

(Translation from the Italian original which
remains the definitive version)

*Quarterly figures and
related information*
First Quarter 2005

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CONTENTS

Corporate Bodies.....	3
Summary schedules.....	5
<i>Consolidated profit and loss account for the period ending 31 March 2005.....</i>	<i>5</i>
<i>Consolidated turnover - goods and services at 31 March 2005.....</i>	<i>6</i>
<i>Net consolidated financial position as at 31 March 2005.....</i>	<i>6</i>
<i>Investments in intangible fixed assets at 31 March 2005.....</i>	<i>7</i>
<i>Investments in tangible fixed assets at 31 March 2005.....</i>	<i>7</i>
<i>Investments in financial fixed assets at 31 March 2005.....</i>	<i>8</i>
<i>Summary of investments - First quarter 2005.....</i>	<i>8</i>
Information on the financial schedules	9
1 Foreword.....	9
2 Information on CAD IT S.p.A.....	9
3 Activities of the Group	9
4 Consolidation area.....	9
4.1 Companies valued using the equity method	10
4.2 Other investments.....	11
5 Accounting policies	11
5.1 Recognition of revenues and costs	11
5.2 Comparison with previous periods.....	11
5.3 Annexes and notes	11
6 Performance.....	12
6.1 Results and information on the most significant components of operating profit.....	12
6.2 The market.....	12
6.3 Research and development.....	12
6.4 Turnover - goods and services	14
6.5 Gross operating result (EBITDA)	14
6.6 Operating profit (EBIT)	14
6.7 Financial income and charges	15
7 Net consolidated financial position.....	15
7.1 Cash flow statement	16
7.2 Shareholders' equities of the parent company and the Group	17
8 Investments.....	17
9 Personnel	18
10 Significant events at 31 March 2005 and expected future developments	18
11 Transition to international accounting standards.....	19

Corporate Bodies

¹ BOARD OF DIRECTORS

GIUSEPPE DAL CORTIVO
Chairman and Managing Director

LUIGI ZANELLA
Managing Director

GIAMPIETRO MAGNANI
Managing Director

MAURIZIO RIZZOLI
Director

PAOLO DAL CORTIVO
Managing Director

FRANCESCO ROSSI
Non-Executive Director

LAMBERTO LAMBERTINI
Non-Executive Director

ALBERTO MIAZZI
Non-Executive Director

¹ STATUTORY AUDITORS

SONIA MAZZI
Chairwoman

GIUSEPPE CEREGHINI
Statutory Auditor

GIANNICOLA CUSUMANO
Statutory Auditor

GIAN PAOLO RANOCCHI
Substitute Statutory Auditor

CESARE BRENA
Substitute Statutory Auditor

AUDITORS KPMG S.p.A.

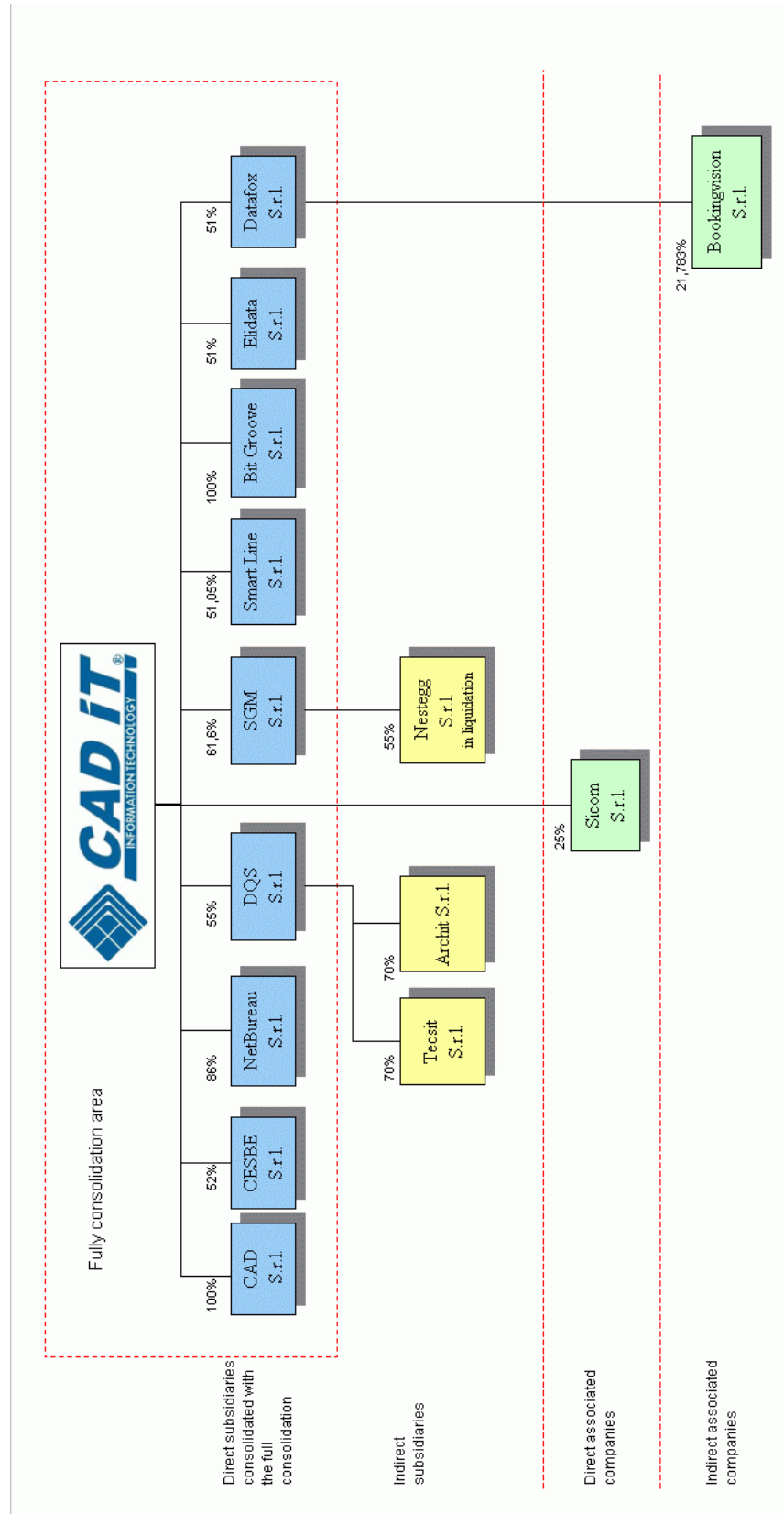
⁽¹⁾ Appointed on 30 April 2003; office expires with the shareholders' meeting for the approval of the 2005 financial statements.

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 14 of the company by-laws. The principal duties assigned to the Board of Directors by the company by-laws are: the examination and approval of the strategic, industrial and financial plans of the company; the appointment of the general managers; 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. Furthermore, the Board of Directors is authorised to take on any kind of obligation amounting to more than € 4 million, and to stand surety by way of collateral or personal or other guarantees of any amount, if issued on behalf of third parties other than the parent company or its subsidiaries.

Each of the Managing Directors, Giampietro Magnani and Luigi Zanella, is authorised to perform all ordinary administrative duties including the ordering of banking transactions, within the limit of the credit lines granted, not exceeding € 1,000,000 (1 million) each or € 3,000,000 (3 million) each with the joint signature of another Managing Director; each of them is also authorised to acquire or sell registered moveable assets.

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



Summary schedules

Consolidated profit and loss account for the period ending 31 March 2005

	<i>First quarter 2005</i>		<i>First quarter 2004</i>	
Turnover - goods and services	11,609,148	91.67%	11,702,753	91.42%
Variation in contract work in progress				
Increase in internal work capitalised under fixed assets	1,053,981	8.32%	1,049,856	8.20%
Other revenues and income	798	0.01%	49,018	0.38%
<i>Production revenues</i>	<i>12,663,927</i>	<i>100.00%</i>	<i>12,801,627</i>	<i>100.00%</i>
Raw materials, consumables and supplies	(227,089)	(1.79%)	(709,479)	(5.54%)
Services	(2,025,046)	(15.99%)	(2,302,995)	(17.99%)
Other operating costs	(219,659)	(1.73%)	(215,281)	(1.68%)
<i>Added value</i>	<i>10,192,133</i>	<i>80.48%</i>	<i>9,573,872</i>	<i>74.79%</i>
Personnel expenses	(7,485,089)	(59.11%)	(7,390,498)	(57.73%)
Other administrative expenses	(588,077)	(4.64%)	(671,191)	(5.24%)
<i>Gross operating result (EBITDA)</i>	<i>2,118,967</i>	<i>16.73%</i>	<i>1,512,183</i>	<i>11.81%</i>
Accrual to provision for bad debts	(5,651)	(0.04%)	(22,482)	(0.18%)
Amortisation and depreciation				
- Amortisation of intangible fixed assets	(443,531)	(3.50%)	(684,485)	(5.35%)
- Depreciation of tangible fixed assets	(219,369)	(1.73%)	(227,825)	(1.78%)
Other accruals			(1,204)	(0.01%)
<i>Operating profit (EBIT)</i>	<i>1,450,416</i>	<i>11.45%</i>	<i>576,187</i>	<i>4.50%</i>
Financial income and charges, net	56,870	0.45%	64,274	0.50%
<i>Profit from ordinary activities</i>	<i>1,507,286</i>	<i>11.90%</i>	<i>640,461</i>	<i>5.00%</i>
Revaluations and write-downs	(11,409)	(0.09%)	68,336	0.53%
Extraordinary income and expenses	(37,308)	(0.29%)	8,592	0.07%
<i>Profit before taxation and minority interests</i>	<i>1,458,569</i>	<i>11.52%</i>	<i>717,389</i>	<i>5.60%</i>
Profit /(loss) of minority interests before taxation	(32,274)	(0.25%)	(288,104)	(2.25%)
<i>Profit/(loss) of the Group before taxation</i>	<i>1,426,295</i>	<i>11.26%</i>	<i>429,285</i>	<i>3.35%</i>

Consolidated turnover - goods and services at 31 March 2005

Turnover - goods and services	First quarter		First quarter	
	2005		2004	
Financial instruments B.O.	8,611,912	74.18%	8,016,999	68.51%
Banking services software	1,507,438	12.98%	1,327,387	11.34%
Integrated IT systems	114,541	0.99%	215	0.00%
Training, organisation consulting	229,779	1.98%	484,749	4.14%
New technologies	376,395	3.24%	410,137	3.50%
Total banking division	10,840,065	93.38%	10,239,487	87.50%
Industrial hardware, software	683,401	5.89%	1,386,953	11.85%
Consulting, training and industrial services	85,682	0.74%	76,313	0.65%
Total industry division	769,083	6.62%	1,463,266	12.50%
Total turnover - goods and services	11,609,148	100.0%	11,702,753	100.0%

Net consolidated financial position as at 31 March 2005

Net financial position	as at 31.03.2005	as at 31.12.2004	as at 30.09.2004	as at 30.06.2004	as at 31.03.2004
Cash, bank current accounts	12,708,223	6,080,666	5,152,488	9,047,373	13,442,722
Financial assets not of a fixed nature	5,899,500	5,858,618	5,806,289	5,770,043	5,767,978
Sums due to banks, net of short-term portion of medium to long-term financing	(458,168)	(541,471)	(363,340)	(376,452)	(650,243)
Net short-term financial position/(indebtedness)	18,149,555	11,397,813	10,595,437	14,440,964	18,560,457
Long-term financing, net of short-term portion					
Net long-term financial position/(indebtedness)					
Net financial position/(indebtedness)	18,149,555	11,397,813	10,595,437	14,440,964	18,560,457

Investments in intangible fixed assets at 31 March 2005

<i>Intangible fixed assets</i>	<i>Start-up and capital costs</i>	<i>Development</i>	<i>Industrial patents and similar rights</i>	<i>Licences, trademarks and similar rights</i>	<i>Goodwill</i>	<i>Assets under development and payments on account</i>	<i>Goodwill arising on consolidation</i>	<i>Other intangible fixed assets</i>	<i>Total</i>
Purchase or production cost	4,454,101		91,971	2,937,463	32,537	5,155,609	12,440,551	1,272,428	26,384,659
Previous year's revaluations									
Previous year's amortisation and write-downs	(4,445,382)		(87,054)	(2,417,223)	(19,522)		(5,375,905)	(587,049)	(12,932,136)
Adjustments to previous year's write-downs	(791)								(791)
<i>Opening value</i>	<i>7,928</i>		<i>4,917</i>	<i>520,240</i>	<i>13,015</i>	<i>5,155,609</i>	<i>7,064,646</i>	<i>685,379</i>	<i>13,451,733</i>
Variation in consolidation area									
Purchases				4,384		1,153,981			1,158,365
Transfers							135		135
Reduction in amortisation due to disposals									
Disposals									
Revaluations for the year									
Amortisation and write-downs for the year	(1,231)		(1,229)	(107,030)	(813)		(309,757)	(23,471)	(443,531)
Adjustments to write-downs for the year									
<i>Total intangible fixed assets</i>	<i>6,697</i>		<i>3,688</i>	<i>417,594</i>	<i>12,201</i>	<i>6,309,590</i>	<i>6,755,024</i>	<i>661,907</i>	<i>14,166,703</i>

(of which revaluations)

Investments in tangible fixed assets at 31 March 2005

<i>Tangible fixed assets</i>	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Industrial and commercial equipment</i>	<i>Other tangible fixed assets</i>	<i>Assets under construction</i>	<i>Total</i>
Purchase or production cost	11,633,394	490,516	1,186	5,136,900		17,261,996
Previous year's revaluations						
Previous year's depreciation and write-downs	(868,386)	(338,529)	(1,026)	(3,651,165)		(4,859,106)
Adjustments to previous year's write-downs				(1,955)		(1,955)
<i>Opening value</i>	<i>10,765,009</i>	<i>151,986</i>	<i>160</i>	<i>1,483,780</i>		<i>12,400,936</i>
Variation in consolidation area						
Purchases		6,965		23,011		29,977
Transfers						
Reduction in depreciation due to disposals				3,255		3,255
Disposals				(4,230)		(4,230)
Revaluations for the year						
Depreciation and write-downs for the year	(87,250)	(12,934)	(8)	(119,177)		(219,369)
Adjustments to write-downs for the year						
<i>Total tangible fixed assets</i>	<i>10,677,758</i>	<i>146,018</i>	<i>152</i>	<i>1,386,640</i>		<i>12,210,568</i>

(of which revaluations)

Investments in financial fixed assets at 31 March 2005

<i>Financial fixed assets</i>	<i>Investments</i>	<i>Amounts receivable</i>	<i>Securities</i>	<i>Own shares</i>	<i>Consolidation adjustments</i>	<i>Total</i>
Purchase cost	20,497,144	165,320			(14,250,602)	6,411,862
Previous year's revaluations		930			527,551	528,482
Previous year's write-downs	(87,200)	(1,402)			(482,060)	(570,662)
Adjustments to previous year's write-downs						
<i>Opening value</i>	<i>20,409,944</i>	<i>164,848</i>			<i>(14,205,110)</i>	<i>6,369,682</i>
Variation in consolidation area						
Purchases - subscriptions		14,137				14,137
Transfers						
Reimbursements		(6,300)				(6,300)
Disposals						
Revaluations for the year		31			46,611	46,642
Write-downs for the year					(58,020)	(58,020)
Adjustments to write-downs for the year						
<i>Total financial fixed assets</i>	<i>20,409,944</i>	<i>172,717</i>			<i>(14,216,519)</i>	<i>6,366,141</i>

Summary of investments - First quarter 2005

<i>Summary of investments</i>	<i>1st quarter 2005</i>	<i>1st quarter 2004</i>	<i>Period 01/01 – 31/12/2004</i>
Intangible fixed assets	4,384	161,392	262,935
Assets under development and payments on account	1,153,981	1,049,856	5,155,609
Plant, machinery, equipment and other tangible fixed assets	29,977	98,681	244,540
Buildings under construction and payments on account			
<i>Total investments in tangible and intangible fixed assets</i>	<i>1,188,342</i>	<i>1,309,929</i>	<i>5,663,084</i>
Shareholdings and financial investments		118,533	465,317
Financial amounts receivable	14,137	7,890	22,985
Shares			
<i>Total shareholdings and financial investments</i>	<i>14,137</i>	<i>126,423</i>	<i>488,302</i>
<i>Total investments</i>	<i>1,202,479</i>	<i>1,436,352</i>	<i>6,151,386</i>

Information on the financial schedules

1 Foreword

In accordance with the new regulations governing the terms and requirements for the disclosure of quarterly schedules by the companies listed on the "New Market", the required data is presented here on a consolidated basis, as CAD IT S.p.A. is required to prepare consolidated financial statements.

This document comprises the required financial schedules and related information of the directors and has been prepared in accordance with the accounting principles established for the preparation of annual consolidated financial statements for the previous financial period as laid down in art. 82-b of the no. 11971 Consob regulation of 1999, modified with decree no. 14990 of 14 April 2005.

Unless otherwise indicated, the monetary items of the financial schedules are stated in Euros, those reported in the related information are stated in thousands of Euros.

2 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 no. 44/a, Verona, Italy.

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

At 31 March 2005, share capital amounted to € 4,669,600, fully subscribed and paid-in, and comprised 8,980,000 ordinary shares, each with equal rights.

These shares are nominal and cannot be divided. Each of them entitles the holder 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. They can be freely transferred with no limitation.

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.

3 Activities of the Group

CAD IT Group has developed and distributed IT solutions for the banking sector and the small to medium size industry for over 20 years. It provides standard and customised application software, maintenance and upgrading services as well as consulting and training services.

CAD IT has become the Italian market leader in the supply of IT solutions in the financial sector with its "Area Finanza" software, adopted by over 50% of the Italian bank branches, for the complete management of negotiations and related functions, as well as the regulation and administration of purchases and sales of shares, bonds and derivatives in any currency.

In addition, in synergy with its activities in the financial sector, the Group has long operated in the industry sector, providing and continuing to develop e-business solutions for banks and industrial companies.

4 Consolidation area

The fully consolidated companies included in the financial schedules of CAD IT Group at 31 March 2005 are the following:

<i>Company name</i>	<i>Registered office</i>		<i>Quota Capital</i>	<i>Percentage of control</i>	<i>Percentage of interest of the Group</i>
			Euro		
CAD S.r.l.	Verona	Via Torricelli 37	130,000	100.00%	100.00%
Cesbe S.r.l.	Verona	Via Torricelli 37	10,400	52.00%	52.00%
NetBureau S.r.l.	Milan	Via Morigi 13	50,000	86.00%	86.00%
SGM S.r.l.	Padua	Galleria Spagna 28	223,309	61.60%	61.60%
DQS S.r.l.	Rome	Via Silvio D'Amico 40	11,000	55.00%	55.00%
Bit Groove S.r.l.	Agliana (PT)	Piazza IV Novembre 8	15,500	100.00%	100.00%
Elidata S.r.l.	Castiglione d'Adda (LO)	Via Sanadolo 19	20,000	51.00%	51.00%
Smart Line S.r.l.	Avellino	Via Tagliamento 165	102,700	51.05%	51.05%
Datafox S.r.l.	Florence	Via Circondaria, 56/3	99,999	51.00%	51.00%

Compared to 31 March 2004, the fully consolidated area has not changed.

In August 2004, due to S.G.M.'s partial renunciation to exercise the right to the capital option to increase its capital, CAD IT investment increased from 52% to 61.60%. The share capital transaction required CAD IT to pay € 138 thousand for the increase in the capital and for the covering loss.

On 3rd September 2004, executing the previous agreements, CAD IT bought 49% of Bit Groove S.r.l. share capital for € 60 thousand. Now Bit Groove S.r.l. capital is entirely owned by CAD IT. Such variations have limited effects on the profit and loss account and on the balance sheet due to the moderate dimensions of the two subsidiaries.

4.1 Companies valued using the equity method

The following indirect subsidiaries, which are valued using the equity method, are excluded from the full consolidation area, due to reasons that will be demonstrated later:

<i>Indirect subsidiaries valued using the equity method</i>	<i>Registered office</i>		<i>Quota Capital</i>	<i>Percentage of investment</i>	<i>Percentage of interest of the Group</i>
Tecsit S.r.l.	Roma	Via Silvio D'Amico 40	75,000	70.00%	38.50%
Arch it S.r.l.	Roma	Via Silvio D'Amico 40	50,000	70.00%	38.50%
Nestegg S.r.l.	Milan	Piazza Borromeo 10	25,000	55.00%	33.88%

- Tecsit S.r.l., controlled by DQS S.r.l., as it operates in a sector different from that of the Group;
- Arch It S.r.l., controlled by DQS S.r.l., immaterial and in liquidation;
- Nestegg S.r.l., controlled by SGM S.r.l., immaterial and in liquidation;

Total assets and revenues of the non-consolidated indirect subsidiaries represent 1.20% and 0.36% of the Group's assets and revenues, respectively.

On the other hand, since 31-12-2003 Syrm S.r.l. and 4Emme Informatica S.r.l. are no longer consolidated. Syrm's liquidation ended on 28th April 2004, with the approval of the final balance sheet, while 4Emme Informatica S.r.l. ended with the approval of the final balance sheet on 28th June 2004.

4.2 Other investments

The following investments are valued at cost or equity value, possibly reduced in case of permanent impairment in value.

<i>Directly associated companies</i>	<i>Registered office</i>	<i>Percentage of investment</i>	<i>Percentage of interest of the Group</i>
Sicom S.r.l.	Viadana (MN)	25.00%	25.00%

Indirectly associated companies

Bookingvision S.r.l. is indirectly linked through Datafox which held a 21.783% share on 31 March 2005.

5 Accounting policies

The accounting policies adopted to present the consolidated quarterly schedules and figures are consistent with those adopted in the preparation of the consolidated financial statements of previous year.

The captions are valued in line with the general principles of prudence and accruals on a going concern basis.

No exceptional cases were identified such as requirement of waivers for the regulations for financial statements set out in paragraph 4 of article 2423 of the Italian Civil Code.

Estimates, which have been used where necessary to correctly reflect the Group's financial position and results for the period, are immaterial.

As CAD IT S.p.A. is obliged to prepare consolidated financial statements, this quarterly report has been drawn up on a consolidated basis.

5.1 Recognition of revenues and costs

Revenues and income are prudently accounted for according to the concepts of prudence and accruals bases. Unrealised profits, even becoming known at a subsequent date, are excluded also taking into consideration the risks and losses accrued in the period.

Assistance and/or maintenance services provided to customers against payment of an annual fee are recorded on an accruals basis.

Costs are recognised on a similar basis to revenues.

5.2 Comparison with previous periods

The profit and loss account figures and gross investments in fixed assets relate to the quarter of reference and to the period from 1 January 2005 to 31 March 2005. They are compared to the same previous year periods.

The figures representing the net financial position are compared with the figures of the previous quarter and the previous year end.

The financial schedules are comparable with the information provided in the half-year report and the consolidated financial statements.

5.3 Annexes and notes

The following consolidated figures of the Group introduce this information on the quarterly figures:

- reclassified profit and loss account;
- turnover - goods and services;
- net financial position;
- investments in intangible, tangible and financial operating fixed assets.

6 Performance

The Group recorded a positive consolidated profit of Euro 1,426 thousand in the first quarter 2005, compared to Euro 429 thousand for the same period in 2004, before taxation and after minority interest before taxation of Euro 32 thousand (Euro 288 thousand in the same previous year period).

6.1 Results and information on the most significant components of operating profit

Production revenues of the Group amount to Euro 12,664 thousand in the first quarter 2005, against Euro 12,802 thousand in the corresponding previous year period.

Added value of the quarter confirms a margin of 80.48% compared to 74.79% for the same period of the previous year.

Gross operating result (EBITDA) registers Euro 2,119 thousand compared to Euro 1,512 thousand for the previous year quarter.

Operating profit (EBIT) at 31 March 2005 amounts to Euro 1,450 thousand, compared to Euro 576 thousand in the corresponding period in 2004.

The data shown highlight the substantial stability of the production revenues compared to the previous period and the considerable improvement in the added value due to the reduction of goods and services cost. The greater performance of the added value is reflected in the improvement in the Gross Operating Margin (EBITDA) that reaches 16.73% of the production revenues compared to 11.81% of the previous period.

A further improvement can be seen in the operating profit (EBIT) which increases to 11.45% of the production revenues and which was brought about by the reduction in intangible fixed assets amortizations, due in particular to the conclusion of quotation costs amortization which finished in 2004.

6.2 The market

During the fourth quarter no clear symptoms were perceived such as to modify the future prospects of the market of reference, which nonetheless has shown some positive signs.

6.3 Research and development

In regard to activities aimed at consolidating traditional business, the production of new modules to improve organisation and the technical development of the vast amount of software installed, is constantly underway within the Group.

New information systems aimed at diversifying the Group's offer towards those sectors that border on the ones already presided over, are also being integrated and implemented. The insurance sector, for example, has already been targeted for the current financial period.

The main projects in which the Group companies are involved are:

- CAD IT S.p.A. and CAD S.r.l. have been working on new and important modules that can be integrated to existing procedures. For example:

- a new Area Finance module to manage security loans and debenture loans;
- a new module for the allocation of patrimonial management;
- security data service management proposed in partnership with Class Editori and Borsa Italiana;
- the procedure for local tax management and other modules for the preparation of extracting taxes;
- the procedure for digital signature management and electronic mandate.

As regards new projects, research and development activities are continuing into the SIBAC platform, which is a leading element in the Group's growth strategy. In 2005, activities were concentrated on some of the SIBAC subsystems, for example:

- general data files;
- general accounting;
- FOREX.

The development of the Basle 2 procedure was a further investment made by the Group. Moreover, the offer of new modules for the insurance sector is being defined, taking advantage of the experience gained in the banking sector on very current themes like IAS or, more generally, financial back office instruments.

In collaboration with Bit Groove and DataFox, activities for the production of specialised modules for business intelligence are intense.

- Cesbe S.r.l. continued to invest in the technological and functional upgrading of its on-line trading and training solutions and in a new platform aimed at automating the study of processes;
- The CAD IT Group, in collaboration with NetBureau, is working intensely on creating procedures for fiduciaries, Shareholders' Meeting management and for keeping the books of multi-shareholder companies;
- SGM S.r.l. developed vertical solutions of the (ERP) SIGMAWEB management software for companies of any size. Among these it is to note the rising verticalisation of solutions for the fashion industry and the food sector (managing the threader marking);
- DQS S.r.l. completed the reengineering of the procedure for the management of "depository banks";
- Smart Line S.r.l. is currently investing to widen its offer of services and tax collection solutions for the local public administrations and consortia;
- Elidata S.r.l. continued investing to increase further the functions of its platform for linking to the financial markets.

6.4 Turnover - goods and services

Turnover is summarised below by business line, with comparative figures of the previous year period.

A breakdown by geographical area is not significant as all the Group's turnover is evenly achieved throughout Italy. Therefore it is not provided here.

Turnover of goods and services amount to Euro 11,609 thousand in the first quarter 2005 compared to Euro 11,703 thousand in the same previous year period.

<i>Turnover - goods and services</i>	<i>First quarter 2005</i>		<i>First quarter 2004</i>	
Financial instruments B.O.	8,611,912	74.18%	8,016,999	68.51%
Banking services software	1,507,438	12.98%	1,327,387	11.34%
Integrated IT systems	114,541	0.99%	215	0.00%
Training, organisation consulting	229,779	1.98%	484,749	4.14%
New technologies	376,395	3.24%	410,137	3.50%
<i>Total banking division</i>	<i>10,840,065</i>	<i>93.38%</i>	<i>10,239,487</i>	<i>87.50%</i>
Industrial hardware, software	683,401	5.89%	1,386,953	11.85%
Consulting, training and industrial services	85,682	0.74%	76,313	0.65%
<i>Total industry division</i>	<i>769,083</i>	<i>6.62%</i>	<i>1,463,266</i>	<i>12.50%</i>
<i>Total turnover - goods and services</i>	<i>11,609,148</i>	<i>100.0%</i>	<i>11,702,753</i>	<i>100.0%</i>

6.5 Gross operating result (EBITDA)

The gross operating result for the first quarter 2005 amount to Euro 2,119 thousand and is equal to 16.73%, of production revenues, while the gross operating result for the first quarter 2004 amounted to Euro 1,512 thousand, equal to 11.81% of production revenues.

The results in operating profit for the quarter is already mentioned in paragraph 6.1.

6.6 Operating profit (EBIT)

Operating profit for first quarter 2005 is positive for Euro 1,450 thousand compared to Euro 576 thousand in the corresponding previous year period.

Amortisation, depreciation and accruals for the first quarter 2005 total Euro 669 thousand compared to Euro 936 thousand in the same previous year period.

6.7 Financial income and charges

Net financing activities resulted in an income of Euro 57 thousand in the first quarter 2005 (Euro 64 thousand in the same previous year period).

<i>Financial income and charges</i>	<i>1st quarter</i>	<i>1st quarter</i>	<i>Period</i>
	<i>2005</i>	<i>2004</i>	<i>1/1-31/12/2004</i>
Financial income from investments in other companies			37,272
Financial income from receivables classified as fixed assets	31	160	254
Financial income from invested liquidity			
Bank interest	72,706	91,352	406,438
Profit and loss on changes	(544)		
<i>Total other financial income</i>	<i>72,193</i>	<i>91,512</i>	<i>443,964</i>
Interest expense and other financial charges	(15,323)	(27,238)	(102,518)
<i>Financial income and charges, net</i>	<i>56,870</i>	<i>64,274</i>	<i>341,446</i>

7 Net consolidated financial position

The net short-term consolidated financial position amounts to Euro 18,150 thousand at the end of the first quarter 2005, compared to Euro 11,398 thousand at 31.12.2004.

<i>Net financial position</i>	<i>as at 31.03.2005</i>	<i>as at 31.12.2004</i>	<i>as at 30.09.2004</i>	<i>at 30.06.2004</i>	<i>at 31.03.2004</i>
Cash, bank current accounts	12,708,223	6,080,666	5,152,488	9,047,373	13,442,722
Financial assets not of a fixed nature	5,899,500	5,858,618	5,806,289	5,770,043	5,767,978
Sums due to banks, net of short-term portion of medium to long-term financing	(458,168)	(541,471)	(363,340)	(376,452)	(650,243)
<i>Net short-term financial position/(indebtedness)</i>	<i>18,149,555</i>	<i>11,397,813</i>	<i>10,595,437</i>	<i>14,440,964</i>	<i>18,560,457</i>
Long-term financing, net of short-term portion					
Net long-term financial position/(indebtedness)					
<i>Net financial position/(indebtedness)</i>	<i>18,149,555</i>	<i>11,397,813</i>	<i>10,595,437</i>	<i>14,440,964</i>	<i>18,560,457</i>

7.1 Cash flow statement

Year 2004	Cash flow statement of Cad It Group	1 st quarter 2005	1 st quarter 2004
<u>OPERATING ACTIVITIES</u>			
2,400,877	Profit (loss) for the year	1,426,295	429,285
Amortisation and depreciation:			
916,190	- tangible fixed assets	219,369	227,825
1,516,562	- intangible fixed assets	133,775	374,425
1,244,069	- goodwill arising on consolidation	309,756	310,060
Accruals:			
1,501,048	- employees' leaving entitlement	332,815	321,374
4,996	- other provisions	-	1,204
10,201	Increase/(Utilisation) of provisions for contingencies and other charges	(2,902)	(30,272)
7,593,943	Sub-total	2,419,108	1,633,901
(489,274)	Utilisation of employees' leaving entitlement	(290,141)	(81,365)
(5,044,573)	(Increase)/Decrease in receivables included under assets forming part of working capital	4,389,352	1,119,357
39,972	(Increase)/Decrease in inventory	28,703	60,621
(43,194)	(Increase)/Decrease in deferred expenses and accrued income	(308,011)	(302,125)
(1,283,183)	Increase/(Decrease) in accounts due to creditors	42,861	(119,194)
(11,885)	Increase/(Decrease) in accrued expenses and deferred income	3,102,843	1,941,687
11,299	Increase/(Decrease) in sums due to other financial institutions	(20,426)	48,579
4,397,944	Increase/(Decrease) in other non-financial payables	(1,442,226)	1,403,503
(2,422,894)	Sub-total	5,502,955	4,071,063
5,171,049	(A) - Cash flows from (for) operating activities	7,922,063	5,704,964
<u>INVESTING ACTIVITIES</u>			
184,562	(Increase)/ Decrease in investments in subsidiary companies valued using the equity method	53,134	63,946
(5,611,106)	(Increase)/Decrease in intangible fixed assets	(1,158,499)	(1,404,599)
(176,337)	(Increase)/Decrease in tangible fixed assets	(29,002)	(143,364)
7,884	(Increase)/Decrease in other fixed assets	(7,869)	(6,678)
277,026	Acquisition of investments in unconsolidated subsidiaries	-	-
250,000	(Increase)/Decrease in investments in associated companies	(41,724)	216,529
250,000	(Increase)/Decrease in other investments and securities	-	-
(5,067,971)	(B) - Cash flows from (for) investing activities	(1,183,960)	(1,274,166)
<u>FINANCING ACTIVITIES</u>			
(138,684)	Increase/(Decrease) in financial payables	-	-
(2,694,000)	Increase/(Decrease) in reserves	-	-
(138,684)	Effect on consolidation reserves	-	-
(138,684)	Minority interest	13,640	2,240
(2,694,000)	Distribution of dividends	-	-
(2,832,684)	Capital injections	-	-
(2,832,684)	(C) - Cash flows from (for) financing activities	13,640	2,240
(2,729,606)	(A+B+C) - Total cash flows	6,751,743	4,433,038
14,127,419	Opening liquid funds	11,397,813	14,127,419
11,397,813	Closing liquid funds	18,149,555	18,560,457

7.2 Shareholders' equities of the parent company and the Group

The shareholders' equities of CAD IT S.p.A. and the Group at 31.03.2005, excluding current profit before taxation, are shown below:

<i>Shareholders' equity excluding current profit</i>	<i>CAD IT S.p.A</i>	<i>CAD IT GROUP</i>
Share capital - Euro 4,669,600 (8,980,000 shares of Euro 0.52 each)	4,669,600	4,669,600
Share premium reserve	35,246,400	35,246,400
Other reserves	10,342,805	10,342,805
Retained earnings		(3,263,544)
Variation in retained earnings	3,940,510	3,940,510
<i>Total shareholders' equity excluding current profit</i>	<i>54,199,315</i>	<i>50,935,771</i>

8 Investments

Investments in tangible and intangible fixed assets made by the consolidated companies in the first quarter 2005 amount to Euro 1,202. thousand (Euro 1,436 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 new products legally needed by credit institutions.

The trend of investments is shown in the following table:

Summary of investments – first quarter 2005

<i>Summary of investments</i>	<i>1st quarter 2005</i>	<i>1st quarter 2004</i>	<i>Period 2004 01/01 – 31/12</i>
Intangible fixed assets	4,384	161,392	262,935
Assets under development and payments on account	1,153,981	1,049,856	5,155,609
Plant, machinery, equipment and other tangible fixed assets	29,977	98,681	244,540
Buildings under construction and payments on account			
<i>Total investments in tangible and intangible fixed assets</i>	<i>1,188,342</i>	<i>1,309,929</i>	<i>5,663,084</i>
Shareholdings and financial investments		118,533	465,317
Financial amounts receivable	14,137	7,890	22,985
Shares			
<i>Total shareholdings and financial investments</i>	<i>14,137</i>	<i>126,423</i>	<i>488,302</i>
<i>Total investments</i>	<i>1,202,479</i>	<i>1,436,352</i>	<i>6,151,386</i>

As already mentioned, investments in intangible fixed assets mainly relate to costs, accounts and increase in internal work, to the purchase and the development of specific software necessary for production or for the performance of the Group's activities.

9 Personnel

The Group's workforce decreased by 7 units at the end of the first quarter 2005 compared to 31-12-2004 in execution of the reorganization plan for the activities of the subsidiary SGM S.r.l.

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

Information on the Group's employees at the end of each quarter is reported below:

<i>Category of Employees</i>	<i>at</i> <i>31/03/2005</i>	<i>at</i> <i>31/12/2004</i>	<i>at</i> <i>30/09/2004</i>	<i>at</i> <i>30/06/2004</i>	<i>at</i> <i>31/03/2004</i>
Management	16	16	16	16	15
White collars	625	631	628	630	630
Blue collars	1	1	1	1	1
Apprentices	5	6	6	5	5
<i>Total</i>	<i>647</i>	<i>654</i>	<i>651</i>	<i>652</i>	<i>651</i>

The average number of employees in 2004 was 652 units, while the average number of employees in the first quarter 2005 is 654 units.

10 Significant events at 31 March 2005 and expected future developments

During the first quarter 2005 five banking groups chose to adopt the SIBAC IAC solution developed by CAD IT. SIBAC - IAC (Investor Adequacy Care) is a modular and integrated system designed to support Banks in adequacy checks as established by the Italian CONSOB regulations (art. 29 Regulation 11522/98), the European CESR Norms and in use in ABI's "Progetto IX iniziativa PattiChiari".

At the 29th April 2005, on the basis of the financial results of 2004, which confirm the Veronese Group's ability to generate positive income margins, the shareholder's meeting approved the distribution of a €0.33 ordinary dividend per share and the allocation of €0.98 million into reserves. Following this transaction, the available reserve of retained earnings, will exceed € 10 million.

The ex-dividend and the dividend payment dates are the 9th and 12th of May 2005 respectively

Subsequent to 31st March, there have been no events of particular importance to significantly influence the shareholders' equities or economic results of the group.

11 Transition to international accounting standards

CAD IT S.p.a., whose shares are quoted on the regulated market in Italy, will be obliged to supply the standard accounting details for drafting its own consolidated balance as from the closure of the financial period at 31 December 2005 in accordance with the EEC regulation no. 1606/2002.

In 2004 CAD IT S.p.a. already began the programme for adopting the international accounting standards issued by IASB – International Account Standard Board – in order to adjust its own consolidated balances to the regulations issued by the European Union, and the company is continuing activities to prepare the operating and book keeping solutions necessary to respect the deadlines forecast by the new normative. With the help of expert external consultants, meetings were held to inform the administrative bodies and top management of the new standards. Specific training sessions were held for administration and for the staff involved in drafting the consolidated balance and in management control. This training programme is being completed. By the end of June 2005, data analysis phases are programmed for the specific areas concerned on the basis of adopting the new IRFS accounting standards for processing mid-year and financial period accounting situations.

The gradual transition towards adopting the international accounting standards according to the CESR (Committee of European Securities Regulators) and Consob recommendations bring about:

- the reconstruction of the Group's net patrimony according to IFRS at 31 December 2003;
- the accounting closure of mid-year and yearly balances for 2004 according to the standards adopted so far;
- the accounting closure of the yearly balance for 2005 according to the standards adopted so far, indicating any eventual effects in a special report;
- the accounting closure of mid-year and yearly balances for 2005 according to the IFRS accounting standards and appropriately compared to the 2004 balance.

On behalf of the Board of Directors
The Chairman

(Signed on the original)

Giuseppe Dal Cortivo