

CDC GROUP



*QUARTERLY REPORT AS OF
SEPTEMBER 30th, 2008*

HIGHLIGHTS



CONTENTS

Group Highlights and general information

Highlights	3
History and mission	4
Board of Directors and Auditors	5
Group structure	6

Third Quarter financial report as of September 30th, 2008

Group results	8
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1.HIGHLIGHTS

(in thousands of euros)

Economics

Set 30th, 2008	Set 30th, 2007		Q3 2008	Q3 2007	Dec 31st, 2007
263.258	330.033	Net revenues	72.098	86.727	470.631
5.709	6.318	EBITDA	348	1.049	13.323
2.178	813	EBIT	(581)	(859)	4.681
(362)	(310)	EBT	(1.396)	(1.577)	2.613
(143)	(353)	Net result for the period	(552)	(926)	155
(143)	(353)	Net result attributable to the Group	(552)	(926)	155
(0,0117)	(0,0288)	Basic earnings per share (€)	(0,0450)	(0,0755)	0,0126
(0,0117)	(0,0288)	Diluted earnings per share (€)	(0,0449)	(0,0754)	0,0126

Financial

Set 30th, 2008	Dec 31st, 2007		Set 30th, 2007
(36.142)	(36.588)	Net financial position	(50.693)
422	481	Employees (number at period end)*	504

* Including Apprentices

2.HISTORY AND MISSION

CDC Point SpA, a company listed on the MTA ordinary segment of the Italian Stock Exchange, was founded in 1986 by Giuseppe Diomelli, current Chairman of the company.

The mission has always been to "spread simple technologies" with the goal of offering customers tailored solutions. This philosophy and engagement have enabled CDC to be, since 1986, one of the major reference operators in the Italian information technology market, contributing to the modernization of the country.

The experience gained in over 20 years activity and a business model unique in the market sector make CDC group one of the major Italian players in the distribution of Information Technology products.

The formula for success depend on the CDC multichannel strategy and presence in the value chain, both of which make it possible to serve quickly and effectively all market segments, from family to small and medium enterprises, to get to large companies and Public Administration. The business model is based on the following point of strengths:

- capillary network sales, both retail and wholesale;
- ability to innovate and offer its own brand products;
- technical excellence of the logistic platform and quality of the business processes.

The CDC policy has always concentrated on the Italian market, built on two basic guidelines: Select the quality convenient and spread simple technologies. The company did this by constant selection of products right for the domestic market, including those proposed by the main international vendor with which over time has made solid distribution agreements and partnerships, and those coming from the no-brand market.

Thanks to excellent technical skills, CDC was able to design and produce a wide range of own brand computers, designed and built to meet the specific requirements of the domestic market, often even anticipating trends.

CDC currently approach the Personal Computer market with different product lines: Premium (high-quality computers), Cybermate (products dedicated to professionals) and Next (computer as a price cheaper than the branded products).

However, the needs of computer users are not limited to computers; for this reason the continuing search for new products in international markets is targeted to support PC offer with a wide range of own brand products and accessories. CDC has developed two additional own brand products lines: Kraun and Inkdrops. Under the brand Kraun has a range of more than five hundred products divided into six categories as desktop, mobility, music & photo, networking, connectivity, protection.

Under the brand InkDrops instead are offered to the market complete lines of cartridges, toner and paper compatible for all printers produced by the main world producers, including HP, Lexmark, Epson, Canon, Samsung, Brother.

3. BOARD OF DIRECTORS AND AUDITORS

BOARD OF DIRECTORS

	Office	Mandate expiring
Giuseppe Diomelli	Chairman	2010 approval of accounts
<i>Paolo Lenzi</i>	<i>Chief Executive Officer</i>	<i>Until April 2008</i>
Enrico Dell'Artino	Chief Executive Officer	2010 approval of accounts
Enrico Barachini	Independent Director	2010 approval of accounts
<i>Enrico Giordano</i>	<i>Independent Director</i>	<i>Until April 2008</i>
Elena Cenderelli	Independent Director	2010 approval of accounts
Emilio Vitale	Independent Director	2010 approval of accounts

Elena Cenderelli, as Chairman, Enrico Barachini and Emilio Vitale are member of the Internal Audit Committee. Emilio Vitale, as Chairman, Elena Cenderelli and Enrico Barachini are member of the Compensation Committee. Enrico Barachini was confirmed lead independent director during the last April 28th, 2008 Board of Directors.

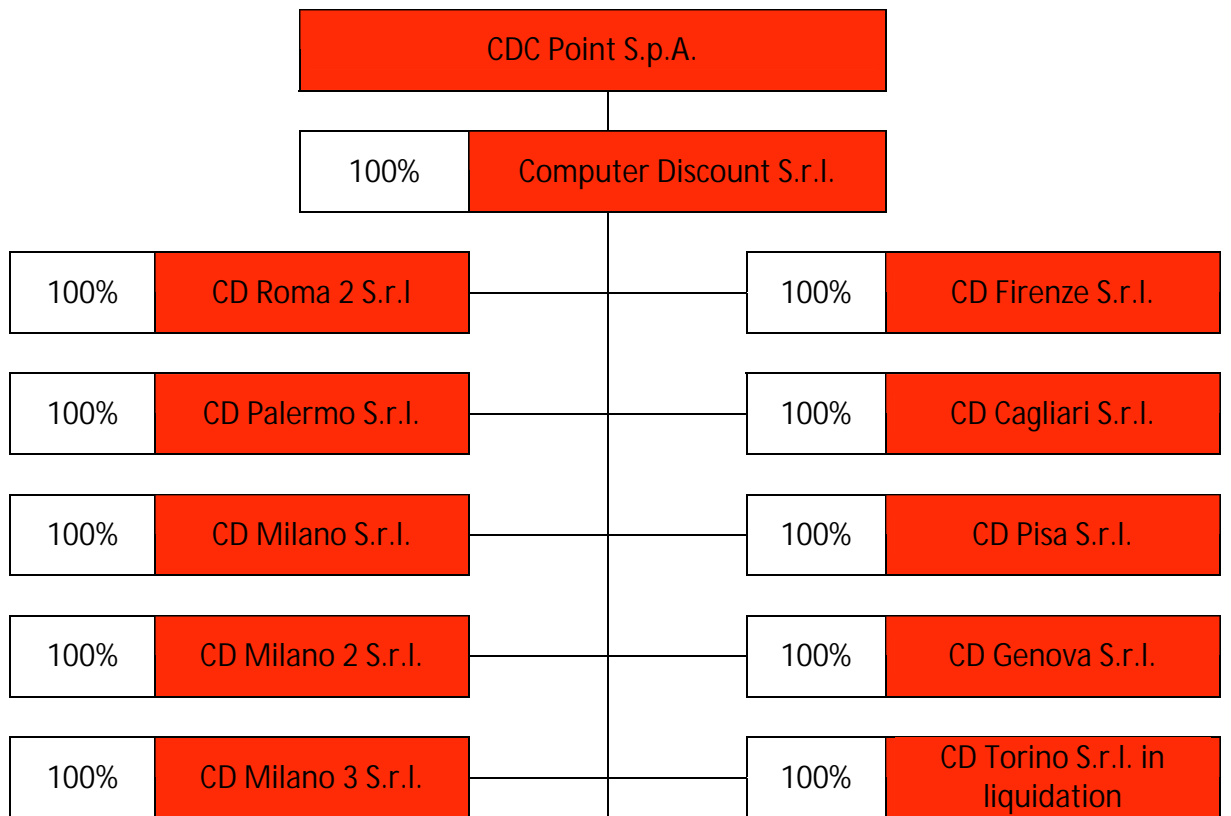
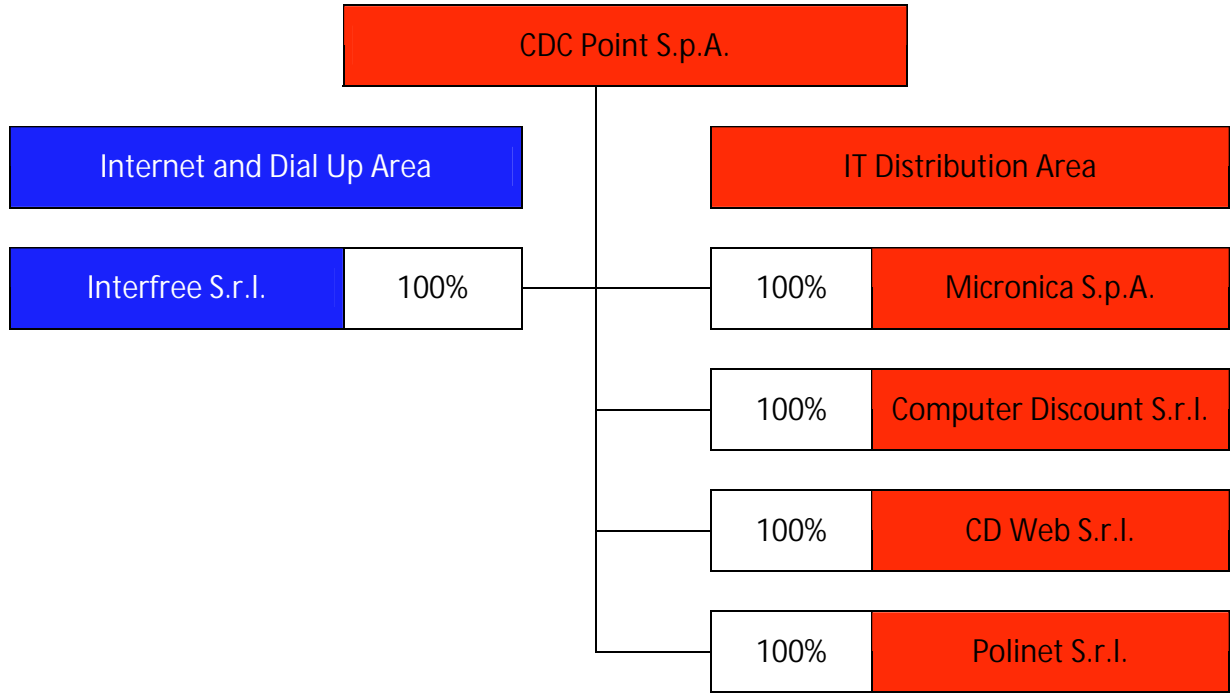
BOARD OF STATUTORY AUDITORS

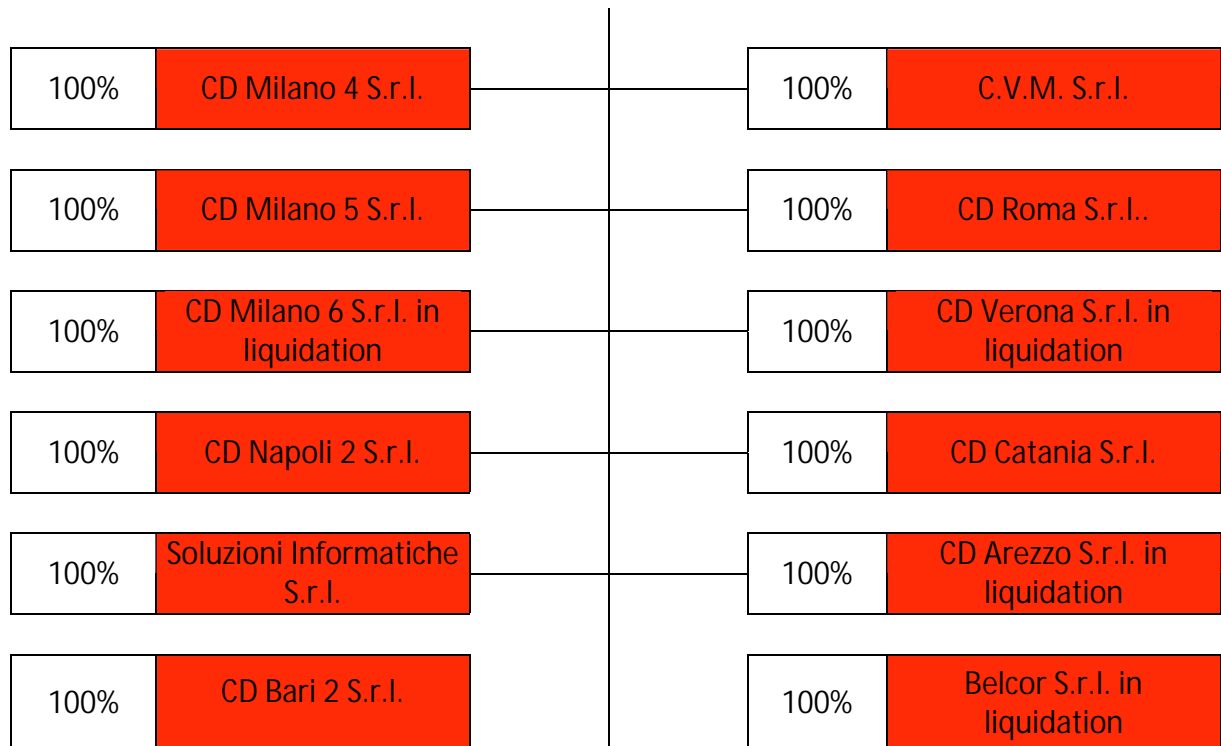
	Office	Mandate expiring
<i>Carlo Bossi</i>	<i>Chairman</i>	<i>Until April 2008</i>
Alberto Lang	Chairman	2010 approval of accounts
Daniela Carli	Permanent Auditor	2010 approval of accounts
Luca Ceconi	Permanent Auditor	2010 approval of accounts
Enzo Polidori	Alternate Auditor	2010 approval of accounts
Rebecca Baldini	Alternate Auditor	2010 approval of accounts

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A. – mandate expiring with approval of accounts for the year ending 31st December 2008

4.GRUOP STRUCTURE





5. GROUP RESULTS

Income statement

CONSOLIDATED INCOME STATEMENT AS OF SEPTEMBER 30th, 2008						
Consolidated Income Statement	September 30th, 2008		September 30th, 2007		VAR	
<i>(Reclassified by nature in thousands of euros)</i>						
1. Revenues	262.633	99,76%	329.512	99,84%	(66.879)	-20,30%
2. Other Income	626	0,24%	521	0,16%	105	20,15%
I - TOTAL REVENUES AND OPERATING INCOME	263.258	100,00%	330.033	100,00%	(66.774)	-20,23%
3. Purchase costs	(230.443)	-87,54%	(292.381)	-88,59%	61.938	-21,18%
4. Service costs	(13.660)	-5,19%	(16.809)	-5,09%	3.149	-18,73%
5. Labour costs	(12.898)	-4,90%	(13.682)	-4,15%	784	-5,73%
6. Other operating costs	(549)	-0,21%	(843)	-0,26%	294	-34,88%
EBITDA	5.709	2,17%	6.318	1,91%	(609)	-9,64%
7. Amortization of intangible fixed assets	(1.250)	-0,47%	(1.403)	-0,43%	153	-10,91%
8. Depreciation on tangible fixed assets	(1.850)	-0,70%	(2.248)	-0,68%	398	-17,70%
9. Gains/losses on disposal of non-current assets	196	0,07%	1	0,00%	195	
10. Provision and impairment reversal/losses on non-current assets	(627)	-0,24%	(1.855)	-0,56%	1.228	-66,20%
II - EBIT	2.178	0,83%	813	0,25%	1.365	167,90%
11. Share of earnings of equity investments in associated companies valued according to the shareholders' equity method	0	0,00%	0	0,00%	0	
12. Financial income	1.082	0,41%	2.559	0,78%	(1.477)	-57,72%
13. Financial expenses	(3.623)	-1,38%	(3.682)	-1,12%	59	-1,60%
III - EBT	(362)	-0,14%	(310)	-0,09%	(53)	17,10%
14. Income taxes for the period	219	0,08%	(44)	-0,01%	263	-597,73%
IV - NET INCOME FROM CONTINUING OPERATIONS	(143)	-0,05%	(354)	-0,11%	209	-59,04%
15. Net income from continued operations/assets held for sale	0	0,00%	0	0,00%		
V - NET INCOME	(143)	-0,05%	(354)	-0,11%	209	-59,04%
16. Income (loss) attributable to minority interest	0	0,00%	0	0,00%		
VI - NET INCOME ATTRIBUTABLE TO CDC GROUP	(143)	-0,05%	(354)	-0,11%	209	-59,04%

**Net Financial Position**

Net Financial Position	Sep 30th, 2008	Sep 30th, 2007	VAR	Dec 31st, 2007
<i>(in thousands of euros)</i>				
Bank debts payable within 12 months	(20.209)	(27.043)	6.834	(22.067)
Cash and cash equivalents	3.964	4.912	(948)	9.831
(Amounts due to) Due from factoring companies	0	(835)	835	(490)
Liquidity (borrowing) within 12 months	(16.245)	(22.966)	6.721	(12.726)
Short term loans	(8.000)	(8.000)	0	(8.000)
Amount due to other lenders for leases within 12 months	3	1	2	(25)
Amounts due to other within 12 months	(7.997)	(7.999)	2	(8.025)
Net Financial Position within 12 months	(24.242)	(30.965)	6.723	(20.751)
Amount due to other lenders for leases after 12 months	0	(51)	51	0
Bank debts payable beyond next 12 months	(11.900)	(19.677)	7.777	(15.837)
Net Financial Position beyond next 12 months	(11.900)	(19.728)	7.828	(15.837)
Total Net Financial Position	(36.142)	(50.693)	14.551	(36.588)



Operating Costs

Operating costs	Q3 2008	Q3 2007	VAR	Sep 30th, 2008	Sep 30th, 2007	VAR
<i>(in thousands of euros)</i>						
Cost of goods for resale	63.659	76.314	(12.655)	230.443	292.381	(61.938)
Total services costs	4.013	5.413	(1.400)	13.660	16.809	(3.149)
- net marketing expenses	(146)	392	(538)	339	1.303	(964)
(gross marketing expenses)	732	1.410	(678)	2.928	4.966	(2.038)
(contribution from suppliers for marketing expenses)	(878)	(1.018)	140	(2.589)	(3.663)	1.074
- Shipping and logistics	706	941	(235)	2.455	3.223	(768)
- emoluments paid to Corporate Boards	437	518	(81)	1.498	1.755	(257)
- utilities	312	368	(56)	993	1.145	(152)
- Lease expenses	1.109	1.247	(138)	3.349	3.800	(451)
- Bank commissions	236	241	(5)	864	939	(75)
- Insurance premiums	315	418	(103)	889	1.103	(214)
- Technical and fiscal fees	322	538	(216)	912	1.132	(220)
- Other services costs	722	751	(29)	2.361	2.409	(48)
Labour costs	3.918	3.861	57	12.898	13.682	(784)
IT Distribution	3.824	3.763	61	12.591	13.376	(785)
Internet	93	98	(5)	307	306	1
Other operating costs	160	90	70	549	843	(294)
TOTAL	71.750	85.678	(13.928)	257.549	323.715	(66.166)

Net Working Capital

Net Working Capital	Sep 30th, 2008	Dec 31st, 2007	VAR
<i>(in thousands of euros)</i>			
Inventories	57.634	66.758	(9.124)
Accounts receivables	72.478	107.299	(34.821)
Due from subsidiaries	0	0	0
Due from subsidiaries not consolidated	2	2	0
Due from associated companies	0	0	0
Due from parent company	0	197	(197)
Taxes receivables	2.488	409	2.079
Other accounts receivables	13.832	17.191	(3.359)
Assets held for sale	0	760	(760)
Current assets	146.433	192.616	(46.183)
Trade payables	(80.374)	(126.087)	45.713
Other payables	(7.217)	(9.563)	2.346
Due to subsidiaries	0	0	0
Due to subsidiaries not consolidated	0	0	0
Due to associated companies	0	(11)	11
Due to parent company	0	0	0
Liabilities associated to the assets held for sale	0	(70)	70
Current liabilities	(87.591)	(135.730)	48.140
Net Working Capital	58.842	56.886	1.957