CDC GROUP

FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2004

TABLE OF CONTENTS

CORPORATE BODIES OF PARENT COMPANY CDC POINT S.p.A.

BOARD OF DIRECTORS

Name and surname	Position	Duration of appointment
Giuseppe Diomelli	Chairman	Approval of 2004 accounts
Leonardo Pagni	Managing Director	Approval of 2004 accounts
Claudio Andolfi	Managing Director	Approval of 2004 accounts
Alessandro Barberis	Director	Approval of 2004 accounts
Enrico Barachini	Director	Approval of 2004 accounts
Paolo Gualtieri	Director	Approval of 2004 accounts
Emilio Vitale	Director	Approval of 2004 accounts

Giuseppe Diomelli is Chairman and Legal Representative with responsibility on corporate activities and corporate functions, in order to carry out the corporate business strategy.

Leonardo Pagni is Managing Director with responsibility for the Commercial and Operative Department. He is responsible for Sales, Purchase, Production, Logistics, Information Technology, Strategic Planning and Investor Relations.

Claudio Andolfi is Managing Director with responsibility for the Administration and Staff Department. He is responsible for Finance, Administration and Control, Human Resources, Development New Opening, Legal and Corporate Business, Internal Auditing.

Alessandro Barberis and Enrico Barachini are Independent Directors.

In the shareholders' meeting held on April 28, 2004, the shareholders of CDC Point S.p.A. extended the Board of Directors from 5 to 7 members and designated Emilio Vitale and Paolo Gualtieri as Independent Directors.

Enrico Barachini, as Chairman, Alessandro Barberis and Paolo Gualtieri are members of the Internal Audit Committee.

Alessandro Barberis, as Chairman, Enrico Barachini and Emilio Vitale are members of the Remuneration Committee.

BOARD OF STATUTORY AUDITORS

Name and surname	Position	Duration of appointment
Carlo Bossi	Chairman	Approval of 2004 accounts
Daniela Carli	Statutory Auditor	Approval of 2004 accounts
Alberto Lang	Statutory Auditor	Approval of 2004 accounts
Enzo Polidori	Alternate Auditor	Approval of 2004 accounts
Enrico Fabbri	Alternate Auditor	Approval of 2004 accounts

BUSINESSES AND STRUCTURE OF THE CDC GROUP

BUSINESSES

CDC Point S.p.A., which has been listed on the Italian Stock Exchange's *Nuovo Mercato* since July 2000, is Italy's leading producer and distributor of IT products.

Its retail distribution network – the largest in Italy in terms of sales and brand awareness – serves the consumer and SOHO segments with more than 716 outlets. The above outlets are organized into three distinct chains operating under the Computer Discount, Compy and Amico trademarks.

The Group also controls a network of 21 property Cash & Carry outlets, to which, in September 2002, it added the 5 Cash & Carry stores operated by the subsidiary, Direct. These outlets distribute to over 25,000 specialist IT resellers. The IT distribution market for dealers and VARs is also served by the B2B e-commerce platform, www.cdcpoint.it.
On July 27, 2004, the parent company CDC Point has bought Test's commercial activities by exercising the call option acquired in 2002. From the integration of the two networks derives a chain of 26 property Cash & Carry outlets, which covers the whole Italian territory.

Since 2001 CDC also serves the government, large-scale user and mass merchandising markets, via its Direct Sales division.
CDC is leader in the government market thanks to the award of the main supplies to Italian Public Administration and to some Italian Banks:

- November 2002. Consip S.p.A. tender to supply PCs to central and local government entities, with a worth of over € 30 million;
- June 2003. Consip S.p.A. tender to supply PCs to central and local government entities, with a worth of over € 16 million;
- May 2004. Order to supply IT products to Credito Emiliano Bank, for a total amount of € 160 thousand.

In addition to its core business (production and distribution of IT) the CDC Group also operates in the Internet market via Interfree, which manages the Group's portal and ISP services.

GROUP STRUCTURE

CDC Point S.p.A.
Registered Office: Via Tosco Romagnola, 61 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01250630504
Parent Company and operative holding company
- Business: distribution of IT products

Micronica S.p.A. one-shareholder company
Registered Office: Via Calabria, 1 GELLO - PONTEDERA (PI)
Member of the Chamber of Commerce of Pisa number 01144430509
Wholly owned
- Business: production of personal computers and management of the Group's logistics platform

PC Stop S.r.l. one-shareholder company
Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01341600508
Wholly owned
- Business: sales of IT products

Cd Web S.r.l. one-shareholder company
Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01515060505
Wholly owned
- Business: sales of IT product via e-commerce

Polinet S.r.l. one-shareholder company
Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01515070504
Wholly owned
- Business: real estate

Interfree S.r.l. one-shareholder company
Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01499020509
Wholly owned
- Business: Internet Service Provider

Direct S.r.l.
Registered Office: Via Mazzini, 74 56025 PONTEDERA (PI)
Member of the Chamber of Commerce of Pisa number 01459540504
99% owned
- Business: distribution of IT products

Mactronics Technology S.r.l. one-shareholder company – in winding-up
Registered Office: Via Tosco-Romagnola, 61 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01622090502
Wholly owned
- Business: design and sales of storage systems

Computer Discount S.r.l. one-shareholder company
Registered Office: Via Mazzini, 74 56025 PONTEDERA (PI)
Member of the Chamber of Commerce of Pisa number 01125180503
Wholly owned
- Business: holding company. The company holds interests in IT retail outlets, affiliated to Computer Discount network

USEFUL INFORMATION

CDC Point S.p.A.

CDC Point S.p.A.
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Internet Address

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http://www.interfree.it

REPORT ON OPERATIONS

Consolidated performance report

To our shareholders, during the first half of 2004 the company achieved revenues for € 276,956 thousand, growing by 2.5% against the same period of 2003.

The growth in revenues was obtained compared with an Italian Micro Information Technology Market substantially stable (up 0.2% in value, source Sirmi, July 2004) in the period under review. On the contrary, the Italian personal computer market shows a significant recovery after the decline started in 2001, with a growth of 5.5% in the first six-month period of 2004 (source Sirmi, July 2004) against the same period of 2003.

This positive performance of the consolidated revenues was achieved thanks to:

- revenues of the distribution division, including the e-commerce B2B platform and the network of 26 property Cash & Carry outlets, for € 149,600 thousand, growing by 22.7% compared with € 122,000 thousand of the first half of 2003;
- consolidation of revenues of the retail division (Computer Discount chain and Consumer Electronics/Mass merchandising channel) which in the first half of 2004 were equal to € 105,900 thousand, increasing by about 2%, compared with € 103,900 thousand of the same period of 2003.

The growth in consolidated revenues was achieved despite the revenues of Direct Sales division (focused on government and corporate clients) fell from € 38,400 thousand of the first six-month period of 2003, to € 15,000 thousand of the period under review. The decreasing was mainly due to the two following factors: (i) very positive effects on the revenues in the first half of 2003 of the Consip tenders, won in the second half of 2002; (ii) on the contrary during the first six-month period of 2004 the sales to public clients via Consip were substantially stopped.

Apart from the public sector's sales, the revenues generated by the historical chains of CDC (Computer Discount, Cash&Carry, Amico, Compy-Consumer Electronics), representing over 90% of the consolidated revenues in the period under review, increased by over 10%, significantly higher compared with the trend of personal computer and Micro Information Technology market.

During the first half of 2004 your company has continued to increase the profitability, reaching a pre-tax profit of € 7,030 thousand, growing by about 25% against € 5,686 thousand achieved in the first six-month period of 2003.
The growth was due to the following factors:

- decline of the gross margin from € 39,180 thousand as of June 30, 2003 (14.5% on sales), to € 37,361 thousand in the period under review (13.49% on sales);
- operating costs for € 24,502 thousand (9% on sales) in the first half of 2004 substantially stable compared with € 24,226 thousand (9% on sales) of the first six-month period of 2003;
- decrease of the Operating Income (Ebit) from € 9,824 thousand (3.63% on sales) as of June 30, 2003 to € 8,352 thousand (3.02% on sales) in the period under review. Take notice that the strengthening of the Euro against the US Dollar currency, registered in the first six-month period of 2003, determined a positive effect both on the gross margin and the operating income (Ebitda and Ebit) as of June 30, 2003, equal to € 583 thousand, reflected in the item foreign currency translation expenses in the financial statement as of June 30, 2003 and resulting from the policy of currency risk management carried out in order to secure the margin on sales;
- the first six-month period of 2004 shows significant improvement in financial expenses, falling from € 3,585 thousand as of June 30, 2003 (1.33% on sales) to € 2,439 thousand (0.88% on sales) in the under review period. The decreased was driven by lower foreign currency translation

expenses (compared with € 583 thousand as of June 30, 2003) and lower financial interest expenses for over € 500 thousand, generated by a greater efficiency in the group's financial management;

- positive effect of the extraordinary income, which in the period under review amounted to € 1,157 thousand compared with extraordinary expense for € 545 thousand in the first half of 2003. The change is mainly due to the non-existence of payables registered in the previous years.

The income before taxes of the CDC Group, substantially in line with the budget for the current year, reached € 7,030 thousand (2.54% on sales), compared with € 5,686 thousand as of June 30, 2003 (2.10% on sales), growing in value by 24%. The income before taxes ratio on sales rose by about 25%, from 2.08% in the full year 2003, to 2.54% in the period under review.

The increase of the corporate profitability during the under review period was also reflected in a considerable improvement of the consolidated net financial position, decreasing from € 37,010 thousand as of June 30, 2003 to € 30,021 thousand as of June 30, 2004. The reduction, equal to € 7 million, confirms your company as an operator with financial reliability and ability to generate positive cash flows.
The reduction of the financial position was net of the € 6 million dividend related to year 2003, distributed in May 2004.

CONSOLIDATED ACCOUNTS AND RELATED NOTES

All the figures in the schedules below are in thousands of euros (€) unless otherwise stated.

The following notes referred to the consolidated operating and financial data of CDC Group for the six-month period ended on June 30, 2004.

Consolidated and reclassified income statement as at June 30, 2004

As follows the reclassified consolidated income statement for the first half of 2004, compared with the same accounts for the first half of 2003 and for the full year 2003.

The reclassifications on the statutory income statement were operated, in accordance with the art. 2425 of the Italian Civil Code, in order to provide a more representative description of the CDC Group's activity, in relation with the specificity of IT market.

As all the companies included in the basis of consolidation are operating in the same industry of the parent company CDC Point SpA (IT production and distribution), excluded Interfree Srl, whose specific information is provided in the section "Internet service provider and portal activities", is not relevant to represent the index of profitability for every consolidated company.

In order to allow a better understanding of the data shown below, the figures of the first half of 2003 and the full year 2003 reflected the inclusion in the basis of consolidation of the company Mactronics Technology Srl, acquired by CDC during the second half of 2002 and currently in winding-up. Therefore Mactronics Technology was not included in the basis of consolidation for the under review period.

The company PC Stop Srl was not included in the basis of consolidation because not active and not relevant.

For a meaningful comparison, reference should be made to the paragraph concerning the IT distribution business.

The consolidated financial statement does not include the income taxes of the period and the effect due to deferred taxes referred to the period under review.

Consolidated Income Statement	June 30, 2004		June 30, 2003		December 31, 2003	
Revenues from sales and services	276,484	99.83%	269,678	99.77%	594,001	99.71%
Other revenues and income	473	0.17%	611	0.23%	1,699	0.29%
Total Revenues	**276,957**	**100.00%**	**270,289**	**100.00%**	**595,700**	**100.00%**
Cost of raw and ancillary materials and goods for resale	(203,148)	-73.35%	(231,706)	-85.73%	(539,547)	-90.57%
Change in inventories of goods for resale	(36,448)	-13.16%	597	0.22%	24,383	4.09%
Cost of Goods	**(239,596)**	**-86.51%**	**(231,109)**	**-85.50%**	**(515,164)**	**-86.48%**
Gross Margin	**37,361**	**13.49%**	**39,180**	**14.50%**	**80,536**	**13.52%**
Service costs	(11,321)	-4.09%	(11,226)	-4.15%	(25,476)	-4.28%
Lease expense	(2,549)	-0.92%	(2,616)	-0.97%	(5,202)	-0.87%
Payroll costs	(10,259)	-3.70%	(9,928)	-3.67%	(19,901)	-3.34%
Other operating costs	(373)	-0.13%	(456)	-0.17%	(1,268)	-0.21%
Ebitda	**12,859**	**4.64%**	**14,954**	**5.53%**	**28,689**	**4.82%**
Depreciation	(3,055)	-1.10%	(3,108)	-1.15%	(6,336)	-1.06%
Provisions and write-downs	(53)	-0.02%	(759)	-0.28%	(1,977)	-0.33%
Ebita	**9,751**	**3.52%**	**11,087**	**4.10%**	**20,376**	**3.42%**
Goodwill and stock market listing costs amortization	(1,399)	-0.51%	(1,263)	-0.47%	(2,756)	-0.46%
Ebit	**8,352**	**3.02%**	**9,824**	**3.63%**	**17,620**	**2.96%**
Financial Income (expense), net	(2,439)	-0.88%	(3,585)	-1.33%	(5,471)	-0.92%
Extraordinary income (expense), net	1,157	0.42%	(545)	-0.20%	(807)	-0.14%
Adjustments to financial fixed assets	(48)	-0.02%	(69)	-0.03%	329	0.06%
Income before Taxes	**7,022**	**2.54%**	**5,625**	**2.08%**	**11,671**	**1.96%**
Income taxes	0	0.00%	0	0.00%	(1,845)	-0.31%
Net result before minority interests	**7,022**	**2.54%**	**5,625**	**2.08%**	**9,826**	**1.65%**
Income (loss) attributable to minority interests	8	0.00%	61	0.02%	36	0.01%
Consolidated Net Income	**7,030**	**2.54%**	**5,686**	**2.10%**	**9,862**	**1.66%**

Revenues from sales and services
Consolidated revenues, net of returns, discounts and allowances, derived almost entirely from sales in Italy; the following table sums up the consolidated revenues by business area.

Business areas	June 30, 2004	June 30, 2003	December 31, 2003
IT Distribution	270,759	264,250	583,057
Internet	5,725	5,017	10,944
Other revenues	473	411	0
Revenues from sales and services	**276,957**	**269,678**	**487,869**

End-of-period bonuses from suppliers and stock protections, amounting to € 12,159 thousand (against € 11,902 thousand as of June 30, 2003), were classified to reduce the cost of goods sold.

Contributions from suppliers for marketing programs, entry right fees of new affiliations, the contribution received by the distribution chain for the advertising campaign and the contribution received for the consumer credit, amounting to € 6,621 thousand, were classified to reduce communication and marketing costs.
The item **change in inventories**, negative for € 36,448 thousand, was mainly driven by the end of the supplies to the public sector derived from Consip tender, which during 2003 year required relevant stocks. Moreover, as of June 30, 2003 and as of December 31, 2003 the value of third parties inventories was significantly high (€ 12,777 thousand and € 5,950 thousand respectively), resulting from the products, not yet tested, delivered to government clients Sector for Consip orders.

Service costs

The trend of service costs is shown in the following table:

Service costs	June 30, 2004	June 30, 2003	December 31, 2003
Transportation and logistics	3,601	3,706	8,198
Subcontractors	197	537	1,010
Maintenance and utilities	1,248	1,150	2,334
Marketing costs	(960)	(439)	(176)
IT Distribution	*(1,072)*	*(457)*	*(353)*
Internet	*112*	*18*	*177*
Insurance premiums	472	270	621
Technical, legal, administrative and tax consulting	546	408	950
Compensation to directors and auditors	1,341	1,307	2,715
Other service costs	4,875	4,287	9,824
Total	**11,320**	**11,226**	**25,476**

Total service costs were substantially stable compared with the same period of 2003, with a slight increasing, mainly due to the residual item “Other service costs” which included costs for renting of the modems provided by telecom carriers and costs for reverse charge to other Internet Service Providers, totalling € 3,099 thousand, against € 2,560 thousand of first half of 2003, with a net growth by € 539 thousand. The growth in the costs mentioned above was balanced by the increase of internet revenues, as shown in the above table “Business Area”.

Contributions from suppliers for marketing programs, classified to reduce marketing costs, rose from € 4,312 thousand as of June 30, 2003 to € 5,186 thousand as of June 30, 2004 with a strong improvement. Moreover service costs decreased as a result of the following factors: (i) exit from the basis of consolidation of the subsidiary Mactronics Technology S.r.l., which as at June 30, 2003, generated expenses equal to € 47 thousand (ii) subcontractors fell from € 537 thousand of the first half of 2003 to € 197 thousand in the period under review.

Marketing costs, totalling € 5,662 thousand (gross of suppliers' contributions for € 5,186 thousand and recoveries of advertising costs for € 1,436 thousand), are essentially related to the IT distribution business.

Subcontractors, insurance premiums, technical, legal, administration and tax consulting services, essentially related to the IT distribution activities, were equal to € 1,215 thousand, stable compared with the first half of 2003 (€ 1,215 thousand), with a decrease in costs for subcontractors (€ 197 thousand as of June 30, 2004 against € 537 thousand as of June 30, 2003) - due to an higher use of subcontractors during 2003 year by the subsidiary Micronica S.p.A. in order to face the deadlines derived from Consip tenders containing at the same time the payroll fixed costs – and a growth in costs for insurance premiums, and for legal, administrative and tax consulting.

The **other service costs** - classified in the table above net of the costs related to installation and technical testing of the Consip PCs to government clients equal to € 1,504 thousand, posted to the item ancillary purchasing costs - rose compared with the first half of 2003 mainly as a result of the increase in costs for reverse charge (up by € 163 thousand) and internet expenses (up by € 295 thousand).

Payroll costs

Payroll costs for the IT distribution area reflected the slight increase of the staff to fill the group's operating requirements, with an increase of 19 units among managers, supervisors and employees and a decrease of 13 units among the workers compared with the same period of 2003

Payroll costs	June 30, 2004	June 30, 2003	December 31, 2003
IT Distribution	10,020	9,677	19,411
Internet	239	251	490
Total	**10,259**	**9,928**	**19,901**

The following table highlights the Group's employment trends:

Employees	June 30, 2004	June 30, 2003	December 31, 2003	Average employment 01/01/04-30/06/04
IT Distribution	**577**	**571**	**622**	**593.83**
Managers	*15*	*12*	*13*	*14.67*
Supervisors	*32*	*29*	*32*	*29.83*
Employees	*392*	*379*	*368*	*394.83*
Workers	*138*	*151*	*209*	*154.5*
Internet	**12**	**13**	**12**	**11.67**
Managers	*0*	*0*	*0*	*0*
Supervisors	*1*	*1*	*1*	*1*
Employees	*11*	*12*	*11*	*10.67*

Amortization and depreciation charges reflected the consolidation adjustments resulting from the elimination of entries posted solely for tax benefit, such as accelerated depreciation and the recalculation of lease transactions in accordance with the financial methodology for a total effect of about € 711 thousand.

Amortization and depreciation charges equal to € 4,454 thousand as of 30 June, 2004, included amortization of intangible assets for € 2,502 thousand, referring to:

- trademarks € 647 thousand
- start up and expansion costs € 35 thousand
- research and development costs € 99 thousand
- software and use licenses € 130 thousand
- concessions € 24 thousand
- leasehold improvements and others € 168 thousand
- goodwill and stock market listing costs € 1,399 thousand, break down as follows:

  a. goodwill Interfree € 323 thousand
  b. goodwill Computer Discount (ex Sofim) € 630 thousand
  c. goodwill Armonia Computers € 114 thousand
  d. stock market listing costs € 332 thousand

Overall, amortization for the IT distribution and the Internet areas totalled € 4,225 thousand and € 229 thousand, respectively.

Provisions and write-downs were related to future risks.

Financial income and expenses

Financial income and expenses break down as follows:

Financial income (expenses)	June 30, 2004	June 30, 2003	December 31, 2003
Interest and other financial income	160	309	613
Interest Expenses	(1,264)	(1,674)	(3,495)
Net foreign currency translation adjustment	(42)	(583)	238
Bank Commissions	(201)	(155)	(379)
Commissions on credit cards and POS payments and factoring fees	(1,083)	(1,229)	(2,127)
Premiums on options	(9)	(253)	(321)
Total	**(2,439)**	**(3,585)**	**(5,471)**

The financial expenses, consisting of commissions on credit cards, POS payments and factoring, net foreign currency translation adjustment and net interest expenses decreased by 31%, from € 3,585 thousand in the first half of 2003 to € 2,439 thousand in the under review period.
The reduction, equal to € 1,146 thousand, was mainly due to:

- lower exchange losses for € 541 thousand, derived from the coverage of the currency requirements for the distribution business;
- lower net interest expenses for € 261 thousand - net of interest and other financial income - due to lower financial debt and decreasing interest rates;
- lower commissions on credit cards, and POS, banking activity and premiums on options for a total amount of about € 350 thousand

Net Working Capital

Working Capital	June 30, 2004	June 30, 2003	December 31, 2003
Inventory	61,423	74,133	97,924
Trade receivables	86,592	87,860	128,435
Receivables due from parent companies	219	0	1
Receivables due from subsidiaries not consolidated	84	0	19
Receivables due from associated companies	385	200	130
Other receivables	12,779	12,401	19,697
Accrued income and deferred expenses	1,615	1,043	924
Current assets	**163,097**	**175,637**	**247,130**
Trade payables	(100,108)	(118,796)	(198,535)
Other payables	(12,199)	(12,542)	(13,331)
Payables to subsidiaries not consolidated	(14)	0	0
Payables to associated companies	(8)	(9)	(13)
Accrued expenses and deferred income	(425)	(331)	(1,711)
Current liabilities	**(112,754)**	**(131,678)**	**(213,590)**
Net Working Capital	**50,343**	**43,959**	**33,540**

The above table shows a growth in the net working capital, compared with the same period of 2003, due to the following factors:

- **inventories** decreasing from € 74,133 thousand as of June 30, 2003 to € 61,423 thousand as of June 30, 2004, due to the end of Consip supplies to the public sector which required relevant stocks in the 2003 year.
  Inventories were entered net of an allowance for write-downs which reflects the loss in value determined by the obsolescence of the slow moving items; such allowance amounted to € 974 thousand and has been considered enough to cover the risk of obsolescence of slow moving products;
- increase in Accrued income and deferred expenses from € 1,043 thousand as of June 30, 2003 to € 1,615 thousand of the same period of 2004. The item mainly refers to insurance premiums, warranties on goods sold, arranging fees of the medium – term loan switched on by the parent company, accrued expenses for social security costs of managers and rents.
- **Trade payables** decreased from € 118,796 thousand as of June 30, 2003, to € 100,108 thousand as of June 30, 2004. They mainly refer to supplies to the parent company CDC Point (€ 97,982 thousand) reflecting lower trade payables due to lower purchases of goods compared with the same period of 2003. **Trade receivables,** as the trade payables mainly deriving from the parent company CDC Point (€ 82,154 thousand), slightly decreased as a result in the period under review of the cash of the receivables from government clients mainly switched on during the previous year.

Inventories were entered net of an allowance for write-downs which reflects the loss in value determined by the obsolescence of slow moving items; such allowance amounted to € 974 thousand and has been considered enough to cover the risk of obsolescence of slow moving products.
The decrease, compared with the same period of 2003, was mainly due to the end of supplies for the public sector generated by Consip tenders, which required a high inventory level during the 2003 year.

Net financial position

Net financial position	June 30, 2004	June 30, 2003	December 31, 2003
Bank debts payable within 12 months	(8,328)	(39,139)	(3,751)
Cash and cash equivalents	5,671	6,155	10,836
(Debts) Amounts due to factoring companies	141	(758)	(881)
Liquidity (borrowing) within 12 months	**(2,516)**	**(33,742)**	**(6,204)**
Short-term loan	0	0	(282)
Short-term amounts due to others	(2)	0	0
Amounts due to other lenders for leases falling due within 12 months	(672)	(722)	(704)
Net Financial Position within 12 months	**(674)**	**(722)**	**(986)**
Amounts due to other lenders for leases falling due after 12 months	(1,819)	(2,405)	(2,185)
Bank debts payable beyond next 12 months	(25,000)	(140)	(25,000)
Net Financial Position next 12 months	**(26,819)**	**(2,546)**	**(27,185)**
Total	**(30,009)**	**(37,010)**	**(21,967)**

Total financial debt decreased by about 20% mainly resulting from the corporate cash flows produced during last 12 months thanks to the positive trend of the consolidated income.
For a more in-depth analysis, reference should be made to the attached Cash Flow Statement.

BUSINESS UNITS' OPERATING AND FINANCIAL DATA

IT DISTRIBUTION BUSINESS

During the first half of year 2004, the CDC Group continued to develop its selling network, the most extensive of the Italian IT market.

CHANGES IN THE SELLING NETWORK	June 30, 2004	March 31, 2004	December 31, 2003	June 30, 2003
CASH & CARRY	26	26	26	26
COMPUTER DISCOUNT	221	235	245	244
IT corner	331	271	262	211
AMICO / B2B	138	126	118	122
Total	**716**	**658**	**651**	**603**

Revenues, net of returns, discounts and allowances, were derived almost entirely from sales in Italy.

The following table highlights the break down per sales channel

Sales revenues	June 30, 2004	June 30, 2003	December 31, 2003
Cash & Carry	127,092	109,666	235,118
Computer Discount	68,508	73,624	153,918
IT corner	30,585	25,276	73,581
AMICO / B2B	22,502	12,345	30,873
Direct sales (government, large-scale user and retail chain)	21,820	43,341	89,165
Total	**270,507**	**264,252**	**582,655**

During the first half of 2004 the CDC Group achieved revenues in the IT distribution area for € 271 million, growing by 2.4% against the same period of the previous year, compared with an Italian PC market, where CDC Point S.p.A. realised over 50% of its yearly revenues, growing by 5.5% in the period under review (according to Sirmi, July 2004).

The trend of the IT revenues shows a strong increase in the Distribution activity via Cash & Carry chain, reaching sales for € 127,092 thousand in the period under review against € 109,666 thousand as of June 30, 2003. The total increase of € 17,426 thousand was generated on a like for like basis, without new openings and derived for € 4,232 thousand from the growth in sales registered by Palermo and Brescia Cash & Carry stores, launched at the end of the first half of 2003 (while in the current half both the outlets produced revenues for the full six-month period) and for € 13,194 thousand from the growth in revenues produced by the other 24 Cash & Carry outlets.
Computer Discount chain continued to reflect the decline in sales of PCs desktop consumer (the PC market for the distribution format "chain of PC shop" during the current period registered a slight increase equal to 2.6%, source Sirmi, July 2004).

On the contrary, the Consumer Electronics chain generated revenues growing by about 20% compared with the same period of 2003, thanks to the improvement of the commercial activities already carried out in the previous year in order to face the change of the consumer market which suggested to launch in addition to the historical format Compy (IT corner under the property trademark Compy and exclusive commercial agreement with CDC) new distribution formulas targeting to an higher coverage of the Italian consumer electronics clients.

The revenues of Amico and B2B channels strongly increased (by 82%), from € 12,345 thousand in the first half of 2003 to € 22,502 in the period under review. In details, the Amico channel grew by 56% from € 6,619 thousand as of June 30, 2003 to € 10,357 thousand as of June 30, 2004, while the B2B channel increased by 112% from € 5,726 thousand to € 12,145 thousand.

The revenues of Direct sales division registered a significant decrease (€ 21,820 thousand as of June 30, 2004 against € 43,341 thousand as of June 30, 2003) due to the trend of sales related to Consip orders which were substantially stopped during the period under review (with a total decrease of sales equal to € 20,000 thousand compared with the same period of 2003).

The gross commercial margin shows a decline for 1.25% margin on sales, partially balanced by lower foreign exchange losses, decreasing from € 583 thousand as of June 30, 2003 to € 41 thousand as of June 30, 2004. Considering the above factor the gross commercial margin increases from 11.66% to 11.9% on sales, substantially in line with the data as of December 31, 2003.

Hereafter the reclassified consolidated income statement of the IT business area (IT production and distribution), for the First Half of 2004, compared with the First Half of 2003 and the Financial Statement as at December 31, 2003, prepared in a concise form, before the adjustments to the financial assets.

CONSOLIDATED INCOME STATEMENT FOR THE IT BUSINESS	**June 30, 2003**		**June 30, 2003**		**December 31, 2003**	
Revenues from sales and services	270,759	99.83%	264,709	99.75%	583,057	99.71%
Other revenues and income	464	0.17%	655	0.25%	1,687	0.29%
Total Revenues	**271,223**	**100.00%**	**265,364**	**100.00%**	**584,744**	**100.00%**
Cost of raw and ancillary materials and goods for resale	(203,141)	-74.90%	(231,702)	-87.31%	(539,539)	-92.27%
Change in inventories of goods for resale	(36,448)	-13.44%	598	0.23%	24,383	4.17%
Cost of Goods	**(239,589)**	**-88.34%**	**(231,104)**	**-87.09%**	**(515,156)**	**-88.10%**
Gross Margin	**31,634**	**11.66%**	**34,260**	**12.91%**	**69,588**	**11.90%**
Service costs	(7,997)	-2.95%	(8,627)	-3.25%	(18,896)	-3.23%
Lease expense	(2,519)	-0.93%	(2,594)	-0.98%	(5,093)	-0.87%
Payroll costs	(10,020)	-3.69%	(9,676)	-3.65%	(19,411)	-3.32%
Other operating costs	(339)	-0.12%	(449)	-0.17%	(1,234)	-0.21%
Ebitda	**10,759**	**3.97%**	**12,914**	**4.87%**	**24,954**	**4.27%**
Depreciation	(2,826)	-1.04%	(2,866)	-1.08%	(5,803)	-0.99%
Provisions and write-downs	(53)	-0.02%	(659)	-0.25%	(1,888)	-0.32%
Ebita	**7,880**	**2.91%**	**9,389**	**3.54%**	**17,263**	**2.95%**
Goodwill and stock market listing costs amortization	(1,077)	-0.40%	(941)	-0.35%	(2,111)	-0.36%
Ebit	**6,803**	**2.51%**	**8,448**	**3.18%**	**15,152**	**2.59%**
Financial Income (expense), net	(2,503)	-0.92%	(3,573)	-1.35%	(5,465)	-0.93%
Extraordinary income (expense), net	655	0.24%	(496)	-0.19%	(667)	-0.11%
Pre-Tax income	**4,955**	**1.83%**	**4,379**	**1.65%**	**9,020**	**1.54%**

End-of-period bonuses from suppliers and stock protections, amounting to € 12,159 thousand, were classified to reduce the cost of goods sold.

Contributions from suppliers for marketing programs, entry right fees of new affiliations and the contribution received by the distribution chain for the advertising campaign, amounting to € 6,621 thousand, were classified to reduce communication costs.

Details on service costs were as follows:

Service costs	June 30, 2004	June 30, 2003	December 31, 2003
Transportation and logistics	3,600	3,706	8,198
Subcontractors	197	537	1,010
Maintenance and utilities	1,208	1,119	2,236
Marketing and communication costs	(1,072)	(520)	353
Insurance premiums	469	268	614
Technical, legal, administrative and tax consulting services	535	404	931
Compensation to directors and auditors	1,341	1,307	2,715
Other service costs	1,719	1,806	2,839
Total	**7,997**	**8,627**	**18,896**

Gross **Marketing costs** equal to € 5,549 thousand, in the table above are represented net of contributions from the suppliers for the marketing programs, entry right fees of new affiliations, contributions to the distribution network for advertising campaigns totalling € 6,621 thousand. The performance derived once more from the capability of the company to collect contributions from the distribution network and the main suppliers obtaining net communication costs wholly covered by the contributions received.

Transportation and logistics costs were substantially stable against 2003 year, with a slightly decrease.

Subcontractors decreased by € 340 thousand due to a lower use of subcontractors by the subsidiary Micronica S.p.A. compared to 2003 year when the company had to face the deadlines derived from Consip tenders containing at the same time the growth in the payroll fixed costs. On the contrary, legal, tax and administrative costs grew due to an higher use of financial consultants and the increase in costs for commercial information resulting from the growth in the number of clients.

The **other service costs**, consisting of third services costs, travelling expenses and other ones, did not include the payment of PCs installation and testing services to the company partner of the Consip RTI (temporary joint venture) totalling € 1,504 thousand in the period under review, posted to the item ancillary purchasing costs.

The payroll costs for the IT distribution business reflected the growth in the Group's staff due to the operating requirements.

Among the **amortizations** of the intangible assets, the ones referred to the trademarks related to the activity and the identification of the Group acquired for € 12,911 thousand at the end of 1999, in the period under review amounted to € 646 thousand, while the amortizations of the € 3,192 thousand listing costs on the Italian Nuovo Mercato were equal to € 332 thousand.

The **net financial expenses** decreased by € 1,070 thousand, from € 3,573 thousand in the first half of 2003 (when the financial expenses reflected the higher amount of receivables factorised with a growth in costs for commission and interest) to € 2,503 thousand in the under review period.
The € 1,070 thousand reduction, was mainly due to:

- lower exchange losses for € 541 thousand, derived from the coverage of the currency requirements for the distribution business;
- lower interest expenses for € 194 thousand - net of interest and other financial income - due to lower financial debt and decreasing interest rates;

- lower commissions on credit cards, POS and banking activity and premiums on options for a total amount of about € 335 thousand.

The exchange losses, equal to € 42 thousand in the period under review, significantly decreased against June 30, 2003, as a result of lower needs of currency operations compared with the ones switched on during 2003 year in order to face the currency risks derived from Consip sales to public clients.
The currency losses as of June 30, 2004 were only attributable to the parent company CDC Point, which carried out a policy of systematic risk management of the currency requirements in order to secure the margin on sales.

BUSINESS AREA-INTERNET SERVICE PROVIDER AND PORTAL ACTIVITIES

INCOME STATEMENT – INTERNET BUSINESS	**June 30, 2004**		**June 30, 2003**		**December 31, 2003**	
Revenues from sales and services	5,725	99.84%	5,138	99.84%	10,944	99.89%
Other revenues and income	9	0.16%	8	0.16%	12	0.11%
Total Revenues	**5,734**	**100.00%**	**5,146**	**100.00%**	**10,956**	**100.00%**
Cost of raw and ancillary materials and goods for resale	(7)	-0.12%	(5)	-0.10%	(9)	-0.08%
Change in inventory of goods for resale	0	0.00%	0	0.00%	0	0.00%
Costs of goods	**(7)**	**-0.12%**	**(5)**	**-0.10%**	**(9)**	**-0.08%**
Gross margin	**5,727**	**99.88%**	**5,141**	**99.90%**	**10,947**	**99.92%**
Service costs	(3,324)	-57.97%	(2,795)	-54.31%	(6,580)	-60.06%
Lease expense	(30)	-0.52%	(56)	-1.09%	(109)	-0.99%
Payroll costs	(239)	-4.17%	(251)	-4.88%	(490)	-4.47%
Other operating cost	(34)	-0.59%	(7)	-0.14%	(34)	-0.31%
Ebitda	**2,100**	**36.62%**	**2,032**	**39.49%**	**3,734**	**34.08%**
Amortization and depreciation	(229)	-3.99%	(242)	-4.70%	(533)	-4.86%
Provisions and write-downs	0	0.00%	(100)	-1.94%	(89)	-0.81%
Ebit	**1,871**	**32.63%**	**1,690**	**32.84%**	**3,112**	**28.40%**
Financial income (expense) net	64	1.12%	(3)	-0.06%	(6)	-0.05%
Extraordinary income (expense) net	502	8.75%	(49)	-0.95%	(139)	-1.27%
Pre-Tax Income	**2,437**	**42.50%**	**1,638**	**31.83%**	**2,967**	**27.08%**

The company Interfree Srl, representing the internet business unit of the group, is wholly owned by CDC Point SpA.

In the first half of 2004 Interfree generated a pre-tax income of € 2,437 thousand against earnings before taxes for € 1,638 thousand in the first half of 2003 and for € 2,967 thousand in 2003 fiscal year.

Internet revenues in the first six-month period of 2004 reached € 5,734 thousand compared with € 5,138 thousand of the same period of 2003. The growth was achieved thanks to new agreements (through the parent company CDC Point S.p.a) ruling revenues and charges (gross revenue per minute of internet traffic and separated charge of reverse and services costs) with telecom carriers (Telecom SpA, Wind SpA e Albacom SpA) for internet traffic produced by Interfree as Internet Service Provider. On the basis of the new agreements described above, Interfree reached higher revenues as a result of higher revenue per minute of internet traffic.

Interfree generated also revenues from services to the end users, through the portal www.interfree.it.

Service costs, equal to € 3,324 thousand, increased compared to the previous year (€ 2,795 thousand), as a result of the new agreements described above ruling the interconnection with the telecom carriers. Moreover as of June 30, 2004 they included costs for € 112 thousand related to a premium competition promoted by the company.

The gross operating profit (Ebitda) in the period under review reached € 2,100 thousand, while the operating income (Ebit) was € 1,871 thousand.

Take notice that the profit of the Internet business unit, at the consolidated level, decreases due to the amortisation of the goodwill, equal to € 322 thousand in the period under review.

The employees of the company as at June 30, 2004 amounted to 12 units, decreasing by 1 units against June 30, 2003.

OTHER SIGNIFICANT INFORMATIONS

INVESTMENTS

There were no significant investment activities other than those necessary for Group companies to operate.

RESEARCH AND DEVELOPMENT

During the period under review the Group, via the parent company CDC Point Spa, carried out research and development activities for developing the new product Dexgate, a project of unifying the corporate communications, shown in Smau 2003 and CeBit 2004. As at June 30, 2004, the goodwill for R&D costs amounted to € 285 thousand, net of amortization, whose € 266 thousand referred to the parent company.

INVESTMENTS IN ASSOCIATED COMPANIES

CDC Point S.p.A. has the following indirect relations with associated companies via its subsidiary, Computer Discount S.r.l.:

- CD Pistoia S.r.l. in winding - up (20% owned). The value of the equity investment is equal to zero;
- CD Napoli S.r.l. (21% owned). The value of the equity investment is equal to euro 10 thousand.
- CD Salerno S.r.l. (21% owned). The value of the equity investment is equal to euro 10 thousand.

TREASURY SHARES

As of June 30 2004, CDC Point S.p.A. held 121,002 its own shares, including 101,657 acquired during 2001, and 19,345 during 2002, in order to stabilize the stock market price, in accordance with the resolution passed by the General Shareholders' Meeting of March 8, 2000 and confirmed by the same Meeting of April 29, 2002 and April 28, 2004.
The average of the purchase price amounted to € 9.54.
As of June 30, 2004 such shares were posted at the lower value between the purchase cost and the average stock value of the last month of the current half, equal to € 9.21, recording a write-downs of € 47 thousand.

STOCK OPTION PLAN

In the meeting held on April 26, 2001, the shareholders of CDC Point S.p.A. authorized the Board of Directors to issue (by April 26, 2006) a maximum of 138,628 (One hundred thirty-eight thousand, six hundred and twenty-eight) common shares with a par value of euro 0.50 (zero point fifty), up to a maximum of euro 69,314 (sixty-nine thousand, three hundred and fourteen), under a stock option plan for Directors, as employees of the Company, executives and middle managers of the Company and its subsidiaries.
During the same meeting, the shareholders of CDC Point S.p.A. authorized the Board of Directors to set up a plan for such external Directors of the company and its subsidiaries as vested with the powers

provided for by article 2381 of the Italian civil code, or assigned special duties or functions, by making use of treasury shares up to an amount not to exceed 1% of the share capital.
These plans are incentive and loyalty-building tools designed to retain the beneficiaries as well as to encourage the Company to achieve pre-set strategic goals.
On January 23, 2002 the Board of Directors approved the rules and regulations governing both stock option plans, and the allocation of 90,748 newly-issued shares, equivalent to 0.74% of the share capital, to Directors, as employee of Company as well as to the executives and the middle managers. The Board also approved the allocation of 31,761 shares, equivalent to 0.26% of the share capital, to Directors, as not employees, of CDC Point S.p.A. and its subsidiaries.
On February 28, 2002 The Board of Directors, authorized by the shareholders meeting, has increase the share capital from euro 6,130,686 to euro 6,176,060 to support the first step of stock option for Directors, executives, middle managers and employees of the company and its subsidiaries.
The rules and regulations called for a subscription price of euro 11.382, representing the average of the official prices of the common shares of CDC Point S.p.A. traded on the Nuovo Mercato in the period between the assignment date and the same day of the previous month; the options will vest in three equal annual tranches, subject to the achievement of the goals set year to year by the Board of Directors; each tranche will be exercised over a three-year period with increasing percentages. The first maturity date would have been April, 1 2003.
On July 25, 2003 the Board of Directors of CDC Point, considering that the target fixed for the exercise of the first tranche of the stock option plan have been achieved and that the beneficiaries had already been the opportunity to exercise the option accrued according to the plan, as the market price of the shares of CDC Point was significantly lower than the strike price for the first tranche of the options (euro 11.382) and not able to incentive the beneficiaries of the stock option plan, deliberated a second tranche of options for a total amount of 24,708 options reserved to Directors, as employees, executives, middle managers and employees and n. 10,481 options reserved to external Directors of the company and its subsidiaries with special tasks of functions. The Board of Directors for this second tranche of options, relating to both the stock option plans, in a partial derogation of the rules as for to the date of accrual of the stock option plan, deliberated that all the options will be due from April 1, 2004, and determined in euro 7.00 the strike price (for underwriting / acquiring the shares).
In the same date of July 25, 2003 the Board of Directors, in front of the notary, and exercising the proxy provided by the Shareholders Meeting of April 26, 2001, deliberated to increase the share capital for of a maximum amount of euro 12,354, by issuing of a maximum of new 24,708 ordinary shares with a nominal value of euro 0.5 per share, with a regular dividend right, reserved to Directors, which are employees, executives, and middle managers of the company and its subsidiary as beneficiaries of the second tranche of the stock option. The term for the subscription of the new shares will be December 31, 2008, after which the share capital will be increased for an amount equal to the subscriptions collected within the data mentioned above.
Starting from April 1, 2004 the rights referring to the second tranche of stock option became callable, for a 20% of a total amount, as the fixed target of € 10,000,000 euro of consolidated income before taxes for 2003 year was achieved.
The rights will have to be exercised within 20 days of Stock exchange starting from the first day after the day of approval by the Board of Directors of every Quarterly financial accounts. Currently no beneficiary has exercised the right.
According to the regulations of the stock option plan the residual 80% of the due rights will be callable starting from April 1 2005 for a 30% share and starting from April 2006 for 50% share.

The table below summarized the data mentioned above

ASSIGNEMENT OF OPTIONS

	2003 YEAR				2002 YEAR			
	Date	2003 No. Shares	Average strike price	Market Price	Date	2002 No. Shares	Average strike price	Market Price
Rights as at 1/1		122,509	11.382	6.5473				
New Rights	** 25/07/2003	35,189	7.00	6.0440	* 23/01/2002	122,509	11.382	11.382
Options exercised in the period								
Options refused in the period	25/07/2003	(40,428)	11.382	6.0440				
Rights as at 31/12		117,270	10.067	9.6400		122,509	11.382	6.5473
* Of which callable as at 31/12		76,230	10.067	9.6400		122,509	11.382	6.5473

* Target of the first tranche of stock options plan: Consolidated Ebitda in 2002 year of euro 18 million achieved
** Target of the second tranche of stock options plan: Consolidate PBT (profit before taxes) of euro 10 million achieved

EXPIRING DATE FOR EXECRCISE THE OPTIONS

Strike Price	Maturity Date Of right	Starting date options 01/04/2003 no.- shares	Starting date Options 01/04/2004 no.- shares	Starting date options 01/04/2005 no.- shares	Starting date options 01/04/2006 no.- shares	Starting date options 01/04/2007 no.- shares	Starting date options 01/04/2008 no.- shares	Total	Of which callable As at 31/12/2003	Expiring date Options
Euro 11.32	01/04/2003	8,086	12,128	20,827				**41,041**	41,041	31/12/2008
	01/04/2005			8,086	12,128	20,827		**41,041**	0	31/12/2008
Euro 7.00	01/04/2004		7,038	10,557	17,595			**35,189**	35,189	31/12/2008
TOTAL		**8,086**	**19,166**	**39,469**	**29,723**	**20,827**		**117,270**	76,230	

TRANSACTIONS WITH RELATED PARTIES AND SHAREHOLDERS

Related-party transactions are solely of a commercial nature and take place at arm's length.
The table below summarizes accounts receivable and payable as well as the revenues and costs, arising from transactions with related parties and the parent company as of the June 30, 2004.

CDC Group				
(000's of euro)	**Accounts receivable**	**Accounts payable**	**Revenues**	**Costs**
Mactronics S.r.l.	0	14	30	90
PC Stop S.r.l.	0	(8)	0	0
Subsidiaries	**0**	**6**	**30**	**90**
CDC S.r.l.	219	0	1	0
Parent company	**219**	**0**	**1**	**0**
CD Napoli S.r.l.	86	0	674	13
Cd Pistoia S.r.l.	0	0	0	0
Cd Salerno S.r.l.	67	0	222	3
Associated companies	**153**	**0**	**896**	**16**
Imo 1 S.r.l.	34	0	0	145
Imo 2 S.r.l.	0	0	0	44
Gap S.r.l.	0	8	0	16
Icube S.r.l.	0	0	1	0
CTY S.r.l.	231	0	1,330	0
Tradesoft Tecnologies S.r.l.	0	0	0	0
Diomelli Giuseppe	0	0	0	0
Andolfi Floriana	0	0	0	0
Related companies and major shareholders	**265**	**8**	**1,331**	**205**

SUBSEQUENT EVENTS

On July, 2004 Direct S.r.l. sold to CDC POINT SpA the call option right on Test leased asset. On July 27, 2004 CDC POINT S.p.A. exercised the call option above mentioned acquiring the 5 cash & carry of Test leased asset. The strike price, determined in € 4,100 thousand, will be paid cash, net of rents and the purchase cost of the call option already paid by CDC Group in the period September 1, 2002 – July 31, 2004, with a net cash out equal to € 2,215 thousand.

OPERATING OUTLOOK

The CDC Group will be managed according to the guidelines of the business plan 2004-2006 approved by the Board of Directors of the parent company CDC POINT SpA on October 27, 2003.

- Particularly, the CDC Group will continue to focus on developing in the long-medium term direct sales activity through the acquisition of new orders from corporate clients, in order to balance partially the decrease in sales to public sector registered during 2004 year. Moreover CDC will target to increase the share on the Italian Micro Information Technology market by developing the market share on SoHo and corporate segments and focusing on trading of own brand products.

SECONDARY PLACES OF BUSINESS

The parent company has no secondary places of business

The Chairman of the Board
Giuseppe Diomelli

CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2004

BALANCE SHEET

As of June 30, 2004 and compared with June 30, 2003 and December 31, 2003

ASSETS	*June 30, 2004*	*June 30, 2003*	*December 31, 2003*
A – DUE FROM SHAREHOLDERS FOR SUBSCRIPTIONS AND LOSSES	**0**	**0**	**0**
B – FIXED ASSETS			
I – INTANGIBLE FIXED ASSETS	**17,290,277**	**22,361,788**	**19,555,594**
1. Start up and expansion costs	785,123	1,536,881	1,155,486
2. Research, development and advertising costs	284,596	448,842	309,449
3. Industrial patents and intellectual rights	593,918	233,924	237,618
4. Concessions, licenses, trademarks and similar rights	7,172,726	8,996,011	8,267,120
5. Goodwill	627,308	915,693	741,385
6. Intangible assets under construction and advances	420,000	548,978	425,153
7. Other intangible assets	737,158	1,014,010	798,476
8. Consolidation differences	6,669,448	8,667,449	7,620,907
II – TANGIBLE FIXED ASSETS	**20,179,839**	**22,589,774**	**21,306,744**
1. Land and Buildings	9,336,795	9,635,576	9,476,485
2. Machinery	6,454,965	8,103,565	7,211,893
3. Industrial and commercial equipment	1,120,578	1,316,778	1,316,905
4. Other assets	3,267,501	3,533,855	3,290,328
5. Tangible assets under construction and advances	0	0	11,133
III – FINANCIAL FIXED ASSETS	**780,242**	**770,022**	**799,319**
1. Shareholdings			
a. in subsidiaries	26,467	0	5,437
b. in associated companies	19,522	19,522	19,522
c. in parent companies	0	0	0
d. in other companies	5,143	5,143	5,143
Sub-total	51,132	24,665	30,102
2. Receivables			
a. due from subsidiaries	0	0	0
b. due from associated companies	0	0	0
c. due from parent companies	0	0	0
d. due from other companies	729,110	745,357	769,217
Sub-Total	729,110	745,357	769,217
3. Others stocks	0	0	0
4. Treasury shares	0	0	0

TOTAL FIXED ASSETS (B)	**38,250,358**	**45,721,584**	**41,661,657**
C – CURRENT ASSETS			
I - Inventories-	**61,422,994**	**74,132,688**	**97,924,305**
1. Raw, ancillary and consumable materials	0	0	0
2. Work in process and semi-finished products	0	0	0
3. Work in process under contract	0	0	0
4. Finished products and goods for resale	61,422,994	74,132,688	97,924,305
5. Advances	0	0	0
II – Receivables-	**100,058,850**	**100,461,429**	**148,281,647**
1. due from customers	86,592,030	87,859,953	128,434,996
2. due from subsidiaries	83,675	0	18,638
3. due from associated companies	385,111	200,115	130,386
4. due from parent companies	219,216	373	1,118
4 bis tax receivables	1,109,463	1,133,293	603,698
4 ter Advanced taxes	486,193	499,660	486,193
6. Others	11,183,162	10,768,035	18,606,618
- receivable within 12 months	*11,183,162*	*10,768,035*	*18,606,618*
- receivable beyond 12 months	*0*	*0*	*0*
III – Short-term investments	**1,094,442**	**836,130**	**4,796,889**
1. Shareholdings in subsidiaries	0	0	0
2. Shareholdings in associated companies	0	0	0
3. Shareholdings in parent companies	0	0	0
4. Shareholdings in other companies	0	0	0
5. Treasury shares	1,091,292	735,934	1,138,789
6. Other securities	0	92,846	0
7. Financial receivables	3,150	7,350	3,658,100
IV – Cash and cash equivalents	**5,671,475**	**6,154,784**	**10,835,586**
1. Bank and post office deposits	5,406,523	5,977,115	10,616,744
2. Checks	0	0	0
3. Cash and other valuables on hand	264,952	177,669	218,842
TOTAL CURRENT ASSETS(C)	**168,247,761**	**181,585,031**	**261,838,427**
D- Accrued income and deferred expenses			
1. Bond and loan discounts	0	0	0
2. Other accruals and deferrals	1,614,667	1,043,762	924,430
TOTAL ACCRUED INCOME AND DEFERRED EXPENSES (D)	**1,614,667**	**1,043,762**	**924,430**
TOTAL ASSETS	**208,112,786**	**228,350,377**	**304,424,514**

BALANCE SHEET

As of June 30, 2004 and compared with June 30, 2003 and December 31, 2003

LIABILITIES AND SHAREHOLDERS' EQUITY	***June 30, 2004***	***June 30, 2003***	***December 31, 2003***
A – SHAREHOLDERS' EQUITY			
I – Share capital	6,130,686	6,130,686	6,130,686
II – Share premium reserve	35,952,091	36,307,450	35,904,594
III – Revaluation reserve	0	0	
IV – Legal reserve	1,106,227	621,034	621,034
V – Statutory reserve	0	0	0
VI – Reserve for treasury shares	1,091,292	735,933	1,138,789
VII Other reserves	4,260,611	973,793	973,793
VIII – Retained earnings (accumulated deficit)	(262,422)	(449,610)	(403,854)
IX – Net income (loss) for the period, brought forward	7,030,588	5,685,644	9,862,063
GROUP EQUITY	**55,309,073**	**50,004,930**	**54,227,105**
X – Net income (loss) attributable to minority interests	(8,420)	(60,694)	(36,116)
XI – Capital and reserves attributable to minority interests	68,803	128,448	83,853
MINORITY INTERESTS	**60,383**	**67,754**	**47,737**
TOTAL SHAREHOLDER EQUITY	**55,369,456**	**50,072,684**	**54,274,842**
B – ALLOWANCES FOR RISKS AND CHARGES			
1. Allowances for pensions and the like	0	0	0
2. Tax allowances, also for deferred taxes	99,634	179,660	61,212
3. Others	306,038	106,478	297,734
TOTAL ALLOWANCES FOR RISKS AND CHARGES (B)	**405,672**	**286,138**	**358,946**
C – PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES	**3,761,730**	**3,147,156**	**3,375,885**
D – PAYABLES			
1. Bonds	0	0	0
2. Convertible Bonds	0	0	0
3. Amounts due to shareholders for financing	0	0	0
4. Bank debts	33,327,548	39,279,893	29,033,235
- payable within 12 months	*8,327,548*	*39,139,045*	*4,033,235*
- payable beyond next 12 months	*25,000,000*	*140,848*	*25,000,000*
5. Debts payable to other lenders	2,493,778	3,885,434	3,780,484
- payable within 12 months	*674,720*	*1,480,257*	*1,595,321*

- payable beyond next 12 months	*1,819,058*	*2,405,177*	*2,185,163*
6. Advance payments	8,237	6,408	11,125
7. Trade payables	100,099,690	118,789,812	198,535,187
8. Debts represented by securities issued	0	0	0
9. Amounts due to subsidiaries	14,242	0	0
10. Amounts due to associated companies	8,400	9,108	12,674
11. Amounts due to parent companies	0	3	0
12. Taxes payable	5,498,912	6,333,116	8,218,754
13. Amounts due to social security agencies	1,034,206	948,430	1,054,863
14. Other payables	5,665,852	5,260,710	4,057,076
TOTAL PAYABLES (D)	**148,150,865**	**174,512,914**	**244,703,398**
E –ACCRUED EXPENSES AND DEFERRED INCOME			
1. Bond premiums	0	0	0
2. Other accruals and deferrals	425,063	331,485	1,711,443
TOTAL ACCRUALS AND DEFERRALS (E)	**425,063**	**331,485**	**1,711,443**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**208,112,786**	**228,350,377**	**304,424,514**

MEMORANDUM ACCOUNTS

As of June 30, 2004 and compared with June 30, 2003 and December 31, 2003

	June 30, 2004	*June 30, 2003*	*December 31, 2003*
1. Commitments:			
a. Buying	0	0	0
b. Selling	0	0	0
c. Leasing fees	2,909,796	0	0
d. Goods to be received	1,527,609	7,079,755	12,724,057
e. Currencies to be received	6,189,735	15,852,009	16,690,252
f. Third parties' assets	0	0	0
g. Other commitments	0	180,000	210,000
Total Commitments	**10,627,140**	**23,111,764**	**29,624,309**
2. Guarantees			
b. Sureties provided	11,155,815	6,948,289	8,166,842
c. Mortgages	0	0	0
Total guarantees	**11,155,815**	**6,948,289**	**8,166,842**
Total memorandum accounts	**21,782,955**	**30,060,053**	**37,791,151**

INCOME STATEMENT

As of June 30, 2004 and compared with June 30, 2003 and December 31, 2003

	June 30, 2004	*June 30, 2003*	*December 31, 2003*
A – VALUE OF PRODUCTION			
1. Revenues from sales and services	276,483,588	269,677,780	594,000,807
2. Changes in work- in- process, semi-finished and finished product inventories	(36,447,808)	2,406,243	24,477,540
3. Changes in work-in-process under contract	0	0	0
4. Change in self-constructed assets	0	0	0
5. Other revenues and income			
a. Operating grants	1,323	8,882	37,154
b. Others	7,300,209	7,186,182	16,331,720
Total value of production (A)	**247,337,312**	**279,279,087**	**634,847,221**
B – PRODUCTION COSTS			
6. Raw, ancillary and consumable materials and goods for resale	201,643,734	228,980,019	533,771,912
7. Service costs	19,810,643	20,536,656	45,799,182
8. Leasing costs	2,548,895	2,615,885	5,202,436
9. Payroll costs			
a. Wages and salaries	7,253,709	6,935,174	14,051,178
b. Benefits	2,299,981	2,269,179	4,526,442
c. Provisions for severance indemnities	547,673	525,629	1,048,098
d. Provisions for pension and similar costs	660	0	127
e. Other personnel costs	0	198,007	397,190
Total payroll costs	10,102,023	9,927,989	20,023,035
10. Amortization, depreciation and write-downs			
a. Amortization	2,501,960	2,419,040	5,138,780
b. Depreciation	1,951,898	1,952,478	3,954,074
c. Write-downs of tangible and intangible assets	2,672	8,263	482,157
d. Write-downs of short-term receivables	0	750,922	1,300,145
Total amortization, depreciation and write-downs	4,456,530	5,130,703	10,875,156
11. Change in raw, ancillary, consumable materials and goods for sale inventories	0	0	0
12. Provisions for risks	50,000	0	101,443
13. Other provisions	0	1,807,889	187,609
14. Sundry operating costs	373,578	456,199	1,267,553
Total costs of production (B)	**238,985,403**	**269,455,340**	**617,228,326**

DIFFERENCE BETWEEN VALUE OF PRODUCTION AND COSTS OF PRODUCTION (A - B)	**8,351,909**	**9,823,747**	**17,618,895**
C – FINANCIAL INCOME AND CHARGES			
15. Income from shareholdings -			
a. Dividends	0	0	0
b. Dividends and other income from associated companies	0	0	0
c. Dividends and other income from other companies	0	68	68
Total income from shareholdings	*0*	*68*	*68*
16. Other financial income			
a. Long-term receivables -			
- From subsidiaries	1,071	0	0
- From associated companies	0	0	0
- From parent companies	0	0	0
- Others	883	0	1,192
b. From securities held as long-term investments other than shareholdings	0	0	0
c. From securities held as short-term investments other than shareholdings,	0	0	3,361
d. Income from sources other than the above			
- Interests and commissions from subsidiaries	0	0	0
- Interests and commissions from associated companies	0	0	0
- Interests and commissions from parent companies	0	0	0
- Interests and commissions from others and sundry income	158,797	308,658	613,097
Total income from sources other than the above	*160,751*	*308,658*	*617,650*
17. Interests and other financial charges			
a. paid to subsidiaries	0	0	0
b. paid to associated companies	0	0	0
c. paid to parent companies	0	0	0
d. Others	2,557,166	3,310,564	6,321,376
17 bis. (Gains) losses on foreign currency translation	41,582	583,403	(237,491)
Total interest and other financial charges	*2,598,748*	*3,893,967*	*6,083,885*
Total financial income and charges (C)	**(2,437,997)**	**(3,585,241)**	**(5,466,167)**
D – ADJUSTMENTS TO FINANCIAL ASSETS			
18. Revaluations of			
a. Shareholdings	0	0	0
b. Financial fixed assets	0	0	0

c. Marketable securities	0	0	334,453
Total revaluations	*0*	*0*	*334,453*
19. Write-downs of			
a. Shareholdings	0	0	4,962
b. Financial fixed assets	0	0	0
c. Marketable securities	47,497	68,402	0
d. Short-term receivables	0	0	0
Total write-downs	*0*	*68,402*	*4,962*
Total adjustments to financial assets (D)	**(47,497)**	**(68,402)**	**329,491**
E – EXTRAORDINATY INCOME AND EXPENSES			
20. Income			
a. Gains on disposals	46,257	15,000	15,000
b. Others	1,957,343	334,760	570,066
Total income	*2,003,600*	*349,760*	*585,066*
21. Expenses			
a. Losses on disposals	0	0	0
b. Tax due from past fiscal years	0	0	0
c. Others	847,847	894,914	1,396,308
Total Expenses	*847,847*	*894,914*	*1,396,308*
Total extraordinary items (E)	**1,155,753**	**(545,154)**	**(811,242)**
PRE-TAX INCOME (A-B+/-C+/-D+/-E)	**7,022,168**	**5,624,950**	**11,670,977**
22. Income taxes (*)	0	0	(1,845,030)
- current taxes	*0*	*0*	*(1,845,030)*
- deferred taxes	*0*	*0*	*0*
- advanced taxes	*0*	*0*	*0*
NET INCOME (LOSS) FOR THE PERIOD BEFORE MINORITY INTERESTS	**7,022,168**	**5,624,950**	**9,825,947**
23. (Income) Loss attributable to minority interests	8,420	60,694	36,116
GROUP INCOME (LOSS)	**7,030,588**	**5,685,644**	**9,862,063**

(*) Income taxes for the period were not calculated, as allowed by paragraph 5 of article 3 of Consob's Rules and Regulations on the preparation of semi-annual accounts, approved with resolution number 8195 dated June 30, 1994.

NOTES TO THE CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS

BASIS OF PRESENTATION

The consolidated semi-annual financial statements have been prepared in accordance with the provisions of Legislative Decree no, 127 dated April 9, 1991, as supplemented with the accounting principles issued by the Italian Accounting Standards Committee and with the provisions of the Civil Code. They are made up of the Balance Sheet, the Income Statement and the Notes to the Consolidated Semi-annual Financial Statements, supplying all the necessary information to provide a true and fair picture of the company's operating and financial conditions.

These consolidated financial statements were prepared on the basis of the semi-annual accounts for the period ending on June 30, 2004 provided by the boards of directors of the companies included in the scope of consolidation.

These consolidated financial statements do not include the current or the deferred taxes for the period.

BASIS OF CONSOLIDATION

All the active subsidiaries of CDC Point S.p.A. have been consolidated on a line-by-line basis, except PC Stop S.r.l. as non active and Mactronics Technology S.r.l. as in winding – up.

The companies listed below, whose accounts are attached herewith, were included in the consolidation scope.

CDC Point S.p.A. – parent company
Registered Office: Via Tosco Romagnola, 61 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01250630504
Parent Company and Operating holding company
- Business: sale of IT products
Consolidated for the whole first half of fiscal year 2004.

Interfree S.r.l. one-shareholder company
Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01499020509
Wholly owned
- Business: Internet Service Provider
Consolidated for the whole first half of fiscal year 2004.

Micronica S.p.A. one-shareholder company
Registered Office: Via Calabria, 1 GELLO - PONTEDERA (PI)
Member of the Chamber of Commerce of Pisa number 01144430509
Wholly owned
- Business: production of personal computers and management of the Group's logistics platform
Consolidated for the whole first half of fiscal year 2004.

Cd Web S.r.l. one-shareholder company
Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01515060505
Wholly owned

- Business: e-commerce
Consolidated for the whole first half of fiscal year 2004.

Polinet S.r.l. one-shareholder company
Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01515070504
Wholly owned
- Business: real estate
Consolidated for the whole first half of fiscal year 2004.

Direct S.r.l.
Registered Office: Via Mazzini, 74 56025 PONTEDERA (PI)
Member of the Chamber of Commerce of Pisa number 01459540504
99% owned
- Business: distribution of IT products
Consolidated for the whole first half of fiscal year 2004.

Computer Discount S.r.l. one-shareholder company
Registered Office: Via Mazzini, 74 56025 PONTEDERA (PI)
Member of the Chamber of Commerce of Pisa number 01125180503
Wholly owned
- Business: holding company. The company holds equity in specialist IT retail outlets, affiliated to Computer Discount
Consolidated for the whole first half of fiscal year 2004.

The one-shareholder company Computer Discount S.r.l. controls the following companies:

1) **CD FIRENZE s.r.l.** Registered Office in Firenze Viale Matteotti 9/r, Member of the Chamber of Commerce of Firenze n° 03950910483, Tax number and VAT registration number 03950910483, Share Capital € 26,000 whose 56% owned by Computer Discount Srl.
2) **CD MILANO s.r.l. one-shareholder company** Registered Office in Pontedera (PI), Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 09194930153, Tax number and VAT registration number 09194930153, Share Capital € 20,400 wholly owned by Computer Discount Srl..
3) **CD PISA s.r.l. one-shareholder company** Registered Office in Pisa Viale Gramsci 13/a, Member of the Chamber of Commerce of Pisa n° 01096500507, Tax number and VAT registration number 01096500507, Share Capital € 10,400 wholly owned by Computer Discount Srl.
4) **CD GENOVA s.r.l. one-shareholder company** Registered Office in Pontedera (PI), Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 03097430106, Tax number and VAT registration number 03097430106, Share Capital € 41,600 wholly owned by Computer Discount Srl.
5) **CD TORINO s.r.l. one-shareholder company** Registered Office in Torino Via Lanzo 15, Member of the Chamber of Commerce of Torino n°01145660500, Tax number and VAT registration number 01145660500, Share Capital € 20,800 wholly owned by Computer Discount Srl.
6) **C.V.M. s.r.l. one-shareholder company** Registered Office in Bologna Via S. Donato 2/d, Member of the Chamber of Commerce of Bologna n° 03997720374, Tax number and VAT registration number 03997720374, Share Capital € 26,000 wholly owned by Computer Discount Srl.
7) **CD VERONA s.r.l. one-shareholder company** Registered Office in V Pontedera (PI), Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n°01173640507, Tax

number and VAT registration number 01173640507, Share Capital € 15,600 wholly owned by Computer Discount Srl.

8) **CD ROMA s.r.l. one-shareholder company** Registered Office in Pontedera (PI), Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 04265461006, Tax number and VAT registration number 04265461006, Share Capital € 56,100 wholly owned by Computer Discount Srl.
9) **CD BRESCIA s.r.l. one-shareholder company** Registered Office in Pontedera (PI), Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 03191550171, Tax number and VAT registration number 03191550171, Share Capital € 20,800 wholly owned by Computer Discount Srl.
10) **CD PESCARA s.r.l. o one-shareholder company** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 01351540685, Tax number and VAT registration number 01351540685, Share Capital € 25,882 wholly owned by Computer Discount Srl.
11) **CD MILANO 2 s.r.l. one-shareholder company** Registered Office in Pontedera (PI), Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 11412800150, Tax number and VAT registration number 11412800150, Share Capital € 52,000 wholly owned by Computer Discount Srl.
12) **CD MILANO 3 s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 11412780154, Tax number and VAT registration number 02844360962, Share Capital € 51,000 wholly owned by Computer Discount Srl.
13) **CD MILANO 4 s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 11412790153, Tax number and VAT registration number 11412790153, Share Capital € 51,000 wholly owned by Computer Discount Srl.
14) **CD MILANO 5 s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 11429220152, Tax number and VAT registration number 11429220152, Share Capital € 51,000 wholly owned by Computer Discount Srl.
15) **CD ROMA 2 s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 04931601001, Tax number and VAT registration number 04931601001, Share Capital € 51,000 wholly owned by Computer Discount Srl.
16) **CD NAPOLI 2 s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 06939510639, Tax number and VAT registration number 06939510639, Share Capital € 52,000 wholly owned by Computer Discount Srl.
17) **CD CAGLIARI s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 02265710927, Tax number and VAT registration number 02265710927, Share Capital € 51,645 wholly owned by Computer Discount Srl.
18) **SOLUZIONI INFORMATICHE s.r.l.** Registered Office in Pontedera (PI) Via Calabria 1, Member of the Chamber of Commerce of Pisa n° 11644770155, Tax number and VAT registration number 11644770155, Share Capital € 52,000 whose 51% owned by Computer Discount Srl.
19) **CD MILANO 6 s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Calabria 1 resort Gello, Member of the Chamber of Commerce of Pisa n° 02696400965, Tax number and VAT registration number 02696400965, Share Capital € 26,000 wholly owned by Computer Discount Srl.
20) **CD AREZZO s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 01386290512, Tax number and VAT

registration number 01386290512, Share Capital € 10,200 wholly owned by Computer Discount Srl.

21) **CD BARI 2 s.r.l.** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 01570990505, Tax number and VAT registration number 01570990505, Share Capital € 50,000 whose 51% owned by Computer Discount Srl.

22) **BELCOR s.r.l. one-shareholder company** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 13152200153, Tax number and VAT registration number 13152200153, Share Capital € 10,200 wholly owned by Computer Discount Srl.

The following companies were not included in the basis of consolidation:

PC STOP S.r.l. one-shareholder company
Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01341600508
Wholly owned
- Business: sales of IT products. During the 2003 year and the period under review the company was not active

Mactronics Technology S.r.l. one-shareholder company
Registered Office: Via Tosco-Romagnola, 61 56012 Fornacette CALCINAIA (PI)
Member of the Chamber of Commerce of Pisa number 01622090502
Wholly owned
- Business: design and marketing of storage systems. This company was not consolidated because it is currently in winding-up

CONSOLIDATION PRINCIPLES

The assets and liabilities of consolidated companies are posted in accordance with the line-by-line method, eliminating the book value of consolidated equity investments against the related shareholders' equity.

The difference between the purchase cost of the consolidated equity investments and the corresponding interest in shareholders' equity is posted to the various assets and liabilities on the basis of values current at the time of the purchase, or to the item "Consolidation differences" and charged to the income statement in accordance with the criteria applied to goodwill.

Profits and losses deriving from intercompany transactions, if not yet realized on third-party transactions, are eliminated, if significant, as well as are eliminated the intercompany accounts receivable and payable, revenues and costs, guarantees, commitments and risks.

Amounts posted solely for tax purposes are eliminated and financial lease was registered by the financial method according to the international accounting principle IAS 17.

Minority interests in the shareholders' equity of consolidated companies are shown in a specific item.

Minority interests are also shown separately as a part of the total group income. Such minority interests are calculated for the book value of shareholders' equity and the current income of the consolidated companies.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the semi-annual accounts as of June 30, 2004 comply with the laws related to such financial statements and are unchanged compared with the previous fiscal year and the six-month period as of June 30, 2003.

Intangible fixed assets

Such assets are recorded at purchase or production cost, including any incidental expenses, and amortized over their estimated useful lives.
Research and development costs only capitalized if their due to the production of prototype of new goods whose will be sure the marketing in the future fiscal year. The amortization of this costs starts as its development. They are amortized over three year.
Start-up and development costs are amortized over five years.
Industrial patents and licenses are amortized over five years.
Advertising costs are fully expensed as incurred, except those sustained during the start-up phase.
Trademarks are amortized over a period of ten years.
Consolidation difference consisting of the higher value paid for shareholdings acquisition is amortized over 10 year at the latest.
Purchased goodwill is amortized over a period of five years.
Assets are written down in order to reflect any permanent impairments in value, independent of accumulated amortization; the appropriate value of such assets, adjusted solely to take account of accumulated amortization, is reinstated in future periods should the reasons for such write-down cease to apply.

Tangible fixed assets

Tangible fixed assets are recorded at purchase or production cost. The stated cost includes incidental expenses and the direct and indirect costs that may be reasonably attributed to the asset concerned.
Tangible fixed assets are depreciated on a straight-line basis by applying the economic and technical rates shown in the Assets section of these Notes.
Assets are written down in order to reflect any permanent impairment in value, independent of accumulated depreciation; the appropriate value of such assets, adjusted solely to take account of accumulated depreciation, is reinstated in future periods should the reasons for such write-down cease to apply.
Finance leases are accounted for on the basis of finance accounting.
Ordinary maintenance costs are expensed as incurred, Improvements are capitalized and depreciated on the basis of the remaining useful life of the asset to which they relate.

Financial fixed assets

Long-term accounts receivable are recorded at their estimated realizable value.
Equity investments in unconsolidated subsidiaries and in associated companies are valued in accordance with the equity method, after deducting any dividends and applying the adjustments required by consolidation principles. The purchase or subscription cost is therefore adjusted in order to reflect any change in the shareholders' equity of such companies since the acquisition of the investment.
The Parent Company's share of net income or losses realized by subsidiaries or associated companies is thus posted to the income statement for the period.
Equity investments in other companies are valued at cost and are written down in order to reflect any impairments in value.

Any option to buy shareholdings is posted among financial fixed assets and are valued with the same criteria applicable to such shareholdings; in alternative, if they are not expected to be exercised, such options are expensed out.

Inventories

For the IT distribution business, inventories are recorded at the lower of purchase or production cost, on the basis of the F.I.F.O. method, or their estimated realizable value, calculated as the average market price of the last month of the fiscal year.
Cost is determined on the same basis as used for fixed assets; the estimated realizable value is calculated taking into account any production costs still to be incurred and direct selling costs. Obsolete and slow-moving stocks are written down on the basis of their estimated useful lives or realizable values.

Accounts receivable

Accounts receivable are recorded at their estimated realizable value via the posting of provisions for doubtful accounts. Such provisions are calculated on the basis of an evaluation of recoverability, carried out via analysis of individual accounts and of the overall risk associated with accounts receivable, taking account of any existing guarantees and insurance cover.

Factoring

The factoring of receivables without recourse result in the reversal of the corresponding entries under trade receivables on payment by the factor. The factoring of receivables with recourse is recorded by posting to the item “Due to other lenders” the advance loans received from factors, and maintaining, therefore, the related receivables recorded under the item “Trade receivable”.

Treasury Shares

Treasury shares are valued at average cost, adjusted, in the case of a reduction, on the basis of their market value at the end of the period. The appropriate value of such assets is reinstated in future periods should the reasons for such write-down cease to apply up to the limit of the purchase price.

Accruals and deferrals

These are recorded share of incomes and costs referring to different account periods, on an accrual basis method.

Allowances for risks and charges

Allowances for risks and charges represent provisions for liabilities or losses that are either likely or certain to be incurred but uncertain as to the amount or as to the date on which they will arise. The provisions reflect the best possible estimate of such liabilities based on the information. Risks giving rise to liabilities that are solely possible are reported in the notes of memorandum account, without any provisions being made.

Provisions for employee severance indemnities

Provisions for employee severance indemnities represent the accrued liability to employees in accordance with established legislation, collective labour contracts and company agreements. Such provisions are subject to revaluation on the basis of indexes.

Accounts payable

Accounts payable are recorded at their nominal value.

Revenue recognition

Sales revenues are recognized on transfer of title, which generally coincides with shipment.
The revenues deriving from sales of products subject to the approval are recorded on the approval.
Service revenues are accounted at the time the service is completed.
Revenues from the sale of advertising space are recognized on the date of publication.

Income taxes

Income taxes are calculated on the basis of taxable income estimated in compliance with established legislation, taking account of any allowable deductions and tax credits due. Deferred tax assets and liabilities, deriving from temporary differences between the carrying value of an asset or liability and its tax base, are also recognized. Deferred tax assets are only recognized where there is reasonable certainty that they will be recovered and taking into account the estimated tax rate to which the Company will be liable in future years. The tax benefit deriving from the carrying forward of tax losses is posted to the accounts where there is reasonable certainty that it will be realized, and in any event not before the period in which the Company effectively benefits.
The financial statement as of June 30, 2004 did not include current taxes, neither deferred taxes of the period under review.

Capital grants

Capital grants are posted to deferred income until title to such grants is reasonably certain. They are posted to the income statement over the useful life of the asset to which they refer.

Foreign currency translation

Accounts receivable and payable originally denominated in foreign currency are translated into euros on the basis of historical exchange rates. Foreign currency translation gains or losses realized on collection of foreign currency accounts receivable and payment of foreign currency accounts payable are posted to the income statement under financial income / expense.

Derivatives

Such instruments are posted to commitments at their nominal value, based on the forward price, with the exception of options, which are posted to accounts receivable. The gains and losses resulting from the application of closing exchange rates to forward currency agreements, where there is a net

exposure not related to specific transactions, are posted to financial income and expense. Contracts relating to specific transactions, such as public tenders, are valued on the basis of a strategic hedging plan designed to assess the effectiveness of existing transactions by relating them to foreign currency commitments on the basis of the relevant due dates and amounts involved.
Interest rate swaps, if used to hedge the interest rate risk associated with the Company's debt, are posted to the Notes of the memorandum accounts, whilst the related effects are posted to the income statements matched with the relevant interest expense. The interest rate swaps not held for hedging purposes are valued on the basis of market prices at the end of the period, and any resulting loss recorded in the accounts.

Finance leases

Assets purchased via finance leases are recorded among tangible fixed assets and depreciated over their estimated useful lives, whilst the principal of the debt outstanding with the leasing company is included among amounts payable to other lenders. Depreciation and interest expense are thus posted to the income statement.

Risks, commitments and guarantees

Contract commitments and guarantees are recorded in the memorandum accounts at the value shown in the relevant contracts.

Exceptions pursuant to section 4 of art. 2423

It was not necessary to apply any such exceptions in the preparation of the attached accounts.

Change to the international accounting practises (IFRS)

The Group started a specific test in order to identify the differences and the actions to plan the change to the new accounting principles.

Other Information

For information about the nature of the company, the subsequent events, the transactions with parent companies, unconsolidated subsidiaries, associated and other companies as well as other related information on the various business activities, reference should be made to the Report on operations.

NOTES TO THE FINANCIAL STATEMENTS

(€ thousand)

ASSETS

Hereafter find payables for intangible fixed assets, tangible fixed assets, financial assets, showing for every item historical costs, previous amortizations, write-downs, write-ups, changes of the period under review, end of period amounts and revaluations.

INTANGIBLE FIXED ASSETS

Intangible fixed assets	June 30, 2004	June 30, 2003	December 31, 2003
Set-up and expansion costs	785	1,537	1,155
Research and development costs	285	449	309
Industrial patents and intellectual rights	594	234	238
Concessions, licenses, trademarks and similar rights	7,173	8,996	8,267
Goodwill	627	916	741
Intangible assets under construction and advances	420	549	425
Other intangible assets	737	1,014	799
Consolidation differences	6,669	8,667	7,621
Total	**17,290**	**22,362**	**19,555**

Set-up and expansion costs included € 638 thousand of charges incurred to list CDC Point S.p.A. on the Nuovo Mercato, amortized over a five-year period (the rate of the first half of 2003 is equal to € 319 thousand), € 25 thousand for roadshow costs referring to the listing on the Nuovo Mercato mentioned above and € 116 thousand for set-up, restructuring, constitution and statutory modifications costs of CDC Point and the other companies of the Group.

Industrial patents and intellectual rights are mainly related to own software (€ 546 thousand).

Research and development costs, equal to 285 thousand, mainly resulted from the parent company (€ 266 thousand) and referred to the development of the new product Dexgate, a project for unifying the management of corporate communications, shown in Smau 2003 and CeBit 2004. The amortization for the period under review was equal to € 96 thousand

Concessions, licenses, trademarks and similar rights, equal to 7,173 thousand, mainly consisted of:

- licenses to utilize software and telephone lines for € 55 thousand;
- trademarks for € 7,109 thousand. This item reflected basically the CDC trademark acquired in 1999 from CDC S.r.l. for a price of € 12,911 thousand, determined on the basis of a valuation prepared by an external consultant.

Goodwill amounted to € 627 thousand (€ 1,136 thousand before amortization) and resulted for € 569 thousand (€ 962 thousand gross of amortization) from the acquisition of Armonia assets. Goodwill amortization was computed to reflect a remaining useful life of five years, starting on May 7, 2002, the acquisition date. This period was considered reasonable for the type of business. The book value of goodwill is tested from time to time in light of the results achieved by this unit.
Goodwill included € 58 thousand attributable to the companies owned by Computer Discount Srl.

The **intangible assets under construction and advances** amounted to € 420 thousand and consisted of the call option for the acquisition of the assets of company Test S.p.A. bought by Direct S.r.l. during the 2002 year.
On July 2004 Direct S.r.l. sold to CDC Point SpA the right to acquire Test S.p.A. asset jointly with the call option above. On July 27, 2004 CDC Point SpA exercised the call option buying the 5 Cash & Carry of Test S.p.A. for a price of € 4,100 thousand.

Other intangible fixed assets, equal to € 737 thousand, reflected leasehold improvements for € 717 thousand.

The **consolidation differences** as of June 30, 2004 referred to the goodwill (€ 6,669 thousand) paid for the acquisitions of the company Computer Discount S.r.l. (€ 6,347 thousand) and Interfree S.r.l. (€ 322 thousand).
On July 31, 2002 CDC Point S.p.A. acquired from the shareholders of the parent company CDC S.r.l. the 100% stake of share capital of Sofim S.r.l. (now Computer Discount Srl), company currently owning 38 of the main shops, franchisee of Computer Discount brand, owned by CDC Group.
The consolidation difference represents the goodwill paid compared to the shareholders' equity of the company as of July 31, 2002.

The consolidation difference, based on a sworn evaluation, is amortized over a period of 10 year since the time of the acquisition, considering the benefits arising from the integration of Computer Discount point of sales in terms of improving of market position and a more efficient management of the shops for a significant time period. This performance is currently under monitoring by the management of the Group via the aggregated statement of acquired companies, which as of June 30, 2004 was equal to € 83 thousand. This benefit is currently considered achievable by the management of the Group, despite not all of the Computer Discount shops in the first half of 2004 reached the economic targets planned.
During the six-month period ended on June 30, 2004 the consolidation differences was depreciated for € 387 thousand and devalued for € 225 thousand due to the closing of some shops.

At the end of 2001, 21% of the investment held in Interfree S.r.l. was sold to the Luxembourg-based company, Upside I. At the same time Upside I acquired a 28% stake in Interfree S.r.l. from CDC S.r.l. Therefore, as of December 31, 2001, Interfree S.r.l. was 51%-owned by CDC Point S.p.A. and 49%-owned by Upside I.
Under the terms of the agreement between the parties was signed a commercial agreement for the development of ISP services and the distribution of telecommunication services and products.
Finally, as part of overall agreements, the Group Parent, CDC Point S.p.A. acquired a 20% stake in Upside I for a total of € 4,182 thousand, with a premium of € 3,149 thousand.
On July 2002, in response to change of the market scenario, which were a prerequisite for the cooperation agreement between the Group Parent Company, CDC Point S.p.A., and Upside I, the parties decided to modify the original agreement. On the basis of the new arrangement, CDC Point S.p.A. sold its 20% stake held in Upside I for € 1,500 thousand, whilst repurchasing its 49% stake in Interfree S.r.l. for the same price. As a result of these agreement, which were approved by the Extraordinary General Meeting held on August 29, 2002, CDC Point S.p.A., currently owns 100% of Interfree S.r.l., while the acquiring of 49% stake of Interfree S.p.A. generated a consolidation difference amounting to 1.5 million euro.
Such consolidation difference arising from consolidation will be amortized over 28 months from the date of acquisition, on the basis of the subsidiary's plans which foresaw net earnings starting from the Fourth quarter of 2002. The 28-month period amortization was determined considering that the corporate revenues mainly derive from reverse charges and that it was therefore difficult to forecast performance for a period longer than two years.
Starting value during the current half, was amortized for € 322 thousand, with a residual amount for € 322 thousand.

TANGIBLE FIXED ASSETS

Tangible fixed assets	June 30, 2004	June 30, 2003	December 31, 2003
Land and buildings	9,337	9,635	9,476
Plants and machinery	6,455	8,104	7,212
Industrial and commercial equipment	1,121	1,317	1,318
Other assets	3,267	3,534	3,290
Assets under construction and advances	0	0	11
Total	**20,180**	**22,590**	**21,307**

Land and buildings, equal to € 9,337 thousand, included € 6,476 thousand net of amortisation referring to Micronica S.p.A. building, which was completed in 1999 to house the new automated warehouse and € 2,836 thousand, net of amortisation, for the office building based in Milan owned by Polinet S.r.l..

Plants and machinery amounted to € 6,455 thousand, including the lease of automated logistic plant (€ 3,884 thousand) by Micronica SpA accounted in accordance with IAS 17 method. The consolidation criteria lead to the write-downs of the rents of the lease mentioned above, accounting the interest on the residual capital financed and the amortization of the value of the plants acquired through leasing. We also accounted in the balance sheet the value of the leased assets and the residual net debt.
They also included the item machinery for € 726 thousand referring to the subsidiary Micronica and the item generic plants equal to € 1,145 thousand, mainly attributable to the parent company.

The **industrial and commercial equipment item**, amounting to € 1,121 thousand, mainly consisted of various equipment for € 1,087 thousand, whose € 722 thousand owned by the parent company CDC Point S.p.A. Also for this item the figures have been accounted on the basis on the International Accounting Standards (IAS 17).

As at June 30, 2004, the item other assets, net of accumulated depreciation, consisted of:

Fiscal year (000's of euros)	June 30, 2004	June 30, 2003	December 31, 2003
Office equipment and computers	1,676	1,838	1,756
Furniture, fittings and other equipment	833	773	712
Vehicles	82	133	107
Signs	572	635	590
Other tangible fixed assets	104	155	125
Total	**3,267**	**3,534**	**3,290**

Notice should be taken that, there were no assets that had been revaluated in the current half or in the previous fiscal years in accordance with specific laws.

Depreciation was computed on a straight-line basis at the rates listed below, which are deemed to reflect the remaining useful lives of the assets they relate to.

Depreciation rates were as follows:

Buildings	3%
Light constructions	10%
Plants and machinery	15-30%
Industrial and commercial equipment	15%
Other assets:	
- Electronic office equipment	20%
- Vehicles	20-25%
- Cellular and radio telephones	20%
- Advertising equipment/signs	15%
- Fair equipment	15%

The above depreciation rates are halved in the first year the assets enter service.

FINANCIAL FIXED ASSETS

Shareholdings

Shareholdings held in subsidiaries, equal to € 26 thousand, consisted of the investments in the company not included in the basis of consolidation:

- Mactronics Technology S.r.l. one-shareholder company in winding-up - € 16 thousand;
- PC Stop S.r.l. one shareholder company - € 10 thousand

Shareholdings in associated company, equal to 20 € thousand, consisted of the following associated companies, owned through Computer Discount Srl one - shareholder company:

- CD Napoli Srl - € 10 thousand – sharing 21%
- CD Salerno Srl - € 10 thousand – sharing 21%
- CD Pistoia in liquidation - € 0 thousand – sharing 20%

Other shareholdings included:

- an interest held by CDC Point S.p.A. in the Conai consortium, as required by law, in the amount of € 1 thousand;
- An interest held by Micronica S.p.A., CDC's subsidiary, in the C.C.A.P. consortium for € 4 thousand.

Receivables

This item, equal to € 729 thousand, included medium-to-long-term receivables:

- € 34 thousand related to a non-interest-bearing security deposit by CDC Point with related company Imo 1 S.r.l. for the lease of the building located in Milan, Piazza Cadorna;
- € 420 thousand for caution money provided by the subsidiary Direct S.r.l. to the company Test SpA, for the rent contract of the assets of the company;
- other caution money for € 250 thousand;
- other credits for € 25 thousand.

These receivables will be due within two to five years.

CURRENT ASSETS

INVENTORIES

Inventories	**June 30, 2004**	**June 30, 2003**	**December 31, 2003**
IT products	61,373	55,522	92,880
-allowance to reduce inventory	*(974)*	*(2,687)*	*(974)*
Products to be assembled	0	0	0
IT products with third parties	1,024	21,298	6,018
Total	**61,423**	**74,133**	**97,924**

The item was mainly attributable to the parent company CDC Point S.p.A., for € 56,760 thousand.
The decrease against June 30, 2003 and December 31, 2003 mainly derived from the sales of the inventories acquired by the parent company during the 2003 year in order to face the Public Sector orders, in accordance with Consip tender.
The allowance to reduce inventory was established to adjust the inventory of CDC Point S.p.A. in order to reflect the lower value of slow-moving items and the elimination of products from the range available. Allowances were also made in light of the purchasing terms and conditions and any stock protection clauses as well as, in a limited number of cases, to any repurchasing agreement with suppliers. During the 2004 the company sold some of obsolete products.

RECEIVABLES

Due from customers

This item is related to amounts receivable resulting from the sales and services provided to domestic customers and were due within 12 months.
The allowance for doubtful accounts consisted of € 1,211 thousand and it was fully related to the IT distribution business.

Due from customers	**June 30, 2004**	**June 30, 2003**	**December 31, 2003**
- IT Distribution	87,337	88,676	128,996
allowance for doubtful accounts	*(1,211)*	*(1,262)*	*(1,281)*
- Internet area	466	570	770
allowance for doubtful accounts	*0*	*(125)*	*(50)*
Total	**86,592**	**87,859**	**128,435**

The amount of receivables due from customers for 94% (€ 82,154 thousand net of its allowance) consisted of receivables of the parent company CDC Point SpA referring to ordinary commercial activities. The amount of receivables was substantially in line with the same period of 2003 but decreased compared with the value as of December 31, 2003, as a result of the sales to government clients realised in the second half of 2003, whose payment terms are longer than the average of the other corporate channels.

According to Italian company law's reform sub. art. 2427 n.6 of the Italian civil code, a table with the break down of receivables per geographical areas is shown below.

	Italy	Others countries of U.E.	Rest of Europe	Others countries extra Europe	Total
Receivables					
Due from customers	86,453	0	139	0	**86,592**
Due from subsidiaries	84	0	0	0	**84**
Due from associated companies	385	0	0	0	**385**
Due from others	11,182	0	0	0	**11,182**
Total receivables	**98,104**	**0**	**139**	**0**	**98,243**
Revenues	275,411	0	1,073	0	**276,484**

The receivables are partially sold without recourse (pro-soluto) and partially covered – for the credit risk - by major factoring companies.
During the firs half of 2004 the receivables sold without recourse was equal to € 38,202 thousand and total receivables sold as of June 30, 2004, with following payment, amounted to € 4.626 thousand.

Due from subsidiaries
Receivables due from subsidiaries were equal to € 84 thousand and referred to the companies Mactronics Technology S.r.l. (€ 70 thousand) and PC Stop S.r.l. (€ 14 thousand), both not included in the basis of consolidation.

Due from associated parties
This item reflects commercial transactions taking place at arm's length with associated companies of CDC Point S.p.A. or Computer Discount Srl which mainly own stores of the CDC's commercial network. At the end of the period under review these receivables amounted to € 385 thousand and were all due within 12 months.

Due from parent company
The item consisted of receivables of parent company CDC Point S.p.A. and were related to receivables from CDC S.r.l. for the recharge of costs pertaining CDC S.r.l.

The **amount due from tax authorities** mainly referred to the advance payments on corporate income taxes (IRPEG) and on the regional tax on productive activities (IRAP) for the current year

Deferred tax assets primarily referred to the following fiscal effects: (i) leases were accounted for on the basis of finance lease accounting method; (ii) costs of previous years not deductible for the fiscal regulation were accounted on during the current period as expected to become deductible in future fiscal years.

Due from others

Due from others	**June 30, 2004**	**June 30, 2003**	**December 31, 2003**
Advances to suppliers	618	1,106	3,237
Credit notes receivable	9,012	8,952	14,687
Compensation receivable from insurers	644	137	278
Reimbursement from suppliers	0	0	0
Advances to employees	5	9	10
Others	903	564	395
Total	**11,182**	**10,768**	**18,607**

Advances to suppliers, net reflect prepayments for products and services.

The **credit notes receivable**, equal to e 8,952 thousand, mainly included bonuses from suppliers of the IT distribution area. The increase compared with the same period of the previous year was due to the better contractual condition negotiated with suppliers.

Advances to employees consisted of advances for business trips and loans.

Compensation receivable from insurers consisted of insurance payments to the company as compensations of some thefts.

Short-term investments

The item, equal to € 1,094 thousand, mainly included the value of treasury shares owned by CDC Point S.p.A. (1,091 thousand).
As of June 30, 2004 CDC Point S.p.A. held 121,002 treasury shares.
Purchases were made in the 2001 for nr. 101,657 shares and in the 2002 for nr. 19,345 shares, in accordance with a buy back plan approved by the shareholders in the meeting held on March 8, 2000 on April 29, 2002 and on April 28, 2004, respectively to stabilize the stock market price. The average purchasing price was € 9.54. As of June 30, 2004 such shares were posted at the lower of cost and their average market value during the last month (€ 9.21) of the period under review, resulting in a write-down of € 47 thousand compared with December 31, 2003.
During 2003 year a life insurance contract was underwritten by the parent company and lodged as security for a performance bond given in order to allow CDC to tender for a public supply.
The insurance contact consisted of a first capital payment of € 3,600 thousand and a 2% interest with monthly accrual receivable at the end of the life of the insurance contract, expiring in 2013. The parent company had the option to withdraw from the mentioned insurance contract at any time without costs.
The investment mentioned above had been posted to the current assets due to the decision of the company to withdraw from the insurance contract as the underlying performance bond expire.
As the tender for a public supply mentioned above was not made definitive, during the month of March and April 2004 the Company decided to withdraw from the insurance contract.

Cash and cash equivalents

Cash and cash equivalents	June 30, 2004	June 30, 2003	December 31, 2003
Bank and post office deposits	5,406	5,977	10,617
Cash and other valuables on hand	265	178	219
Total	**5,671**	**6,155**	**10,836**

The bank deposits were substantially stable compared with the first half 2003.
For an analysis of the financial position, reference is made to the cash flow statement attached herewith.

ACCRUALS AND DEFERRALS

As of June 30, 2004 this item consisted of:

Accrued income and deferred expenses	**June 30, 2004**	**June 30, 2003**	**December 31, 2003**
Accrued income	0	56	0
Accrued income	**0**	**56**	**0**
Car rentals	0	0	0
Royalties	0	36	0
Prepaid rents	0	148	82
Lease	11	21	15
Other	1,604	782	827
Deferred expenses	**1,615**	**987**	**924**
Total	**1,615**	**1,043**	**924**

This item reflects income and expense computed on an accrual basis.
The item "Other", equal to € 1,064 thousand, was mainly consisting of: insurance premiums for € 248 thousand, three year service rents and warranties on good sold for € 272 thousand, fees on medium – term loan switched on by the parent company in the previous year for € 158 thousand and supplementary social security cost for € 103 thousand.

CONSOLIDATED SHAREHOLDER EQUITY

The statement of changes in shareholders' equity is attached herewith.
Below, a comment on the main equity items and the relevant changes is provided.

Share capital
As of June 30, 2004, the fully-subscribed and paid-in share capital consisted of 12,261,372 common shares with a nominal value of € 0.5 each, for a total of € 6,131 thousand. This item remained unchanged from December 31, 2003.

Legal reserve
The legal reserve amounted to € 1,106 thousand, rising by € 485 thousand thanks to the disposition of net profit achieved in the 2003 year, in accordance with shareholders' meeting deliberation of April 28, 2004.

Share premium reserve
The share premium reserve was established in fiscal year 2000, following the Company's listing on the Nuovo Mercato. As of the end of the period under review it amounted to € 35,952 thousand.
Compared with December 31, 2003, this reserve rose by € 47 thousand thanks to the adjustment of Reserve for treasury shares.

Reserve for treasury shares
This item amounted to € 1,091 thousand and had been established to offset the value of the treasury shares held in portfolio.

Other reserves
The item, equal to € 4,261 thousand, only included extraordinary reserves. Compared with December 31, 2003, this reserve rose by € 3,287 thousand thanks to the disposition of net profit achieved in the 2003, in accordance with a plan approved by the shareholders in the meeting held on April 28, 2004.

Retained earnings (accumulated deficit)
This item reflected the results of the subsidiaries and the effects determined by the application of the lease finance method, net of the relevant tax effects.

Net income (loss) for the period
This item reflected the consolidated results for the period.

Net income (loss) attributable to minority interests
This reflected the consolidated results for the period attributable to minority interests.

Capital and reserves attributable to minority interests
This item reflected the portion of capital and reserves attributable to minorities in consolidated subsidiaries as of June 30, 2004, according to the rates indicated in the annex n. 8.

ALLOWANCES FOR RISKS AND CHARGES

Allowances for risks and charges	December 31, 2003	Provisions	Utilizations	June 30, 2004
For taxes :				
Allowance for deferred taxes	100	0	0	100
Other funds:				
Allowance for risks and charges	298	38	(30)	306
Total	**398**	**38**	**(30)**	**406**

The **allowance for deferred taxes** was due to the new count of advanced amortization posted according to fiscal regulation.

The **allowances for risks and charges** was equal to € 306 thousand and related:

- for € 103 thousand to the provisions of the parent company for a litigation, precautionary accounted, on the basis of the indication provided by the legal consultant of CDC Point SpA.;
- for € 116 thousand to the possible penalties and commercial litigation;
- for € 87 thousand to the provisions of the subsidiary Micronica (€ 65 thousand) for possible expenses due to redelivery of leasehold estate and of the subsidiary CD Milano 3 (€ 22 thousand) to face incidental charges resulting from tax amnesty.

PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES

As of June 30, 2004 this item, net of any advance payments provided to employees, reflected the total of all such provisions by the consolidated subsidiaries.

Balance as of December 31, 2003	3,376
Provisions during the year	521
Uses during the year	(135)
Balance as of June 30, 2004	**3,762**

PAYABLES

Payables are all due within 12 months, unless otherwise noted.

Bank debt

Fiscal year (000's of €)	June 30, 2004				June 30, 2003
	Total	Within 12 months	Between 1 and 5 years	Beyond 5 years	Total
Bank debt due within 12 month	8,328	8,328	0	0	39,280
Medium-term financing	25,000	0	25,000	0	0
Total	**33,328**	**8,328**	**25,000**	**0**	**39,280**

Total net financial position mainly derived from CDC Point S.p.A. for € 33,322 thousand.
The bank debt due after 12 month consisted of medium – term financing stipulated on December 16, 2003 with a pool of banks lead by Efibanca SpA, totalling 25 million euro. The loan will be repaid through four six-monthly instalments of the same amount, starting from June 16, 2005 and expiring December 16, 2006. After 18 months from the date of stipulation, starting from the time of the payment of the first instalment, the company could fully or partially close the loan by the payment of a fee equal to 0.20% of the residual amount of the loan.
The interest accrues at the end of each six-month period, according to a floating interest rate equal to the 6-month Euribor interest rate, determined at the beginning of every 6-month period, plus a spread.
According to the terms of the financing agreement, CDC S.p.A. engaged itself towards the banks of the pool to the following covenants: to provide some financial information; not to grant without authorisation real securities on owned goods for an amount over 1 million euro; to limit the distribution of dividends to maximum amount of the earnings of the fiscal year; to comply with some financial ratios regarding net financial debt, Ebitda, shareholders' equity and financial expenses, at the consolidated level, as planned and defined in the loan agreement. For an analysis of the change in the net financial position see cash flow statement.

During the first half of 2004 the subsidiary Polinet S.r.l. closed the mortgage loan switched on for acquiring from Gruppo Editoriale Futura S.p.A. a residential building located in Milan.

Due to other lenders

The amounts, equal to € 2,493 thousand, mainly due to other lenders reflected the sums due to leasing companies for the purchase of capital goods, as of indicated in the items equipment and machinery (€

2,492 thousand). The share expiring within 12 months is equal to € 672 thousand, whereas the share expiring longer 12 months is equal to € 1,821 thousand.

Advance payments

This item reflected advance payments received from customers for the sale of prepaid services by Interfree S.r.l. which will be fully due within 12 months (€ 1 thousand) and taken payment received from customers of subsidiaries companies of Computer Discount S.r.l. (€ 7 thousand).

Trade payables

Trade payables	June 30, 2004	June 30, 2003	December 31, 2003
IT distribution	99,185	117,827	197,197
Internet	915	962	1,338
Total	**100,100**	**118,789**	**198,535**

This item mainly derived from trade payables of CDC Point SpA for € 97,982 thousand.

According to Italian company law's reform sub. art. 2427 n.6 of the Italian civil code, a table with the break down of trade payables per geographical areas is shown below.

	Italy	Others countries of U.E.	Rest of Europe	Others countries extra Europe	Total
Payables					
Trade payables	88,123	7,791	0	4,186	**100,100**
Amounts due from subsidiaries	14	0	0	0	**14**
Amounts due from associated companies	8	0	0	0	**8**
Others	5,666	0	0	0	**5,666**
Total	**93,811**	**7,791**	**0**	**4,186**	**105,788**

Amounts due from subsidiaries

Payables due from subsidiaries consisted of trade debts due from the company Mactronics Technology S.r.l. that was not included in the basis of consolidation

Amounts due from associated companies

This item solely included transactions of a commercial nature and take place at arm's length with related-party, owners of shops of commercial network, which Computer Discount Srl owned minority share or subsidiaries of CDC Srl.

This item amounted to € 8 thousand fully due within 12 months.

Taxes payable

Taxes payable	June 30, 2004	June 30, 2003	December 31, 2003
Withholding taxes	769	829	1,016
VAT payable	4,709	4,835	6,700
Taxes	1	629	324
Other	20	40	179
Total	**5,499**	**6,333**	**8,219**

Taxes payables decreased compared both with the same period of last year and the whole year 2003 due to lower VAT debt as of June 30, 2004.

Amounts due to social security agencies

This item, equal to € 1,034 thousand, is related to amounts payable to social security agencies by the company and the employees for the wages and salaries of June 2004.

Other payables

Other payables	June 30, 2004	June 30, 2003	December 31, 2003
Due to customers	999	374	632
Due to employees for wages and salaries of June, vacations and bonuses	3,527	3,389	2,362
Compensation payable to directors and auditors	127	166	247
Credit notes to be issued	907	729	546
Other	106	603	270
Total	**5,666**	**5,261**	**4,057**

The most significant sub-item under this heading was the amount due to employees for June's wages and salaries, in addition to unused vacation and accrued bonuses as of June 30, 2004. This item was in line with the same period of previous year.

ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income	June 30, 2004	June 30, 2003	December 31, 2003
Rents payable	0	0	3
Accrued amounts due to employees	10	0	442
Adjustment of forward exchange transactions as at June 30	46	61	715
Utilities and sundry accrued expenses	34	13	211
Accrued expenses	**90**	**74**	**1371**
Grant under law 488	183	231	210
Other deferred income	152	26	130
Deferred income	**335**	**257**	**340**
Total	**425**	**331**	**1,711**

This item reflects expenses and income to be recognized in a period other than that in which the relevant cash outlay or collection takes place. The underlying rationale is the principle on which accrual-basis accounting rests.
The deferred income related to the grant under law 488 obtained by Micronica S.p.A. for the construction of the group's headquarters.
The adjustment of forward exchange transactions resulted from the evaluation as of June 30, 2004 of forward transactions not linked to specific commercial deals.

MEMORANDUM ACCOUNTS

Goods to be received
This item, equal to € 1,528 thousand, refers to the amount of letters of credit open in favour of suppliers as of June 30, 2004.

Forward transactions and options
As of June 30, 2004 the company had forward purchasing contracts for € 6,190 thousand. These contracts were entered into to hedge the company's exchange rate risk related to its purchases in foreign currency.

Guarantees
As of June 30, 2004 sureties received for rental agreements, for competitive tender and for indemnity bond of the thefts suffered amounted to € 11,156 thousand.
The sureties related to the last risks will be return by the insurance company after the necessary audits for the closing and the repayment of casualty.

Commitments for off-balance-sheet transactions
As of June 30, 2004 the Group, via the parent company CDC Point S.p.A., has two interest-rate swap contracts expiring in September 2007.
The first one provides for quarterly payments of interest rate differentials, based on notional capital of € 13,000 thousand, between a fixed interest rate, charged to the Company, of 4.01% (if the 3-month Euribor is less than 5% during the relevant period) and a floating interest rate based on the 3-month Euribor (charged to the counterpart). It only applies if the 3-month Euribor is less than 5% during the relevant period.
This transaction was entered into to hedge the interest rate risk.

The second one provides for quarterly payments of interest rate differentials, based on notional capital of € 6,500 thousand, between a fixed interest rate of 3,44% (charged to the counterpart) and the 3-month Euribor (charged to the Company). The second contract aims at partially closing the fist one considering the trend of the market, obtaining the result to increase by 0.56% the floating rate of the Company.

Tax litigation

During 2000, the tax police conducted "a general audit for VAT, direct taxes and other taxation" of CDC Point S.p.A., which ended in October, and referring to 1995-1999 period. So far, assessment notices have been received regarding VAT and direct taxes relating to 1995 and 1996.

The audit revealed some alleged irregularities attributable to purchases made by persons currently under investigation for alleged violations and that, according to Tax Police officials, such purchases might not be material for tax purposes, for a relevant amount. According to the tax attorneys we have retained in this dispute with the Tax Authorities, our defence stands on solid ground and there are no significant contingent liabilities for the Company.
On June 26, 2003, the tax police took again the fiscal audit on 1998-2002 year, as for the cases noticed and notified through the provisional report issued at the closing of the first inspection, opened to additional findings. The new fiscal audit consists of a partial audit on relationships between CDC and some suppliers. The fiscal audit finished on February 19, 2004 and the findings of the tax audit were similar to the ones of the first fiscal inspection of October 2000.

The Tax Commission of first instance of Pisa ruled in our favour against the VAT and direct taxes assessments noticed for fiscal year 1995 and VAT assessment for year 1996.
On November 20, 2003 the Regional Tax Commission of Florence rejected the appeal of the Tax Authorities for VAT and direct taxes referring to fiscal year 1995, ordering the Tax Authorities to pay the costs of the litigation.

On May 11, 2004 the General Italian Advocacy notified appeal to the Court of Cassation against sentence no. 40/18/03 of November 20, 2003, filed on February 23, 2004 by Regional Tax Commission of Florence for VAT assessment for year 1995. The company counterclaimed on June 16, 2004.
The General Italian Advocacy decided not to appeal to the Court of Cassation as for direct taxes referring to year 1995.
For the other years appeal has been notified by the Company.

Given the simultaneous occurrence of the first audit with the listing of the company, on June 16, 2000, the parent company CDC S.r.l. issued a guarantee whereby it undertook to hold CDC Point S.p.A. harmless against any liability arising from any violation of tax laws that should emerge from the foregoing Tax Police audit.
The guarantee has to be considered extended to further assessment which could be generated by the second audit on VAT, being an extension of the first audit begun in 2000.
The guarantee provided by the parent company is considered to be more than sufficient to cover any possible charge; as a result no provisions were made to cover contingent liabilities in that respect.

See below for a summary of the tax litigation situation , as of June 30, 2004:
- IRPEG/ILOR 1995 – Appeal of the Company accepted. The sentence was notified on February 27, 2002. Appeal of the Tax Authorities rejected by Regional Tax Commission of Florence, with a sentence of November 20, 2003, filed on February 23, 2004. Against the above sentence no appeal to the Court of cassation has been notified within the law terms, therefore the sentence became final;
- VAT 1995 - Appeal of the Company accepted by a sentence. Appeal of the Tax Authorities rejected by Regional Tax Commission of Florence, with a sentence of November 20, 2003, filed on February 23, 2004. On May 11, 2004 the General Italian Advocacy notified appeal to the Court of Cassation. The company counterclaimed on June 16, 2004.

- VAT 1996 – Appeal of the Company accepted. The sentence was filed on August 12, 2002.
- IRPEG / ILOR 1996 - Appeal notified to the tax authorities on December 16, 2002.
- IRPEG / ILOR 1997 - Appeal notified to the tax authorities on December 13, 2002.

Other disputes

The parent company is involved in a dispute on a rental agreement whereby it is being sued for damages of € 1 million for the alleged occupancy of a warehouse beyond the term of such agreement. According to the legal counsel retained, the company's position is tenable and, for the time being, no charges are expected to arise from this dispute.

The subsidiary Interfree has litigation under way with Telecom Italia S.p.A. which requests additional payments. The subsidiary and its legal counsels consider Telecom Italia's position without merit; actually it is the latter that should compensate the former for a number of disservices. The company expects no charges to arise from this dispute.

In January 2004 the parent company CDC S.p.A. received a legal claim from Enel.it S.p.A. referring to a tender for supplying working sites consisting of personal computers, consumable products and related installation and customisation services. The Group commissioned the claim to a major legal counsel and is currently arranging the best defence.

CDC Point raised law and substantive plea excepting the groundlessness of the Enel.it's claim. Moreover the company counterclaimed, excepting the responsibility of Enel.it for the non-conclusion of the supply mentioned above and claiming Enel.it S.p.A. for damages. The claim will de discussed in the session of June 16, 2005. Currently it is impossible to quantify the incidental charges resulting from this dispute.

VALUE OF PRODUCTION

(€ thousand)

Revenues from sales and services

Revenues from sales and services	June 30, 2004	June 30, 2003	December 31, 2003
IT distribution activities	270,816	264,540	583,104
Internet Service Provider activities	5,668	5,138	10,897
Total	**276,484**	**269,678**	**594,001**

For more details on consolidated revenues, reference should be made to the Report on Consolidated Operations. Revenues were realized mainly in Italy.

Other revenues and income

Other revenues and income	June 30, 2004	June 30, 2003	December 31, 2003
Damages collected	0	201	404
Contributions to the period	1	0	37
Rental income	10	97	207
Sundry reimbursements and recoveries	7,013	6,344	14,647
Gains on disposals of fixed assets	1	9	12
Other	275	544	1,062
Total	**7,300**	**7,195**	**16,369**

Sundry reimbursements and recoveries were related to advertising expenses by franchisees for € 1,359 thousand and to co-marketing contributions obtained by suppliers for € 5,186 thousand. The main changes compared with the same period of 2003 were due to higher contributions from major suppliers (€ 4,312 as of June 30, 2003 against € 5,186 as of June 30, 2004).

Reduction in **rental income** from € 97 thousand as of June 30, 2003 to € 10 thousand as of June 30, 2004, due to lower rents related to the office building in Milan owned by Polinet S.r.l..

The item **Other** included revenues from consumer credit companies in the amount of € 207 thousand for promoting their services on the premises of the Computer Discount stores, with a reduction compared with June 2003 (€ 504 thousand).

PRODUCTION COSTS

Purchasing costs

Purchasing costs	June 30, 2004	June 30, 2003	December 31, 2003
Goods for resale	201,567	228,905	533,559
Ancillary purchasing costs	77	75	213
Total	**201,644**	**228,980**	**533,772**

Purchasing costs are net of end-of-period discounts and stock protection for € 12,169 thousand (€ 11,903 thousand in the firs half of 2003).
CDC Point S.p.A, buys most of the goods it sells in US dollars, thus it is subject to exchange rate risks.

Service costs

Service costs	June 30, 2004	June 30, 2003	December 31, 2003
Transportation and logistics	3,601	3,706	8,198
Subcontractors	197	537	1,772
Maintenance and utilities	1,248	1,150	2,317
Marketing costs	5,959	6,145	14,329
IT Distribution	*5,847*	*6,127*	*14,173*
Internet	*112*	*18*	*156*
Insurance premiums	472	270	747
Technical, legal, administrative and tax consulting	546	408	950
Compensation to directors and auditors	1,341	1,307	2,715
Other service costs	6,446	7,014	14,771
Total	**19,810**	**20,537**	**45,799**

Transportation and logistics costs, equal to € 3,601 thousand, were substantially stable compared with the previous year (€ 3,706 thousand as of June 30, 2003).

Subcontractor costs totalled € 197 thousand, against € 537 thousand as of June 30, 2003, recording a significant decrease as a result of lower use of subcontractors by the subsidiary Micronica S.p.A. due to the end during 2004 of the Consip deliveries to government clients.

Maintenance and utilities costs mainly consisted of telecom utilities for € 415 thousand (€ 516 thousand as of June 30, 2003) and power, water and heating utilities for € 389 thousand (€ 310 thousand as of June 30, 2003). Maintenance costs, mainly related to plant and machinery, were equal to € 444 thousand.

Marketing costs amounted to € 5,959 thousand with a reduction compared with the same period of 2003 (€ 6,145 thousand) mainly attributable to the IT distribution business.

Insurance premiums increased (€ 472 thousand as of June 30, 2004 against € 270 thousand as of June 30, 2003) due to the underwriting of a credit insurance policy by the parent company CDC POINT SpA in August 2003, which in the under review period generated costs for € 154 thousand.

As regard to the **compensation for** the parent company's **directors and auditors,** details are available in the relevant annex. Such emoluments reflected the amounts resolved by the Board of Directors and the amounts established for the Board of Auditors. The growth is related to the compensation of new directors appointed during 2004 year.

The **other costs** included € 1,504 thousand resulted from the costs for the installation and testing of the PCs delivered to government clients (in accordance with Consip tender), to the company partner in RTI, internet costs for traffic minutes, renting of modems and costs for reverse charge to other Internet Service Providers, totalling € 3,099 thousand, cleaning costs for € 206 thousand, third-party services for € 581 thousand, repayments of travelling expenses for € 371 thousand, sales commissions to the distribution channels for 113 thousand, canteen costs and ticket restaurants for € 157 thousand, training costs for € 100 thousand, service charges for € 60 thousand and others for € 355 thousand.

Lease expenses

This item, equal to € 2,549 thousand (€ 2,616 thousand as of June 2003), included:

- rents for € 2,257 thousand (€ 2,283 thousand as of June 30, 2003), including costs resulting from the lease of Test SpA assets, by CDC's subsidiary Direct Srl (€ 218 thousand), rents of the Computer Discount S.r.l. subsidiaries (€ 566 thousand) and rents of the buildings where are located the Cash & Carry of Direct (€ 175 thousand) and of CDC Point (€ 1,230 thousand);
- automotive rents for € 237 thousand against € 262 thousand as of June 2003;
- other costs amounting to € 55 thousand.

Payroll costs

The break down of these costs is provided by the consolidated income statement.
The number of the employees was substantially stable compared with June 30, 2003. We registered a reduction compared with December 31, 2003, reflecting the seasonality of the business.
The table below shows the break down of Group employees by company and business area as of June 30, 2004:

Employees	June 30, 2004	June 30, 2003	December 31, 2003	Average number of employees 01/01/04-30/06/04
IT Distribution	**577**	**571**	**622**	**593.83**
Managers	15	12	13	14.67
Supervisors	32	29	32	29.83
Employees	392	379	368	394.83
Workers	138	151	209	154.50
Internet Business	**12**	**13**	**12**	**11.67**
Managers	0	0	0	0
Supervisors	1	1	1	1.00
Employees	11	12	11	10.67

Amortization, depreciation and write-downs

The break down of this item is reported in the income statement.

Amortization amounted to € 4,454 thousand, in line with the accounts as of June 30, 2003 (€ 4,371 thousand).
Among intangible assets was significant the amortization of the goodwill amounting to € 953 thousand, attributable for € 322 thousand to Interfree Srl and for € 631 thousand to Computer Discount Srl. This amortization was equal to € 871 thousand as of June 30, 2003 and to € 1,857 thousand as of December 31, 2003.
Among tangible assets amortization of specific plant totalled € 662 thousand (€ 664 thousand as of June 30, 2003). The item mainly included the amortization of investments related to the lease of automated logistic plant of Micronica SpA. This investment was accounted in accordance with IAS 17 method.

Other provisions

This item, equal to € 50 thousand, included provisions for future risks mainly due to possible penalties and commercial litigation.

Sundry operating costs

Sundry operating costs	June 30, 2004	June 30, 2003	December 31, 2003
Fines and penalties	5	13	30
Sundry taxes and fees	170	142	408
Sale on disposal of fixed assets	4	3	13
Government concessions	129	127	270
Receivables written off	149	65	1,107
Use allowance for doubtful accounts	(121)	0	(763)
Other operating costs	37	106	203
Total	**373**	**456**	**1,268**

The decrease of **sundry operating costs** mainly resulted from the reduction of allowance for doubtful accounts.

FINANCIAL INCOME AND CHARGES

Financial income

Financial income	June 30, 2004	June 30, 2003	December 31, 2003
Bank interest	39	10	17
Financial discounts	74	83	208
Income on options	45	0	25
Other	2	216	368
Total	**160**	**309**	**618**

Interest and other financial charges

Financial expenses	June 30, 2004	June 30, 2003	December 31, 2003
Interest on bank loans	309	797	1,662
Interest on amounts payable to other lenders	955	868	1,833
Allowances for exchange rate fluctuations	0	0	0
Expenses and commissions	1,276	1,373	2,501
Other financial charges	17	273	325
Total	**2,557**	**3,311**	**6,321**

The **interest and other financial charges** decreased during the current half (€ 2,557 thousand) compared with the same period of 2003 (€ 3,311 thousand).
The change mainly derived from lower premiums paid for currency options, decreasing from € 253 thousand al of June 30, 2003 to € 9 thousand as of June 30, 2004. The recourse of such kind of currency operations was order to cover the exchange risk linked to the US Dollar volatility against the Euro in accordance with the policy of risk management of the company.

ADJUSTMENTS TO FINANCIAL FIXED ASSETS

This item consists of the write-down of its own shares (€ 47 thousand in the under review period against € 68 thousand of the previous fiscal year) in order to balance their value to the average stock market price of the last month.

EXTRAORDINARY INCOME AND EXPENSES

Incomes

Extraordinary income	**June 30, 2004**	**June 30, 2003**	**December 31, 2003**
Contingent assets	1,361	335	570
Income from insurance damages	597	0	0
Capital gains	46	15	15
Total	**2,004**	**350**	**585**

As of June 30, 2004 extraordinary income was equal to € 1,361 thousand mainly resulted from lower costs and higher revenues accrued in the previous year.
The item, mainly referring to CDC Point S.p.A. for € 1,183 thousand, significantly increased due to:
- lower costs related to the Internet division prudentially accounted in the 2002 and 2003 fiscal years for about € 472 thousand;
- lower 2003 costs related to SIAE tax, whose regulation changed with a retrospective effect for € 19 thousand;
- bonuses and contributions from suppliers on purchases of 2003 for € 241 thousand. These revenues at the time of the closing of the financial statement as of December 31, 2003 were doubtful and precautionary were not registered;
- higher IRAP tax accounted in 2003 financial statement for € 31 thousand;
- recharge to third-parties of costs accounted in the fiscal years 2001-2003 for € 190 thousand.

Capital gains, amounting to € 46 thousand, resulted from the disposal of a branch of a subsidiary of Computer Discount S.r.l.
Income from insurance reimbursement resulting from an event in 2004 whose costs were registered among extraordinary expenses.

Expenses

Extraordinary expenses	**June 30, 2004**	**June 30, 2003**	**December 31, 2003**
Contingent liability	4	0	5
Theft losses	443	0	0
Extraordinary losses	401	893	1,391
Other	0	2	0
Total	**848**	**895**	**1,396**

Theft losses referred to an event happened during the first half of 2004 in the warehouse of the Company. They were balanced by income from insurance damages registered among extraordinary income.

Extraordinary losses as of June 30, 2004 mainly resulted from the parent company CDC S.p.A. for € 267 thousand. They referred to residual costs with accrual date in previous years.

ANNEXES

Additional details are provided in the annexes listed below, which constitute an integral part of the notes to the financial statements.

- Statement of change in the consolidated shareholders' equity for the six-month period ended on June 30, 2004 (annex 1).
- Statement of change in the consolidated shareholders' equity for the period January 01, 2001 - June 30, 2004 (annex 1bis).
- Consolidated cash flow statement for the six-month period ended on June 30, 2004 (annex 2).
- Statement of changes in consolidated intangible fixed assets (annex 3) .
- Statement of changes in consolidated tangible fixed assets (annex 4).
- Statement of changes in consolidated financial fixed assets (annex 5).
- Statement of changes in consolidated long-term receivables (annex 6).
- Reconciliation between the Parent Company's shareholders' equity and net income and the corresponding consolidated items (annex 7).
- List of consolidated companies (annex 8).
- Shares of CDC S.p.A. held by directors, auditors and general managers (annex 9) .
- Compensation to directors and auditors of CDC S.p.A. and its subsidiaries (annex 10) .
- Balance Sheet of CDC Point as of June 30, 2004 (annex 11)

CLOSING REMARKS

These consolidated financial statements, made up of Balance Sheet, Income Statement and Notes to the Financial Statements, show a true and fair picture of the financial conditions and operating results for the period and reflect the data entered in the accounting records.

On behalf of the Board of Directors.

The Chairman

Giuseppe Diomelli

CDC GROUP - Financial Statements for the six-month period ended on June 30, 2004 - Annex 1

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY
FOR THE PERIOD BETWEEN 01/01/2004 AND 06/30/2004

(Amounts in thousands of euros)	Share capital	Legal reserve	Share premium reserve	Reserve for treasury shares	Other reserve	Retained earnings	Net income (loss) for the period	GROUP'S SHAREHOLDER EQUITY
Consolidated balance as of December 31, 2003	**6,131**	**621**	**35,906**	**1,138**	**974**	**(404)**	**9,862**	**54,228**
Allocation of net income for 2003		485			3,269	159	(3,913)	**0**
Destination at the reserve of the dividends related to treasury shares					17	(17)		**0**
Dividends paid							(5,949)	**(5,949)**
Changes in the consolidation area								**0**
Changes in the reserve for treasury shares			46	(46)				**0**
Consolidated income for the period (01/01/2004 - 06/30/2004)							7,030	**7,030**
Consolidated balance as of June 30, 2004	**6,131**	**1,106**	**35,952**	**1,092**	**4,260**	**(262)**	**7,030**	**55,309**
Free reserves		1,106	35,952	0	4,260	0	7,030	**48,348**
Distributable reserves		0	0	0	4,260	0	6,910	**11,170**

CDC GROUP - Financial Statements for the six-month period ended on June 30, 2004 - Annex 1bis

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY
FOR THE PERIOD BETWEEN 01/01/2001 AND 06/30/2004

(Amounts in thousands of euros)	Share capital	Legal reserve	Share premium reserve	Reserve for treasury shares	Other reserve	Retained earnings	Net income (loss) for the period	GROUP'S SHAREHOLDER EQUITY
Consolidated balance as of December 31, 2000	**6,131**	**479**	**62,356**	**0**	**605**	**1,057**	**(1,434)**	**69,194**
Allocation of net income for 2000					(605)	(829)	1,434	
Purchase of treasury shares			(1,174)	1,174				
Consolidated income for the period (01/01/2001 - 12/31/2001)							(25,427)	**(25,427)**
Consolidated balance as of December 31, 2001	**6,131**	**479**	**61.182**	**1.174**	**0**	**228**	**(25.427)**	**43.767**
Allocation of net income for 2001			(25,312)			(115)	25,427	
Owned treasury shares			370	(370)				
Consolidated income for the period (01/01/2002 - 12/31/2002)							2,298	**2,298**
Consolidated balance as of December 31, 2002	**6,131**	**479**	**36,240**	**804**	**0**	**113**	**2,298**	**46,065**
Allocation of net income for 2002		142			974	(534)	(582)	
Dividends paid							(1,716)	**(1,716)**
Dividends related to treasury shares						17		**17**
Changes in the reserve for treasury shares			(334)	334				
Consolidated income for the period (01/01/2003 - 12/31/2003)							9,862	**9,862**
Consolidated balance as of December 31, 2003	**6,131**	**621**	**35,906**	**1,138**	**974**	**(404)**	**9,862**	**54,228**
Allocation of net income for 2003		485			3,269	159	(3,913)	
Destination at the reserve of the dividends related to treasury shares					17	(17)		
Dividends paid							(5,949)	**(5,949)**
Changes in the reserve for treasury shares			46	(46)				
Consolidated income for the period (01/01/2004 - 12/31/2004)							7,030	**7,030**
Consolidated balance as of June 30, 2004	**6,131**	**1,106**	**35,952**	**1,092**	**4,260**	**(262)**	**7,030**	**55,309**

CDC GROUP - Financial Statements for the six-month period ended on June 30, 2004 - Annex 2

CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30, 2004
(Amounts in thousands of euros)

	June 30, 2004	December 31, 2003	June 30, 2003
A. OPENING NET SHORT-TERM FINANCIAL INDEBTEDNESS	**6,204**	**(12,899)**	**(12,899)**
Net income (loss) for the period	7,031	9,862	5,685
Net change in funds for risks and charges	47	75	3
Amortization and depreciation	4,457	9,574	4,371
Net change in the provisions for employee severance payments	386	1,089	255
(Restores) write-downs on treasury shares	47	(334)	0
(Gains) losses on shareholding sales and write-downs	0	5	(15)
Net income (loss) for the period before any change in working capital	**11,968**	**20,271**	**10**
(Increase) decrease in short-term receivables	48,082	(43,384)	4,606
(Increase) decrease in inventories	36,501	(24,391)	(599)
Increase (decrease) in trade and other payables	(99,968)	53,338	(30,531)
(Increase) decrease in other working capital items	(1,975)	4,355	(684)
(Increase) decrease in financial short-term receivables	3,654	(3,600)	0
Increase (decrease) purchase of Sofim S.r.l.	0	(8,120)	0
Change in working capital	**(13,706)**	**(21,802)**	**(27,208)**
B. CASH FLOW FROM (FOR) OPERATING ACTIVITIES	**(1,738)**	**(1,531)**	**(16,909)**
Investments in fixed assets:			
Intangibles	(238)	(1,213)	(812)
Tangibles	(825)	(1,410)	(696)
Financial	18	(60)	(16)
Increases in tangibles fixed assets due of consolidation of Sofim's subsidiaries	0	0	0
Increases in intangibles fixed assets due of consolidation of Sofim and Direct	0	0	0
Selling price or refund amount for fixed assets	0	0	0
Increase in fixed assets due to acquisition of Mactronics, Sofim and Interfree.	0	0	0
C. CASH FLOW FROM (FOR) INVESTMENT ACTIVITIES	**(1,045)**	**(2,683)**	**(1,524)**
Lighting of financing	0	25,000	0
Loan borrowings (repayments)	0	52	16
Dividends paid	(5,949)	(1,700)	(1,700)
Minority interests	12	(35)	32
D. CASH FLOW FORM (FOR) FINANCIAL ACTIVITIES	**(5,937)**	**23,317**	**(1,652)**
E. CASH FLOW FOR THE PERIOD (B+C+D)	**(8,720)**	**19,103**	**(20,085)**
F. ENDING NET SHORT-TERM FINANCIAL INDEBTDNESS (A+G)	**(2,516)**	**6,204**	**(32,984)**

CDC GROUP - Financial Statements for the six-month period ended on June 30, 2004 - Annex 3

STATEMENT OF CHANGES IN INTANGIBLE FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2004 - 06/30/2004

(Amounts in thousands of euros)

	Opening balance				Changes in the consolidation area			Changes during the year									Closing balance			
												Fixed assets fully returned off			Reclassifications					
	Original cost	Accumulated amortization	Write-ups / Write-downs	Book value as of 12/31/2003	Original cost	Accumulated amortization	Book value	Purchases	Adjustments to accumulated amortization	Disposals	Amortization	Original cost	Accumulated amortization	Write-ups / Write-downs	Original cost	Accumulated amortization	Original cost	Write-ups / Write-downs	Accumulated amortization	Book value as of 06/30/2004
Start-up and expansion costs	4,037	(2,882)	0	1,155	(1)	1	0	0	5	(5)	(367)	0	0	(3)	0	0	4,031	(3)	(3,243)	785
Rezearch, development and advertising costs	902	(226)	(366)	310	0	0	0	74	2	(2)	(99)	0	0	0	0	0	974	(366)	(323)	285
Industrial patents and intellectual property rights	477	(239)	0	238	0	0	0	50	0	0	(130)	0	0	0	1,130	(694)	1,657	0	(1,063)	594
Concessions, licenses, trademarks and similar rights	14,369	(6,037)	(65)	8,267	0	0	0	13	0	0	(671)	0	0	0	(1,130)	694	13,252	(65)	(6,014)	7,173
Goodwill	1,145	(395)	(9)	741	0	0	0	0	0	0	(114)	0	0	0	0	0	1,145	(9)	(509)	627
Assets under construction and advances*	425	0	0	425	0	0	0	0	0	0	0	0	0	0	(5)	0	420	0	0	420
Other intangible assets	3,301	(2,460)	(42)	799	0	0	0	101	5	(5)	(168)	0	0	0	5	0	3,402	(42)	(2,623)	737
Goodwill arising from consolidation	10,149	(2,528)	0	7,621	0	0	0	0	0	0	(953)	0	0	0	0	0	10,149	0	(3,480)	6,669
TOTAL	**34,805**	**(14,767)**	**(482)**	**19,556**	**(1)**	**1**	**0**	**238**	**12**	**(12)**	**(2,502)**	**0**	**0**	**(3)**	**0**	**0**	**35,030**	**(485)**	**(17,255)**	**17,290**

STATEMENT OF CHANGES IN TANGIBLE FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2004 - 06/30/2004

(Amounts in thousands of euros)

	Opening balance				Changes in the consolidation area			Movimenti del periodo						Reclassifications		Closing balance			
	Original cost	Accumulated amortization	Write-ups / Write-downs	Book value as of 12/31/2003	Original cost	Accumulated amortization	Book value	Purchases	Increases in accumulated depreciation	Uses of accumulated depreciation	Disposals	Write-ups / Write-downs	Depreciations	Original cost	Accumulated depreciation	Original cost	Write-ups / Write-downs	Accumulated amortization	Book value as of 06/30/2004
Land and buildings	10,445	(969)	0	9,476	0	0	0	18	0	0	0	0	(159)	0	1	10,463	0	(1,127)	9,336
Equipment and machinery	14,367	(7,154)	0	7,213	0	0	0	182	0	4	(4)	0	(966)	23	3	14,568	0	(8,113)	6,455
Industrial and commercial equipment	5,934	(4,617)	0	1,317	0	0	0	50	0	0	0	0	(238)	0	(7)	5,984	0	(4,862)	1,122
Other assets	8,283	(4,992)	(1)	3,290	0	0	0	577	0	33	(50)	0	(589)	3	3	8,813	(1)	(5,545)	3,267
Assets under construction and advances	11	0	0	11	0	0	0	15	0	0	0	0	0	(26)	0	0	0	0	0
TOTAL	**39,040**	**(17,732)**	**(1)**	**21,307**	**0**	**0**	**0**	**842**	**0**	**37**	**(54)**	**0**	**(1,952)**	**0**	**0**	**39,828**	**(1)**	**(19,647)**	**20,180**

CDC GROUP - Financial Statements for the six-month period ended on June 30, 2004 - Annex 5

STATEMENT OF CHANGES IN FINANCIAL FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2004 - 06/30/2004

SHAREHOLDINGS

(Amounts in thousands of euros)

	Opening balance			Changes in the consolidation area			Changes during the period			Closing balance		
	Original cost	Write-ups / Write-downs	Book value as of 12/31/2003	Original cost	Write-ups / Write-downs	Book value	Increase	Decrease	Write-ups / Write-downs	Original cost	Write-ups / Write-downs	Book value as of 06/30/2004
SHAREHOLDINGS												
Shareholdings in subsidiaries	10	(5)	5	16	0	16	0	0	5	26	0	26
Shareholdings in associated companies	96	(77)	19	0	0	0	0	0	0	96	(77)	19
Shareholdings in parent companies	0	0	0	0	0	0	0	0	0	0	0	0
Shareholdings in affiliated companies	0	0	0	0	0	0	0	0	0	0	0	0
Shareholdings in other companies	5	0	5	0	0	0	0	0	0	5	0	5
TOTAL	**111**	**(82)**	**29**	**16**	**0**	**16**	**0**	**0**	**5**	**127**	**(77)**	**50**

CDC GROUP - Financial Statements for the six-month period ended on June 30, 2004 - Annex 6

STATEMENT OF CHANGES IN FINANCIAL FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2004 - 06/30/2004

RECEIVABLES

(Amounts in thousands of euros)

	Opening balance			Changes in the consolidation area	Changes during the period				Closing balance		
	Original cost	Write-ups / Write-downs	Book value as of 12/31/2003		Increase	Decrease	Reclassifications	Write-ups / Write-downs	Original cost	Write-ups / Write-downs	Book value as of 06/30/2004
SECURITY DEPOSITS											
Security deposits with other companies	744	0	744	0	19	(59)	0	0	704	0	704
Security deposits with subsidiaries	0	0	0	0	0	0	0	0	0	0	0
Medium/long-term receivables	25	0	25	0	0	0	0	0	25	0	25
TOTAL	**769**	**0**	**769**	**0**	**19**	**(59)**	**0**	**0**	**729**	**0**	**729**

CDC GROUP - Financial Statements for the six-month period ended on June 30, 2004 - Annex 7

(Amounts in thousands of euros)

RECONCILIATION BETWEEN THE PARENT COMPANY'S NET INCOME FOR THE PERIOD AND SHAREHOLDERS' EQUITY AND THE CORRESPONDING CONSOLIDATED ITEMS

	Net income for the period	Shareholders' equity
As per CDC Point S.P.A.'s financial statements	**6,999**	**55,540**
Adoption of financial method for goods acquired through finance leases	31	(231)
As per consolidated financial statements	**7,030**	**55,309**

LIST OF CONSOLIDATED COMPANIES
as of June 30, 2004

(Amounts in thousands of euros)

Name	Registered office	Share capital	Shareholders' equity	Consolidated result as of June 2004	% held
CDC POINT S.P.A.	Calcinaia (PI)	6,131	55,540	6,999	
INTERFREE S.R.L.	Calcinaia (PI)	50	5,804	2,437	100%
MICRONICA S.P.A.	Pontedera (PI)	6,450	7,192	28	100%
CD WEB S.R.L.	Calcinaia (PI)	75	62	(3)	100%
POLINET S.R.L.	Calcinaia (PI)	78	(4)	(81)	100%
DIRECT S.R.L.	Pontedera (PI)	15	346	226	99%
COMPUTER DISCOUNT S.R.L.	Pontedera (PI)	63	140	76	100%
CD FIRENZE SRL	Firenze	26	(56)	(51)	56%
CD MILANO SRL	Pontedera (PI)	20	112	(9)	100%
CD PISA SRL	Pisa	10	24	(10)	100%
CD GENOVA SRL	Pontedera (PI)	42	20	(22)	100%
CD TORINO SRL	Torino	21	310	(39)	100%
C.V.M. SRL	Bologna	26	179	14	100%
CD VERONA SRL	Pontedera (PI)	16	45	(19)	100%
CD ROMA SRL	Pontedera (PI)	56	176	120	100%
CD BRESCIA SRL	Pontedera (PI)	21	47	(45)	100%
CD PESCARA SRL	Pontedera (PI)	26	21	(14)	100%
CD MILANO 2 SRL	Pontedera (PI)	52	214	50	100%
CD MILANO 3 SRL	Pontedera (PI)	51	34	(2)	100%
CD MILANO 4 SRL	Pontedera (PI)	51	24	(27)	100%
CD MILANO 5 SRL	Pontedera (PI)	51	158	28	100%
CD ROMA 2 SRL	Pontedera (PI)	51	198	38	100%
CD NAPOLI 2 SRL	Pontedera (PI)	52	198	25	100%
CD CAGLIARI SRL	Pontedera (PI)	52	129	29	100%
SOLUZIONI INFORMATICHE SRL	Pontedera (PI)	52	149	55	51%
CD MILANO 6 SRL	Pontedera (PI)	26	31	(2)	100%
CD AREZZO SRL	Pontedera (PI)	10	(12)	(21)	100%
CD BARI 2 SRL	Pontedera (PI)	50	19	(31)	51%
BELCOR SRL	Pontedera (PI)	10	94	(66)	100%

SHARES IN CDC SPA AND ITS SUBSIDIARIES HELD BY DIRECTORS, AUDITORS AND GENERAL MANAGERS

Last name and first name	Company	Number of shares held directly as of 12/31/2003	Number of shares held indirectly as of 12/31/2003	Number of shares acquired directly during the period	Number of shares acquired indirectly during the period	Number of shares sold directly during the period	Number of shares sold indirectly during the period	Number of shares held indirectly as of 06/30/2004
BOARD OF DIRECTORS								
DIOMELLI GIUSEPPE (*)	CDC Point S.p.A.	7,176	7,176					7,176
PAGNI LEONARDO	CDC Point S.p.A.							
ANDOLFI CLAUDIO	CDC Point S.p.A.	24,453				20,000		
BOARD OF AUDITORS								
BOSSI CARLO	CDC Point S.p.A.							
CARLI DANIELA	CDC Point S.p.A.							
LANG ALBERTO	CDC Point S.p.A.							

(*) through his spouse, Andolfi Floriana

COMPENSATION TO DIRECTORS AND AUDITORS OF CDC SPA AND ITS SUBSIDIARIES

BOARD OF DIRECTORS	CDC Point S.p.A.	Interfree S.p.A.	Micronica S.p.A.	Computer Discount S.r.l.	Polinet S.r.l.	CD Web S.r.l.	Direct S.r.l.
DIOMELLI GIUSEPPE	€ 221,000.00						
PAGNI LEONARDO:							
whose Remuneration as director	€ 118,500.00						
whose Compensation as employee	€ 44,971.00						
whose Fringe benefits	€1,332.00						
Total	€ 164,803.00						
ANDOLFI CLAUDIO	€ 93,000.00						
BARBERIS ALESSANDRO	€ 21,000.00						
BARACHINI ENRICO	€ 21,000.00						
GUALTIERI PAOLO	€ 7,000.00						
VITALE EMILIO	€ 7,000.00						

BOARD OF AUDITORS	CDC Point S.p.A.	Interfree S.p.A.	Micronica S.p.A.	Computer Discount S.r.l.	Polinet S.r.l.	CD Web S.r.l.	Direct S.r.l.
BOSSI CARLO	€ 12,566.00						
CARLI DANIELA	€ 8,252.00		€ 2,001.00				
LANG ALBERTO	€ 8,252.00						

BALANCE SHEET of CDC POINT S.p.A.
as of June 30, 2004, compared with June 30, 2003 and December 31, 2003

ASSETS	*June 30, 2004*	*June 30, 2003*	*December 31, 2003*
A - DUE FROM SHAREHOLDERS FOR SUBSCRIPTIONS AND LOSSES	**0**	**0**	**0**
B – FIXED ASSETS			
I – INTANGIBLE FIXED ASSETS	**9,619,506**	**12,403,337**	**10,881,160**
1. Start up and expansion costs	663,516	1,330,648	995,275
2. Research, development and advertising costs	266,195	425,511	288,583
3. Industrial patents and intellectual rights	420,403	10,185	28,598
4. Concessions, licenses, trademarks and similar rights	7,133,487	8,836,440	8,222,451
5. Goodwill	569,023	831,644	671,132
6. Intangible assets under construction and advances	0	128,978	0
7. Other intangible assets	566,882	839,931	675,121
II – TANGIBLE FIXED ASSETS	**2,645,049**	**2,945,165**	**2,779,094**
1. Land and Buildings	24,687	28,367	26,417
2. Machinery	618,652	759,910	664,711
3. Industrial and commercial equipment	722,240	869,075	809,505
4. Other assets	1,279,470	1,287,813	1,278,461
5. Tangible assets under construction and advances	0	0	0
III – FINANCIAL FIXED ASSETS	**19,703,246**	**17,237,767**	**18,151,385**
1. Shareholdings			
a. in subsidiaries	19,559,245	17,073,512	17,972,349
b. in associated companies	0	0	0
c. in parent companies	0	0	0
d. in other companies	704	704	704
Sub-Total	19,559,949	17,074,216	17,973,053
2. Receivables			
a. due from subsidiaries	0	0	0
b. due from associated companies	0	0	0
c. due from parent companies	0	0	0
d. due from other companies	143,297	163,551	178,332
Sub-Total	143,297	163,551	178,332
3.Others stocks	0	0	0
4.Treasury shares	0	0	0
TOTALE IMMOBILIZZAZIONI (B)	**31,967,801**	**32,586,269**	**31,811,639**
C – CURRENT ASSETS			
I - Inventories-	**56,759,539**	**69,226,821**	**92,788,823**
1. Raw, ancillary and consumable materials	0	0	0
2. Work in process and semi-finished products	0	0	0
3. Work in process under contract	0	0	0
4. Finished products and goods for resale	56,759,539	69,226,821	92,788,823
5. Advances	0	0	0
II – Receivables-	**113,046,600**	**112,301,780**	**163,986,455**
1. due from customers	82,154,410	81,969,332	124,245,897
2. due from subsidiaries	18,954,385	19,553,157	21,232,980
3. due from associated companies	385,111	200,115	130,386
4. due from parent companies	219,216	374	1,118

4 bis. tax receivables	566,083	188,076	129,403
4 ter. Advanced taxes	369,409	369,408	369,409
6. Others	10,397,986	10,021,318	17,877,262
- receivable within 12 months	*10,397,986*	*10,021,318*	*17,877,262*
- receivable beyond 12 months	*0*	*0*	*0*
III – Short-term investments	**1,091,292**	**735,934**	**4,738,789**
1. Shareholdings in subsidiaries	0	0	0
2. Shareholdings in associated companies	0	0	0
3. Shareholdings in parent companies	0	0	0
4. Shareholdings in other companies	0	0	0
5. Treasury shares	1,091,292	735,934	1,138,789
6. Other securities	0	0	0
7. Financial receivables	0	0	3,600,000
IV – Cash and cash equivalents	**3,519,488**	**4,864,428**	**4,554,492**
1. Bank and post office deposits	3,471,607	4,835,646	4,498,180
2. Checks	0	0	0
3. Cash and other valuables on hand	47,881	28,782	56,312
TOTAL CURRENT ASSETS (C)	**174,416,919**	**187,128,963**	**266,068,559**
D- Accrued income and deferred expenses			
1. Bond and loan discounts	0	0	0
2. Other accruals and deferrals	1,210,185	706,312	793,417
TOTAL ACCRUED INCOME AND DEFERRED EXPENSES (D)	**1,210,185**	**706,312**	**793,417**
TOTAL ASSETS	**207,594,905**	**220,421,544**	**298,673,615**

BALANCE SHEET of CDC POINT S.p.A.
as of June 30, 2004, compared with June 30, 2003 and December 31, 2003

LIABILITIES AND SHAREHOLDERS' EQUITY	*June 30, 2004*	*June 30, 2003*	*December 31, 2003*
A – SHAREHOLDERS' EQUITY			
I – Share capital	6,130,686	6,130,686	6,130,686
II – Share premium reserve	35,952,091	36,307,450	35,904,594
III – Revaluation reserve	0	0	0
IV – Legal reserve	1,106,227	621,034	621,034
V – Statutory reserves	0	0	0
VI – Reserve for treasury shares	1,091,292	735,933	1,138,789
VII Other reserves	4,260,611	973,793	973,793
VIII – Retained earnings (accumulated deficit)	0	16,940	16,940
IX – Net income (loss) for the period, brought forward	6,999,297	5,671,743	9,703,851
TOTAL SHAREHOLDER EQUITY	**55,540,204**	**50,457,579**	**54,489,687**
B – ALLOWANCES FOR RISKS AND CHARGES			
1. Allowances for pensions and the like	0	0	0
2. Tax allowances	0	0	0
3. Others	217,595	106,478	203,291
TOTAL ALLOWANCES FOR RISKS AND CHARGES (B)	**217,595**	**106,478**	**203,291**
C – PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES	**2,467,015**	**1,971,696**	**2,204,362**
D – PAYABLES			

1. Bonds	0	0	0
2. Convertible Bonds	0	0	0
3. Amounts due to shareholders for financing	0	0	0
4. Bank debts	33,321,926	37,871,664	28,582,657
- payable within 12 months	*8,321,926*	*37,871,664*	*3,582,657*
- payable beyond next 12 months	*25,000,000*	*0*	*25,000,000*
5. Debts payable to other lenders	0	757,732	881,529
- payable within 12 months	*0*	*757,732*	*881,529*
- payable beyond next 12 months	*0*	*0*	*0*
6. Advance payments	0	0	0
7. Trade payables	97,981,584	116,071,681	194,402,954
8. Debts represented by securities issued	0	0	0
9. Amounts due to subsidiaries	7,647,060	2,935,677	5,848,636
10. Amounts due to associated companies	8,400	9,108	12,674
11. Amounts due to parent companies	0	0	0
12. Taxes payable	5,134,574	5,779,435	7,221,760
13. Amounts due to social security agencies	766,340	634,932	696,818
14. Other payables	4,321,219	3,681,436	2,808,443
TOTAL PAYABLES (D)	**149,181,103**	**167,741,665**	**240,455,471**
E –ACCRUED EXPENSES AND DEFERRED INCOME			
1. Bond premiums	0	0	0
2. Other accruals and deferrals	188,988	144,126	1,320,804
TOTAL ACCRUALS AND DEFERRALS (E)	**188,988**	**144,126**	**1,320,804**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**207,594,905**	**220,421,544**	**298,673,615**

MEMORANDUM ACCOUNTS of CDC POINT S.p.A.
as of June 30, 2004, compared with June 30, 2003 and December 31, 2003

	June 30, 2004	*June 30, 2003*	*December 31, 2003*
1. Commitments:			
a. Buying	0	0	0
b. Selling	0	0	0
c. Leasing fees	284,453	196,562	357,080
d. Goods to be received	1,527,609	7,079,755	12,724,057
e. Currencies to be received	6,189,735	15,852,009	16,690,252
f. Third parties' assets	0	0	0
g. Other commitments	0	0	210
Total Commitments	**8,001,797**	**23,128,326**	**29,981,389**
2. Guarantees			
b. Sureties provided	8,956,701	6,937,960	6,071,627
c. Mortgages	0	0	0
Total guarantees	**8,956,701**	**6,937,960**	**6,071,627**
Total memorandum accounts	**16,958,498**	**30,066,286**	**36,053,016**

INCOME STATEMENT of CDC POINT S.p.A.
as of June 30, 2004, compared with June 30, 2003 and December 31, 2003

	June 30, 2004	*June 30, 2003*	*December 31, 2003*
A – VALUE OF PRODUCTION			
1. Revenues from sales and services	270,429,379	264,437,419	582,911,309
2. Changes in work- in- process, semi-finished and finished product inventories	(36,029,284)	1,717,747	23,566,468
3. Changes in work-in-process under contract	0	0	0
4. Change in self-constructed assets	0	0	0
5. Other revenues and income	8,345,632	7,930,801	18,366,650
a. Operating grants	0	1,444	4,127
b. Others	8,345,632	7,929,357	18,362,523
Total value of production (A)	**242,745,727**	**274,085,967**	**624,844,427**
B – PRODUCTION COSTS			
6. Raw, ancillary and consumable materials and goods for resale	202,751,130	230,425,638	537,211,265
7. Service costs	22,643,101	23,041,213	50,612,834
8. Leasing costs	1,523,983	1,503,491	3,036,043
9. Payroll costs			
a. Wages and salaries	4,531,762	4,053,083	8,375,089
b. Benefits	1,495,085	1,399,286	2,788,372
c. Provisions for severance indemnities	344,290	304,231	638,038
d. Provisions for pension and similar costs	0	0	126
e. Other personnel costs	660	72,463	143,618
Total payroll costs	6,371,797	5,829,063	11,945,243
10. Amortization, depreciation and write-downs			
a. Amortization	1,433,634	1,399,148	2,935,118
b. Depreciation	444,806	453,464	932,095
c. Write-downs of tangible and intangible assets	0	0	366,520
d. Write-downs of short-term receivables	0	600,000	1,231,714
Total amortization, depreciation and write-downs	1,878,440	2,452,612	5,465,447
11. Change in raw, ancillary, consumable materials and goods for sale inventories	0	0	0
12. Provisions for risks	50,000	0	100,000
13. Other provisions	0	1,807,889	94,609
14. Sundry operating costs	206,888	224,816	663,292
Total costs of production (B)	**235,425,339**	**265,284,722**	**609,128,733**
DIFFERENCE BETWEEN VALUE OF PRODUCTION AND COSTS OF PRODUCTION (A - B)	**7,320,388**	**8,801,245**	**15,715,694**
C – FINANCIAL INCOME AND CHARGES			
15. Income from shareholdings -			
a. Dividends	0	0	0
b. Dividends and other income from associated companies	0	0	0
c. Dividends and other income from other companies	0	0	0
Total income from shareholdings	*0*	*0*	*0*
16. Other financial income			
a. Long-term receivables -			
- From subsidiaries	76,010	0	0
- From associated companies	0	0	0
- From parent companies	0	0	0
- Others	823	0	0

b. From securities held as long-term investments other than shareholdings	0	0	0
c. From securities held as short-term investments other than shareholdings,	0	0	0
d. Income from sources other than the above			
- Interests and commissions from subsidiaries	0	38,419	106,074
- Interests and commissions from associated companies	0	0	0
- Interests and commissions from parent companies	0	0	0
- Interests and commissions from others and sundry income	165,457	318,155	643,474
Total income from sources other than the above	*242,290*	*356,574*	*749,548*
17. Interests and other financial charges			
a. paid to subsidiaries	104,042	41,661	69,488
b. paid to associated companies	0	0	0
c. paid to parent companies	0	0	0
d. Others	2,367,355	3,053,366	5,847,323
17 bis. (Gains) losses on foreign currency translation	41,582	593,761	(223,703)
Total interest and other financial charges	*2,512,979*	*3,688,788*	*5,693,108*
Total financial income and charges (C)	**(2,270,689)**	**(3,332,214)**	**(4,943,560)**
18. Write-ups of			
a. Shareholdings	2,764,831	2,021,882	3,584,425
b. Financial fixed assets	0	0	0
c. Marketable securities	0	0	334,453
Total write-ups	*2,764,831*	*2,021,882*	*3,918,878*
19. Write-downs of			
a. Shareholdings	1,264,937	1,423,125	3,333,113
b. Financial fixed assets	0	0	0
c. Marketable securities	47,497	68,402	0
d. Short-term receivables	0	0	0
Total write-downs	*1,312,434*	*1,491,527*	*3,333,113*
Total adjustments to financial assets (D)	**1,452,397**	**530,355**	**585,765**
E – EXTRAORDINATY INCOME AND EXPENSES			
20. Income			
a. Gains on disposals	0	0	0
b. Others	1,679,794	205,579	331,064
Total income	*1,679,794*	*205,579*	*331,064*
21. Expenses			
a. Losses on disposals	0	0	0
b. Tax due from past fiscal years	0	0	0
c. Others	1,182,593	533,222	785,112
Total Expenses	*1,182,593*	*533,222*	*785,112*
Total extraordinary items (E)	**497,201**	**(327,643)**	**(454,048)**
PRE-TAX INCOME (A-B+/-C+/-D+/-E)	**6,999,297**	**5,671,743**	**10,903,851**
22. Income taxes			
- Income taxes for the period	0	0	(1,200,000)
- Deferred taxes	0	0	0
- Advanced taxes	0	0	0
NET INCOME (LOSS) FOR THE PERIOD	**6,999,297**	**5,671,743**	**9,703,851**