(2.0%)	(954)	(2.4%)	(57)	6.0%
<i>of which related parties</i>	35	(610)	(1.2%)	(607)	(1.5%)	(3)	0.4%
Gross operational result (EBITDA)		9,457	18.6%	10,738	27.1%	(1,281)	(11.9%)
Allocation and Credit Depreciation		(99)	(0.2%)	(207)	(0.5%)	108	(52.1%)
Amortizations:							
- Intangible fixed asset amortization	14	(2,325)	(4.6%)	(1,178)	(3.0%)	(1,147)	97.3%
- Tangible fixed asset amortization	13	(645)	(1.3%)	(641)	(1.6%)	(5)	0.7%
Other allocations							
Operational result (EBIT)		6,388	12.5%	8,713	22.0%	(2,325)	(26.7%)
Financial receipts	9	1,325	2.6%	592	1.5%	733	123.8%
Financial charges	9	(34)	(0.1%)	(62)	(0.2%)	28	(45.8%)
Ordinary result		7,680	15.1%	9,243	23.3%	(1,563)	(16.9%)
Revaluations and depreciations	10	(456)	(0.9%)	787	2.0%	(1,243)	(157.9%)
Pre-tax result		7,224	14.2%	10,030	25.3%	(2,806)	(28.0%)
Income taxes	11	(2,589)	(5.1%)	(3,463)	(8.7%)	874	(25.2%)
Profit (loss) for the period		4,635	9.1%	6,567	16.6%	(1,932)	(29.4%)



(Euro)

<i>Income statement</i>	<i>2008</i>	<i>2007</i>
Income from sales and services	48,114,723	38,267,869
Variations in stock of products being elaborated		
Changes in ongoing orders		
Asset increases due to internal work	2,442,000	1,306,880
Other revenue and receipts	387,033	100,353
Production value	50,943,756	39,675,103
Costs for raw	(254,082)	(244,540)
Service costs	(22,245,403)	(10,636,671)
Other operational costs	(346,334)	(318,751)
Added value	28,097,936	28,475,142
Labour costs	(17,629,872)	(16,783,344)
Other administrative expenses	(1,011,094)	(953,611)
Gross operational result (EBITDA)	9,456,970	10,738,187
Allocation and Credit Depreciation	(99,009)	(206,772)
Amortizations:		
- Intangible fixed asset amortization	(2,324,573)	(1,178,020)
- Tangible fixed asset amortization	(645,239)	(640,692)
Other allocations		
Operational result (EBIT)	6,388,149	8,712,702
Financial receipts	1,325,224	592,104
Financial charges	(33,566)	(61,903)
Ordinary result	7,679,807	9,242,902
Revaluations and depreciations	(455,803)	787,456
Pre-tax result	7,224,004	10,030,359
Income taxes	(2,588,962)	(3,463,236)
<i>Profit (loss) for the period</i>	<i>4,635,042</i>	<i>6,567,123</i>



Balance sheet

<i>(Euro thousands)</i>	NOTES	31/12/2008	31/12/2007	Variations
ASSETS				
A) Non-Current Assets				
Assets, equipment and machinery	13	19,052	19,501	(449)
Intangible assets	14	15,334	14,967	367
Holdings	15	14,684	14,684	-
Other financial assets available for sale	16	655	1,193	(538)
Other non-current credits		18	18	0
Credits due to deferred taxes	17	30	23	7
TOTAL NON-CURRENT ASSETS		49,773	50,386	(613)
B) Current Assets				0
Stock	18	30	35	(5)
Ongoing orders		-	-	-
Commercial credits and other credits	19	23,218	26,442	(3,224)
<i>of which related parties</i>	20	<i>3,010</i>	<i>12,871</i>	<i>(9,861)</i>
Tax credits	20	4,520	43	4,476
Financial assets for negotiation		-	-	-
Cash on hand and other equivalent assets	21	11,652	8,507	3,145
TOTAL CURRENT ASSETS		39,419	35,028	4,391
C) Non-current assets for sale		-	-	-
TOTAL ASSETS		89,192	85,414	3,778
LIABILITIES				
A) Equity				
Company capital	22	4,670	4,670	-
Reserves	23	35,346	35,428	(82)
Accumulated profits/losses	24	19,036	20,687	(1,651)
TOTAL EQUITY		59,052	60,785	(1,733)
B) Non-current liabilities				
Liabilities due to deferred taxes	26	3,298	3,298	(0)
TFR and quiescence reserves	27	3,117	3,201	(84)
<i>of which related parties</i>	20	<i>78</i>	<i>67</i>	<i>11</i>
TOTAL NON-CURRENT LIABILITIES		6,414	6,499	(84)
C) Current liabilities				
Commercial debts	28	14,901	11,560	3,342
<i>of which related parties</i>	20	<i>12,804</i>	<i>9,936</i>	<i>2,868</i>
Tax debts	29	5,014	2,767	2,247
Short-term financing	30	-	24	(24)
Other debts	31	3,811	3,781	30
<i>of which related parties</i>	20	<i>93</i>	<i>62</i>	<i>30</i>
TOTAL CURRENT LIABILITIES		23,726	18,131	5,595
TOTAL LIABILITIES AND EQUITY		89,192	85,414	3,778

(Euro)

ASSETS	31/12/2008	31/12/2007
A) Non-Current Assets		
Assets, equipment and machinery	19,051,971	19,500,972
Intangible assets	15,333,642	14,967,007
Holdings	14,684,012	14,684,012
Other financial assets available for sale	655,101	1,192,732
Other non-current credits	18,145	18,093
Credits due to deferred taxes	29,985	23,400
TOTAL NON-CURRENT ASSETS	49,772,856	50,386,215
B) Current Assets	-	0
Stock	29,587	34,988
Ongoing orders	-	-
Commercial credits and other credits	23,218,019	26,442,276
Tax credits	4,519,534	43,410
Financial assets for negotiation	-	-
Cash on hand and other equivalent assets	11,652,173	8,507,418
TOTAL CURRENT ASSETS	39,419,312	35,028,092
C) Non-current assets for sale	-	-
TOTAL ASSETS	89,192,168	85,414,307

LIABILITIES	31/12/2008	31/12/2007
A) Equity		
Company capital	4,669,600	4,669,600
Reserves	35,346,071	35,427,898
Accumulated profits/losses	19,036,290	20,687,248
TOTAL EQUITY	59,051,961	60,784,746
B) Non-current liabilities	-	-
Liabilities due to deferred taxes	-	-
TFR and quiescence reserves	3,297,511	3,297,511
A) Equity	3,116,795	3,201,000
TOTAL NON-CURRENT LIABILITIES	6,414,305	6,498,511
C) Current liabilities	-	-
Commercial debts	14,901,383	11,559,617
Tax debts	5,013,747	2,766,748
Short-term financing	-	23,932
Other debts	3,810,771	3,780,754
TOTAL CURRENT LIABILITIES	23,725,901	18,131,051
TOTAL LIABILITIES AND EQUITY	89,192,168	85,414,307

Statement of changes in Shareholders' equity

(Euro thousands)

	Company capital	Reserves	Accumulated profit (loss)	Period result	Equity
31/12/2005	4,670	35,298	14,024	1,627	55,618
Profit/(loss) for evaluation of available for sale financial assets recognised directly in equity		(300)			(300)
Increase in revaluation reserves					
Allocation of the period result to reserves			1,627	(1,627)	
Dividend distribution			(1,616)		(1,616)
Company capital increases					
Period result				2,690	2,690
Period end total 2006	4,670	34,997	14,035	2,690	56,391
Profit/(loss) for evaluation of available for sale financial assets recognised directly in equity		203			203
Allocation of evaluation reserve for financial assets available for sale to economic account		228			228
Increase in revaluation reserves					
Allocation of the previous period result to reserves			2,690	(2,690)	
Dividend distribution			(2,604)		(2,604)
Company capital increases					
Period result				6,567	6,567
Period end total 2007	4,670	35,428	14,120	6,567	60,785
Profit/(loss) for evaluation of available for sale financial assets recognised directly in equity		(117)			(117)
Allocation of evaluation reserve for financial assets available for sale to economic account		35			35
Increase in revaluation reserves					
Allocation of the previous period result to reserves			6,567	(6,567)	
Dividend distribution			(6,286)		(6,286)
Period result				4,635	4,635
Period end total 2008	4,670	35,346	14,401	4,635	59,052



Cash Flow Statement

<i>(Euro thousands)</i>	NOTES	2008	2007
<u>A) OPERATING ACTIVITIES</u>			
Profit (loss) for the period		4,635	6,567
Amortisation, revaluation and depreciation:			
- Assets, equipment and machinery amortisation	13	645	641
- Intangible fixed asset amortization	14	2,325	1,178
- revaluation of holding and financial assets available for sale	10	0	(894)
- devaluation of holding and financial assets available for sale		456	0
Allocations (utilisation) of funds:		(84)	(292)
Financial performance:			
- Net financial receipts (charges)	9	(1,292)	(530)
- Profit / (losses) on exchanges		0	(36)
Working capital variations		8,892	176
Income taxes paid in the financial period		(4,526)	(3,847)
Interest payment	9	(34)	(26)
(A) - Cash flows from (for) operating activities		11,017	2,936
<u>B) INVESTING ACTIVITIES</u>			
Investing activities			
- Assets, equipment and machinery purchases	13	(200)	(287)
- Intangible assets purchases	14	(2,691)	(2,192)
- Increase in investments in associated companies			0
- Increase in other fixed assets			0
Disinvestment activities			
- Assets, equipment and machinery transfers	13	4	38
- Intangible assets transfers	14	0	0
- Other assets available for sale transfers	16		2,919
Cashed Interest	9	480	255
Cashed dividends	9	845	337
(B) - Cash flows from (for) investing activities		(1,563)	1,071
<u>C) FINANCING ACTIVITIES</u>			
Medium/long term debts repayment	9		(24)
Opening of medium/long term debts			0
Distribution of dividends	25	(6,286)	(2,604)
Capital injections		0	0
(C) - Cash flows from (for) financing activities		(6,286)	(2,628)
(A+B+C) - Total cash and other equivalent assets flows		3,169	1,379
Opening liquid funds and other equivalent assets	32	8,483	7,105
Closing liquid funds and other equivalent assets	32	11,652	8,483

For the liquid asset and equivalent means reconciliation, refer to note 32

Notes to the financial statements

CAD IT S.p.A. is a joint stock company and is governed on the basis of Italian law and exercises its management and coordinated activities on its own controlled companies. CAD IT S.p.a. is not subject to other company control in accordance with art. 2359 of the civil code. The company is listed in the STAR market of the Italian stock exchange.

The registered office and the administrative and operating offices are in Via Torricelli no. 44/a, Verona, Italy.

The company is registered in the Verona Company Register under no. 01992770238.

For information and comments on the results and the economic-financial situation of the CAD IT Group, please refer to the consolidated financial statement and the relative directors' report on operations.

1 Accounting policies and evaluation criteria more important

This report has been drafted in accordance with the international IAS/IFRS accounting standards issued by the International Accounting Standard Board (IASB) and approved by the European Union

The accounting standards adopted are the same as those used for drafting the last annual balance and have been applied in the same manner throughout the periods shown; there have been no modifications in the comparative information.

This document comprises financial statements, notes to the said financial statements, management observations.

The financial statement has been drafted using the evaluation criterion of past cost, except for financial instruments available for sale, which are assessed at *fair value*, and the holdings in subsidiaries, which are assessed in accordance with the equity method. Moreover, where some land and buildings have been included in *First Time Adoption*, the *fair value* has been used instead of the cost.

This financial statement has been prepared in accordance with Consob regulation no. 11971 of 14th May 1999, and subsequent modification and integration.

Unless otherwise indicated, the monetary sums in the accounting tables and those in the notes are shown in thousands of Euro. Any minor differences deriving from rounding up figures to thousands of Euro are considered irrelevant. Due to this rounding up process, the sum of the individual entries in some of the tables containing exact figures may differ from the total amount.

Use of estimates

In accordance with the IFRS, when drafting the balance the company management formulates evaluations, estimates and hypotheses to apply the accounting standards which affect the amounts of credit and debit and the costs and revenues found in the balance. Estimates and their relative hypotheses are based on past experience and factors considered reasonable for the case concerned.

The estimates and hypotheses are reviewed on a regular basis. Any variations deriving from an accounting estimate review are shown in the period in which the review was made if such review only affects that period. If the review affects the current and future periods, the variation is recorded in the period in which the review is made and in the relative subsequent periods.

Balance sheet layout

The balance layouts have been drafted according to IAS 1 specifications and opportunely integrated with the information required by the Consob deliberation no. 15519 of 2006.

The company presents its economic account by nature, the format that is considered the most representative in terms of function presentation. In fact, the chosen format conforms to the internal reporting modalities and the business management and is in line with the way the economic account was represented in the past.

The profit and loss account is drafted in scalar format highlighting the following intermediate results:

Production revenues: this is the value of services and goods produced and sold by the Group, including internal assets and other income and earnings from the traditional offer.



Added value: obtained by subtracting the operative costs for service and asset purchases from production revenues, this measures how much of the internal production and distribution of goods and services is due to company productive factors.

Gross Operational Result (EBITDA): this figure is obtained by subtracting from the added value all of the costs that can be put down to staff and other administrative expenses. It highlights the result based on the traditional offer including depreciations, financial management, revaluations or devaluations and taxes.

Operational Result (EBIT): this figure is obtained by subtracting the depreciation and funding amounts from the gross operational result.

Ordinary Result: this includes the financial management result.

Pre-tax result: obtained by including revaluations and devaluations in the ordinary Result .

As for the patrimonial situation, a distinction has been made between current and non-current assets and liabilities.

The cash flow statement has been presented according to the indirect method so that the profit (or loss) for the period has been adjusted of any non-monetary operations and by deferments and the setting aside of future incomes or payments.

Each column in the statement of net patrimony variations reconciles the opening and closing balances for each net patrimony voice.

Subsidiaries and Associated companies

Shares in subsidiaries and associated companies, not classified as owned for sale in accordance with IFRS 5 or available for sale, have been accounted for at cost.

Property, plant and equipment

Tangible fixed assets are shown at purchase cost, including any costs that may be directly ascribable and necessary for activating the asset and putting it to the use for which it was purchased. In reference to land and buildings listed in *First Time Adoption*, the fair value was used instead of the cost.

Tangible fixed assets are shown at net value of the relative accumulated depreciations and losses due to the reduction in value determined in accordance with the modalities described below.

Tangible fixed assets are amortised in constant rates during the course of their expected useful life cycle, i.e. the estimated period of time in which the asset will be put to company use. Whenever significant parts of tangible fixed assets have different estimated useful life cycles, said components are amortised separately.

The value to be depreciated is given by the registered value of the asset net of any loss in value and reduced by its assumed value at the end of its useful life cycle, if significant and reasonably calculable.

The useful life cycle and the cash value are reassessed annually and any changes, where necessary, are brought in with a perspective application.

The main economic-technical tax rates used are the following:

industrial buildings: 3%

electrical equipment: from 5 to 10%

air conditioning equipment: from 6 to 15%

telephone systems: 20%

alarm systems: from 10 to 30%

furniture and fittings: 12%

electrical machinery: 15%

electronic machines and computers: 20%

vehicles: 25%

Land, both without buildings or next to civil and industrial constructions, is accounted for separately and not amortised as it is considered an element with an unlimited useful life cycle.

In order to calculate any losses due to depreciation, the accounting value of intangible fixed assets is subject to verification.

At the time of elimination or when no future economic benefit can be expected from the use of an asset, it is



eliminated from the balance and the eventual loss or profit (calculated as the difference between the assignment value and the taxation value) is shown in the economic account of the year in which the asset is eliminated.

Intangible fixed assets

Intangible fixed assets are shown as such when it is likely that they will bring in future economic benefits for the company and when the asset cost can be feasibly determined.

Intangible fixed assets, having a defined useful life cycle, are subsequently registered net of the relative accumulated amortizations and any losses due to a reduction in value.

The useful life cycle is reassessed annually and any changes, where necessary, are brought in with a perspective application.

Profits or losses deriving from the transfer of an intangible fixed asset are determined as the difference between the elimination value and taxation value of said asset and are reported on the economic account at the time of elimination.

Project development costs for the production of instrumental software, or those to be terminated, are registered on the credit side when they satisfy the following conditions: the costs can be feasibly determined, the product is technically feasible, the expected use and/or sale of the product indicate that the sustained costs will generate future economic benefits. In respect of the standard that correlates costs and returns, these costs are amortized as from the moment in which the activity becomes available for use, in permanent amortisation amounts for the entire duration of the product's lifecycle, estimated at five years. The costs of internally generated intangible assets include any expenses that can be directly attributable to the development of the product and any reasonable part of general production costs attributable to the preparation stages before putting the product to use. All other development costs that cannot be capitalised, when sustained, are reported on the income statement.

Impairment loss

The company annually verifies the accountable value of intangible and tangible assets or more often whenever there is an indication that assets may have suffered a value loss.

If the charged value exceeds the recoverable value, the assets are devalued to reflect their recoverable value, represented by the greatest figure between the net price and use value. In defining the use value, expected future financial flows are discounted back using a pre-tax discount rate that reflects the current market estimations in reference to the cost of money at the time and the specific risks of the asset in question. For an asset that does not generate widely independent financial flows, the return value is determined in relation to the unit generating the financial flows of which the asset is a part. The value losses are accounted for in the economic account among depreciation and devaluation costs. When subsequently an asset value loss, different from the beginning, is less or decreases, the accounting value is increased to a new estimate of the recoverable value within the limit of the previous value loss. The recovery of a value loss is registered to the economic account.

Assets available for sale

Share in non-consolidated companies are classified as assets financially available for sale and are valued at fair value. For any shares quoted as fair value, this value has been taken as the market value. The profits and losses found due to the effect of evaluation at fair value at every balance date for these activities were determined at net patrimony except for the value losses registered to the economic account, until the financial activity has been eliminated, which is the moment when the total profit or loss found in the net patrimony is registered to the profit and loss account.

Other non-current credits

These are registered at their nominal value, representative of their fair value.

Stock

Leftover stock is valued as the lesser value between purchase cost and the net value of the assumed income. The cost is determined in accordance with the average calculated cost method.

On-going orders

On-going construction contracts are valued with reasonable certainty on the basis of the matured contractual fees according to the criterion of percentage completion (so-called cost to cost), so as to attribute the profits and the economic result of the order to each single financial period concerned in proportion to the progress of the work.

Commercial credits and other credits

Commercial credits, whose expiry limits are within normal commercial terms, are not updated and are registered at their nominal value net of any loss of value. Moreover, they are adjusted to their assumed cash value by means of the registration of an appropriate amendment fund.

Liquid asset availability and equivalent means

The availability of liquid assets and equivalent means is registered at nominal value and has the requirements to be immediately available or available at very short notice, without obstacles and with no significant expense for collection.

Non current assets held for sale

The voice includes non-cash assets, the value of which will mostly be recovered by their sale rather than through their continuous use. These assets are valued as the lesser value between the net accounting value and the cash value net of sales costs.

Employee leaving entitlement

The present value of debts related to employees for benefits allocated in connection with or following the termination of working relationships through defined benefit programmes is calculated on the basis of the method of projecting the credit in accordance with the indications in IAS 19. The liabilities calculation is carried out by independent actuaries.

Profits and losses deriving from carrying out actuarial calculations are registered to the Profit and Loss account.

Due to modifications to the laws concerning the termination of working relations (TFR) enforced by Law no. 296 of 27th December 2006 (Financial Act 2007) and subsequent Decrees and Regulations issued in the early months of 2007, the TFR amounts matured since 1st January 2007 in the Group's companies with more than 50 employees have been accounted for as a Definite Contribution Plan, both in terms of the option of complementary welfare and in terms of allocation to the Treasury Fund at INPS (social security office). The TFR Fund matured at 31st December 2006, however, remains as a Definite Benefit Plan: the actuarial calculations have therefore excluded the component relating to future increases in salary.

Risk and obligation funds

In accordance with the IAS 37, the allocations are shown when there is an ongoing obligation (legal or implicit) that stems from a past event, whenever an outlay may be necessary to satisfy the obligation and a feasible estimation may be made on the obligation amount.

If the effect of updating the assumed cash value is significant, the allocations are calculated by updating the expected future financial flows at a pre-tax discount rate that reflects the current market evaluation of the cash value in relation to time. When updating has been done, the increase in the allocation caused by the passing of time is shown as a financial obligation.



Commercial debts and other current liabilities

The commercial debts, whose deadlines are within normal commercial terms, are not updated and are registered at cost (identified by their nominal value).

Financial liabilities are initially shown at cost, which corresponds to the fair value of the liability, net of transition costs, which are directly attributable to the issue of the liability itself.

After the initial determination, the financial liabilities are assessed with the criterion of amortized cost using the original effective tax rate method.

Revenues and costs

The revenues and costs are determined in accordance with the qualifying economic principle to the amount to which the fair value can be feasibly determined.

Depending on the type of operation, the revenues are determined on the basis of the specific criteria reported below:

the revenues for services are determined with reference to the point at which they stand on the basis of the same criteria used for determining the position of ongoing orders. If it is not possible to feasibly determine the revenue values, they are then calculated until they concur with the amount of expenses sustained and which are deemed recoverable.

the profits from the sale of goods are shown when significant risks and benefits of the ownership of the goods are transferred to the purchaser, the sale price is agreed or can be determined and payment is collected.

As for sales concerning assistance and/or maintenance services carried out with the annual subscription formula, the accrual is calculated in proportion with time.

The costs are ascribed in the balance according to the same criteria as those for revenue acknowledgment.

Dividends

Dividends are accounted for in the financial period in which the distributing company decides to distribute them.

Income taxes

Current income taxes for the financial period are calculated on the basis of estimates of taxable income in accordance with the laws in vigour: Moreover, the effects deriving from the activation within the Group of the national tax consolidation are also taken into account. The debt for current taxes is accounted for in the patrimonial status, net of any taxes paid in advance.

Deferred and pre-paid income taxes are calculated on the temporary differences between the patrimonial values registered in accordance with the IFRS international accounting standards and the corresponding values realised for tax purposes.

In particular, assets due to pre-paid taxes are registered when their recovery is probable, that is, when it is expected that sufficient tax profits will be available in the future so that these assets may be used. The degree of recovery of pre-paid tax assets is re-examined at the end of every period. Deferred taxes are always calculated in compliance with the IAS 12.

The controlling company, CAD IT S.p.A., and some of the Group's companies, have exercised the option of Group taxation as stated in art. 117 of TUIR 917/1986, which concerns the determination of a global income that corresponds to the algebraic sum of all net incomes of the companies in the group. The liquidation of this one tax allows the Group the contextual use of any tax losses in the period and also allows for intergroup dividends to be total excluded.



2 Revenues

The revenues gained in the period by the company are subdivided as follows:

	Period 2008 01/01 - 31/12		Period 2007 01/01 - 31/12		Variations	
		%		%		%
Income from sales and services	48,115	94.4%	38,268	96.5%	9,847	25.7%
Variations in stock of products being elaborated						
Changes in ongoing orders						
Asset increases due to internal work	2,442	4.8%	1,307	3.3%	1,135	86.9%
Other revenue and receipts	387	0.8%	100	0.3%	287	285.7%
Production value	50,944	100.0%	39,675	100.0%	11,269	28.4%

Service and sales include any income from the sale of licensed out software, maintenance services for software updating, the use of personalised applicative packages, the sale of hardware, consultancy services and information technology system design.

The 2008 financial period shows a considerable growth in production value (+28.4%) partly deriving from the transfer of contractual relations from the subsidiary CAD S.r.l. to CAD IT S.p.A..

Sales and service revenues include Euro 1,567 thousand from CAD IT subsidiaries (see details in the managerial report and operations with correlated parties).

Increases in intangible assets due to internal work include the activities concerning the development of new procedures aimed at the sale of licensed products or instrumental goods for the company's traditional business, directly sustained by CAD IT (Euro 1,400 thousand), purchased from the subsidiary CAD S.r.l. (Euro 1,041 thousand). Increases in assets are carried out in accordance with management plans.

On the whole, CAD IT's business does not show any significant cyclical or seasonal variation in total sales during the financial period.

3 Segment reporting by sectors

The internal organisational and managerial structure and the internal reporting for the Board of Directors is presently grouped into two operative divisions: Finance and Manufacturing. These divisions are the basis on which the Group reports sector information according to the primary layout.

The main activities of each sector are as follows:

- Finance: includes the computer applications aimed specifically at banks, insurances and other financial institutions. The main applications provide:
 - management of intermediary activities on securities, funds and derivate instruments;
 - management of the typical services in the credit sector, such as the collection, treasury and monitoring of credit procedures;
 - service allocation for trading on line;
 - management of integrated banking computer systems;
 - consultancy and training.
- Manufacturing: includes the development and marketing of instruments and software applications and offers a series of services aimed at allowing the companies to effectively manage numerous company processes, including Outsourcing.

The data not allocated to the sectors mainly refer to income and costs for logistics and administration services given to the group's companies by the controlling party.



<i>Disclosures for business segments</i>	<i>31/12/2008</i>				
	<i>Finance</i>	<i>Manufacturing</i>	<i>Not allocated/General</i>	<i>Elisions</i>	<i>Consolidated</i>
External revenues	50,146	798			50,944
Intersegment revenues	1,930			(1,930)	
Total revenues	52,076	798		(1,930)	50,944
Costs	(44,540)	(716)	(1,230)	1,930	(44,556)
Gross Operating Result (EBITDA)	10,605	82	(1,230)		9,457
Operating Result (EBIT)	7,536	82	(1,230)		6,388
Net financial income (expenses)				1,292	1,292
Revaluations and devaluations				(456)	(456)
Result	7,536	82	(394)		7,224
Income taxes				(2,589)	(2,589)
Financial period profit (loss)	7,536	82	(2,983)		4,635
Assets	84,643			4,550	89,192
Liabilities	21,829			8,311	30,140

<i>Disclosures for business segments</i>	<i>31/12/2007</i>				
	<i>Finance</i>	<i>Manufacturing</i>	<i>Not allocated/General</i>	<i>Elisions</i>	<i>Consolidated</i>
External revenues	37,579	513	1,583		39,675
Intersegment revenues	1,943			(1,943)	
Total revenues	39,522	513	1,583	(1,943)	39,675
Costs	(30,941)	(381)	(1,583)	1,943	(30,962)
Gross Operating Result (EBITDA)	10,606	132			10,738
Operating Result (EBIT)	8,581	132			8,713
Net financial income (expenses)	63			467	530
Revaluations and devaluations	787				787
Result	9,432	132		467	10,030
Income taxes				(3,463)	(3,463)
Financial period profit (loss)	9,432	132		(2,996)	6,567
Assets	85,347			67	85,414
Liabilities	18,565			6,064	24,630

Information on the sector according to the secondary layout by geographical area is not provided as CAD IT presently produces and carries out its activities almost totally nationally and homogeneously.

4 Purchase Costs

The table below shows the details of CAD IT' purchase costs:

<i>Purchase costs</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Hardware-Software purchases for sale	16	21	(5)	(25.40%)
Maintenance and consumable hardware purchases	69	66	3	4.37%
Other purchases	164	152	12	8.13%
Variations in raw material stock	5	6	(0)	(4.91%)
Total	254	245	10	3.90%



5 Service costs

<i>Services costs</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
External collaboration	19,299	8,078	11,221	138.89%
Travelling expenses and fee reimbursement	939	820	119	14.57%
Other service costs	2,007	1,739	269	15.46%
Total	22,245	10,637	11,609	109.14%

Service costs in 2008 came to Euro 22,245 thousand, a substantial (+ 109.14%) increase compared to the previous year (Euro 10,609 thousand). To be precise, cost towards the subsidiary CAD S.r.l. have increased following the transfer of client contractual relations previously held by the subsidiary. Costs for external collaboration include Euro 16,412 thousand for services supplied to CAD IT subsidiaries, compared to Euro 6,726 thousand of 2007 (see details in the managerial report and operations with correlated parties).

The cost for expenses reimbursement and travel increased during the year in relation to the increase in productive activity care of customers.

Other service costs amount to Euro 2,007 thousand (+15.46%) compared to Euro 1,739 thousand and mainly include assistance fees and hardware and software maintenance, energy costs, administrative, legal and fiscal consultancy, maintenance costs for office management and installed systems.

6 Other operational costs

The table below shows the details of other operational costs:

<i>Other operational costs</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Third party benefit expenses	247	239	8	3.26%
Various management charges	100	80	20	24.75%
Total	346	319	28	8.65%

Third party benefit expenses mainly refer to equipment and software rental and to office lease.

7 Labour costs and Employees

Labour costs are as follows:

<i>Labour costs</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Salaries and wages	12,673	12,341	332	2.69%
Payroll taxes	3,797	3,799	(3)	(0.07%)
Severance pay	1,054	606	447	73.76%
Retirements and the like				
Other costs	107	37	70	190.22%
Total	17,630	16,783	847	5.04%

Labour costs in 2008 financial period increased by Euro 847 thousand (+5.04%) compared to Euro 16,783 thousand in the previous year. The increase in labour costs is due to the following factors: an increase in the average number of employees (+2.5%), the renewal of collective agreements, staff pay rises that were assigned as of the end of the 2007 financial period and, lastly, to the registration of actuarial profits in the previous financial period (Euro 192 thousand) deriving from the evaluation of the Severance Pay debt (TFR) resulting from changes



in Italian law in 2007.

The figures relating to the precise number of employees currently working in CAD IT are shown below:

<i>Category of employees</i>	<i>labour force at 31/12/2008</i>	<i>labour force at 31/12/2007</i>	<i>labour force at 31/12/2006</i>
Management	14	15	13
White-collars and cadres	266	265	260
Blue-collars	-	-	-
Apprentices	-	-	-
Total	280	279	273

At the end of 2008, the number of CAD IT staff decreased by 2 units compared to previous financial period with a total of 280 employees; to be precise, 8 people were employed during the financial period and 7 were dismissed, thus determining the following turnover rate:

<i>Employee turnover</i>	<i>2008</i>
Negative turnover (Dismissed/employees at beginning of period)	2.5%
Positive turnover (Employed/employees at beginning of period)	2.9%
Total turnover (Σ turnover)	5.4%
Turnover compensation rate (Employed/Dismissed)	114.3%

The details relating to the average number of CAD IT employees are shown below; the average number of employees increased by 7 persons during the financial period.

<i>Category of employees</i>	<i>Average number 2008</i>	<i>Average number 2007</i>
Management	15	14
White-collars and cadres	267	260
Blue-collars		
Apprentices		
Total	281	274

Personnel training is of particular importance to the Group, which specifically schedules refresher and training periods.

8 Other administrative costs

The table below shows the other administrative costs in detail.

<i>Other administrative costs</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Director and legal representative fees	573	572	1	0.13%
Director and legal representative fee contributions	37	35	2	5.37%
Telephones	238	236	2	0.87%
Commissions	14	-	14	-
Advertising fees	149	110	39	35.26%
Total	1,011	954	57	6.03%



Other administrative costs supported during 2008 financial period are substantially in line with the previous year.

9 Financial performance

The table below shows the details of financial performance.

<i>Financial performance</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Share dividends	845	337	508	150.60%
Interest on bank deposits and equivalent	480	255	225	88.22%
Total financial income	1,325	592	733	123.76%
Interest on bank overdrafts and loans	(34)	(26)	(7)	28.67%
Interest on debts for financial leasing	-	-		
Losses on exchanges	0	(36)	36	(100.93%)
Total financial charges	(33)	(62)	29	(46.31%)
Net financial income and (charges)	1,292	530	761	143.62%

The earnings are made up of share dividends to the amount of Euro 845 thousand an increase by 150.60% compared to the previous financial period (Euro 337 thousand) and interest earned from liquid and equivalent assets (deposits in current accounts and capitalisation insurance policies) of Euro 480 thousand an increase by 88.22% compared to previous financial period (Euro 255 thousand). The increase in interest received is mainly ascribable to a greater availability of reserves.

Financial expenses mainly refer to temporary overdrafts on bank accounts, interest on payment instalments and exchange rate losses.

10 Revaluations and depreciations

<i>Revaluations and depreciations</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>
Revaluation of assets available for sale	(456)	894	(1,350)
Devaluation of shareholdings (loss cover)	-	(107)	107
Total revaluations and depreciations	(456)	787	(1,243)

The devaluation of activities available for sale derives from the valuation of the holding Class Editori S.p.A. registered at fair value at 31/12/2008. However, the revaluation in the previous year derived from earnings registered following the transfer of part of the same holding in Class Editori S.p.A. and in CIA S.p.A..

The devaluation of holdings in 2007 refers to covering losses relating to the 2006 financial period of Euro 77 thousand for BitGroove S.r.l. and Euro 30 thousand for Netbureau S.r.l.

11 Income taxes

<i>Income taxes</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Tax pre-payments	(7)	25	(31)	(126.85%)
Deferred taxes		(136)	136	(100.00%)
Current taxes	2,596	3,574	(979)	(27.38%)
Total income taxes	2,589	3,463	(874)	(25.24%)

The taxes ascribable to this period were estimated taking the results of the period and the norms in force into



account and they represent the best possible estimate of the tax expenses ascribable to the period in question.

Tax incidence on the gross result in 2008 was 36.34%, while in 2007 financial period was 35.64%.

The increase in tax incidence is mainly due to the abolition of extra deductions following modifications in the law introduced by Financial Law no. 244/2007; in particular, compared to the previous law, which foresaw adjustment of the IAS values to the fiscal values determined on the basis of TUIR, the criterion on which the norm modifications is based is to strengthen the principle of revenue derivation from balance results in order to limit the "double track", thus diminishing tax reductions to a few cases. Furthermore, the incidence of IRAP also tends to increase when pre-tax results drop.

RECONCILIATION BETWEEN TAX EXPENSES IN THE BALANCE AND THEORETICAL TAX EXPENSES				
Theoretical rates	IRES	27.5%	IRAP	3.90%
	Taxable	Tax	Taxable	Tax
Pre-tax result	7,224		7,224	
Theoretical tax		1,987		282
Temporary differences deductible in later periods				
Director remuneration	60			
Representation expenses				
Total temporary tax variations on the increase	60	17		
Temporary taxable differences in later periods				
TFR putting into effect				
Further amortisations				
Total temporary tax variation on the decrease				
Turnaround of the temporary differences from previous periods				
Representation expenses	(25)			
Director remuneration				
Holding share devaluation	(7)			
Total temporary variations from previous periods	(32)	(9)		
Permanent differences				
To IRES / IRAP income increases	880		19,313	
To IRES / IRAP income decreases	(1,242)		(7,803)	
Total permanent differences	(362)	(99)	11,510	449
Taxable fiscal income	6,890		18,734	
Continual loss				
Taxable income / current tax on the period's income	6,890	1,895	18,734	731
Effective rate on the pre-tax result	IRES	26.23%	IRAP	10.11%



SUMMARY OF THEORETICAL TAX EXPENSES AND TOTAL EFFECT

	current period 2008		previous period 2007	
Current IRES tax	1,895	26.23%	2,652	26.44%
Current IRAP tax	731	10.11%	923	9.20%
Total current taxes and effective rates	2,625	36.34%	3,574	35.64%
Minor taxes from previous financial periods	-30			
Total current taxes	2,596		3,574	

SUMMARY OF THE TEMPORARY DIFFERENCES AND EFFECTS ON THE ECONOMIC ACCOUNT

Description of the temporary differences	Pre-paid tax at 31.12.2007			Pre-paid tax at 31.12.2008			Economic account (a - b)
	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	
Deductible differences							
Representation expenses	68	31.40%	21	43	31.40%	13	8
Shareholding devaluation	7	27.50%	2	0	27.50%	0	2
Directors' remunerations	0	27.50%	0	60	27.50%	17	(17)
Total			23			30	7

Description of the temporary differences	Deferred tax at 31.12.2007			Deferred tax at 31.12.2008			Economic account (a - b)
	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	
Taxable differences							
TFR discounting back	483	27.50%	133	483	27.50%	133	0
Land revaluation	388	31.40%	122	388	31.40%	122	0
Land depreciation	72	31.40%	22	72	31.40%	22	0
Building revaluation	8,051	31.40%	2,528	8,051	31.40%	2,528	0
Building depreciation	438	31.40%	137	438	31.40%	137	0
Electronic machinery depreciation	24	31.40%	7	24	31.40%	7	0
Software depreciation	1,150	31.40%	361	1,150	31.40%	361	0
Licensing depreciation	21	31.40%	7	21	31.40%	7	0
Phone system depreciation	0	31.40%	0	0	31.40%	0	0
Assets and furniture depreciation	0	31.40%	0	0	31.40%	0	0
System depreciation	-66	31.40%	-21	-66	31.40%	-21	0
Total			3,298			3,298	0



12 Earnings per share

The basic earnings per share is calculated by dividing the year's net profit ascribable to the ordinary shareholders of the Head Company by the weighed average number of ordinary shares in circulation during the year. The number of ordinary shares in circulation does not change during the year of the period and no other types of share are admitted.

There are no options, contracts or convertible financial instruments or equivalent that give their owners the right to acquire ordinary shares, therefore, the basic profit per share and the dissolved profit per share agree.

<i>Earnings per share</i>	2008	2007	2006
Net profit ascribable to ordinary shares (Euro thousands)	4,635	6,567	2,690
Weighed average number of ordinary shares in circulation	8,980,000	8,980,000	8,980,000
Net profit ascribable to ordinary shares for basic profit per share (Euro)	0.516	0.731	0.300

13 Property, plant and equipment

The caption "property, plant and equipment" is composed as follows:

<i>Property, plant and equipment</i>	31/12/2008	31/12/2007	Variations	%
Land	1,527	1,527	-	-
buildings	14,755	14,875	(120)	(0.81%)
Plant and equipment	2,044	2,238	(193)	(8.65%)
Other assets	726	861	(136)	(15.74%)
Total property, plant and equipment	19,052	19,501	(449)	(2.30%)

In the period, the item "property, plant and equipment" varied as follows:

	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Other tangible fixed assets</i>	<i>Total</i>
Purchase or production cost	17,226	3,668	2,217	23,110
Previous years revaluations				
Previous years depreciation and write-downs	(823)	(1,430)	(1,356)	(3,610)
Adjustments to previous years write-downs				
Opening value	16,402	2,238	861	19,501
Purchases		48	152	200
Transfers				
Reduction in accumulated depreciation due to disposals		1		1
Disposals		(5)		(5)
Revaluations for the period				
Depreciation and write-downs for the period	(120)	(238)	(287)	(645)
Adjustments to write-downs for the period				
Total tangible fixed assets	16,282	2,044	726	19,052



Land and buildings include property and land, accounted for separately, belonging to the Group.

There are no restrictions on the legal ownership and possession of assets, systems and machinery to guarantee liabilities. There are no contractual restrictions for buying assets, systems or machinery.

The purchasing of new tangible assets during the year came to a total of Euro 200 thousand, of which the greater part (Euro 152 thousand) were for "other tangible assets", voice that included the purchasing of electronic machinery, managerial instruments characteristic of the Company's activities.

During the year property, installations and machinery were not subject to any value reductions that required registration in the balance.

14 Intangible fixed assets

The caption "intangible fixed assets" is composed as follows:

<i>Intangible fixed assets</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Industrial patents and similar rights	7,186	8,491	(1,305)	(15.37%)
Licences, trademarks and similar rights	139	89	51	57.15%
Assets under development	8,008	6,388	1,621	25.37%
Others				
Total Intangible fixed assets	15,334	14,967	367	2.45%

In the period, "Intangible fixed assets" varied as follows:

	<i>Industrial patents and similar rights</i>	<i>Licences, trademarks and similar rights</i>	<i>Assets under development and payments on account</i>	<i>Total</i>
Purchase or production cost	10,332	935	6,388	17,655
Previous years revaluations				
Previous years depreciation and write-downs	(1,842)	(847)		(2,688)
Adjustments to previous years write-downs				
Opening value	8,491	89	6,388	14,967
Purchases		129	2,562	2,691
Transfers	941		(941)	
Reduction in accumulated depreciation due to disposals				
Disposals				
Revaluations for the period				
Depreciation and write-downs for the period	(2,246)	(78)		(2,325)
Adjustments to write-downs for the period				
Total intangible fixed assets	7,186	139	8,008	15,334

The voice "industrial patent rights and works of ingenuity" is almost entirely made up of software procedures developed by the CAD IT Group; during the financial period, this registration increased by Euro 941 thousand due to the reclassification of procedures completed and available for sale or use which were previously registered to ongoing intangible assets. The values are registered in credit to the directly sustained cost, including costs relating to the use of internal resources as well as any possible additional accessory fees that may occur. In respect of the principle that correlates costs and revenues, such costs are amortized as of the



moment in which they are available for use and in terms of the product's lifecycle, estimated at five years. The amortizations of this voice in the 2008 financial period came to Euro 2,246 thousand, increasing compared with Euro 1,145 thousand of 2007 financial period.

The caption "Licences, trademarks and similar rights" principally includes the licensed out software bought by third parties used by the Group for programming activities.

The voice assets under development refers to investments in the development of software procedures under construction both for sale and for in-company use. Most of these investments are aimed at new, advanced products, the use of which will be needed very shortly, even by law, in credit and financial institutions as well as in the field of public and industrial administration. These assets are listed as receivable on the basis of the directly sustained cost.

The fundamental condition for their registration in patrimonial credit is that said costs concern clearly defined, distinguishable and measurable products or processes and that they relate to projects that are both technically feasible and economically recoverable through revenues that will develop in the future by application of the project itself.

These assets have undergone no reduction in value during the year that need to be registered in the balance

15 Investments

<i>Partecipazioni</i>	31/12/2008	31/12/2007
in imprese controllate	14,681	14,681
in imprese collegate	3	3
Totale Partecipazioni	14,684	14,684

Investments are shown at purchase cost.

The balance values and equity fractions pertaining to the holdings in controlled and connected companies are shown below. The figures were taken from civil law balances drafted in accordance with the national accounting standards and approved by the Board of Directors of the respective companies opportunely amended on the basis of international accounting standards.

Investments in subsidiary companies

COMPANY NAME	QUOTA CAPITAL (€)	SHAREHOLDERS' EQUITY AT 31.12.08 including NET PROFIT OR LOSS (euro/000)	NET PROFIT or LOSS AT 31.12.2008 (euro/000)	PERCENTAGE OF INVESTMENT AT 31.12.08	CARRYING VALUE AT 31.12.08 (euro/000)	QUOTAHOLDERS' EQUITY HELD (euro/000)
CAD S.r.l.	130,000	1,896	133	100.00%	5,824	1,896
CeSBE S.r.l.	10,400	3,861	491	52.00%	57	2,008
Datafox	99,999	259	-90	51.00%	454	132
Netbureau S.r.l.	50,000	62	17	100.00%	133	62
SGM S.r.l.	100,000	1,188	11	100.00%	3,220	1,188
DQS S.r.l.	11,000	159	-71	55.00%	3,263	87
Bit Groove S.r.l.	15,500	39	0	100.00%	285	39
Elidata S.r.l.	20,000	1,100	420	51.00%	781	561
SMART Line S.r.l.	102,700	779	431	51.05%	664	398
TOTAL		9,343	1,340		14,681	6,371



Investments in associated companies

COMPANY NAME	QUOTA CAPITAL (€)	SHAREHOLDERS' EQUITY AT 31.12.08 including NET PROFIT OR LOSS (euro/000)	NET PROFIT or LOSS AT 31.12.2008 (euro/000)	PERCENTAGE OF INVESTMENT AT 31.12.08	CARRYING VALUE AT 31.12.08 (euro/000)	QUOTAHOLDERS' EQUITY HELD (euro/000)
SICOM INFORMATICA S.R.L. – registered office: Viadana (MN)	10,400	847	831	25.00%	3	212

Investments in indirect subsidiary companies

COMPANY NAME	QUOTA CAPITAL (€)	SHAREHOLDERS' EQUITY AT 31.12.08 including NET PROFIT OR LOSS (euro/000)	NET PROFIT or LOSS AT 31.12.2008 (euro/000)	PERCENTAGE OF INVESTMENT AT 31.12.08	CARRYING VALUE AT 31.12.08 (euro/000)	QUOTAHOLDERS' EQUITY HELD (euro/000)
TECSIT S.R.L. – registered office: Roma	75,000	54	(24)	38.50%	53	21

Holding shares in subsidiaries and associate companies have not changed since 31st December 2007.

The company annually verifies the holding values at least once a year or more often if there are indications of value losses.

The recoverable value of investments is verified by determining the value in use.

The evaluation of the CAD IT Group companies was made through a *Discounted Cash Flow* (DCF), the most common calculation method in financial markets. Operational cash flow forecasts are based on the most recent budget plans approved by the Board of Directors and relate to the period 2009–2013 which take into account the concrete company growth possibilities based on past data and on management forecasts. The financial flows that go over this period have been calculated with great care using a growth rate of nil. The putting into effect rate used is the weighed average of capital estimated at 9.68%.

The main assumptions used by the Directors for discounting back prospective financial flows in order to make an analysis of the holding value are reported below:

the equation used for estimating the weighed average cost of capital is the following

$$k = k_b (1-TC) (B/V) + k_p (P/V) + k_s (S/V)$$

where:

k_b = interest rate in case of debt

TC = marginal tax rate of the economic bodies being evaluated

B = market value of the debt of a company

V = total market value of a company.

k_p = advisability cost of risk capital

P = market value of the privileged shares

k_s = advisability cost of own capital determined by the market

S = market value of the net capital.

The cost of capital was identified as $k_s = 9.68\%$.

The permanent growth rate of the company being evaluated was chosen by taking it as 0% a year despite the CAGR of the income and profits of each being greater.

The value of the companies was determined as a summation of discounted back cash flows (Free Cash Flow), of the remaining value and the net financial position. In brief we can say:



COMPANY VALUE = \pm NET FINANCIAL POSITION + DISCOUNTED BACK CASH FLOWS + REMAINING VALUE

If we want to translate this equation into mathematical terms, we could show it in the following way:

N.P.V.= company value (Net Present Value)

P.F.N. = Net Financial Position

FCF = cash flow

k = cost of capital

N = explicit period

g = growth rate of the implicit period

$$N.P.V.= \pm P.F.N. + \sum_i^N FCF (1+k)^{-N} + (FCF_{N+1} / k-g) \{ [1/[1+(k-g)]^N] \}$$

16 Financial assets available for sale

This point involves Class Editori S.p.A. and CIA S.p.A. shares respectively quoted in the Standards and Expands segment, managed by Borsa Italiana S.p.A. The two holdings are registered in the balance at *fair value* estimated in the market value at the balance date.

The profits and losses registered after a *fair value* evaluation at each balance date for this asset are registered to net patrimony with the exception of those value losses that must be registered in the profit and loss account.

The table below illustrates the value variations of these holdings during the year 2008:

Assets available for sale	31/12/2008	31/12/2007	Variations	%
in subsidiary companies	655	1,193	(538)	(45.08%)

Holding	31/12/2008		31/12/2007	
	No, of shares held	Fair value €/000	No, of shares held	Fair value €/000
Class Editori S.p.a. (CLE)	559,112	384	559,112	805
Cia S.p.a. (CIA)	1,230,509	270	1,230,509	388
Total		655		1,193

17 Credits due to prepaid taxes

Credits due to prepaid taxes are made up of assets in this period or previous periods and will probably create a taxable income. Credits for pre-paid IRES and IRAP taxes are mainly in reference to time differences (deductible over the next few financial periods).

Credits due to prepaid taxes	31/12/2008	31/12/2007	Variations	%
Credits due to prepaid taxes	30	23	7	28.14%

18 Inventories

Leftover stock includes finished products and goods for a total amount of Euro 30 thousand. The entire point for the period in question is made up as follows:

Inventories	31/12/2008	31/12/2007	Variations	%
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Finished goods	30	35	(5)	(15.44%)
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19 Other financial assets

Commercial credits and other credits are made up as follows:

<i>Trade receivables and other credits</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Trade receivables and credit towards subsidiary and associated companies	22,635	26,147	(3,512)	(13.43%)
Accrued income and deferred expenses	428	183	245	134.14%
Other credits	155	112	43	37.86%
Total trade receivables and other credits	23,218	26,442	(3,224)	(12.19%)

Credits to clients are entirely due within 12 months: the accounting value of commercial credits and other credits is approximate to their fair value.

Commercial credits are mainly in favour of the company's Banking Institute clients.

The high sum of credits towards clients is conditioned by the size of the value of the contracts, which is often considerable, as well as the contractual terms of payment which usually state that the balance of the amounts due are to be paid after the procedures supplied have been approved.

The company evaluated the credits to the probable break-up value. This evaluation is made analytically for expired credits and on expiry of a greater length of time than the average receipt time and on a lump-sum basis for the other credits, depending on the past incidence of losses that the company finds for sales during the invoicing year.

Regarding credits that are considered uncollectable, an allocation fund has been set up to the amount of Euro 166 thousand which ensures a cover of 0.73% of the total amount of credits towards clients. This fund was determined on the basis of past data regarding losses on credits and is considered proportionate.

Among the sales credits and other credits, Euro 3,010 are towards correlated parties as shown in note 34.

<i>Trade receivables, net</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Subsidiary companies	2,999	12,587	(9,588)	(76.18%)
Trade receivables	19,801	13,626	6,175	45.32%
Bad debt provision	(166)	(67)	(99)	148.14%
Total trade receivables	22,635	26,147	(3,512)	(13.43%)

The point Accrued accruals and payables refers to accrued income made up as follows:

<i>Accrued costs</i>	<i>31/12/2008</i>	<i>31/12/2007</i>
- Administrative services	284	1
- Software assistance	94	124
- Various insurances	21	25
- External collaborations	20	-
- Various	4	17
- Telephone charges	4	7
- Advertising expenses	1	10
Total Accrued costs	428	183

The total sum of the point on other credits showed the following results:



<i>Credits towards other</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Receivables for advances on travel expenses	1	0	1	126.65%
Payments on account to suppliers	112	64	48	75.73%
Other	42	48	(6)	(13.34%)
Total credits towards other	155	112	43	37.86%

20 Tax credits

The entry of Euro 4,520 thousand is mainly made up of credit towards inland revenue for advance IRES and IRAP tax payments made in 2008.

21 Cash and other equivalent assets

<i>Cash and other equivalent assets</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Bank and postal accounts	9,413	6,350	3,063	48.24%
Cash-on-hand and cash equivalents	6	5	0	3.84%
Insurance policies capitalised	2,234	2,152	82	3.79%
Total Cash and other equivalent assets	11,652	8,507	3,145	36.96%

The bank and postal account deposits are made up of cash-on-hand in current bank accounts for Euro 9,413 thousand, an increase by Euro 3,063 thousand compared to 31st December of previous financial period.

It is possible to redeem the capitalisation insurance policy at any time and reimbursement is made within 20 days with no particular significant expense. The returns are variable in relation to the annually calculated revaluation rate. The guaranteed minimum annual rate is 2.50%.

22 Company capital

The company capital, entirely registered, deposited and unchanged over the period, amounted to €4,669,600. It was subdivided into 8,980,000 ordinary shares with a nominal value of €0.52 each and all with equal rights.

The ordinary shares are registered and indivisible and each one gives the right to a vote at the ordinary and extraordinary shareholders' meetings, as well as to the faculty of carrying out other company and patrimonial rights in accordance with the law and the statute.

Neither CAD IT S.p.A. nor its controlled companies own CAD IT or their own shares, not even through trustee companies or third parties.

CAD IT's net patrimony at 31.12.2008, including the financial period result, came to Euro 59,052 thousand compared to Euro 60,785 thousand at 31.12.2007. Patrimony reduction is due to the distribution of dividend during 2008 financial period, as the Ordinary Shareholders' Meeting decided.

23 Reserves

<i>Reserves</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Share surcharge reserve	35,246	35,246	-	-
Re-evaluation reserve for fin. assets available for sale	100	181	(82)	(45.08%)
Total Reserves	35,346	35,428	(82)	(0.23%)

The variation of the evaluation reserve for assets available for sale comes from the variation in fair value at 31 December 2008 of the holding in the quoted company Class Editori Spa and CIA S.p.A., directly registered in the



net patrimony reserve.

Variation in re-evaluation reserve for financial assets available for sale	At 31/12/07	Allocation of reserves to economic account	Allocation of fair value adjustments to equity	At 31/12/08
Effects from valuation Class Editori S.p.a. (CLE)	(35)	35	-	-
Effects from valuation Cia S.p.a. (CIA)	216	-	(116)	100
Total	181	35	(116)	100

ANALYSIS OF THE AVAILABILITY AND DISTRIBUTION POSSIBILITY OF STOCKHOLDERS' EQUITY
(art. 2427 no. 6bis civil code)

There are no restrictions to the possibility of using derivatives in the statutory arrangements	
In the three previous financial periods Stockholders' equity was used to a total of	-
- The legal reserve has already reached a fifth of the company capital (art. 2430 c.c.).	
The Stockholders' equity quotas that cannot be distributed are:	
-cover for long-term costs that have not yet been amortized (art. 2426, no. 5 c.c.):	€ 15,194
Total Stockholders' equity quota that cannot be distributed:	€ 15,194

Nature/description	Amount at 31.12.2008	Use possibility (*)	Available Amount	Summary of the uses made in the three previous financial periods:	
				for loss coverage	for loss coverage
Capital	4,670				
Capital reserves:					
Reserve from share overpayment	35,246	a - b - c	35,246	-	-
Profit reserves:					
Legal reserve	934	b	-	-	-
Available joint profit reserve	10,763	a - b - c	10,763	-	-
Valuation reserve for financial assets available for sale	100	-	-	-	-
IAS transition reserve	2,119	-	-	-	-
Previous profits	585	-	-	-	-
Total	54,417		46,009	-	-
Amount that can not be distributed			15,194		
Amount that can be distributed			30,815		

(*) legend: a = company capital increase b = loss coverage c = shareholder distribution

24 Accumulated profit/(losses)

Accumulated profits/losses	31/12/2008	31/12/2007	Variations	%
Previous profits/losses	585	585	-	-



Legal reserve	934	934	-	-
IFRS transition reserve	2,119	2,119	-	-
Available joint profit reserve	10,763	10,482	281	2.68%
Profit/loss for the period	4,635	6,567	(1,932)	(29.42%)
Total accumulated profits/losses	19,036	20,687	(1,651)	(7.98%)

Previous period profit refers to the difference between the profits for the 2004 period calculated with the IAS/IFRS accounting standards compared to calculation with the national accounting standards.

The IFRS transition reserve covers any differences that may have occurred when the international accounting standards were first adopted on 1st January 2004 and was changed for the actual application of the IAS 32 and 39 standards on 01/01/05 when assessing financial assets available for sale, in accordance with the IFRS 1 accounting standard.

The available joint profit reserve increased by Euro 281 thousand due to the effect of undistributed profits in the previous period.

25 Dividends paid and decided

On the basis of the results of the 2007 period, the distribution of an ordinary dividend of Euro 0.70 per share was approved at the Shareholders' Meeting on 29 April 2008, which produce a total payment of Euro 6,286 thousand.

Please refer to the relative note in the management report on dividend distribution proposals for the 2008 financial period.

26 Liabilities due to deferred taxes

Deferred taxes amounted to Euro 3,298 thousand and took into account the taxable time differences resulting from time differences of the accounting value of an asset or liability compared to its recognised value for tax purposes. In particular they mainly referred to the fiscal effect of adjustments made at the FTA, the taxation of which was deferred to future periods. For the particulars of this entry, please refer to the table "Situation of temporary differences and effects on the profit and loss account" in note 11.

27 Employees' leaving entitlement and quiescence reserves

The point concerning the severance pay (TFR) fund shows the movements resulting from annual allocations made on the basis of the evaluations of external actuaries based on the IAS 19 and the uses carried out concerning end of working contract resolutions or advance payments.

<i>Employees' leaving entitlement</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
at 1 January	3,201	3,493	(292)	(8.37%)
Discounting back	(104)	(277)	173	(62.56%)
Allocation of period	283	147	137	93.14%
Utilisation	(264)	(162)	(101)	62.53%
Closing balance	3,117	3,201	(84)	(2.63%)

In 2007 modifications in the Italian Severance Pay laws came into force. The effects on the profit and loss account are shown in the previous note relating to labour costs.

In order to carry out the mathematical evaluation, the database of each employee (salary, matured TFR net of any advance payments, age, sex, qualification, etc.) was given to the external actuaries by the companies'



qualified offices. The hypothetical specifications on the employees in service regarding both their demographic evolution and their future economic characteristics, were calculated on the basis of some past company series, on similar experience and on market figures as well as on the basis of some indications supplied by the companies themselves in terms of their experience and sensitivity to company events.

In particular, in determining the present value of future services that are expected to be necessary in order to settle obligations deriving from working activities carried out in the current period and previous periods, the following were calculated:

- the present value regarding future forecasted services relating to working activities carried out in previous periods;
- the welfare cost regarding present work services, i.e. the increase in the present value of obligations resulting from work being carried out in the current period;
- the interest allowed given by the increase that the present value of the obligations is subject to during a period because of the fact that the date of payment of a benefit becomes one period closer.

The results of the mathematical evaluations on the basis of the IAS for TFR at 31 December 2008 have shown a cost in previous financial periods of Euro 3,002 thousand and interest allowed for the current year of Euro 114 thousand.

28 Commercial debts

The entire point shows the following trend:

<i>Commercial debts</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Debts towards subsidiaries	12,636	9,866	2,770	28.08%
Debts towards associated companies	107		107	-
Debts towards suppliers	1,947	1,422	525	36.90%
Payments on account received		59	(59)	(100.00%)
Accrued expenses and deferred income	211	213	(2)	(0.74%)
Total Commercial debts	14,901	11,560	3,342	28.91%

Debts towards suppliers are referred to as current debts for supplies of goods and services received, including those regarding investments in intangible assets.

Among the sales debits, Euro 12,804 thousand are towards correlated parties as shown in note 34.

The deferred income refers entirely to income that was already invoiced regarding annual ordinary maintenance contracts on user licences and mainly pertaining to next financial period

29 Tax debts

This entry includes the company's inland revenue tax debts. They are debts due to income taxes, value added tax and to activities of tax substitution made by the Company regarding the own ones employees and collaborators and also includes estimated taxes chargeable in the period.

At the time of drafting this balance there were no legal cases pending with the Financial Authorities

<i>Tax debts</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Tax debts	5,014	2,767	2,247	81.21%



30 Short-term financing

At 31st December 2008, the company had no short-term financial debt.

31 Other debts

Details of other debts are as shown:

<i>Other debts</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Social security charges payable	1,437	1,429	8	0.54%
Towards directors	60	62	(2)	(3.82%)
Towards staff for deferred salaries and pay	2,314	2,289	25	1.08%
Other	0	0	(0)	(41.97%)
Total	3,811	3,781	30	0.79%

Debts towards welfare institutions included matured contributory debts on current monthly salaries as well as the quota for deferred maturing salaries.

32 Net financial position

The net financial availability at the end of the year 2008 was positive and amounts to Euro 11,652 thousand, Euro 3,169 thousand higher compared to the previous financial period (+37.25%).

Cash-on-hand amounts to Euro 11,652 thousand compared to Euro 8,483 thousand at 31/12/2007, increased by Euro 3,169 thousand. The company, at the end of the 2008 financial period, showed no long-term financial debt, determining a positive short-term net financial position within a general net financial position.

<i>Variation in net financial position/(indebtedness)</i>	<i>31/12/2008</i>	<i>31/12/2007</i>	<i>Variations</i>	<i>%</i>
Cash-on-hand and at bank	9,418	6,355	3,063	48.20%
Financial assets not of a fixed nature	2,234	2,152	82	3.79%
Payables due to banks including current portion of medium to long-term loans		(24)	24	(100.00%)
Net short-term financial position/(indebtedness)	11,652	8,483	3,169	37.35%
Long-term loans net of current portion				
Net long-term financial position/(indebtedness)				
Net financial position/(indebtedness)	11,652	8,483	3,169	37.35%

In particular, cash-on-hand and in bank accounts came to Euro 9,418 thousand. Capitalisation insurance policies of Euro 2,234 thousand were contractually available on 20-day prior request without any significant tax expenses. As a link between the data of the net financial position statement and the balance statement, it is hereby reported that: cash in bank accounts and capitalisation insurance policies are registered in the patrimonial status as "Cash and other equivalent assets"; short-term financial debts are registered as "Payables due to banks current portion"; long-term financing is registered in the patrimonial status as "Long-term loans".

The increase in financial availability is mainly generated by positive cash flows from operational management (Euro +11,017 thousand) partially absorbed by investment activities (Euro -1,563 thousand) and by financing activities (Euro -6,286 thousand).

Please refer to CAD IT cash flow statement for details.

33 *Important events since 31st December 2008*

Subsequent to 31st December 2008, there have been no events of particular importance to significantly influence the shareholders' equities or economic results of CAD IT.

For further information on the foreseeable development of management, refer to the management report in the specific paragraph.

34 *Related parties transactions*

Any commercial relations between the Group's companies are governed by normal market conditions.

The summary of income and costs, despite the credit and debit position at 31st December 2008 between the Group's subsidiaries, is shown in the specific note on management relations.

The following table shows the incidence of transactions with correlated parties on the respective balance entry:

<i>Transaction incidence with correlated parties</i>	<i>Total</i>	<i>Correlated Parties</i>	
		<i>Absolute value</i>	<i>% on Tot.</i>
A) Transaction or position incidence with correlated parties on entries in the Profit and Loss account			
Income from sales and services	48,115	1,903	3.95%
Asset increases due to internal work	2,442	1,042	42.65%
Service costs	22,245	17,118	76.95%
Labour costs	17,630	423	2.40%
Other administrative expenses	1,011	610	60.29%
B) Transaction or position incidence with correlated parties on entries in the Patrimonial situation			
Commercial credits and other credits	23,218	3,010	12.96%
TFR and pension funds	3,117	78	2.50%
Commercial debts	14,901	12,804	85.92%
Other debts	3,811	93	2.43%
C) Transaction or position incidence with correlated parties on financial flows			
Intangible assets purchases	(2,691)	1,042	-38.70%
Cashed dividends	845	840	99.34%

Except for previously mentioned relations, no other relations with other correlated parties of an economic-patrimonial nature of any significant worth have been taken into account.

Third party revenues regard services carried out on behalf of subsidiary companies, Xchanging which holds a 10% share in CAD IT and the associate company Sitcom S.r.l.

Service costs from third parties towards correlated parties include the carrying out of services by subsidiaries and the associate company Sicom S.r.l., remunerations to CAD IT auditing board members and those relating to translation and language training services supplied by a company in which one CAD IT director holds a share.

Labour costs to correlated parties regard remunerations to employees of the Company who have a family relationship or affinity with the CAD IT directors and those managers with strategic responsibilities.

The other administrative expenses relating to correlated parties concern remunerations for the position of director given to CAD IT directors



35 Fees paid to Members of the Board of Directors, Statutory Auditors and Executives with Strategic Responsibilities

The salaries for any main company or direct or in direct subsidiary company title given to the members of the Board of Directors and auditing board and to the managers with strategic responsibilities are shown in the following table², in accordance with art. no. 78 of Consob regulation no. 11971 of 14th May 1999, and subsequent modification and integration.

During 2007 financial period, the manager responsible for drafting the accounting documentation was nominated, with duties assigned beginning as of 1st July 2007, in accordance with law no. 262 of 28th December 2005 regarding "Instructions for the safeguarding of savings and financial market discipline."

Name and Surname	Role	Company name	Term of office	End of Office term	Remunerations for role	Bonuses and other incentives	Indemnity at termination of office	Other remunerations	Non-monetary benefits
Dal Cortivo Giuseppe	Chairman and Managing Director	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	144	20	-	-	-
	Legal representative	CAD Srl	01/01 - 31/12	indefinite	-	-	-	87	-
	Director	CeSBE Srl	01/01 - 31/12	indefinite	-	-	-	8	-
	Director	BITGROOVE Srl	24/04 - 31/12	Balance approval 31/12/10	-	-	-	6	-
	Director	DQS Srl	01/08 - 31/12	Balance approval 31/12/08	-	-	2	7	-
	Director	Sicom Srl	01/01 - 31/12	indeterminata	-	-	-	6	-
Magnani Giampietro	Managing Director	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	144	20	-	-	-
	Chairman and Managing Director	CAD Srl	01/01 - 31/12	Balance approval 31/12/09	-	-	-	87	-
	Director	BitGroove Srl	01/01 - 31/12	Balance approval 31/12/10	-	-	-	12	-
	Director	NETBUREAU Srl	24/04 - 31/12	Balance approval 31/12/08	-	-	-	4	-
	Director	SMART LINE SRL	01/01 - 31/12	Balance approval 31/12/10	-	-	-	12	-
Rizzoli Maurizio	Director	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	17	-	-	-	-
Zanella Luigi	Managing Director	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	144	20	-	-	-
	Legal representative	CAD Srl	01/01 - 31/12	indefinite	-	-	-	87	-
	Director	CeSBE Srl	01/01 - 31/12	indefinite	-	-	-	8	-
	Director	BITGROOVE Srl	24/04 - 31/12	Balance approval 31/12/10	-	-	-	6	-
	Director	DQS Srl	01/01 - 31/12	Balance approval 31/12/08	-	-	2	10	-
	Director	Sicom Srl	01/01 - 31/12	indefinite	-	-	-	6	-
Dal Cortivo Paolo	Managing Director	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	19	-	-	99	-
Margetts Michael	Director	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	11	-	-	-	-
Lambertini Lamberto	Director	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	17	-	-	-	-
Rossi Francesco	Director	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	17	-	-	-	-
Cusumano Giannicola	Chairman Statutory Auditor	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	23	-	-	-	-
	Statutory Auditors	CAD Srl	01/01 - 31/12	Balance approval 31/12/09	-	-	-	5	-
	Chairman Statutory Auditor	CeSBE Srl	01/01 - 24/04	24/4/08	-	-	-	5	-
Ranocchi Gianpaolo	Statutory Auditors	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	16	-	-	-	-
	Chairman Statutory Auditor	CAD Srl	01/01 - 31/12	Balance approval 31/12/09	-	-	-	7	-
Tengattini Renato	Statutory Auditors	CAD IT Spa	01/01 - 31/12	Balance approval 31/12/08	16	-	-	-	-
	Statutory Auditors	CeSBE Srl	01/01 - 24/04	24/4/08	-	-	-	3	-
Managers with strategic responsibilities		CAD IT Spa	01/01-31/12	Balance approval 31/12/08	-	-	-	74	-
TOTAL					567	60	4	539	-

² in accordance with sheet 1, attachment 3c, of Consob Regulation no. 11971)

The remunerations for this position include specific emoluments decided by the meeting even if they have not been paid, tokens for participating at company meetings and any lump-sum expense reimbursements.

Bonuses and other incentives include the variable part of emoluments in relation to reaching the objectives set by the remuneration committee, as established during the meeting.

Other remunerations include emoluments for positions in subsidiary companies, employee salaries (gross of welfare and tax costs to be paid by the employee, excluding those obligatory collective welfare costs to be paid by the company and put aside in the TFR fund) and all other remunerations deriving from other services supplied.

Severance pay includes redundancy pay.

Non-monetary benefits include fringe benefits (according to a tax criterion) including any insurance policies.

At the moment there are no ongoing stock option plans.

Shares held by administrative and managerial organs are shown in the specific point regarding management relations.

36 Warranties

The credit lines granted by banks but currently not utilised are guaranteed by mortgages of € 12,395 thousand on buildings.

37 Other information

There have been no transactions or any non recurrent significant events, as defined in the Consob DEM/6064293 communication, in the present financial period or the previous one.

CAD IT has not drawn up any contracts containing clauses that depend on continual financial funding (covenant) nor any agreements where a subject – to whom a loan has been granted – must behave accordingly (*negative pledge*).

38 Financial statement approval

The present annual plan budgetary was approved by the CAD IT S.p.A. Board of Directors on 13/03/2009 and will be an item for approval at the shareholders' meeting to be held on 29/04/2009 in first call and on 30/04/2009 in second call.

ATTACHMENT – INFORMATION IN ACCORDANCE WITH ART. 149-DUODECIES OF CONSOB ISSUER REGULATION

The following table, drafted in accordance with art. 149-duodecies of the Consob Issuer Regulation, shows the compensations regarding the 2008 financial period for auditing services and other services carried out by BDO Sala Scelsi Farina - Società di Revisione per Azioni.

No services were carried out by entities belonging to its network.

<i>Type of service</i>	<i>Receiver</i>	<i>Compensation</i>
Accounting audit	CAD IT S.p.A.	€ 11,791
Accounting audit	Subsidiaries	€ 46,028
Total		€ 57,819

The above compensations are adjusted annually in accordance with the Istat index, as provided for in the contract and in compliance with decisions made at the Shareholders' Meeting on 28.4.2006, which charged the audit company with the work.

ATTESTATION OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 154 BIS OF LEGISLATIVE DECREE NO. 58/98

1. The undersigned, Giuseppe Dal Cortivo, Chairman of the CAD IT S.p.A. Board of Directors, and Maria Rosa Mazzi, the manager responsible for drafting the CAD IT S.p.A. company accounting documents, hereby declare, bearing in mind the content of art. 154-bis, paragraphs 3 and 4 of legislative decree no. 58 of 24th February 1998 in terms of:

- the adequacy in relation to the characteristics of the company and
- the effective application,

of the administrative and accounting procedures for drafting the balance sheet during the 2008 financial period.

2. Moreover, it is hereby declared that the balance sheet:

- a) corresponds to the results in the accounting books and documents;
- b) has been drafted in accordance with the international accounting standards (IFRS) – adopted by the European Union – in compliance with regulation (EC) no. 1606/2002 of the European Parliament and Council on 19th July 2002, as well as the provisions laid down in art. 9 of Leg. Dec. no. 38/2005;
- c) appropriately gives a true and correct representation of the Company's patrimonial, economic and financial situation.

3. The management report includes a reliable analysis of the management trend and result as well as the company's situation, together with a description of the main risks and uncertainties to which the company is exposed.

Verona, 13 March 2009

*/s/ Giuseppe Dal Cortivo
On behalf of the Board of Director
The Chairman*

*/s/ Maria Rosa Mazzi
Manager in charge of drafting
the CAD IT S.p.A. accounting documents*



SUMMARY FINANCIAL STATEMENTS OF CAD IT GROUP COMPANIES

SUMMARY FINANCIAL STATEMENTS OF THE CONSOLIDATED SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATION AREA

(article 2429 of the Italian Civil Code)

CAD SRL

REGISTERED OFFICE: Via Torricelli, 37 - 37100 VERONA

QUOTA CAPITAL: € 130,000,00

% OF INVESTMENT OF CAD IT S.p.A: 100%

	31/12/2008	31/12/2007
TURNOVER	10,508,739	29,035,729
GROSS OPERATING RESULT	509,013	603,805
NET OPERATING PROFIT	484,580	517,605
FINANCIAL INCOME AND CHARGES, NET	47,322	64,877
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	531,902	582,482
NET PROFIT / (LOSS) FOR THE YEAR	144,771	111,084
TANGIBLE FIXED ASSETS, NET	11,870	36,303
WORKING CAPITAL, NET	3,634,921	1,197,578
INVESTED CAPITAL, NET	1,585,412	(796,431)
EMPLOYEES' LEAVING ENTITLEMENT	2,061,379	2,030,312
QUOTAHOLDERS' EQUITY	(1,677,277)	(1,532,509)
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	91,865	2,328,940



CESBE SRL**REGISTERED OFFICE:** Via Torricelli, 37 - 37100 VERONA**QUOTA CAPITAL:** € 10,400**% OF INVESTMENT OF CAD IT S.p.A:** 52%

	31/12/2008	31/12/2007
TURNOVER	3,691,965	4,070,341
GROSS OPERATING RESULT	775,827	920,260
NET OPERATING PROFIT	772,058	914,381
FINANCIAL INCOME AND CHARGES, NET	44,550	23,127
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	816,608	937,508
NET PROFIT / (LOSS) FOR THE YEAR	488,577	508,244
TANGIBLE FIXED ASSETS, NET	10,251	7,715
WORKING CAPITAL, NET	3,620,469	3,460,254
INVESTED CAPITAL, NET	3,214,456	3,036,603
EMPLOYEES' LEAVING ENTITLEMENT	416,264	431,366
QUOTAHOLDERS' EQUITY	(3,829,522)	(3,740,947)
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	615,066	704,344

NETBUREAU SRL**REGISTERED OFFICE:** Via Morigi, 13 - MILANO**QUOTA CAPITAL:** € 50,000**% OF INVESTMENT OF CAD IT S.p.A:** 100%

	31/12/2008	31/12/2007
TURNOVER	778,122	741,610
GROSS OPERATING RESULT	56,123	30,923
NET OPERATING PROFIT	46,538	17,851
FINANCIAL INCOME AND CHARGES, NET	858	323
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	47,396	18,174
NET PROFIT / (LOSS) FOR THE YEAR	15,291	(10,745)
TANGIBLE FIXED ASSETS, NET	4,386	11,659
WORKING CAPITAL, NET	125,814	99,133
INVESTED CAPITAL, NET	39,619	39,389
EMPLOYEES' LEAVING ENTITLEMENT	90,581	71,403
QUOTAHOLDERS' EQUITY	(54,548)	(39,256)
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	14,929	(133)



DQS SRL**REGISTERED OFFICE:** Via Silvio d'Amico, 10 - 00145 ROMA**QUOTA CAPITAL:** € 11,000.00**% OF INVESTMENT OF CAD IT S.p.A:** 55%

	31/12/2008	31/12/2007
TURNOVER	4,747,773	5,023,234
GROSS OPERATING RESULT	110,580	347,826
NET OPERATING PROFIT	44,392	262,881
FINANCIAL INCOME AND CHARGES, NET	(18,537)	(34,464)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	25,855	228,417
NET PROFIT / (LOSS) FOR THE YEAR	(65,133)	34,991
TANGIBLE FIXED ASSETS, NET	217,375	279,730
WORKING CAPITAL, NET	834,842	1,517,110
INVESTED CAPITAL, NET	616,687	1,298,667
EMPLOYEES' LEAVING ENTITLEMENT	435,531	498,173
QUOTAHOLDERS' EQUITY	106,043	571,176
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	(415,853)	(656,741)

SGM SRL**REGISTERED OFFICE:** Galleria Spagna, 28 - 35100 PADOVA**QUOTA CAPITAL:** € 100,000**% OF INVESTMENT OF CAD IT S.p.A:** 100%

	31/12/2008	31/12/2007
TURNOVER	1,199,874	2,006,411
GROSS OPERATING RESULT	247,190	906,347
NET OPERATING PROFIT	80,188	726,418
FINANCIAL INCOME AND CHARGES, NET	(1,998)	(24,376)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	78,190	702,042
NET PROFIT / (LOSS) FOR THE YEAR	16,672	623,508
TANGIBLE FIXED ASSETS, NET	310,520	480,416
WORKING CAPITAL, NET	979,688	852,042
INVESTED CAPITAL, NET	1,176,997	1,210,137
EMPLOYEES' LEAVING ENTITLEMENT	113,211	122,321
QUOTAHOLDERS' EQUITY	(1,187,646)	(1,170,974)
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	10,649	(36,763)



SMART LINE SRL**REGISTERED OFFICE:** Via Torricelli 44/A - VERONA**QUOTA CAPITAL:** € 102,700.00€**% OF INVESTMENT OF CAD IT S.p.A.:** 51.05%

	31/12/2008	31/12/2007
TURNOVER	2,358,064	1,713,676
GROSS OPERATING RESULT	825,856	339,132
NET OPERATING PROFIT	688,961	249,017
FINANCIAL INCOME AND CHARGES, NET	5,662	3,726
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	694,623	252,743
NET PROFIT / (LOSS) FOR THE YEAR	426,424	109,257
TANGIBLE FIXED ASSETS, NET	469,115	483,911
WORKING CAPITAL, NET	(267,431)	(436,258)
INVESTED CAPITAL, NET	(96,432)	(246,442)
EMPLOYEES' LEAVING ENTITLEMENT	298,115	294,095
QUOTAHOLDERS' EQUITY	753,246	326,823
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	849,678	573,265

BIT GROOVE SRL**REGISTERED OFFICE:** Via Torricelli, 44/A - 37100 VERONA**QUOTA CAPITAL:** € 15,500**% OF INVESTMENT OF CAD IT S.p.A.:** 100 %

	31/12/2008	31/12/2007
TURNOVER	1,486,794	1,498,925
GROSS OPERATING RESULT	83,936	55,537
NET OPERATING PROFIT	21,063	(219)
FINANCIAL INCOME AND CHARGES, NET	7,638	14,966
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	28,701	14,747
NET PROFIT / (LOSS) FOR THE YEAR	(1,093)	(5,711)
TANGIBLE FIXED ASSETS, NET	89,326	120,842
WORKING CAPITAL, NET	(91,878)	(102,210)
INVESTED CAPITAL, NET	(59,249)	(32,635)
EMPLOYEES' LEAVING ENTITLEMENT	56,697	51,267
QUOTAHOLDERS' EQUITY	(15,011)	(16,101)
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	74,260	48,736



ELIDATA SRL**REGISTERED OFFICE:** Via Sanadolo, 19 - Caglione d'Adda - LO**QUOTA CAPITAL:** €20,000**% OF INVESTMENT OF CAD IT S.p.A.:** 51%

	31/12/2008	31/12/2007
TURNOVER	1,375,486	1,437,365
GROSS OPERATING RESULT	645,459	757,480
NET OPERATING PROFIT	612,347	731,012
FINANCIAL INCOME AND CHARGES, NET	12,694	3,347
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	625,041	734,359
NET PROFIT / (LOSS) FOR THE YEAR	404,018	445,686
TANGIBLE FIXED ASSETS, NET	115,130	416,598
WORKING CAPITAL, NET	288,605	166,753
INVESTED CAPITAL, NET	358,868	549,243
EMPLOYEES' LEAVING ENTITLEMENT	44,867	34,108
QUOTAHOLDERS' EQUITY	1,019,215	1,065,197
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	660,627	516,181

DATAFOX SRL**REGISTERED OFFICE:** Via Torricelli 44/A - VERONA**QUOTA CAPITAL:** €99,999**% OF INVESTMENT OF CAD IT S.p.A.:** 51%

	31/12/2008	31/12/2007
TURNOVER	734,599	842,216
GROSS OPERATING RESULT	(37,644)	134,500
NET OPERATING PROFIT	(63,644)	64,917
FINANCIAL INCOME AND CHARGES, NET	3,934	1,526
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	(59,710)	66,443
NET PROFIT / (LOSS) FOR THE YEAR	(58,537)	22,936
TANGIBLE FIXED ASSETS, NET	30,198	51,656
WORKING CAPITAL, NET	228,879	269,415
INVESTED CAPITAL, NET	231,846	275,254
EMPLOYEES' LEAVING ENTITLEMENT	27,231	45,817
QUOTAHOLDERS' EQUITY	(244,688)	(313,223)
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	12,842	37,969



**SUMMARY FINANCIAL STATEMENTS OF THE CONSOLIDATED
INDIRECT SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATION AREA**
(article 2429 of the Italian Civil Code)

TECSIT SRL

REGISTERED OFFICE: Via Silvio D'Amico, 40 - 00145 ROMA

QUOTA CAPITAL: € 75,000.00

% GROUP INTEREST: 38.5%

	31/12/2008	31/12/2007
TURNOVER	406,669	727,184
GROSS OPERATING RESULT	14,694	43,045
NET OPERATING PROFIT	9,067	37,822
FINANCIAL INCOME AND CHARGES, NET	(26,250)	(28,992)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	(17,183)	8,830
NET PROFIT / (LOSS) FOR THE YEAR	(24,208)	(85)
TANGIBLE FIXED ASSETS, NET	14,565	18,557
WORKING CAPITAL, NET	279,186	353,745
INVESTED CAPITAL, NET	261,828	347,029
EMPLOYEES' LEAVING ENTITLEMENT	31,924	25,273
QUOTAHOLDERS' EQUITY	51,504	75,712
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	(210,324)	(271,317)



SUMMARY FINANCIAL STATEMENTS OF THE ASSOCIATED COMPANIES
(article 2429 of the Italian Civil Code)

SICOM SRL

REGISTERED OFFICE: Via Verdi, 15/a - 46019 Viadana (MN)

QUOTA CAPITAL: €10,400.00

% OF INVESTMENT OF CAD IT S.p.A.: 25%

	31/12/2008	31/12/2007
TURNOVER	3,091,079	2,231,888
GROSS OPERATING RESULT	1,243,406	673,483
NET OPERATING PROFIT	1,226,699	656,897
FINANCIAL INCOME AND CHARGES, NET	10,296	4,198
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	1,236,995	661,095
NET PROFIT / (LOSS) FOR THE YEAR	831,368	391,336
TANGIBLE FIXED ASSETS, NET	290,091	303,699
WORKING CAPITAL, NET	(38,581)	229,004
INVESTED CAPITAL, NET	186,401	476,238
EMPLOYEES' LEAVING ENTITLEMENT	65,109	56,465
QUOTAHOLDERS' EQUITY	847,209	745,042
(NET SHORT-TERM INDEBTEDNESS) / FINANCIAL POSITION	660,808	268,804



**Report of the auditors in accordance with
article 156 of legislative decree n. 58 of 24 February 1998**
(This report has been translated from the original Italian text
which was issued in accordance with the Italian legislation)

To the shareholders of
CAD IT S.p.A.

1. We have audited the financial statements, including balance sheet, profit and loss, movement of equity, cash flow statements and Directors' Report, of CAD IT S.p.A. as at and for the year ended December 31st, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the financial statements of prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated April 11th, 2008.

3. In our opinion, the financial statements of CAD IT S.p.A. as at and for the year ended December 31st, 2008 comply with the International Financial Reporting Standards adopted by European Community governing their preparation, as well as the measures issued for the implementation of the art. 9 of the Legislative Decree n. 38/2005; therefore they are clearly stated and give a true and fair view of the financial position, the results, the movements of equity and the cash flows of CAD IT S.p.A. for the year then ended.
4. The Directors of CAD IT S.p.A. are responsible for the preparation of the Report on Operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Report on Operations is consistent with the financial statements of CAD IT S.p.A. as of December 31st, 2008.

Verona, April 10th, 2009

BDO Sala Scelsi Farina
Società di Revisione per Azioni

Signed by: Alessandro Gigliarano

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