CAD IT S.p.A.

Half-yearly Financial Report
at 30th June 2015

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

CAD IT
INFORMATION TECHNOLOGY

CAD IT S.p.A.

Registered office in Verona, Via Torricelli N. 44/a
Share capital € 4,669,600 fully paid in
Tax code and Verona Company Register N. 01992770238
Chamber of Commerce REA N. 210441

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Half-Yearly Financial Report at 30/06/2015

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

BOARD OF DIRECTOR AND AUDITORS

BOARD OF DIRECTORS (1)

GIUSEPPE DAL CORTIVO
Chairman and Managing Director

LUIGI ZANELLA
Vice Chairman and Managing Director

GIAMPIETRO MAGNANI
Vice Chairman and Managing Director

PAOLO DAL CORTIVO
Managing Director

GIULIA DAL CORTIVO
Managing Director

MAURIZIO RIZZOLI (2)
Director

THOMAS BURKHART
Director

LAMBERTO LAMBERTINI (2)
Director and lead independent director

ALESSANDRA PEDROLLO (2)
Independent Director

GIAN PAOLO TOSONI
Independent Director

STATUTORY AUDITORS (1)

CHIARA BENCIOLINI
Chairman

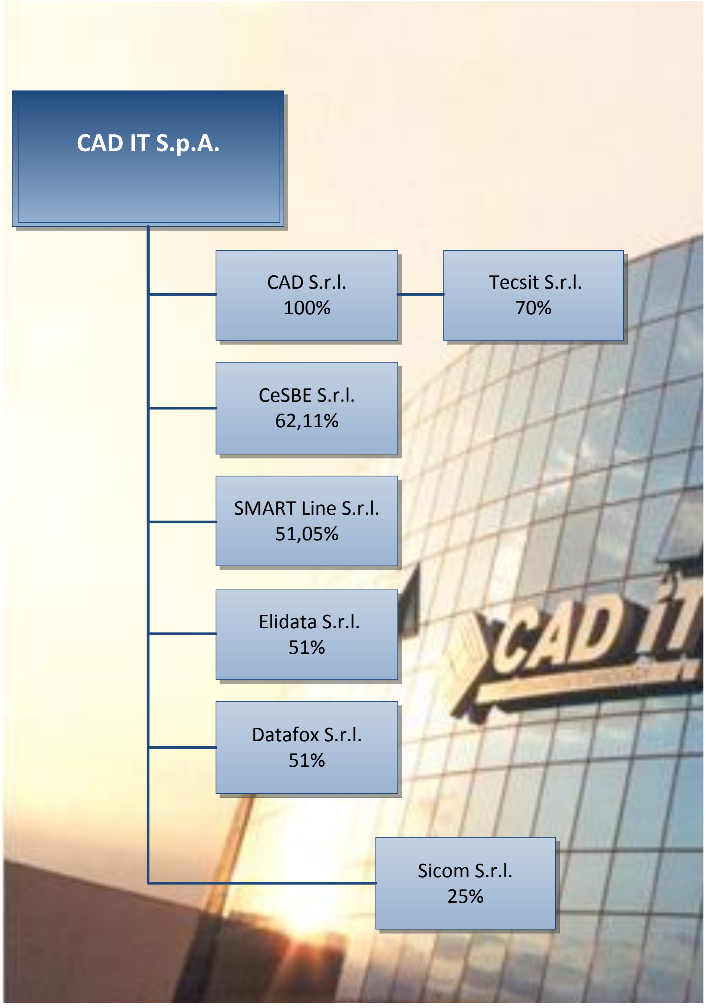
GIAN PAOLO RANOCCHI
Statutory Auditor

RENATO TENGATTINI
Statutory Auditor

AUDITORS: PKF ITALIA S.p.A.

(1) Appointed on 29 April 2015; office expires with the shareholders' meeting for the approval of the 2017 financial statements.
(2) Member of the Control and Risk Committee; member of the Nominating and Compensation Committee.

The main powers reserved in the statute to the Board of Directors are the examination and approval of the strategic, industrial and financial plans of the company;the purchase, sale, exchange or transfer of fixed assets and real estate rights; the granting of collateral on fixed assets; the set up of new subsidiaries and the take-over, acquisition or sale of corporate investments; the acquisition, sale, exchange or transfer of the whole company or of business lines; the underwriting of obligations, commitments and responsibilities which, either singularly or jointly with other connected negotiations, come to more than €4,000,000; the nomination of managing directors; the release of warranties and real or personal guarantees of any kind to the sum of more than €2,000,000 for each individual transaction and, if in the interest of subjects other than the Company and its subsidiaries, to any sum whatsoever; the examination and preventive approval of significant transactions including those with company related parties and company subsidiaries; verification of the appropriateness of the administrative and organisational structure and the general accounting, the internal control system and any conflicts of interest.
The Chairman and Managing Director of the parent company CAD IT S.p.A., Giuseppe Dal Cortivo, is authorised to perform all ordinary and extraordinary administrative duties, excluding only those which can not be delegated by law and those assigned to the Board of Directors by article 19 of the company by-laws.
The Vice-Chairmen Giampietro Magnani and Luigi Zanella, pursuant to article 20 of the company by-laws, carry out vicarious functions to those of the President in case of his absence or impediment.The managing directors, Giampietro Magnani and Luigi Zanella, will have full ordinary administrative power including the faculty to prepare reports and to order banking transactions, within the limits of account availability and credit worthiness with the power to act alone for each individual transaction to the amount of Euro 2,000,000 (two million) and with the joint signature of another managing director for each individual transaction to the amount of Euro 4,000,000 (four million); furthermore, the aforementioned directors will have the power and faculty, with their single free signature, to purchase and/or sell registered assets, with the exception of boats and airplanes of any kind.
The Managing Director Paolo Dal Cortivo will have full ordinary administrative power including the faculty to prepare reports and to order banking transactions, within the limits of account availability and credit worthiness, with the power to act alone for each individual transaction to the amount of Euro 2,000,000 (two million) and with the joint signature of another managing director for each individual transaction to the amount of Euro 4,000,000 (four million). The said Managing Director will have ordinary administrative power to represent the Company in terms of relations with institutional investors and shareholders as well as with Borsa Italiana S.p.A. and Consob, by sending them communications and information, including anything required by the laws in force and/or the international best practice rules in respect of the laws and rules themselves and any internal regulations.
The Managing Director Giulia Dal Cortivo has been delegated to matters concerning the management of the Company's employees as well as the employees of its subsidiaries CAD Srl, Cesbe Srl, Datafox Srl and Smart Line Srl; the Managing Director, Giulia Dal Cortivo, has also been entrusted with the management - as the person in charge - of CAD IT Group's legal and corporate affairs and company secretarial and administrative matters.



CAD IT Group at 30/06/2015

PRELIMINARY REMARKS

This six-monthly financial report has been drafted in accordance with Leg. Dec. 58/1998 and subsequent modifications and laid out to conform to the provisions issued in art. 9 of Leg. Dec. no. 38/2005, as well as observing Consob regulation no. 11971 of 14th May 1999 and subsequent modifications and integrations.

The six-monthly financial report laid out to conform with the applicable International accounting standards recognised by the European Community as in accordance with the EC regulation no. 1606/2002 of the European Parliament and Council on 19th July 2002 and in particular with IAS 34 – Interim Financial Reporting. The report was drafted by applying the same accounting standards used for drafting the Consolidated Balance at 31st December 2014, with the exception of the items described in the explanatory notes – Accounting Standards paragraph, amendments and interpretations applied since 1st January 2015.

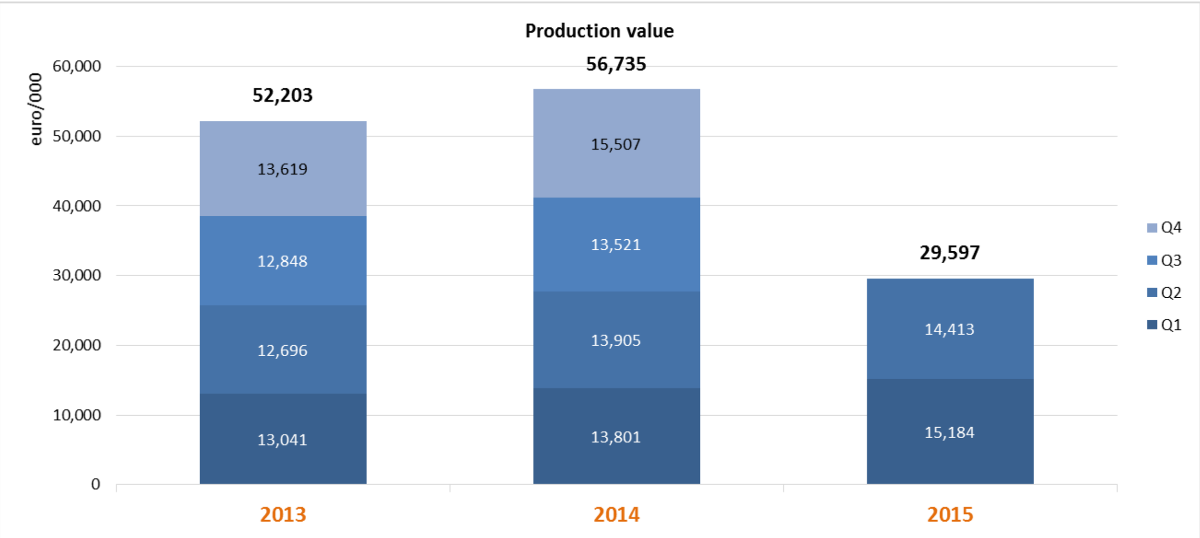
The six-monthly financial report includes the summarised six-monthly balance, an intermediary report on the management, the declarations provided for in article 154-bis, paragraph 5 and the auditing company's report on the aforementioned summarised balance.

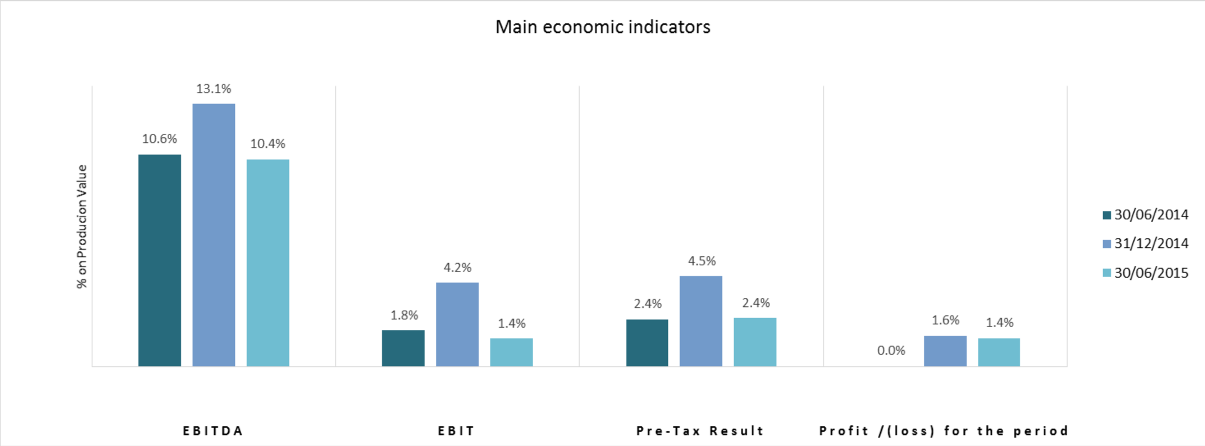
Unless otherwise indicated, the monetary quantities in the accounting tables and those in the notes, are shown rounded off to the nearest thousand euro. The totals and subtotals of the statements presented are determined by rounding the sum of the point data. The percentage figures shown are calculated using the non-rounded off figures.

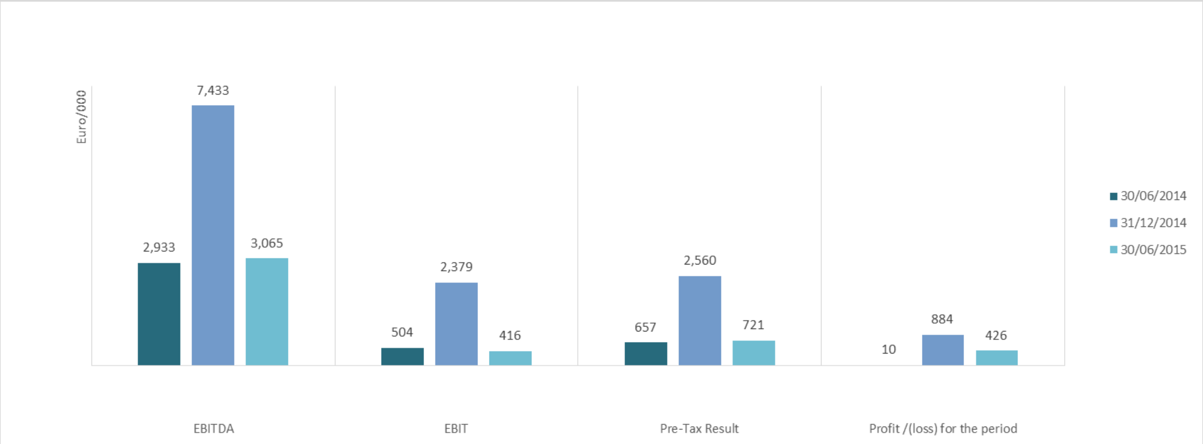
SUMMARY OF THE GROUP'S RESULTS AND DATA

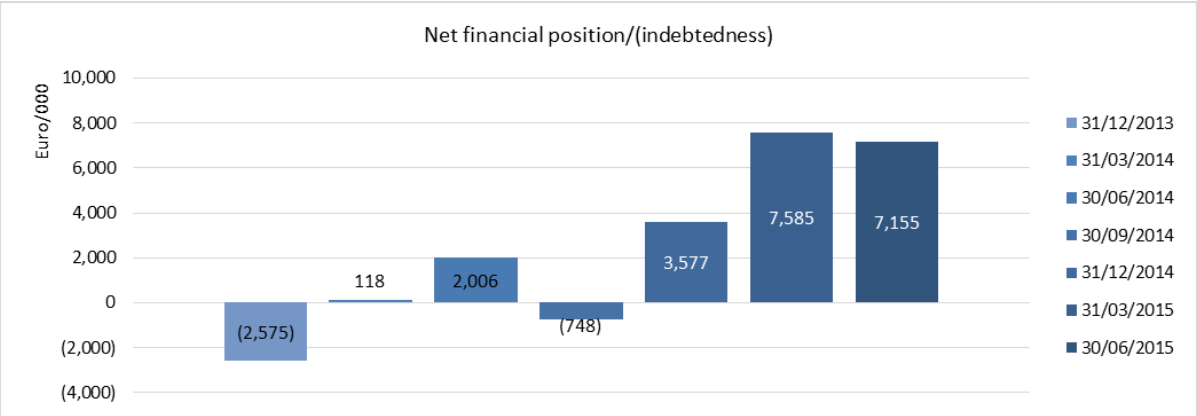
	First Half 2015		First Half 2014		Variations	
	€/000	% PV	€/000	% PV	€/000	%
Production value	29,597	100.0%	27,706	100.0%	1,891	+ 6.8%
Added value	22,704	76.7%	21,677	78.2%	1,027	+ 4.7%
Gross operational result (EBITDA)	3,065	10.4%	2,933	10.6%	131	+ 4.5%
Operational result (EBIT)	416	1.4%	504	1.8%	(88)	- 17.4%
Ordinary result	478	1.6%	494	1.8%	(16)	- 3.2%
Pre-tax result	721	2.4%	657	2.4%	64	+ 9.7%
Income taxes	(295)	(1.0%)	(647)	(2.3%)	352	+ 54.4%
Profit (loss) for the period	426	1.4%	10	0.0%	416	+ 4287.3%
Profit/(loss) for the period attributable to owners of the parent	**265**	**0.9%**	**(69)**	**(0.2%)**	**334**	**+ 484.8%**
Total comprehensive income	1,045		(780)		1,825	+ 234.1%
Total comprehensive income attributable to owners of the parent	**820**		**(790)**		**1,610**	**+ 203.8%**

	30/06/2015	31/12/2014	30/06/2014
Total Assets	86,341	83,671	87,890
Total Equity	54,815	55,041	54,653
Equity attributable to owners of the parent	52,480	52,831	52,560
Net short-term financial position/(indebtedness)	8,664	3,577	2,006
Net financial position / (indebtedness)	7,155	3,577	2,006
Employees at the end of the period (number)	630	621	611
Employees (average number in the period)	627	614	612




Main economic indicators
% on Producion Value
13.1%
10.6%
10.4%
4.2%
1.8%
1.4%
4.5%
2.4%
2.4%
1.6%
1.4%
0.0%
30/06/2014
31/12/2014
30/06/2015
EBITDA
EBIT
Pre-Tax Result
Profit /(loss) for the period


Euro/000
7,433
2,933
3,065
2,379
504
416
2,560
657
721
884
426
10
30/06/2014
31/12/2014
30/06/2015
EBITDA
EBIT
Pre-Tax Result
Profit /(loss) for the period


Net financial position/(indebtedness)
Euro/000
10,000
8,000
6,000
4,000
2,000
0
(2,000)
(4,000)
(2,575)
118
2,006
(748)
3,577
7,585
7,155
31/12/2013
31/03/2014
30/06/2014
30/09/2014
31/12/2014
31/03/2015
30/06/2015

INTERIM MANAGEMENT REPORT

This intermediary report on management accompanies CAD IT Group's summarised six-monthly balance at 30th June 2015 and contains references to important events that have occurred during the first six months of the financial period and their incidence on the summarised six-monthly balance, together with a description of the main risks and uncertainties that may occur in the remaining six months to come. The interim management report also contains information on the relevant and correlated party transactions as well as an indication of significant (or relevant) transactions that occurred up to the moment of drafting the report.

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 main operating offices are in Via Torricelli 44/a, Verona. The company is registered in the Verona Company Register under no. 01992770238. Share capital amounts to € 4,669,600, fully subscribed and paid-in, and comprises 8,980,000 ordinary shares. There are no other action categories. These shares are nominal and cannot be divided. Each of them entitles to one vote in the ordinary and extraordinary meetings of the company and to the execution of all other corporate and property rights in accordance with the law and the company's by-laws. The company is listed in the STAR segment of MTA market of the Italian stock exchange, segment conceived for mid size companies that voluntarily comply with requirements of excellence in terms of information transparency, communication, liquidity of free float and Corporate Governance, in line with best international standards.
CAD IT S.p.A. is not subject to the control of any other company, as provided by article 2359 of the Italian Civil Code and it is fully responsible for defining it own general and operational strategic policies. CAD IT S.p.A. manages and coordinates its own subsidiaries.
The CAD IT Group operates in Italy with its own branches and companies in Verona, Milan, Rome, Prato and Padova.

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 1,000 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), 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.

SOS

Banca d'Italia has reviewed the entire collection and management system for suspicious transaction alerting. This new system aims at improving the quality of the alerts by ensuring greater uniformity and completeness as well as shortening the analysis and investigation procedures. An important new factor in the way that information flows with alerting parties are exchanged is the introduction of the standard XBRL format and the use of the Banca d'Italia portal.
The SOS system is natively integrated within CAD IT's "Anti money laundering" module but can also be independently interfaced with the bank's internal systems.
CAD IT's SOS system aims at making it easier to collect and integrate the data required for executing an alert by providing access to external files such as General Data, the Single Computerised File and the "unexpected" lists in the "Gianos" procedure.
An alert follows a route that generally starts from the branch in which the minimal data is collected, then goes to the central offices responsible for inserting other additional elements and ends with the production of files in the XBRL format, ready to be sent to the UIF.
The SOS software is able to memorise each individual stage, thus ensuring that the entire operation is archived.

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.

BitFinder

Bitfinder is a full text search engine that searches contents that may be present in any application, system, network or platform. BitFinder replaces the various tools that provide vertical search services on single applications with one single system able to carry out searches and group information and content from the most varied internal and external sources.
A powerful syntax allows specialised and personalised searches to be carried out for different contexts through the use of words, phrases, proximity operators, logic operators, regular weights and expressions.
Third party applications therefore have the chance to enrich their own functions by integrating BitFinder search services through the use of the API web service.
A security system based on Roles, ensures that only those effectively authorised will be able to see the information returned by the search.
The web administration module provides simple and complete management and parameterisation of all the functionalities.

Intelligo

Intelligo is a massively multi-lingual CMS (Content Management System), designed to provide total separation between the contents and their typographic or multi-media presentation. In order to manage structural and graphic aspects, it can operate in combination with the most common open source CMSs (WordPress, Drupal, Joomla). Moreover, it allows the contents themselves to be further enriched with semantic tags and micro-data according to

Schema.org and RDF standards.
The content in Intelligo is pure in that it is free of font, colour or capital letters, as is its translation in one or more languages, and is a value since it can be re-used and given significance. This characteristic will provide the basis for publishing and websites in the future (multi-media publishing and semantic web), but it is now already possible to take advantage of the potential in SEO terms with Google, thus obtaining better search positioning and more effective snippets for our own web pages. Furthermore, being able to re-use "meaningful sentences" can lead to significant savings in translation costs.
Viewing the contents in Intellĭgo is controlled by rules that allow articles to be personalised according to user profiles, business policy management, regulations and laws, by means of an interpretation engine applied to user questionnaires.

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.
This year once again saw CAD IT alongside VENISTAR in sponsoring the “FashionAble World 2015" event that was held in Padua from March 31st to April 1st 2015: the theme chosen for the event was “Digital transformation: from the sociality of art to digital culture”. In an increasingly more competitive and highly changing environment, FashionAble World 2015 represented a great opportunity for CEOs, CIOs, Marketing Managers, eCommerce Managers and those in charge of Innovation and Digital to speak and compare opinions on the theme of digital transformation, a topic that has now become imperative for every organisation and company that intends to expand its business.

Analysis of the consolidated income results

	First Half 2015		First Half 2014		Variations	
	€/000	% PV	€/000	% PV	€/000	%
Income from sales and services	27,531	93.0%	25,778	93.0%	1,753	6.8%
Asset increases due to internal work	1,966	6.6%	1,794	6.5%	172	9.6%
Other revenue and receipts	100	0.3%	134	0.5%	(34)	(25.2%)
Production value	**29,597**	**100.0%**	**27,706**	**100.0%**	**1,891**	**6.8%**
Purchase costs	(183)	(0.6%)	(357)	(1.3%)	174	48.8%
Service costs	(6,292)	(21.3%)	(5,059)	(18.3%)	(1,233)	(24.4%)
Other operational costs	(418)	(1.4%)	(613)	(2.2%)	195	31.8%
Added value	**22,704**	**76.7%**	**21,677**	**78.2%**	**1,027**	**4.7%**
Labour costs	(18,625)	(62.9%)	(17,751)	(64.1%)	(874)	(4.9%)
Other administrative expenses	(1,015)	(3.4%)	(994)	(3.6%)	(21)	(2.1%)
Gross operational result (EBITDA)	**3,065**	**10.4%**	**2,933**	**10.6%**	**131**	**4.5%**
Allocation to fund and credit depreciation	(60)	(0.2%)	(3)	(0.0%)	(57)	(1.697.6%)
Amortizations :						-
- Intangible fixed asset amortization	(2,342)	(7.9%)	(2,200)	(7.9%)	(142)	(6.5%)
- Tangible fixed asset amortization	(246)	(0.8%)	(226)	(0.8%)	(20)	(8.9%)
Operational result (EBIT)	**416**	**1.4%**	**504**	**1.8%**	**(88)**	**(17.4%)**
Financial income	78	0.3%	34	0.1%	44	131.5%
Financial expenses	(16)	(0.1%)	(44)	(0.2%)	28	62.9%
Ordinary result	**478**	**1.6%**	**494**	**1.8%**	**(16)**	**(3.2%)**
Revaluations and depreciations	243	0.8%	163	0.6%	80	48.9%
Pre-tax result	**721**	**2.4%**	**657**	**2.4%**	**64**	**9.7%**
Income taxes	(295)	(1.0%)	(647)	(2.3%)	352	54.4%
Profit (loss) for the period	**426**	**1.4%**	**10**	**0.0%**	**416**	**4.287.3%**
						-
Profit/(loss) for the period attributable to:						-
Non-controlling interests	160	0.5%	79	0.3%	82	104.1%
Owners of the parent	**265**	**0.9%**	**(69)**	**(0.2%)**	**334**	**484.8%**

Weighted average number of ordinary shares outstanding	8,980,000		8,980,000	
Basic earnings per share (in €)	0.030		(0.008)	

The CAD IT group closed the first half of 2015 with results and profit margins showing a generally improvement compared to the same six months of 2014. Net profit was Euro 426 thousand compared to Euro 10 thousand of previous period.

The value of production for the period, an increase over the previous year, was mainly due to revenues from sales and services of Euro 27,531 thousand (+6.8% compared to Euro 25,778 thousand in the first half of 2014) as well as by increases in fixed assets for internal works of Euro 1,966 thousand (increasing compared to Euro 1,794 thousand in the first half of 2014) for the use of resources in the development of new procedures and the Group's own software.

The Euro 22,704 thousand added value showed an increase compared to the previous period (Euro 21,677 thousand), with a 76.7% marginality on the value of production (78.2% in the first half of 2014).

Purchase costs to the value of Euro 183 thousand showed a decrease compared to Euro 357 thousand of first half of 2014.
Service costs of Euro 6,292 thousand increased by 24.4% compared to 2014 (equal to Euro 5,059 thousand), mainly due to the increased use of external collaborations dedicated to the activities on customers.
The personnel costs of Euro 18,625 thousand recorded an increase compared to Euro 17,751 thousand in the first half of 2014. The average number of employees during the first half year was 627 employees (compared to 612 employees in the same half of the year 2014). The increase in labour costs, compared to the quarter of previous year, is due to the increase in the average number of employees, as well as to the application of increases in contractual remunerations, to the increase of working overtime and the reduction of use vacation.
Other administrative costs, which amount in the first half to Euro 1,015 thousand, showed a slight increase (Euro 994 thousand in first half 2014).
The EBITDA Gross Operational Result stood at Euro 3,065 thousand (equal to 10.4% of the value of production) compared to Euro 2,933 thousand of first half of 2014 (equal to 10.6% of the value of production).
Amortization contributions for the period amounted to Euro 2,342 thousand in regard to intangible assets and Euro 246 thousand for tangible assets, compared to Euro 2,200 thousand and Euro 226 thousand in the same period 2014. 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 for the six month period was in credit by Euro 416 thousand showing a slight decrease compared to the first half of 2014 (Euro 504 thousand).
The result of the financial management recorded revenue of Euro 78 thousand and financial expense for Euro 16 thousand, compared to 34 and 44 thousand Euro in the first half of last year.
The ordinary result was positive for Euro 478 thousand compared to Euro 494 thousand in the first half of 2014.
The revaluations of the period refer to the share of profit of associate company, calculated with the equity method, which generated a Euro 243 thousand revaluation (Euro 163 thousand in the first half of 2014).
Income before taxes and minority interests was positive for Euro 721 thousand (2.4% of the value of production), compared to the same period of the previous year of Euro 657 thousand (2.4% of the value of production).
Taxes impact on income for Euro 295 thousand, compared to Euro 647 thousand in the first half of 2014, resulting in a profit for the period of Euro 426 thousand, a clear improvement compared to Euro 10 thousand in the first half of 2014.
The significant reduction in taxes is due to the reduction in the incidence of the IRAP, starting from the current year, as a result of regulatory changes introduced by Law 190/2014 (Stability Law 2015) which provide for the deductibility of labor costs related to employees with permanent contracts, which represent the majority of employment contracts of the Group.
The result for the period attributable to owners of CAD IT was positive for Euro 265 thousand compared to the negative result of Euro 69 thousand in the first half of 2014; the result attributable to minority interest is positive for Euro 160 thousand, Euro 79 thousand in 2014.

The short-term situation

The global economic recovery has continued but shows signs of slowing, the consequence of factors that are temporary in the advanced economies and more persistent in the emerging ones. World trade is forecast to accelerate this year. So far the excess supply in world oil markets has helped to hold prices to levels only marginally higher than the lows recorded at the start of the year. The world economy is weighed down by uncertainties regarding the pace of official interest rate increases in the United States and financial instability in China, taking the form of a sharp stock market fall halted only by massive public intervention, which could curtail Chinese economic growth.
In the first quarter the euroarea economy grew at a quarterly rate of 0.4 per cent, the same as in the fourth quarter of 2014, sustained by household and business spending. The data available indicate that economic activity expanded in the second quarter and was relatively uniform from country to country. The tensions engendered by

the negotiations on Greece's debt have eased following the mid-July agreement with the country's international creditors, but factors of uncertainty remain. The risk of a prolonged period of very low inflation in the euro area has receded but not yet vanished. All told, conditions on the financial and foreign exchange markets continue to support the economic recovery and price dynamics. Inflation moved back into positive territory in May, at 0.3 per cent, for the first time since the end of last year.
The Italian economy has begun to expand. Improvement in business and household confidence has been accompanied by a recovery in domestic demand, which is once again contributing to growth. Italy's GDP grew by 0.3 per cent in the first quarter of 2015 after stabilizing at the close of 2014. Value added expanded in all the main productive sectors except services, where it stagnated. The main support came from the increase in national demand, 0.5 percentage of points of which was the result of a reduction in destocking. While investment picked up sharply (1.5 per cent), buoyed above all by spending on transport equipment and construction, there was a barely perceptible decline in consumption. According to the most recent cyclical indicators, growth continued in the second quarter at about the same pace as in the first. Employment began to grow again in April-May. The unemployment rate stabilized. The employment outlook, while still uncertain, is improving. Banca d'Italia evaluations for the Italian economy indicate a progressive strengthening of the cyclical recovery. GDP expands by 0.7 per cent in 2015 and accelerates to 1.5 per cent in 2016. Consumer price inflation increases gradually, from 0.2 per cent this year to 1.1 per cent in 2016.
According to consolidated quarterly financial statements of the five largest Italian banking groups, bank's operating profitability in the first quarter of 2015 increased in the first quarter compared with the first quarter of 2014: annualized ROE rose by about 3 percentage points to 6.6 per cent. A small decline of 1.3 per cent in net interest income owing to a contraction in lending volume was more than offset by the gain in fee income (9.7 per cent) and trading profits. Gross income rose by 9.6 per cent. [1]
After years of difficulty, the Ict Italian market has begun to show positive signs. In fact, although 2014 still registered a drop of 1.4% (-4.4% in 2013/12), with a business volume of Euro 64,234 million, in the second part of the year, some emerging segments showed considerable growth which is expected to spread and consolidate onto the more innovative components. The forecast of a 1.1% growth at the end of 2015 is therefore confirmed. In terms of market components, this upturn regards new generation software and solutions (+4.2%), digital contents and on-line advertising (+ 8.5%), data centre and cloud computing services (+37%). The launch of the Internet of Things proved its worth (+13%) driven by the energy and transport sectors. E-commerce registered a two-figure increase (+17%, also helped along by mobile commerce), as did web management platforms (+ 13.8%). Even PCs began to grow again (+5.2% for desktops and +10.3% for laptops). But the most significant factor was the upswing in the leading Italian economic sectors' investments in Ict in 2014: manufacturing industry +0.6% on an annual basis (at the end of 2013, there had been a decrease of -7%); banks +1.1% (-0.8% in 2013); insurance companies +1.5% (-3.6% in 2013); utilities +1.8% (+0.6% in 2013); Tlc and media +0.9% (-0.2% in 2013); travel and transport +0.8% (-5.7% in 2013). Public Administration has yet to respond to the call for innovation and has, in fact, continued to reduce investments in Ict, although at a slower pace.[2]

Significant events of the period

In April was signed a contract with Banca Mediolanum for the development of the new "Commission" application. Developed on a highly innovative, cutting-edge technological platform, the product will calculate the remuneration of the Bank's Sales Network promoters. The project follows CAD IT's activities in creating the "Raccolta Netta Unificata" (Unified Net Collection) application. The contract, which includes design services for application development and the relative Application Management services, implies a total value of over 2 million Euros. The expected duration is until the end of 2017. CAD IT thus consolidates its position as a leading player in a rapidly expanding market segment such as "Commissioning" for promoter networks and adds Banca Mediolanum to its

[1] Source: Banca d'Italia, Economic Bulletin no. 3, July 2015.
[2] Assinform: Assinform Report 2015

list of other important references, like Banca Fideuram.
On 29th April 2015, the Ordinary Shareholders’ Meeting approved the Annual Financial Statements at 31st December 2014 and decided the distribution of an ordinary dividend of Euro 0.13 per share. The dividend will be paid from 13th May 2015. Dividend payment resulted in a cash outlay of Euro 1,167 thousand. The Shareholders’ Meeting also approved the first section of the Remuneration Report ex article 123-ter of Leg. Dec. 58/1998 (available in the Company’s website), has nominated the Board of Directors and the Board of Auditors, whose office will expire with the shareholders' meeting for the approval of the 2017 financial statements, determining their remuneration and has appointed accounts auditor for the years 2015-2023 the company PKF Italy SpA, determining their remuneration.
In June CAD IT signed a contract with Cornèr Banca SA, a Swiss private bank, for the sale of its "Finance Area web 2.0" software platform, thus entering into the Swiss market. Cornèr Banca has decided to purchase the entire "Finance Area web 2.0" front-to-back suite. In fact, the new release offers total automation, cross asset and cross business, of every process relating to the management of financial instruments, from front office (cash-desk functions, trading desk, order management, know your customer) to back office (position keeping, settlement, custody, corporate actions, repo and collateral). “Finance Area web 2.0” will provide Cornèr Banca with the total management of large volumes of data in real time, supporting multi-channel, multi-browser, multi-language, multi-currency and multi-bank configuration. This high level of complexity is typical of a banking group like Cornèr Banca, which includes extremely variable and articulate needs. The project, which will terminate on 31st December 2016, foresees the user-licence supply of the afore-mentioned platform and the relative specialised services required for its integration and start-up, as well as the relative maintenance service. The importance of this contract goes beyond the impact on revenues as it represents CAD IT’s entry in a new market. Following Italy, Germany, England, Czech Republic and Luxembourg, “Finance Area” will be also used in Switzerland, opening up further growth opportunities for CAD IT Group.
Activities regarding the development and sale of new products for both traditional and new types of clients continued throughout the period.

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 indipendent 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 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

Summary of investments	*First Half 2015*	*First Half 2014*	*Variations*	*Year 2014*
Intangible fixed assets	147	47	100	56
Intangible assets under development	1,966	1,794	172	3,493
Property, Plant and equipment	399	92	307	220
Total investments in tangible and intangible fixed assets	***2,512***	***1,933***	***579***	***3,769***

Investments in tangible and intangible fixed assets made by the consolidated companies in the first half 2015 amount to Euro 2,512 thousand, compared to Euro 1,933 thousand in the first half 2014.
Particularly ongoing intangible asset costs mainly 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.

Related parties transactions

Transactions made with third parties, including infra-group transactions, are neither atypical or unusual since these transactions are a normal procedure within the activities of the Group's companies. The same are governed by market conditions bearing in mind the characteristics of the goods and services concerned.
Information on relations with third parties, including that required by the Consob Communication of 28th July 2006 and subsequent integrations, is shown in the Half year Financial Statement Sheet Notes.

Relationships with Group companies

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

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

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

conditions of the market and adapting the interests of the Group.
The table below gives a summary of the income and service performances, as well as the credit and debit position of all the Group's consolidated companies, as of 30/06/2015.

Company	Costs	Turnover	Financial expenses	Financial income	Receivable	Payable
CAD IT S.p.a.	9,384	930	1	-	3,808	17,516
CAD S.r.l.	605	6,162	-	-	10,757	2,909
CeSBE S.r.l.	349	1,665	-	1	4,885	660
Smart Line S.r.l.	78	782	-	-	1,404	133
Elidata S.r.l.	22	703	-	-	826	319
Datafox S.r.l.	21	219	-	-	377	21
Tecsit S.r.l.	1	-	-	-	-	499
Total	**10,460**	**10,460**	**1**	**1**	**22,058**	**22,058**

There have been no abnormal or unusual transactions between the CAD IT Group's companies in this financial period. CAD IT S.p.A.'s relations with its subsidiaries are shown in the separate CAD IT S.p.A. Financial Statements attached to this report.

Reconciliation of equity and profit of the parent company

The following table shows the reconciliation figures of the equity and the consolidated financial result with those of CAD IT S.p.A.[3]

	Equity	Result of period
Equity and result of the controlling company for the period concerned	53,760	116
- difference between the entry value of the consolidated holdings and the pro quota value of equity	(8,915)	
- pro quota results of the subsidiary/associate holdings	387	387
- consolidation difference: Goodwill	8,309	
- subsidiary/associate dividend elimination		(327)
- infra-group margin elimination	(1,493)	17
- assessment of associate holdings with equity method	432	71
Total equity and consolidated result of period attributable to owners of the parent	***52,480***	***265***

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

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

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.
In compliance to the legal obligations, the Board of Directors annually approves the Corporate governance and property asset report, in accordance with articles 123 bis and 124 ter TUF and 89 bis Consob Issuer Regulations, in order to provide an adequate description of the corporate governance system adopted, information on property assets and adhesion to Corporate Governance regulations. The report is published and is available for public viewing in the Investor Relations sector of the company’s Internet site: www.caditgroup.com. Please refer to this document for further details on governance and the Internal Control System of CAD IT and of the Group.

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

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

- Pre-tax result: obtained by including revaluations and devaluations in the ordinary Result.

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

CAD IT and some group companies adopt and maintain the following management systems:

- **Quality Management System**, in conformity with the UNI EN ISO 9001:2008 norm, for the design, production and sale of component-based software and its after-sale assistance and maintenance;
- **Information Security Management System**, in conformity with the UNI CEI ISO/IEC 27001:2014 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 and confirmed in April 2014.

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

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

Foreseeable development in the management

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 in Europe will be made gradually over the course of about two years, and from 31 August 2015 in Italy (as set by the ECB with a recent postponement of the deadline originally scheduled for 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.

Following regulatory changes concerning IRAP, introduced by Law 190/2014, allowing the deductibility of costs related to employees with permanent contracts, starting from the current year is expected a significant reduction in the incidence of this tax on the pre-tax result, effect already evident during the first half.

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. At the date of writing this report there aren't significant uncertainties for the current year. 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.

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

HALF-YEAR CONDENSED FINANCIAL STATEMENTS OF THE CAD IT GROUP

Consolidated income statement

	Notes	First Half 2015		First Half 2014	
		Total	*of which related parties*	Total	*of which related parties*
Income from sales and services	3	27,531	*5*	25,778	*3*
Asset increases due to internal work	3 - 15	1,966		1,794	
Other revenue and receipts	3	100		134	
Purchase costs	5	(183)		(357)	
Service costs	6	(6,292)	*(761)*	(5,059)	*(505)*
Other operational costs	7	(418)		(613)	
Labour costs	8	(18,625)	*(316)*	(17,751)	*(338)*
Other administrative expenses	9	(1,015)	*(604)*	(994)	*(564)*
Allocation to fund and credit depreciation		(60)		(3)	
Intangible fixed asset amortization	15	(2,342)		(2,200)	
Tangible fixed asset amortization	14	(246)		(226)	
Financial income	10	78		34	
Financial expenses	10	(16)		(44)	
Revaluations and depreciations	11	243		163	
Pre-tax result		**721**		**657**	
Income taxes	12	(295)		(647)	
Profit (loss) for the period		**426**		**10**	
Profit (loss) for the period attributable to:					
Non-controlling interests		160		79	
Owners of the parent		**265**		**(69)**	
Weighted average number of ordinary shares outstanding		8,980,000		8,980,000	
Basic earnings per share (in €)	13	0.030		(0.008)	

Consolidated statement of comprehensive income

	First Half 2015	*First Half 2014*
Profit (loss) for the period	**426**	**10**
Other comprehensive income that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on defined benefit liabilities	620	(789)
Other comprehensive income that will be reclassified subsequently to profit or loss		
Gains/(Losses) on fair value of available-for-sale financial assets	-	-
Reclassification adjustments: gains realized on disposal of available-for-sale	-	-
Total Comprehensive income (loss)	**1,045**	**(780)**
Comprehensive income (loss) attributable to:		
- Non- controlling interests	225	10
- **Owners of the parent**	**820**	**(790)**

Consolidated Statement of financial position

ASSETS	Notes	30/06/2015 Total	30/06/2015 of which related parties	31/12/2014 Total	31/12/2014 of which related parties
A) Non-Current Assets					
Property, plant and equipment	14	17,365		17,213	
Intangible assets	15	19,453		19,683	
Goodwill	16	8,309		8,309	
Investments	17	434		363	
Other non-current credits		261		251	
Credits due to deferred taxes	18	717		766	
TOTAL NON-CURRENT ASSETS		**46,540**		**46,585**	
B) Current Assets					
Inventories	19	45		49	
Trade receivables and other credits	20	28,576	*13*	29,616	*14*
Tax credits	21	2,009		1,835	
Cash on hand and other equivalent assets	22	9,172		5,586	
TOTAL CURRENT ASSETS		**39,802**		**37,086**	
TOTAL ASSETS		**86,341**		**83,671**	

EQUITY AND LIABILITIES	Notes	30/06/2015 Total	30/06/2015 of which related parties	31/12/2014 Total	31/12/2014 of which related parties
A) Equity					
Share capital	23	4,670		4,670	
Reserves	24	35,246		35,246	
Accumulated profits/losses	25	12,564		12,915	
Issued capital and reserves attributable to owners of the parent		**52,480**		**52,831**	
Capital and reserves of third parties	23	2,175		1,967	
Profit (loss) of third parties		160		243	
Non-controlling interests		**2,336**		**2,210**	
TOTAL EQUITY		**54,815**		**55,041**	
B) Non-current liabilities					
Financing	27	1,509		-	
Deferred tax liabilities	28	2,932		2,933	
Employee benefits and quiescence provisions	29	7,475	*149*	8,225	*142*
Expense and risk provisions	30	-		-	
TOTAL NON-CURRENT LIABILITIES		**11,916**		**11,158**	
C) Current liabilities					
Trade payables	31	8,721	*778*	5,697	*336*
Current tax payables	32	2,873		3,566	
Short-term financing	33	508		2,009	
Other liabilities	34	7,508	*132*	6,200	*238*
TOTAL CURRENT LIABILITIES		**19,610**		**17,472**	
TOTAL LIABILITIES AND EQUITY		**86,341**		**83,671**	

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Statement of changes in equity

	Attribution to the shareholders of the Parent Company					Minority Interests	Total
	Share capital	Reserves	Accumulated profit (loss) net of period result	Period result	Shareholders' equity		
at 31/12/2014	**4,670**	**35,246**	**12,274**	**641**	**52,831**	**2,210**	**55,041**
Allocation of the period result to reserves			641	(641)			
Dividend distribution			(1,167)		(1,167)	(95)	(1,262)
Allocation of profits to directors of subsidiary companies			(5)		(5)	(4)	(9)
Total comprehensive Profit/(loss)			555	265	820	225	1,045
at 30 June 2015	**4,670**	**35,246**	**12,298**	**265**	**52,480**	**2,336**	**54,815**

	Attribution to the shareholders of the Parent Company					Minority Interests	Total
	Share capital	Reserves	Accumulated profit (loss) net of period result	Period result	Shareholders' equity		
at 31/12/2013	**4,670**	**35,246**	**13,734**	**(300)**	**53,350**	**2,177**	**55,528**
Allocation of the period result to reserves			(300)	300			
Dividend distribution						(95)	(95)
Allocation of profits to directors of subsidiary companies							
Total comprehensive Profit/(loss)			(721)	(69)	(790)	10	(780)
at 30 June 2014	**4,670**	**35,246**	**12,713**	**(69)**	**52,560**	**2,093**	**54,653**

Consolidated Cash Flow Statement

	NOTES	First Half 2015	First Half 2014
A) OPERATING ACTIVITIES			
Profit (loss) for the period		426	10
Amortisation, revaluation and depreciation:			
- Property, plant and equipment amortisation	14	246	226
- Intangible fixed asset amortisation	15	2,342	2,200
- revaluation of investments and financial assets available for sale	11	(243)	(163)
- depreciation of investments and financial assets available for sale	11	0	0
Allocations (utilization) of provisions	29-30	(130)	330
Financial performance:			
- Net financial receipts (charges)	10	(62)	10
- Profit / (loss) on foreign exchange	10	2	0
Working capital variations		5,414	3,744
Income taxes paid		(857)	131
Interest paid	10	(16)	(44)
(A) - Cash flows from (used in) operating activities		**7,123**	**6,444**
B) INVESTMENT ACTIVITIES			
Investments in activities			
- purchase of property, plant and equipment	14	(399)	(92)
- purchase/increase in intangible assets	15	(2,113)	(1,841)
- increase in other fixed assets		(12)	(41)
Disinvestment activities			
- transfers of property, plant and equipment	14	1	-
- transfers of assets available for sale		0	-
- decrease in other fixed assets		3	-
Cashed Interest	10	76	34
Cashed dividends		172	170
(B) - Cash flows from (used in) investment activities		**(2,273)**	**(1,769)**
C) FINANCING ACTIVITIES			
Medium/long term financing repayment		0	-
Medium/long term financing opening	27	1,509	-
Allocation of profits to directors of subsidiary companies		(9)	-
Dividends paid	26	(1,262)	(95)
(C) - Cash flows from (used in) financing activities		**237**	**(95)**
(A+B+C) - Total cash and other equivalent assets flows	35	5,087	4,580
Opening cash balances and equivalents		**3,577**	**(2,575)**
Closing cash balances and equivalents		**8,664**	**2,006**

For the liquid asset and equivalent means reconciliation, refer to note 35.

Notes

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 the control of any other company, as provided by article 2359 of the Italian Civil Code and it is fully responsible for defining it own general and operational strategic policies.
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.
The registered office and the administrative and main operating offices are in Via Torricelli 44/a, Verona. The company is registered in the Verona Company Register under no. 01992770238.
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.

1. Accounting policies and evaluation criteria more important

This half-year condensed financial statement has been drafted in accordance with the applicable IRFS International accounting standards issued by the International Accounting Standard Board (IASB) and recognized by the European Community in conformity with EC regulation no. 1606/2002. IFRS refers to the International Accounting Standards (IAS) presently in force as well as the interpretative documents issued by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).
The half-year condensed financial statement has been drafted in the consolidated form since CAD IT is obliged to draft a consolidated balance.
The half-year condensed financial statement has been drafted in accordance with IAS 34 – Interim Financial Reports, bearing in mind the contest of art. 154-ter of legislative decree no. 58 of 24th February 1998 (TUF).
In the drawing up of this summarised six-monthly Balance, the same accounting standards have been applied as those adopted in the drafting of the consolidated Balance at 31st December 2014, with the exception of the items described in the paragraph below – Accounting Standards paragraph, amendments and interpretations applied since 1st January 2015.
The accounting standards adopted have been applied in the same manner throughout the periods shown and for all the Group's companies, amending the respective Financial Statement drafted in accordance with Italian accounting standards to consolidate.
The consolidated balance has been drafted using the evaluation criterion of past cost, except for financial instruments available for sale, which are assessed at fair value, and the holdings in subsidiaries, which are assessed in accordance with the equity method. Moreover, where some land and buildings have been included in First Time Adoption, the fair value has been used instead of the cost.

Use of estimates

In accordance with the IFRS, when drafting the Financial Statement the company management formulates evaluations, estimates and hypotheses to apply the accounting standards which affect the amounts of credit and debit and the costs and revenues found in the Financial Statement. Estimates and their relative hypotheses are based on past experience and factors considered reasonable for the case concerned. Since they are estimates, the results obtained are not necessarily the same as the results portrayed.
The estimates and hypotheses are reviewed on a regular basis. Any variations deriving from an accounting estimate review are shown in the period in which the review was made if such review only affects that period. If the review affects the current and future periods, the variation is recorded in the period in which the review is made and in the relative subsequent periods.

Accounting standards, amendments and interpretations applied since 1st January 2015

There are no, or no significant, other matters and cases governed by standards, amendments and interpretations effective from 1st January 2015 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 Group has decided to present revenue and cost entries referring to the period in question in two statements. One statement shows the profit (loss) components for the period (Consolidated Income statement) and the other, which begins with the profit (loss) of the period and shows the statement entries of the other components of the overall profit and loss account (Statement of comprehensive income).
The Group presents its economic account by nature, the format that is considered the most representative in terms of function presentation. In fact, the chosen format conforms to the internal reporting modalities and the business management and is in line with the way the economic account was represented in the past.
As for the patrimonial situation, a distinction has been made between current and non-current assets and liabilities.
The Cash Flow statement has been presented according to the indirect method so that the profit (or loss) for the period has been adjusted of any non-monetary operations and by deferments and the setting aside of future incomes or payments.
Each column in the statement of equity variations reconciles the opening and closing balances for each equity voice.
Each significant entry shown in the above-mentioned statements, is marked with references to notes which provide the relative information.

Subsidiary companies

The consolidation area includes the Parent company and the companies it controls, that is, where it has at the same time: power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.
Subsidiary companies are consolidated from the date in which control was effectively transferred to the Group and are no longer consolidated as from the date that control becomes external to the Group.
These companies are consolidated using the integral consolidation method. In order to prepare the consolidated data, the patrimonial, economic and financial situations of the subsidiary and associate companies have been used as prepared by the Group's individual companies at the reference dates, drawn up in accordance national accounting principles and approved by the respective boards of directors,opportunely reclassified and amended to reflect the application of the homogeneous international accounting standards adopted by the Group.
In drafting the consolidated balance all the balances and significant transactions between the Group's companies have been eliminated, as are all unrealised infra-group profit and loss transactions.

Associated companies

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

Property, plant and equipment

Tangible fixed assets are shown at purchase cost, including any costs that may be directly ascribable and necessary for activating the asset and putting it to the use for which it was purchased. In reference to land and buildings listed in First Time Adoption, the fair value was used instead of the cost.

Tangible fixed assets are shown at net value of the relative accumulated depreciations and losses due to the reduction in value determined in accordance with the modalities described below.
Tangible fixed assets are amortised in constant rates during the course of their expected useful life cycle, i.e. the estimated period of time in which the asset will be put to company use. Whenever significant parts of tangible fixed assets have different estimated useful life cycles, said components are amortised separately.
The value to be depreciated is given by the registered value of the asset net of any loss in value and reduced by its assumed value at the end of its useful life cycle, if significant and reasonably calculable. The useful life cycle and the cash value are reassessed annually and any changes, where necessary, are brought in with a perspective application.
The main depreciation 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 amortized as it is considered an element with an indefinite useful life cycle.
In order to calculate any losses due to depreciation, the accounting value of intangible fixed assets is subject to verification.
At the time of elimination or when no future economic benefit can be expected from the use of an asset, it is eliminated from the balance and the eventual loss or profit (calculated as the difference between the assignment value and the taxation value) is shown in the economic account of the year in which the asset is eliminated.

Financial leasing

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

Intangible fixed assets

Intangible fixed assets are shown as such when it is likely that they will bring in future economic benefits for the company and when the asset cost can be feasibly determined.
Intangible fixed assets, having a defined useful life cycle, are subsequently registered net of the relative accumulated amortizations and any losses due to a reduction in value.
The useful life cycle is reassessed annually and any changes, where necessary, are brought in with a perspective application.
Profits or losses deriving from the transfer of an intangible fixed asset are determined as the difference between the elimination value and taxation value of said asset and are reported on the economic account at the time of elimination.
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.

Goodwill

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

Impairment loss

The Group annually verifies the accountable value of intangible and tangible assets or more often whenever there is an indication that assets may have suffered a value loss.
If the charged value exceeds the recoverable value, the assets are devalued to reflect their recoverable value, represented by the greatest figure between the net price and use value. In defining the use value, expected future financial flows are discounted back using a pre-tax discount rate that reflects the current market estimations in reference to the cost of money at the time and the specific risks of the asset in question. For an asset that does not generate widely independent financial flows, the return value is determined in relation to the unit generating the financial flows of which the asset is a part. The value losses are accounted for in the economic account among depreciation and devaluation costs. When subsequently an asset value loss, different from the beginning, is less or decreases, the accounting value is increased to a new estimate of the recoverable value within the limit of the previous value loss. The recovery of a value loss is registered to the economic account.

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;
- and (for companies with at least 50 employees) the re-proportioning, for each employee, of the probable and discounted back services based on the length of service at assessment date compared to the entire unpredictable amount at liquidation date.

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.

Income taxes

Current income taxes for the financial period are calculated on the basis of estimates of taxable income in accordance with the laws in vigour: Moreover, the effects deriving from the activation within the Group of the national tax consolidation are also taken into account. The debt for current taxes is accounted for in the patrimonial status, net of any taxes paid in advance.
Deferred and pre-paid income taxes are calculated on the temporary differences between the patrimonial values registered in accordance with the IFRS international accounting standards and the corresponding values realised for tax purposes. Deferred income tax are calculated applying the tax rate which will be in force at the year after the account reference dates.
In particular, assets due to pre-paid taxes are registered when their recovery is probable, that is, when it is expected that sufficient tax profits will be available in the future so that these assets may be used. The degree of recovery of pre-paid tax assets is re-examined at the end of every period. Deferred taxes are always calculated in compliance with the IAS 12.
The controlling company, CAD IT S.p.A., and some of the Group's companies, have exercised the option of Group taxation as stated in art. 117 of TUIR 917/1986, which concerns the determination of a global income that corresponds to the algebraic sum of all net comprehensive incomes of the companies in the group. The liquidation of this one tax allows the Group the contextual use of any tax losses in the period.

2. Subsidiary companies and Consolidation area

During the first half of 2015 there were no changes in the consolidation area.
In the previous year, 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 share capital from Euro 295,500 to Euro 350,000, attributing the entiere increase to the exclusive owner CAD IT S.p.A..
The fully consolidated companies included in the financial schedules of CAD IT Group are the following:

Company name	Registered office	Share/ Quota capital Euro	Percentage of investment	Percentage of investment of the Group
Consolidated using the integral method				
CAD IT S.p.A.	Verona	4,669,600	Parent company	
CAD S.r.l.	Verona	350,000	100.00%	100.00%
CeSBE S.r.l.	Verona	10,400	62.11%	62.11%
Elidata S.r.l.	Castiglione D'Adda (LO)	20,000	51.00%	51.00%
Smart Line S.r.l.	Verona	102,700	51.05%	51.05%
Datafox	Verona	99,999	51.00%	51.00%
Tecsit S.r.l. (1)	Roma	75,000	70.00%	70.00%
(1) Held through CAD S.r.l.				

3. Revenues

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

	30/06/2015		30/06/2014		Variations	
	€/000	% PV	€/000	% PV	absolute	%
Income from sales and services	27,531	93.0%	25,778	93.0%	1,753	6.8%
Asset increases due to internal work	1,966	6.6%	1,794	6.5%	172	9.6%
Other revenue and receipts	100	0.3%	134	0.5%	(34)	(25.2%)
Production value	**29,597**	**100.0%**	**27,706**	**100.0%**	**1,891**	**6.8%**

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.
In the first half of 2015, revenues from sales and services increased compared to the first half of 2014 by 6.8%, recording the value of Euro 27,531 thousand.
Increases in internal work capitalized under fixed assets came to Euro 1,966 thousand, registering an increase compared to Euro 1,794 thousand in the first half of 2014, and include the activities carried out by the staff of CAD IT and the Group's companies concerning the development of new procedures aimed at the sale of licensed products or instrumental goods for the company's traditional business.
The Group's activities usually are not affected by significant cyclical or seasonal variations in total sales during the financial period.

4. Segment reporting by sectors

The internal organizational and managerial structure and the internal reporting for the Board of Directors is presently grouped into two operative divisions: Finance and Manufacturing. These divisions are the basis on which the Group reports sector information according to the primary layout.
The main activities of each sector are as follows:
Finance: includes the computer applications aimed specifically at banks, insurances and other financial institutions. The main applications provide:

- management of intermediary activities on securities, funds and derivate instruments;
- management of the typical services in the credit sector, such as the collection, treasury and monitoring of credit procedures;
- service allocation for trading on line;
- management of integrated banking computer systems;
- consultancy and training.

Manufacturing: includes the development and marketing of instruments and software applications and offers a series of services aimed at allowing the companies to effectively manage numerous company processes, including Outsourcing.
The data not allocated to the sectors mainly refer to income and costs for logistics and administration services given to the group's companies by the controlling party.

Disclosures for business segments	*30/06/2015*				
	Finance	*Manufacturing*	*Not allocated/General*	*Elisions*	*Consolidated*
External revenues	28,899	602	96		29,597
Intersegment revenues	517			(517)	
Total revenues	29,416	602	96	(517)	29,597
Costs	(29,056)	(563)	(79)	517	(29,181)
Gross Operating Result (EBITDA)	3,008	39	17		3,065
Operating Result (EBIT)	361	39	17		416
Net financial income (expenses)			62		62
Revaluations and devaluations	243				243
Result	604	39	79		721
Income taxes			(295)		(295)
Third party share (profit)/loss	(264)	(7)	109		(162)
Profit (loss) attributable to owners of the parent	340	32	(108)		264
Assets	83,143	656	2,726		86,341
Liabilities	25,793	112	5,805		31,526

Disclosures for business segments	*30/06/2014*				
	Finance	*Manufacturing*	*Not allocated/General*	*Elisions*	*Consolidated*
External revenues	26,633	921	152		27,706
Intersegment revenues	1,383			(1,383)	
Total revenues	28,017	921	152	(1,383)	27,706
Costs	(26,889)	(912)	(784)	1,383	(27,202)
Gross Operating Result (EBITDA)	3,556	10	(633)		2,933
Operating Result (EBIT)	1,128	9	(633)		504
Net financial income (expenses)			(10)		(10)
Revaluations and devaluations	163		(0)		163
Result	1,291	9	(643)		657
Income taxes			(647)		(647)
Third party share (profit)/loss	(150)	(10)	82		(79)
Profit (loss) attributable to owners of the parent	1,141	(1)	(1,208)		(69)
Assets	84,298	577	3,015		87,890
Liabilities	26,856	118	6,263		33,237

Information on the sector according to the secondary layout by geographical area is not provided as the Group presently produces and carries out its activities almost totally nationally and homogeneously.

5. Purchase Costs

	30/06/2015	30/06/2014	Variations	%
Hardware-Software purchases for sale	36	218	(182)	(83.3%)
Maintenance and consumable hardware purchases	11	6	5	86.6%
Other purchases	131	125	6	5.1%
Variations in raw material stock	4	8	(4)	(50.4%)
Total	***183***	***357***	***(174)***	**(48.8%)**

Costs for hardware and software purchases for commercialization refer to purchases made for orders that clients had already confirmed and show a decrease compared to the first half of 2014.
The item Other purchases includes mainly the purchase of fuel for 75 thousand euro.
Inventories decreased during the period of Euro 4 thousand.

6. Service costs

	30/06/2015	30/06/2014	Variations	%
External collaboration	4,035	3,028	1,007	33.3%
Travelling expenses and fee reimbursement	709	715	(6)	(0.9%)
Other service costs	1,548	1,315	233	17.7%
Total	***6,292***	***5,059***	***1,233***	**24.4%**

Service costs during the first half of 2015 came to Euro 6,292 thousand, an increase compared to the same period of previous year (Euro 5,059 thousand). In particular, external collaboration costs increased by 33.3% (+1,007 thousands of euro) and other service costs by 17.7% (+233 thousands of euro) against a slight decrease of 0.9% (-6 thousand euro) of travelling expenses and fee reimbursement, correlated to the productive activities in terms of the need to carry out work on customer premises.
The increase in costs for external collaborations is mainly due to the greater use of external service providers dedicated to activities and projects for clients and is therefore related to the increase in revenues.
Other service costs mainly include assistance fees and hardware and software maintenance, energy costs, administrative, legal and fiscal consultancy, maintenance costs and for office management and installed systems.

7. Other operating costs

The following table shows and compares the other operating costs, which have undergone a decrease of about 31.8%.

	30/06/2015	30/06/2014	Variations	%
Leases and rentals	342	264	78	29.6%
Misc. operating costs	76	349	(273)	(78.3%)
Total	***418***	***613***	***(195)***	**(31.8%)**

Leases and rentals in 2015 first half year, came to Euro 342 thousand, compared to Euro 264 thousand in the first six months of 2014 and mainly refer to equipment and instrumental software rental and to lease of operational offices.
Other operating costs amounting to Euro 76 thousand, a decrease of Euro 273 thousand, mainly refer to municipal tax on real estate and other taxes and fees. In the first half of the previous year, operating costs included the amount of Euro 275 thousand relating to tax litigation of a Group company.

8. Labour costs and Employees

Labour costs in the first half of 2015, of Euro 18,625 thousand, increased (+4.9%) compared to the same six months in 2014 (Euro 17,751 thousand). The increase in labour costs, compared to the quarter of previous year, is due to the increase in the average number of employees, as well as to the application of increases in contractual remunerations, to the increase of working overtime and the reduction of use vacation.

	30/06/2015	30/06/2014	Variations	%
Salaries and wages	13,499	12,796	704	5.5%
Social security costs	3,999	3,844	154	4.0%
Severance pay	997	1,008	(11)	(1.1%)
Other costs	130	102	27	26.8%
Total	***18,625***	***17,751***	***874***	**4.9%**

The following table shows the data for the precise number of employees at the Group CAD IT:

Category of employees	labour force at 30/06/2015	labour force at 30/06/2014	Variations	labour force at 31/12/2014
Management	20	18	2	20
White-collars and cadres	582	577	5	575
Blue-collars	1	1	0	1
Apprentices	27	15	12	25
Total	**630**	**611**	**19**	**621**

The number of CAD IT Group staff, at 30th June 2015 was 630 employees, compared to 611 at 30th June 2014. The average number of employees during half year in question was 627 persons while this figure was 612 in the previous first half year. The following table shows data regarding the CAD IT Group average number of employees:

Category of employees	Average number 1st half 2015	Average number 1st half 2014	Variations
Management	20	18	2
White-collars and cadres	578	579	(1)
Blue-collars	1	1	0
Apprentices	28	14	14
Total	**627**	**612**	**15**

The Group dedicates particular attention to professional staff training by means of internal training and updating courses. The main training areas were: IT and technical updating, health and safety at work, foreign languages, company organization and managerial training.

9. Other administrative costs

The table below shows the other administrative costs in detail:

	30/06/2015	30/06/2014	Variations	%
Director and legal representative fees	745	705	41	5.7%
Director retirement	8	8	0	-
Director and legal representative fee contributions	106	89	17	19.1%
Telephone charges	149	168	(20)	(11.7%)
Commissions	0	17	(17)	(100.0%)
Advertising fees	6	7	(0)	(1.1%)
Total	***1,015***	***994***	***21***	**2.1%**

The remuneration of directors and prosecutors have increased over the previous year of 41 thousand Euros, and include the fees allocated by CAD IT (313 thousand euro) and its subsidiaries (432 thousand euro). The termination indemnity is related to the remuneration of a director of a subsidiary.
Other administrative costs include remunerations paid to related parties of Euro 604 thousand, previous period Euro 564 thousand (as shown in note 36).

10. Financial performance

The financial management result was in credit by Euro 62 thousand, compared to a negative balance of Euro 10 thousand in first half of 2014, as the following detailed table shows.

	30/06/2015	30/06/2014	Variations
Interest on bank deposits and equivalent	76	34	42
Foreign exchange gains	2	0	2
Total financial income	**78**	**34**	***44***
Interest on bank overdrafts and loans	(16)	(44)	28
Interest on debts for financial leasing	0	0	0
Foreign exchange losses	(0)	(0)	(0)
Total financial charges	***(16)***	***(44)***	***28***
Net financial income and (charges)	***62***	***(10)***	***72***

Financial earnings mainly refer to interest received from liquid assets in current bank accounts and capitalization insurance policies classified as liquid assets.
Financial expenses entirely refer to current account overdrafts and bank loans.

11. Revaluations and depreciations

The revaluation of holdings valued with the equity method only concern the associate company Sicom S.r.l. both for the first six months of 2015 (Euro 243 thousand) and for the first six months of 2014 (Euro 163 thousand).

12. Income taxes

The taxes ascribable to first half of 2015 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.

	30/06/2015	30/06/2014	Variations	%
Tax pre-payments	48	19	29	155.2%
Deferred taxes	(1)	(42)	41	97.6%
Current taxes	249	671	(422)	(62.9%)
Total income taxes	***295***	***647***	***(352)***	**(54.4%)**
Tax incidence on the gross pre-tax result	41.0%	98.5%		

The tax incidence for the period on the gross pre-tax result amounted to 41%, while in the first six months of 2014 it was 98%.
The significant reduction in tax incidence is due to the reduction in the incidence of the IRAP, starting from the current year, as a result of regulatory changes introduced by Law 190/2014 (Stability Law 2015) which provide for the deductibility of labor costs related to employees with permanent contracts, which represent the majority of employment contracts of the Group.
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.

13. Earnings per share

The basic result per share is calculated by dividing the profit/loss of the period ascribable to the ordinary shareholders of the Parent Company by the weighted average number of ordinary shares in circulation during the year. The number of ordinary shares in circulation 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	30/06/2015	30/06/2014
Net profit (loss) from continuative activities attributable to ordinary shares (thousand of €)	265	(69)
Weighted average number of ordinary shares outstanding	8,980,000	8,980,000
Basic earnings per share (in €)	**0.030**	**(0.008)**

14. Property, plant and equipment

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

	30/06/2015	31/12/2014	Variations	%
Land	1,527	1,527	0	-
Buildings	14,273	14,344	(71)	(0.5%)
Plant and equipment	1,042	921	121	13.1%
Other assets	523	421	102	24.2%
Total property, plant and equipment	***17,365***	***17,213***	***152***	**0.9%**

During the first half of 2015, the item "property, plant and equipment" varied as follows:

	Land and buildings	***Plant and machinery***	***Industrial and commercial equipment***	***Other tangible fixed assets***	***Total***
Purchase or production cost	9,140	4,140	33	5,088	18,400
First time adoption revaluation	8,439	-	-	-	8,439
Previous years depreciation and write-downs	(1,708)	(3,218)	(31)	(4,669)	(9,626)
Adjustments to previous years write-downs	-	-	-	-	-
Opening value	***15,871***	***921***	***3***	***419***	***17,213***
Variations in consolidation area	-	-	-	-	-
Purchases	-	210	1	188	399
Transfers	-	-	-	-	-
Reduction in accumulated depreciation due to disposals	-	146	-	12	158
Disposals	-	(146)	-	(13)	(159)
Revaluations for the period	-	-	-	-	-
Depreciation and write-downs for the period	(71)	(90)	(0)	(85)	(246)
Adjustments to write-downs for the period	-	-	-	-	-
Total tangible fixed assets	***15,800***	***1,042***	***3***	***520***	***17,365***

Land and buildings include property and land, accounted for separately, belonging to the Group.
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.
Some land and buildings have been revaluated at FTA at fair value as a substitute of cost and is calculated by an external expert, as indicated in the attached document on transition to the international accounting standards to the financial statement at 31st December 2005.
At the end of the semester the recoverability of the tangible asset book value, re-valued at the FTA, was verified on the basis of an external valuation as of 30/06/2015 and drafted by the appointed expert. The valuation report indicates current values of assets in excess of the net book value without, therefore, having to involve pointing out any impairment of assets. The realizable value of a property at the end of the amortization period was also revised to a lower amount (Euro -416 thousand) compared to the previous estimate; the update of the estimated realizable value implies a higher depreciation of Euro 10 thousand in the first half compared to previous assumptions.
The purchasing of new tangible assets during the year half came to a total of Euro 399 thousand of which Euro 188 thousand were for “other tangible assets” and mainly included the purchasing of electronic machinery, managerial instruments characteristic of the Group’s activities. During the first half of 2015 property, plant and equipment were not subject to any value reductions that required registration in the balance.

15. Intangible fixed assets

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

	30/06/2015	*31/12/2014*	*Variations*	*%*
Industrial patents and similar rights	11,109	12,193	(1,084)	(8.9%)
Licences, trademarks and similar rights	224	147	77	52.2%
Assets under development	8,120	7,343	778	10.6%
Total Intangible fixed assets	***19,453***	***19,683***	***(229)***	**(1.2%)**

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

	Industrial patents and similar rights	*Licences. trademarks and similar rights*	*Assets under development and payments on account*	*Other*	*Total*
Purchase or production cost	35,978	3,899	7,343	15	47,234
Previous years revaluations	-	-	-	-	-
Previous years depreciation and write-downs	(23,785)	(3,752)	-	(15)	(27,552)
Adjustments to previous years write-downs	-	-	-	-	-
Opening value	***12,193***	***147***	***7,343***	***0***	***19,683***
Variations in consolidation area	-	-	-	-	-
Purchases	-	147	1,966	-	2,113
Transfers	1,188	-	(1,188)	-	-
Reduction in accumulated depreciation due to disposals	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluations for the period	-	-	-	-	-
Depreciation and write-downs for the period	(2,272)	(71)	-	-	(2,342)
Adjustments to write-downs for the period	-	-	-	-	-
Total intangible fixed assets	***11,109***	***224***	***8,120***	***0***	***19,453***

The voice "industrial patent rights and intellectual property" is almost entirely made up of software procedures developed by the CAD IT Group. The values are registered in credit to the directly sustained cost mainly due 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. During the period, following the completion and start of projects, were entered Euro 1,188 thousand, previously recorded as intangible assets in progress. The amortizations of this voice in the first half of 2015 financial period came to Euro 2,272 thousand.
The caption "Licences, trademarks and similar rights" principally includes the licensed out software bought by third parties used by the Group for production activities.
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, for which is expected the need of use by credit and financial institutions as well as in the field of public and industrial administration. These assets are registered to credit on the basis of the directly sustained cost, mainly relating to the use of internal resources used. 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. During 2015 first half period, ongoing intangible assets increased by Euro 1,966 thousand due to costs capitalized by the parent company CAD IT and decreased by 1,188 thousand euro due to the reclassification of part of ongoing assets under Industrial patents and similar rights.
These assets have undergone no reduction in value during the 2015 first half financial year that need to be registered in the balance.

16. Goodwill

The Group verifies the recovery of goodwill at least once a year or more often if there are indications of a value loss.
The goodwill acquired in an aggregation of companies is allocated, at the time of purchase, to the Cash Generating Unit (CGU) from which benefits connected to the aggregation are expected. In particular, with regard to the CGU of the Group, these are the controlled companies that represent the smallest identifiable group of activities that

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

Company	*Accounting value of goodwill*
CAD S.r.l.	7,004
Elidata S.r.l.	617
Smart Line S.r.l.	443
Datafox	217
CeSBE S.r.l.	28
Total	**8,309**

The recoverable value of the CGU is verified by determining the value in use.
The evaluation of the CAD IT Group companies was made through a *Discounted Cash Flow* (DCF), the most common calculation method in financial markets. Operational cash flow forecasts are based on the most recent budget plans approved by the Board of Directors and relate to the period 2015-2017 which take into account the concrete company 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.
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:

Company value = ± net financial position + discounted cash flows + remaining value

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

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

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

17. Investments in associates

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

Company name	Date of reference	Quotaholders' equity including profit for the period	Profit for the period	Percentage of investment	Investment value of the Group
Sicom S.r.l.	30/06/2015	1,737	972	25.00%	434
	31/12/2014	1,452	721	25.00%	363

18. Credits due to prepaid taxes

Credits due to prepaid taxes, of Euro 717 thousand, 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 pre-paid IRES and IRAP taxes are mainly in reference to the elimination of intercompany margins that generated temporary differences in taxable income in previous years and that will be deductible in future.

19. Inventories

Leftover stock entirely includes finished products and goods for Euro 45 thousand compared to Euro 49 thousand at 31/12/2014.

20. Trade receivables and other credits

Commercial credits and other credits are made up as follows:

	30/06/2015	31/12/2014	Variations	%
Credits to clients	27,576	29,096	(1,520)	(5.2%)
Credit depreciation fund	(310)	(250)	(60)	(24.0%)
Credits to associated companies	0	2	(2)	(100.0%)
Accrued income and deferred expenses	801	571	231	40.4%
Other credits	509	198	311	157.4%
Total trade receivables and other credits	***28,576***	***29,616***	***(1,040)***	**(3.5%)**

% coverage credit depreciation fund	1.12%	0.86%

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, which is often considerable, 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 Group evaluated the credits to the probable break-up value.
Regarding credits that are considered uncollectable, an allocation fund has been set up to the amount of Euro 310 thousand (Euro 250 thousand at 31 December 2014) which ensures a cover of 1.12% of the total amount of credits towards clients. This fund was determined on the basis of past data regarding losses on credits and is considered proportionate.
The entry Accrued income and deferred expenses entirely refers to deferred charges made up of the following:

Nature	30/06/2015	31/12/2014
Software assistance	528	325
Expenses for leases and rentals	12	34
Telephone charges	38	22
Logistical and administrative services	14	4
Various insurances	34	12
Hardware assistance	139	131
Other various	37	41
Total prepaid expenses	***801***	***568***

The total sum of the voice on other credits is detailed in the table below:

Credits towards other	30/06/2015	31/12/2014	Variations	%
Receivables from social security institutions	0	22	(22)	(99.7%)
Receivables for advances on travel expenses	0	0	(0)	(100.0%)
Payments on account to suppliers	499	164	335	204.8%
Other	10	11	(1)	(12.7%)
Guarantee deposits	0	1	(0)	(48.1%)
Total credits towards other	***509***	***198***	***311***	**157.4%**

21. Tax credits

The entry of Euro 2,009 thousand (Euro 1,835 thousand at 31/12/2014) was made up of:

- down payments in direct taxes (IRES and IRAP) of the period;
- 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 1,151 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 179 thousand).

22. Cash and other equivalent assets

	30/06/2015	31/12/2014	Variations	%
Bank and postal accounts	6,515	2,957	3,558	120.3%
Cash-on-hand and cheques	6	11	(5)	(45.3%)
Insurance policies capitalized	2,651	2,618	32	1.2%
Total Cash and other equivalent assets	***9,172***	***5,586***	***3,586***	**64.2%**

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

23. Share capital

The share capital, entirely registered, deposited and unchanged over the period, amounted to Euro 4,669,600. It was subdivided into 8,980,000 ordinary shares with a nominal value of Euro 0.52 each and all with equal rights.
The ordinary shares are registered and indivisible and each one gives the right to a vote at the ordinary and extraordinary shareholders' meetings, as well as to the faculty of carrying out other company and patrimonial rights in accordance with the law and the statute.
CAD IT S.p.A. or its controlled companies do not own CAD IT or their own shares, not even through trustee companies or third parties.

Group equity

The Group equity came to Euro 52,480 thousand compared to Euro 52,831 thousand at 31st December 2014.

Third party equity

The item refers to the equity of the controlled companies that, on the basis of the 'Equity ratios', belongs to third parties. It was made up of:

Third party equity	*30/06/2015*	*31/12/2014*
Minority quotaholders of CeSBE S.r.l.	1,136	1,157
Minority quotaholders of Datafox S.r.l.	105	90
Minority quotaholders of Tecsit S.r.l.	20	16
Minority quotaholders of Elidata srl	706	590
Minority quotaholders of Smart Line S.r.l.	369	356
Total third party equity	***2,336***	***2,210***

24. Reserves

The item Reserves refers entirely to the share premium reserve of Euro 35,246 thousand.

25. Accumulated profit/losses

	30/06/2015	*31/12/2014*	*Variations*
Previous profits/(losses)	(925)	(974)	50
Legal reserve	934	934	0
First Time Adoption transition reserve	2,119	2,119	0
Consolidation reserve	81	(292)	372
Available reserve of undivided profits	10,262	10,925	(664)
Revaluation liabilities reserve for defined benefit	(172)	(438)	266
Period profits/(losses)	265	641	(376)
Total accumulated profits/(losses)	***12,564***	***12,915***	***(352)***

The FTA transition fund covers any differences that may have occurred when the international accounting standards were first adopted.
The available reserve of undivided profits decreased due to the effect of payment of the dividend to shareholders of CAD IT (Euro 664 thousand).
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.

26. Dividends paid

On 29th April 2015 the CAD IT S.p.A. ordinary shareholders' meeting decided to give shareholders a dividend of Euro 0.13 per share, for total amount to Euro 1,167,400, using the entire profit for the year 2014 of Euro 503,697 together with the amount of Euro 663,703 be taken from the available reserve of undivided profits.
The dividend was paid on 13 May 2015.

27. Financing

The amount of Euro 1,509 thousand refers to a loan quota that goes beyond 12 months, which began during the period, and which includes half-yearly repayment deadlines until January 2019.

28. Liabilities due to deferred taxes

Deferred taxes amounted to Euro 2,932 thousand (substantially unchanged compared to Euro 2,933 thousand at 31st December 2014) 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 after verifying the taxability conditions of the major values registered for the activities or the reduction of the liability value.

29. Employees' leaving entitlement and quiescence reserves

	30/06/2015	*31/12/2014*	*Variations*	%
Employees' leaving entitlement (TFR)	7,399	8,155	(757)	(9.3%)
Fund for indemnity of end of term	77	69	7	10.4%
Total	***7,475***	***8,225***	***(749)***	**(9.1%)**

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

Employees' leaving entitlement	*30/06/2015*	*31/12/2014*	*30/06/2014*
Opening balance	8,155	6,853	6,853
Service cost	81	140	68
Interest cost	59	194	107
Benefits paid	(277)	(307)	(128)
Actuarial (gains)/losses	(620)	1,276	789
Closing balance	***7,399***	***8,155***	***7,690***

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.

	30/06/2015	31/12/2014
ECONOMIC ASSUMPTIONS		
Annual discount rate	2.06%	1.49%
Annual inflation rate	0.60% for 2015 1.20% for 2016 1.50% 2017 and 2018 2.00% from 2019 onwards	0.60% for 2015 1.20% for 2016 1.50% 2017 and 2018 2.00% from 2019 onwards
Annual rate of increase in severance pay	1.950% for 2015 2.400% for 2016 2.625% 2017 and 2018 3.000% from 2019 onwards	1.950% for 2015 2.400% for 2016 2.625% 2017 and 2018 3.000% from 2019 onwards
Annual rate of salary increase	0.50%	0.50%
DEMOGRAPHIC DATA		
Death	Mortality tables RG48 General Accounting Office	
Disability	Tables INPS	
Retirement	100% to the wagering requirements AGO	
TECHNICAL BASES TURNOVER AND ADVANCES		
Frequency Advances	1.00%	1.00%
Turnover frequency	2.50%	2.50%

The annual discount rate used to determine the obligation was determined by reference to the average yield curve of that comes from the index *iBOXX Eurozone Corporates AA* with a duration of 10+ years in the month of evaluation.
The average maturity (*duration*) of debt is 16.1 years.
The expected *service cost* for the period 01/07/2015-30/06/2016 is Euro 138 thousand.
The following table shows the sensitivity analysis for the main evaluation parameters and the estimated future disbursements.

Sensitivity analysis

Change in actuarial assumptions	Value of severance pay
Turnover rate +1%	7,298
Turnover rate -1%	7,378
Inflation rate +0.25%	7,493
Inflation rate -0.25%	7,181
Discount rate +0.25%	7,101
Discount rate -0.25%	7,579

Estimated future disbursements

Year	Estimated disbursement
1	298
2	292
3	284
4	275
5	369

30. Expense funds and risks

In the first half of 2015 no funds for expenses and risks have been set aside.
Following a tax assessment relating to the 2006 financial period issued at the expense of a subsidiary, deemed illegal and consequently contested in 2012, a legal dispute was started and is currently pending at the Supreme Court, as described in note 30 of the consolidated financial statements at 31/12/2014. While waiting for the

Supreme Court to pronounce its decision on the claim for assessment repeal in amendment of the Court of Appeal's decision, the controlling agency could act further in terms of collecting the remaining amounts, estimated at Euro 257 thousand including charges and interests. The Directors of the subsidiary, although uncertain of any judicial outcome, and bearing in mind the opinions expressed by the lawyers involved, deem it probable that the instances proposed at the Supreme Court will be accepted, although the risk of losing is possible. Consequently, they have decided not to register further reserves for risks relating to the tax dispute in the first half of 2015.

31. Commercial debts

The entire point amount to Euro 8,721 thousand and is as follows:

Commercial debts	*30/06/2015*	*31/12/2014*	*Variations*	*%*
Debts towards associated companies	712	450	262	58.1%
Debts towards suppliers	4,162	4,138	24	0.6%
Payments on account received	0	0	0	-
Accrued expenses and deferred income	3,848	1,109	2,739	247.1%
Total Commercial debts	***8,721***	***5,697***	***3,025***	**53.1%**

Debts towards suppliers are referred to as current debts for supplies of goods and services received.
The entry "Accrued expenses and deferred income" refers almost entirely to deferred income that was already invoiced regarding annual ordinary maintenance contracts on user licences and mainly pertaining to 2015 second half period.

32. Tax debts

The taxation debt point amounts to Euro 2,873 thousand regards debts that the companies of the Group included in the consolidation area have incurred with the inland revenue. This registration is made up of income tax debts. value added tax and to activities of tax substitution made by the various companies regarding their respective employees and collaborators.

33. Short-term financing

The voice on 30th June 2015 of Euro 508 thousand is made up of short-term financing provided by banks and bank overdrafts.

34. Other debts

Details of other debts are as shown:

	30/06/2015	*31/12/2014*	*Variations*	*%*
Social security charges payable	2,584	2,508	75	3.0%
Towards directors	32	144	(112)	(78.1%)
Dividends to be distributed to shareholders (third parties)	0	0	0	0.0%
Towards staff for deferred salaries and pay	4,890	3,544	1,346	38.0%
Other	3	3	0	-
Total	***7,508***	***6,200***	***1,308***	**21.1%**

Debts towards welfare institutions included matured contributory debts on current monthly salaries as well as the quota for deferred salaries and for holidays to enjoy.
Staff debts refer to the current salaries for June 2015 and to accruals for deferred salaries that matured at the same date.

Debt towards staff for wages and deferred pay	*30/06/2015*	*31/12/2014*	*Variations*	*%*
For wages and expense accounts	2,327	1,370	957	69.8%
For production incentives	14	14	0	-
For holidays	1,666	1,318	348	26.4%
For thirteenth month (year-end bonus)	883	0	883	-
For fourteenth month (summer bonus)	0	842	(842)	(100.0%)
Total	***4,890***	***3,544***	***1,346***	***38.0%***

35. Consolidated net financial position

Is positive the consolidated net financial position as at 30 June 2015.
In particular, the net short-term financial position, an increase of Euro 5,087 thousand compared to December 31, 2014 (Euro 3,577 thousand), amounted to Euro 8,664 thousand, while the net financial position is positive for Euro 7,155 thousand, due to the presence of long-term loans for Euro 1,509 thousand.
Immediate availability on current accounts and in hand came to Euro 6,521 thousand. Capitalization insurance policies of Euro 2,651 thousand were contractually available within 20 days of request with no significant collection costs.
Short-term debts towards banks were made up of current account overdrafts and advances subject to final payment.

Net consolidated financial position	*30/06/2015*	*31/12/2014*	*Variations*	*%*
Cash-on-hand and at bank	6,521	2,968	3,553	119.7%
Capitalization insurance policies	2,651	2,618	32	1.2%
Payables due to banks current portion	(508)	(2,009)	1,502	74.7%
Net short-term financial position/(indebtedness)	**8,664**	**3,577**	***5,087***	***142.2%***
Long-term loans	(1,509)	0	(1,509)	-
Net long-term financial position/(indebtedness)	**(1,509)**	**0**	***(1,509)***	**-**
Net financial position/(indebtedness)	***7,155***	***3,577***	***3,579***	***100.1%***

The net financial position balance sheet agrees with the balance sheets; it is hereby reported that: cash in bank accounts and capitalization insurance policies are registered in the patrimonial status as “Cash and other equivalent assets”; short-term financial debts are registered as “Payables due to banks current portion”; long-term financing is registered in the patrimonial status as “Long-term loans”.
As shown in the financial report, increasing in financial assets was determined by the following management:

- the operational management activities generated a positive cash flow of Euro 7,123 thousand (compared to Euro 6,444 thousand in the first half of 2014) due to self-financing (net profit plus depreciation and amortization), net of non-cash items;
- investing activities absorbed Euro 2,273 thousand (compared to Euro 1,769 thousand in the first half of 2014) for investments in intangible assets (Euro 2,113 thousand), tangible assets (Euro 399 thousand) and holding companies (Euro 12 thousand), partly offset by interests and dividends received (Euro 76 and 172 thousand respectively);
- financing activities generated a positive cash flow of Euro 237 thousand (compared to a negative cash flow Euro 95 thousand in the first half of 2014) due to the opening of medium/long term financing for Euro 1,509 thousand, partly offset by payment of dividends which absorbed Euro 1,262 thousand and by the allocation of profits to directors (Euro 9 thousand).

Net short-term financial availability	*30/06/2015*	*31/12/2014*	*Variations*	*%*

Bank and postal accounts	6,515	2,957	3,558	120.3%
Cheques and Cash on hand	6	11	(5)	(45.3%)
Insurance policies capitalised	2,651	2,618	32	1.2%
Debts towards banks (overdrawn accounts, advances subject to collection etc.)	(508)	(2,009)	1,502	74.7%
Net short-term financial availability	**8,664**	**3,577**	***5,087***	***142.2%***

36. Related parties transactions

Relations between the Group's companies are administered on the basis of contractual relations drawn up by the respective administrative organs bearing in mind the quality of the assets and services involved and the competitive conditions of the market, adapting the interests of the Group.
The summary of income and costs despite the credit and debit position at 30th June 2015 between the Group's subsidiaries is shown in the specific paragraph on management intermediary report.
The following table shows the incidence of transactions with related parties on the respective balance entry:

Transaction incidence with related parties at 30/06/2015	Total	Related Parties	
		Absolute value	% onTot.
A) Entries in the Profit and Loss account			
Income from sales and services	27,531	5	0.0%
Service costs	(6,292)	(761)	12.1%
Labour costs	(18,625)	(316)	1.7%
Other administrative expenses	(1,015)	(604)	59.5%
B) Entries in the Patrimonial situation			
Commercial credits and other credits	28,576	13	0.0%
TFR and pension funds	7,475	149	2.0%
Commercial debts	8,721	778	8.9%
Other debts	7,508	132	1.8%
C) Financial flows			
Cashed dividends	172	172	100.0%

Returns with related parties mainly regarded the supply of services carried out for the company Xchanging (Euro 3 thousand), for the subsidiary Sicom S.r.l. (Euro 1 thousand) and for other related parties for the residual.
Service costs to related parties included the supply of services carried out by the subsidiary Sicom to the controlling company (578 thousand euro), remunerations to the members of the CAD IT Statutory Auditors (34 thousand euro), the lease of property owned by a partner (13 thousand euro) and those relating to translation and language training services supplied by a company partly owned by a CAD IT manager (136 thousand euro).
Labour costs towards related parties include the remunerations (including contributions to be paid by the company and matured accruals for deferred pay) of CAD IT or its subsidiaries employees who are related to, or have an affinity with, CAD IT directors and those of managers with strategic responsibilities.
Other administrative expenses relating to related parties regard directorship fees received by CAD IT directors for the position of director in Group companies (Euro 528 thousand) as well as to the directors of other companies in the Group who are related to, or have an affinity with them (Euro 76 thousand). Credits to related parties were made up of the controlling company's credits towards the company Xchanging.
Debts to related parties were mainly made up of commercial debts, for services (Euro 778 thousand), debts towards employees and directors for remunerations and remuneration accruals (Euro 132 thousand) and severance pay (Euro 149 thousand). No other relations of an economic-patrimonial nature of any significant substance with related parties have been undertaken.

The tables below show the incidence of relations with related parties at 30/06/2014 and at 31/12/2014.

Transaction incidence with related parties at 30/06/2014	Total	Related Parties	
		Absolute value	% onTot.
A) Entries in the Profit and Loss account			
Income from sales and services	25,778	3	0.0%
Service costs	(5,059)	(505)	10.0%
Labour costs	(17,751)	(338)	1.9%
Other administrative expenses	(994)	(564)	56.8%
B) Entries in the Patrimonial situation			
Commercial credits and other credits	32,260	3	0.0%
TFR and pension funds	7,752	183	2.4%
Commercial debts	6,904	151	2.2%
Other debts	7,858	273	3.5%
C) Financial flows			
Cashed dividends	170	170	100.0%

Transaction incidence with related parties at 31/12/2014	Total	Related Parties	
		Absolute value	% onTot.
A) Entries in the Profit and Loss account			
Income from sales and services	52,973	15	0.0%
Service costs	(10,819)	(873)	8.1%
Labour costs	(35,004)	(828)	2.4%
Other administrative expenses	(1,957)	(1,230)	62.8%
B) Entries in the Patrimonial situation			
Commercial credits and other credits	29,616	14	0.0%
TFR and pension funds	8,225	142	1.7%
Commercial debts	5,697	336	5.9%
Other debts	6,200	238	3.8%
C) Financial flows			
Cashed dividends	170	170	100.0%

37. Significant events since 30th June 2015

No events have occurred that could noticeably effect the economic, patrimonial and financial situation of the company.

38. Other information

There have been no transactions or any non recurrent significant events, as defined in the Consob DEM/6064293 communication, in the present financial period or the previous one.
CAD IT and the Group's companies have not drawn up any contracts containing clauses that depend on continual financial funding (covenant) nor any agreements where a subject – to whom a loan has been granted – must behave accordingly (negative pledge).
In accordance with Consob Notification no. DEM/11070007 of 5th August 2011 (which in turn refers to document

ESMA no. 2011/266 of 28th July 2011) on the information to be supplied in financial reports concerning sovereign debt statements kept by listed companies, it is hereby declared that the Group does not hold any bonds or loans issued by central or local governments or governmental bodies.
The present half yearly financial report was approved by the CAD IT S.p.A. Board of Directors on 27/08/2015.

ATTESTATION IN RESPECT OF THE HALF YEAR CONDENSED FINANCIAL STATEMENTS UNDER ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14TH MAY 1999 AND SUBSEQUENT MODIFICATIONS AND INTEGRATIONS

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 half year condensed statements during the first six months of 2015.

2. Furthermore, it is hereby declared that the CAD IT S.p.A half year condensed statements:
   a) has been drafted in accordance with the International accounting standards (IFRS) – adopted by the European Union - in conformity with EC regulation no. 1606/2002 of the European Parliament and Council of 19th July 2002, and in particular with IAS 34 – *Intermediary Period Balances;*
   b) corresponds to the results in the company books and accounting documents;
   c) gives a true and correct representation of the patrimonial, economic and financial situation of the company and the group of companies included in the consolidation.

3. The interim management report includes reliable analysis of the reference to the important events affecting the Company during the first six month of the current fiscal year, including the impact of such events on the Company's condensed financial statements and a description of the principal risks and uncertainties for the remaining six months of the year. The interim management report also contains a reliable analysis of information on any significant operations with correlated parties.

Verona, 27 August 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

FINANCIAL STATEMENTS OF CAD IT S.P.A.

Income Statement

	First Half 2015		*First Half 2014*	
	Total	of which related parties	***Total***	of which related parties
Income from sales and services	27,053	*909*	25,295	*903*
Asset increases due to internal work	2,166		1,960	
Other revenue and receipts	120	*25*	152	*26*
Purchase costs	(129)		(173)	
Service costs	(14,871)	*(10,122)*	(13,446)	*(9,556)*
Other operational costs	(185)		(175)	
Labour costs	(11,153)	*(242)*	(10,259)	*(338)*
Other administrative expenses	(453)	*(358)*	(441)	*(564)*
Allocation to fund and credit depreciation	(55)		0	
Intangible fixed asset amortization	(2,538)		(2,381)	
Tangible fixed asset amortization	(205)		(202)	
Financial income	405	*327*	362	
Financial expenses	(14)		(37)	
Revaluations and depreciations	0		0	
Pre-tax result	**141**		**655**	
Income taxes	(25)		(337)	
Profit (loss) for the period	**116**		**318**	
Weighted average number of ordinary shares outstanding	8,980,000		8,980,000	
Basic earnings per share (in €)	0.013		0.035	

Statement of comprehensive income

	First Half 2015	*First Half 2014*
Profit (loss) for the period	**116**	**318**
Other comprehensive income that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on defined benefit liabilities	266	(338)
Other comprehensive income that will be reclassified subsequently to profit or loss		
Gains/(Losses) on fair value of available-for-sale financial assets	-	-
Reclassification adjustments: gains realized on disposal of available-for-sale	-	-
Total Comprehensive income (loss)	**382**	**(20)**

Statement of financial position

	30/06/2015		31/12/2014	
ASSETS	**Total**	*of which related parties*	**Total**	*of which related parties*
A) Non-Current Assets				
Property, plant and equipment	16,630		16,738	
Intangible assets	21,507		21,758	
Investments	15,127		15,127	
Other non-current credits	17		14	
Credits due to deferred taxes	-		40	
TOTAL NON-CURRENT ASSETS	**53,282**		**53,676**	
B) Current Assets				
Inventories	12		6	
Trade receivables and other credits	30,844	*3,821*	32,709	*4,921*
Tax credits	1,749		1,641	
Cash on hand and other equivalent assets	8,046		4,711	
TOTAL CURRENT ASSETS	**40,651**		**39,067**	
TOTAL ASSETS	**93,932**		**92,743**	
EQUITY AND LIABILITIES				
A) Equity				
Share capital	4,670		4,670	
Reserves	35,246		35,246	
Accumulated profits/losses	13,844		14,629	
TOTAL EQUITY	**53,760**		**54,545**	
B) Non-current liabilities				
Financing	1,509		-	
Deferred tax liabilities	2,801		2,802	
Employee benefits and quiescence provisions	3,547	*137*	3,960	*130*
Expense and risk provisions	-		-	
TOTAL NON-CURRENT LIABILITIES	**7,856**		**6,761**	
C) Current liabilities				
Trade payables	25,201	*18,285*	22,861	*18,229*
Current tax payables	2,039		2,932	
Short-term financing	491		1,747	
Other liabilities	4,585	*103*	3,897	*216*
TOTAL CURRENT LIABILITIES	**32,316**		**31,437**	
TOTAL LIABILITIES AND EQUITY	**93,932**		**92,743**	

Statement of changes in equity

	Share capital	Reserves	Accumulated profit (loss) net of period result	Period result	Total Equity
at 31/12/2014	**4,670**	**35,246**	**14,125**	**504**	**54,545**
Allocation of the period result to reserves	-	-	504	(504)	-
Dividend distribution	-	-	(1,167)	-	(1,167)
Total comprehensive Profit/(loss)	-	-	266	116	382
at 30 June 2015	**4,670**	**35,246**	**13,728**	**116**	**53,760**

	Share capital	Reserves	Accumulated profit (loss) net of period result	Period result	Total Equity
at 01/01/2014	**4,670**	**35,246**	**14,571**	**97**	**54,585**
Allocation of the period result to reserves	-	-	97	(97)	-
Dividend distribution	-	-	-	-	-
Total comprehensive Profit/(loss)	-	-	(338)	318	(20)
at 30 June 2014	**4,670**	**35,246**	**14,331**	**318**	**54,565**

Cash Flow Statement

	First Half 2015	*First Half 2014*
A) OPERATING ACTIVITIES		
Profit (loss) for the period	116	318
Amortisation, revaluation and depreciation:		
- Property, plant and equipment amortisation	205	202
- Intangible fixed asset amortisation	2,538	2,381
- revaluation of investments and financial assets available for sale	0	0
Allocations (utilization) of provisions	(147)	76
Financial performance:		
- Net financial receipts (charges)	(390)	(325)
- Profit / (loss) on foreign exchange	2	0
Working capital variations	4,670	2,593
Income taxes paid	(744)	44
Interest paid	(14)	(37)
(A) - Cash flows from (used in) operating activities	**6,235**	**5,252**
B) INVESTMENT ACTIVITIES		
Investments in activities		
- purchase of property, plant and equipment	(98)	(60)
- purchase of intangible assets	(2,288)	(1,984)
- increase in other fixed assets	(4)	
Disinvestment activities		
- transfers of property, plant and equipment	0	0
- transfers of assets available for sale	0	0
- decrease in other fixed assets	1	0
Cashed Interest	76	37
Cashed dividends	327	326
(B) - Cash flows from (used in) investment activities	**(1,986)**	**(1,681)**
C) FINANCING ACTIVITIES		
Medium/long term financing repayment	0	0
Medium/long term financing opening	1,509	
Dividends paid	(1,167)	0
(C) - Cash flows from (used in) financing activities	**341**	**0**
(A+B+C) - Total cash and other equivalent assets flows	4,590	3,571
Opening cash balances and equivalents	**2,965**	**(2,129)**
Closing cash balances and equivalents	**7,555**	**1,442**

Net financial position

Net financial position	*30/06/2015*	*31/12/2014*
Cash-on-hand and at bank	5,395	2,093
Capitalization insurance policies	2,651	2,618
Payables due to banks current portion	(491)	(1,747)
Net short-term financial position/(indebtedness)	**7,555**	**2,965**
Long-term loans	(1,509)	-
Net long-term financial position/(indebtedness)	**(1,509)**	**-**
Net financial position/(indebtedness)	***6,046***	**2,965**

Relationships with subsidiaries

Being the parent company, CAD IT carries out commercial and financial transactions with subsidiaries at normal conditions of market.
The table below gives a summary of the transactions with subsidiaries carried out in the period:

Company	*Costs*	*Turnover*	*Financial expenses*	*Financial income*	*Receivable*	*Payable*
CAD S.r.l.	6,161	577	-	-	2,889	10,259
CeSBE S.r.l.	1,660	261	1	-	460	4,880
Smart Line S.r.l.	743	78	-	-	133	1,380
Elidata S.r.l.	703	8	-	-	312	826
Datafox S.r.l.	117	6	-	-	12	171
Tecsit S.r.l.	-	1	-	-	2	-
Total	**9,384**	**930**	**1**	**-**	**3,808**	**17,516**

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Michele Miazzi, manager in charge of drafting CAD IT S.p.A. accounting documents, hereby declares, in accordance with article 154-bis, second paragraph, of the Consolidated Law on Finance (Leg. Dec. 58/1998), that the accounting information in “Financial Statements of CAD IT SpA” at 30th June 2015 corresponds to the documentary results, books and accounting registers.

Auditors' review report on the condensed consolidated financial statements for the six months period ended June 30, 2015
(Translation from the original Italian version)

To the Shareholders of
CAD IT S.p.A.

1. We have performed the limited review of the accompanying half-year condensed consolidated financial statements consisting of the statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and relevant explanatory note of CAD IT S.p.A. and its subsidiaries (the CAD IT Group) as of June 30, 2015. These half-year condensed consolidated financial statements, prepared in conformity with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union, are the responsibility of CAD IT S.p.A.'s Directors. Our responsibility is to issue a report on our review.

2. Our review was conducted in accordance with auditing standards for the review of interim financial statements recommended by Consob (the Italian Regulatory Agency for Companies and the Stock Exchange) in its Resolution n. 10867 dated July 31, 1997. The limited review of the half-year condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international standards on auditing (ISA Italy) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-year condensed consolidated financial statements

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-year condensed consolidated financial statements of the CAD IT Group as of June 30, 2015 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union.

4. With respect to the consolidated financial statements for the year ended December 31, 2014 and the half-year condensed consolidated financial statements for the period ended June 30, 2014, reference should be made to the audit and review reports issued by other auditors on March 19, 2015 and on August 28, 2014 respectively.

Verona, August 28, 2015

PKF Italia S.p.A.
Signed on the original by
Umberto Giacometti
(Partner)

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