

**CAD IT S.p.A.**  
Statutory Financial Statements  
at 31-12-2014

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

# CAD IT S.p.A.

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

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## Financial statements at 31 December 2014

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 <sup>(1)</sup>

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 <sup>(2)</sup>  
*Director*

THOMAS BURKHART <sup>(3)</sup>  
*Director*

FRANCESCO ROSSI <sup>(2)</sup>  
*Director and lead independent director*

LAMBERTO LAMBERTINI <sup>(2)</sup>  
*Independent Director*

### STATUTORY AUDITORS <sup>(1)</sup>

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.  
 (3) Appointed on 29 April 2014; office expires with the shareholders' meeting for the approval of the 2014 financial statements.

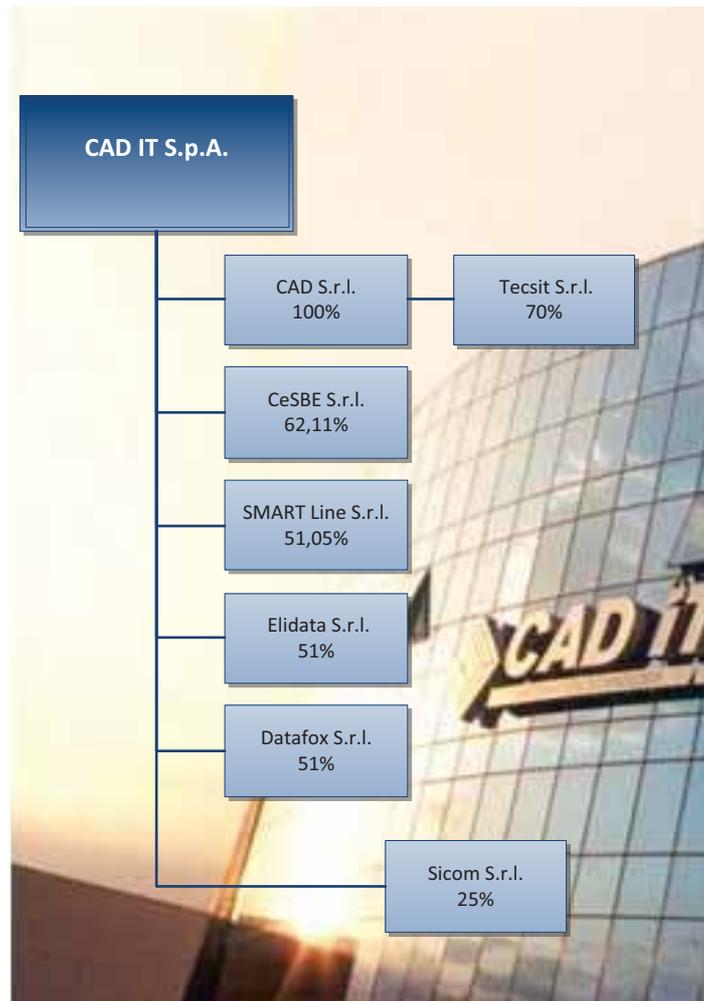
*The main powers reserved in the statute to the Board of Directors are the examination and approval of the strategic, industrial and financial plans of the company; the purchase, sale, exchange or transfer of fixed assets and real estate rights; the granting of collateral on fixed assets; the set up 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 the functions 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 31/12/2014

## DIRECTORS' REPORT ON OPERATION

This management report is an integral part of CAD IT S.p.A.'s annual financial report at 31/12/2014 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 31<sup>st</sup> December 2014 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 19<sup>th</sup> 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 14<sup>th</sup> 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 its 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 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 customers.

## **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:

- 1,000 financial institutions;
- 25,000 bank branches;
- 14,000 post office branches;
- 200,000 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 the collaboration of 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**

#### **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](http://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.

#### **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.



## **INDUSTRY DIVISION**

In the period collaboration activities with INFOR were continued.

- In January CAD IT's INDUSTRY division has passed the certification tests on the MINGLE-ION platform which will be useful for implementing the new INFOR technological platforms. Apart from installing and configuring MINGLE-ION for integration and collaboration functionalities, it will also be possible to install and configure useful INFOR suite modules for integrating the most common managerial platforms on the market.
- In February CAD IT has successfully concluded the project to implement the ISA S.p.A. business model in ERP Infor M3 in full respect of the time schedule and budget agreed with the customer. The aim of the project was to adapt existing IT systems to the company's business needs and to reduce software customisation to an absolute minimum.
- In March CADIT, in collaboration with the American registered offices of CIBER, has completed the installation of a few M3 modules for an important customer with premises in the state of WASHINGTON. The installation of these modules marks the beginning of a plan to update the entire M3 installation now operating on the customers' systems.
- In March MABI S.p.A., company operating in the leather industry, has chosen CAD IT to introduce an integrated ERP solution aimed at better supporting its business processes and to provide its customers with top quality service. Taking advantage of the potential of INFOR's M3 for Fashion, the project's purpose is to implement the business model by avoiding having to personalise software. This approach, besides lowering investment and management costs, also contributes to a reduction in start-up times and minimises risks. Moreover, it will allow the company to reap the benefits of an integrated approach in terms of harmonisation, standardisation (adjustment to the rules) and control, ensuring sufficient operative flexibility thanks to a multitude of parameter options.
- In August Industrial Starter, a company operating in the fashion sector and dealing in the sale of protective industrial clothing, has chosen the ERP Infor M3 platform to improve support to company organisation systems at various levels and to adapt to changes in business needs. In particular: the use of an ERP application that is guaranteed to cover all company procedures; assurance of the best possible interoperability towards customers, suppliers and partners; the decision to adopt a technologically advanced platform that is open to global company concepts; trust in a partner that is able to provide consultancy, training and assistance both during the system start-up phase and for maintenance while still safeguarding the wealth of experience gained over time.
- In August CALIFIN S.p.A., a company representing a group of companies operating in the retail fashion sector with the sale of leading clothing brands, in order to improve support to its own company procedures, has chosen CAD IT to implement Infor M3, thus introducing an integrated ERP solution, to cover its retail distribution procedures. The project particularly focuses on the implementation of the CALIFIN S.p.A.'s business model into the ERP Infor M3 in order to take advantage of the company's own standard functions as well as those of the connected products, thus minimising software personalisation.



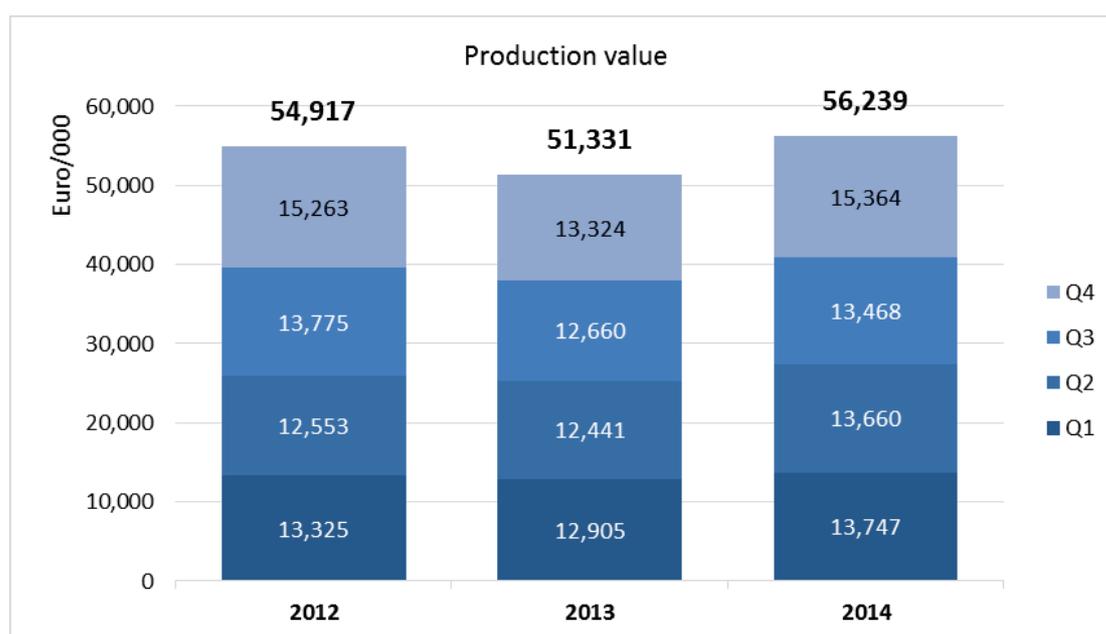
## Synthesis of CAD IT's results

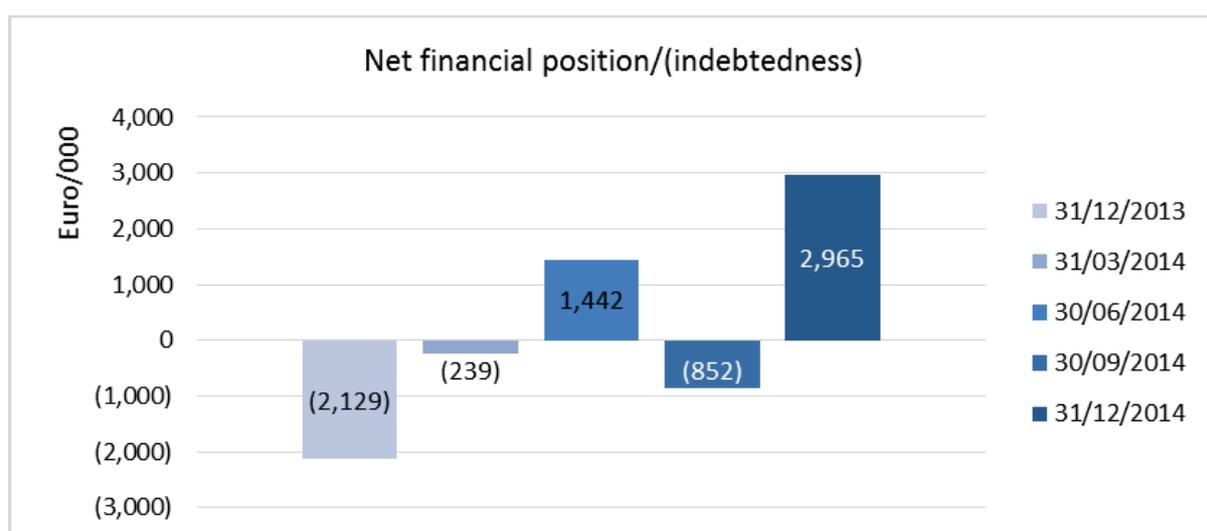
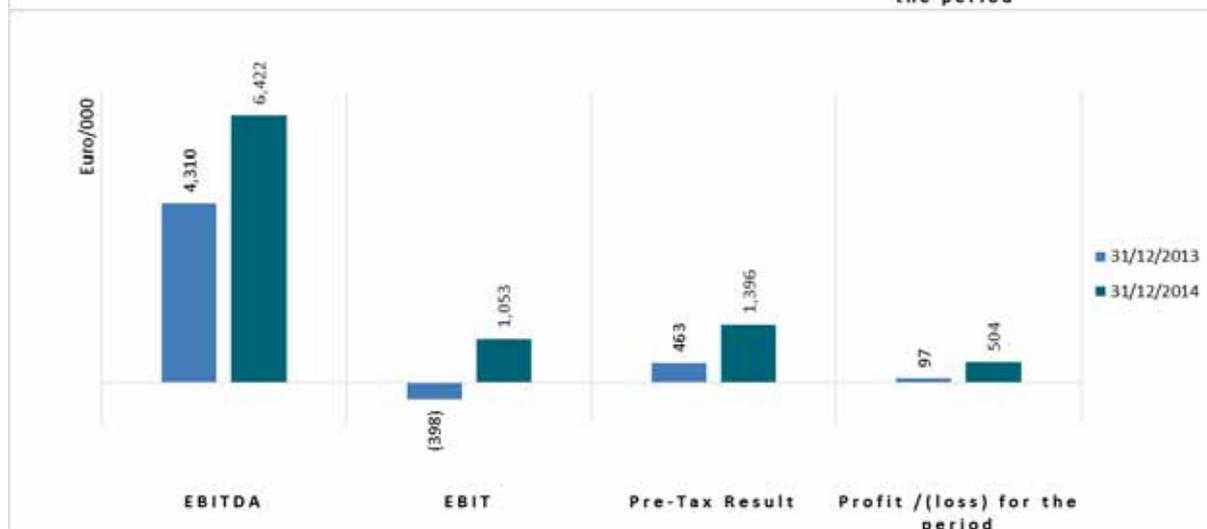
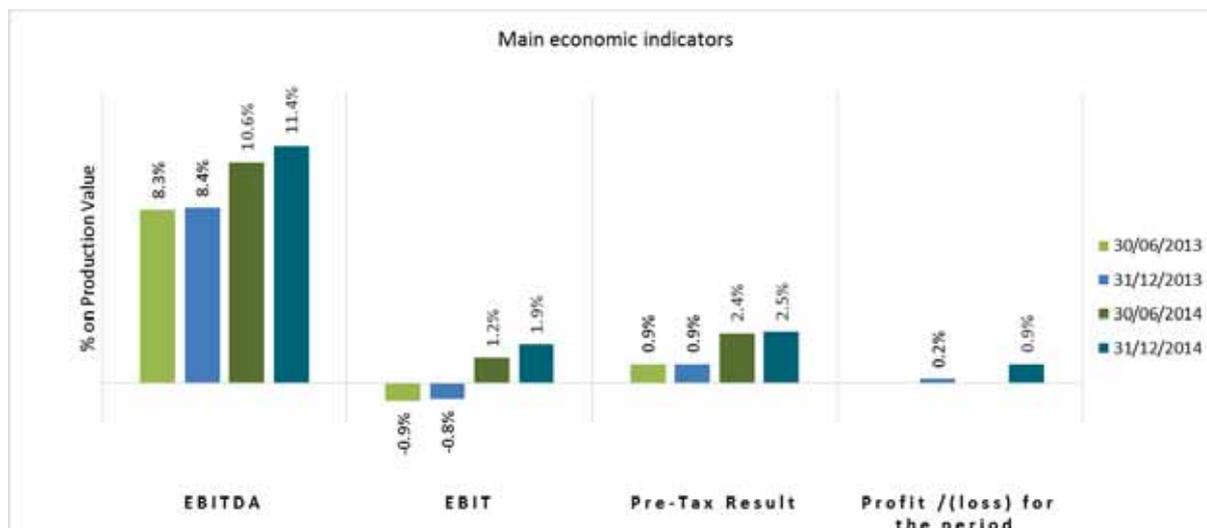
	Period 2014		Period 2013		Variations	
	€/000	% PV	€/000	% PV	absolute	%
Production value	56,239	100.0%	51,331	100.0%	4,908	9.6%
Added value	27,818	49.5%	24,731	48.2%	3,087	12.5%
Gross operational result (EBITDA)	6,422	11.4%	4,310	8.4%	2,111	49.0%
Operational result (EBIT)	1,053	1.9%	(398)	(0.8%)	1,451	364.5%
Ordinary result	1,396	2.5%	364	0.7%	1,031	283.0%
Pre-tax result	1,396	2.5%	463	0.9%	932	201.2%
Income taxes	(892)	(1.6%)	(366)	(0.7%)	(526)	(143.8%)
<b>Profit for the period</b>	<b>504</b>	<b>0.9%</b>	<b>97</b>	<b>0.2%</b>	<b>406</b>	<b>416.7%</b>
<b>Total Comprehensive income</b>	<b>(40)</b>		<b>17</b>		<b>(57)</b>	<b>(330.4%)</b>

	31/12/2014	31/12/2013
Total Assets	92,743	93,972
Total Equity	54,545	54,585

Net short-term financial position/(indebtedness)	2,965	(2,129)
Net financial position / (indebtedness)	2,965	(2,129)

Employees at the end of the period (number)	331	299
Employees (average number in the period)	312	299





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

	Period 2014		Period 2013		Variations	
	€/000	% PV	€/000	% PV	€/000	%
Income from sales and services	52,072	92.6%	46,972	91.5%	5,100	10.9%
Asset increases due to internal work	3,878	6.9%	4,211	8.2%	(332)	(7.9%)
Other revenue and receipts	289	0.5%	148	0.3%	140	94.6%
<b>Production value</b>	<b>56,239</b>	<b>100.0%</b>	<b>51,331</b>	<b>100.0%</b>	<b>4,908</b>	<b>9.6%</b>
Purchase costs	(325)	(0.6%)	(395)	(0.8%)	70	17.8%
Service costs	(27,729)	(49.3%)	(25,852)	(50.4%)	(1,877)	(7.3%)
Other operational costs	(367)	(0.7%)	(353)	(0.7%)	(14)	(3.9%)
<b>Added value</b>	<b>27,818</b>	<b>49.5%</b>	<b>24,731</b>	<b>48.2%</b>	<b>3,087</b>	<b>12.5%</b>
Labour costs	(20,529)	(36.5%)	(19,508)	(38.0%)	(1,021)	(5.2%)
Other administrative expenses	(867)	(1.5%)	(912)	(1.8%)	45	5.0%
<b>Gross operational result - EBITDA</b>	<b>6,422</b>	<b>11.4%</b>	<b>4,310</b>	<b>8.4%</b>	<b>2,111</b>	<b>49.0%</b>
Allocation to fund and credit depreciation	(52)	(0.1%)	0	0.0%	(52)	-
Intangible fixed asset amortization	(4,916)	(8.7%)	(4,270)	(8.3%)	(646)	(15.1%)
Tangible fixed asset amortization	(401)	(0.7%)	(438)	(0.9%)	37	8.5%
<b>Operational result - EBIT</b>	<b>1,053</b>	<b>1.9%</b>	<b>(398)</b>	<b>(0.8%)</b>	<b>1,451</b>	<b>364.5%</b>
Financial income	397	0.7%	813	1.6%	(416)	(51.2%)
Financial expenses	(54)	(0.1%)	(50)	(0.1%)	(4)	(7.0%)
<b>Ordinary result</b>	<b>1,396</b>	<b>2.5%</b>	<b>364</b>	<b>0.7%</b>	<b>1,031</b>	<b>283.0%</b>
Revaluations and depreciations	0	0.0%	99	0.2%	(99)	(100.0%)
<b>Pre-tax result</b>	<b>1,396</b>	<b>2.5%</b>	<b>463</b>	<b>0.9%</b>	<b>932</b>	<b>201.2%</b>
Income taxes	(892)	(1.6%)	(366)	(0.7%)	(526)	(143.8%)
<b>Profit for the period</b>	<b>504</b>	<b>0.9%</b>	<b>97</b>	<b>0.2%</b>	<b>406</b>	<b>416.7%</b>

The CAD IT financial statement for the 2014 financial period closed showing a significant increase in results and profitability margins compared to 2013 financial period. The result for the period was in credit by Euro 504 thousand, compared to Euro 97 thousand of 2013 financial period.

The value of production for the period, showing a 9.6% increase, was mainly due to revenues from sales and services to the amount of Euro 52,072 thousand (+10.9% compared to Euro 46,972 thousand in 2013).

Increases in internal work capitalized under fixed assets, for the use of resources to develop new procedures and the company's own software park, amounted to Euro 3,878 thousand, showing a decrease compared to Euro 4,211 thousand in 2013 financial period.

The other revenues and equivalent earnings, which came to Euro 148 thousand in 2013, stood at Euro 289 thousand and include contributions allocated by interprofessional funds for financing of company training plans.

The Euro 27,818 thousand added value increased by 12.5% compared to Euro 24,731 thousand in 2013 financial period, increasing marginality at 49.5% of the value of production (48.2% in 2013).

Purchase costs of Euro 325 thousand increased by Euro 70 thousand, compared to Euro 395 thousand of 2013. Service costs to the value of Euro 27,729, increasing (+7.3%) compared to 2013, include Euro 18,317 thousand costs towards subsidiaries.

The EBITDA Gross Operational Result stood at Euro 6,422 thousand (equal to 11.4% of the value of production) compared to Euro 4,310 thousand of 2013 (equal to 8.4% of the relative value of production).

Labour costs of the year of Euro 20,529 thousand, increasing compared to previous year (Euro 19,508 thousand), due to the increase of personnel, mainly for transition of employees from subsidiaries to the parent company. The average number of employees of the year was 312 units, compared to 299 units in 2013. Other administrative costs came to Euro 867 thousand, decreasing compared to Euro 912 thousand in 2013 financial period.

Amortization contributions for the period stood at Euro 4,916 thousand in regard to intangible assets and Euro 401 thousand for tangible assets, compared to Euro 4,270 thousand and Euro 438 thousand in the same period 2013. 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 credit by Euro 1,053 thousand, a clear improvement (+1,451 thousand of Euro) compared to a negative result of Euro 398 thousand in the previous year.

The net financial management result was in credit by Euro 343 thousand and mainly refer to cashed dividends from associate Sicom (Euro 170 thousand) and from subsidiary Cesbe Srl (Euro 155 thousand), as well as interest on bank deposits and capitalization insurance policies (Euro 66 thousand). Financial income decreased during the year to reduce dividends paid by subsidiaries.

The ordinary result was in credit by Euro 1,396 thousand compared to Euro 364 thousand in 2013. During the year there have been no revaluations or devaluations. In 2013, revaluations were recorded for Euro 99 thousand, related to the capital gain from the sale of assets available for sale.

The pre-tax result of 2014 was in credit by Euro 1,396 thousand, equal to 2.5% of the value of production, significantly increasing (+932 thousand of Euro) compared to Euro 463 thousand of previous year (equal to 0.9% of its value of production).

Income taxes amounted to Euro 892 thousand, equal to 63.9% of pre-tax result, (compared to Euro 366 thousand in the 2013 financial period) and mainly consist of current taxes for IRAP (593 thousand euro) and IRES (324 thousand euro).

The 2014 result was therefore in credit by Euro 504 thousand, compared to Euro 97 thousand of previous financial period.

The total result of the 2014 financial period, following the registration of actuarial loss on liabilities for defined benefit for employees of Euro 543 thousand, was negative for Euro 40 thousand (compared to a total profit of Euro 17 thousand in 2013).

The Company's Net Financial Position was in credit by Euro 2,965 thousand, significant positive increase compared to a negative net financial position of Euro 2,129 thousand at 31/12/2013.

## 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		2014	2013	2012
Primary structure margin	<i>Shareholders' equity – Non-current assets</i>	869	(370)	1,768
Primary structure quotient	<i>Shareholders' equity / Non-current assets</i>	1.02	0.99	1.03
Secondary structure margin	<i>(Shareholders' equity + Non-current liabilities) – Non-current assets</i>	7,631	5,685	8,256
Secondary structure quotient	<i>(Shareholders' equity + Non-current liabilities) / Non-current assets</i>	1.14	1.10	1.15



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

FINANCING STRUCTURE INDEXES		2014	2013	2012
Total debt quotient	$(\text{Non current Liabilities} + \text{Current liabilities}) / \text{Shareholders' equity}$	0.70	0.72	0.64
Financial debt quotient	$\text{Financing liabilities} / \text{Shareholders' equity}$	0.03	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		2014	2013	2012
Net ROE	$\text{Net result} / \text{Average Shareholders' equity}$	1.60%	0.17%	5.08%
Gross ROE	$\text{Gross result} / \text{Average Shareholders' equity}$	4.63%	0.83%	7.89%
ROI	$\text{Operational result} / (\text{Invested operating capital} - \text{Average operational liabilities})$	5.78%	-0.88%	9.29%
ROS	$\text{Operational result} / \text{Sales income}$	4.49%	-0.85%	8.05%

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		2014	2013	2012
Availability margin	$\text{Current assets} - \text{Current liabilities}$	7,631	5,685	8,256
Availability quotient	$\text{Current assets} / \text{Current liabilities}$	1.24	1.17	1.28
Treasury margin	$(\text{Deferred liquidity} + \text{Immediate liquidity}) - \text{Current liabilities}$	7,160	5,518	7,873
Treasury quotient	$(\text{Deferred liquidity} + \text{Immediate liquidity}) / \text{Current liabilities}$	1.23	1.17	1.26

### The short-term situation <sup>1</sup>

World trade growth stays moderate for 2014. World merchandise trade strengthened markedly in the third quarter (to an annual growth rate of 8.4 per cent) but apparently eased off in the fourth owing to a fresh slackening of demand in the euro area and Asia. Despite the upturn in the second half, for the year as a whole growth is estimated at 3.1 per cent, below its historical average and less than the growth in GDP. Economic activity has accelerated sharply in the United States, with growth exceeding expectations. However, the prospects for the world economy remain uncertain in the short and medium term, owing to persistent weakness in the euro area and Japan, the protraction of the slowdown in China, and the brusque downturn in Russia. The drastic fall in oil prices, due both to expanding supply and weakening demand, may help to sustain growth, but at the same time it is not without risks for financial stability in the oil exporting countries. Consumer price inflation decreased almost everywhere in the fourth quarter, owing partly to the fall in commodities prices.

Economic growth in the euro area remains sluggish. In December, consumer price inflation turned negative for the first time since October 2009 and is expected to stay very low this year and in the medium term. The two targeted longer-term refinancing operations (TLTROs) conducted in September and December resulted in only a moderate boost to the Eurosystem's balance sheet, which the Governing Council of the ECB intends to expand further. GDP

<sup>1</sup> Data source: Banca D'Italia, Economic Bulletin no. 1, January 2015

showed modest growth in the third quarter and would likely to do so again in the fourth. In December the Eurosystem staff projections for growth underwent a further downward revision.

Consumption has been growing modestly in Italy, mirroring disposable income, which has been sustained by government measures. Its contribution to the growth of the economy has been offset by the decline in investment, which is being held back by abundant idle capacity, pronounced uncertainty over the outlook for demand and the problems of the construction industry. The data available indicate that in the fourth quarter 2014 GDP again contracted slightly. The main forecasters signal a possible reversal in the trend of productive activity in the first part of 2015, but this would depend on capital investment returning to positive values. The leading indicators still signal high uncertainty. Employment expands in the third quarter but it would be contracted in October and November.

Regarding Italian banking system, according to consolidated quarterly reports, the profitability of the five largest banking groups – while still low – was higher in the first nine months of 2014 than in the year-earlier period. Annualized ROE rose from 1.5 to 2.1 per cent. The improvement can be ascribed mainly to a 6.8 per cent reduction in loan loss provisioning and a 5.3 per cent increase in fee income. Despite a 2.1 per cent increase in net interest income, gross income slipped by 0.8 per cent, as a result of a sharp decline in trading profits. The decline of 0.6 per cent in operating profit was attenuated by success in curbing operating expenses, which were cut by 1.0 per cent. At the end of September the capital adequacy ratios of the five largest groups were broadly unchanged with respect to June.

### ***Significant events of the period***

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.

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 the conflicts of interest register.

On 29th April 2014, the Ordinary Shareholders' Meeting approved the Annual Financial Statements at 31st December 2013.

In order to replace the resigning director Enrique Sacau, the Shareholders' Meeting of CAD IT S.p.A. has confirmed the appointment of the co-opted non-executive and non-independent Director Thomas Burkhart, who will be in charge until the expiry date for the entire Board of Directors, i.e. until the date of the Shareholders' Meeting that will be called for the approval of the financial statements for the year ending on 31st December 2014. The Shareholders' Meeting also approved the first section of the Remuneration Report pursuant to article 123-ter of Leg. Dec no. 58/1998 (available in the Company's website).

On 27th August 2014 the Board of Directors, in consideration of the resignation for health reasons of Maria Rosa Mazzi, confirmed Daniele Mozzo in charge of this activity, already carried out to the interim, until 30/09/2014. Furthermore, the Board of Directors has appointed Michele Miazzi as Manager charged with preparing the company's financial reports, with effect as of 01/10/2014, following prior approval given by the Remuneration and Nomination Committee and after the necessary opinion of the Board of Auditors. Michele Miazzi, member of the Order of Chartered Accountants and Statutory Auditors, had previously held the position of head of the Company's Internal Auditing, where he gained significant experience and a thorough knowledge of the company.

The Board of Directors has also appointed Mr. Donatello Marcolungo as new head of the Company's Internal Auditing, upon proposal of the director responsible for Internal Control and Risk Management and prior approval by Internal Control and Risks Committee, after asking the Board of Auditors.

In September 2014 CAD IT has signed with Iccrea Banca a contract for the supply of its Settlement and Corporate Actions solutions ("EasySet III" and "EasyAction") in order to adapt information technology systems of the banking group of cooperative credit in regard to Target 2 Securities. Target 2 Securities (T2S) is the new, standardised



European platform for the settlement of Eurosystem securities, which will come into effect as of June 2015, causing a profound impact on every subject involved in the market: Banks, Custodians and CSDs. Within this particular scenario, Iccrea Banca has opted to adhere to T2S as a direct participant ("Full DCP"- Direct Connectivity Participant) in order to reap the benefits of being able to offer its Clientele new and more complete services.

CAD IT and Iccrea Banca have therefore set up a long-term project which will aim at:

- implementing a data processing platform, based on CAD IT's "EasySet III" and "EasyAction" systems, able to appropriately support Iccrea Banca as a "full DCP" within the new T2S settlement system;
- making Back Office, custody and collateral operative processes more efficient and adapting them to the international Systems;
- extending and improving post trade and collateral services towards the bank's customers.

The project foresees the on-license supply of the above-mentioned platform and relative specialist services required for its integration and start-up, as well as ordinary and developmental maintenance.

This project is a strategic reference in terms of international expansion as it will allow CAD IT to be one of the first companies in Europe to have a solution able to meet the financial system's new requirements deriving from Target 2 Securities.

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

On 30th October 2014 the companies DQS S.r.l. and CAD S.r.l., both entirely controlled by CAD IT S.p.A, with a view to simplifying and reorganising the group, decided to reduce administrative costs and generate financial and economic efficiency by drawing up a merger agreement to incorporate the first company into the second.

Consequently "CAD S.r.l." increases its company capital from Euro 295,500 to Euro 350,000, attributing the entire increase to the exclusive owner CAD IT S.p.A.. The statutory effects of the merger come into effect as of 31/12/2014, while, pursuant to the combined provisions of articles 2504-bis and 2501-ter, paragraph 1, no. 6, the accounting and tax effects of the merger will be retroactive at 01/01/2014.

## **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.

2014 saw 7.1 thousand hours taken up by training (7.6 in 2013) to support operational activities and professional development, with the involvement of 269 resource units (262 in 2013) and an average of 27 hours of training per resource unit (compared to 29 hours in 2013). 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 realization of new modules to increase the functional and/or 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.

An important development project concerns the evolution of the *Suite Area Finanza*, made up of independent and integrated modules that can each carry out their own specific activities and interface with others to ensure high



standards of efficiency in the management of data, avoiding duplication, in perspective of simplifying the product and the method of release. The evolutions allow to make the Suite even more attractive for the international market. Development and innovation activities for the 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 Action: a new generation, comprehensive platform for the controlled end-to-end management of corporate actions and income).

Also the following modules are evolving:

- Position Keeping: module dedicated to recording the events/movements and able to update the positions in real time, manage the process of completing tasks for each event (taking care to enable the modules of competence for settlement, taxation, corporate actions), make accounting records and prepare reports of supervision.
- Placing Funds: module dedicated to the integrated management of funds placement for which they are developing new features related to the standardization of management of flows and movements.

Investments are still being ploughed into the innovation and extension of specialized 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).

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.

The product has been developed and enhanced with a new Dashboard, acquiring a new highly end-user connotation, characterized by a very timely look & feel, flexible and easy to use, while the editors dedicated to administrators and technicians are separated and specialized.

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 4,027 thousand in the 2014 financial period (Euro 4,443 thousand in the previous year).

Particularly ongoing intangible asset costs, of Euro 3,878 thousand, 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 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.

<i>Summary of investments</i>	<i>Period 2014</i>	<i>Period 2013</i>	<i>Variations</i>
Intangible fixed assets	25	109	(84)
Intangible assets under development and payments on account	3,878	4,211	(333)
Property, Plant and equipment	123	123	0
<b>Total investments in tangible and intangible fixed assets</b>	<b>4,027</b>	<b>4,443</b>	<b>(416)</b>



## 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 28<sup>th</sup> 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 31<sup>st</sup> December 2014, are shown in the table below:

Company	CAD IT costs	CAD IT revenues	CAD IT Financial expenses	CAD IT Financial income	CAD IT credits	CAD IT debts
CAD S.r.l.	12,251	1,204	-	6	4,214	11,341
CeSBE S.r.l.	3,183	527	3	-	476	4,645
SmartLine Line S.r.l.	1,527	156	-	-	54	1,237
Elidata S.r.l.	1,207	56	-	-	137	563
Datafox S.r.l.	149	11	-	-	23	120
Tecsit S.r.l.	-	1	-	-	2	-
<b>Total</b>	<b>18,317</b>	<b>1,956</b>	<b>3</b>	<b>6</b>	<b>4,907</b>	<b>17,906</b>

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 2014.

## 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](http://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. Additional risks and uncertain events that cannot be foreseen, or are considered improbable at the moment, could still affect the activities, the economic and financial conditions and the prospects of the company and the Group.

CAD IT adopts specific risk factor management procedures aimed at maximising the value for its shareholders by activating the necessary measures to prevent any risks inherent to the Group's activities.

CAD IT S.p.A., in its position as Parent Company, is exposed to the same risks and uncertainties described below to which the entire Group is exposed.

#### **External Risks**

##### **Risks connected to the general conditions of the economy and sector**

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

The main market outlet in which currently the Group deals is the banking and finance sector, which historically has never been subject to significant criticality. As of 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. 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 capitalization 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.

Inside the Directors' Report on management is included the profit and loss account drafted in scalar form, highlighting the intermediary results as follows:

- Production revenues: this is the value of services and goods produced and sold by the Group, including internal assets and other income and earnings from the traditional offer.
- Added value: obtained by subtracting the operative costs for service and asset purchases from production revenues, this measures how much of the internal production and distribution of goods and services is due to company productive factors.
- Gross Operational Result (EBITDA): this figure is obtained by subtracting from the added value all of the costs that can be put down to staff and other administrative expenses. It highlights the result based on the traditional offer including depreciations, financial management, revaluations or devaluations and taxes.
- Operational Result (EBIT): this figure is obtained by subtracting the depreciation and funding amounts from the gross operational result.
- Ordinary Result: this includes the financial management result.
- Pre-tax result: obtained by including revaluations and devaluations in the ordinary Result.

CAD IT adopts and maintains 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 2014, 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 30<sup>th</sup> 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 20<sup>th</sup> 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 waive 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***

The OECD's November forecasts revised world GDP growth for 2015 downwards, to 3.7 per cent, slightly better than in 2014. Worldwide, cyclical conditions should remain heterogeneous and the forecasting risk is still primarily on the downside, reflecting the persistent structural problems of some emerging economies and uncertainty over the timing and strength of the recovery in the euro area. For the Italian economy, the professional analysts project a gradual return to growth in 2015 and more rapid expansion in 2016. The central scenario puts growth at 0.4 per cent in 2015 and 1.2 per cent in 2016. This forecasting scenario is however subject to a high degree of uncertainty. Aggressive monetary support measures can help to combat the downward pressure on prices and the weakness of economic activity with a positive impact of such measures on business and household confidence and inflation expectations.<sup>2</sup>

In response to the current general situation the Board of Directors has placed maximum attention on market needs in order to lead the Group's management and development strategies in the right direction and to maintain high levels of efficiency so that favourable economic results can be achieved in the future. The success of the Group's activities will therefore depend on its ability to maintain and increase the shares it has in the markets in which it currently operates and/or to further expand into other markets and segments (like insurance, public administration, foreign financial institutions) through new and high standard, quality products that would guarantee adequate income levels.

The 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.

In the course of 2015 will be intense activities related to projects TARGET2-Securities (T2S), the new standardised technical platform for the contextual settlement of securities transactions whose launch will be made gradually over the course of about two years, from June 2015.

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 internationalization 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.

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.

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<sup>2</sup> Data source: Banca D'Italia, Economic Bulletin no. 1, January 2015

## ***Balance approval proposal and allocation of the 2014 financial period result***

Dear Shareholders,

the year 2014 ended with a net profit of separate financial statements of Euro 503,697. In subjecting the balance at its closure date of 31<sup>st</sup> December 2014 for your approval, in its entirety and with all its items, together with the directors' management report, taking into account the result obtained and the financial position of the Company, the board of directors proposes the distribution of a dividend of Euro 0.13 gross of legal deductions for each of the 8,980,000 ordinary shares, to the total amount of Euro 1,167,400, allocating the entire year's profit of Euro 503,697, together with Euro 663,703 to be withdrawn from the undivided available profits reserve.

The dividend will be paid as of 13<sup>th</sup> May 2015 (coupon release on 11<sup>th</sup> May 2015).

Verona, 12 March 2015

On behalf of the Board of Directors

The Chairman

/s/ Giuseppe Dal Cortivo

## FINANCIAL STATEMENTS AT 31 DECEMBER 2014

### Income statement

(in thousands of Euro)

	Notes	31/12/2014		31/12/2013	
		Total	of which related parties	Total	of which related parties
Income from sales and services	2	52,072	1,918	46,972	2,339
Asset increases due to internal work	2 – 14	3,878		4,211	
Other revenue and receipts	2	289	52	148	
Purchase costs	4	(325)		(395)	
Service costs	5	(27,729)	(19,145)	(25,852)	(18,239)
Other operational costs	6	(367)		(353)	
Labour costs	7	(20,529)	(690)	(19,508)	(570)
Other administrative expenses	8	(867)	(758)	(912)	(652)
Allocation to fund and credit depreciation		(52)		0	
Intangible fixed asset amortization	14	(4,916)		(4,270)	
Tangible fixed asset amortization	13	(401)		(438)	
Financial income	9	397	331	813	742
Financial expenses	9	(54)		(50)	
Revaluations and depreciations	10	0		99	
<b>Pre-tax result</b>		<b>1,396</b>		<b>463</b>	
Income taxes	11	(892)		(366)	
<b>Profit/(loss) for the period</b>		<b>504</b>		<b>97</b>	

Weighted average number of ordinary shares outstanding		8,980,000		8,980,000	
Basic earnings per share (in €)	12	0.056		0.011	

### Statement of comprehensive income

(in thousands of Euro)

	Period 2014	Period 2013
<b>Profit (loss) for the period</b>	<b>504</b>	<b>97</b>
<b>Other comprehensive income that will not be reclassified subsequently to profit or loss</b>		
Actuarial gains/(losses) on defined benefit liabilities	(543)	23
<b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>		
Gains/(Losses) on fair value of available-for-sale financial assets	-	-
Reclassification adjustments: gains realized on disposal of available-for-sale	-	(103)
<b>Total comprehensive income (loss)</b>	<b>(40)</b>	<b>17</b>

*(in Euro)*

<i>Income statement</i>	<i>2014</i>	<i>2013</i>
Income from sales and services	52,071,989	46,972,073
Asset increases due to internal work	3,878,361	4,210,504
Other revenue and receipts	288,641	148,329
<b>Production value</b>	<b>56,238,991</b>	<b>51,330,906</b>
Purchase costs	(324,965)	(395,360)
Service costs	(27,729,226)	(25,851,738)
Other operational costs	(366,524)	(352,932)
Labour costs	(20,529,352)	(19,508,238)
Other administrative expenses	(867,058)	(912,243)
Allocation to fund and credit depreciation	(52,000)	0
Intangible fixed asset amortization	(4,916,085)	(4,270,371)
Tangible fixed asset amortization	(400,807)	(438,096)
Financial income	396,806	812,880
Financial expenses	(53,938)	(50,400)
Revaluations and depreciations	0	98,955
<b>Pre-tax result</b>	<b>1,395,842</b>	<b>463,364</b>
Income taxes	(892,145)	(365,876)
<b><i>Profit/(loss) for the period</i></b>	<b>503,697</b>	<b>97,488</b>

## Statement of financial position

(in thousands of Euro)

	Notes	31/12/2014		31/12/2103	
		Total	of which related parties	Total	of which related parties
<b>ASSETS</b>					
A) Non-Current Assets					
Property, plant and equipment	13	16,738		17,017	
Intangible assets	14	21,758		22,770	
Investments	15	15,127		15,127	
Other non-current credits		14		14	
Credits due to deferred taxes	16	40		26	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>53,676</b>		<b>54,954</b>	
B) Current Assets					
Inventories	17	6		10	
Trade receivables and other credits	18	32,709	4,921	33,499	3,265
Tax credits	19	1,641		1,887	
Cash on hand and other equivalent assets	20-30	4,711		3,622	
<b>TOTAL CURRENT ASSETS</b>		<b>39,067</b>		<b>39,018</b>	
<b>TOTAL ASSETS</b>		<b>92,743</b>		<b>93,972</b>	
<b>EQUITY AND LIABILITIES</b>					
A) Equity					
Company capital	21	4,670		4,670	
Reserves	22	35,246		35,246	
Accumulated profits/losses	23	14,629		14,669	
<b>TOTAL EQUITY</b>		<b>54,545</b>		<b>54,585</b>	
B) Non-current liabilities					
Financing		-		-	
Deferred tax liabilities	25	2,802		2,816	
Employee benefits and quiescence provisions	26	3,960	130	3,239	162
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,761</b>		<b>6,054</b>	
C) Current liabilities					
Trade payables	27	22,861	18,229	21,202	17,412
Current tax payables	28	2,932		2,501	
Short-term financing		1,747		5,751	
Other liabilities	29	3,897	216	3,880	198
<b>TOTAL CURRENT LIABILITIES</b>		<b>31,437</b>		<b>33,333</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>92,743</b>		<b>93,972</b>	

(in Euro)

<b>ASSETS</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
A) Non-Current Assets		
Property, plant and equipment	16,737,861	17,016,809
Intangible assets	21,757,770	22,770,302
Investments	15,126,642	15,126,642
Other financial assets available for sale	-	-
Other non-current credits	13,860	14,142
Credits due to deferred taxes	39,600	26,400
<b>TOTAL NON-CURRENT ASSETS</b>	<b>53,675,733</b>	<b>54,954,295</b>
B) Current Assets		
Inventories	6,214	9,726
Trade receivables and other credits	32,709,045	33,499,227
Tax credits	1,640,610	1,887,479
Cash on hand and other equivalent assets	4,711,479	3,621,723
<b>TOTAL CURRENT ASSETS</b>	<b>39,067,348</b>	<b>39,018,155</b>
C) Non-current assets for sale	-	-
<b>TOTAL ASSETS</b>	<b>92,743,081</b>	<b>93,972,450</b>

<b>EQUITY AND LIABILITIES</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
A) Equity		
Company capital	4,669,600	4,669,600
Reserves	35,246,400	35,246,400
Accumulated profits/losses	14,629,183	14,668,723
<b>TOTAL EQUITY</b>	<b>54,545,183</b>	<b>54,584,723</b>
B) Non-current liabilities		
Financing	-	-
Deferred tax liabilities	2,801,801	2,815,730
Employee benefits and quiescence provisions	3,959,506	3,238,630
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,761,307</b>	<b>6,054,360</b>
C) Current liabilities		
Trade payables	22,861,165	21,202,000
Current tax payables	2,931,542	2,501,293
Short-term financing	1,746,823	5,750,552
Other liabilities	3,897,060	3,879,522
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,436,590</b>	<b>33,333,367</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>92,743,081</b>	<b>93,972,450</b>

## Statement of changes in equity

(in thousands of Euro)

Statement of changes in equity	Company capital	Reserves	Accumulated profit (loss)	Period result	Equity
<b>Total 31/12/2011</b>	<b>4,670</b>	<b>35,395</b>	<b>14,301</b>	<b>2,204</b>	<b>56,570</b>
Allocation of the period result			2,204	(2,204)	-
Dividend distribution			(2,155)		(2,155)
Total comprehensive profit/(loss)		(46)		2,893	2,847
<b>Total 31/12/2012</b>	<b>4,670</b>	<b>35,349</b>	<b>14,350</b>	<b>2,893</b>	<b>57,262</b>
Effect of the adoption of IAS 19			(6)	6	
<b>At 01/01/2013</b>	<b>4,670</b>	<b>35,349</b>	<b>14,344</b>	<b>2,898</b>	<b>57,262</b>
Allocation of the period result			2,898	(2,898)	
Dividend distribution			(2,694)		(2,694)
Total comprehensive profit/(loss)		(103)	23	97	17
<b>Total 31/12/2013</b>	<b>4,670</b>	<b>35,246</b>	<b>14,571</b>	<b>97</b>	<b>54,585</b>
Allocation of the period result			97	(97)	-
Total comprehensive profit/(loss)			(543)	504	(40)
<b>Total 31/12/2014</b>	<b>4,670</b>	<b>35,246</b>	<b>14,125</b>	<b>504</b>	<b>54,545</b>

## Cash Flow Statement

(in thousands of Euro)

	NOTES	Period 2014	Period 2013
<b>A) OPERATING ACTIVITIES</b>			
Profit (loss) for the period		504	97
Amortisation, revaluation and depreciation:			
- Property, plant and equipment amortisation	13	401	438
- Intangible fixed asset amortisation	14	4,916	4,270
- revaluation of investments and financial assets available for sale		0	(99)
- depreciation of investments and financial assets available for sale		0	0
Allocations (utilization) of provisions		178	(4)
Financial performance:			
- Net financial receipts (charges)	9	(343)	(762)
- Profit / (losses) on exchanges		(0)	(1)
Other working capital variations		3,494	(2,963)
Income taxes paid		(374)	(1,054)
Interest paid	9	(54)	(50)
<b>(A) - Cash flows from (used in) operating activities</b>		<b>8,722</b>	<b>(127)</b>
<b>B) INVESTMENT ACTIVITIES</b>			
Investments in activities			
- purchase of property, plant and equipment	13	(123)	(123)
- purchase and increase in intangible assets	14	(3,904)	(4,319)
- increase in other fixed assets		-	(4)
Disinvestment activities			
- transfers of property, plant and equipment	13	1	0
- transfers of assets available for sale		0	239
- Decrease in other fixed assets		0	7
Cashed Interest	9	71	81
Cashed dividends	9	326	732
<b>(B) - Cash flows from (used in) investment activities</b>		<b>(3,628)</b>	<b>(3,387)</b>
<b>C) FINANCING ACTIVITIES</b>			
Dividends paid	24	-	(2,694)
<b>(C) - Cash flows from (used in) financing activities</b>		<b>-</b>	<b>(2,694)</b>
(A+B+C) - Total cash and other equivalent assets flows		5,093	(6,208)
<b>Opening cash balances and equivalents</b>	30	<b>(2,129)</b>	<b>4,079</b>
<b>Closing cash balances and equivalents</b>	30	<b>2,965</b>	<b>(2,129)</b>

For the liquid asset and equivalent means reconciliation, refer to note 30

## **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 IFRS 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 2013, with the exception of the items described in the paragraph below – Accounting Standards paragraph, amendments and interpretations applied since 1st January 2014; 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 Financial Statement the company management formulates evaluations, estimates and hypotheses to apply the accounting standards which affect the amounts of credit and debit and the costs and revenues found in the Financial Statement. Estimates and their relative hypotheses are based on past experience and factors considered reasonable for the case concerned. Since they are estimates, the results obtained are not necessarily the same as the results portrayed.

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

#### **Accounting standards, amendments and interpretations applied since 1<sup>st</sup> January 2014**

Regulation (EU) No 1254/2012 adopted IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, as well the amended IAS 27 Separate Financial Statements and IAS 28 Investment in Associates and Joint Ventures. Each company shall apply IFRS 10, IFRS 11, IFRS 12, the amended IAS 27, the amended IAS 28, at the latest, as from the commencement date of its first financial year starting on or after 1 January 2014.

The objective of IFRS 10 is to provide a single consolidation model that identifies control as the assumption for



consolidation for all types of entities. IFRS 10 replaces *IAS 27 Consolidated and Separate Financial Statements* and Interpretation *SIC-12 Consolidation—Special Purpose Entities*.

IFRS 11 establishes principles for the financial reporting by parties to a joint arrangement, and replaces *IAS 31 Interests in Joint Ventures* and *SIC-13 Jointly Controlled Entities—Non-monetary Contributions by Venturers*.

IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

As a consequence of these new IFRSs, the IASB also issued the amended IAS 27 and IAS 28.

The adoption of the new standards had no impact on the consolidation of investments owned by the Group

There are no, or no significant, other matters and cases governed by standards, amendments and interpretations effective from 1<sup>st</sup> January 2014 approved by the IASB and IFRIC and published in the European Community's Official Gazette. No standards approved by the European Union, the application of which will be compulsory in the future, have been adopted in advance.

### **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.

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 deferrals 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.

Research costs are charged to the income statement in the period in which they are incurred.

The development costs of projects for the production of instrumental software, or those to be sold, are registered on the assets when they satisfy the following conditions: the costs can be reliably 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 cannot be capitalised, when sustained, are reported on the income statement.

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

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

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

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

## 2 Revenues

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

	31/12/2014		31/12/2013		Period variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	52,072	92.6%	46,972	91.5%	5,100	10.9%
Asset increases due to internal work	3,878	6.9%	4,211	8.2%	(332)	(7.9%)
Other revenue and receipts	289	0.5%	148	0.3%	140	94.6%
<b>Production value</b>	<b>56,239</b>	<b>100.0%</b>	<b>51,331</b>	<b>100.0%</b>	<b>4,908</b>	<b>9.6%</b>

The supply of services and sales of goods includes any income from the sale of licensed out software, maintenance services for software updating, the Application Management, the use of personalised applicative packages, the sale of hardware, consultancy services and information technology system design.

The 2014 financial period showed a significant increase in revenues of Euro 5,100 thousand (+10.9%), to reach a value of Euro 52,072 thousand (compared to Euro 46,972 thousand in 2013 financial period).

Sales and services revenues include Euro 1,904 thousand (Euro 1,786 thousand in previous period) towards CAD IT subsidiaries (see particulars in the Directors' management report and in the transactions with related parties note).

Increases in internal work capitalized under fixed assets came to Euro 3,878 thousand, compared to Euro 4,211 thousand in the 2013 financial period and included activities carried out by CAD IT (Euro 2,344 thousand), as well as those commissioned by CAD IT to its subsidiaries CAD (Euro 1,203 thousand), CeSBE (Euro 330 thousand) for the development of new procedures for sale on licence or instrumental for traditional activities.

Other revenues and earnings amounted to Euro 289 thousand, showing an increase compared to 2013 and include contributions allocated by interprofessional funds for financing of company training plans.

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	31/12/2014				
	Finance	Manufacturing	Not allocated/General	Elisions	Total
External revenues	53,734	831	1,674		56,239
Intersegment revenues	2,216			(2,216)	
Total revenues	55,950	831	1,674	(2,216)	56,239
Costs	(55,083)	(793)	(1,527)	2,216	(55,186)
Gross Operating Result (EBITDA)	6,236	38	147		6,422
Operating Result (EBIT)	867	38	147		1,053
Net financial income (expenses)			343		343
Revaluations and devaluations					
Result	867	38	490		1,396
Income taxes			(892)		(892)
Financial period profit (loss)	867	38	(402)		504
Assets	91,063		1,680		92,743
Liabilities	32,465		5,733		38,198

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

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 1.1% 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:

	31/12/2014	31/12/2013	Variations	%
Hardware-Software purchases for sale	100	163	(63)	(38.8%)
Maintenance and consumable hardware purchases	13	11	2	18.3%
Other purchases	209	214	(6)	(2.7%)
Variations in raw material stock	4	7	(3)	(49.7%)
<b>Total</b>	<b>325</b>	<b>395</b>	<b>(70)</b>	<b>(17.8%)</b>

#### 5 Service costs

	31/12/2014	31/12/2013	Variations	%
External collaboration	24,360	22,417	1,943	8.7%
Travelling expenses and fee reimbursement	1,150	1,208	(58)	(4.8%)
Other service costs	2,220	2,227	(7)	(0.3%)
<b>Total</b>	<b>27,729</b>	<b>25,852</b>	<b>1,877</b>	<b>7.3%</b>

Service costs in the 2014 financial period came to Euro 27,729 thousand, showing an increase of 7.3% compared to the previous year (Euro 25,852 thousand). Costs for external collaboration include Euro 18,317 thousand (previous period Euro 17,918 thousand) for costs towards subsidiaries.

The increase in costs for external collaborations in the year 2014 is due to the greater use of external service providers to ensure the commitment of activity on projects for clients and is therefore related to the increase in revenues.

Expenses and transfer fees suffered a decrease compared to 2013 settling at Euro 1,150 thousand, compared to Euro 1,208 thousand in the previous year.

Other service expenses to the amount of Euro 2,220 thousand were substantially in line with previous financial period and registered a slight decrease of 0.3% compared to previous year (Euro 2,227 thousand). This item mainly includes 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:

	31/12/2014	31/12/2013	Variations	%
Leases and rentals	246	252	(7)	(2.6%)
Misc. operating costs	121	101	20	20.0%
<b>Total</b>	<b>367</b>	<b>353</b>	<b>14</b>	<b>3.9%</b>

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

Other operating costs mainly include taxes and fees not related to the taxable income such as municipal tax on real estate, tax on indivisible services, registration taxes and taxes on waste (Euro 85 thousand), as well as expenses for periodicals and publications and donations (Euro 13 thousand).

## 7 Labour costs and Employees

Labour costs are as follows:

	31/12/2014	31/12/2013	Variations	%
Salaries and wages	14,873	13,994	879	6.3%
Social security contributions	4,410	4,235	175	4.1%
Severance indemnities	1,169	1,140	29	2.5%
Other costs	77	139	(62)	(44.7%)
<b>Total</b>	<b>20,529</b>	<b>19,508</b>	<b>1,021</b>	<b>5.2%</b>

Labour costs in 2014 financial period increased by Euro 1,021 thousand (+5.2%) compared to the previous year. The increase in labour costs is due to the increase in the average number of employees as well as to the application of increases in contractual remunerations.

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

Category of employees	labour force at 31/12/2014	labour force at 31/12/2013	labour force at 31/12/2012
Management	18	16	16
White-collars and cadres	297	277	277
Apprentices	16	6	2
<b>Total</b>	<b>331</b>	<b>299</b>	<b>295</b>

At the end of 2014, the number of CAD IT staff increased by 32 units, compared to the previous financial period, with a total number of 331 employees. The increase of personnel is mainly due to transition of employees from subsidiaries to the parent company CAD IT. To be precise, 41 people were employed during the period and 9 people were dismissed, thus determining the following turnover rates:

Employees turnover	2014	2013	2012
Negative turnover (Dismissed/employees at beginning of period)	3.0%	2.1%	1.0%
Positive turnover (Employed/employees at beginning of period)	13.7%	0.7%	4.2%
Total turnover ( $\Sigma$ turnover)	16.7%	2.7%	5.2%
Turnover compensation rate (Employed/Dismissed)	455.6%	300.0%	400.0%

The details relating to the average number of CAD IT employees are shown below; the average number of

employees increased by 13 units during the financial period.

Category of employees	Average number 2014	Average number 2013
Management	17	16
White-collars and cadres	288	277
Apprentices	7	5
<b>Total</b>	<b>312</b>	<b>299</b>

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

## 8 Other administrative costs

The table below shows the other administrative costs in detail.

	31/12/2014	31/12/2013	Variations	%
Directors fees	621	627	(6)	(1.0%)
Directors' fee contributions	34	25	9	37.2%
Telephone charges	201	202	(1)	(0.7%)
Commissions	0	9	(9)	(100.0%)
Advertising fees	11	49	(38)	(76.9%)
<b>Total</b>	<b>867</b>	<b>912</b>	<b>(45)</b>	<b>(5.0%)</b>

The other administrative expenses of Euro 867 thousand (-5.0% compared to the 2013 financial period) were mainly made up of directors remunerations for Euro 621 thousand (-1.0% compared to 2013) and the relative contributions of Euro 34 thousand, telephone charges of Euro 201 thousand (-0.7% compared to the 2013 financial period) and advertising costs to the amount of Euro 11 thousand (-76.9% compared to 2013). Further information on fixed and variable components of directors' remuneration are outlined in the Remuneration Report.

The other administrative costs include remunerations to related parties (see note 31).

## 9 Financial performance

The table below shows the details of financial performance.

	31/12/2014	31/12/2013	Variations	%
Dividends from investments in subsidiaries	155	570	(414)	(72.7%)
Dividends from investments in associates	170	163	8	4.8%
Interest on bank deposits and equivalent	66	70	(5)	(6.7%)
Other receipts and interest income	6	10	(5)	(46.4%)
<b>Total financial income</b>	<b>397</b>	<b>813</b>	<b>(416)</b>	<b>(51.2%)</b>
Interest on bank overdrafts and loans	(51)	(36)	(15)	(41.5%)
Other interest expense	(3)	(13)	11	80.4%
Foreign exchange losses	(0)	(1)	1	86.0%
<b>Total financial charges</b>	<b>(54)</b>	<b>(50)</b>	<b>(4)</b>	<b>(7.0%)</b>
<b>Net financial income and (charges)</b>	<b>343</b>	<b>762</b>	<b>(420)</b>	<b>(55.0%)</b>

Returns are made up of dividends from holdings in subsidiaries and associates to the amount of Euro 325 thousand,

showing a decrease compared to Euro 733 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 66 thousand compared to Euro 70 thousand in the previous year, as well as of other receipts and interest income for the remaining Euro 6 thousand.

Financial expenses, increasing compared to the previous year, mainly refer to temporary overdrafts on current accounts and interests on payment deferrals.

## 10 Revaluations and depreciations

During the year were not recorded revaluations and devaluations; the Euro 99 thousand revaluation amount registered in the 2013 period referred to capital gain from the alienation of assets available for sale.

## 11 Income taxes

	31/12/2014	31/12/2013	Variations	%
Tax pre-payments	(13)	26	(40)	(150.0%)
Deferred taxes	(14)	(408)	394	96.6%
Current taxes	919	747	172	23.0%
<b>Total income taxes</b>	<b>892</b>	<b>366</b>	<b>526</b>	<b>143.8%</b>
Incidence of total taxes on the gross pre-tax result	63.9%	79.0%		

The taxes ascribable to 2014 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.

<b>RECONCILIATION BETWEEN TAX EXPENSES IN THE BALANCE AND THEORETICAL TAX EXPENSES</b>					
	Theoretical rate	IRES	27.5%	IRAP	3.9%
		Taxable	Tax	Taxable	Tax
<b>Pre-tax result / theoretical tax</b>		<b>1,396</b>	<b>384</b>	<b>1,396</b>	<b>54</b>
<i>Temporary differences deductible in later financial periods</i>					
Directors' fees		144			
<i>Total temporary fiscal increasing variations</i>		144	40	0	0
<i>Reversal of temporary differences from previous years</i>					
TFR discounting back		51		0	
Directors' fees		(96)		0	
<i>Total temporary variations from previous periods</i>		(45)	(12)	0	0
<i>Permanent differences</i>					
To IRES / IRAP income increases		518		22,487	
To IRES / IRAP income decreases		(836)		(8,937)	
<i>Total permanent differences</i>		(317)	(87)	13,551	528
<b>Taxable fiscal income</b>		<b>1,177</b>		<b>14,946</b>	

Variations for greater IRAP regional tax rates				10
<b>Taxable income / tax on the period's income</b>	<b>1,177</b>	<b>324</b>	<b>14,946</b>	<b>593</b>
<b>Taxes's effective rate on the pre-tax result</b>		<b>23.2%</b>		<b>42.5%</b>
Greater (lesser) taxes previous financial periods		(1)		3
<b>Current taxes</b>		<b>323</b>		<b>596</b>
Prepaid and deferred taxes		(27)		0
<b>Income taxes</b>		<b>296</b>		<b>596</b>
Income taxes's effective rate on the pre-tax result	IRES	21.2%	IRAP	42.7%

Summary comprehensive effective tax charge	period 2014		period 2013	
IRES tax	324	23.2%	(120)	(25.8%)
IRAP tax	593	42.5%	538	116.1%
<b>Total taxes and effective rate</b>	<b>917</b>	<b>65.7%</b>	<b>418</b>	<b>90.3%</b>
Greater (lesser) taxes relating to previous financial periods	3		329	
<b>Total current taxes</b>	<b>919</b>		<b>747</b>	

## 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 weighted 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	2014	2013
Net profit (loss) ascribable to ordinary shares in thousands of Euro	504	97
Weighted average number of ordinary shares outstanding	8,980,000	8,980,000
<b>Net profit (loss) ascribable to ordinary shares for basic profit per share (Euro)</b>	<b>0.056</b>	<b>0.011</b>

## 13 Property, plant and equipment

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

	31/12/2014	31/12/2013	Variations	%
Land	1,527	1,527	0	-
Buildings	14,036	14,156	(120)	(0.8%)
Plant and equipment	852	991	(139)	(14.0%)
Other assets	323	344	(20)	(5.9%)
<b>Total property, plant and equipment</b>	<b>16,738</b>	<b>17,017</b>	<b>(279)</b>	<b>(1.6%)</b>

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

	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Other tangible fixed assets</i>	<i>Total</i>
Purchase or production cost	8,787	3,769	2,740	15,296
First time adoption revaluations	8,439	-	-	8,439
Previous years depreciation and write-downs	(1,543)	(2,779)	(2,396)	(6,718)
Adjustments to previous years write-downs	-	-	-	-
<b>Opening value</b>	<b>15,682</b>	<b>991</b>	<b>344</b>	<b>17,017</b>
Purchases	-	4	119	123
Transfers	-	-	-	-
Reduction in accumulated depreciation due to disposals	-	-	52	52
Disposals	-	-	(53)	(53)
Revaluations for the period	-	-	-	-
Depreciation and write-downs for the period	(120)	(143)	(138)	(401)
Adjustments to write-downs for the period	-	-	-	-
<b>Total tangible fixed assets</b>	<b>15,562</b>	<b>852</b>	<b>323</b>	<b>16,738</b>

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 119 thousand) was for "other tangible assets", voice that included the purchasing of information technology equipment, 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:

	<i>31/12/2014</i>	<i>31/12/2013</i>	<i>Variations</i>	<i>%</i>
Industrial patents	13,401	13,260	141	1.1%
Licences, trademarks and similar rights	115	204	(89)	(43.6%)
Intangible fixed assets under development	8,242	9,306	(1,065)	(11.4%)
<b>Total Intangible fixed assets</b>	<b>21,758</b>	<b>22,770</b>	<b>(1,013)</b>	<b>(4.4%)</b>

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

	<i>Industrial patents and similar rights</i>	<i>Licences, trademarks</i>	<i>Assets under development and payments on account</i>	<i>Total</i>
Purchase or production cost	32,029	1,972	9,306	43,307
Previous years revaluations	-	-	-	-
Previous years depreciation and write-downs	(18,769)	(1,768)	-	(20,537)
Adjustments to previous years write-downs	-	-	-	-
<b>Opening value</b>	<b>13,260</b>	<b>204</b>	<b>9,306</b>	<b>22,770</b>
Purchases	-	25	3,878	3,904
Transfers	4,943	-	(4,943)	-
Reduction in accumulated depreciation due to disposals	-	-	-	-
Disposals	-	-	-	-
Revaluations for the period	-	-	-	-
Depreciation and write-downs for the period	(4,802)	(114)	-	(4,916)
Adjustments to write-downs for the period	-	-	-	-
<b>Total intangible fixed assets</b>	<b>13,401</b>	<b>115</b>	<b>8,242</b>	<b>21,758</b>

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 4,943 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 4,802 thousand, increasing compared to Euro 4,166 thousand of 2013 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 25 thousand, while depreciation amounted to Euro 114 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

	<i>31/12/2014</i>	<i>31/12/2013</i>
in subsidiary companies	15,124	15,124
in associated companies	3	3
<b>Total Investments</b>	<b>15,127</b>	<b>15,127</b>

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.

### Investments in subsidiaries

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.	350,000	100.00%	(46)	3,290	3,290	12,938
CeSBE S.r.l.	10,400	62.11%	114	3,054	1,897	287
Elidata S.r.l.	20,000	51.00%	333	1,204	614	781
Datafox	99,999	51.00%	29	183	94	454
Smart Line S.r.l.	102,700	51.05%	44	727	371	664
Tecsit S.r.l. (*)	75,000	70.00%	1	54	38	53

(\*) Controlled through CAD 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%	721	1,452	363	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 2015-2017 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  $k_s = 7.01\%$ .



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

## 16 Credits due to prepaid taxes

Credits due to prepaid taxes have been recorded as assets in the current and previous periods, as will be probably the realization of a taxable income for which they can be used. Credits for prepaid 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 31.12.2013			Pre-paid taxes at 31.12.2014			Income statement (a-b)
	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	
Directors' fees	96	27.50%	26	48	27.50%	13	13
<b>Total</b>			<b>26</b>			<b>13</b>	<b>13</b>

## 17 Inventories

Leftover stock includes finished products and goods for a total amount of Euro 6 thousand, decreasing compared to the previous year.

## 18 Trade receivables and other credits

Commercial credits and other credits are made up as follows:

	31/12/2014	31/12/2013	Variations	%
Credits to clients	27,367	29,937	(2,570)	(8.6%)
Credit depreciation fund	(188)	(140)	(48)	(34.3%)
Credit towards subsidiaries	4,907	3,263	1,644	50.4%
Credits to associated companies	2	2	0	-
Accrued income and deferred expenses	464	157	307	195.9%
Other credits	158	281	(123)	(43.8%)
<b>Total trade receivables and other credits</b>	<b>32,709</b>	<b>33,499</b>	<b>(790)</b>	<b>(2.4%)</b>

% coverage credit depreciation fund	0.69%	0.47%
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Credits to clients are mainly in favour of banking, financial and insurance institutions and other group customers institutions; the accounting value of commercial credits and other credits is approximate to their *fair value*.

The high sum of credits towards clients is conditioned by the size of the value of the contracts, as well as the contractual terms of payment which may state that the payment 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 188 thousand which ensures a cover of 0.69% 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 4,921 thousand (of which Euro 4,907 thousand towards the Group's companies) were towards related parties, as explained in note 31.

The entry Accrued income and deferred expenses entirely refers to prepaid expenses made up of the following:

<i>Nature</i>	<i>31/12/2014</i>	<i>31/12/2013</i>
Software assistance	317	85
Expenses for leases and rentals	1	0
Telephone charges	14	16
Administrative services	4	5
Various insurances	7	7
Other various	88	16
Hardware assistance	33	27
<b>Total prepaid expenses</b>	<b>464</b>	<b>157</b>

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

<i>Credits towards other</i>	<i>31/12/2014</i>	<i>31/12/2013</i>	<i>Variations</i>	<i>%</i>
Receivables from social security institutions	11	10	1	9.9%
Payments on account to suppliers	142	265	(123)	(46.3%)
Other	4	5	(1)	(21.2%)
<b>Total credits towards other</b>	<b>158</b>	<b>281</b>	<b>(123)</b>	<b>(43.8%)</b>

## 19 Tax credits

The entry of Euro 1,641 thousand, showing a decrease compared to the previous period (Euro 1,887 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 166 thousand).

## 20 Cash and other equivalent assets

	31/12/2014	31/12/2013	Variations	%
Bank and postal accounts	2,088	1,065	1,023	96.1%
Cash-on-hand and cheques	5	3	3	102.1%
Insurance policies capitalized	2,618	2,555	64	2.5%
<b>Total Cash and other equivalent assets</b>	<b>4,711</b>	<b>3,622</b>	<b>1,090</b>	<b>30.1%</b>

The bank and postal account deposits are made up of cash-on-hand in current bank accounts for Euro 2,088 thousand, increasing by Euro 1,023 thousand compared to 31<sup>st</sup> 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%.

## 21 Company capital

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

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

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

CAD IT's net patrimony at 31<sup>st</sup> December 2014, including the financial period result, came to Euro 54,545 thousand compared to Euro 54,585 thousand at 31<sup>st</sup> December 2013.

## 22 Reserves

The capital reserves are made up entirely of share premium reserve.

## 23 Accumulated profit/losses

	31/12/2014	31/12/2013	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	10,925	10,828	97	0.9%
Revaluation liabilities reserve for defined benefit	(438)	105	(543)	(516.9%)
Period profits/losses	504	97	406	416.7%
<b>Total accumulated profits/losses</b>	<b>14,629</b>	<b>14,669</b>	<b>(40)</b>	<b>(0.3%)</b>

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 97 thousand due to the effect of allocation to reserve the profit of previous year.

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 21,642 thousand to cover for long-term costs that have not yet been amortized (art. 2426, no. 5 c.c.).

Nature/description	Amount at 31.12.2014	Use possibility (*)	Available Amount	Summary of the uses made in the three previous financial periods:	
				for loss coverage	for other reasons
<b>Capital</b>	4,670				
<b>Capital reserves:</b>					
Share premium reserve	35,246	a - b - c	35,246	-	-
<b>Riserve di utili:</b>					
Legal reserve	934	b	-	-	-
Available reserve of undivided profits	10,925	a - b - c	10,925	380	-
Valuation reserve for financial assets available for sale	0	-	-	-	-
Revaluation liabilities reserve for defined benefit	(438)	-	-	-	-
IAS transition reserve	2,119	-	-	-	-
Profits of previous periods	585	-	-	-	-
Profit of current period	504	a - b - c	504		
<b>Total</b>	<b>54,545</b>		<b>46,675</b>	<b>380</b>	<b>-</b>
Amount that can not be distributed			21,642		
Remaining amount distributable			25,033		
(*) legend: a = company capital increase    b = loss coverage    c = shareholder distribution					

## 24 Dividends paid and decided

During 2014 no dividends were decided and paid to CAD IT Shareholders.

## 25 Liabilities due to deferred taxes

Deferred taxes amounted to Euro 2,802 thousand (2,816 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 31.12.2013			Deferred tax at 31.12.2014			Income statement (a - b)
	Taxable	Rate	Tax (a)	Taxable	Rate	Tax (b)	
TFR discounting back	169	27.50%	46	118	27.50%	32	(14)
Land revaluation	388	31.40%	122	388	31.40%	122	0
Land depreciation	72	27.50%	20	72	27.50%	20	0
Building revaluation	8,051	31.40%	2,528	8,051	31.40%	2,528	0
Building depreciation	438	27.50%	120	438	27.50%	120	0
Systems depreciation	(66)	31.40%	(21)	(66)	31.40%	(21)	0
<b>Total</b>			<b>2,816</b>			<b>2,802</b>	<b>(14)</b>

## 26 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	31/12/2014	31/12/2013
at 1 January	3,239	3,265
Interest cost	94	105
Benefits paid	(126)	(109)
Actuarial (gains)/losses	543	(23)
Transfer in/(out)	210	-
<b>Closing balance</b>	<b>3,960</b>	<b>3,239</b>

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.

	31/12/2014	31/12/2013
<b>Economic assumptions</b>		
Annual discount rate	1.49%	3.17%
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%
<b>Demographic data</b>		
Death	Mortality tables RG48 General Accounting Office	
Disability	Tables INPS	

Retirement	100% to the waging requirements AGO		
<b>Technical bases turnover and advances</b>			
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.

The average maturity (*duration*) of debt is 15.0 years.

The following table shows the sensitivity analysis for the main evaluation parameters.

<i>Change in actuarial assumptions</i>	<i>Value of severance pay</i>
Turnover rate +1%	3,887
Turnover rate -1%	3,963
Inflation rate +0.25%	3,997
Inflation rate -0.25%	3,850
Discount rate +0.25%	3,806
Discount rate -0.25%	4,044

## 27 Commercial debts

The entire point shows the following trend:

	31/12/2014	31/12/2013	Variations	%
Debts towards subsidiaries	17,906	17,211	695	4.0%
Debts towards associated companies	450	105	345	326.9%
Debts towards suppliers	3,577	3,303	274	8.3%
Accrued expenses and deferred income	928	582	346	59.4%
<b>Total Commercial debts</b>	<b>22,861</b>	<b>21,202</b>	<b>1,659</b>	<b>7.8%</b>

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 18,229 thousand are towards related parties, almost entirely towards the Group's companies (17,906) as also indicated in note 31.

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.

## 28 Tax debts

The entry of Euro 2,932 thousand (Euro 2,501 thousand in the previous period) includes the debt for IRES (Euro 605 thousand), IRAP (Euro 43 thousand), for value added tax (Euro 1,277 thousand) and the withholding taxes applied by the company for tax substitution activities towards employees and collaborators (Euro 1,007 thousand).

## 29 Other debts

Details of other debts are as shown:

	31/12/2014	31/12/2013	Variations	%
Social security charges payable	1,562	1,556	6	0.4%
Towards directors	144	103	41	39.8%
Towards staff for deferred salaries and pay	2,191	2,173	18	0.8%
Other	0	48	(48)	(100.0%)
<b>Total other debts</b>	<b>3,897</b>	<b>3,880</b>	<b>18</b>	<b>0.5%</b>

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

<i>Debt towards staff for wages and deferred pay</i>	31/12/2014	31/12/2013	Variations	%
For wages and expense accounts	825	625	201	32.1%
For holidays	867	1,071	(204)	(19.0%)
For thirteenth month (year-end bonus)	0	0	0	-
For fourteenth month (summer bonus)	498	476	21	4.5%
<b>Total</b>	<b>2,191</b>	<b>2,173</b>	<b>18</b>	<b>0.8%</b>

### 30 Net financial position

The net financial position at the end of the period 2014 was in credit by Euro 2,965 thousand, compared to a negative net financial position of Euro 2,129 thousand at 31/12/2013.

Since there is no long-term financing, the net financial position will shortly coincides with the total financial position.

	31/12/2014	31/12/2013	Variations	%
Cash-on-hand and at bank	2,093	1,067	1,026	96.1%
Capitalization insurance policies	2,618	2,555	64	2.5%
Payables due to banks current portion	(1,747)	(5,751)	4,004	69.6%
<b>Net short-term financial position/(indebtedness)</b>	<b>2,965</b>	<b>(2,129)</b>	<b>5,093</b>	<b>239.3%</b>
Long-term loans	0	0	0	-
<b>Net long-term financial position/(indebtedness)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Net financial position/(indebtedness)</b>	<b>2,965</b>	<b>(2,129)</b>	<b>5,093</b>	<b>239.3%</b>

In particular, cash-on-hand and in bank accounts came to Euro 2,093 thousand. Capitalization insurance policies of Euro 2,618 thousand were contractually available on 20-day prior request with no significant collection costs. Short-term debts towards banks amounted to Euro 1,747 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 cash flow statement, generating flows of financial assets (Euro +5,093 thousand) was determined by the following managements:

- operational management activities generated a positive flow of Euro 8,722 thousand (compared to a negative flow of Euro 127 thousand in previous year) due to self-financing (net result plus depreciations) net of non-monetary items;
- investment activities absorbed Euro 3,628 thousand (compared to Euro 3,387 thousand in 2013) for investments in intangible assets (Euro 3,904 thousand) and tangible assets (Euro 123 thousand), partly compensated by cashed-in interests and dividends (Euro 71 thousand and Euro 326 thousand respectively).



### 31 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 2014 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 2014	Total	Related Parties	
		Absolute value	% on Tot.
<b>A) Transaction or position incidence with correlated parties on entries in the Profit and Loss account</b>			
Income from sales and services	52,072	1,918	3.7%
Other revenue and receipts	289	52	18.0%
Service costs	(27,729)	(19,145)	69.0%
Labour costs	(20,529)	(690)	3.4%
Other administrative expenses	(867)	(758)	87.4%
Financial income	397	331	83.4%
<b>B) Transaction or position incidence with correlated parties on entries in the Patrimonial situation</b>			
Commercial credits and other credits	32,709	4,921	15.0%
TFR and pension funds	3,960	130	3.3%
Commercial debts	22,861	18,229	79.7%
Other debts	3,897	216	5.5%
<b>C) Transaction or position incidence with correlated parties on financial flows</b>			
Cashed dividends	326	326	100.0%

Income from sales and services with related parties mainly concern services carried out towards subsidiaries companies (Euro 1,904 thousand).

Service costs towards related parties mainly include services carried out by subsidiaries companies (Euro 18,317 thousand) and Sicom (Euro 567 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 158 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 4,907 thousand).

Debts to related parties were mainly made up of commercial debts, for services (Euro 17,906 thousand), debts towards employees for pay and pay accruals (Euro 72 thousand) and severance indemnities (Euro 130 thousand) and debts towards Board Members (Euro 144 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 2013 financial period.

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%

### 32 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*.

### 33 Guarantees provided

In regard to credit lines granted to CAD IT by banking institutes and not used at 31/12/2014, 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 3,335 thousand towards customers and to Euro 232 thousand towards suppliers.

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.

### 34 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 12th March 2015 and will be an item for approval at the shareholders' meeting to be held on 29th April 2015.

### **35      *Important events since 31/12/2014***

There were no significant events subsequent to the date of this financial report.

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 Michele Miazzi, 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 2014 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, 12 March 2015

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

/s/ Michele Miazzi  
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 2014 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.

<i>Type of service</i>	<i>Receiver</i>	<i>Subject that carried out the service</i>	<i>2014 financial period audit fees (in euro)</i>
Accounting audit	CAD IT S.p.A.	BDO S.p.A.	12,990
Accounting audit	Subsidiaries	BDO S.p.A.	53,768
<b>Total</b>			<b>66,758</b>

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<sup>3</sup>

### 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:** € 350,000.00 fully paid in

**% OF INVESTMENT OF CAD IT SPA:** 100%

	<i>(in euro)</i>	<b>31/12/2014</b>	<b>31/12/2013</b>
TURNOVER		12,886,013	11,086,234
GROSS OPERATING RESULT		393,204	300,353
NET OPERATING PROFIT		339,228	291,591
NET FINANCIAL INCOME AND CHARGES		(13,105)	92
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION		326,123	291,683
NET PROFIT / (LOSS) FOR THE YEAR		(30,845)	24,609
NET TANGIBLE FIXED ASSETS		136,569	18,003
NET WORKING CAPITAL		5,974,131	5,619,757
NET INVESTED CAPITAL		3,857,415	3,437,713
EMPLOYEES' LEAVING ENTITLEMENT		2,253,285	2,200,047
EQUITY		3,629,651	3,446,646
NET SHORT-TERM FINANCIAL POSITION/( INDEBTEDNESS)		(227,764)	8,933

<sup>3</sup> Data calculated in accordance with national accounting standards

**CESBE SRL****REGISTERED OFFICE:** Via Torricelli, 44/A - 37136 VERONA**QUOTA CAPITAL:** € 10,400.00 fully paid in**% OF INVESTMENT OF CAD IT SPA:** 62.11%

	<i>(in euro)</i>	<b>31/12/2014</b>	<b>31/12/2013</b>
TURNOVER		3,954,541	3,916,236
GROSS OPERATING RESULT		247,198	291,658
NET OPERATING PROFIT		246,170	290,323
NET FINANCIAL INCOME AND CHARGES		3,200	13,659
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION		249,370	303,982
NET PROFIT / (LOSS) FOR THE YEAR		120,390	153,105
NET TANGIBLE FIXED ASSETS		3,999	5,007
NET WORKING CAPITAL		3,869,959	4,099,092
NET INVESTED CAPITAL		3,083,620	3,370,740
EMPLOYEES' LEAVING ENTITLEMENT		790,338	733,359
EQUITY		3,252,428	3,382,038
NET SHORT-TERM FINANCIAL POSITION/( INDEBTEDNESS)		168,808	11,298

**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%

	<i>(in euro)</i>	<b>31/12/2014</b>	<b>31/12/2013</b>
TURNOVER		1,607,389	1,558,065
GROSS OPERATING RESULT		145,085	142,695
NET OPERATING PROFIT		108,116	103,678
NET FINANCIAL INCOME AND CHARGES		9	10
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION		108,125	103,688
NET PROFIT / (LOSS) FOR THE YEAR		48,309	49,186
NET TANGIBLE FIXED ASSETS		122,385	150,502
NET WORKING CAPITAL		1,011,660	910,534
NET INVESTED CAPITAL		761,650	705,850
EMPLOYEES' LEAVING ENTITLEMENT		372,395	355,186
EQUITY		771,438	723,129
NET SHORT-TERM FINANCIAL POSITION/( INDEBTEDNESS)		9,788	17,279

**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%

	<i>(in euro)</i>	<b>31/12/2014</b>	<b>31/12/2013</b>
TURNOVER		1,893,527	1,434,713
GROSS OPERATING RESULT		581,455	181,052
NET OPERATING PROFIT		537,995	147,024
NET FINANCIAL INCOME AND CHARGES		308	1,836
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION		538,303	148,860
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>		<b>334,869</b>	<b>71,550</b>
NET TANGIBLE FIXED ASSETS		400,290	344,686
NET WORKING CAPITAL		366,846	501,151
NET INVESTED CAPITAL		597,647	698,720
EMPLOYEES' LEAVING ENTITLEMENT		169,489	147,117
EQUITY		1,090,436	755,567
NET SHORT-TERM FINANCIAL POSITION/( INDEBTEDNESS)		562,227	111,898

**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%

	<i>(in euro)</i>	<b>31/12/2014</b>	<b>31/12/2013</b>
TURNOVER		572,218	436,752
GROSS OPERATING RESULT		58,534	(46,779)
NET OPERATING PROFIT		45,288	(49,575)
NET FINANCIAL INCOME AND CHARGES		3	5
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION		45,291	(49,570)
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>		<b>28,287</b>	<b>(37,510)</b>
NET TANGIBLE FIXED ASSETS		6,313	5,274
NET WORKING CAPITAL		211,470	182,918
NET INVESTED CAPITAL		192,260	167,850
EMPLOYEES' LEAVING ENTITLEMENT		25,523	20,342
EQUITY		197,704	169,417
NET SHORT-TERM FINANCIAL POSITION/( INDEBTEDNESS)		5,444	1,567

**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%

<i>(in euro)</i>	<b>31/12/2014</b>	<b>31/12/2013</b>
TURNOVER	158,208	329,768
GROSS OPERATING RESULT	13,697	38,354
NET OPERATING PROFIT	12,245	36,387
NET FINANCIAL INCOME AND CHARGES	(7,069)	(21,095)
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION	5,176	15,292
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>	<b>685</b>	<b>1,582</b>
NET TANGIBLE FIXED ASSETS	3,249	4,158
NET WORKING CAPITAL	(52,709)	117,734
NET INVESTED CAPITAL	(49,460)	112,139
EMPLOYEES' LEAVING ENTITLEMENT	0	9,753
EQUITY	54,048	53,362
NET SHORT-TERM FINANCIAL POSITION/( INDEBTEDNESS)	103,508	(58,777)

**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%

	<i>(in euro)</i>	<b>31/12/2014</b>	<b>31/12/2013</b>
TURNOVER		4,443,136	4,000,677
GROSS OPERATING RESULT		1,127,236	1,053,855
NET OPERATING PROFIT		1,104,934	1,039,907
NET FINANCIAL INCOME AND CHARGES		18,171	11,546
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXATION		1,123,105	1,051,453
NET PROFIT / (LOSS) FOR THE YEAR		720,503	693,473
NET TANGIBLE FIXED ASSETS		1,139,637	1,552,383
NET WORKING CAPITAL		(235,470)	(145,544)
NET INVESTED CAPITAL		585,594	1,148,554
EMPLOYEES' LEAVING ENTITLEMENT		318,573	258,285
EQUITY		1,452,338	1,413,032
NET SHORT-TERM FINANCIAL POSITION/( INDEBTEDNESS)		866,744	264,478

**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, 2014. 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.  
  
For the opinion on the financial statements of prior year, the data of which are presented for comparative purposes, reference should be made to our auditor's report issued on March 21, 2014.
3. In our opinion, the statutory financial statements of CAD IT S.p.A. as of December 31, 2014 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, 2014.

Verona, March 19, 2015

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 31/12/2014 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 31/12/2014.

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 2014 non vi sono state significative variazioni organizzative aziendali nel Gruppo fatta eccezione per la nomina del nuovo dirigente preposto alla redazione dei documenti contabili societari, per motivi di salute del precedente dirigente, e per la nomina conseguente del nuovo responsabile della funzione internal audit;
  - 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 2014, 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 copogruppo 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 31 delle note di bilancio. Le stesse informazioni sono altresì contenute al punto 36 delle note di bilancio consolidato al netto delle elisioni effettuate dei rapporti infragruppo;

- in data 19 marzo 2015 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 società controllate in corso d'anno divenute tre alla data del 31 dicembre 2014 a seguito della fusione tra Cad srl e DQS srl; 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 società controllate di cui sopra.

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 4 (quattro), ad un'assemblea dei soci, a 4 (quattro) riunioni del comitato di controllo e rischi;

- nel corso del 2014 non sono pervenute denunce ex articolo 2408 codice civile o esposti da parte di azionisti;
- 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:

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

Per quanto concerne il bilancio d'esercizio, che presenta un utile di Euro 504 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.

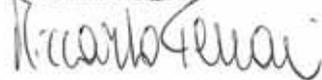
Tenuto conto di quanto evidenziato e per quanto di nostra competenza riteniamo il bilancio, unitamente alla proposta del consiglio di amministrazione sulla destinazione dell'utile suscettibile di approvazione.

Con l'approvazione del bilancio al 31 dicembre 2014 termina l'incarico conferito alla società di revisione; abbiamo perciò proceduto, ai sensi dell'art. 13 del D.Lgs. 27 gennaio 2010, n. 39, a formulare una proposta motivata per il conferimento del nuovo incarico.

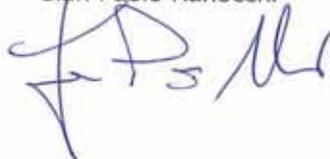
Vi ricordiamo infine che con l'approvazione del bilancio al 31 dicembre 2014 termina il nostro incarico; Vi invitiamo pertanto a procedere alla nomina del nuovo collegio sindacale.

Verona, li 23 marzo 2015

Riccardo Ferrari

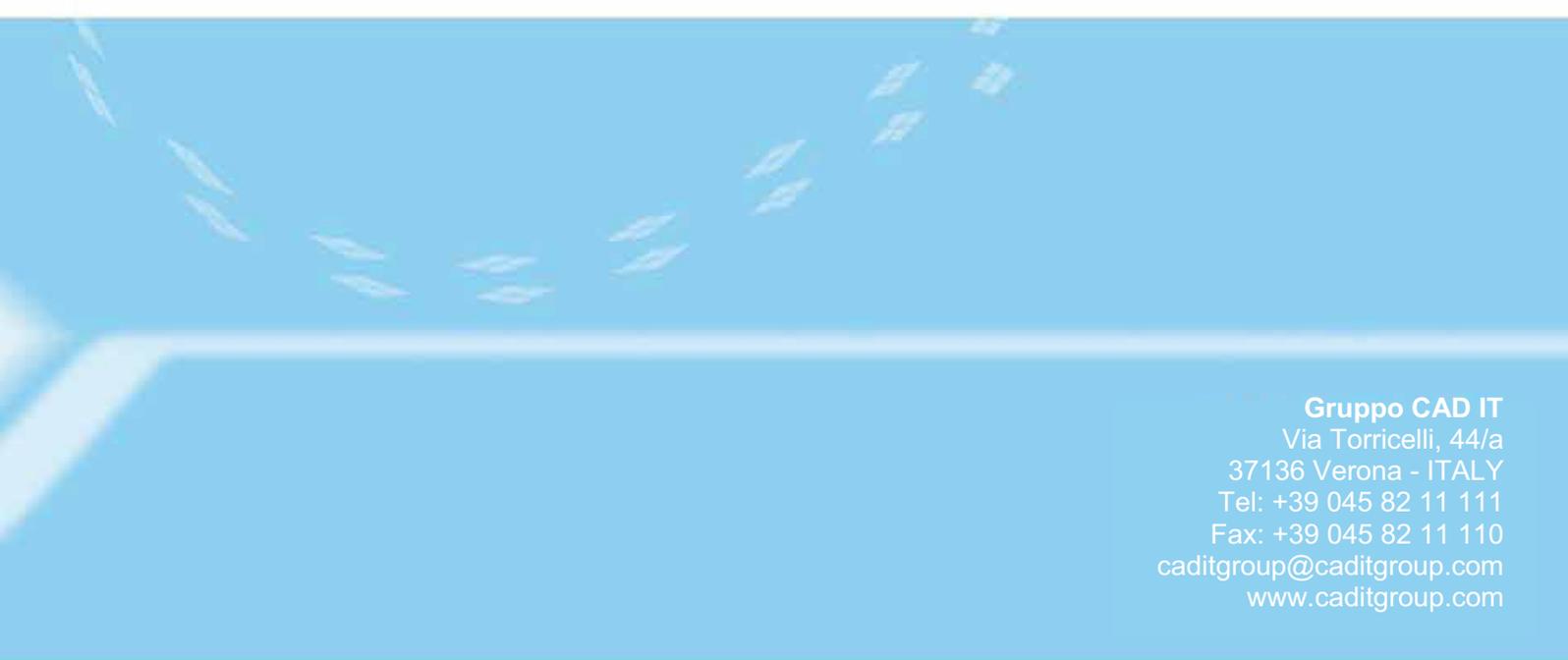


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