CAD IT S.p.A.

Statutory Financial Statements
at 31-12-2013

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
INFORMATION TECHNOLOGY

CAD IT S.p.A.

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

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Financial statements at 31 December 2013

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

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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

FRANCESCO ROSSI (2)
Director and lead independent director

LAMBERTO LAMBERTINI (2)
Independent Director

STATUTORY AUDITORS (1)

RICCARDO FERRARI
Chairman

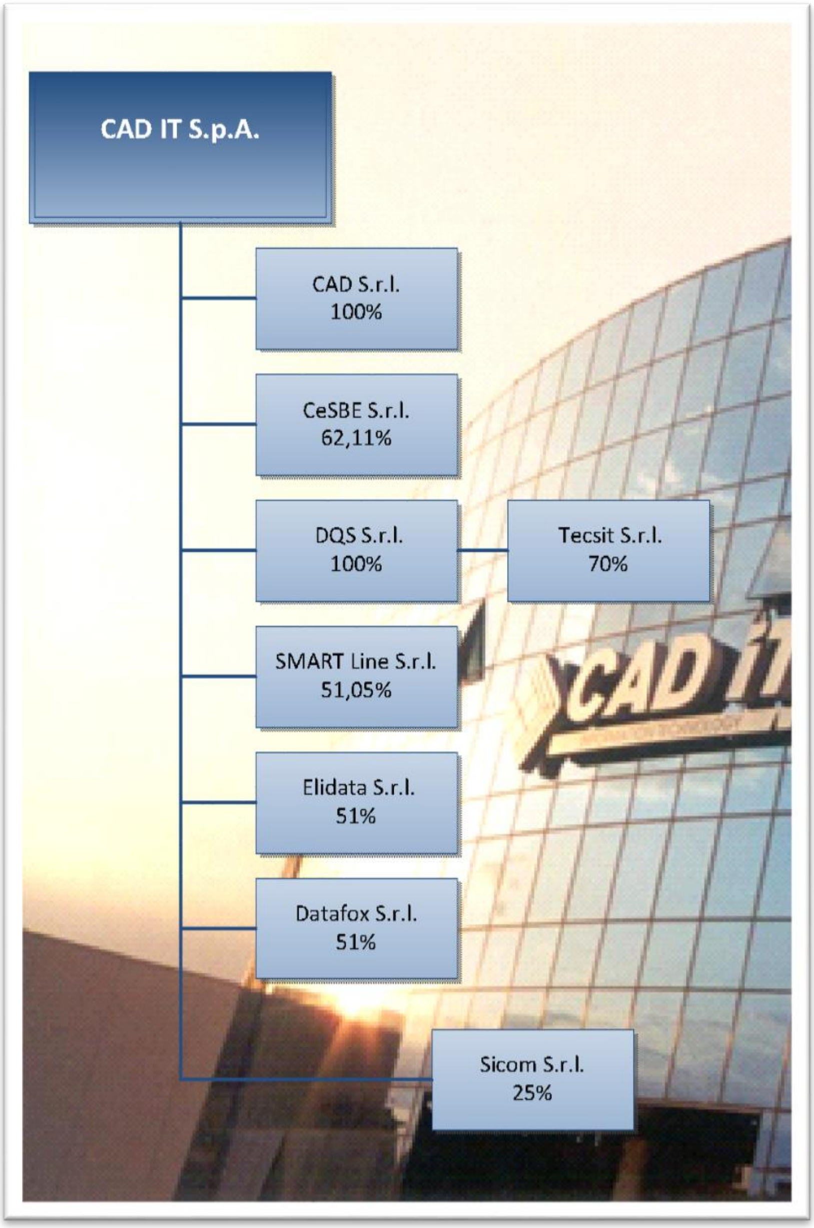
GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

AUDITORS: BDO S.p.A.

(1) Appointed on 26 April 2012; office expires with the shareholders' meeting for the approval of the 2014 financial statements.
(2) Member of the Control and Risk Committee; member of the Nominating and Compensation Committee.

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 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 Vice-Chairmen Giampietro Magnani and Luigi Zanella, pursuant to article 20 of the company by-laws, carry out vicarious functions to those of the President in case of his absence or impediment.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 for each individual transaction to the amount of Euro 2,000,000 (two million) and with the joint signature of another managing director for each individual transaction to the amount of Euro 4,000,000 (four million); furthermore, the aforementioned directors will have the power and faculty, with their single free 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 for each individual transaction to the amount of Euro 2,000,000 (two million) and with the joint signature of another managing director for each individual transaction to the amount of Euro 4,000,000 (four million). The said Managing Director will have ordinary administrative power to represent 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 31/12/2013

DIRECTORS' REPORT ON OPERATION

This management report is an integral part of CAD IT S.p.A.'s annual financial report at 31/12/2013 and includes references to the important events which occurred during the financial year and their incidence on the balance sheet, together with a description of both CAD IT S.p.A.'s and the Group's primary risks and uncertainties.
The balance sheet at 31st December 2013 was drafted to conform with the applicable international accounting standards recognised in the European Community in accordance with EC regulation no. 1606/2002 issued by the European Parliament and Council on 19th July 2002 and with the provisions laid down in art. 9 of Leg. Dec. no. 38/2005, as well as in observance of Consob regulation no. 11971 of 14th May 1999 and subsequent modifications and integrations.
CAD IT S.p.A. is obliged to draft a consolidated balance to which reference may be made for further information on the Group's result and economic-financial situation.
Unless otherwise indicated, the monetary quantities in the accounting tables and those in the notes, are shown rounded off to the nearest thousand euro. The totals and subtotals of the statements presented are determined by rounding the sum of the point data. The percentage figures shown are calculated using the non-rounded off figures.

Information on CAD IT and Group's activities

CAD IT is the leader of a group that is one of the most dynamic organizations in the Italian information technology sector.
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 segment of MTA market of the Italian stock exchange, segment conceived for mid size companies that voluntarily comply with requirements of excellence in terms of information transparency, communication, liquidity of free float and Corporate Governance, in line with best international standards.
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 direct subsidiaries.
The CAD IT Group operates in Italy with its own branches and companies in Verona, Milan, Rome, Prato, Padova and Mantua.

A dynamic and innovative company

The group philosophy is that every customer situation is unique and for each of them will be sought specific solution. For this reason group's technology solutions are established on component-based architectures that allow for secure, phased and progressive implementation.
With over 600 highly trained professionals employed within the company, the aim of the Group is to harness innovation and technology to help the company run better.

… with a broad and impressive customer base

CAD IT serves demanding market-leading organisations across Europe.
Its customer base includes banking groups, national authorities, local authorities, consumer goods companies, insurance companies, outsource service providers and foundations.
Each day, its technology solutions support over 200,000 end-users in over 600 organisations with their essential tasks in Italy, Switzerland, Germany, UK and the Czech Republic.

… operating through a dedicated company network

During the years it has widened its product range through the continual increase in new skills, a careful strategy of acquisitions and partnerships, considerable investment in research and development and constant market trend monitoring, that has always favored the issue of products in line with the changing needs and anticipating needs.
The founding of new companies and other strategic purchases have enabled the Group to improve synergies and to enter new markets, e.g. business intelligence and control and management systems for banks, insurance companies, private and public institutions, innovative solutions to interconnect financial markets, SIM (securities brokerage firm) and SGR (company asset management), ERP applications and solutions for local tax collection agencies.

… with market leading products based on reliable and flexible technology

CAD IT has proven and functionally-rich technology solutions and offers its customers true expertise in technology. With the gained experience and consistent R&D in technology design and application development, the group has the expertise to build reliable, user-friendly and highly scalable application architecture.
Based on an independent model platform, service oriented its architectures offer customers the flexibility of phased implementation within a technology framework that is designed for today and can evolve around their changing needs. The "lego" methodology, coupled with a broad range of services, facilitates the tailoring of common technological solutions to the customer's situation.

… combining with a comprehensive set of services

The services offered are related to developed solutions in the following areas:

- project management;
- system integration;
- consultancy and training;
- customisation and change management activities;
- application monitoring & support through agreed SLA;
- multi-lingual, 24x7 Help Desk;
- regulatory support;
- application development;
- application maintenance;
- private cloud;
- business processing.

… and a laser focus on customer service

Guidelines, frameworks and specific toolsets are in place to ensure every aspect of work is linked to these needs from requirements and service planning, through solution development to deployment and support.
Software Development Centre of CAD IT supports all software releases, documentation and materials that allow to simplify the operation activities of its customers.
The Group developed a special single-point-of-contact (SPOC) Customer Support Framework for the management of support and maintenance activities including Service Desk, Incident and Problem Management, Change and Release Management.
Its main purpose is:

- to act as a single point of contact for the CAD IT software end-user;
- to manage the life cycle of user generated issues and service requests;
- to guarantee pre-agreed service levels;
- to organise and prioritise requirements;
- to keep end-users updated on progress.

… innovating together with a wide network

CAD IT invests heavily in R&D for its technology solutions.

Its capacity to innovate together with its clients is a compelling advantage. For many years now CAD IT adopted a collaborative research and development approach with customers, universities, regulatory authorities, consultancies, communities and technological and business partners.
With a growing user community of over 200,000 end-users, where customer demands and requirements constantly evolve, Group's strength is the ability to deliver solutions that respond to our client's needs and adapt to the changing market environment.

… offering constant improvement

The CAD IT Group offers solutions based on the know-how of a vast community of users and supports customers in achieving their own specific objectives with a personalised approach based on granular software components and tailor-made modular services.
Due to the inspiration we receive from our customers and believing firmly in creating stable and lengthy relations, we aim to evolve constantly by making every effort to find new methods, innovate our technology and support the professional growth of our own human resources through training and experiential courses.
The Group is convinced that its commitment to understanding the customers' needs and to providing increasingly more efficient solutions is the true reason behind its managing to maintain customer satisfaction rate extremely high.
We believe that innovation does not simply end with the supply of a state-of-the-art technological solution, but is a continual process of customer support to provide solutions that evolve and adapt to changing market conditions. This is why the Group continues to provide support for all the releases and, although invites its customers to evolve, never obliges them to replace their software with updated versions.
By offering holistic services like system integration, training, consultancy, assistance and constant support, the Group is continually enriching its own know-how by increasing the added value of the solutions it offers to the customer's benefit.

FINANCE

Area Finanza, flagship product, is viewed as the gold standard on the Italian market, with about a 90% share of the Italian securities processing market, according to the estimate of the company.
Since 2006, with continuing product development, Area Finanza has now been implemented successfully internationally, at leading financial institutions in Switzerland, Germany, UK and the Czech Republic.
Area Finanza offers total automation of all processes relating to derivatives and securities in the following macro areas: Position Keeping, Custody and Administration, Corporate Actions, Order Management, Trading Rooms, Securities Master Database, Settlement, Asset Management, Reconciliations, REPOs, Know Your Customer, Financial Advice and Reporting.
Customers are banks, banking groups, insurance companies, global custodians, brokers, asset managers, IT and BPO service providers, finance companies, trust companies and banking foundations.
Within Europe, our application statistics for Area Finanza include:

- 400 financial institutions;
- 25,000 bank branches;
- 14,000 post office branches;
- 150,000 users;
- 25,000,000 security deposit accounts.

PUBLIC ADMINISTRATION

The Group holds a leading position in providing software solutions for Tax Collection in Italy.
Our SET suite for tax collection is the National IT solution being used by the Institutions that manage public tax collection.
Activity in this sector began in the 1980s and has been developed by constantly keeping up with the legal and functional evolutions in the management of both "voluntary" and "compulsory" tax collection.
Since 2006, in view of the ongoing decentralisation of local tax collection, CAD IT has made considerable

investments in developing its FE suite for managing Taxation for Public Authorities, capitalising on its experience in Tax Collection at a central level.
FE offers avant-garde tools at the service of all types of central and local Authority for managing tax collection, from preparing "loading lists" up to payment collection and settlement. Furthermore, the FE suite includes planning and control solutions that improve the Authority's internal management, so that Public Administration can accompany the citizen through all the most important events of the public service lifecycle: from information services to the various payment means.
Customers are Authorities, Licensed Companies, Tax Collection Agents and Banking Groups that carry out Treasury and Tax collection services.
Taxation for Authorities (FE) and Tax Collection System (SET) are used throughout Italy and exclusively manage tax collection activities for the National Public Administration Service.

INDUSTRY

In addition, the Group boasts a long-standing activity in the industrial and the financial sectors and can count on the capacity to offer solutions for e-business, credit and industrial companies in constant evolution.
CAD IT is a reference point for companies producing the most famous "made in Italy" products: fashion and food. In these sectors, CAD IT aims at providing specific IT and business skills through software packages and services with high added value that ensure immediate benefits for its customers.
Customers are hundreds of companies dotted all over Italy with branches abroad and with a strong potential for internationalization. Companies that have grown with CAD IT in terms of modernising and reviewing their company procedures. With them were created organizational models so that decisions can be taken quickly and within economically sustainable time periods.
CAD IT, with the support of its strategic partners, is able to provide its customers with a complete range of services so that they can make the decisions that lead to creating advanced systems supported by the very best specific skills available on the market.

Hot topics

Finance division

PRIVACY

The provisions issued by the Guarantor of Privacy foresees the obligation to store information relating to transactions for two years, even if only informative, like, for example, inquiries carried out on customer reports by banking staff, i.e. the users of information systems. With this provision, banks should verify and adjust their 'logs', the archives in which they record the transactions made on their computer systems which, as is well-known, is the most complex of all financial sectors. It is therefore necessary to set up a repository in which to keep all the information and then have a system to identify any improper behaviour by the bank's own employees. This provision, in fact, is the result of situations in which information on customer accounts and transactions have been unduly divulged and used illegally.
In this context CAD IT is one of the main players in the banking sector software vendor community, promoted by Deloitte, that can resolve this requirement by means of a highly innovative project.

EMIR: Reporting Compliance for Derivative Trades

According to the EMIR regulation, financial and non-financial counterparties must ensure that the details of any derivative contract they may have concluded as well as any subsequent modification or termination of said contract is reported to a trade repository, no later than one the working day following its the conclusion, modification or termination of the contract.
The reporting obligation will take effect as of July 2013 for derivatives on interest and credit and as of January 2014 for derivatives on all other asset classes.

CAD IT's Trade Repository Reporting allows to introduce new reporting logic into your current applications.
Trade Repository Reporting captures operations in real time from existing Front Office Systems (e.g. MUREX, Kondor+, Bloomberg, direct market connection, etc.) and from the Area Finanza Suite, elaborates the data and sends all necessary messages to the Trade Repository. The monitoring screen shows the status of all messages for all contracts.
Through CAD IT's partnership with REGIS-TR (www.regis-tr.com), the European trade repository, launched by Iberclear (BME) and Clearstream (Deutsche Boerse Group), we are able to supply a complete service.

FATCA

The new US regulation named FATCA imposes heavy duties on Banks, Insurances Companies, Asset Managers, and Brokers, all over the world:

- identification and classification of clients and financial accounts;
- application of a 30% withholding tax for recalcitration;
- data reporting to the United States;
- compliance and audit obligations.

CAD IT's Tax and Compliance Area (TCA) solution for FATCA is the result of a shared analysis with a dedicated User Community involving banks, financial institutions and their consulting companies.
TCA has been designed to be easily adaptable to the identification of customer and account, new types of taxation and reporting, thus enabling a strategic approach to new future requirements.

T2S

Target 2 Securities (T2S) is the new centralised platform for the settlement of Euro securities, which will be available as of June 2015 and which will have a great impact on all market subjects, such as Banks, Custodians and CSDs. T2S will eliminate the differences between domestic and cross-border settlements and will lead to a gradual removal of national specifications. In this way settlement activities will be limited to pure utility and will force a clean-cut separation from custody services.
CAD IT proposes its own Settlement EasySet solution, which has been designed to help banks deal with the changes that T2S will bring, both in terms of direct and indirect adhesions.

Market Abuse Sensing

Market Surveillance Authority regulations are becoming increasingly more severe and extensive. Applying them effectively while limiting the impact in terms of cost and application complexity, is a challenge that can be faced with automation.
CAD IT has developed a tool for Market Abuse Sensing (compliant with Italian and European laws) that is able to identify suspect transactions of market manipulation and information abuse (insider trading). The application also manages a register of interest conflicts.
The platform totally automates the processes for acquiring data for processing and has automatic search functions with a high number of variables to find potentially suspect transactions. The effectiveness of investigation into automatically identified transactions, in order to establish the soundness of the suspicion and to notify any transactions to the market surveillance authorities, is supported by a vast information workflow that allows the user easy and fast management of investigation activities.

Flow Management

TDOC@Web: is CAD IT's tool which, hosted in a web-site, allows Bank, Public Body and Company users to rapidly and safely exchange a large volume data flow, archive and printout.

Local Authority Treasuries

Local Authority Treasuries: software procedure for the total automated management of Local Authority Treasury and Funds for which the law imposes the figure of Treasurer or Receiver (Local Authority, Balances, documental and non-documental cash collection and payment management). The application can be integrated with Teso@Web, a product that, through Internet and by using special consultation functions, allows Local Authorities to swiftly access their own data. The SIOPE and UNIFIED TELEMATIC PUBLIC TREASURY procedures are available for Banca d'Italia reporting.

Public Administration division

Italian Public Administration is experiencing considerable change as a result of a similar radical transformation of the country's social network.

Immigration, globalization, computerization and integration are just some of the important topics that Public Administration is having to deal with. While these themes may represent problems, they can also provide the chance to improve the services offered to the citizens.

One of the key factors is the use of new technologies, which are the first steps towards a new millennium. Not just tablet PCs and smartphones, but also self-service terminals and call centres. Not just social networks and peer to peer, but also, and above all, company clouds and public service networks.

For this reason, CAD IT has created an integrated and multi-lingual solution to automate information services, procedures, policies, regulations and laws within large organizations and government bodies.

The CAD IT solution is based on a repository where all the information is organized in such a way that the engine interpreting the operation can recognize the citizen, carry out information filtering, even translate from and to the desired language and then provide the requested service.

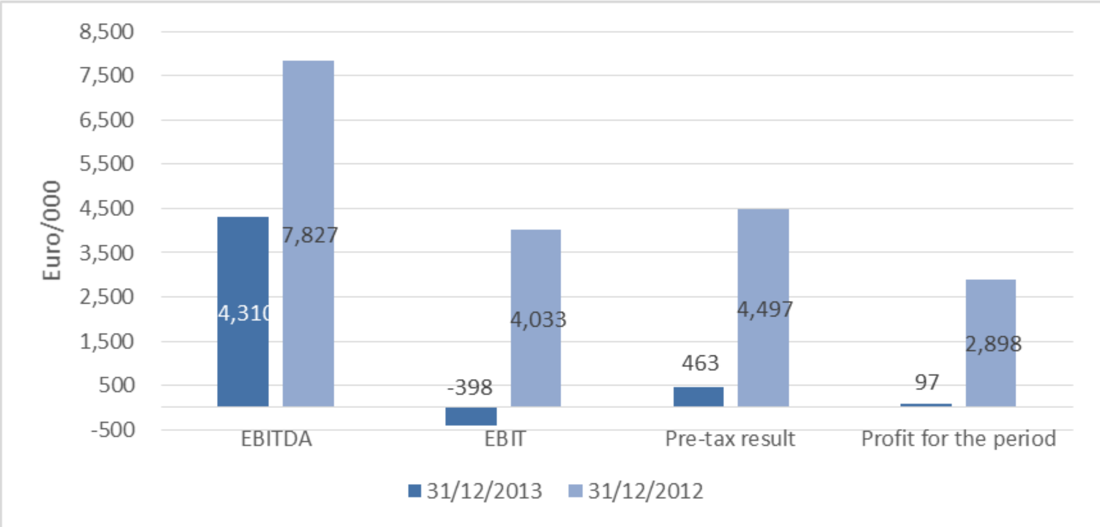
With the CAD IT solution, the Public Administration office is guaranteed fewer costs and less conflict and stress for its front desk operators as well as the possibility to monitor the level of services carried out. For the citizens, the solution means a much faster, more personalized, timely and modern service.

Synthesis of CAD IT's results

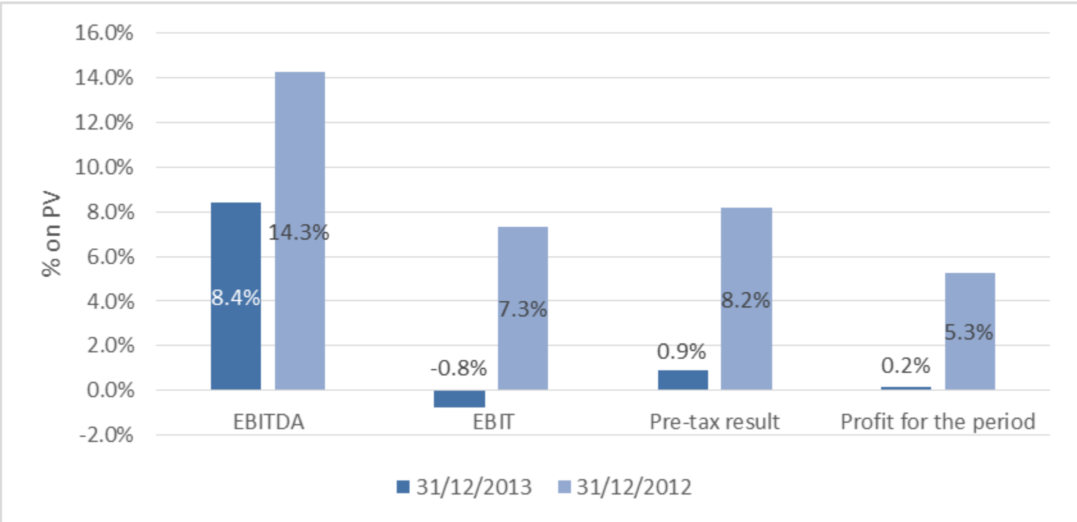
	Period 2013		Period 2012 (*)		Variations	
	€/000	% PV	€/000	% PV	absolute	%
Production value	51,331	100.0%	54,917	100.0%	(3,586)	(6.5%)
Added value	24,731	48.2%	28,026	51.0%	(3,295)	(11.8%)
Gross operational result (EBITDA)	4,310	8.4%	7,827	14.3%	(3,516)	(44.9%)
Operational result (EBIT)	(398)	(0.8%)	4,033	7.3%	(4,431)	(109.9%)
Ordinary result	364	0.7%	4,462	8.1%	(4,097)	(91.8%)
Pre-tax result	463	0.9%	4,497	8.2%	(4,033)	(89.7%)
Income taxes	(366)	(0.7%)	(1,598)	(2.9%)	1,232	77.1%
Profit for the period	97	0.2%	2,898	5.3%	(2,801)	(96.6%)
Total Comprehensive income	17		2,847		(2,830)	(99.4%)

* Following application of the amendment to IAS 19 (retrospectively) from 1 January 2013, figures of period 2012, reported for comparison, have been restated in accordance with the requirements of IAS 1. In particular, due to the reclassification of actuarial loss on liabilities for defined benefit in the statement of comprehensive income, labour costs decreased by 6 thousand Euro, resulting in increased profit for the period by the same amount.

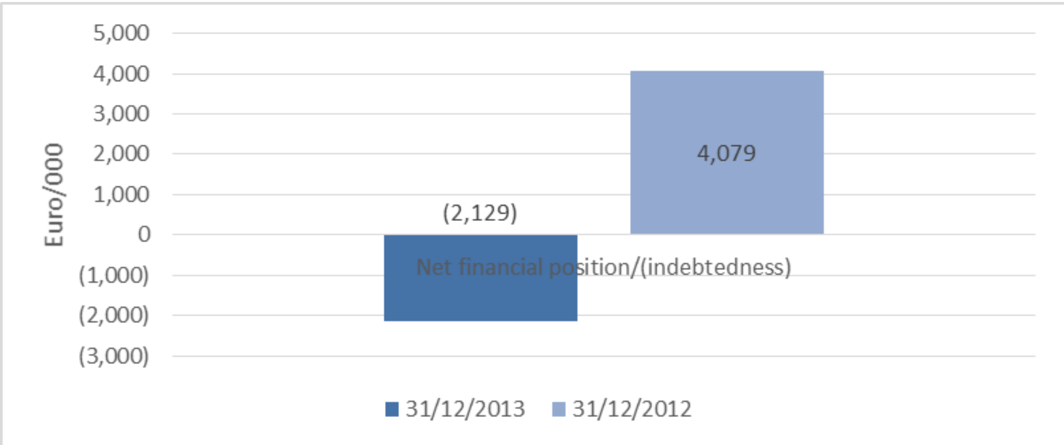
	31/12/2013	31/12/2012
Total Assets	93,972	93,675
Total Equity	54,585	57,262
Net short-term financial position/(indebtedness)	(2,129)	4,079
Net financial position / (indebtedness)	(2,129)	4,079
Employees at the end of the period (number)	299	295
Employees (average number in the period)	299	292



Euro/000
8,500
7,500
6,500
5,500
4,500
3,500
2,500
1,500
500
-500
4,310
7,827
-398
4,033
463
4,497
97
2,898
EBITDA
EBIT
Pre-tax result
Profit for the period
31/12/2013
31/12/2012



% on PV
16.0%
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
-2.0%
8.4%
14.3%
-0.8%
7.3%
0.9%
8.2%
0.2%
5.3%
EBITDA
EBIT
Pre-tax result
Profit for the period
31/12/2013
31/12/2012



Euro/000
5,000
4,000
3,000
2,000
1,000
0
(1,000)
(2,000)
(3,000)
(2,129)
4,079
Net financial position/(indebtedness)
31/12/2013
31/12/2012

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

	Period 2013		Period 2012 (*)		Variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	46,972	91.5%	50,037	91.1%	(3,065)	(6.1%)
Asset increases due to internal work	4,211	8.2%	4,143	7.5%	68	1.6%
Other revenue and receipts	148	0.3%	737	1.3%	(589)	(79.9%)
Production value	**51,331**	**100.0%**	**54,917**	**100.0%**	**(3,586)**	**(6.5%)**
Purchase costs	(395)	(0.8%)	(254)	(0.5%)	(141)	55.4%
Service costs	(25,852)	(50.4%)	(26,265)	(47.8%)	414	(1.6%)
Other operational costs	(353)	(0.7%)	(371)	(0.7%)	18	(5.0%)
Added value	**24,731**	**48.2%**	**28,026**	**51.0%**	**(3,295)**	**(11.8%)**
Labour costs	(19,508)	(38.0%)	(19,044)	(34.7%)	(464)	2.4%
Other administrative expenses	(912)	(1.8%)	(1,155)	(2.1%)	243	(21.0%)
Gross operational result - EBITDA	**4,310**	**8.4%**	**7,827**	**14.3%**	**(3,516)**	**(44.9%)**
Allocation to fund and credit depreciation	0	0.0%	(130)	(0.2%)	130	(100.0%)
Intangible fixed asset amortization	(4,270)	(8.3%)	(3,128)	(5.7%)	(1,142)	36.5%
Tangible fixed asset amortization	(438)	(0.9%)	(535)	(1.0%)	97	(18.1%)
Operational result - EBIT	**(398)**	**(0.8%)**	**4,033**	**7.3%**	**(4,431)**	**(109.9%)**
Financial income	813	1.6%	457	0.8%	356	77.8%
Financial expenses	(50)	(0.1%)	(28)	(0.1%)	(22)	77.8%
Ordinary result	**364**	**0.7%**	**4,462**	**8.1%**	**(4,097)**	**(91.8%)**
Revaluations and depreciations	99	0.2%	35	0.1%	64	182.8%
Pre-tax result	**463**	**0.9%**	**4,497**	**8.2%**	**(4,033)**	**(89.7%)**
Income taxes	(366)	(0.7%)	(1,598)	(2.9%)	1,232	(77.1%)
Profit for the period	**97**	**0.2%**	**2,898**	**5.3%**	**(2,801)**	**(96.6%)**

* Following application of the amendment to IAS 19 (retrospectively) from 1 January 2013, figures of period 2012, reported for comparison, have been restated in accordance with the requirements of IAS 1. In particular, due to the reclassification of actuarial loss on liabilities for defined benefit in the statement of comprehensive income, labour costs decreased by 6 thousand Euro, resulting in increased profit for the period by the same amount.

The CAD IT financial statement for the 2013 financial period closed showing a decrease in results and profitability margins compared to 2012 financial period. The result for the period was in credit by Euro 97 thousand, compared to Euro 2,898 thousand of 2012 financial period (restated following the adoption of the amendment to IAS 19).

The value of production for the period, showing a 6.5% decrease, was mainly due to revenues from sales and services to the amount of Euro 46,972 thousand (-6.1% compared to Euro 50,037 thousand in 2012).

The decrease in service revenues was primarily due to the temporary postponement by some customers of updating activities of their procedures, following the prorogation of new regulations.

Increases in internal work capitalized under fixed assets, due to the use of resources to develop new procedures and the company’s own software bank, came to Euro 4,211 thousand, showing an increase compared to the Euro 4,143 thousand in 2012 financial period.

The other revenues and equivalent earnings, which came to Euro 737 thousand in 2012, stood at Euro 148 thousand.

Last year this item included Euro 620 thousand revenues for IRES refund for not deducting IRAP on costs for employees and assimilated, art. 2, Legislative Decree 201/2011.

The Euro 24,731 thousand added value decreased by 11.8% compared to Euro 28,026 thousand in 2012 financial period, decreasing marginality at 48.2% of the value of production (51.0% in 2012).

Purchase costs of Euro 395 thousand increased by Euro 141 thousand, compared to Euro 254 thousand of 2012.

Service costs to the value of Euro 25,852, decreasing (-1.6%) compared to 2012, include Euro 17,918 thousand costs towards subsidiaries.

The EBITDA Gross Operational Result stood at Euro 4,310 thousand (equal to 8.4% of the value of production) compared to Euro 7,827 thousand for 2012 (equal to 14.3% of the relative value of production), restated following the adoption of the amendment to IAS 19.

Labour costs of the year came to Euro 19,508 thousand, increase compared to previous year (Euro 19,044 thousand, restated following the adoption of the amendment to IAS 19). The average number of employees of the year was 299 units, compared to 292 units in 2012.

Other administrative costs came to Euro 912 thousand, decreased compared to Euro 1,155 thousand in 2012 financial period.

Amortization contributions for the period stood at Euro 4,270 thousand in regard to intangible assets and Euro 438 thousand for tangible assets, compared to Euro 3,128 thousand and Euro 535 thousand in the same period 2012. The amortization of intangible assets increased compared to the previous period due to the beginning of the amortization schedules of software procedures, concluded in previous years, which have become available for use and for sale.

The EBIT Operational Result of the period was in deficit by Euro 398 thousand, compared to a positive result of Euro 4,033 thousand in the previous year.

The net financial management result was in credit by Euro 762 thousand and mainly refer to cashed dividends from associate Sicom (Euro 163 thousand) and from subsidiaries Cesbe Srl (Euro 161 thousand), Smart Line Srl (Euro 204 thousand), Elidata Srl (Euro 204 thousand) as well as interest on bank deposits and capitalization insurance policies (Euro 70 thousand).

The ordinary result was in credit by Euro 364 thousand compared to Euro 4,462 thousand in 2012.

Positive for Euro 99 thousand also the result of the voice revaluations and depreciations, compared to Euro 35 thousand in 2012. This item includes the capital gain generated on the sale of assets available for sale.

The pre-tax result of 2013 was in credit by Euro 463 thousand equal to 0.9% of the value of production (previous year Euro 4,497 thousand equal to 8.2% of its value of production).

Income taxes amounted to Euro 366 thousand compared to Euro 1,598 thousand in the 2012 financial period.

The 2013 result was therefore in credit by Euro 97 thousand, compared to Euro 2,898 thousand of previous financial period.

The total result of the 2013 financial period was in credit by Euro 17 thousand (compared to Euro 2,847 thousand of the period 2012). The total result includes the actuarial gain on liabilities for defined benefit for employees, of Euro 23 thousand, and the negative adjustment from reclassification of the reserve for assets available for sale of Euro 103 thousand.

The Company's Net Financial Position was in deficit by Euro 2,129 thousand, compared to a positive net financial position of Euro 4,079 thousand at 31/12/2012.

Financial indicators

The following table shows some synthetic indicators that compare the last three financial periods of reference, expression to the conditions of patrimonial, economic and financial balance.

Patrimonial soundness analysis aims at estimating the company'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		***2013***	***2012***	***2011***
Primary structure margin	*Shareholders' equity – Non-current assets*	(370)	1,768	1,758
Primary structure quotient	*Shareholders' equity / Non-current assets*	0.99	1.03	1.03
Secondary structure margin	*(Shareholders' equity + Non-current liabilities) – Non-current assets*	5,685	8,256	8,346
Secondary structure quotient	*(Shareholders' equity + Non-current liabilities) / Non-current assets*	1.10	1.15	1.15

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

FINANCING STRUCTURE INDEXES		2013	2012	2011
Total debt quotient	*(Non current Liabilities + Current liabilities) / Shareholders' equity*	0.72	0.64	0.66
Financial debt quotient	*Financing liabilities /Shareholders' equity*	0.11	0.03	-

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		2013	2012	2011
Net ROE	*Net result/Average Shareholders' equity*	0.17%	5.08%	3.97%
Gross ROE	*Gross result/Average Shareholders' equity*	0.83%	7.89%	7.47%
ROI	*Operational result/(Invested operating capital – Average operational liabilities)*	-0.88%	9.29%	9.78%
ROS	*Operational result/Sales income*	-0.85%	8.05%	8.07%

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 the following.

SOLVENCY INDICATORS		2013	2012	2011
Availability margin	*Current assets – Current liabilities*	5,685	8,256	8,346
Availability quotient	*Current assets / Current liabilities*	1.17	1.28	1.27
Treasury margin	*(Deferred liquidity + Immediate liquidity) – Current liabilities*	5,518	7,873	8,100
Treasury quotient	*(Deferred liquidity + Immediate liquidity) / Current liabilities*	1.17	1.26	1.26

The short-term situation [1]

After a 2012 already characterized by a weak economic activity, also in 2013 the expansion of global economic activity and world trade proceeded at a moderate pace.

However, the latest data currently available indicate that in the third quarter of 2013 the global economy strengthened. In the advanced countries GDP growth increased, while trends in the emerging economies were uneven. The pace of world trade benefited as a result.

The latest data indicate that world trade accelerated again in the fourth quarter of 2013, after already turned upwards in the third quarter and, according to the estimates of the leading forecasters, world GDP growth in 2014 would mark a recovery, though future developments in the world's economy are still subject to primarily downside risks.

Output rose slightly in the euro area in the third quarter of 2013, but less than in the second. The recovery apparently continued in the fourth quarter, and modest growth is expected in the months to come as well. Inflation has reached a four-year low. In November the Governing Council of the ECB lowered its main refinancing rate and in January firmly reiterated that it expected to keep official rates at or below the current level for an extended period. The construction of the European Banking Union is moving ahead. In December the Ecofin Council reached

[1] Data source: Banca D'Italia, Economic Bulletin no. 1, January 2014

agreement on a single bank resolution mechanism and on its characteristics, with the creation of a single resolution fund.
In the third quarter of 2013 Italy's GDP stabilized, interrupting a contraction that had started in the summer of 2011 and consistent signs of moderate growth in economic activity have emerged in recent months.
According to the cyclical indicators GDP is likely to have grown slightly in the last quarter of 2013. The persistent slackness of domestic demand, which is adversely affected by the fragility of the labour market and the weakness of disposable income, contrasted with a more positive picture for industrial activity.
However, cyclical conditions vary substantially according to the type and the geographical location of firms.
Inflation has continued to fall in Italy, more sharply than had been forecast. According to the information available this year we expect there to be a moderate economic recovery, which should accelerate in 2015, albeit slightly.
Regarding italian banking system, according to the latest consolidated quarterly reports, the average profitability of the five largest Italian banking groups remained very low. Their return on equity came to 1.8 per cent on an annual basis, against 2.3 per cent in the same period of 2012.
The capital strengthening of the five largest Italian banking groups continued in the third quarter of 2013.

Significant events of the period

On 29th April 2013, the Ordinary Shareholders' Meeting approved the Annual Financial Statements at 31st December 2012 and decided the distribution of an ordinary dividend of Euro 0.30 per share. The dividend will be paid from 9th May 2013. Dividend payment resulted in a cash outlay of Euro 2,694 thousand. The Shareholders' Meeting also approved the first section of the Remuneration Report ex article 123-ter of Leg. Dec. 58/1998 (available in the Company's website).
In April CAD IT won the tender for the supply of an application platform and the relative expert assistance for Poste Italiane S.p.A.'s remote control systems. CAD IT's "Remote Control" application is a dynamic system for monitoring the various risk categories originating in both peripheral and central company structures.
The tool implements a constant analysis and assessment model at a process and business unit level, quickly identifying any sign of anomaly. The system centralises the controls of hundreds of procedures on 14,000 Post Offices, deals with audit interventions, allows the planning of activities, prevents particular risk conditions from becoming more serious and guides actions for improvement. The project foresees the supply of the license to use the platform and the relative expert services required for its integration and start-up as well as the relative ordinary and perfective maintenance. The total value of the contract is Euro 1.1 million and the service will have a 32-month validity.
Activities regarding the development and sale of new products for both traditional and new types of clients continued throughout the period.
Moreover, the planning 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.
With effect as of 1st October 2013, the non-executive director Jörg Karsten Brand, has resigned as a member of the Company's Board of Directors, following his earlier resignation from the Xchanging Group. Jörg Karsten Brand, the non-executive and non-independent director, did not belong to any internal committee.
On October 21, 2013 in replacement of the resigned director, the Board of Directors of CAD IT S.p.A., appointed, by co-option, in accordance with art. 18 of the Company's by-laws and with art. 2386 of the Civil Code, Enrique Sacau from the Xchanging Group as non-executive director with experience in the financial business sector.
Moreover, the Board of Directors, on the favorable opinion of the Board of Auditors and of the Nominating and Remuneration Committee, has also provisionally appointed Daniele Mozzo as Manager charged with preparing the Company's financial reports, to cover the entire period of temporary absence, due to health reasons, of Maria Rosa Mazzi, the officially appointed Manager charged with preparing the Company's financial reports.
The designation was considered appropriate in consideration of the closely connected role and activities that the same has constantly performed within the Company's administrative and financial area for many years.
In November CAD IT as won the tender for the supply of specialist support services for IT Service Improvement at

Poste Italiane S.p.A. Financial Services - Investment Product area. The contract involves the supply of software development services, ad hoc extraordinary perfective maintenance, ordinary maintenance and support services for CAD IT S.p.A.'s application platforms relating to financial services and ensures that said supply provided to Poste Italiane S.p.A. since 2008 will be continued. The overall value of the contract is Euro 7 million and the service will be provided for 24 months. Although this new contract will not generate significant increases in CAD IT revenues, it will renew visibility for a further two years.

Human Resources

CAD IT takes maximum care of its own human resources, which it has always considered as a precious patrimony, 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 organizations, and the evaluation of training activities.
2013 saw 7.6 thousand hours taken up by training (7.1 in 2012) to support operational activities and professional development, with the involvement of 262 resource units (267 in 2012) and an average of 29 hours of training per resource unit (compared to 26 hours in 2012). The main training areas were: IT and technical updating, health and safety at work, foreign languages, company organization 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 and to new markets abroad, 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, Privacy ed EMIR).
Activity in the production of specialized modules for the business intelligence (Managerial Information System) area is also continuing, especially in regard to risks, fraud and long-distance control.
Investment to enrich the offer range of solutions and services for Public Administration and authorities for the management of local taxes is also continuing.

Investments

Investments in tangible and intangible fixed assets came to a total of Euro 4,443 thousand in the 2013 financial period (Euro 4,509 thousand in the previous year).
Particularly ongoing intangible asset costs refer to the use of the Group’s internal resources for the development of its own software which will be licensed out to clients or used for the Group’s activities.
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.

Summary of investments	*Period 2013*	*Period 2012*	*Variations*
Intangible fixed assets	109	198	(89)
Intangible assets under development and payments on account	4,211	4,145	66
Property, Plant and equipment	123	165	(42)
Total investments in tangible and intangible fixed assets	**4,443**	**4,509**	**(66)**

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 subsidiaries, associates and parent companies

As the head of a group of companies, CAD IT holds relations of a commercial and financial nature with its sister companies and subsidiaries. The relations entertained between the Group's companies are governed by competitive conditions compared to market conditions, taking into account the quality of the goods and services in question.
A summary of the revenues and costs, as well as the credit and debit position of CAD IT S.p.A. in respect of the subsidiaries, as at 31st December 2013, are shown in the table below:

Company	*CAD IT revenues*	*CAD IT interest income*	*CAD IT costs*	*CAD IT interest expense*	*CAD IT debt*	*CAD IT credit*
CAD S.r.l.	1,101		10,278		9,194	1,754
CeSBE S.r.l.	504		3,064	13	4,244	384
DQS S.r.l.	30	10	2,231		1,567	639
SmartLine Line S.r.l.	125		1,469		1,638	366
Elidata S.r.l.	13		783		537	112
Datafox S.r.l.	11		95		32	8
Tecsit S.r.l.	1					
Total	**1,786**	**10**	**17,918**	**13**	**17,211**	**3,263**

For further information on relations between the Group's companies, please refer to the management's report in the Consolidated Financial Statement at 31 December 2013.

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*.

Corporate Governance and Internal Control System

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 Model adopted also includes the Health and Safety at Work System 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.
The system of corporate governance adopted by CAD IT SpA is the traditional one.
CAD IT adheres to the Code of Conduct for listed companies issued by the Italian Stock Exchange (the "Codice di Autodisciplina"), available on the website of the Italian Stock Exchange.
More information about the corporate governance system adopted, information on property assets and adhesion to Corporate Governance regulations is provided on the *Corporate governance and property asset report*, in accordance with articles 123 bis and 124 ter TUF and 89 bis Consob Issuer Regulations, which the CAD IT S.p.A. Board of Directors annually approves.
The report is published at the same time as this financial reporting and is available for public viewing in the Investor Relations sector of the company’s Internet site: www.caditgroup.com.

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 and the Group are, however, the object of evaluation when determining the relative earmarking and are mentioned in the balance notes together with the potential liabilities found.
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 2008, global financial markets were subjected to strong turbulence which led to a marked slowdown of the economy. The global economic recession of 2008 and 2009 which practically affected all geographical areas and all economic sectors of more developed countries, led to a sharp contraction of demand.
The latest periods showed weak signs of global recovery, but the economic projections are still uncertain.
A prolonged continuation of this notable weak situation, or an even further degeneration, could cause a 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 2013 period, the orders involving the 3 and 10 customers who generated the largest revenues were 31.8% and 65.0% of revenues of CAD IT's service and sales performances.
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 internationalization

The Group has made significant efforts in recent years in terms of its own internationalization 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 internationalization 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.
CAD IT and some group companies adopt and maintain the following management systems:

- **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;
- **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;
- **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.

During 2013, CAD IT S.p.A. passed the surveillance check for the renewal and maintenance of the certifications held with positive results.
The Company 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.
CAD IT, in accordance with art. 3 of Consob Deliberation no. 18079 of 20th January 2012, has decided to comply with the simplification regime provided for in articles 70, paragraph 8, and 71, paragraph 1-bis of Consob Regulation no. 11971/1999 and subsequent modifications and integrations, therefore availing itself of the right to waiver the obligation to present the expected information documents on significant operations relating to mergers, splits, increases in capital by means of the transfer of assets, acquisitions and sales.

Foreseeable development in the management

According to the latest OECD estimates, after falling to 2.7 per cent in 2013, world GDP growth will rebound to 3.6 per cent in 2014. In Italy, professional analysts project GDP to expand at a moderate average rate of 0.7 per cent in 2014; growth is then expected to accelerate to 1.0 per cent in 2015, driven by the expansion of world trade and an albeit modest upturn in investment. This forecasting scenario is subject to considerable uncertainty; the risks, both for growth and for inflation, are mostly on the downside.[2]
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.

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[2] Data source: Banca D'Italia, Economic Bulletin no. 1, January 2014

The main strategic objectives of the company and the Group are to maintain and further develop its leadership position in the Italian banking sector, increase its customer portfolio in the insurance and local tax collection sectors, further distribute new products relating to business intelligence, promote its software for the industrial sector at medium/large-sized companies. The Group is also continuing to pursue its efforts to expand towards the European and international markets, which could be favoured by the optimal references it has obtained from its existing foreign customers and by the internationalisation procedures for which the large Italian banking groups are advocating.
The CAD IT S.p.A. managers are also constantly on the look-out for any development opportunities, whether direct or through external lines, through technical or commercial collaboration agreements and by taking on or acquiring holdings in order to create activities that are complimentary and synergic to existing ones.
In February 2014 CAD IT has been granted the contract for the supply of the “MA-Market Abuse” application platform and the relative specialist support services for monitoring of *Market Abuse*, *Personal Transactions and Conflicts of interest* for Poste Italiane S.p.A.. The platform developed by CAD IT is able to identify any market manipulation and insider trading suspicious transactions in accordance with the European and Italian Market Abuse regulations. The procedure also manages also the conflicts of interest register.
In the course of the financial period, CAD IT continued to pursue its policy to expand abroad and has participated in a “software selection” in Europe for the sale of its own software applications and the relative supply of services for financial institutions Activities in the development and sale of new products to existing customers and new types of customers continues, and moreover activities with Xchanging (a company listed on the London Stock Exchange) and which holds 10% share of CAD IT are also 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 in to Europe and the acquisition of a greater market share could counterbalance the weakness of domestic demand.
On the date of drafting of this report, no relevant uncertainties are expected to arise in the current financial period. The short-term economic situation remains difficult and uncertain, however, still a national and international level, and the managerial trend would be subject to risks connected to factors outside the Group’s control. Despite this, the Board of Directors is confident that positive results can still be achieved, considering activities and actions already developed and those planned.

Balance approval proposal and allocation of the 2013 financial period result

Dear Shareholders,
in subjecting the balance at its closure date of 31st December 2013 for your approval, in its entirety and with all its items, together with the directors' management report, we propose to allocate the year's profit of Euro 97,488 entirely to available reserve of undivided profits.

Verona, 13th March 2014

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

FINANCIAL STATEMENTS AT 31 DECEMBER 2013

Income statement

(in thousands of Euro)

	Notes	31/12/2013		31/12/2012 (*)	
		Total	of which related parties	Total	of which related parties
Income from sales and services	2	46,972	*2,339*	50,037	*1,680*
Asset increases due to internal work	2 – 14	4,211		4,143	
Other revenue and receipts	2	148		737	
Purchase costs	4	(395)		(254)	
Service costs	5	(25,852)	*(18,239)*	(26,265)	*(19,066)*
Other operational costs	6	(353)		(371)	
Labour costs	7	(19,508)	*(570)*	(19,044)	*(434)*
Other administrative expenses	8	(912)	*(652)*	(1,155)	*(827)*
Allocation to fund and credit depreciation		0		(130)	
Intangible fixed asset amortization	14	(4,270)		(3,128)	
Tangible fixed asset amortization	13	(438)		(535)	
Financial income	9	813	*742*	457	*277*
Financial expenses	9	(50)		(28)	
Revaluations and depreciations	10	99		35	
Pre-tax result		**463**		**4,497**	
Income taxes	11	(366)		(1,598)	
Profit/(loss) for the period		**97**		**2,898**	
Weighted average number of ordinary shares outstanding		8,980,000		8,980,000	
Basic earnings per share (in €)	12	0.011		0.323	

(*) Following application of the amendment to IAS 19 (retrospectively) from 1 January 2013, figures of period 2012, reported for comparison, have been restated in accordance with the requirements of IAS 1. In particular, due to the reclassification of actuarial loss on liabilities for defined benefit in the statement of comprehensive income, labour costs decreased by 6 thousand Euro, resulting in increased profit for the period by the same amount.

Statement of comprehensive income

(in thousands of Euro)

	Period 2013	*Period 2012 (*)*
Profit (loss) for the period	**97**	**2,898**
Other comprehensive income that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on defined benefit liabilities	23	(6)
Other comprehensive income that will be reclassified subsequently to profit or loss		
Gains/(Losses) on fair value of available-for-sale financial assets	-	(19)
Reclassification adjustments: gains realized on disposal of available-for-sale	(103)	(27)
Total comprehensive income (loss)	**17**	**2,847**

(*)Following application of the amendment to IAS 19 (retrospectively) from 1 January 2013, figures of period 2012, reported for comparison, have been restated in accordance with the requirements of IAS 1. In particular the actuarial loss on liabilities for defined benefit was registered in the statement of comprehensive income for the amount of Euro 6 thousand.

(in Euro)

Income statement	2013	2012 (*)
Income from sales and services	46,972,073	50,036,876
Asset increases due to internal work	4,210,504	4,143,000
Other revenue and receipts	148,329	736,854
Production value	51,330,906	54,916,730
Purchase costs	(395,360)	(254,346)
Service costs	(25,851,738)	(26,265,355)
Other operational costs	(352,932)	(371,354)
Labour costs	(19,508,238)	(19,044,296)
Other administrative expenses	(912,243)	(1,154,750)
Allocation to fund and credit depreciation	-	(130,495)
Intangible fixed asset amortization	(4,270,371)	(3,128,285)
Tangible fixed asset amortization	(438,096)	(535,189)
Financial income	812,880	457,303
Financial expenses	(50,400)	(28,340)
Revaluations and depreciations	98,955	34,990
Pre-tax result	463,364	4,496,614
Income taxes	(365,876)	(1,598,135)
Profit/(loss) for the period	97,488	2,898,479

(*) Following application of the amendment to IAS 19 (retrospectively) from 1 January 2013, figures of period 2012, reported for comparison, have been restated in accordance with the requirements of IAS 1. In particular, due to the reclassification of actuarial loss on liabilities for defined benefit in the statement of comprehensive income, labour costs decreased by 6 thousand Euro, resulting in increased profit for the period by the same amount.

Statement of financial position

(in thousands of Euro)

	Notes	31/12/2013 Total	31/12/2013 of which related parties	31/12/2012 Total	31/12/2012 of which related parties
ASSETS					
A) Non-Current Assets					
Property, plant and equipment	13	17,017		17,332	
Intangible assets	14	22,770		22,721	
Investments	15	15,127		15,127	
Other financial assets available for sale	16	-		243	
Other non-current credits		14		18	
Credits due to deferred taxes	17	26		53	
TOTAL NON-CURRENT ASSETS		**54,954**		**55,494**	
B) Current Assets					
Inventories	18	10		17	
Trade receivables and other credits	19	33,499	*3,265*	30,820	*4,425*
Tax credits	20	1,887		1,779	
Cash on hand and other equivalent assets	21-31	3,622		5,566	
TOTAL CURRENT ASSETS		**39,018**		**38,182**	
TOTAL ASSETS		**93,972**		**93,675**	
EQUITY AND LIABILITIES					
A) Equity					
Company capital	22	4,670		4,670	
Reserves	23	35,246		35,349	
Accumulated profits/losses	24	14,669		17,243	
TOTAL EQUITY		**54,585**		**57,262**	
B) Non-current liabilities					
Financing		-		-	
Deferred tax liabilities	26	2,816		3,224	
Employee benefits and quiescence provisions	27	3,239	*162*	3,265	*140*
TOTAL NON-CURRENT LIABILITIES		**6,054**		**6,488**	
C) Current liabilities					
Trade payables	28	21,202	*17,412*	22,348	*19,388*
Current tax payables	29	2,501		1,792	
Short-term financing		5,751		1,488	
Other liabilities	30	3,880	*198*	4,298	*294*
TOTAL CURRENT LIABILITIES		**33,333**		**29,925**	
TOTAL LIABILITIES AND EQUITY		**93,972**		**93,675**	

(in Euro)

ASSETS	31/12/2013	31/12/2012
A) Non-Current Assets		
Property, plant and equipment	17,016,809	17,332,020
Intangible assets	22,770,302	22,721,383
Investments	15,126,642	15,126,642
Other financial assets available for sale	-	243,212
Other non-current credits	14,142	17,655
Credits due to deferred taxes	26,400	52,800
TOTAL NON-CURRENT ASSETS	**54,954,295**	**55,493,711**
B) Current Assets		
Inventories	9,726	16,715
Trade receivables and other credits	33,499,227	30,819,617
Tax credits	1,887,479	1,778,734
Cash on hand and other equivalent assets	3,621,723	5,566,462
TOTAL CURRENT ASSETS	**39,018,155**	**38,181,528**
C) Non-current assets for sale	-	-
TOTAL ASSETS	**93,972,450**	**93,675,239**

EQUITY AND LIABILITIES	31/12/2013	31/12/2012
A) Equity		
Company capital	4,669,600	4,669,600
Reserves	35,246,400	35,349,394
Accumulated profits/losses	14,668,723	17,242,570
TOTAL EQUITY	**54,584,723**	**57,261,564**
B) Non-current liabilities		
Financing	-	-
Deferred tax liabilities	2,815,730	3,223,649
Employee benefits and quiescence provisions	3,238,630	3,264,800
TOTAL NON-CURRENT LIABILITIES	**6,054,360**	**6,488,449**
C) Current liabilities		
Trade payables	21,202,000	22,347,802
Current tax payables	2,501,293	1,792,295
Short-term financing	5,750,552	1,487,604
Other liabilities	3,879,522	4,297,526
TOTAL CURRENT LIABILITIES	**33,333,367**	**29,925,226**
TOTAL LIABILITIES AND EQUITY	**93,972,450**	**93,675,239**

Statement of changes in equity

(in thousands of Euro)

Statement of changes in equity	*Company capital*	*Reserves*	*Accumulated profit (loss)*	*Period result*	*Equity*
Total 31/12/2010	**4,670**	**35,432**	**14,681**	**(380)**	**54,403**
Allocation of the period result			(380)	380	-
Total comprehensive profit/(loss)		(37)		2,204	2,167
Total 31/12/2011	**4,670**	**35,395**	**14,301**	**2,204**	**56,570**
Allocation of the period result			2,204	(2,204)	-
Dividend distribution			(2,155)		(2,155)
Total comprehensive profit/(loss)		(46)		2,893	2,847
Total 31/12/2012	**4,670**	**35,349**	**14,350**	**2,893**	**57,262**
Effect of the adoption of IAS 19			(6)	6	
At 01/01/2013	**4,670**	**35,349**	**14,344**	**2,898**	**57,262**
Allocation of the period result			2,898	(2,898)	
Dividend distribution			(2,694)		(2,694)
Total comprehensive profit/(loss)		(103)	23	97	17
Total 31/12/2013	**4,670**	**35,246**	**14,571**	**97**	**54,585**

Cash Flow Statement

(in thousands of Euro)

	NOTES	Period 2013	Period 2012 (*)
A) OPERATING ACTIVITIES			
Profit (loss) for the period		97	2,898
Amortisation, revaluation and depreciation:			
- Property, plant and equipment amortisation	13	438	535
- Intangible fixed asset amortisation	14	4,270	3,128
- revaluation of investments and financial assets available for sale		(99)	(35)
- depreciation of investments and financial assets available for sale	16	0	-
Allocations (utilization) of provisions		(4)	(102)
Financial performance:			
- Net financial receipts (charges)	9	(762)	(429)
- Profit / (losses) on exchanges		(1)	
Other working capital variations		(2,963)	1,734
Income taxes paid		(1,054)	(3,836)
Interest paid	9	(50)	(28)
(A) - Cash flows from (used in) operating activities		**(127)**	**3,864**
B) INVESTMENT ACTIVITIES			
Investments in activities			
- purchase of property, plant and equipment	13	(123)	(165)
- purchase and increase in intangible assets	14	(4,319)	(4,343)
- increase in other fixed assets		(4)	(5)
Disinvestment activities			
- transfers of property, plant and equipment	13	0	1
- transfers of assets available for sale		239	206
- Decrease in other fixed assets		7	4
Cashed Interest	9	81	181
Cashed dividends	9	732	277
(B) - Cash flows from (used in) investment activities		**(3,387)**	**(3,846)**
C) FINANCING ACTIVITIES			
Dividends paid	25	(2,694)	(2,155)
(C) - Cash flows from (used in) financing activities		**(2,694)**	**(2,155)**
(A+B+C) - Total cash and other equivalent assets flows		(6,208)	(2,136)
Opening cash balances and equivalents	31	**4,079**	**6,215**
Closing cash balances and equivalents	31	**(2,129)**	**4,079**

(*) Following the application from 1 January 2013 (retrospectively) of the amendment to IAS 19, the data at 31 December 2012, reported for comparative purposes, have been restated as required by IAS 1. In particular, the profit for the period is higher by 6 thousand of euro, corresponding to the actuarial loss on liabilities of the defined benefit obligation, reclassified in the statement of comprehensive income, and the corresponding figure is increased by the item “Allocations (utilization) of provisions”.

For the liquid asset and equivalent means reconciliation, refer to note 31

Notes to the financial statements

CAD IT S.p.A. is a joint stock company and is governed on the basis of Italian law and exercises its management and coordinated activities on its own controlled companies. CAD IT S.p.a. is not subject to other company control in accordance with art. 2359 of the civil code. The company is listed in the STAR market of the Italian stock exchange.
The registered office and the administrative and operating offices are in Via Torricelli no. 44/a, Verona, Italy.
The company is registered in the Verona Company Register under no. 01992770238.
For information and comments on the results and the economic-financial situation of the CAD IT Group, please refer to the consolidated financial statement and the relative directors' report on operations.

1 Accounting policies and evaluation criteria more important

This report has been drafted in accordance with the 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).
In the drawing up of this report, the same accounting standards have been applied as those adopted in the drafting of the Balance at 31st December 2012, with the exception of the items described in the paragraph below – Accounting Standards paragraph, amendments and interpretations applied since 1st January 2013; there have been no modifications in the comparative information.
This document comprises financial statements, notes to the said financial statements, management observations. The financial statement has been drafted using the evaluation criterion of past cost, except for financial instruments available for sale, which are assessed at *fair value* 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 quantities in the accounting tables and those in the notes, are shown rounded off to the nearest thousand euro. The totals and subtotals of the statements presented are determined by rounding the sum of the point data. The percentage figures shown are calculated using the non-rounded off figures.
This financial statement has been prepared in accordance with Consob regulation no. 11971 of 14th May 1999, and subsequent modification and integration.

Use of estimates

In accordance with the IFRS, when drafting the balance the company management formulates evaluations, estimates and hypotheses to apply the accounting standards which affect the amounts of credit and debit and the costs and revenues found in the balance. Estimates and their relative hypotheses are based on past experience and factors considered reasonable for the case concerned.
The estimates and hypotheses are reviewed on a regular basis. Any variations deriving from an accounting estimate review are shown in the period in which the review was made if such review only affects that period. If the review affects the current and future periods, the variation is recorded in the period in which the review is made and in the relative subsequent periods.

Accounting standards, amendments and interpretations applied since 1st January 2013

On 16th June 2011, the IASB issued an amendment to *IAS 1 – Balance presentation*, which requires companies to group together all the components presented between Other profits/(losses) depending on whether they can or cannot be reclassified later to the profit and loss account. The amendment must be applied from financial periods that began after or from 1st July 2012. The Group adopted this amendment as of 1st January 2013. The adoption of this amendment involves a new exhibition mode of the data, without cause variation in results.
On 16th June 2011, the IASB issued an amendment to *IAS 19 – Employee benefits* applicable retrospectively to the financial period that began on 1st January 2013. The main new item that regards the Group is the recognition

of actuarial profits and losses in the *Other comprehensive income (losses)* with the elimination of the possibility to show them immediately in the Profit and Loss Account as in the past. The Group applied the amendment to IAS 19 retrospectively as of 1st January 2013, rectifying the opening values of the patrimonial and financial situation at 1st January 2012 and at 31st December 2012 as well as the economic data for 2012.
In detail, the Group has determined the following retrospective effects resulting from the application of the amendment to IAS 19:

Impact on the income statement as at 31/12/2012	*Previously reported data*	*Effect of the adoption of the amendment to IAS 19*	*Restated amounts*
Labour costs	(19,050)	6	(19,044)
Profit (loss) before tax	4,491	6	4,497
Profit (loss) for the period	2,893	6	2,898
Basic earnings per share (in €)	0.322	0.001	0.323

Effect on other comprehensive income to 31/12/2012	*Previously reported data*	*Effect of the adoption of the amendment to IAS 19*	*Restated amounts*
Profit (loss) before tax for the period	2,893	6	2,898
Other comprehensive income that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on defined benefit liabilities	-	(6)	(6)

Effects on statement of financial position as at 31/12/2012	*Previously reported data*	*Effect of the adoption of the amendment to IAS 19*	*Restated amounts*
Equity attributable to owners of the parent			
Revaluation reserve liabilities for defined benefit	-	82	82
Available reserve of undistributed earnings	10,711	(88)	10,623
Profit / loss for the year	2,893	6	2,898

Effects on Cash Flow statement as at 31/12/2012	*Previously reported data*	*Effect of the adoption of the amendment to IAS 19*	*Restated amounts*
Profit (loss) for the period	2,893	6	2,898
Provisions (utilization) of funds	(97)	(6)	(102)

There are no, or no significant, other matters and cases governed by standards, amendments and interpretations effective from 1st January 2013 approved by the IASB and IFRIC and published in the European Community's Official Gazette. Have not been early adopted other principles endorsed by the European Union the application of which will be required in future.

Balance sheet layout

The balance layouts have been drafted according to IAS 1 specifications and opportunely integrated with the information required by the Consob deliberation no. 15519 of 2006.
The Company 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 Company presents its economic account by nature, the format that is considered the most representative in terms of function presentation. In fact, the chosen format conforms to the internal reporting modalities and the business management and is in line with the way the economic account was represented in the past.
Into the Directors' Report on management is included in 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.
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.

Subsidiaries and Associated companies

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

Property, plant and equipment

Tangible fixed assets are shown at purchase cost, including any costs that may be directly ascribable and necessary for activating the asset and putting it to the use for which it was purchased. In reference to land and buildings listed in *First Time Adoption*, the *fair value* was used instead of the cost.
Tangible fixed assets are shown at net value of the relative accumulated depreciations and losses due to the reduction in value determined in accordance with the modalities described below.
Tangible fixed assets are amortised in constant rates during the course of their expected useful life cycle, i.e. the estimated period of time in which the asset will be put to company use. Whenever significant parts of tangible fixed assets have different estimated useful life cycles, said components are amortised separately.
The value to be depreciated is given by the registered value of the asset net of any loss in value and reduced by its assumed value at the end of its useful life cycle, if significant and reasonably calculable. The useful life cycle and the cash value are reassessed annually and any changes, where necessary, are brought in with a perspective

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

- industrial buildings: 3%
- electrical equipment: from 5 to 10%
- air conditioning equipment: from 6 to 15%
- telephone systems: 20%
- alarm systems: from 10 to 30%
- furniture and fittings: 12%
- electrical machinery: 15%
- electronic machines and computers: 20%
- vehicles: 25%

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

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. Development costs that do not satisfy the above conditions, are reported on the income statement when sustained.
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.

Impairment loss

The company annually verifies the accountable value of intangible and tangible assets or more often whenever there is an indication that assets may have suffered a value loss.
If the charged value exceeds the recoverable value, the assets are devalued to reflect their recoverable value, represented by the greatest figure between the net price and use value. In defining the use value, expected future financial flows are discounted back using a pre-tax discount rate that reflects the current market estimations in reference to the cost of money at the time and the specific risks of the asset in question. For an asset that does not generate widely independent financial flows, the return value is determined in relation to the unit generating the

financial flows of which the asset is a part. The value losses are accounted for in the economic account among depreciation and devaluation costs. When subsequently an asset value loss, different from the beginning, is less or decreases, the accounting value is increased to a new estimate of the recoverable value within the limit of the previous value loss. The recovery of a value loss is registered to the economic account.

Assets available for sale

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

Other non-current credits

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

Stock

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

On-going orders

When the result of an order can be reliably estimated, the relative revenues and costs are shown in relation to the situation of the activity's progress at the time of financial period closure, on the basis of the ratio between sustained costs for the activity carried out to date and the total estimated cost of the order, unless this calculation is not deemed representative of the order's progress.
Any variations to the contract, price or incentive reviews, are included to the amount that were agreed with the customer.
When the result of an order cannot be estimated reliably, the relative revenues are shown only within the limits of the order's sustained costs, which will probably be retrieved. Order costs are shown as expenses in the financial period in which they were sustained.
Should it appear likely that the total costs of a work to order will exceed the revenues, the expected loss is immediately shown as a cost.

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 benefits Post-employment

Severance pay (TFR), governed by Civil Code article 2120, foresees that, when the work contract ends and working relations close, an employee shall be paid a sum calculated on the basis of the length of time he/she was employed and the amount of remuneration received.
Following the reform on additional welfare benefits, amounts matured up to 31/12/2006 remain in the company and the old governance system will be applied on these. Instead, for amounts matured since 01/01/2007, the employees can decide whether to allocate them as an additional welfare payment or to keep them in the company (if the company employs at least 50 people) or even have them put into a treasury fund (if the company employs at least 50 people) set up at INPS (State Welfare Offices).
Therefore:

- Severance Pay amounts matured up until 31/12/2006 and amounts matured since 01/01/2007 and kept in the company, are shown as definite benefit plans, while
- Severance Pay amounts matured since 01/01/2007 and transferred into additional welfare funds or treasury funds at INPS, are shown as definite contribution plans.

Severance Pay is calculated by independent actuaries using the "matured benefit" method by means of the "Projected Unit Credit" criterion as provided for in IAS 19. The calculation method can be outlined by the following phases:

- projection for each employee according to the assessment date of any Severance Pay already set aside and any future Severance Pay amounts that will mature up to the unforeseeable end of relations and by projecting the worker's remunerations;
- determination for each employee of probable Severance Pay payments that the company may have to make should the employee decide to resign, be dismissed, be incapacitated, die or take early retirement as well as any request for advance payments;
- the discounting back, at assessment date, of each probable payment.

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.

Revenues and costs

The revenues and costs are determined in accordance with the qualifying economic principle to the amount to which the *fair value* can be feasibly determined.
Depending on the type of operation, the revenues are determined on the basis of the specific criteria reported below:
- the revenues for services are determined with reference to the point at which they stand on the basis of the same criteria used for determining the position of ongoing orders. If it is not possible to feasibly determine the revenue values, they are then calculated until they concur with the amount of expenses sustained and which are deemed recoverable.

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

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

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

Dividends

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

Income taxes

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

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

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 Revenues

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

	31/12/2013		31/12/2012		Period variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	46,972	91.5%	50,037	91.1%	(3,065)	(6.1%)
Asset increases due to internal work	4,211	8.2%	4,143	7.5%	68	1.6%
Other revenue and receipts	148	0.3%	737	1.3%	(589)	(79.9%)
Production value	**51,331**	**100.0%**	**54,917**	**100.0%**	**(3,586)**	**(6.5%)**

Services and the sale of goods includes revenues deriving from the sale of software for licence, software maintenance and updating, the implementation of personalised applicative packages, the sale of hardware, consultancy services and information technology system design.

The 2013 financial period showed a Euro 3,065 thousand decrease (-6.1%) in revenues, to reach a value of Euro 46,972 thousand (compared to Euro 50,037 thousand in 2012 financial period).

Sales and services revenues include Euro 1,786 thousand towards CAD IT subsidiaries (see particulars in the Directors' management report and transaction notes with related parties).

Increases in internal work capitalized under fixed assets came to Euro 4,211 thousand, compared to Euro 4,143 thousand in the 2012 financial period and included activities carried out by CAD IT (Euro 2,351 thousand), as well as those commissioned by CAD IT to its subsidiaries CAD (Euro 1,530 thousand), CeSBE (Euro 316 thousand), Datafox (Euro 11 thousand) and DQS (Euro 2 thousand) for the development of new procedures for sale on licence

or instrumental for traditional activities.
Other revenues and earnings amounted to Euro 148 thousand, showing a decrease compared to 2012. Last year this item included Euro 620 thousand revenues for IRES refund for not deducting IRAP on costs for employees and assimilated, art. 2, Legislative Decree 201/2011.
Other revenues and earnings include contributions allocated by interprofessional funds for financing of company training plans (Euro 19 thousand).
CAD IT's activities are not on the whole, affected by significant cyclical or seasonal variations in total sales during the financial period.

3 Segment reporting by sectors

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

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

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

Disclosures for business segments	*31/12/2013*				
	Finance	*Manufacturing*	*Not allocated/General*	*Elisions*	*Total*
External revenues	48,821	1,018	1,491		51,331
Intersegment revenues	2,241			(2,241)	
Total revenues	51,063	1,018	1,491	(2,241)	51,331
Costs	(51,559)	(920)	(1,491)	2,241	(51,729)
Gross Operating Result (EBITDA)	4,212	98			4,310
Operating Result (EBIT)	(497)	98			(398)
Net financial income (expenses)			762		762
Revaluations and devaluations			99		99
Result	(497)	98	861		463
Income taxes			(366)		(366)
Financial period profit (loss)	(497)	98	496		97
Assets	92,059		1,914		93,972
Liabilities	34,071		5,317		39,388

Disclosures for business segments	31/12/2012				
	Finance	Manufacturing	Not allocated/General	Elisions	Total
External revenues	52,347	1,085	1,484		54,917
Intersegment revenues	2,484	-	-	(2,484)	-
Total revenues	54,831	1,085	1,484	(2,484)	54,917
Costs	(50,854)	(1,030)	(1,484)	2,484	(50,884)
Gross Operating Result (EBITDA)	7,772	55	-		7,827
Operating Result (EBIT)	3,978	55	-		4,033
Net financial income (expenses)	-	-	429		429
Revaluations and devaluations	-	-	35		35
Result	3,978	55	464		4,497
Income taxes			(1,598)		(1,598)
Financial period profit (loss)	3,978	55	(1,134)		2,899
Assets	91,844		1,832		93,675
Liabilities	31,398		5,016		36,414

Information on the sector according to the secondary layout by geographical area is not provided as CAD IT presently produces and carries out its activities almost totally nationally and homogeneously. Revenues from foreign customers amount to 1.5% of the total sales and services revenues (1.5% in the previous year).

4 Purchase Costs

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

	31/12/2013	31/12/2012	Variations	%
Hardware-Software purchases for sale	163	42	121	285.8%
Maintenance and consumable hardware purchases	11	11	(0)	(1.3%)
Other purchases	214	213	1	0.7%
Variations in raw material stock	7	(12)	19	(157.7%)
Total	***395***	***254***	***141***	**55.4%**

5 Service costs

	31/12/2013	31/12/2012	Variations	%
External collaboration	22,417	22,908	(491)	(2.1%)
Travelling expenses and fee reimbursement	1,208	1,153	54	4.7%
Other service costs	2,227	2,204	23	1.0%
Total	***25,852***	***26,265***	***(414)***	**(1.6%)**

Service costs in the 2013 financial period came to Euro 25,852 thousand, showing a decrease of 1.6% compared to the previous year (Euro 26,265 thousand). Costs for external collaboration include Euro 17,918 thousand (previo
Expenses and transfer fees suffered an increase compared to 2012 settling at Euro 1,208 thousand, compared to Euro 1,153 thousand in the previous year.
Other service expenses to the amount of Euro 2,227 thousand registered a 1.0% increase compared to the previous year (Euro 2,204 thousand). This item mainly included hardware and software assistance and maintenance charges, energy costs, administrative, legal and fiscal consultancy, maintenance and management costs for the offices and facilities

6 Other operating costs

The table below shows the details of other operating costs:

	31/12/2013	31/12/2012	Variations	%
Leases and rentals	252	269	(16)	(6.0%)
Misc. operating costs	101	103	(2)	(2.2%)
Total	***353***	***371***	***(18)***	**(5.0%)**

Leases and rentals mainly refer to equipment and instrumental software rental and to office lease.

7 Labour costs and Employees

Labour costs are as follows:

	31/12/2013	31/12/2012	Variations	%
Salaries and wages	13,994	13,651	343	2.5%
Social security contributions	4,235	4,139	96	2.3%
Severance indemnities	1,140	1,114	26	2.3%
Other costs	139	140	(1)	(0.8%)
Total	***19,508***	***19,044***	***464***	**2.4%**

Labour costs in 2013 financial period increased by Euro 464 thousand (+2.4%) compared to the previous year (restated following the adoption of the amendment to IAS 19).
The increase in labour costs is due to the application of increases in contractual remunerations as well as to the increase in the average number of employees.
Following the application from 1 January 2013 (retrospectively) the amendment to IAS 19, the actuarial gain or loss on liabilities for defined benefit plans is no longer included in the cost of labour but in the Other comprehensive income that will not be reclassified subsequently to profit or loss.
The figures relating to the precise number of employees currently working in CAD IT are shown below:

Category of employees	labour force at 31/12/2013	labour force at 31/12/2012	labour force at 31/12/2011
Management	16	16	17
White-collars and cadres	277	277	271
Apprentices	6	2	0
Total	***299***	***295***	***288***

At the end of 2013, the number of CAD IT staff increased by 4 units, compared to the previous financial period, with a total number of 299 employees; to be precise, 6 people were employed during the period and 2 people were dismissed, thus determining the following turnover rates:

Employees turnover	2013	2012	2011
Negative turnover (Dismissed/employees at beginning of period)	2.1%	1.0%	1.7%
Positive turnover (Employed/employees at beginning of period)	0.7%	4.2%	1.4%
Total turnover (∑ turnover)	2.7%	5.2%	3.1%
Turnover compensation rate (Employed/Dismissed)	300.0%	400.0%	80.0%

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

Category of employees	Average number 2013	Average number 2012
Management	16	16
White-collars and cadres	277	275
Apprentices	5	1
Total	***299***	***292***

The Group dedicates particular attention to professional staff training by means of internal training programmes and updating courses.

8 Other administrative costs

The table below shows the other administrative costs in detail.

	31/12/2013	31/12/2012	Variations	%
Directors fees	627	758	(131)	(17.3%)
Directors' fee contributions	25	69	(44)	(63.7%)
Telephones charges	202	227	(25)	(11.0%)
Commissions	9	0	9	-
Advertising fees	49	100	(51)	(51.1%)
Total	***912***	***1,155***	***(243)***	**(21.0%)**

The other administrative expenses of Euro 912 thousand (-21.0% compared to the 2012 financial period) were mainly made up of directors remunerations for Euro 627 thousand (-17.3% compared to 2012) and the relative contributions of Euro 25 thousand, telephone charges of Euro 202 thousand (-11.0% compared to the 2012 financial period), advertising costs to the amount of Euro 49 thousand (-51.1% compared to 2012) and of commissions for the remaining.
The other administrative costs include remunerations to related parties (see note 32).

9 Financial performance

The table below shows the details of financial performance.

	31/12/2013	31/12/2012	Variations	%
Dividends from investments in associates	163	159	4	2.5%
Dividends from investments in subsidiaries	570	118	452	382.8%
Interest on bank deposits and equivalent	70	168	(97)	(58.0%)
Other receipts and interest income	10	13	(3)	(21.4%)
Total financial income	**813**	**457**	***356***	**77.8%**
Interest on bank overdrafts and loans	(36)	(28)	(8)	28.7%
Other interest expense	(13)	0	(13)	-
Foreign exchange losses	(1)	(0)	(1)	-
Total financial charges	***(50)***	***(28)***	***(22)***	**77.8%**
Net financial income and (charges)	***762***	***429***	***334***	**77.7%**

Returns are made up of dividends from holdings to the amount of Euro 733 thousand, showing an increase compared to Euro 277 thousand in the previous financial period and interest received on liquid assets and equivalent means (current account deposits and capitalization insurance policies) to the sum of Euro 70 thousand compared to Euro 168 thousand in the previous year, as well as of other receipts and interest income for the remaining Euro 10 thousand.
Financial expenses, increasing compared to the previous year, mainly refer to temporary overdrafts on current accounts and interests on payment deferments.

10 Revaluations and depreciations

The Euro 99 thousand revaluation amount registered in the 2013 period refers to capital gain from the alienation of all shares in the listed company CIA S.p.A. during the first half; in 2012 the same investments generated a revaluation of Euro 35 thousand.

11 Income taxes

	31/12/2013	*31/12/2012*	*Variations*	*%*
Tax pre-payments	26	(53)	79	(150.0%)
Deferred taxes	(408)	(3)	(405)	-
Current taxes	747	1,654	(906)	(54.8%)
Total income taxes	***366***	***1,598***	***(1,232)***	**(77.1%)**
Incidence of total taxes on the gross pre-tax result	79.0%	35.5%		

The taxes ascribable to 2013 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 2013-2015, 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 and determine, at a group level, the amount of interests allowed that can be deducted fiscally.

RECONCILIATION BETWEEN TAX EXPENSES IN THE BALANCE AND THEORETICAL TAX EXPENSES				
Theoretical rate	**IRES**	27.5%	**IRAP**	3.9%
	Taxable	**Tax**	**Taxable**	**Tax**
Pre-tax result / theoretical tax	**463**	**127**	**463**	**18**
Temporary differences deductible in later financial periods				
Directors' fees	48			
Total temporary fiscal increasing variations	*48*	*13*	*0*	*0*
Reversal of temporary differences from previous years				
Resorption deductions application of IAS	1,196		1,705	
TFR discounting back	46			
Directors' fees	(144)			
Total temporary variations from previous periods	*1,098*	*302*	*1,705*	*66*

Permanent differences				
To IRES / IRAP income increases	573		23,232	
To IRES / IRAP income decreases	(2,618)		(8,278)	
Total permanent differences	*(2,044)*	*(562)*	*14,955*	*583*
Taxable fiscal income	**(435)**		**13,713**	
Variations for greater IRAP regional tax rates				3
Taxable income / tax on the period's income	**(435)**	**(120)**	**13,713**	**538**
Taxes's effective rate on the pre-tax result		**(25.8%)**		**116.1%**
Greater (lesser) taxes previous financial periods		328		1
Current taxes		**209**		**539**
Prepaid and deferred taxes		(315)		(66)
Income taxes		**(106)**		**472**
Income taxes's effective rate on the pre-tax result	IRES	(23.0%)	IRAP	101.9%

Summary comprehensive effective tax charge	**period 2013**		**period 2012**	
IRES tax	(120)	(25.8%)	956	21.3%
IRAP tax	538	116.1%	696	15.5%
Total taxes and effective rate current taxes	**418**	**90.3%**	**1,651**	**36.8%**
Greater (lesser) taxes relating to previous financial periods	329			
Total current taxes	**747**			

12 Earnings per share

The basic earnings per share is calculated by dividing the year's net profit ascribable to the ordinary shareholders of the 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	*2013*	*2012*
Net profit (loss) ascribable to ordinary shares in thousands of Euro	97	2,898
Weighted average number of ordinary shares outstanding	8,980,000	8,980,000
Net profit (loss) ascribable to ordinary shares for basic profit per share (Euro)	0.011	0.322

13 Property, plant and equipment

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

	31/12/2013	*31/12/2012*	*Variations*	*%*
Land	1,527	1,527	0	-
Buildings	14,156	14,276	(120)	(0.8%)
Plant and equipment	991	1,143	(152)	(13.3%)
Other assets	344	387	(43)	(11.2%)
Total property, plant and equipment	***17,017***	***17,332***	***(315)***	***(1.8%)***

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

	Land and buildings	Plant and machinery	Other tangible fixed assets	Total
Purchase or production cost	8,787	3,767	2,695	15,248
Revaluation first-time adoption	8,439	0	0	8,439
Previous years depreciation and write-downs	(1,423)	(2,624)	(2,308)	(6,355)
Adjustments to previous years write-downs	0	0	0	0
Opening value	***15,802***	***1,143***	***387***	***17,332***
Purchases	0	3	120	123
Transfers	0	0	0	0
Reduction in accumulated depreciation due to disposals	0	0	75	75
Disposals	0	0	(76)	(76)
Revaluations for the period	0	0	0	0
Depreciation and write-downs for the period	(120)	(155)	(163)	(438)
Adjustments to write-downs for the period	0	0	0	0
Total tangible fixed assets	***15,682***	***991***	***344***	***17,017***

Land and buildings include property and land, accounted for separately, belonging to CAD IT S.p.A.. There are no restrictions on the legal ownership and possession of assets, systems and machinery to guarantee liabilities. There are no contractual restrictions for buying assets, systems or machinery.
The purchasing of new tangible assets during the year came to a total of Euro 123 thousand, of which the greater part (Euro 120 thousand) was for “other tangible assets”, voice that included the purchasing of electronic machinery, managerial instruments characteristic of the Company’s activities. During the year property, plant and equipment were not subject to any value reductions that required registration in the balance.

14 Intangible fixed assets

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

	31/12/2013	31/12/2012	Variations	%
Industrial patents	13,260	8,872	4,388	49.5%
Licences, trademarks and similar rights	204	200	4	2.2%
Intangible fixed assets under development	9,306	13,650	(4,343)	(31.8%)
Total Intangible fixed assets	***22,770***	***22,721***	***49***	**0.2%**

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

	Industrial patents and similar rights	Licences, trademarks	Assets under development and payments on account	Total
Purchase or production cost	23,475	1,864	13,650	38,988
Previous years revaluations	0	0	0	0
Previous years depreciation and write-downs	(14,603)	(1,663)	0	(16,267)
Adjustments to previous years write-downs	0	0	0	0
Opening value	***8,872***	***200***	***13,650***	***22,721***
Purchases	0	109	4,211	4,319
Transfers	8,554	0	(8,554)	0
Reduction in accumulated depreciation due to disposals	0	0	0	0
Disposals	0	0	0	0
Revaluations for the period	0	0	0	0

Depreciation and write-downs for the period	(4,166)	(104)	0	(4,270)
Adjustments to write-downs for the period	0	0	0	0
Total intangible fixed assets	***13,260***	***204***	***9,306***	***22,770***

The voice "industrial patent rights and works of ingenuity" is almost entirely made up of software procedures developed by the CAD IT Group; the voice increased by Euro 8,554 thousand because procedures that previously were recognized as ongoing investments were ended and became available for sale and/or use in the course of the period and therefore the incurred costs were reclassified. The values are registered to the directly sustained cost, mainly related to the use of internal resources, as well as any possible additional accessory fees that may occur. In respect of the principle that correlates costs and revenues, such costs are amortized as of the moment in which they are available for use and in terms of the product's lifecycle, estimated at five years. The amortizations of this voice in the course of this financial period came to Euro 4,166 thousand, increasing compared to Euro 2,969 thousand of 2012 financial period.

The caption "Licences, trademarks" principally includes the licensed out software bought by third parties used for programming activities. Purchasing during the period came to a total of Euro 109 thousand, while depreciation amounted to Euro 104 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, the use of which will be needed very shortly, even by law, in credit and financial institutions as well as in the field of public and industrial administration. These assets are listed on the basis of the directly sustained cost, mainly related to the use of internal resources. The fundamental condition for their registration in patrimonial credit is that said costs concern clearly defined, distinguishable and measurable products or processes and that they relate to projects that are both technically feasible and economically recoverable through revenues that will develop in the future by application of the project itself.

These assets have undergone no reduction in value that required registration in the balance, during the year.

15 Investments

	31/12/2013	*31/12/2012*
in subsidiary companies	15,124	15,124
in associated companies	3	3
Total Investments	***15,127***	***15,127***

Investments are shown at purchase cost. The value of holdings in subsidiary companies stands at Euro 15,124 thousand, while the value of holdings in associated companies is Euro 3 thousand.

The balance values and the fraction of net patrimony concerning controlled companies, determined in accordance with international accounting standards, are shown below.

COMPANY NAME	*COMPANY CAPITAL in Euro*	*PERCENTAGE OF INVESTMENT*	*NET PROFIT or LOSS (euro/000)*	*SHAREHOLDERS' EQUITY (euro/000)*	*QUOTAHOLDERS' EQUITY HELD (euro/000)*	*CARRYING VALUE (euro/000)*
CAD S.r.l.	295,500	100.00%	1	3,555	3,555	9,462
CeSBE S.r.l.	10,400	62.11%	155	3,381	2,100	287
Tecsit S.r.l. (*)	75,000	70.00%	1	54	38	53
Datafox	99,999	51.00%	(37)	163	83	454
D.Q.S. S.r.l.	11,000	100.00%	105	233	233	3,476
Elidata S.r.l.	20,000	51.00%	71	899	459	781
Smart Line S.r.l.	102,700	51.05%	47	735	375	664

(*) (Controlled through D.Q.S. S.r.l.)

Investments in associated companies

COMPANY NAME	COMPANY CAPITAL in Euro	PERCENTAGE OF INVESTMENT	NET PROFIT or LOSS (euro/000)	SHAREHOLDERS' EQUITY (euro/000)	QUOTAHOLDERS' EQUITY HELD (euro/000)	CARRYING VALUE (euro/000)
Sicom S.r.l.	10,400	25.00%	693	1,413	353	3

The company annually verifies the holding values at least once a year or more often if there are indications of value losses.
The recoverable value of 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 2014-2016 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 weighted average of capital k_s.
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 weighted 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 = 10.14%.
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:

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

Into mathematical terms, the value corresponds to the following formula:

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

where:
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 o

16 Financial assets available for sale

This point involved CIA S.p.A. shares, company listed on MTA segment market of the Italian stock exchange. During the first half of 2013 the same were entirely alienated; the sale generated a capital gain of Euro 99 thousand recorded in the income statement and the reclassification in the statement of comprehensive income of realized profits, previously recognized in the valuation reserve for financial assets available for sale. At the end of the year the company does not hold any financial assets available for sale.

17 Credits due to prepaid taxes

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

Description of the temporary differences	*Pre-paid taxes at 31.12.2012*			*Pre-paid taxes at 31.12.2013*			*Income statement*
Deductible differences	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	(a - b)
Directors' fees	192	*27.50%*	53	96	*27.50%*	26	26
Total			***53***			***26***	***26***

18 Inventories

Leftover stock includes finished products and goods for a total amount of Euro 10 thousand, decreasing compared to the previous year.

19 Commercial credits and other credits

Commercial credits and other credits are made up as follows:

	31/12/2013	*31/12/2012*	*Variations*	*%*
Credits to clients	29,937	26,099	3,838	14.7%
Credit depreciation fund	(140)	(140)	0	-
Credit towards subsidiaries	3,263	4,326	(1,063)	(24.6%)
Credits to associated companies	2	0	2	-
Accrued income and deferred expenses	157	366	(210)	(57.2%)
Other credits	281	168	113	66.9%
Total trade receivables and other credits	***33,499***	***30,820***	***2,680***	**8.7%**

% coverage credit depreciation fund	0.47%	0.54%

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 mainly made up of credits to public administration, banking institutions and insurance companies.

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

The company evaluated the credits to the probable break-up value. This evaluation is made analytically for expired credits and on expiry of a greater length of time than the average receipt time and on a lump-sum basis for the

other credits, depending on the past incidence of losses that the company finds for sales during the invoicing year. Regarding credits that are considered uncollectable, an allocation fund has been set up to the amount of Euro 140 thousand which ensures a cover of 0.47% of the total amount of credits towards clients. This fund was determined on the basis of past data regarding losses on credits and is considered proportionate.
Among the commercial credits and other credits, Euro 3,265 thousand (of which Euro 3,263 thousand towards the Group's companies) were towards related parties, as explained in note 32.
The entry Accrued income and deferred expenses entirely refers to deferred expenses made up of the following:

Nature	*31/12/2013*	*31/12/2012*
Software assistance	85	288
Advertising expenses	0	0
Expenses for leases and rentals	0	10
Telephone charges	16	3
Administrative services	5	7
Various insurances	7	5
Other various	16	41
Hardware assistance	27	12
Total prepaid expenses	***157***	***366***

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

Credits towards other	*31/12/2013*	*31/12/2012*	*Variations*	*%*
Receivables from social security institutions	10	8	2	24.9%
Receivables for advances on travel expenses	0	1	(1)	(100.0%)
Payments on account to suppliers	265	155	110	70.9%
Other	5	4	2	49.7%
Total credits towards other	***281***	***168***	***113***	**66.9%**

20 Tax credits

The entry of Euro 1,887 thousand, showing an increase compared to the previous period (Euro 1,779 thousand), was made up of:

- excess down payments in direct taxes (IRES and IRAP);
- credit relating to the IRES reimbursement, according to Decree-Law 201/2011, deriving from not inferred IRAP relating staff costs and assimilated for periods 2007-2011 (Euro 1,092 thousand);
- credit relating to the reimbursement, according to Article 6 of Decree-Law 185/2009, deriving from IRAP deductibility at 10% for periods 2004-2007 (Euro 192 thousand).

21 Cash and other equivalent assets

	31/12/2013	*31/12/2012*	*Variations*	*%*
Bank and postal accounts	1,065	3,073	(2,008)	(65.4%)
Cash-on-hand and cheques	3	3	(1)	(25.9%)
Insurance policies capitalized	2,555	2,490	64	2.6%
Total Cash and other equivalent assets	***3,622***	***5,566***	***(1,945)***	**(34.9%)**

The bank and postal account deposits are made up of cash-on-hand in current bank accounts for Euro 1,065 thousand, decrease by Euro 2,008 thousand compared to 31st December of previous financial period.
It is possible to redeem the capitalization insurance policy at any time and reimbursement is made within 20 days

with no particular significant expense. The returns are variable in relation to the annually calculated revaluation rate. The guaranteed minimum annual rate is 2.50%.

22 Company capital

The company capital, entirely registered, deposited and unchanged over the period, amounted to euro 4,669,600. It was subdivided into 8,980,000 ordinary shares with a nominal value of euro 0.52 each and all with equal rights. The ordinary shares are registered and indivisible and each one gives the right to a vote at the ordinary and extraordinary shareholders' meetings, as well as to the faculty of carrying out other company and patrimonial rights in accordance with the law and the statute.

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

CAD IT's net patrimony at 31st December 2013, including the financial period result, came to Euro 54,585 thousand compared to Euro 57,262 thousand at 31st December 2012.

23 Reserves

	31/12/2013	31/12/2012	Variations	%
Share premium reserve	35,246	35,246	0	-
Valuation reserve for financial assets available for sale	0	103	(103)	(100.0%)
Total Reserves	***35,246***	***35,349***	***(103)***	**(0.3%)**

The change in the fair value reserve for available-for-sale is related to the reversal of the reserve to the income statement, following the sale of the shareholding in the listed company CIA SpA (see also note 16).

24 Accumulated profit/losses

	31/12/2013	31/12/2012	Variations	%
Previous profits/losses	585	585	0	-
Legal reserve	934	934	0	-
First Time Adoption transition reserve	2,119	2,119	0	-
Available reserve of undivided profits	10,828	10,623	204	1.9%
Revaluation liabilities reserve for defined benefit	105	82	23	27.5%
Period profits/losses	97	2,898	(2,801)	(96.6%)
Total accumulated profits/losses	***14,669***	***17,243***	***(2,574)***	**(14.9%)**

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

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

Following the application of the amendment to IAS 19, has recorded the revaluation reserve liabilities for defined benefit plan which includes the actuarial differences recognized in the other comprehensive income.

The available joint profit reserve increased by Euro 204 thousand due to the effect of allocation of part of profit of the previous period.

The legal reserve has already reached a fifth of the company capital (art. 2430 c.c.).

There are no restrictions to the possibility of using deriving from the statutory arrangements.

The Stockholders' equity quotas that cannot be distributed amounted to Euro 22,562 thousand to cover for long-term costs that have not yet been amortized (art. 2426, no. 5 c.c.)

Nature/description	Amount at 31.12.2013	Use possibility (*)	Available Amount	Summary of the uses made in the three previous financial periods:	
				for loss coverage	for other reasons
Capital	4,670				
Capital reserves:					
Share premium reserve	35,246	a - b - c	35,246	-	-
Riserve di utili:					
Legal reserve	934	b	-	-	-
Available reserve of undivided profits	10,828	a - b - c	10,828	380	-
Valuation reserve for financial assets available for sale	-	-	-	-	-
Revaluation liabilities reserve for defined benefit	105	-	-	-	-
IAS transition reserve	2,119	-	-	-	-
Profits of previous periods	585	-	-	-	-
Profit of current period	97	a - b - c	97		
Total	**54,585**		**46,172**	**380**	**-**
Amount that can not be distributed			22,566		
Remaining amount distributable			23,606		
(*) legend: a = company capital increase	b = loss coverage	c = shareholder distribution			

25 Dividends paid and decided

On 29th April 2013 the CAD IT S.p.A. Ordinary Shareholders' Meeting decided to allocate the profit for the year 2012 total amounting to Euro 2,892,796 to a dividend of Euro 0.30 per share, for total amount to Euro 2,694,000. The dividend was paid on 9th May 2013.

26 Liabilities due to deferred taxes

Deferred taxes amounted to Euro 2,816 thousand (3,224 previous period) and took into account the taxable time differences resulting from time differences of the accounting value of an asset or liability compared to its recognized value for tax purposes. In particular they mainly referred to the fiscal effect of adjustments made at the FTA, the taxation of which was deferred to future periods.

Description of the temporary differences	Deferred tax at 31.12.2012			Deferred tax at 31.12.2013			Income statement
Taxable differences	Taxable	Rate	Tax (b)	Taxable	Rate	Tax (b)	(a - b)
TFR discounting back	215	*27.50%*	59	169	*27.50%*	46	(13)
Land revaluation	388	*31.40%*	122	388	*31.40%*	122	0
Land depreciation	72	*31.40%*	22	72	*27.50%*	20	(3)
Building revaluation	8,051	*31.40%*	2,528	8,051	*31.40%*	2,528	0
Building depreciation	438	*31.40%*	137	438	*27.50%*	120	(17)
Electronic machinery depreciation	24	*31.40%*	7	0	*31.40%*	0	(7)
Software depreciation	1,150	*31.40%*	361	0	*31.40%*	0	(361)
Licensing depreciation	21	*31.40%*	7	0	*31.40%*	0	(7)
Systems depreciation	(66)	*31.40%*	(21)	(66)	*31.40%*	(21)	0
Total			***3,224***			***2,816***	***(408)***

27 Employees' leaving entitlement and quiescence reserves

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

Employees' leaving entitlement	*31/12/2013*	*31/12/2012*
at 1 January	3,265	3,362
Interest cost	105	106
Benefits paid	(109)	(208)
Actuarial (gains)/losses	(23)	6
Closing balance	***3,239***	***3,265***

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.
The following table shows the actuarial assumptions used to determine the present value of the obligation.

	31/12/2013	*31/12/2012*
ECONOMIC ASSUMPTIONS		
Annual discount rate	3.17%	3.20%
Annual inflation rate	2.00%	2.00%
Annual rate of increase in severance pay	3.00%	3.00%
Annual rate of salary increase	0.50%	0.50%

DEMOGRAPHIC DATA		
death	Mortality tables RG48 General Accounting Office	
disability	Tables INPS	
retirement	100% to the wagering requirements AGO	
TECHNICAL BASES TURNOVER AND ADVANCES		
Frequency Advances	1.00%	1.00%
Turnover frequency	2.50%	2.50%

The annual discount rate used to determine the obligation was determined by reference to the average yield curve of that comes from the index *iBOXX Eurozone Corporates AA* with a duration of 10 + years in the month of evaluation. At 31/12/2012 the discounting back rate was determined by reference to IBOXX Eurozone Corporates A index, on duration 10+ years. For information purposes, the value of the bond at 31/12/2013, determined on the basis of the annual discounting back rate deduced from the IBoxx Corporate A index, on duration 10+, which, at the date of assessment, was 3.39%, would have been Euro 3,159 thousand.
The average maturity (*duration*) of debt is 12.4 years.
The following table shows the sensitivity analysis for the main evaluation parameters.

Change in actuarial assumptions	*Value of severance pay*
Turnover rate +1%	3,255
Inflation rate +0.25%	3,302
Inflation rate -0.25%	3,178
Discount rate +0.25%	3,148
Discount rate -0.25%	3,333

28 Commercial debts

The entire point shows the following trend:

	31/12/2013	*31/12/2012*	*Variations*	*%*
Debts towards subsidiaries	17,211	19,177	(1,966)	(10.3%)
Debts towards associeted companies	105	108	(2)	(2.3%)
Debts towards suppliers	3,303	2,692	611	22.7%
Accrued expenses and deferred income	582	371	211	57.0%
Total Commercial debts	***21,202***	***22,348***	***(1,146)***	**(5.1%)**

Debts towards suppliers are referred to as current debts for supplies of goods and services received, including those regarding investments in fixed assets.
Among the sales debts, Euro 17,412 thousand are towards related parties, almost entirely towards the Group's companies (17,211) as also indicated in note 32.
The entry "Accrued expenses and deferred income" refers entirely to deferred income that was already invoiced regarding annual ordinary maintenance contracts on user licences and mainly pertaining to next financial period.

29 Tax debts

The entry of Euro 2,501 thousand (Euro 1,792 thousand in the previous period) includes the debt for value added tax (Euro 1,586 thousand) and the withholding taxes applied by the company for tax substitution activities towards employees and collaborators (Euro 916 thousand).

30 Other debts

Details of other debts are as shown:

	31/12/2013	31/12/2012	Variations	%
Social security charges payable	1,556	1,599	(43)	(2.7%)
Towards directors	103	220	(117)	(53.2%)
Towards staff for deferred salaries and pay	2,173	2,432	(259)	(10.7%)
Other	48	46	1	2.9%
Total other debts	***3,880***	***4,298***	***(418)***	***(9.7%)***

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

Debt towards staff for wages and deferred pay	31/12/2013	31/12/2012	Variations	%
For wages and expense accounts	625	591	34	5.8%
For production incentives	0	234	(234)	(100.0%)
For holidays	1,071	1,147	(76)	(6.6%)
For thirteenth month (year-end bonus)	0	0	0	-
For fourteenth month (summer bonus)	476	459	17	3.7%
Total	***2,173***	***2,432***	***(259)***	***(10.7%)***

31 Net financial position

The net financial position at the end of the period 2013 was in deficit by Euro 2,129 thousand, compared to a positive net financial position of Euro 4,079 thousand at 31/12/2012.
Since there is no long-term financing, the net financial position will shortly coincides with the total financial position.

	31/12/2013	31/12/2012	Variations	%
Cash-on-hand and at bank	1,067	3,076	(2,009)	(65.3%)
Capitalization insurance policies	2,555	2,490	64	2.6%
Payables due to banks current portion	(5,751)	(1,488)	(4,263)	286.6%
Net short-term financial position/(indebtedness)	**(2,129)**	**4,079**	***(6,208)***	***(152.2%)***
Long-term loans	-	-	-	-
Net long-term financial position/(indebtedness)	**-**	**-**	**-**	**-**
Net financial position/(indebtedness)	***(2,129)***	***4,079***	***(6,208)***	***(152.2%)***

In particular, cash-on-hand and in bank accounts came to Euro 1,067 thousand. Capitalization insurance policies of Euro 2,555 thousand were contractually available on 20-day prior request with no significant collection costs.
Short-term debts towards banks amounted to Euro 5,751 thousand and regard overdrawn accounts and advances subject to final payment.
As a link between the data of the net financial position statement and the balance statement, it is hereby reported that: cash in bank accounts and capitalization 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 financial report, the contraction in financial assets (Euro -6,208 thousand) was determined by the following management:

- operational management activities absorbed Euro 127 thousand (compared to a positive flow of Euro 3,864 thousand in previous year) due to self-financing (net result plus depreciations) net of non-monetary items;

- investment activities absorbed Euro 3,387 thousand (compared to Euro 3,846 thousand in 2012) for investments in intangible assets (Euro 4,319 thousand), tangible assets (Euro 123 thousand) and holding companies (Euro 4 thousand), partly compensated by the sale of assets available for sale (Euro 239 thousand) and by cashed-in interests and dividends (Euro 81 thousand and Euro 732 thousand respectively);
- financing activities, during the period, absorbed Euro 2,694 thousand due to the dividend payments to CAD IT shareholders.

32 Related parties transactions

Any commercial relations between the Group's companies are governed by normal market conditions.
The summary of income and costs, as well as the credit and debit position at 31st December 2013 between the Group's subsidiaries, is shown in the specific note on management relations.
The following table shows the incidence of transactions with related parties on the respective balance entry.

Transaction incidence with related parties - Period 2013	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	46,972	2,339	5.0%
Service costs	(25,852)	(18,239)	70.6%
Labour costs	(19,508)	(570)	2.9%
Other administrative expenses	(912)	(652)	71.5%
Financial income	813	742	91.3%
B) Transaction or position incidence with correlated parties on entries in the Patrimonial situation			
Commercial credits and other credits	33,499	3,265	9.7%
TFR and pension funds	3,239	162	5.0%
Commercial debts	21,202	17,412	82.1%
Other debts	3,880	198	5.1%
C) Transaction or position incidence with correlated parties on financial flows			
Cashed dividends	732	732	100.0%

Revenues with related parties mainly concern services carried out towards subsidiaries companies (Euro 1,786 thousand), Xchanging (Euro 273 thousand) and Sicom (Euro 1.5 thousand).
Service costs towards related parties mainly include services carried out by subsidiaries companies (Euro 17,918 thousand) and Sicom (Euro 107 thousand), Board of Auditors fees (Euro 61 thousand) and translation and language training services supplied by a company partly owned by one of the CAD IT directors (Euro 116 thousand).
Labour costs to related parties regard remuneration to directors and managers with strategic responsibilities who are employees and remunerations to employees who have a family relationship or affinity with the CAD IT directors.
The other administrative expenses relating to related parties concern remunerations for their position paid to CAD IT directors.
Credits towards related parties are mainly made up of the parent company's credits towards subsidiaries (Euro 3,263 thousand).
Debts to related parties were mainly made up of commercial debts, for services (Euro 17,412 thousand), debts

towards employees for pay and pay accruals (Euro 102 thousand) and severance indemnities (Euro 162 thousand) and debts towards Board Members (Euro 96 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 following table shows the incidence of transactions with related parties for the 2012 financial period.

Transaction incidence with related parties - Period 2012	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	50,037	1,680	3.4%
Service costs	(26,265)	(19,066)	72.6%
Labour costs	(19,050)	(434)	2.3%
Other administrative expenses	(1,155)	(827)	71.6%
B) Transaction or position incidence with correlated parties on entries in the Patrimonial situation			
Commercial credits and other credits	30,820	4,425	14.4%
TFR and pension funds	3,265	140	4.3%
Commercial debts	22,348	19,388	86.8%
Other debts	4,298	294	6.8%
C) Transaction or position incidence with correlated parties on financial flows			
Cashed dividends	277	277	100.0%

33 Fees paid to members of the Board of Directors, Statutory Auditors and executives with strategic responsibilities

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*.

34 Guarantees provided

In regard to credit lines granted to CAD IT by banking institutes and not used at 31/12/2013, the company has set up a capitalization warranty policy to the sum of Euro 2,305 thousand.
To guarantee the contractual fulfilments that the company has taken, bank suretyships or insurances have been provided to the sum of Euro 3,370 thousand towards customers and to Euro 262 thousand towards suppliers.
CAD IT has issued a comfort letter to the banking institute in reference to credit worthiness granted to the controlled company DQS S.r.l. amounting to Euro 2,250 thousand. To ensure the contractual fulfilments that the company and the Group have taken on for on going orders, have been given guarantees by CAD IT to Euro 4,225 thousand.

35 Other information

There have been no transactions or any non recurrent significant events, as defined in the Consob DEM/6064293 communication, in the present financial period or the previous one.
CAD IT has not drawn up any contracts containing clauses that depend on continual financial funding (*covenant*)

nor any agreements where a subject – to whom a loan has been granted – must behave accordingly (*negative pledge*).
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 statutory financial statement was approved by the CAD IT S.p.A. Board of Directors on 13th March 2014 and will be an item for approval at the shareholders' meeting to be held on 29th April 2014.

36 Important events since 31/12/2013

With effect as of 1st January 2014, the non-executive director Enrique Sacau, has resigned as a member of the Company's Board of Directors, following the taking on of new tasks that prevent him from attending the Board's meetings. Enrique Sacau, the non-executive and non-independent director, did not belong to any internal committee.
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 Daniele Mozzo, 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 financial statements during the 2013 financial period.

2. Moreover, it is hereby declared that the financial statements:
   a) has been drafted in accordance with the international accounting standards (IFRS) – adopted by the European Union – in compliance with regulation (EC) no. 1606/2002 of the European Parliament and Council on 19th July 2002;
   b) corresponds to the results in the accounting books and documents;
   c) appropriately gives a true and correct representation of the Company's patrimonial, economic and financial situation.

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

Verona, 13 March 2014

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

/f/ Daniele Mozzo
Manager in charge of drafting
the CAD IT S.p.A. accounting documents

ATTACHMENT 1 - 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 2013 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*	*2013 financial period audit fees (in euro)*
Accounting audit	CAD IT S.p.A.	BDO S.p.A.	12,870
Accounting audit	Subsidiaries	BDO S.p.A.	49,393
Total			**62,263**

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.

ATTACHMENT 2 - SUMMARY FINANCIAL STATEMENTS OF CAD IT GROUP COMPANIES

SUMMARY FINANCIAL STATEMENTS OF THE CONSOLIDATED

SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATION AREA

(article 2429 of the Italian Civil Code)

CAD SRL

REGISTERED OFFICE: Via Torricelli, 44/A - 37136 VERONA

QUOTA CAPITAL: € 295,500.00 fully paid in

% OF INVESTMENT OF CAD IT SPA: 100%

(in euro)	*31/12/2013*	*31/12/2012*
TURNOVER	11,086,234	11,370,547
GROSS OPERATING RESULT	300,353	223,924
NET OPERATING PROFIT	291,591	202,874
NET FINANCIAL INCOME AND CHARGES	92	730
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	291,683	203,604
NET PROFIT / (LOSS) FOR THE YEAR	24,609	250,440
NET TANGIBLE FIXED ASSETS	18,003	20,267
NET WORKING CAPITAL	5,619,757	5,583,924
NET INVESTED CAPITAL	3,437,713	3,385,409
EMPLOYEES' LEAVING ENTITLEMENT	2,200,047	2,218,782
EQUITY	3,446,646	3,422,034
NET SHORT-TERM FINANCIAL POSITION/(INDEBTEDNESS)	8,933	36,625

CESBE SRL

REGISTERED OFFICE: Via Torricelli, 37 - 37136 VERONA

QUOTA CAPITAL: € 10,400.00 fully paid in

% OF INVESTMENT OF CAD IT SPA: 62.11%

(in euro)	*31/12/2013*	*31/12/2012*
TURNOVER	3,916,236	3,989,516
GROSS OPERATING RESULT	291,658	352,922
NET OPERATING PROFIT	290,323	351,192
NET FINANCIAL INCOME AND CHARGES	13,659	1,142
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	303,982	352,334
NET PROFIT / (LOSS) FOR THE YEAR	153,105	268,670
NET TANGIBLE FIXED ASSETS	5,007	4,825
NET WORKING CAPITAL	4,099,092	4,091,327
NET INVESTED CAPITAL	3,370,740	3,452,652
EMPLOYEES' LEAVING ENTITLEMENT	733,359	643,500
EQUITY	3,382,038	3,488,934
NET SHORT-TERM FINANCIAL POSITION/(INDEBTEDNESS)	11,298	36,282

DQS SRL

REGISTERED OFFICE: Largo Duranti Lido, 1 - 00128 ROMA

QUOTA CAPITAL: € 11,000.00 fully paid in

% OF INVESTMENT OF CAD IT SPA: 100%

(in euro)	*31/12/2013*	*31/12/2012*
TURNOVER	2,248,404	2,730,495
GROSS OPERATING RESULT	191,698	180,541
NET OPERATING PROFIT	176,186	164,295
NET FINANCIAL INCOME AND CHARGES	(15,409)	(40,112)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	160,777	124,183
NET PROFIT / (LOSS) FOR THE YEAR	107,874	81,094
NET TANGIBLE FIXED ASSETS	75,513	88,161
NET WORKING CAPITAL	1,125,724	854,146
NET INVESTED CAPITAL	861,886	596,178
EMPLOYEES' LEAVING ENTITLEMENT	339,351	346,129
EQUITY	213,851	105,976
NET SHORT-TERM FINANCIAL POSITION/(INDEBTEDNESS)	(528,035)	(339,296)

SMART LINE SRL

REGISTERED OFFICE: Via Torricelli 44/A – 37136 VERONA

QUOTA CAPITAL: € 102,700.00 fully paid in

% OF INVESTMENT OF CAD IT SPA: 51.05%

(in euro)	*31/12/2013*	*31/12/2012*
TURNOVER	1,558,065	1,824,234
GROSS OPERATING RESULT	142,695	465,275
NET OPERATING PROFIT	103,678	408,055
NET FINANCIAL INCOME AND CHARGES	10	8
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	103,688	408,063
NET PROFIT / (LOSS) FOR THE YEAR	49,186	265,506
NET TANGIBLE FIXED ASSETS	150,502	186,107
NET WORKING CAPITAL	910,534	1,198,702
NET INVESTED CAPITAL	705,850	1,059,084
EMPLOYEES' LEAVING ENTITLEMENT	355,186	325,725
EQUITY	723,129	1,073,943
NET SHORT-TERM FINANCIAL POSITION/(INDEBTEDNESS)	17,279	14,859

ELIDATA SRL

REGISTERED OFFICE: Via Sanadolo, 19 - Caglione d'Adda - LO

QUOTA CAPITAL: € 20,000.00 fully paid in

% OF INVESTMENT OF CAD IT SPA: 51%

(in euro)	*31/12/2013*	*31/12/2012*
TURNOVER	1,434,713	1,326,919
GROSS OPERATING RESULT	181,052	235,304
NET OPERATING PROFIT	147,024	202,938
NET FINANCIAL INCOME AND CHARGES	1,836	581
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	148,860	203,519
NET PROFIT / (LOSS) FOR THE YEAR	71,550	121,706
NET TANGIBLE FIXED ASSETS	344,686	304,200
NET WORKING CAPITAL	501,151	641,417
NET INVESTED CAPITAL	698,720	821,367
EMPLOYEES' LEAVING ENTITLEMENT	147,117	124,250
EQUITY	755,567	1,084,018
NET SHORT-TERM FINANCIAL POSITION/(INDEBTEDNESS)	111,898	302,709

DATAFOX SRL

REGISTERED OFFICE: Via Torricelli 44/A – 37136 VERONA

QUOTA CAPITAL: € 99,999.00 fully paid in

% OF INVESTMENT OF CAD IT SPA: 51%

(in euro)	*31/12/2013*	*31/12/2012*
TURNOVER	436,752	512,111
GROSS OPERATING RESULT	(46,779)	53,414
NET OPERATING PROFIT	(49,575)	50,099
NET FINANCIAL INCOME AND CHARGES	5	107
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	(49,570)	50,206
NET PROFIT / (LOSS) FOR THE YEAR	(37,510)	40,818
NET TANGIBLE FIXED ASSETS	5,274	7,135
NET WORKING CAPITAL	182,918	232,864
NET INVESTED CAPITAL	167,850	213,517
EMPLOYEES' LEAVING ENTITLEMENT	20,342	26,482
EQUITY	169,417	218,280
NET SHORT-TERM FINANCIAL POSITION/(INDEBTEDNESS)	1,567	4,763

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

(article 2429 of the Italian Civil Code)

TECSIT SRL

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

QUOTA CAPITAL: € 75,000.00 fully paid in

% OF INVESTMENT OF CAD IT: 70%

(in euro)	*31/12/2013*	*31/12/2012*
TURNOVER	329,768	396,605
GROSS OPERATING RESULT	38,354	44,754
NET OPERATING PROFIT	36,387	42,927
NET FINANCIAL INCOME AND CHARGES	(21,095)	(21,964)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	15,292	20,963
NET PROFIT / (LOSS) FOR THE YEAR	1,582	410
NET TANGIBLE FIXED ASSETS	4,158	5,471
NET WORKING CAPITAL	117,734	290,737
NET INVESTED CAPITAL	112,139	291,518
EMPLOYEES' LEAVING ENTITLEMENT	9,753	4,690
EQUITY	53,362	51,780
NET SHORT-TERM FINANCIAL POSITION/(INDEBTEDNESS)	(58,777)	(239,738)

SUMMARY FINANCIAL STATEMENTS OF THE ASSOCIATED COMPANIES

(article 2429 of the Italian Civil Code)

SICOM SRL

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

QUOTA CAPITAL: € 10,400.00 fully paid in

% OF INVESTMENT OF CAD IT: 25%

(in euro)	*31/12/2013*	*31/12/2012*
TURNOVER	4,000,677	3,534,459
GROSS OPERATING RESULT	1,053,855	1,063,579
NET OPERATING PROFIT	1,039,907	1,050,225
NET FINANCIAL INCOME AND CHARGES	11,546	3,695
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	1,051,453	1,053,920
NET PROFIT / (LOSS) FOR THE YEAR	693,473	684,761
NET TANGIBLE FIXED ASSETS	1,552,383	450,794
NET WORKING CAPITAL	(145,544)	(576,522)
NET INVESTED CAPITAL	1,148,554	(325,905)
EMPLOYEES' LEAVING ENTITLEMENT	258,285	200,177
EQUITY	1,413,032	1,369,562
NET SHORT-TERM FINANCIAL POSITION/(INDEBTEDNESS)	264,478	1,695,467

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Auditor's report on the 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 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. as of and for the year ended December 31, 2013. These 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 financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   The financial statements present for comparative purposes prior year data. As explained in the explanatory notes to the financial statements, the Directors have re-presented comparative figures related to the prior year's financial statements with respect to the data previously reported and audited by us, on which we issued an auditor's report dated March 18, 2013. These changes in comparative figures and related disclosures included in the explanatory notes to the financial statements have been audited by us for the purpose of expressing our opinion of the financial statements as of and for the year ended December 31, 2013.

3. In our opinion, the statutory financial statements of CAD IT S.p.A. as of December 31, 2013 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 CAD IT S.p.A. for the year then ended.

4. The Directors of CAD IT S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance and ownership structures, published in 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), 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 financial statements of CAD IT S.p.A. as of December 31, 2013.

Verona, March 21, 2014

BDO S.p.A.

Signed by:
Alfonso Iorio
(Partner)

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 (ai sensi dell'articolo 153 D. Lgs. 58/1998 e dell'articolo 2429 del c.c.)

All'Assemblea degli Azionisti della Società CAD IT S.p.A.

L'art. 153 del D.Lgs. 24.2.1998 n. 58 prevede l'obbligo per il Collegio Sindacale di riferire all'assemblea, convocata per l'approvazione del bilancio di esercizio, sull'attività di vigilanza svolta, sulle omissioni e sui fatti censurabili rilevati, nonché la facoltà di fare proposte in ordine al bilancio, alla sua approvazione ed alle materie di propria competenza.

A tale disposizione normativa adempiamo con la presente relazione, anche nel rispetto dell'art. 2429, comma 2, Codice Civile.

Nel corso dell'esercizio chiuso al 31/12/2013 abbiamo svolto l'attività di vigilanza prevista dalla legge, tenuto conto dei principi di comportamento del Collegio Sindacale raccomandati dal Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili, riscontrando l'osservanza delle norme di legge e dello statuto in ordine alla gestione nonché alla formazione e all'impostazione del bilancio d'esercizio, di quello consolidato e delle relative relazioni.

La società è capogruppo e sottopone quindi al controllo e coordinamento (art. 2497-bis del Codice Civile) altre società individuate nel bilancio d'esercizio chiuso al 31/12/2013.

Abbiamo avuto contatti con il collegio sindacale delle controllate, ove nominato, o con i rappresentanti nei vari consigli di amministrazione delle controllate ove presenti e non sono emersi dati ed informazioni rilevanti che debbano essere evidenziati nella presente relazione.

In particolare, anche in osservanza alle indicazioni fornite da Consob, con comunicazioni DEM n. 1025564 del 6 aprile 2001, n. 3021582 del 4 aprile 2003 e n. 6031329 del 7 aprile 2006, riferiamo quanto segue:

- abbiamo vigilato sull'osservanza della legge e dello statuto sociale;
- abbiamo partecipato alle riunioni dell'assemblea e del Consiglio di Amministrazione e ottenuto dagli amministratori, con periodicità almeno trimestrale, informazioni sull'attività svolta, sull'andamento della gestione e sulla prevedibile evoluzione, sulle operazioni di maggior rilievo economico, finanziario e patrimoniale deliberate e poste in essere dalla Società e dalle sue controllate. Sulla base delle informazioni reseci disponibili ed acquisite nello svolgimento delle nostre verifiche, possiamo ragionevolmente affermare che le azioni deliberate e poste in essere sono conformi alla legge ed allo statuto sociale e non appaiono manifestamente imprudenti, azzardate, in potenziale conflitto di interesse o in contrasto con le delibere assunte dall'assemblea o tali da compromettere l'integrità del patrimonio sociale;

- abbiamo acquisito conoscenza e vigilato, per quanto di nostra competenza, sull'adeguatezza della struttura organizzativa della società e sul rispetto dei principi di corretta amministrazione, tramite raccolta di informazioni dai responsabili della funzione organizzativa e dal dirigente preposto alla redazione dei documenti contabili societari oltreché tramite incontri con responsabili della società di revisione ai fini del reciproco scambio di dati ed informazioni rilevanti e a tale riguardo non abbiamo osservazioni da riferire;
- abbiamo espresso il nostro parere con riferimento alle proposte di remunerazione in particolare degli Amministratori Esecutivi e di quelli investiti di particolari cariche;
- abbiamo vigilato sull'adeguatezza delle disposizioni impartite dalla società alle società controllate, ai sensi dell'articolo 114, comma 2, del D. Lgs. 58/1998, affinché le stesse forniscano tutte le notizie necessarie per adempiere agli obblighi di comunicazioni previsti dalla legge. La società ha altresì impartito adeguate disposizioni ai fini della tempestività delle informazioni necessarie agli obblighi di comunicazione previsti dalla Legge ai sensi degli artt. 184 – 187 quinquies del D. Lgs. 58/1998 in tema di market abuse;
- abbiamo constatato che nel corso del 2013 non vi sono state significative variazioni organizzative aziendali nel Gruppo, fatta eccezione per la temporanea sostituzione "ad interim", per motivi di salute, del dirigente preposto alla redazione dei documenti contabili societari;
- diamo atto che i criteri di valutazione illustrati nelle Note al bilancio, tenuto conto di quanto indicato dagli amministratori nel paragrafo Principi contabili, emendamenti ed interpretazioni applicati dal 1° gennaio 2013, sono sostanzialmente omogenei con quelli utilizzati per la redazione del bilancio dell'esercizio precedente,;
- l'iscrizione dei costi di sviluppo fra le attività immateriali è avvenuta con il nostro consenso ai sensi dell'art. 2426, comma 1, n. 5, codice civile;
- abbiamo valutato e vigilato sull'adeguatezza della struttura amministrativa e del sistema di controllo interno che riteniamo adeguato alle esigenze societarie. Nel corso dell'esercizio abbiamo avuto periodici incontri con i responsabili del controllo interno e con l'internal auditor che ci hanno informato sugli esiti degli accertamenti compiuti presso la capogruppo ed alcune controllate;
- abbiamo valutato e vigilato sull'adeguatezza del sistema amministrativo-contabile, nonché sulla sua affidabilità a rappresentare correttamente i fatti di gestione, sia mediante l'ottenimento di informazioni dal dirigente preposto alla redazione dei documenti contabili societari e dai responsabili delle rispettive funzioni, sia mediante l'esame dei documenti aziendali che mediante l'analisi dei risultati del lavoro svolto dalla società di revisione, nonché della funzione internal audit, e a tale riguardo non abbiamo informazioni particolari da riferire;
- non abbiamo rilevato l'esistenza di operazioni atipiche e/o inusuali anche infragruppo o con parti correlate;

- diamo atto che la società aderisce al sistema di tassazione del consolidato fiscale nazionale;
- in merito alle operazioni infragruppo o con parti correlate, le stesse sono state adeguatamente descritte sia nelle note di bilancio, nell'apposito prospetto, che nelle relazioni sulla gestione e ad esse Vi rimandiamo in ordine alle caratteristiche e alla rilevanza economica. Le suddette operazioni risultano eseguite a condizioni di mercato, condotte in termini di coerenza strategica, di affidabilità economica e di atteso ritorno per la Società. Gli effetti economici, patrimoniali e finanziari derivanti dai rapporti con parti correlate sono debitamente illustrati al punto 32 delle note di bilancio. Le stesse informazioni sono altresì contenute al punto 37 delle note di bilancio consolidato al netto delle elisioni effettuate dei rapporti infragruppo;
- in data 21 marzo 2014 la società di revisione ha emesso le relazioni al Bilancio d'esercizio ed al Bilancio consolidato, esprimendo un giudizio senza rilievi;
- l'adesione della Società al Codice di Autodisciplina, predisposto dal Comitato per la Corporate Governance e promosso da Borsa Italiana S.p.A., e le modalità di attuazione delle regole di governo societario, sono illustrate nell'apposita relazione annuale del consiglio di amministrazione.

  In particolare abbiamo verificato i requisiti di indipendenza previsti dall'articolo 148, terzo comma, lettera c) del TUF e la corretta applicazione dei criteri e delle procedure di accertamento adottati dal consiglio per valutare l'indipendenza dei propri membri;
- diamo atto che la società adotta un adeguato sistema di protezione delle informazioni di cui al D.Lgs. del 30 giugno 2003 n. 196 "Codice in materia di protezione dei dati personali" per garantire la protezione dei dati personali;
- diamo atto che la società ha adottato il modello di organizzazione e gestione per la prevenzione dei reati previsti dal D. Lgs. 8.6.2001, n. 231 concernente la responsabilità amministrativa della società per reati commessi dai propri dipendenti e collaboratori e ha perseguito, mediante l'Organismo di Vigilanza appositamente costituito, azioni ispettive sui processi e procedure per valutare le persistenza dei requisiti di prevenzione dei reati rilevanti ai fini del citato Decreto;
- alla società di revisione risultano conferiti i seguenti incarichi regolarmente eseguiti:
  - o per la controllante CAD IT S.p.A.: revisione del bilancio d'esercizio, di quello consolidato, revisione contabile limitata relativa al bilancio consolidato semestrale e controllo contabile ex artt. 155 e 156 D. Lgs. 58/1998;
  - o per quattro controllate: revisione contabile del bilancio di esercizio anche ai fini del consolidamento, ex artt. 155 e 156 D. Lgs. 58/1998;
  - o sottoscrizione delle dichiarazioni fiscali per l'attività di propria competenza, per la capogruppo e le quattro controllate.

La remunerazione per tutti gli incarichi sopracitati è ricompresa nell'importo complessivo approvato in sede di delibera assembleare per il conferimento dell'incarico;

- abbiamo verificato la sussistenza dei requisiti di indipendenza della società di revisione non risultando necessario intraprendere iniziative al riguardo;
- l'attività di vigilanza sopra descritta è stata svolta in n. 7 (sette) riunioni del Collegio nonché assistendo alle riunioni del Consiglio di Amministrazione a norma dell'articolo 149, comma 2, del D. Lgs. 58/1998, che sono state tenute in numero di 5 (cinque), ad un'assemblea dei soci, a 4 (quattro) riunioni del comitato di controllo e rischi.
- nel corso del 2013 è pervenuta una denunzia ex articolo 2408 codice civile da parte di un azionista; il collegio sindacale, effettuati gli opportuni approfondimenti, ha ritenuto che non vi fossero gli estremi per formulare rilievi alla società ed in tal senso ha risposto in forma scritta all'azionista;
- il collegio sindacale e la società di revisione in applicazione di quanto previsto dall'articolo 150 del D.Lgs 58/2008, hanno provveduto a scambiarsi dati ed informazioni rilevanti per l'espletamento dei rispettivi compiti;
- nel corso dell'attività di vigilanza svolta e sulla base delle informazioni da noi ottenute dalla società di revisione, non sono state rilevate omissioni, fatti censurabili, irregolarità o comunque fatti significativi tali da richiederne la segnalazione agli organi di controllo e vigilanza o la menzione nella presente relazione.

Alla data di redazione della presente relazione non risultano comunicati dalla società di revisione rilievi in ordine:

- all'adeguatezza dell'organizzazione presso la Capogruppo per quanto riguarda l'afflusso delle informazioni e le procedure di consolidamento;
- alla corretta applicazione dei principi contabili adottati.

Per quanto concerne il bilancio d'esercizio, che presenta un utile di Euro 97 migliaia, abbiamo verificato l'osservanza delle norme di legge regolanti la sua impostazione e formazione, mediante i controlli da noi esercitati, nei limiti della nostra competenza, di cui all'art. 149 D.Lgs 24.02.1998 n. 58 e le informazioni forniteci dalla società di revisione.

In particolare abbiamo accertato che non sono state esercitate deroghe di cui all'art. 2423 comma 4 Codice Civile.

La relazione degli amministratori sulla gestione illustra adeguatamente la situazione economica, patrimoniale, finanziaria, nonché l'andamento della gestione anche dopo la chiusura dell'esercizio della società. Nella relazione sono inoltre contenute le ulteriori informazioni richieste dall'articolo 1 del D. Lgs. 32/2007, in relazione alle quali il collegio sindacale ritiene che siano stati rispettati i presupposti di legge.

Tenuto conto di quanto evidenziato e per quanto di nostra competenza riteniamo il bilancio, unitamente alla proposta del consiglio di amministrazione sulla destinazione dell'utile, suscettibile di approvazione .

Verona, lì 21 marzo 2014

Riccardo Zenari

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