CAD IT S.p.A.

Consolidated Financial Statements at 31 December 2011

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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Consolidated financial statements at 31/12/2011

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

BOARD OF DIRECTOR AND AUDITORS

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 (2)
Director

JÖRG KARSTEN BRAND (3)
Director

FRANCESCO ROSSI (2)
Independent Director

LAMBERTO LAMBERTINI (2)
Independent Director

STATUTORY AUDITORS (1)

RICCARDO FERRARI
Chairman

GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

AUDITORS: BDO S.p.A.

(1) Appointed on 29 April 2009; office expires with the shareholders' meeting for the approval of the 2011 financial statements.
(2) Member of the Internal Control Committee; member of the Nominating and Compensation Committee
(3) Appointed on 27 April 2011; office expires with the shareholders' meeting for the approval of the 2011 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 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 2,000,000 (two million) for each individual transaction and up to a maximum of Euro 4,000,000 (four million) for each individual transaction with the joint signature of another managing director; furthermore, the aforementioned directors will have the power and faculty, with their single signature, to purchase and/or sell registered assets, with the exception of boats and airplanes of any kind.
The Managing Director Paolo Dal Cortivo 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 2,000,000 (two million) for each individual transaction and up to a maximum of Euro 4,000,000 (four million) for each individual transaction with the joint signature of another managing director.
The said Managing Director represents the Company in terms of relations with institutional investors and shareholders as well as with Borsa Italiana S.p.A. and Consob, by sending them communications and information, including anything required by the laws in force and/or the international best practice rules in respect of the laws and rules themselves and any internal regulations.

CAD IT Group at 31/12/2011

DIRECTORS' REPORT ON OPERATION

This management report is an integral part of CAD IT S.p.A.'s consolidated financial report at 31st December 2011 and includes references to the important events which occurred during the financial year and their incidence on the balance and consolidated Financial Statement, together with a description of both CAD IT S.p.A.'s and the Group's primary risks and uncertainties.
The consolidated balance at 31st December 2011 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.
For further information on the result and CAD IT S.p.A.'s financial-economic situation, please refer to the Financial Statement.
Unless otherwise indicated, the monetary quantities in the accounting tables and those quoted in the notes, are expressed in thousands of Euro. Due to this rounding off, the sum of the details in some charts may differ from the total amount of the rounding off details.

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. There are no other action categories. 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. The company is listed in the STAR market of the Italian stock exchange.
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 it own general and operational strategic policies. CAD IT S.p.A. manages and coordinates its own subsidiaries.

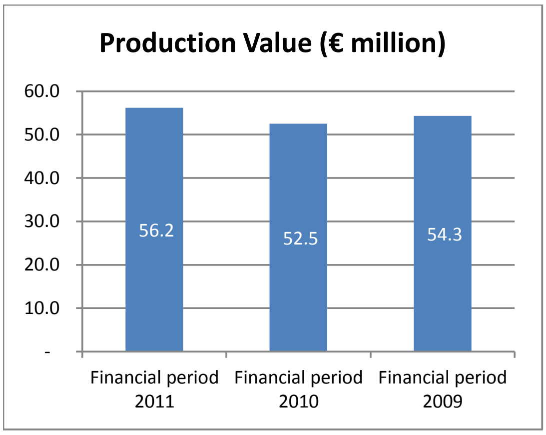
Activities of the Group

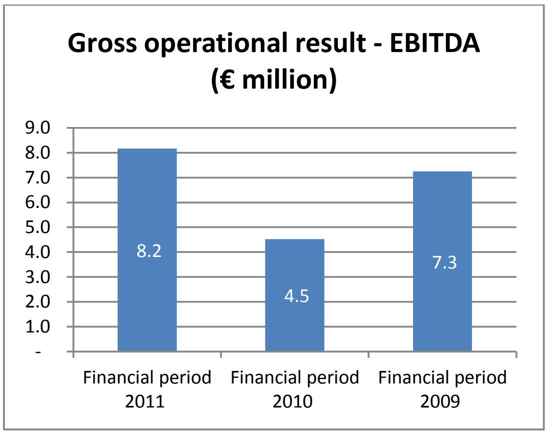
CAD IT is the leader of a group that is one of the most dynamic organisations in the Italian information technology sector.
For almost 30 years, the Group has been dealing with the banking and insurance market and the world of business and public administration by offering software solutions, maintenance, 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, Prato, Bologna, Padova, 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 negotiation, settlement and administration of security transactions, debentures, derivates (in any currency) and adopted, according to company estimations, by about 90% 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 more than 30-years experience in developing computer systems for public body.

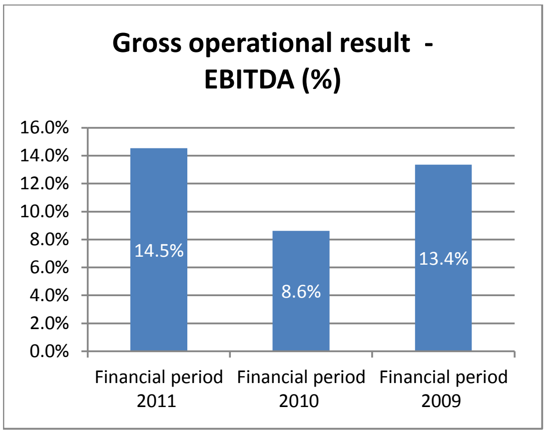
Summary of the Group results

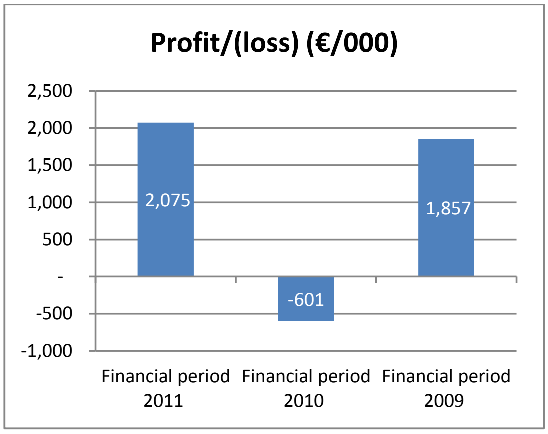
	Period 2011		Period 2010		Variations	
	€/000	% PV	€/000	% PV	absolute	%
Production value	56,190	100.0%	52,510	100.0%	3,680	7.0%
Added value	44,201	78.7%	39,573	75.4%	4,627	11.7%
Gross operational result (EBITDA)	8,171	14.5%	4,525	8.6%	3,646	80.6%
Operational result (EBIT)	4,646	8.3%	713	1.4%	3,933	551.9%
Ordinary result	4,648	8.3%	724	1.4%	3,924	542.1%
Pre-tax result	4,699	8.4%	760	1.4%	3,939	518.5%
Income taxes	(2,623)	(4.7%)	(1,361)	(2.6%)	(1,263)	92.8%
Profit (loss) for the period	2,075	3.7%	(601)	(1.1%)	2,676	(445.3%)
Profit/(loss) for the period attributable to Owners of the parent	**1,858**	**3.3%**	**(623)**	**(1.2%)**	**2,481**	**(398.2%)**
Total comprehensive income	2,038		(650)		2,688	(413.5%)
Total Comprehensive income attributable to Owners of the parent	**1,821**		**(672)**		**2,494**	**(370.9%)**

	31/12/2011	31/12/2010
Total Assets	86,028	80,843
Total Equity	57,845	55,819
Equity attributable to Owners of the parent	55,356	53,593
Net short-term financial position/(indebtedness)	5,401	4,250
Net financial position / (indebtedness)	5,282	4,100
Employees at the end of the period (number)	594	609
Employees: average number in the period	601	607


Production Value (€ million)
60.0
50.0
40.0
30.0
20.0
10.0
-
56.2
52.5
54.3
Financial period 2011
Financial period 2010
Financial period 2009


Gross operational result - EBITDA (€ million)
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
-
8.2
4.5
7.3
Financial period 2011
Financial period 2010
Financial period 2009


Gross operational result - EBITDA (%)
16.0%
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
14.5%
8.6%
13.4%
Financial period 2011
Financial period 2010
Financial period 2009


Profit/(loss) (€/000)
2,500
2,000
1,500
1,000
500
-
-500
-1,000
2,075
-601
1,857
Financial period 2011
Financial period 2010
Financial period 2009

Consolidated income results analysis

	Period 2011		Period 2010		Variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	52,248	93.0%	48,224	91.8%	4,024	8.3%
Changes in ongoing orders	(179)	(0.3%)	(115)	(0.2%)	(64)	55.8%
Asset increases due to internal work	3,543	6.3%	4,334	8.3%	(791)	(18.2%)
Other revenue and receipts	578	1.0%	67	0.1%	511	760.0%
Production value	**56,190**	**100.0%**	**52,510**	**100.0%**	**3,680**	**7.0%**
Costs for raw	(626)	(1.1%)	(836)	(1.6%)	210	(25.1%)
Service costs	(10,562)	(18.8%)	(11,360)	(21.6%)	798	(7.0%)
Other operational costs	(802)	(1.4%)	(741)	(1.4%)	(61)	8.2%
Added value	**44,201**	**78.7%**	**39,573**	**75.4%**	**4,627**	**11.7%**
Labour costs	(33,796)	(60.1%)	(32,455)	(61.8%)	(1,341)	4.1%
Other administrative expenses	(2,233)	(4.0%)	(2,592)	(4.9%)	360	(13.9%)
Gross operational result - EBITDA	**8,171**	**14.5%**	**4,525**	**8.6%**	**3,646**	**80.6%**
Allocation to fund and credit depreciation	(2)	(0.0%)	(75)	(0.1%)	73	(97.3%)
Amortizations :						
Intangible fixed asset amortization	(2,886)	(5.1%)	(2,960)	(5.6%)	74	(2.5%)
Tangible fixed asset amortization	(637)	(1.1%)	(768)	(1.5%)	131	(17.0%)
Other allocation	-	-	(10)	(0.0%)	10	(100.0%)
Operational result - EBIT	**4,646**	**8.3%**	**713**	**1.4%**	**3,933**	**551.9%**
Financial income	94	0.2%	90	0.2%	5	5.3%
Financial expenses	(93)	(0.2%)	(79)	(0.1%)	(14)	18.2%
Ordinary result	**4,648**	**8.3%**	**724**	**1.4%**	**3,924**	**542.1%**
Revaluations and depreciations	51	0.1%	36	0.1%	15	42.0%
Pre-tax result	**4,699**	**8.4%**	**760**	**1.4%**	**3,939**	**518.5%**
Income taxes	(2,623)	(4.7%)	(1,361)	(2.6%)	(1,263)	92.8%
Profit (loss) for the period	**2,075**	**3.7%**	**(601)**	**(1.1%)**	**2,676**	**(445.3%)**
Profit (loss) for the period attributable to:						
Non-controlling interests	217	0.4%	22	0.0%	195	879.4%
Owners of the parent	**1,858**	**3.3%**	**(623)**	**(1.2%)**	**2,481**	**(398.2%)**
Weighed average number of ordinary shares outstanding	8,980,000		8,980,000			
Basic earnings per share (in €)	0.207		(0.069)			

The CAD IT Group closed 2011 financial period showing a significant increase in results and profitability margins compared to 2010 financial period. The result for the period was in credit by Euro 2,075 thousand, compared to Euro 601 thousand loss of 2010 financial period.

The value of production for the period, showing a 7.0% increase, was mainly due to revenues from sales and services to the amount of Euro 52,248 thousand (+8.3% compared to Euro 48,224 thousand in 2010).

Increases in internal work capitalised under fixed assets, due to the use of resources to develop new procedures and the Group's own software bank, came to Euro 3,543 thousand, showing a decrease compared to the Euro 4,334 thousand in 2010 financial period.

The other revenues and equivalent earnings, which came to Euro 67 thousand in 2010, stood at Euro 578 thousand and include contributions allocated by inter-professional funds for financing company training plans (Euro 94 thousand) and income from the sale of software rights.

The Euro 44,201 thousand added value increased by 11.7% compared to Euro 39,573 thousand in 2010 financial period, increasing marginality at 78.7% of the value of production (75.4% in 2010).

Service costs of Euro 10,562 thousand decreased by 7.0% compared to the previous year (equal to Euro 11,360 thousand), also due to less use of external collaboration.

Purchase costs to the value of Euro 626 thousand showed a decrease compared to Euro 836 thousand of 2010.

The EBITDA Gross Operational Result stood at Euro 8,171 thousand (equal to 14.5% of the value of production) compared to Euro 4,525 thousand for 2010 (equal to 8.6% of the relative value of production).

Labour costs of the year came to Euro 33,796 thousand, increase compared to previous year (Euro 32,455 thousand). Labour costs included the effect deriving from the actuarial calculation, in accordance with IAS 19, of the Severance Pay debt towards employees. The average number of employees of the year was 601 units, compared to 607 units in 2010.

Other administrative costs came to Euro 2,233 thousand, decreased compared to Euro 2,592 thousand in 2010 financial period, mainly due to the reduction in director remunerations (minus Euro 174 thousand) and telephone, communication and advertising expenses (minus Euro 113 thousand).

The EBITDA Gross Operational Result therefore shows a 80.6% increase and stood at Euro 8,171 thousand compared to Euro 4,525 thousand of 2010 financial period, mainly as a result of the increase in revenues from sales and services and of the reduction in service costs and other administrative expenses.

Amortization contributions for the period stood at Euro 2,886 thousand in regard to intangible assets and Euro 637 thousand for tangible assets, compared to Euro 2,960 thousand and Euro 768 thousand in the year 2010.

The EBIT Operational Result of the period was therefore in credit by Euro 4,646 thousand compared to Euro 713 thousand in the previous year.

The net financial management result was substantially in equilibrium, with financial earnings and expenses at Euro 94 thousand and Euro 93 thousand respectively, compared to Euro 90 thousand and Euro 79 thousand in the previous financial year.

The Ordinary Result was in credit by Euro 4,648 thousand compared to Euro 724 thousand in 2010.

The revaluation and devaluation result was in credit for Euro 51 thousand, compared to Euro 36 thousand in 2010. The item includes the positive result of the associate company Sicom S.r.l., calculated with the net patrimony method, and the reduction in the value of assets available for sale.

The consolidated pre-tax result of 2011 was in credit by Euro 4,699 thousand equal to 8.4% of the value of production (previous year Euro 760 thousand equal to 1.4% of the value of production).

Income taxes amounted to Euro 2,623 thousand compared to Euro 1,361 thousand in the 2010 financial period.

The result attributable to CAD IT owners was Euro 1,858 thousand, compared to a loss of Euro 623 thousand in the previous financial period, net of the result for third party accruals of Euro 217 thousand (Euro 22 thousand in 2010).

The total result for the 2011 financial period was in credit by Euro 2,038 thousand, of which Euro 1,821 thousand is attributable to CAD IT owners, compared to a loss of Euro 650 thousand in 2010 of which Euro 672 thousand attributable to CAD IT owners.

The Groups' Net Financial Position at 31/12/2011 was in credit by Euro 5,282 thousand, an increase compared to Euro 4,100 thousand at the end of previous year.

Financial indicators

Some synthetic indicators that compare the last three financial periods of reference, referring to conditions of patrimonial, economic and financial balance are shown below.
Patrimonial soundness analysis aims at estimating the group's ability to maintain financial equilibrium in the medium-to-long term. This ability depends on two types of factors: the financing structure for medium/long-term uses and the composition of financing sources.
In reference to the first aspect, on the assumption that the recovery time of these uses must logically be correlated to the recovery time of the sources, the chosen indicators to analyze these correlations are the following.

Asset financing indicators		***2011***	***2010***	***2009***
Primary structure margin	*Shareholders' equity – Non current assets*	9,869	8,188	12,410
Primary structure quotient	*Shareholders' equity / Non current assets*	1.21	1.17	1.27
Secondary structure margin	*(Shareholders' equity + Non current liabilities) – Non current assets*	20,127	18,217	22,428
Secondary structure quotient	*(Shareholders' equity + Non current liabilities) / Non-current assets*	1.42	1.38	1.48

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

Financing structure indexes		***2011***	***2010***	***2009***
Total debt quotient	*(Non current Liabilities + Current liabilities) / Shareholders' equity*	0.49	0.45	0.43
Financial debt quotient	*Financing liabilities /Shareholders' equity*	0.03	0.04	0.02

In reference to earning capacity analysis, the following indicators, which are frequently used in company practices, are shown below in order to monitor the remuneration of the invested capital over time.

Earning capacity indexes		***2011***	***2010***	***2009***
Net ROE	*Net result/Average Shareholders' equity*	3.65%	(1.05%)	3.07%
Gross ROE	*Gross result/Average Shareholders' equity*	8.27%	1.32%	6.33%
ROI	*Operational result/(Invested operating capital – Average operational liabilities)*	7.91%	1.26%	5.95%
ROS	*Operational result/Sales income*	8.89%	1.48%	7.23%

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		***2011***	***2010***	***2009***
Availability margin	*Current assets – Current liabilities*	20,127	18,217	22,428
Availability quotient	*Current assets / Current liabilities*	2.12	2.21	2.49

Treasury margin	*(Deferred liquidity + Immediate liquidity) – Current liabilities*	19,715	17,472	21,397
Treasury quotient	*(Deferred liquidity + Immediate liquidity) / Current liabilities*	2.10	2.17	2.42

The short-term situation [1]

2011 saw a slackening in the international economy despite the fact that 2010 had shown signs of improvement in regard to the enormous international financial economic crisis of the previous financial periods.
The latest data indicate that economic activity picked up in the third quarter in the United States, Japan and the United Kingdom while slowing slightly in the emerging countries, where the rate of growth nonetheless remains high. However, in view of the heightened sovereign debt strains in the euro area and the pronounced uncertainty surrounding the consolidation of the public finances in the United States, expectations that growth in the advanced countries would become progressively more robust faded towards the end of the year.
The economic situation in the euro area has worsened since the summer, reflecting the world economic slowdown and the aggravation of the sovereign debt crisis.
Economic activity in Italy has been affected by the slowdown in world trade, the worsening of the sovereign debt crisis, which has pushed up the cost of raising funds, and the impact on disposable income of the budget consolidation measures, which have nonetheless warded off more serious consequences for the real economy.
In the third quarter of 2011 Italy's GDP contracted by 0.2 per cent on the previous quarter, the first downturn since the beginning of 2010.
The cyclical situation deteriorated further in the autumn. Industrial production appears to have declined by about 3 per cent in the fourth quarter compared with the third, the largest fall since the spring of 2009.
The cyclical indicators signal that the mild contraction of Italian GDP registered in the third quarter deepened in the fourth. We consider that the recession will continue through 2012.
Regarding italian banking system, according to the latest consolidated quarterly reports, the profitability of the five largest Italian banking groups was basically unchanged in the first nine months of 2011 compared with the same period a year earlier. The annualized rate of return on equity was negative (-5 per cent), reflecting the large loss booked by one of the groups in the third quarter for write-downs of goodwill. In the first three quarters of 2011 the capital base of the five largest banking groups strengthened further as a result of several capital raising initiatives launched in the first half of the year. A further capital strengthening will ensue from the actions agreed at European level for the recapitalization of the largest European banks and well on their way to being completed.

Significant events of the period

On 4th February 2011, the shareholder meeting of the DQS S.r.l. subsidiary company decided to reset the company capital due to losses and, at the same time, to reconstitute the company capital to Euro 11,000 with a price above par of Euro 201,603 of which Euro 190,630 is to be used to cover the residual loss and Euro 11,000 to constitute the share overcharge fund. Due to agreements between partners, CAD IT, previously holding a 55% share, sustained the entire company capital and relative price above par, thus becoming the sole partner.
On 23rd February 2011, the non-executive director, Mr. Matthias Sohler, following his resignation from the Xchanging Group, handed in his notice from the CAD IT Board of Directors. Matthias Sohler, non-executive and non-independent director, was not a member of any internal committees. On March 11th 2011, the CAD IT Board of Directors, in accordance with art. 18 of the Company Statute and art. 2386 of the Civil Code, nominated in co-optation Mr. Jörg Karsten Brand, already director in the Xchanging Group with experience in the financial sector, to replace the resigning director. On 27th April 2011, the Shareholders' Meeting of CAD IThas confirmed the appointment of the co-opted non-executive and non-independent Director Jörg Karsten Brand, who will be in

[1] Data source: Banca D'Italia, Economic Bulletin no. 67, January 2012

charge until the expiry date for the entire Board of Directors, that is the date of the Shareholders' Meeting convocation for approval of the financial statements ending on 31st December 2011.

The Shareholders' Meeting has furthermore deliberated over

(i) in the ordinary part, the amendment of the Meeting Regulations in order to adapt to the new provisions introduced by D. Lgs. n. 27/2010;

(ii) in the extraordinary part, the amendment and insertion of some articles in the Company's bylaws concerning:

- D. Lgs. n. 27/2010, transposing directive 2007/37/CE, regarding the exercising of some shareholders' rights;
- D. Lgs. n. 39/2010, transposing directive 2006/43/CE, regarding statutory audit on annual and consolidated accounts;
- Consob resolution n. 17221/2010, setting rules regarding the operations with related parties, as amended by Consob resolution n. 17389/2010,

and has also proceeded to the re-numbering and titling of all statutory articles of the updated Company's bylaws.

Activities regarding the development and sale of new products for both traditional and new types of clients continued throughout the period.

Moreover, the activities with Xchanging UK Ltd (a company that supplies security administration services for the German and British market and which holds a 10% share in CAD IT S.p.A.) through which the CAD IT Group aims at increasing its revenues in Italy and also to diversify its business in geographical terms, is continuing.

WEB 2.0, the new platform that CAD IT is offering on the market, is receiving continual success.

During the period, two leading Italian Banking Groups, Carige and Unicredit, decided to opt for the new release of "Area Finanza Web 2.0". Area Finanza WEB 2.0 already boasted an important reference in July 2010 when it was adopted by Mediobanca. The new release optimises bank outlet processes by integrating sale functions for financial tools: derivates, funds, securities. Furthermore, the level of automation for *corporate actions*, *middle office* and *back office* has been considerable increased. The new reporting functions allow for a multi-dimensional analysis of data with both summarised and detailed displays which can be enabled according to the users' profile.

The design of the WEB 2.0 user interface reflects the considerable investments that CAD IT has sustained in studying and designing ergonomics by simplifying operability and system management. The Area Finance WEB 2.0 release reflects CAD IT's philosophy to guarantee compatibility between the data structures of pre-existing releases and ensure that large volumes of data relating to millions of security positions can be managed, thus minimising the risks involved in changing to newer processes.

Not being dependent on the hardware infrastructure, basic software and databases means that CAD IT clients can be free and flexible in their immediate and future decisions. Unicredit, for example, have chosen to install the new release on the Linux operative system. Furthermore, the fact that it can manage several languages and currencies fully meets leading banks' internationalisation expectations.

On 30th December 2011, the Shareholders' Meetings for SGM S.R.L., BIT GROOVE S.R.L., NETBUREAU S.R.L. and CAD S.R.L. COMPUTER AIDED DESIGN ELABORAZIONE DATI, companies all entirely controlled by CAD IT S.p.A., with a view to simplifying and reorganising the group, decided to reduce administrative costs and generate financial efficiency by drawing up a merger agreement to incorporate the former three companies into the latter. Consequently, "CAD S.R.L. COMPUTER AIDED DESIGN ELABORAZIONE DATI" changed its name to "CAD S.R.L.", increased its company capital from Euro 130,000 to Euro 295,500, attributing the increase to the one partner company, CAD IT S.p.A. The accounting and fiscal effects of the merger will begin as of 1st January 2012.

Human Resources

For the CAD IT Group, taking care of its own human resources, which it has always considered as a precious patrimony, is a central and critical factor for a group that aims at innovation in a rapidly and constantly changing sector.

Continual training leads to the development of know-how and an ability to innovate, as well as a systematic transfer of skills, in a process of constant improvement based on attention to its own human resources, their motivation and their involvement in company objectives.
Each year, therefore, a great deal of attention is paid to the development and training of staff through an analysis of their needs, the defining of plans and training courses, the carrying out of courses, both internally and on the premises of qualified external organisations, and the evaluation of training activities.
2011 saw 8.6 thousand hours taken up by training (9.5 in 2010) to support operational activities and professional development, with the involvement of 537 resource units (502 in 2010) and an average of 16 hours of training per resource unit (compared to 19 hours in 2010). The main training areas were: IT and technical updating, health and safety at work, foreign languages, company organisation and managerial training.

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 is still underway 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. Development and innovation activities for the Finance Area Web Suite is particularly intense with the aim to improve user experience and create new functions or modules required by the national and international markets (like, for example, Easy Match). Investments are still being ploughed into the innovation and extension of specialised modules for financial insurance management whose area covers all processes relating to company investment management from front to back office.
CAD IT, in activities aimed at developing its own range of products, is also creating solutions linked to the new laws (for example, Solvency II, Target 2 Securities and FATCA).
Activity in the production of specialised modules for the business intelligence (Managerial Information System) area is also continuing, especially in regard to risks, fraud and long-distance control.
CAD IT and Smart Line S.r.l. continue investing to enrich theirs own offer range of solutions and services for Public Administration and authorities for the management of local taxes.

Investments

Summary of investments	*Period 2011*	*Period 2010*	*Variations*
Intangible fixed assets	18	176	(158)
Assets under development and payments on account	3,552	4,334	(782)
Plant, machinery, equipment and other tangible fixed assets	159	200	(41)
Total investments in tangible and intangible fixed assets	3,729	4,710	(981)

Investments in tangible and intangible fixed assets made by the consolidated companies in the financial period amount to Euro 3,729 thousand compared to Euro 4,710 thousand during 2010 financial period.
The consistent amount of investment derives from strategic decisions taken by the Board of Directors and management, who have approved the development of a large number of products, projects and new technologies in order to be ready for development lines in the sector and to be able to propose an updated range of products that can quickly satisfy market demand.
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.

Related parties transactions

Transactions made with third parties, including infra-group 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 supplied 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 and Financial Statement Sheet Notes.

Relationships with Group companies

During the financial period concerned, the Group's companies carried out operations with the controlled companies and businesses subject to CAD IT control. The patrimonial and economic effects of the operations carried out between companies consolidated with the integral method have been omitted in the consolidated Financial Statement with the exception of:

- services concerning the development of software procedures to be sold or instruments for the traditional activities of the Group's companies that are registered among intangible fixed assets;
- other operations, of insignificant amount, regarding the assignment of instrumental assets for the purchaser.

Relationships between the Group's companies are governed on the basis of contractual relations drawn up by the respective administration organs bearing in mind the quality of the assets and services involved and the competitive conditions of the market and adapting the interests of the Group.
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.

Company	*Costs*	*Capitalized costs* Software licences and royalties	*Turnover*	*Receivables*	*Payables*
CAD IT S.p.A.	18,508	250	1,628	5,484	19,382
CAD S.r.l.	1,013		9,296	9,971	4,386
CeSBE S.r.l.	635		2,881	4,182	477
NetBureau S.r.l.	74		461	319	134
DQS S.r.l.	66		2,877	2,224	349
SGM S.r.l	313		538	1,703	433
SmartLine Line S.r.l.	12		1,457	1,190	138
BitGroove S.r.l.	188		1,014	943	813
Elidata S.r.l.	16		794	346	64
Datafox S.r.l.	49		296	300	70
Tecsit S.r.l.	118				414
Total	**20,991**	**250**	**21,241**	**26,660**	**26,660**

There have been no abnormal or unusual transactions between the CAD IT Group's companies in this financial period. Further information on CAD IT S.p.A.'s relations with its subsidiaries is shown in directors report on operation of the parent company, to which reference is made.

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

The shares held, both in CAD IT S.p.A. and the other companies it controls, by members of the administrative and controlling bodies, general managers and other managers with strategic responsibilities, as well as not legally separated spouses and children under 18, either directly or through controlled companies, trust companies or third parties, are outlined in the *Remuneration Report* in accordance with art. 84-quater, paragraph 4, of Consob Regulation no. 11971, along with the established criteria in Attachment 3A, Table 7-ter.
Information relative to payments for any security of the main company or its direct or indirect subsidiaries to Board members or auditors and to managers with strategic responsibilities are shown in the Remuneration report.

Reconciliation report with the Head Company balance

The following table shows the reconciliation figures of the net patrimony and the consolidated financial result with those of CAD IT S.p.A.[2]

	Net patrimony	*Result of period*
Net patrimony and result of the controlling company for the period concerned	**56,570**	**2,204**
- difference between the entry value of the consolidated holdings and the pro quota value of the net patrimony	(9,086)	
- effects on reserves	(579)	
- pro quota results of the subsidiary/associate holdings	441	441
- consolidation difference	8,309	
- subsidiary/associate dividend elimination		(162)
- infra-group margin elimination	(626)	(626)
Assessment of associate holdings with net patrimony method	327	1
Total net patrimony and consolidated result of period	***55,356***	***1,858***

Corporate Governance and Internal Control System

CAD IT adheres and conforms to the Governance Code for listed companies published by Borsa Italiana in March 2006 (and modified later in 2010) adopted by Borsa Italiana (hereinafter, “Corporate Governance Code”), which is available for consultation on the Borsa Italiana S.p.A. website at www.borsaitaliana.it. In December 2011, Borsa Italiana’s Corporate Governance Committee published a new edition of the Corporate Governance Code, adding some significant innovations to the previous version. The issuers were invited to apply these modifications to the Code, which were approved in December 2011, by the end of the financial period starting in 2012, by notifying the market with a report on their Corporate Governance, which they should publish some time during the following financial period. CAD IT has begun to adjust its procedures and behaviour in order to be able to solidly apply the New Code’s principles and recommendations, as shown in the *Report on Corporate Governance and ownership structure.*
Companies listed in regulated markets, as a consequence of the regulatory provisions issued by Consob, which came into force on 31st December 2011, are obliged to present a *Remuneration Report,* which should include all the information required under the provisions of the Consob Issuer Regulation, at Shareholders’ Meetings summoned for balance approval.

[2] In accordance with Consob communication no. 6064293 of 28 July 2006.

CAD IT considers and defines its Internal Control System as “a set of rules, procedures and organisational structures aimed at achieving, by means of a suitable identification, measurement, management and monitoring process of the principle risks, the running of a healthy, correct and coherent business with pre-established objectives”. The internal system for managing risk and control in financial information technology is a constitutive part of a broader Internal Control System. This system also aims at guaranteeing trustworthiness, accuracy, reliability and timeliness of the company and the Group’s financial information technology.
The Internal Control System is the mainstay on which *Corporate Governance* stands and is the catalyzing element of all subjects and functions that, each in their own way, contribute to the healthy, correct and coherent running of the business in order to give maximum sustainable value to every activity within the organisation.
Essential parts of the Internal Control System are the Code of Ethics and the Management and Control Organisation Model adopted by the Board of Directors in accordance with the norms concerning “Company administrative responsibility rules” in Leg. Dec. no. 231/2001 and subsequent modifications. The Management and Control Organisation Model ex Leg. Dec. No. 231/01 according to intervening developments in the norms and laws includes the Health and Safety at Work System (with relative manual and procedures) in accordance with the UNI/INAIL guidelines which represent a best practice standard of reference for compliance to the provisions in Leg. Dec. 81/08.
In compliance to the legal obligations, the CAD IT S.p.A. Board of Directors annually approves the *Corporate governance and property asset report*, in accordance with articles 123 bis and 124 ter TUF and 89 bis Consob Issuer Regulations, in order to provide CAD IT S.p.A. shareholders with an adequate description of the corporate governance system adopted, information on property assets and adhesion to Corporate Governance regulations. The report is published at the same time as this management report and is available for public viewing in the Investor Relations sector of the company’s Internet site: www.cadit.it. Please refer to the complete document for further details on *governance* and the Internal Control System.

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

The Company has an internal control system made up of a set of rules, procedures and organisational structures aimed at achieving the healthy and correct running of the business also through a suitable process for identifying, managing and monitoring the principle risks that could present a threat to achieving company objectives.
This paragraph describes the risk factors and uncertainties relating to the economic-legal and market context and which can considerably influence the Company’s performance. The specific risks that can determine the generation of obligations within the Company are, however, the object of evaluation when determining the relative earmarking and are mentioned in the balance notes together with the potential liabilities found. Additional risks and uncertain events that cannot be foreseen, or are considered improbable at the moment, could still affect the activities, the economic and financial conditions and the prospects of the company and the Group.
CAD IT adopts specific risk factor management procedures aimed at maximising the value for its shareholders by activating the necessary measures to prevent any risks inherent to the Group’s activities.
CAD IT S.p.A., in its position as Parent Company, is exposed to the same risks and uncertainties described below to which the entire Group is exposed.

External Risks

Risks connected to the general conditions of the economy and sector

The information technology consultancy market is linked to the economic trend of industrialised countries where the demand for highly technological products is higher. A continuation of the weak economic global situation at both a national and/or international level could reduce demand for the Group’s products with a consequent negative effect on the economic, patrimonial and financial situation of the Group itself.
The main market outlet in which currently the Group deals is the banking and finance sector, which historically

has never been subject to significant criticality. As of the last quarter of 2008, the banking and financial sector in Italy has undergone considerable crises. A prolonged continuation of this notable weak and uncertain situation, or an even further degeneration, could cause the risk of a significant and widespread worsening of our reference market conditions with a consequent negative effect on the economic, patrimonial and financial situation of the Group.

Risks connected to the rapid evolution in technologies, customer needs and reference norms

The sector in which the Group operates is characterized by fast and complicated technological changes and a constant development in skills and professionalism. Furthermore, an increase in customer needs, together with any changes in the laws, means that the software for the banking sector and other financial institutions has to be constantly updated.

The Group makes substantial investments in the development of new projects and new technologies, not only in order to promptly satisfy market demand, but also to anticipate development lines by proposing a range of new products as a factor able to influence, in turn, the type of user demand. Therefore, a reduction in customer tendency towards buying the new technologies offered could expose the Group to the risk of not earning enough to cover the investments sustained.

These investments cannot, however, guarantee that the Group will always be able to recognise and use innovative technological instruments, exclude the risk of the obsolescence of existing products or ensure the Group’s ability to develop and introduce new products or renew existing ones in good time for the customer and adequately for the market. The above-described situations are a significant potential risk for the Group’s activities and its economic and financial results.

Risks connected to the high competition in the sector in which the Group operates

The Information Technology market is highly competitive. Some competitors could try to expand and damage the Group’s market share. Moreover, the intensification of competition levels and the possible entry into the Group’s reference sector of new subjects with good human resources, financial and technological backing that can offer more competitive prices, could influence the Group’s activities and the possibility to consolidate or widen its own competitive position in the sector with consequent repercussions on the Group’s activities and its economic, patrimonial and financial situation.

Risks connected to protecting technological property

The Group’s procedures and software programmes are protected by Italian copyright laws. Furthermore, the Group owns the exclusive rights for the economic use of the programmes and procedures which it has registered in the Special Public Register for Processors as the SIAE – Italian Society for Authors and Editors.

The management also maintains that the technological level of the products the Group offers, together with the technical knowhow needed for their constant and progressive use and updating, are in themselves factors able to limit any risks connected to the appropriation of significant competitive advantages on the part of potential and current competitors. Nevertheless, it cannot be said that the protection recognised by Italian copyright laws excludes other operators in the sector from developing, entirely on their own, similar products or duplicating the Group’s unregistered products or designing new ones able to copy the performances and functions without violating the Group’s rights. Furthermore, the Group’s technology could be exposed to acts of piracy by third parties.

Internal risks

Risks relating to dependence on key personnel

The success of the Group depends appreciably on the ability of some key figures who have made a significant contribution to its development i.e. its own executive managers and other management components with many years of experience in the sector. The loss of one of the aforementioned key figures’ services without an

adequate replacement could have negative effects on the Group's prospects, activities and economic and financial results.
Moreover, the Group's business is strongly characterised by the extremely high technical skills of its staff. Therefore, the future success of its activities largely depends on the continuity of the functions carried out by the currently employed specialized technicians and collaborators as well as the ability to attract and maintain highly qualified staff.
In the Information Technology sector, staff costs are a critical development factor. Any difficulties that the Group may face in managing staff could produce a negative effect on its activities, its financial conditions and its operative results.

Risks connected to sale times and implementation cycles

The management of sales activities for the Group's software products is normally rather lengthy, especially considering that the potential advantages of using the Group's products have to be illustrated and training activities at the customer's premises so that the products are used correctly have to be carried out. Negotiations and the consequential execution of product sale activities usually take a period of time that ranges from a few months to a whole year. Moreover, the implementation process for the Group's products often involves the customer's investment in terms of staff and money which can extend over time. Sales activities and adjustment cycles of the product to the customer's information technology system are subject to potential and determining delay such as the completion of the implementation process of the product itself, unexpected events that the Group cannot control, like sudden limitations in the customer's budget or company renovation operations or, more generally, the complexity of the customer's technical requirements. Any delays due to extended sales cycles or referable to the product's use on the part of the customer, could influence the Group's activities, financial situation and operative results.

Risks connected to customer dependence

The Group offers its products and services to small, medium and large companies operating in different markets. During the 2011 period, the orders involving the 3 and 10 customers who generated the largest revenues were 29.9% and 64.4% of revenues of the Group's service and sales performances (previous year: 34.5% and 63.8%). A significant part of the Group's revenues is concentrated on a relatively small number of customers, the loss of which could therefore have a negative effect on the Group's future activities and economic, patrimonial and financial situation.
However, the management maintains that the Group's results do not significantly depend on any specific customer in particular because these customers update their information technology systems at different times and this operation takes rather a long time.

Risks connected to internationalisation

The Group has made significant efforts in recent years in terms of its own internationalisation strategy and expects that an increasingly large part of its revenues will be generated from foreign customers. The Group could therefore be exposed to the risks related to internationalisation as those relating to changes in their economic, political, fiscal and local law conditions, as well as variations in the domestic currency trend, should the country concerned be outside the Euro area. The occurrence of unfavourable development in these areas could have a negative effect on the Group's prospects and activities.

Risks connected to breaches of contract and potential liabilities towards customers

Highly complex software products like those offered by the Group can, even if duly tested, reveal some defects and anomalies during the installation phase and while integrating with the customer's information technology system. These circumstances can cause damage to the Company's image and its products and also expose the Company to claims for damages and the application of contractual penalties due to not respecting deadlines and/or the agreed qualitative standards.

Furthermore, the Group could find itself having to invest considerable resources to carry out corrective interventions and be obliged to interrupt, postpone or cease the supply of its services to the customer.
To date there have not been any significant events of this kind that have determined any remarkable controversy in customer relations.

Financial risks

Credit risks

The Group mainly operates with banks and service companies controlled by banks, financial institutions and insurance companies, tax collecting agencies and public administration offices, and, generally speaking, customers with proven soundness and solvency, which is the reason why, in past financial periods, the occurrence of losses on credits always has been relevantly insignificant. The Group does not have a significant concentration of customer solvency risk. For commercial reasons, specific policies aimed at monitoring times of collection of credits, also for important amounts, that, following previously revealed operative risks, could undergo delays, are adopted.

Liquidity risks

Liquidity risks are linked to the difficulty of finding funds to finance obligations. The availability of liquid assets and the ability to generate positive cash flows make the risk of not being able to find enough financial funding to satisfy the obligations and needs of Group operations highly unlikely. Cash flows, funding requirements and the liquid assets of the Group's companies are constantly monitored with the aim of guaranteeing an efficient and effective management of financial resources.
It cannot be excluded, however, that, should the considerable weak and uncertain market situation continue or should collection times become longer or significant losses on credits occur, the risk of a reduction in liquidity could arise with the consequent need to resort to external financial sources.

Exchange rate risks and interest rate risks

Exposure to interest rate risks is linked to the need to finance operative or investing activities as well as using available liquid assets. The Group uses available liquid assets in bank accounts and capitalisation insurance policies and mainly uses financial resources in the form of bank deposit loans on commercial credits and bank account credit worthiness. Variations in market interest rates can affect revenues and the cost of financing influences the progress of financial returns and expenses.
At the moment the Group operates almost entirely in the Euro area and is therefore not subject to exchange rate risks.
It is not in the Group's policy to use derivative financial instruments that require cover and/or negotiation.

Other Information

Neither CAD IT S.p.A. nor its controlled companies own, and/or have purchased and/or 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 companies or bodies and defines its own general and operative strategies in full autonomy.
In accordance with art. 2497 bis of the Civil Code, directly or indirectly affiliated companies, with the exception of particular cases, have identified CAD IT S.p.A. as an organisation that exercises managerial and coordination activities. These activities mainly consist of indicating general and operative Group strategies and focus on defining and adjusting to internal control regulations, the issuing of a Code of Ethics to be adopted at a Group level, the processing of general policies for the management of human and financial resources, the provision of productive factors. Moreover, Group coordination for some companies means a centralisation of administrative, corporate and financial management services. The affiliated companies that remain in full control of their

managerial and operative autonomy, can then scale their economies by taking advantage of the professionalism and specialist services and concentrate their own resources in the management of their specific operational skills.

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 of 28 July 2006.

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

The Group adopts an adequate system to protect information in accordance with Leg. Dec no. 196 of 30th June 2003 "Personal data protection code" to ensure the protection of personal data.

The Group adopts and maintains the following management systems:

- a Quality Management System, in conformity with the UNI EN ISO 9001:2008 norm, for the design, production and sale of component-based software and its after-sale assistance and maintenance. In July 2011 CAD IT S.p.A successfully passed the inspection controls required to renew the Quality System Certification:
- an Information Security Management System, in conformity with the UNI CEI ISO/IEC 27001:2005 norm, for the management activities of information and data relating to software solution development activities, maintenance, customisation, integration, application management, consultancy and training in the banking, finance, insurance, industry and public administration sectors. In July 2011, CAD IT S.p.A, CAD S.r.l. and CeSBE S.r.l. successfully passed the inspection controls to renew the Certification System.
- a Health and Safety Management System, in conformity with the UNI/INAIL Guidelines (September 2001 edition) implemented according to the "lavorosicuro" Guidelines (Confindustria Veneto/INAIL) and validated in November 2009. In February 2012, CAD IT S.p.A, CAD S.r.l. and CeSBE S.r.l. successfully passed the maintenance inspection for the Health and Safety Management System.

Foreseeable development in the management

The recovery will remain modest and irregular in 2012. According to the latest estimates by the OECD, the world economy expanded on average by 3.8 per cent in 2011 and is expected to slow to growth of 3.4 per cent this year. The recovery will not be uniform: in the advanced countries, GDP is expected to stagnate in Europe, while growth of 2.0 per cent is forecast for the United States and Japan; among the emerging countries, growth is expected to slow slightly in China and India and more sharply in Brazil.

The outlook for the world economy is still subject to considerable uncertainty stemming from the effects of the consolidation of the public finances in the advanced countries. On the one hand, the repercussions of the sovereign debt crisis in Europe are not easy to quantify: the persistent funding difficulties of Europe's banking industry could diminish its ability to lend to the real economy, setting in motion a negative spiral of declining production, weakening financial sector and sovereign debt risks.

On the other hand, if some of the fiscal stimulus measures enacted in the United States in recent years are not carried forward into 2012, GDP growth will be reduced by 2 percentage points this year.

In the euro area and in Italy particularly, the worsening of the sovereign debt crisis and the slowdown in world trade have resulted in a deterioration of growth prospects.

On average, the analysts surveyed by Consensus Economics in January predict a significant contraction of Italian GDP in 2012, whereas last September they had still been oriented towards positive growth. The dispersion of the forecasts has also increased substantially in the past two months. The degree of uncertainty over the course of the sovereign debt crisis is exceptional.[3]

[3] Data source: Banca D'Italia, Economic Bulletin no. 67, January 2012

The recent lowering of the spread between BTP returns and the German Bund and a greater faith in the fact that the State will be able to honour its debt, do, however, leave room to hope for a more favourable outlook.

Moreover, a boost to growth could derive from the approval of the structural measures for Italian economic growth now being finalized. These measures might be such as to stimulate the growth of potential output and positively affect market expectations and the spending decisions of households and firms, thereby improving the results both this year and next.

In response to the current general situation 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 favourable economic results can be achieved in the future. 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.

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 or through technical or commercial collaboration agreements.

In the course of the financial period, CAD IT is continuing to pursue its policy to expand abroad and is participating in a "software selection" in Europe for the sale of its own software applications and the relative supply of services for financial institutions.

In the current financial period, activities in the development and sale of new products to existing customers and new types of customers continues. Furthermore, activities with Xchanging (a company listed on the London stock exchange and which holds 10% share of CAD IT) are continuing. With these activities the CAD IT Group aims at increasing its revenues both in Italy and abroad and to geographically diversify its own business.

The increase in the Group's activities resulting from expansion into Europe and the acquisition of a greater market share could counterbalance the weakness of domestic demand.

On the date of approval of this report, no relevant uncertainties are expected to arise in the remaining months of the current financial period. The managerial trend is, nonetheless, still subject to risks connected to factors outside the Group's control.

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

CONSOLIDATED FINANCIAL STATEMENTS OF CAD IT GROUP

Consolidated income statement

(in thousands of Euro)

	Notes	31/12/2011 Total	31/12/2011 of which related parties (note 38)	31/12/2010 Total	31/12/2010 of which related parties (note 38)
Income from sales and services	3	52,248	*371*	48,224	*304*
Changes in ongoing orders		(179)		(115)	
Asset increases due to internal work	3 - 15	3,543		4,334	
Other revenue and receipts	3	578		67	
Costs for raw	5	(626)		(836)	
Service costs	6	(10,562)	*(276)*	(11,360)	*(516)*
Other operational costs	7	(802)		(741)	
Labour costs	8	(33,796)	*(565)*	(32,455)	*(588)*
Other administrative expenses	9	(2,233)	*(1,167)*	(2,592)	*(1,200)*
Allocation to fund and credit depreciation		(2)		(75)	
Intangible fixed asset amortization	15	(2,886)		(2,960)	
Tangible fixed asset amortization	14	(637)		(768)	
Other allocation		0		(10)	
Financial income	10	94		90	
Financial expenses	10	(93)		(79)	
Revaluations and depreciations	11	51		36	
Pre-tax result		**4,699**		**760**	
Income taxes	12	(2,623)		(1,361)	
Profit (loss) for the period		**2,075**		**(601)**	
Profit (loss) for the period attributable to:					
Non-controlling interests		217		22	
Owners of the parent		**1,858**		**(623)**	
Weighed average number of ordinary shares outstanding		8,980,000		8,980,000	
Basic earnings per share (in €)	13	0.207		(0.069)	

Consolidated statement of comprehensive income

(in thousands of Euro)

	Period 2011	Period 2010
Profit/(loss) for the period	2,075	(601)
Gains/(Losses) on fair value of available-for-sale financial assets	(37)	(49)
Total Comprehensive income	2,038	(650)
Comprehensive income attributable to:		
Non- controlling interests	217	22
Owners of the parent	1,821	(672)

Consolidated Statement of financial position

(in thousands of Euro)

	Notes	31/12/2011 Total	31/12/2011 of which related parties (note 38)	31/12/2010 Total	31/12/2010 of which related parties (note 38)
ASSETS					
A) Non-Current Assets					
Property, plant and equipment	14	18,171		18,651	
Intangible assets	15	19,981		19,297	
Goodwill	16	8,309		8,309	
Investments	17	330		329	
Other financial assets available for sale	18	460		609	
Other non-current credits		132		95	
Credits due to deferred taxes	19	595		342	
TOTAL NON-CURRENT ASSETS		**47,976**		**47,631**	
B) Current Assets					
Inventories	20	70		111	
Ongoing orders	21	17		197	
Trade receivables and other credits	22	30,600	*158*	25,948	*22*
Tax credits	23	257		856	
Cash on hand and other equivalent assets	24-37	7,107		6,101	
TOTAL CURRENT ASSETS		**38,052**		**33,211**	
TOTAL ASSETS		**86,028**		**80,843**	

	Notes	31/12/2011 Total	31/12/2011 of which related parties (note 38)	31/12/2010 Total	31/12/2010 of which related parties (note 38)
EQUITY AND LIABILITIES					
A) Equity					
Company capital and reserves attributable to owners of the parent	25-26-27	55,356		53,593	
Non-controlling interests	25	2,489		2,226	
TOTAL EQUITY		**57,845**		**55,819**	
B) Non-current liabilities					
Financing	29	119		150	
Deferred tax liabilities	30	3,375		3,442	
Employee benefits and quiescence provisions	31	6,724	*121*	6,379	*153*
Expense and risk provisions	32	40		59	
TOTAL NON-CURRENT LIABILITIES		**10,258**		**10,029**	
C) Current liabilities					
Trade payables	33	4,007	*81*	3,869	*113*
Current tax payables	34	4,696		2,457	
Short-term financing	35	1,705		1,851	
Other liabilities	36	7,516	*184*	6,818	*110*
TOTAL CURRENT LIABILITIES		**17,925**		**14,994**	
TOTAL LIABILITIES AND EQUITY		**86,028**		**80,843**	

Statement of changes in equity

(in thousands of Euro)

	Attribution to the shareholders of the Main Company					Minority Interests	Total
	Company capital	Reserves	Accumulated profit (loss) net of period result	Period result	Group's net patrimony		
31/12/2007	**4,670**	**35,428**	**12,314**	**7,968**	**60,380**	**3,041**	**63,421**
Profit/(loss) for evaluation of available for sale financial assets recognised directly in equity		(117)			(117)		(117)
Allocation of evaluation reserve for financial assets available for sale to economic account		35			35		35
Allocation of the period result to reserves			7,968	(7,968)			-
Dividend distribution			(6,286)		(6,286)	(593)	(6,879)
Effects on consolidation reserves			(5)		(5)	(5)	(10)
Period result				4,867	4,867	561	5,428
Period end total 2008	**4,670**	**35,346**	**13,991**	**4,867**	**58,874**	**3,005**	**61,879**
Allocation of the period result to reserves			4,867	(4,867)			-
Dividend distribution			(4,490)		(4,490)	(388)	(4,878)
Total comprehensive income		135		1,985	2,121	(128)	1,992
Period end total 2009	**4,670**	**35,481**	**14,368**	**1,985**	**56,505**	**2,489**	**58,993**
Allocation of the period result to reserves			1,985	(1,985)			-
Dividend distribution			(2,245)		(2,245)	(49)	(2,294)
Effects due to profit-sharing variations in subsidiary companies			6		6	(236)	(230)
Total comprehensive income		(49)		(623)	(672)	22	(650)
Period end total 2010	**4,670**	**35,432**	**14,115**	**(623)**	**53,593**	**2,226**	**55,819**
Allocation of the period result to reserves			(623)	623			-
Allocation of profits to directors of subsidiary companies			(6)		(6)	(6)	(12)
Effects due to profit-sharing variations in subsidiary companies			(53)		(53)	53	
Total comprehensive income		(37)		1,858	1,821	217	2,038
Period end total 2011	**4,670**	**35,395**	**13,433**	**1,858**	**55,356**	**2,489**	**57,845**

Consolidated Cash Flow Statement

(in thousands of Euro)

	NOTES	Period 2011	Period 2010
A) OPERATING ACTIVITIES			
Profit (loss) for the period		2,075	(601)
Amortisation, revaluation and depreciation:			
- Property, plant and equipment amortisation	14	637	768
- Intangible fixed asset amortisation	15	2,886	2,960
- revaluation of investments and financial assets available for sale	11	(163)	(159)
- depreciation of investments and financial assets available for sale	11-18	112	123
Allocations (utilization) of provisions		326	(15)
Financial performance:			
- Net financial receipts (charges)	10	(2)	(11)
- Profit / (losses) on exchanges	10	(0)	(1)
Other working capital variations		(229)	4,115
Income taxes paid		(848)	(791)
Interest paid	10	(92)	(77)
(A) - Cash flows from (used in) operating activities		**4,703**	**6,311**
B) INVESTMENT ACTIVITIES			
Investments in activities			
- Property, plant and equipment purchases	14	(159)	(200)
- Intangible assets purchases	15	(3,570)	(4,510)
- Investments in subsidiary companies purchases		-	(230)
- increase in other fixed assets		(39)	(26)
Disinvestment activities			
- Property, plant and equipment transfers	14	2	(8)
- Decrease in other fixed assets	15	1	3
Cashed Interest	10	94	84
Cashed dividends		162	56
(B) - Cash flows from (used in) investment activities		**(3,508)**	**(4,831)**
C) FINANCING ACTIVITIES			
Medium/long term financing repayment		(31)	(29)
Allocation of profits to directors of subsidiary companies		(12)	0
Dividends paid	28	0	(2,294)
(C) - Cash flows from (used in) financing activities		**(43)**	**(2,323)**
(A+B+C) - Total cash and other equivalent assets flows		1,152	(843)
Opening cash balances and equivalents	37	**4,250**	**5,093**
Closing cash balances and equivalents	37	**5,401**	**4,250**

For the liquid asset and equivalent means reconciliation, refer to note 37

Notes to the financial statements

1. Accounting policies and evaluation criteria more important

This Financial Statement has been drafted in accordance with the applicable IRFS International accounting standards issued by the International Accounting Standard Board (IASB) and recognized by the European Community in conformity with EC regulation no. 1606/2002. IFRS refers to the International Accounting Standards (IAS) presently in force as well as the interpretative documents issued by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).
This Financial Statement has been drafted in the consolidated form since CAD IT is obliged to draft a consolidated Financial Statement.
In the drawing up of this Financial Statement the same accounting standards have been applied as those adopted in the drafting of the consolidated Financial Statement at 31st December 2010, with the exception of the items described in the explanatory notes – Accounting Standards paragraph, amendments and interpretations applied since 1st January 2011.
The accounting standards adopted have been applied in the same manner throughout the periods shown and for all the Group's companies, by adjusting their financial statements prepared in accordance with Italian GAAP for consolidation purposes.
The consolidated 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.
Unless otherwise indicated, the monetary sums of the financial statements 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 Financial Statement 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 Financial Statement. Estimates and their relative hypotheses are based on past experience and factors considered reasonable for the case concerned. Since they are estimates, the results obtained are not necessarily the same as the results portrayed.
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.

Accounting standards, amendments and interpretations applied since 1st January 2011

On the day this report was drawn up, there are no other matters or records, or anything of any significant importance within the Group, that may be governed by principles, amendments and interpretations effective since 1st January 2011, and approved by the IASB and IFRIC and published in the European Community's Official Gazette.

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 Group has decided to present revenue and cost entries referring to the period in question in two statements.

One statement shows the profit (loss) components for the period (Consolidated Income statement) and the other, which begins with the profit (loss) of the period and shows the statement entries of the other components of the overall profit and loss account (Statement of comprehensive income).
The Group 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.
Inside the Directors' Report on management is included the profit and loss account drafted in scalar form, highlighting the intermediary results as follows:

- 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 financial 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. In order to better relate to previous periods, the financial report has been drafted starting from the result of the financial period and not from the Group's share of net result, therefore the values of the previous period have been adjusted for confrontation purposes.
Each column in the statement of net patrimony variations reconciles the opening and closing balances for each net patrimony voice.
Each significant entry shown in the above-mentioned statements, is marked with references to notes which provide the relative information and details of the composition.

Subsidiary companies

The consolidation area includes the Parent company and the companies it controls, that is, where it has the power to determine financial and managerial policies of a business in order to reap benefits from said company's activities.
Subsidiary companies are consolidated from the date in which control was effectively transferred to the Group and are no longer consolidated as from the date that control becomes external to the Group.
These companies are consolidated using the integral consolidation method. In order to prepare the consolidated data, the patrimonial, economic and financial situations of the subsidiary and associate companies have been used as prepared by the Group's individual companies at the reference dates, opportunely reclassified and amended to reflect the application of the homogeneous accounting standards.
In drafting the consolidated balance all the balances and significant transactions between the Group's companies have been eliminated, as are all unrealised infra-group profit and loss transactions.

Associated companies

The share in associated companies, that is those companies in which the Group has significant influence, is evaluated using the net patrimony method, as defined in IAS 28 – Investments in Associates. The profits or losses relevant to the Group are included in the consolidated balance from the date in which this considerable influence began up to the moment it ceases.

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 indefinite 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.

Financial leasing

Assets owned through financial leasing contracts, through which all the risks and benefits tied to the property are transferred to the Group, are registered among the Group assets at their fair value or, if this value is lower, at the present value of the minimum payments due for the leasing and depreciated by applying coherent criteria to the other assets. The corresponding liability towards the lessor is registered in the balance among the financial debts.

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.
The concessions and licences entry mainly includes software under licence purchased by third parties and used for programming activities, depreciated for their useful life-cycle, estimated at 3 years.

Goodwill

Goodwill resulting from the purchase of controlled and incorporate companies is initially registered at cost and is the overbalance of the purchase cost in respect of the purchaser's share of the fair value of the assets and liabilities and the potential liabilities at the date of purchase.
After the initial registration, goodwill is no longer amortised and is decremented of any losses in accumulated value, calculated according to the IAS 36 Asset value reduction.
Goodwill is subject to an annual analysis of retrievableness or at shorter intervals if something happens or changes in circumstances arise, which could cause losses in value.
Goodwill deriving from purchases made prior to 1st January 2004 is registered at the recorded value ascribed to it in the last balance drafted on the basis of the previous accounting standards (31st December 2003). In fact, during the preparation of the opening balance in accordance with the international accounting standards, none of the purchase transactions made prior to 1st January 2004 have been re-considered.
The start-up relating to holdings in associated companies is included in the value of these companies.

Impairment loss

The Group 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 the fair value is the market value as of the reference date. 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. Financial investments are classified as liquid assets only when they have a short expiry.

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.

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 interest 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.

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. Deferred income tax are calculated applying the tax rate which will be in force at the year after the account reference dates.
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 comprehensive 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.

2. Subsidiary companies and consolidation area

In February 2011, when the company capital was reduced due to losses and the replenishing of the company capital of the controlled company DQS S.r.l., CAD IT underwrote the entire company capital, thus becoming the sole partner. Consequently, the shares in holdings related to the Tecsit S.r.l. group, a company controlled through DQS S.r.l., also increased.
The consolidation area, compared to the situation at 31st December 2010, has not changed.
In order to prepare the consolidated Financial Statement, the companies included in the CAD IT Group consolidation using the integral method are as follows:

Company name	*Registered office*	*Share/ Quota capital Euro*	*Percentage of investment at 31/12/2011*	*Percentage of investment of the Group at 31/12/2011*
Consolidated using the integral method				
CAD IT S.p.A.	Verona	4,669,600	Parent company	
CAD S.r.l.	Verona	130,000	100.00%	100.00%
CeSBE S.r.l.	Verona	10,400	59.00%	59.00%
Netbureau S.r.l. (2)	Milano	50,000	100.00%	100.00%
S.G.M. S.r.l. (2)	Padova	100,000	100.00%	100.00%
D.Q.S. S.r.l.	Roma	11,000	100.00%	100.00%
Bit Groove S.r.l. (2)	Verona	15,500	100.00%	100.00%
Elidata S.r.l.	Castiglione D'Adda (LO)	20,000	51.00%	51.00%
Smart Line S.r.l.	Verona	102,700	51.05%	51.05%
Datafox	Verona	99,999	51.00%	51.00%
Tecsit S.r.l. (1)	Roma	75,000	70.00%	70.00%
(1) Held through DQS S.r.l. which holds 70%				
(2) Merged company incorporated into CAD S.r.l. as of 01/01/2012				

3. Revenues

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

	Period 2011		*Period 2010*		*Variations*	*%*
Income from sales and services	52,248	93.0%	48,224	91.8%	4,024	8.3%
Changes in ongoing orders	(179)	(0.3%)	(115)	(0.2%)	(64)	55.8%
Asset increases due to internal work	3,543	6.3%	4,334	8.3%	(791)	(18.2%)
Other revenue and receipts	578	1.0%	67	0.1%	511	760.0%
Production value	**56,190**	**100.0%**	**52,510**	**100.0%**	**3,680**	**7.0%**

The supply of services and sales of goods includes earnings deriving from the sale of software under licence, maintenance and updating services, the use of personalised applicative packages, the sale of hardware goods, application management services, consultancy services and information system design.

During the 2011 financial period, earnings from sales and services have grown compared to 2010 by 8.3%, to reach a value of Euro 52,248 thousand (compared to Euro 48,224 thousand in 2010 financial period).

Increases in internal work capitalised under fixed assets came to Euro 3,543 thousand compared to Euro 4,334 thousand in the 2010 financial period and included activities carried out by CAD IT (Euro 1,785 thousand) and Smart Line (Euro 14 thousand), as well as activities commissioned by CAD IT to the subsidiary company CAD (Euro 1,187 thousand), CeSBE (Euro 298 thousand), BitGroove (Euro 102 thousand), Netbureau (Euro 99 thousand), DQS (Euro 59 thousand) for the development of new procedures for sale under licence or instruments for characteristics activities.

The other revenues and equivalent earnings, which came to Euro 67 thousand in 2010, stood at Euro 578 thousand and include contributions allocated by inter-professional funds for financing company training plans (Euro 94 thousand) and income from the sale of software rights.

The Group's activities, generally speaking, suffer no significant effect due to cyclical or seasonal variations during the course of the financial period.

4. Segment reporting by sectors

The internal organizational 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.

Disclosures for business segments	*31/12/2011*				
	Finance	*Manufacturing*	*Not allocated/General*	*Elisions*	*Consolidated*
External revenues	53,391	2,799	-	-	56,190
Intersegment revenues	3,598	-	-	(3,598)	-
Total revenues	56,989	2,799	-	(3,598)	56,190
Costs	(50,815)	(2,698)	(1,628)	3,598	(51,544)
Gross Operating Result (EBITDA)	9,696	104	(1,628)	-	8,171
Operating Result (EBIT)	6,173	101	(1,628)	-	4,646
Net financial income (expenses)	-	-	2	-	2
Revaluations and devaluations	163	-	(112)	-	51
Result	6,336	101	(1,739)	-	4,699
Income taxes	-	-	(2,623)	-	(2,623)
Third party share (profit)/loss	(420)	(9)	212	-	(217)
Financial period profit (loss)	5,916	92	(4,150)	-	1,858
Assets	84,337	839	852	-	86,028
Liabilities	19,762	350	8,071	-	28,183

Disclosures for business segments	31/12/2010				
	Finance	Manufacturing	Not allocated/General	Elisions	Consolidated
External revenues	49,605	2,905	-		52,510
Intersegment revenues	3,209	-	-	(3,209)	-
Total revenues	52,814	2,905	-	(3,209)	52,510
Costs	(50,780)	(2,866)	(1,361)	3,209	(51,797)
Gross Operating Result (EBITDA)	5,842	44	(1,361)		4,525
Operating Result (EBIT)	2,034	40	(1,361)		713
Net financial income (expenses)	-	-	11		11
Revaluations and devaluations	159	-	(123)		36
Result	2,193	40	(1,473)		760
Income taxes			(1,361)		(1,361)
Third party share (profit)/loss	(204)	(14)	196		(22)
Financial period profit (loss)	1,988	26	(2,637)		(623)
Assets	78,718	926	1,198		80,843
Liabilities	18,589	536	5,899		25,024

Information on the sector according to the secondary layout by geographical area is not provided as the Group presently produces and carries out its activities mainly nationally and homogeneously. In fact, revenues from foreign customers amount to 2.4 % of the total sales and services revenues (2.9% in 2010).

5. Purchase Costs

	31/12/2011	31/12/2010	Variations	%
Hardware-Software purchases for sale	340	610	(270)	(44.3%)
Maintenance and consumable hardware purchases	9	16	(8)	(46.2%)
Other purchases	237	208	29	13.7%
Variations in raw material stock	40	1	39	4.133.3%
Total	***626***	***836***	***(210)***	**(25.1%)**

Costs for hardware and software purchases for commercialisation refer to purchases made for orders that clients had already confirmed and show a decrease compared to 2010.

6. Service costs

	31/12/2011	31/12/2010	Variations	%
External collaboration	6,391	6,770	(378)	(5.6%)
Travelling expenses and fee reimbursement	1,514	1,553	(39)	(2.5%)
Other service costs	2,657	3,037	(381)	(12.5%)
Total	***10,562***	***11,360***	***(798)***	**(7.0%)**

Service costs in 2011 came to Euro 10,562 thousand, in decrease compared to the previous year (Euro 11,360 thousand).
To be more precise, costs for external collaboration decreased by Euro 378 thousand (-5.6%), costs for travelling expenses and fee reimbursement decreased by Euro 39 thousand (-2.5%) and other service costs, which mainly include assistance fees and hardware and software maintenance, energy costs, administrative, legal and fiscal consultancy, maintenance costs for office management and installed systems, decreased too by Euro 381 thousand (-12.5%).

7. Other operational costs

The following chart shows and compared the details of other operational costs.

	31/12/2011	31/12/2010	Variations	%
Third party benefit expenses	566	600	(34)	(5.7%)
Various management charges	236	141	95	67.1%
Total	***802***	***741***	***61***	**8.2%**

Third party benefit expenses in the financial period came to Euro 566 thousand, decreasing by Euro 34 thousand compared to the previous year and mainly refer to equipment and software instrument hire and the renting of operational office space.

8. Labour costs and Employees

Labour costs are as follows:

	31/12/2011	31/12/2010	Variations	%
Salaries and wages	24,110	23,350	760	3.3%
Payroll taxes	7,281	6,980	302	4.3%
Severance pay	2,228	1,946	283	14.5%
Other costs	177	180	(4)	(2.0%)
Total	***33,796***	***32,455***	***1,341***	**4.1%**

Labour costs in 2011 financial period increased by Euro 1,341 thousand (+4.1%) compared to previous year, due to the application of increases in contractual remunerations and to the assigning of employee bonuses (Euro 657 thousand including the relative social contributions). Furthermore, labour costs include the actuarial loss deriving from carrying out calculations according to the IAS 19 accounting standard (Euro 305 thousand compared to Euro 16 thousand in 2010).

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

Category of employees	labour force at 31/12/2011	labour force at 31/12/2010
Management	19	19
White-collars and cadres	573	588
Blue-collars	1	1
Apprentices	1	1
Total	**594**	**609**

At the end of 2011, the number of CAD IT Group staff decreased by 15 units with a total of 594 employees; to be precise, 8 people were employed during the financial period and 23 were dismissed, thus determining the following turnover rate:

Employees turnover	2011	2010
Negative turnover (Dismissed/employees at beginning of period)	3.8%	3.8%
Positive turnover (Employed/employees at beginning of period)	1.3%	4.6%
Total turnover (∑ turnover)	5.1%	8.4%
Turnover compensation rate (Employed/Dismissed)	34.8%	121.8%

The following table shows data regarding the CAD IT Group average number of employees:

Category of employees	Average number 2011	Average number 2010
Management	19	19
White-collars and cadres	580	585
Blue-collars	1	1
Apprentices	1	2
Total	**601**	**607**

The average number of employees decreased by 6 units compared to previous financial period.
The Group continues to dedicate particular attention to professional staff training at certain periods by means of internal training programmes and updating courses.

9. Other administrative costs

The entry of the total amount of Euro 2,233 thousand, shows a Euro 360 thousand decrease compared to the 2010 financial period (-13.9%) and includes costs relating to director and manager fees and their relative contributory costs. Highlighted among the rest are telephone expenses of Euro 396 thousand, commissions amounting to Euro 6 thousand and advertising expenses to the amount of Euro 155 thousand.
The entry ‘other administrative expenses’ include correlated party compensations (see note 38).
The table below shows the other administrative costs in detail:

	31/12/2011	31/12/2010	Variations	%
Director and legal representative fees	1,532	1,668	(136)	(8.2%)
Director retirement	15	26	(11)	(41.3%)
Director and legal representative fee contributions	129	156	(27)	(17.2%)
Telephones	396	482	(86)	(17.8%)
Commissions	6	79	(73)	(92.2%)
Advertising fees	155	182	(27)	(14.9%)
Total	***2,233***	***2,592***	***(360)***	**(13.9%)**

10. Financial performance

The financial management result in 2011 financial period is practically neutral, as the following detailed statement shows:

	31/12/2011	31/12/2010	Variations	%
Financial income from assets available for sale	0	6	(6)	(100.0%)
Interest on bank deposits and equivalent	94	84	10	12.2%
Total financial income	**94**	**90**	***5***	**5.1%**
Interest on bank overdrafts and loans	(84)	(68)	(16)	24.3%
Interest on debts for financial leasing	(8)	(10)	2	(18.3%)
Losses on exchanges	(0)	(1)	1	(57.5%)
Total financial charges	***(93)***	***(79)***	***(14)***	**17.9%**
Net financial income and (charges)	***2***	***11***	***(9)***	**(85.9%)**

Financial earnings are made up of interest received from liquid assets in current bank accounts and capitalisation insurance policies classified as liquid assets.
Financial expenses amounting to Euro 93 thousand (+17.9% compared to 2010) mainly refer to current account overdrafts.

11. Revaluations and depreciations

	31/12/2011	31/12/2010	Variations	%
Holding revaluation relating to associate companies	163	159	4	2.5%
Assets available for sale devaluation	(112)	(123)	11	(9.1%)
Total revaluations and depreciations	***51***	***36***	***15***	**42.0%**

The revaluation of holdings calculated with the net patrimony method concern the subsidiary Sicom S.r.l., which was revaluated of Euro 163 thousand in 2011 financial period and Euro 159 thousand the year before.
The Euro 112 thousand devaluation registered at 31/12/2011 refers to the reduction in value of activities available for sale, which during 2010 financial period instead generated a Euro 123 thousand devaluation.

12. Income taxes

	31/12/2011	31/12/2010	Variations	%
Tax pre-payments	91	43	48	110.8%
Deferred taxes	(370)	(146)	(224)	153.1%
Current taxes	2,902	1,464	1,438	98.3%
Total income taxes	***2,623***	***1,361***	***1,262***	**92.8%**

The taxes ascribable to 2011 financial 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.
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, for the three years 2010-2012, which concerns the determination of a global income in terms of IRES that corresponds to the algebraic sum of all net incomes of the companies in the group. The liquidation of the only tax due allows the Group to contextually use any tax losses during the year.

RECONCILIATION BETWEEN TAX EXPENSES IN THE FINANCIAL STATEMENT AND THEORETICAL TAX EXPENSES				
Theoretical rates	**IRES**	27.5%	**IRAP**	3.9%
	Taxable	**Tax**	**Taxable**	**Tax**
Pre-tax result	**4,699**	1,292	**4,699**	183
Theoretical tax		**1,292**		**183**
Temporary differences				
Deductable in later financial periods	1,245		1,104	
Taxable in later financial periods	(39)		(39)	
Taxation of temporary differences during previous financial periods	0		0	
Deduction of temporary differences during previous financial periods	(198)		(189)	
Total temporary variations from previous periods	*1,008*	*277*	*876*	*34*
Permanent differences				
To IRES / IRAP income increases	747		37,170	
To IRES / IRAP income decreases	(333)		(10,998)	
Total permanent differences	*414*	*114*	*26,172*	*1,021*
Taxable fiscal income	**6,121**		**31,747**	
Use of tax losses / variation due to regional IRAP rates	(126)			17
Taxable income / current tax on the period's income	**5,995**	**1,649**	**31,747**	**1,255**

Greater (lesser) taxes relating to previous financial periods		(1)		(0)
Current taxes		**1,648**		**1,255**
Effective rate on the pre-tax result	**IRES**	**35.1%**	**IRAP**	**26.7%**

SUMMARY OF THEORETICAL TAX EXPENSES AND TOTAL EFFECT	period 2011		period 2010	
Current IRES tax	1,648	35.1%	406	53.5%
Current IRAP tax	1,255	26.7%	1,031	135.8%
Total current taxes and effective rates	**2,902**	**61.8%**	**1,438**	**189.2%**
Greater (Lesser) taxes previous financial period	(1)		26	
Total current taxes	**2,902**		**1,464**	

13. Earnings per share

The basic earnings per share is calculated by dividing the year's profit ascribable to the ordinary shareholders of the Head Company by the weighed average number of ordinary shares outstanding during the year. The number of ordinary shares outstanding 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.

Earnings per share	*Period 2011*	*Period 2010*
Net profit (loss) ascribable to ordinary shares in thousands of Euro	1,858	(623)
Weighed average number of ordinary shares outstanding	8,980,000	8,980,000
Basic earnings per share (in €)	**0.207**	**(0.069)**

14. Property, plant and equipment

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

	31/12/2011	*31/12/2010*	*Variations*	*%*
Land	1,527	1,527	0	-
Buildings	14,712	14,834	(123)	(0.8%)
Plant and equipment	1,420	1,676	(256)	(15.2%)
Other assets	512	614	(102)	(16.7%)
Total property, plant and equipment	***18,171***	***18,651***	***(481)***	**(2.6%)**

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

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Total
Purchase or production cost	9,140	4,177	30	5,533	18,880
First time adoption revaluations	8,439				8,439
Previous years depreciation and write-downs	(1,218)	(2,501)	(25)	(4,922)	(8,666)
Adjustments to previous years write-downs				(2)	(2)
Opening value	***16,361***	***1,676***	***5***	***609***	***18,651***
Variations in consolidation area					
Purchases		5		153	159
Transfers					
Reduction in accumulated depreciation due to disposals		4	0	431	436
Disposals		(5)	(0)	(433)	(438)
Revaluations for the period					
Depreciation and write-downs for the period	(123)	(260)	(2)	(252)	(637)
Adjustments to write-downs for the period					
Total tangible fixed assets	***16,238***	***1,420***	***4***	***508***	***18,171***

Land and buildings include property and land, accounted for separately, belonging to the Group or conducted in leasing. The accounting value of the buildings calculated on the basis of leasing contracts is equal to Euro 321 thousand.
There are no restrictions on the legal ownership and possession of assets, systems and machinery to guarantee liabilities with the exception of property held in leasing. There are no contractual restrictions for buying assets, systems or machinery.
Purchases of new tangible assets during the year came to a total of Euro 159 thousand of which Euro 153 thousand were for “other tangible assets” which mainly include information technology equipment, necessary for managing the Group’s traditional activities.
In the financial period involved, real estate, running systems and machinery were not subject to any decrease in value that needed to be recorded in the balance.

15. Intangible fixed assets

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

	31/12/2011	31/12/2010	Variations	%
Industrial patents and similar rights	5,252	4,124	1,128	27.3%
Licences, trademarks and similar rights	178	395	(217)	(54.9%)
Assets under development	14,551	14,778	(226)	(1.5%)
Total Intangible fixed assets	***19,981***	***19,297***	***684***	***3.5%***

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

	Industrial patents and similar rights	Licences, trademarks and similar rights	Assets under development and payments on account	Other	Total
Purchase or production cost	14,333	3,574	14,778	35	32,719
Previous years revaluations					
Previous years depreciation and write-downs	(10,208)	(3,178)		(35)	(13,422)
Adjustments to previous years write-downs		(1)			(1)
Opening value	***4,124***	***395***	***14,778***	***0***	***19,297***
Variations in consolidation area					
Purchases		18	3,552		3,570
Transfers	3,778		(3,778)		
Reduction in accumulated depreciation due to disposals		0			0
Disposals		(0)			(0)
Revaluations for the period					
Depreciation and write-downs for the period	(2,651)	(236)			(2,886)
Adjustments to write-downs for the period					
Total intangible fixed assets	***5,252***	***178***	***14,551***	***0***	***19,981***

The voice “industrial patent rights and works of ingenuity” is almost entirely made up of software procedures developed by the CAD IT Group; the entry has increased by Euro 3,778 thousand due to the reclassification of procedures, previously registered in intangible assets that are either ongoing, complete, available for sale or in use during the financial period. The values are registered to credit to the directly sustained cost, mainly inherent to the use of internal resources used, as well as the extra expenses that may have been added to the original cost. 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 financial period came to Euro 2,651 thousand.

The caption “Licences, trademarks and similar rights” principally includes the licensed out software bought by third parties used by the Group for programming activities. During the period purchases were made for Euro 18 thousand, while the amortizations of this voice came to Euro 236 thousand.

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, which need to use is expected in credit and financial institutions as well as in the field of public and industrial administration.

These assets are registered to credit on the basis of the directly sustained cost, mainly relating to the use of internal resources used. In 2011, on-going assets increased due to costs directly incurred and capitalized by CAD IT and Smart Line.

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

16. Goodwill

The Group verifies the recovery of goodwill at least once a year or more often if there are indications of a value loss. During the six month period, situations indicating that assets may be impaired and may need a formal estimation of their recoverable value have not been found.

The goodwill acquired in an aggregation of companies is allocated, at the time of purchase, to the Cash Generating Unit (CGU) from which benefits connected to the aggregation are expected. In particular, with regard to the CGU of the Group, these concern the controlled companies that represent the smallest identifiable group

of activities that generate in-coming financial flows and which are largely independent of the in-coming financial flows from other activities or groups of activities.
The accounting value of goodwill has been allocated to the CGU as follows at the date of First Time Adoption:

Company	***Accounting value of goodwill***
CAD S.r.l.	3,295
D.Q.S. S.r.l.	2,279
S.G.M. S.r.l.	1,224
Elidata S.r.l.	617
Smart Line S.r.l.	443
Datafox	217
Bit Groove S.r.l.	202
CeSBE S.r.l.	28
Netbureau S.r.l.	5
Total	***8,309***

The recoverable value of the CGU 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 2012-2014 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 10.25%.
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

$$k = k_b(1 - TC)\left(\frac{B}{V}\right) + k_p\left(\frac{P}{V}\right) + k_s\left(\frac{S}{V}\right)$$

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 = 10.25%.
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:

$$\text{Company value} = \pm \text{net financial position} + \text{discounted cash flows} + \text{remaining value}$$

If we want to translate this equation into mathematical terms, we could show it in the following way:
NPV = company value (Net Present Value)

PFN = Net Financial Position
FCF = cash flow
k = cost of capital
N = explicit period
g = growth rate of the implicit period

$$NPV = \pm PFN + \sum_{i}^{N} FCF\ (1+k)^{-\mathrm{N}} + \left(\frac{FCF_{N+1}}{k-g}\right)\left\{\frac{1}{[1+(k-g)]^{N}}\right\}$$

17. Investments in associates

The holding in Sicom S.r.l. was evaluated with the equity method. The reference values used for evaluating this holding with the equity method and the relative reference data on the patrimonial situation are shown in the following table:

Company name	Date of reference	Quotaholders' equity including profit for the period	Profit for the period	Percentage of investment	Investment value of the Group
Sicom S.r.l.	31/12/2011	1,319	651	25.00%	330
Sicom S.r.l.	31/12/2010	1,315	636	25.00%	329

18. Financial assets available for sale

This point involves Class Editori S.p.A. and CIA S.p.A. shares, companies listed on Borsa Italiana SpA.
The two holdings are registered in the Financial Statement at stock exchange value at the Financial Statement date.The profits and losses registered after a fair value evaluation at each Financial Statement 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 of these holdings at the end of 2011 and 2010 financial periods:

Holding	31/12/2011		31/12/2010	
	No, of shares held	Fair value €/000	No, of shares held	Fair value €/000
Class Editori S.p.A. (CLE)	559,112	140	559,112	252
Cia S.p.A. (CIA)	1,230,509	320	1,230,509	357
Total		**460**		**608**

19. Credits due to prepaid taxes

Credits due to prepaid taxes, of Euro 595 thousand, 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) and past losses that the Group's companies made.

20. Inventories

The unsold stock entry includes finished products and goods to a total of Euro 70 thousand. The voice decreased by Euro 40 thousand compared to previous year.

21. Ongoing work to order

Ongoing work to order was registered at a total Euro 17 thousand, compared to Euro 197 thousand of previous year, made up of ongoing orders evaluated on the basis of the principle of the completion percentage (cost-to-cost); this entry suffered a decrease of Euro 179 thousand during the financial period.

22. Trade receivables and other credits

Commercial credits and other credits are made up as follows:

	31/12/2011	31/12/2010	Variations	%
Credits to clients	30,092	25,546	4,546	17.8%
Credit depreciation fund	(164)	(353)	190	(53.6%)
Accrued income and deferred expenses	324	438	(114)	(26.0%)
Other credits	347	317	30	9.6%
Total trade receivables and other credits	***30,600***	***25,948***	***4,652***	**17.9%**

% coverage credit depreciation fund	0.54%	1.38%

Credits to clients are entirely due within 12 months; the accounting value of commercial credits and other credits is approximate to their *fair value* and are mainly in favour of government, banking institutions, financial and insurance institutions.
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 Financial Statement of the amounts due are to be paid after the procedures supplied have been approved.
The Group 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 Group 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 164 thousand (Euro 353 thousand at 31 December 2010) which ensures a cover of 0.54% 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.
The increase of credits to clients, compared to the previous financial period, was mainly due to the same credit collection trend.
The entry Accruals and deferrals refers to the whole sum of deferrals made up as follows:

Nature	*31/12/2011*	*31/12/2010*
Software assistance	168	186
Advertising expenses	35	27
Third party benefit expenses	16	54
Telephone charges	21	25
Administrative services	5	2
Various insurances	14	18
Hardware assistance	37	29
Various	26	97
Total Accrued costs	***324***	***438***

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

Credits towards other	***31/12/2011***	***31/12/2010***	***Variations***
Receivables from social security institutions	6	1	5
Receivables for advances on travel expenses	1	1	0
Payments on account to suppliers	323	273	49
Other	14	39	(24)
Guarantee deposits	3	3	0
Total credits towards other	***347***	***317***	***30***

23. Tax credits

The entry of Euro 257 thousand (Euro 856 thousand in the previous year) is mainly made up of credit relating to a reimbursement, in accordance with article 6 of Leg. Dec. 185/2009, deriving from a 10% deductability in Irap from the taxable income for 2004 to 2007, as well as of excess advance payments for direct taxes (IRES and IRAP) during the period.

24. Cash and other equivalent assets

	31/12/2011	***31/12/2010***	***Variations***	***%***
Bank and postal accounts	4,667	3,710	957	25.8%
Cash-on-hand and cheques	10	20	(10)	(49.7%)
Insurance policies capitalised	2,429	2,370	59	2.5%
Total Cash and other equivalent assets	***7,107***	***6,101***	***1,006***	**16.5%**

The bank and postal account deposits are made up of cash-on-hand in current bank accounts.
It is possible to redeem the capitalisation insurance policy at any time with 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%.

25. 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.

Net patrimony attributable to owners of the parent

Net patrimony attributable to owners of the parent came to Euro 55,356 thousand compared to Euro 53,593 thousand at 31 December 2010.

Third party net patrimony

This point refers to the patrimony quota of the controlled companies that, on the basis of the 'Equity ratios', belongs to third parties. It was made up of:

Minority interests	*31/12/2011*	*31/12/2010*
Minority quotaholders of Cesbe S.r.l.	1,453	1,370
Minority quotaholders of Datafox S.r.l.	83	88
Minority quotaholders of Tecsit S.r.l.	16	33
Minority quotaholders of DQS S.r.l.	0	(69)
Minority quotaholders of Elidata srl	537	419
Minority quotaholders of Smart Line S.r.l.	401	385
Total third party net patrimony	**2,489**	***2,226***

During 2011 financial period, CAD IT increased its holding share in the subsidiary company DQS S.r.l. from 55.0% to 100.0%.

26. Reserves

	31/12/2011	*31/12/2010*	*Variations*	*%*
Share surcharge reserve	35,246	35,246	0	-
Re-evaluation reserve for fin. assets available for sale	149	186	(37)	(19.9%)
Total Reserves	***35,395***	***35,432***	***(37)***	**(0.1%)**

The variation of the evaluation reserve for assets available for sale comes from the variation in *fair value* at 31 December 2011 of the holding in the quoted companies, registered in the net patrimony reserve in reduction of revaluations registered in previous years (see also note 18).

27. Accumulated profit/losses

	31/12/2011	*31/12/2010*	*Variations*	*%*
Previous profits/losses	6	205	(199)	(97.1%)
Legal reserve	934	934	0	-
FTA transition reserve	2,119	2,119	0	-
Consolidation reserve	(289)	(186)	(103)	55.4%
Available joint profit reserve	10,663	11,043	(380)	(3.4%)
Period profits/losses	1,858	(623)	2,481	(398.2%)
Total accumulated profits/losses	***15,291***	***13,492***	***1,800***	**13.3%**

The FTA transition fund covers any differences that may have occurred when the international accounting standards were first adopted.
On 27th April 2011, CAD IT S.p.A. Ordinary Shareholders' Meeting agreed to approve the financial statement for the year ending at 31/12/2010, which showed a Euro 380,089.00 loss and to cover the suffered loss using an equivalent sum from the available undivided profit reserves.

28. Dividends paid

During 2011 no dividends were paid to CAD IT Shareholders.

29. Financing

The total amount of Euro 119 thousand entirely refers to the registration of the amount of debt funding determined by property leasing in accordance with the financial method.

	31/12/2011	31/12/2010	Variations	%
Due to banks after 12 months	0	0	0	-
Sums due to other financing institutions after 12 months	119	150	(31)	(20.5%)
Total financing	***119***	***150***	***(31)***	**(20.5%)**

30. Liabilities due to deferred taxes

Deferred taxes amounted to Euro 3,375 thousand (compared to Euro 3,442 thousand at 31 December 2010) 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. They mainly referred to the fiscal effect of adjustments made at the FTA, the taxation of which was deferred to future periods.

31. Employees' leaving entitlement and quiescence reserves

	31/12/2011	31/12/2010	Variations	%
Employees' leaving entitlement (TFR)	6,699	6,379	320	5.0%
Fund due to director end of term of office treatment	24	0	24	-
Total	***6,724***	***6,379***	***345***	**5.4%**

The point concerning the TFR Fund shows the movements resulting from annual allocations made on the basis of the evaluations of external actuaries and the uses carried out concerning end of working contract resolutions or advance payments.

Employees' leaving entitlement	31/12/2011	31/12/2010
Opening balance	6,379	6,301
Service cost	135	134
Interest cost	231	247
Benefits paid	(351)	(318)
Actuarial (gains)/losses	305	16
Closing balance	***6,699***	***6,379***

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.

32. Expense funds and risks

The entry of a total of Euro 40 thousand includes Euro 10 thousand set aside and registered in previous financial periods for legal disputes.
In December 2011 one of the fully controlled companies was notified that the Italian Revenue Agency, through sector investigations, was carrying out verifications. The verification implied a tax recovery of Euro 443 thousand. During the dispute the verification was contested by the fiscal legal firm and the defence lawyers as groundless. A risk fund of Euro 30 thousand for legal assistance and defence has been set up and registered in the financial period for this legal dispute.

33. Commercial debts

The entire point amount to Euro 4,007 thousand and shows the following trend:

	31/12/2011	*31/12/2010*	*Variations*	*%*
Debts towards associeted companies	32	16	17	104.5%
Debts towards suppliers	3,590	3,418	173	5.1%
Payments on account received	39	182	(143)	(78.5%)
Accrued expenses and deferred income	345	253	92	36.4%
Total Commercial debts	***4,007***	***3,869***	***138***	**3.6%**

Debts towards suppliers are referred to as current debts for supplies of goods and services received.
The deferred income refers almost entirely to income that was already invoiced regarding annual ordinary maintenance contracts on user licences and mainly pertaining to 2012 financial period.

34. Tax debts

The entry for fiscal debts, the total amount of Euro 4,696 thousand, is made up of debts that the various companies within the Group, and included in the consolidation area, have accumulated towards the inland revenue. The entry consists of debts for added value tax and for withholding agent activities carried out by the different companies in respect of employees and collaborators. Income tax debts in the financial period are compensated by tax credits for down payments paid during the year.

35. Short-term financing

At 31 December 2011 this point amount to Euro 1,705 thousand and is made up from short-term financing carried out by banking institutes and overdrawn and decreased by Euro 146 thousand compared to previous year.

36. Other debts

Details of other debts are as shown:

	31/12/2011	31/12/2010	Variations	%
Social security charges payable	2,787	2,561	225	8.8%
Towards directors	91	21	69	325.2%
Dividends to be distributed to shareholders (third parties)	27	54	(27)	(49.7%)
Towards staff for deferred salaries and pay	4,601	4,167	433	10.4%
Other	11	14	(3)	(20.5%)
Total	***7,516***	***6,818***	***698***	**10.2%**

Debts towards welfare institutions included matured contributory debts on current monthly salaries as well as the quota for deferred salaries.
Staff debts refer to the current salaries for December and to accruals for deferred salaries that matured at 31 December. Details of debts towards staff are shown in the following table:

Debt towards staff for wages and deferred pay	*31/12/2011*	*31/12/2010*	*Variations*	*%*
For wages and expense accounts	1,230	1,141	89	7.8%
For production incentives	477	4	473	11.363.7%
For holidays	2,113	2,239	(126)	(5.6%)
For year-end bonus	0	0	0	-
For summer bonus	781	784	(3)	(0.4%)
Total	***4,601***	***4,167***	***433***	***10.4%***

37. Consolidated net financial position

The net consolidated financial availability at 31st December 2011 was in credit by Euro 5,282 thousand.
In particular, the short-notice availability was Euro 5,401 thousand, compared to Euro 4,250 thousand at 31st December 2010 (an increase of Euro 1,152 thousand), while the net financial availability was Euro 5,282 thousand compared to Euro 4,100 thousand at 31st December 2010.
Immediate availability on current accounts and in hand came to Euro 4,678 thousand. Capitalisation insurance policies amounting to Euro 2,429 thousand, were contractually available within 20 days of request with no significant collection costs.
Short-term debts towards banks were mainly made up of current account overdrafts and subject to final advances.

Net consolidated financial position	*31/12/2011*	*31/12/2010*	*Variations*	*%*
Cash-on-hand and at bank	4,678	3,731	947	25.4%
Capitalisation insurance policies	2,429	2,370	59	2.5%
Payables due to banks current portion	(1,705)	(1,851)	146	(7.9%)
Net short-term financial position/(indebtedness)	**5,401**	**4,250**	***1,152***	***27.1%***
Long-term loans	(119)	(150)	31	(20.5%)
Net long-term financial position/(indebtedness)	**(119)**	**(150)**	***31***	***(20.5%)***
Net financial position/(indebtedness)	***5,282***	***4,100***	***1,183***	***28.8%***

The net financial position balance sheet agrees with the balance sheets; 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”.
As shown in the consolidated financial report, the increase in financial assets was determined by the following:

- operational management activities generated a positive flow of Euro 4,703 thousand (compared to Euro 6,311 thousand in the previous year) due to self-financing (net result plus depreciations) net of non-monetary taxes;

- investment activities absorbed Euro 3,508 thousand (compared to Euro 4,831 thousand in 2010) for investments in intangible assets (Euro 3,570 thousand), tangible assets (Euro 159 thousand) and holding companies (Euro 39 thousand), partly compensated by cashed-in interests and dividends;
- financing activities absorbed Euro 43 thousand (compared to Euro 2,323 thousand in 2010, when dividends for Euro 2,245 thousand were paid to CAD IT shareholders).

38. Related parties transactions

Relations between the Group's companies are administered on the basis of contractual relations drawn up by the respective administrative organs bearing in mind the quality of the assets and services involved and the competitive conditions of the market, adapting the interests of the Group.
The following table shows the incidence of transactions with correlated parties on the respective balance entry at 31/12/2011:

Transaction incidence with Related parties - Period 2011	Total	Related Parties	
		Absolute value	% on Tot.
A) Transaction or position incidence with correlated parties on entries in the Profit and Loss account			
Income from sales and services	52,248	371	0.7%
Service costs	(10,562)	(276)	2.6%
Labour costs	(33,796)	(565)	1.7%
Other administrative expenses	(2,233)	(1,167)	52.3%
B) Transaction or position incidence with correlated parties on entries in the Patrimonial situation			
Commercial credits and other credits	30,600	158	0.5%
TFR and pension funds	6,724	121	1.8%
Commercial debts	4,007	81	2.0%
Other debts	7,516	184	2.4%
C) Transaction or position incidence with correlated parties on financial flows			
Cashed dividends	162	162	100.0%

Apart from the above relations, no other relations of an economic-patrimonial nature of any significant substance with correlated parties were undertaken.
Returns with correlated parties mainly regarded the supply of services carried out for the company Xchanging (Euro 265 thousand) which holds a 10% stake in CAD IT and for the subsidiary Sicom S.r.l. (Euro 101 thousand).
Service costs to correlated partied included the supply of services carried out by the subsidiary Sicom to the controlling company (Euro 95 thousand), remunerations to the members of the CAD IT Board of Auditors (Euro 64 thousand) and those relating to translation and language training services supplied by a company partly owned by a CAD IT manager (Euro 116 thousand).
Labour costs to correlated parties included the remunerations (including contributions that are the responsibility of the company and accruals matured for deferred retributions) of company employees who are related or linked to CAD IT Board Members and the remunerations of managers with strategic responsibilities.
Other administrative expenses relating to correlated parties regarded remunerations for the position of Board Member that the CAD IT Board Members receive as do the Board Members of the other companies within the Group who are related or linked to them.
Credits to correlated parties were mainly made up of the controlling company's credits to Sicom (Euro 153 thousand).

Debts to correlated parties were mainly made up of commercial debts, for services (Euro 81 thousand), debts towards employees for pay and pay accruals (Euro 94 thousand) and severance pay (Euro 121 thousand), debts towards Board Members (Euro 83 thousand).

Apart from the above relations, no other relations of an economic-patrimonial nature of any significant substance with correlated parties have been undertaken.

The table below shows the incidence of relations with correlated parties in 2010.

Transaction incidence with Related parties - Period 2010	Total	Related Parties	
		Absolute value	% on Tot.
A) Transaction or position incidence with correlated parties on entries in the Profit and Loss account			
Income from sales and services	48,224	304	0.6%
Service costs	(11,360)	(516)	4.5%
Labour costs	(32,455)	(588)	1.8%
Other administrative expenses	(2,592)	(1,200)	46.3%
B) Transaction or position incidence with correlated parties on entries in the Patrimonial situation			
Commercial credits and other credits	25,948	22	0.1%
TFR and pension funds	6,379	153	2.4%
Commercial debts	3,869	113	2.9%
Other debts	6,818	110	1.6%
C) Transaction or position incidence with correlated parties on financial flows			
Cashed dividends	56	50	89.9%

39. Relations with administrative and auditing organs

All remunerations during the financial period, under any title and in any form, paid by the company and by its controlled and associated companies, to members of the administration and controlling bodies, and to those managers with strategic responsibilities, are outlined in the *Remuneration Report.*

40. 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 and the Group's companies have 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).

In accordance with Consob Notification no. DEM/11070007 of 5th August 2011 (which in turn refers to document ESMA no. 2011/266 of 28th July 2011) on the information to be supplied in financial reports concerning sovereign debt statements kept by listed companies, it is hereby declared that the Group does not hold any bonds or loans issued by central or local governments or governmental bodies.

The present annual consolidated report was approved by the CAD IT S.p.A. Board of Directors on 13th March 2012.

41. Important events since 31st December 2011

On 30th December 2011, the Shareholders' Meetings for SGM S.R.L., BIT GROOVE S.R.L., NETBUREAU S.R.L.

and CAD S.R.L. COMPUTER AIDED DESIGN ELABORAZIONE DATI, companies all entirely controlled by CAD IT S.p.A., with a view to simplifying and reorganising the group, decided to reduce administrative costs and generate financial efficiency by drawing up a merger agreement to incorporate the former three companies into the latter. Consequently, "CAD S.R.L. COMPUTER AIDED DESIGN ELABORAZIONE DATI" changed its name to "CAD S.R.L.", increased its company capital from Euro 130,000 to Euro 295,500, attributing the increase to the one partner company, CAD IT S.p.A. The accounting and fiscal effects of the merger will begin as of 1st January 2012.

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

ATTESTATION OF CONSOLIDATED FINANCIAL STATEMENT 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 consolidated Financial Statement during the 2011 financial period.

2. Moreover, it is hereby declared that the Consolidated Financial Statement sheet:

a) has been drafted in accordance with the International accounting standards (IFRS) adopted and recognized by the European Union in conformity with EC regulation no. 1606/2002 of the European Parliament and Council of 19th July 2002;

b) corresponds to the results in the company books and accounting documents;

c) appropriately gives a true and correct representation of the patrimonial, economic and financial situation of the Company and the companies included in the consolidation.

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

Verona, 13 March 2012

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

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

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 2011 financial period for auditing services and other services carried out by BDO S.p.A.; no services were carried out by entities belonging to its network.

Type of service	*Receiver*	*Subject that carried out the service*	*2011 financial period audit fees (in euro)*
Accounting audit	CAD IT S.p.A.	BDO S.p.A.	€ 12,368
Accounting audit	Subsidiaries	BDO S.p.A.	€ 48,212
Other activities (1)	CAD IT S.p.A.	BDO S.p.A.	€ 2,000
Total			**€ 62,580**

(1) – Fees for data verification for updating in Supplier Register.

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.

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Auditor's report on the consolidated financial statements in accordance with articles 14 and 16 of legislative decree n. 39 of 27 January 2010

(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 consolidated financial statements including the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes, of CAD IT S.p.A. and its subsidiaries (the "CAD IT Group") as of and for the year ended December 31, 2011. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005, are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of prior year, the data of which are presented for comparative purposes, reference should be made to our auditor's report issued on March 24, 2011.

3. In our opinion, the consolidated financial statements of CAD IT Group as of December 31, 2011 comply with International Financial Reporting Standards as adopted by European Union and the requirements of national regulations issued pursuant to art. 9 of legislative decree n. 38/2005; therefore, they are clearly stated and give a true and fair view of the financial position, the results of the operations and the cash flows of the CAD IT Group for the year then ended.

4. The Directors of CAD IT S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance and ownership structures, published in the investor relations section of CAD IT S.p.A. web site, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information provided by paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998 included in the annual report on corporate governance and ownership structures, with the financial statements, as required by law. 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 and the information provided by paragraph 1, letters c), d), f),

BDO S.p.A. - Sede Legale: Largo Augusto, 8 - 20122 Milano - Capitale Sociale Euro 100.000 i.v.
Codice Fiscale, Partita IVA e Registro Imprese di Milano n. 01795620150 - R.E.A. Milano 779346 - Iscritta all'Albo Speciale CONSOB delle Società di Revisione

BDO S.p.A., società per azioni italiana, è membro di BDO International Limited, società di diritto inglese (company limited by guarantee), e fa parte della rete internazionale BDO, network di società indipendenti.

l), m) and paragraph 2, letter b) of art. 123-bis of legislative decree n. 58/1998, included in the annual report on corporate governance and ownership structures, are consistent with the consolidated financial statements of CAD IT Group as of December 31, 2011.

Verona, March 23, 2012

BDO S.p.A.

Signed by:
Alessandro Gigliarano
(Director)

CAD IT S.p.A.

Sede in Verona (VR) Via Torricelli. 44/a

Capitale sociale Euro 4.669.600,00 i.v.

Codice fiscale e numero iscrizione Registro Imprese di Verona 01992770238

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Relazione del Collegio Sindacale all'assemblea degli azionisti

Signori Azionisti,

il bilancio consolidato della CAD IT dell'esercizio 2011, Stato Patrimoniale, Conto Economico, Prospetto delle variazioni del patrimonio netto, Rendiconto finanziario e Nota Integrativa, che viene messo a Vostra disposizione, presenta un utile di competenza di euro 2.075 migliaia.

Esso ci è stato comunicato nei termini di legge, unitamente alla relazione sulla gestione, e risulta redatto secondo gli International Financial Reporting Standard (IFRS) e i provvedimenti emanati in attuazione dell'art. 9 D.Lgs. n. 38/2005.

I controlli sul bilancio sono stati effettuati dalla società incaricata della revisione, il cui giudizio senza rilievi sui documenti di bilancio è espresso nella relazione datata 23 marzo 2012.

Per parte nostra affermiamo quanto segue:

a) Il nostro esame è stato svolto tenendo conto dei principi di comportamento del Collegio Sindacale raccomandati dal Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili;

b) l'area di consolidamento è variata rispetto all'anno precedente a seguito della intervenuta incorporazione di due società del gruppo in altra controllata;

c) è stato accertata l'adeguatezza dell'organizzazione presso la capogruppo per quanto riguarda l'afflusso delle informazioni e le procedure di consolidamento;

d) è stato accertato il rispetto dei principi di consolidamento e delle altre disposizioni previste dalle norme di legge ed in particolare per quanto riguarda la formazione dell'area di consolidamento e la data di riferimento dei dati;

e) è stata accertata la corretta applicazione delle prescrizioni di cui ai principi contabili internazionali;

f) è stata accertato il rispetto degli obblighi di informativa sia in ordine al bilancio che in merito all'andamento della gestione. In particolare la relazione sulla gestione illustra in modo adeguato la situazione economica, patrimoniale e finanziaria, l'andamento della gestione nel corso del 2011 e l'evoluzione dopo la chiusura dell'esercizio dell'insieme delle imprese oggetto di consolidamento.

Ciò premesso, secondo il nostro parere, il bilancio consolidato esprime in modo corretto la situazione patrimoniale e finanziaria ed il risultato economico del Gruppo CAD IT per l'esercizio chiuso al 31 dicembre 2011 in conformità alla norme che disciplinano il bilancio consolidato.

Il Collegio Sindacale ritiene inoltre che la relazione sulla gestione del Gruppo sia corretta e risulti coerente con il contenuto del bilancio consolidato.

Verona, lì 26 marzo 2011

Il Collegio Sindacale

Riccardo Ferrari

Gian Paolo Ranocchi

Renato Tengattini

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