

CAD IT: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AT 31ST MARCH 2014

In the first quarter of 2014, the CAD IT Group registered a Production Value of Euro 13.8 million, compared to the Euro 13.0 million in the first quarter of 2013.

EBITDA stands at Euro 1.5 million (Euro 1.3 million in the first quarter of 2013).

EBIT stands at Euro 0.3 million (Euro 0.2 million in the first quarter of 2013).

Result of the period net of third party share stands at Euro 0.4 million (Euro 0.4 million in the first quarter 2013).

The Group's Consolidated Net Financial Position at 31st March 2014 is in credit by Euro 0.1 million compared to Euro 2.6 million in debit registered at 31st December 2013.

The Board of Directors of CAD IT S.p.A. (www.caditgroup.com), leader in the Italian financial software market and listed in the STAR segment of Borsa Italiana, today approved the Interim Management Report at 31st March 2014.

The main results in regard to the Consolidated Profit and Loss account at 31st March 2014 are as follows:

- **Production Value** of Euro 13.8 million compared to Euro 13.0 million in the first quarter of 2013. The increases in internal work capitalized for the development of new products (asset increases due to internal work) stands at Euro 0.9 million, in line with the first quarter of previous year;
- **Gross Operational Result (EBITDA)** of Euro 1.5 million, corresponding to 10.8% of the Production Value, compared to Euro 1.3 million registered in the first quarter of 2013 (9.7% of the Production Value);
- **Operational Result (EBIT)** of Euro 0.3 million corresponding to 2.0% of the Production Value, compared to Euro 0.2 million in the first quarter of 2013 (1.3% of the Production Value);
- **Result of the period net of third party share** of Euro 0.4 million (2.7% of the Production Value) in line with the first quarter of previous year (3.3% of the Production Value).

The **Consolidated Net Financial Position** at 31st March 2014 is **in credit** by Euro 0.1 million compared to Euro 2.6 million in debit registered at 31st December 2013.

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The Manager charged with preparing the company's financial reports, Daniele Mozzo, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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The CAD IT S.p.A. Board of Directors has positively assessed the subsistence of the necessary requirements for its independent directors as set down by the Corporate Governance Code of the Borsa Italiana S.p.A..

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The Interim Management Report at 31st March 2014 will be made available to the public at CAD IT S.p.A. registered office, at Borsa Italiana S.p.A. and in the Investor Relations section on the company's internet website www.caditgroup.com, within the deadlines provided for by law. Written notification of such publication will be given.

Consolidated income statement

(in thousands of Euro)

	31/03/2014		31/03/2013		Variations	
	€/000	% PV	€/000	% PV	€/000	%
Income from sales and services	12,899	93.5%	12,110	92.9%	789	6.5%
Asset increases due to internal work	869	6.3%	895	6.9%	(26)	(2.9%)
Other revenue and receipts	33	0.2%	36	0.3%	(3)	(9.3%)
Production value	13,801	100.0%	13,041	100.0%	760	5.8%
Costs for purchases	(136)	(1.0%)	(90)	(0.7%)	(46)	51.3%
Costs for service	(2,537)	(18.4%)	(2,080)	(15.9%)	(458)	22.0%
Other operational costs	(150)	(1.1%)	(147)	(1.1%)	(3)	2.0%
Added value	10,977	79.5%	10,724	82.2%	253	2.4%
Labour costs	(8,969)	(65.0%)	(8,929)	(68.5%)	(40)	0.5%
Other administrative expenses	(521)	(3.8%)	(535)	(4.1%)	14	(2.6%)
Gross operational result - EBITDA	1,487	10.8%	1,260	9.7%	227	18.0%
Allocation to fund and credit depreciation	(4)	(0.0%)	(2)	(0.0%)	(2)	64.0%
Intangible fixed asset amortization	(1,093)	(7.9%)	(972)	(7.5%)	(121)	12.4%
Tangible fixed asset amortization	(114)	(0.8%)	(120)	(0.9%)	6	(4.8%)
Operational result - EBIT	276	2.0%	166	1.3%	110	66.3%
Financial income	17	0.1%	20	0.2%	(3)	(12.9%)
Financial expenses	(27)	(0.2%)	(11)	(0.1%)	(16)	146.3%
Ordinary result	267	1.9%	175	1.3%	92	52.4%
Revaluations and depreciations	143	1.0%	194	1.5%	(52)	(26.6%)
Pre-tax result	409	3.0%	369	2.8%	40	10.8%
Pre-tax result attributable to:						
Non- controlling interests	31	0.2%	(61)	(0.5%)	92	(151.8%)
Owners of the parent	378	2.7%	430	3.3%	(52)	(12.1%)

Consolidated statement of comprehensive income

(in thousands of Euro)

	I Quarter 2014	I Quarter 2013
Pre-tax profit (loss) for the period	409	369
Other comprehensive income that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on defined benefit liabilities	-	-
Other comprehensive income that will be reclassified subsequently to profit or loss		
Gains/(Losses) on fair value of available-for-sale financial assets	-	(4)
Reclassification adjustments: gains realized on disposal of available-for-sale	-	(69)
Total Pre-tax comprehensive income (loss)	409	296
Comprehensive income (loss) attributable to:		
- Non- controlling interests	31	(61)
- Owners of the parent	378	357

Consolidated Statement of financial position

(in thousands of Euro)

ASSETS	31/03/2014	31/12/2013
A) Non-Current Assets		
Property, plant and equipment	17,356	17,445
Intangible assets	20,455	20,650
Goodwill	8,309	8,309
Investments	326	353
Other financial assets available for sale	0	0
Other non-current credits	230	194
Credits due to deferred taxes	776	776
TOTAL NON-CURRENT ASSETS	47,452	47,727
B) Current Assets		
Inventories	79	62
Ongoing orders	-	-
Trade receivables and other credits	31,767	32,768
Tax credits	2,099	2,128
Cash on hand and other equivalent assets	4,677	3,808
TOTAL CURRENT ASSETS	38,623	38,767
TOTAL ASSETS	86,074	86,494

EQUITY AND LIABILITIES	31/03/2014	31/12/2013
A) Equity		
Company capital	4,670	4,670
Reserves	35,246	35,246
Accumulated profits/losses	13,812	13,434
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	53,728	53,350
Third party Equity	2,209	2,177
TOTAL EQUITY	55,937	55,528
B) Non-current liabilities		
Financing	0	0
Deferred tax liabilities	2,957	2,957
Employee benefits and quiescence provisions	6,989	6,908
Expense and risk provisions	120	120
TOTAL NON-CURRENT LIABILITIES	10,066	9,985
C) Current liabilities		
Trade payables	6,584	4,473
Current tax payables	1,555	3,290
Short-term financing	4,559	6,382
Other liabilities	7,374	6,835
TOTAL CURRENT LIABILITIES	20,072	20,981
TOTAL LIABILITIES AND EQUITY	86,074	86,494

Consolidated Cash Flow Statement

(in thousands of Euro)

Cash Flow Statement of CAD IT Group	I Quarter 2014	I Quarter 2013
A) OPERATING ACTIVITIES		
Profit (loss) for the period	409	369
Amortization, revaluation and depreciation:		
- Property, plant and equipment depreciation	114	120
- Intangible fixed asset amortisation	1,093	972
- Revaluation of investments and financial assets available for sale	(143)	(194)
Allocations (utilization) of provisions	81	72
Financial performance:		
- Net financial receipts (charges)	10	(9)
- Profit / (loss) on foreign exchange	(0)	(0)
Other working capital variations	1,927	1,050
Income taxes paid	0	0
Interest paid	(27)	(11)
(A) - Cash flows from (used in) operating activities	3,465	2,369
B) INVESTMENT ACTIVITIES		
Investments in activities		
- purchase of property, plant and equipment	(25)	(47)
- purchase/production of intangible assets	(898)	(919)
- increase in other fixed assets	(36)	(38)
Disinvestment activities		
- transfers of property, plant and equipment	0	1
- transfers of assets available for sale	0	169
- decrease in other fixed assets	0	0
Cashed Interest	17	20
Cashed dividends	170	163
(B) - Cash flows from (used in) investment activities	(771)	(652)
C) FINANCING ACTIVITIES		
Medium/long term financing repayment	-	-
Allocation of profits to directors of subsidiary companies	-	-
Distribution of profit reserves for withdrawal of a partner of a subsidiary	-	-
Dividends paid	-	-
(C) - Cash flows from (used in) financing activities	-	-
(A+B+C) - Total cash and other equivalent assets flows	2,693	1,717
Opening cash balances and equivalents	(2,575)	3,885
Closing cash balances and equivalents	118	5,602

Consolidated net financial position

(in thousands of Euro)

<i>Net consolidated financial position</i>	<i>31/03/2014</i>	<i>31/12/2013</i>	<i>31/03/2013</i>
Cash-on-hand and at bank	2,107	1,253	3,570
Capitalization insurance policies	2,570	2,555	2,508
Payables due to banks current portion	(4,559)	(6,382)	(475)
Net short-term financial position/(indebtedness)	118	(2,575)	5,602
Long-term loans	(0)	(0)	(0)
Net long-term financial position/(indebtedness)	(0)	(0)	(0)
Net financial position/(indebtedness)	118	(2,575)	5,602

THE CAD IT GROUP

CAD IT is at the head of a group that represents one of the most dynamic organisations in the Italian Information Technology sector.

The group aims its operations at the banking-insurance sector, the business world and public administration, and has been offering software solutions, maintenance, customizing, integration and other correlated services, from application management to outsourcing and consulting to training for over 35 years.

The CAD IT Group, with head offices in Verona, operates in Italy through its own branches and associated companies in Milan, Rome, Prato, Padua and Mantua.

CAD IT is leader in the Italian software market for the banking sector with its main product, Financial Area, a programme which completely manages all functions connected to the negotiation, settlement and administration of security transactions, debentures, derivatives (in any currency) and adopted by the majority of Italian banking outlets.

In addition, the Group boasts a long-standing activity in the industrial sector and the capacity to offer solutions for e-business, credit and industrial companies in constant evolution.

Solutions for Public Administration is the most recent sector but one which capitalises the Group's traditional skills, such as its twenty-year experience in the development of systems for the computerisation of public bodies.

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