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CDC GROUP



CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

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1. LETTER TO SHAREHOLDERS

Dear Shareholders,

For the second consecutive year, the Italian Information Technology market has seen a decline, which marks a turning point after nearly twenty years of continuous growth.

In the last two years, this market saw its size reduced by about 10%, and in this trend, certainly influenced by the macroeconomic crisis that has affected the most developed economies, can be read the bottom state of business of a market that is now facing the maturity stage.

For the first time in many years, the Group is back - notwithstanding the external environment – growing in size, by increasing the turnover by approximately 8.5%, whereas the same fiscal consolidation, and achieving some significant operations that are set in the strategic actions outlined in The Industrial Plan.

In particular, with the purchases made during September, substance was given, through the establishment of CDC Tech division, in diversifying the Group's business in the market value solutions, with the design and marketing of a comprehensive range of solutions for unified communications, IP video surveillance and access control systems, management software and cloud computing services.

At the end of the year, the Group has significantly strengthened its presence in the retail market through the purchase of the Essedi brand chain of computer shops, completing its offered range of products and territorial presence, and enhancing its national leadership position in the IT proximity mass distributor.

The expansion of the mass distribution network of cash & carry has continued during this year with a marked rhythm, and the result of public tenders on the market was considerable, culminating in the award of the tender called for the Tax Police military corps.

Finally, the Group in 2010 chose to close the long tax dispute relating to the period 1995-2000, through an extrajudicial settlement agreement with the Internal Revenue Service, assisted by the economic and financial indemnity of CDC Srl, Parent Company.

Therefore, in the year just ended under many aspects there occurred decisive actions for the development of the Group, in the awareness that the external problems will not render it easy to grasp the opportunities for growth, but with the firm conviction of being rooted in the present and through the strength of our history, meanwhile building the future in concrete terms.

Giuseppe Diomelli
Chairman of the Board of Directors

2. SELECTED ECONOMIC AND FINANCIAL DATA OF CDC GROUP

CONSOLIDATED DATA	2010	2009	2008
Economic data			
Revenues from sales and services	344,101	317,642	374,791
Other revenues and income	1,349	759	596
Total Revenues (and operating incomes)	345,450	318,401	375,387
Cost of goods	(304,763)	(277,013)	(328,880)
Labour costs	(14,354)	(15,521)	(17,111)
Other operating costs	(19,585)	(18,345)	(18,391)
Gross operating profit (EBITDA)	6,747	7,522	11,004
<i>% on sales</i>	<i>1.95%</i>	<i>2.36%</i>	<i>2.93%</i>
Amortization (and depreciation)	(3,148)	(3,079)	(4,044)
Gains/losses on disposals of non-current assets, provisions and impairment reversal/losses on non-current assets	(660)	(1,625)	(979)
Operating income (EBIT)	2,939	2,818	5,981
<i>% on sales</i>	<i>0.85%</i>	<i>0.89%</i>	<i>1.59%</i>
Financial income (expense)	(2,281)	(1,220)	(3,394)
Income (loss) on equity investments		0	-
Profit before taxes	658	1,598	2,587
<i>% on sales</i>	<i>0.19%</i>	<i>0.50%</i>	<i>0.69%</i>
Taxes	(581)	(946)	(2,222)
<i>Tax rate</i>	<i>-88.26%</i>	<i>-59.20%</i>	<i>-85.90%</i>
Net profit	77	652	365
<i>% on sales</i>	<i>0.02%</i>	<i>0.20%</i>	<i>0.10%</i>
Income (loss) attributable to minority interest	-	-	-
Net Profit attributable to CDC Group	77	652	365
<i>% on sales</i>	<i>0.02%</i>	<i>0.20%</i>	<i>0.10%</i>
Financial data			
PFN	(32,237)	(17,186)	(17,312)
Net Working Capital	47,003	43,773	41,833
PFN/EBITDA	(4.78)	(2.28)	(1.57)
PFN/ Net Financial Position	(0.75)	(0.39)	(0.40)
Employees (units)			
Employees (number at period-end)	408	397	422
Employees (average number)	400	407	443

3. SHAREHOLDERS' INFORMATION

CDC Point S.p.A., company listed to MTA segment of Borsa Italiana, was founded in 1986 by Giuseppe Diomelli, who is the actual Chairman of the company.

Since its creation, the corporate mission has been to “spread simple technology” offering to customers specific solutions. Since 1986 this philosophy and the will to honor a commitment permitted to CDC to become rapidly the reference for the information technology Italian market, with a high contribution to digital literacy training.

The 20 years experience in this segment and the business model, the only ones in this sector, made CDC Group one of the main operators in Italy in the information technology products distribution segment.

CDC success based on the multichannel strategy and on the value chain presence, two elements which allowed to give solutions in a short-time and with efficacy to all market segments, from families to small and medium sized companies, with also big companies and Public Administrations. Business model bases on the following strong points:

- the widespread distribution network, both retail and wholesale trading;
- own brand product innovation and offer;
- technical excellence of logistic platform and business process quality.

CDC policy concentrated on the Italian market, developing on two different segments: the selection of quality products and the spread of simple technology. This was possible thanks to the constant selection of even more interesting products for the national market, within those suggested by the international vendors, with the consequence during the years to establish distribution and partnership agreements, and those coming from no brand market.

The excellent technical competences allowed CDC to project and produce a wide range of own brand computers; every model was projected and realized to face to the specific needs of national market, sometimes even anticipating future development.

Actually CDC is a leader on Personal Computer market with the distribution of different product lines, all with the brand **Kraun**: Premium (high-end computer), Cybermate (professional products), Next (high quality computers with lower prices respect to brand products) and Columbus (for consumer user), other than the big offer of machines configurable via Web.

Anyhow the information technology needs of different users are not limited to computers; this stimulated to look for different products in the international market and concentrates to offer PC with a wide range of products and accessories of own brand with a constant evolution and development. Consequently CDC developed two different product lines of own brand: **Kraun** and **Inkdrops**. **Kraun** brand has about six hundred products concerning six categories and with the aim to satisfy the need of the related worlds: desktop, mobility, music&photo, networking, connectivity, protection.

InkDrops brand, on the other hand, proposes the complete range of cartridges, toner and compatible papers for every kind of printers distributed by the main worldwide producers, such as HP, Lexmark, Epson, Canon, Samsung, Brother.

Furthermore, CDC Group works in the new technologies market especially through **CDC Tech** division, that provides full range of solutions. Above division oversees Unified Communications market, with **Dexgate** solutions (that offer integrated communications system using Internet protocol, through which you can handle phone calls, video calls, teleconferences, videoconferences, voice, fax, SMS), video surveillance and access control market (both **Kraun** brand product both main world producers one, in addition to hosting and dial service and mobile mode to images), shop management solutions market (with **X4shop**) and finally cloud computing market with **Interhosting**, all value-added services offered by the CDC Group (internet service providing, housing and hosting, web services, web, adv, certified mail etc.) and marketed both online and through local networks of the Group.

Starting from January 1, 2011 CDC takes control of **Essedi**'s shop retail stores, consisting of 81 stores (of which 7 are directly managed). **Essedi** computer shop and the others retail chains controlled by the Group (**Computer Discount** and **AmiCo**) have not relevant overlapping territorial stores, so that CDC is able to consolidate its leadership in the retail segment of the convenience stores with a market share of about 20% and about five hundred outlets active.

4. BOARD OF DIRECTORS AND AUDITORS

BOARD OF DIRECTORS

	<i>Position</i>	<i>Expiry of appointment</i>
Giuseppe Diomelli	President	Balance approval as of 2010
Enrico Dell'Artino	Managing Director	Balance approval as of 2010
Enrico Barachini	Independent member of the Board	Balance approval as of 2010
Elena Cenderelli	Independent member of the Board	Balance approval as of 2010
Emilio Vitale	Independent member of the Board	Balance approval as of 2010

Giuseppe Diomelli is the President and Legal Representative of CDC company and Managing Director to shareholding purchase and sale, immaterial goods, buildings, plants, machineries, vehicles, relationship with the institutional and financial authorities, together with Shareholders, coordination and management of new business activities, research and development of new products and solutions.

Enrico Dell'Artino is Managing Director for Business and Operative Direction, with authorization for Sales, Purchases, Strategic planning, Investor Relations, Organization and business processes, Human Resource, Technical assistance, Production, Logistics, Information Technology, Administration and staff, with authorization for Financial and Administration, Legal and corporate law, Internal Auditing (limited to audit operating service for internal processes).

Enrico Barachini, Emilio Vitale and Elena Cenderelli are Independent member of the board.

Elena Cenderelli, as the President, Enrico Barachini and Emilio Vitale are members of internal control committee.

Emilio Vitale as the President, Elena Cenderelli and Enrico Barachini are members of Remuneration Committee.

Enrico Barachini was confirmed lead independent director during the board of directors as of 4/28/08.

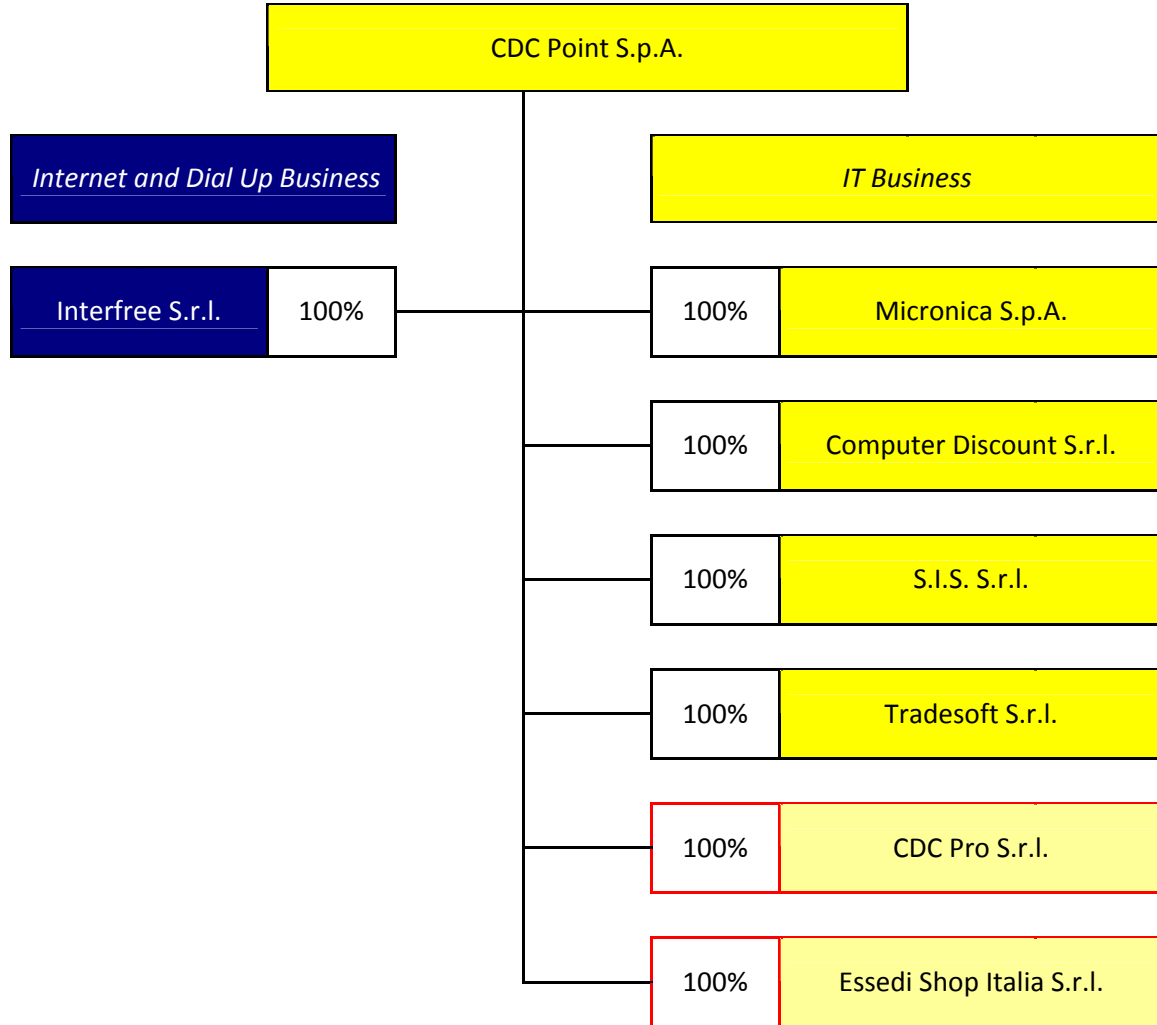
BOARDS OF STATUTORY AUDITORS

	<i>Position</i>	<i>Expiry of appointment</i>
Alberto Lang	President	Balance approval as of 2010
Daniela Carli	Effective Auditor	Balance approval as of 2010
Luca Cecconi	Effective Auditor	Balance approval as of 2010
<i>Enzo Polidori</i>	<i>Deputy Auditor</i>	<i>Balance approval as of 2010</i>
<i>Rebecca Baldini</i>	<i>Deputy Auditor</i>	<i>Balance approval as of 2010</i>

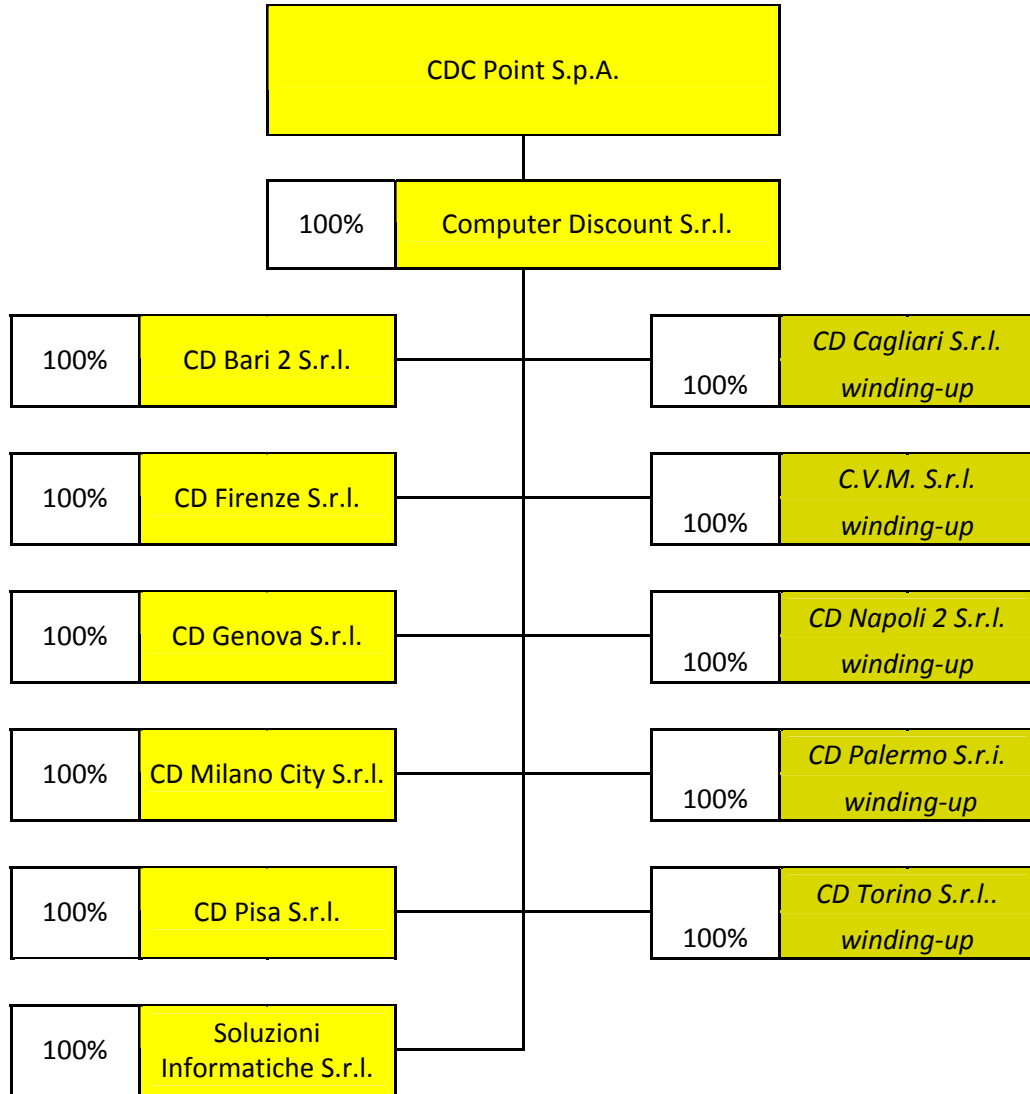
AUDITORS

Mazars S.p.A. – expiration date: Balance approval as of 2017

5. CDC GROUP STRUCTURE AS AT 31 DECEMBER 2010



CDC POINT S.p.A. acquired Essedi Shop Italia Srl and CDC Pro. S.r.l on December 31 of the year 2010, therefore they are not included in the consolidated financial statements. CDC Pro S.r.l. is so named from January 2011.



6. USEFUL INFORMATIONS

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www.computerdiscount.it

www.amicobusiness.it

www.cdcbusiness.it

www.kraun.it

www.inkdrops.it

www.interfree.it

www.dexgate.it

www.interhosting.it

www.essedi.it



REPORT ON OPERATIONS

1. FINANCIAL HIGHLIGHTS

Economics			<i>(k€)</i>
31-Dec-10	31-Dec-09		31-Dec-08
(345,450)	318,401	Net Revenues	375,387
6,747	7,522	Ordinary operating income (EBITDA)	11,004
2,939	2,818	Operating income (EBIT)	5,981
658	1,598	Profit before taxes	2,587
77	652	Net profit for the period	365
77	652	Net Profit attributable to CDC Group	365
0.006	0.053	Basic earnings per share (€)	0.030
0.006	0.053	Diluted earnings per share (€)	0.030
Financial			
31-Dec-10	31-Dec-09		31-Dec-08
47,003	43,773	Net current assets	41,833
32,276	21,803	Net non current assets	24,547
(32,237)	(17,186)	Net financial position	(17,312)
(4,057)	(4,489)	Funds and other net liabilities	(5,819)
(42,985)	(43,902)	Shareholders' Equity of CDC Group and of minority interest	(43,250)
408	397	Employees (number at period-end)	422

2. REPORT ON OPERATION

During the year 2010 the Italian market of the Information Technology has made record still a negative trend, with a down 2% compared with 2009, year in which the reduction of the dimension of the market had been more meaningful, around 8%.

In the last two years, therefore, the Italian market of the IT has seen to contract own dimension of around 10% compared to 2008, last year for which was recorded a growth in a positive cycle lasted around twenty years.

The reduction of the dimensions of the market has been markedly conditioned by the macroeconomic crisis manifested in evident way during 2008, resulting in one of the greatest recessive phases of the recent history.

Despite it multiplies, in the economies of the western countries, the signals that the most acute moment of the crisis appears in overcoming, the Italian market of the IT has shown, in the first semester of the year, appreciable rates of growth that however, beginning from the summer, they are weakened, up to record negative performances in the last quarter of the year.

However, within the described dynamics the segment of the pc and server has recorded, in 2010, an increase to value of around 8%. Such increase is accompanied to a descent of the average price of sale of around 5%, to confirmation of a tendency stabilized of the market that sees the reduction of the unitary prices of sale and a contraction of the borders for the whole distributive filiera.

In this situation of persisting weakness and unpredictability of the macroeconomic situation and the accessible market, the Group CDC has assembled own efforts, coherently with the strategic lines delineated in the Industrial Plan, in the strengthening of own perimeter of activity and in the increase of the business dimensions.

It's in this optics that are framed the operations of acquisition of commercial nets, firms and technical competences that have allowed, beginning from the month of September 2010, the constitution of the division to value **CDC Tech**, in which have been reunited the planning management, technique and commercial of the solutions of unified communications, of video surveillance and control entered IP, software managerial and of services of cloud computing.

With an acquisition realized at the end of the year the Group has strengthened his own presence on the retail market of the computers shops with the acquisition of the eighty shops with **Essedi** brand, reaching a dimension in the retail distribution of proximity of around five hundred sale points with the brand **Computer Discount**, **Amico** and **Essedi**.

The acquisition of the **Essedi** chain has allowed to the Group to widen his own offer to the Apple products.

The operations of acquisition will produce their positive effects of dimensional and strategic strengthening for the Group beginning from the fiscal year 2011. Always in 2011 the Group will profit some reduction of the company complexity following the incorporation in the Parent Company of some legal entities, happened with effect on January 1st 2011.

The year 2010 underlines an important moment of turnaround for the Group, whose sale has returned to grow, in visible way, after some years of contraction.

The increase recorded from the sales is of around 8.5% compared to the previous year, attesting over € 345 million.

The physical volumes are maintained stable compared to the previous year.

In consequence of a different mix of the sold, that has seen to grow, to parity of other factors, the average price of sale, the dynamics of market of reduction of the prices has been absorbed as above commented.

The growth of the sales has allowed to absorb the reduction of the percentage mark-ups, phenomenon that has interested the present operating principals on the market; the contraction of the mark-up of the distributive filiera and accents from the contraction of the volumes of market, and from the consequent growth of the competition on the market along the whole chain of the value.

The meaningful expansion of the numerical distributive of the Cash & Carry, past during 2010 from 37 sale points to 42, has happened to parity of operational costs, thanks to a careful management of the operational processes and the relative employments of resources.

The year 2010 is closed with a positive result, for € 0,1 M, in contraction compared to the € 0,65 M recorded in the previous year.

Within the market of reference, the Group CDC has maintained his own ranking, confirming itself the sixth Italian operator, with a performance of growth of the sales superior to the average of the competitors (whose total sale has recorded a down of 1% compared to 2009) and superior to that of the competitors of reference (Source Sirmi).

In 2010 the Group has strengthened his own nature, substantially unique on the market of reference, of multichannel operator, being present on the segment of the distribution and on that of the retail; the increase of the number of sale points has interested in fact the net of the Cash & Carry, with five new openings effected during the year and the net of the computers shop, through the raising of the AmiCo brand and with the acquisition of the **Essedi** chain.

Within the distributive channels, the retail channel **Computer Discount** makes to record on the previous year a 9% increase of sales, also thanks to the supply in convention to the Italian Tax Police of IT material through the retail sale points of the Group. The convention has had operational start at the end of the month of November 2010, and it will develop his own positive relapses up to the month of May 2011.

The **Cash & Carry** channel, the principal channel of the Group, has dimensionally made to record in 2010 a growth of 7.6%: also not considering the widening of consequential perimeter from the new openings (predominantly assembled in the last quarter of the year), the dimension of the managed business and in growth in comparison to the 2009 of around 5.7%.

The business Internet, does primarily develop through the society Interfree S.r.l., has recorded incomes equal to € 0.8 M, down of around 40% in comparison to 2009. The incomes of this sector of activity, originated from around 17.000 "dial-up" middle active consumers of the Interfree portal, are predominantly formed from revenue sharing with the telephone operators on the produced traffic, besides that from the marketing of Web Services.

From a point of view of the offer of product, the Group CDC is confirmed (Source Sirmi) among the principal Italian manufacturing of personal computer, (of around 42.000 produced units), and it has also maintained in 2010 a meaningful rate of expansion of the commercial offer of the products to proper brand (kraun for the accessories and Inkdrops for the *consumables*) that has allowed to increase its weight percentage on the developed total sales (from the 6.5% of 2009 to the 7.3% of 2010).

The sales of the products with own brand (accessories and *consumables*) is grown, in 2010, of around 23% compared to the previous year.

Considering also the billing of the desktop projected and assembled by the Group, the general sales of the products with own brand was in 2010 of over € 38 M, with an incidence of around 11% on the sales of Group and a rate of growth of around 13% compared to the previous year.

The growth of the absolute value and of the percentage weight of the sales of the products with own brand constitutes one of the carrying axle of the future development of the Group. In 2010 the investment in the products with own brand has brought to the increasing competitiveness of the produced PC produced by the Group in the high range (also through the tool of the *Built To Order*, that allows the production of "tailor made" machines delivered in few hours) and to the diffusion of the accessories and the *consumables* also out of the traditional captive channels.

The **Kraun** brand, with which are commercialized over seven hundred items in which to the technological quality is associated the design and the lifestyle of the "Made in Italy", has seen grow up the range above all

toward products technologically more complex for business and consumer use (IP cameras, NAS, Networking, Media Player, mobile phones).

During 2010 the products Kraun are progressively commercialized in some European markets, with sales up € 0.5 M (compared to a non meaningful value realized in 2009).

However the most part of the IT business is realized through the marketing of products with brand of worldwide primary importance as HP, Acer, Asus, Toshiba, Epson, Microsoft, to quote the most important.

Besides in 2010 the Group was committed to differentiate and characterize more and more the offer of the products and value solutions, through the constitution of a specific division, named **CDC Tech**, that controls the whole filiera (planning, realization and marketing) of the offer, with a structure highly composed by around thirty qualified resources.

The offer of the value solutions is articulated on four areas of business (*Unified communications*, IP video surveillance, managerial software, *cloud computing* and *web services*), all characterized by interesting dynamics of growth of market with interesting margin.

The value offer of the Group CDC is formed gathering, in the fourth quarter of the year, the competences and the activities already present (primarily in Interfree Srl and in the video surveillance area), with those existing in the incorporated companies Tradesoft (systems and solutions of Unified communications) and SIS (managerial software).

The commercial result of the CDC Tech area, even if has only marginally suffered, for temporal reasons, of the consequential synergies from the integration of the competences and the structures, has made to record a slight improvement compared to the previous year.

Particularly, in the area of the Voip applications and technologies, the increase of sales is of 91% compared to 2009, with a volumes growth of 70%.

The commercial margin is attested to around 11.8% of the income, underlining a reduction compared to the previous year (in 2009 the margin is the 13.0% of the income): the reduction of the percentage margin is caused in the expansion of the business on market segment with a percentage margin lower than the average one, and from a generalized worsening of the margin recognized by the *vendors* in the filiera of reference.

Moreover, around the 20% of the reduction of the percentage margin is to connect with the reduction of the volumes of activity in the ISP business with dial-up mode, whose primary limit is near to the 100%.

The reduction of the percentage limit on the sales has been, even though not totally, absorbed, to level of absolute primary limit, from the increase of the sales.

In 2010 the primary limit is approximately € 40.7 Million, slightly lower than the € 41.4 Million of the year 2009. The reduction of the absolute limit coincides almost totally with the reduction of the limit obtained by the Internet business, as better detailed in the paragraph 8. of the this Report.

The operational costs sustained for the generation of the limit are aligned to those recorded in the previous year, even though with a greater level of flexibilization, because the labour costs are reduced of approximately € 1 Million (approximately 6.5%), while the variable costs of the services for the same amount (with an increase of approximately 5.6%).

Consequently, the Ebitda is attested approximately to the 2% (it was 2.4% in 2009), with an absolute value of € 6.7 Million (€ 7.5 Million in 2009).

In particular, it's to underline, within the result obtained by the group, that the attributable Ebitda to the core business of the IT area is resulted substantially aligned, in absolute value, to that recorded in 2009 (€ 6.6 Million in 2010 against the € 6.8 Million of 2009), with a slight decrease in terms of incidence on the relative income (1.93% against the 2.15% recorded in 2009).

The Ebitda produced by the sector of the Internet activities, because of the meaningful and expected decrease of the traffic in *reverse charge* produced by the accesses, is reduced by the approximately € 0.7 Million of 2009 to the approximately € 0.1 Million of 2010.

Also recording a slightly superior Ebit, in absolute value, compared to that of 2009, the net result of period, approximately € 0.1 Million, is lower than that recorded in the previous year (€ 0.7 Million).

The reason for the reduction is to seek in the growth of the net financial charges, on which they have impacted for approximately € 0.6 Million the net charges of change (in consequence of the worse monotonic trend of change rate between the Euro and the US Dollar), besides from a worsening of the tax rate (passed by the 59.2% of the 2009 to the 88.3% of 2010), substantially derived from the minor capacity of absorption of the Irap on the pre-tax result.

The net financial position of the Group CDC on 31 December 2010 underlines a net indebtedness of approximately € 32.2 Million, in expansion of approximately € 15 Million compared to the recorded value on 31 December 2009, equal to € 17.2 Million.

The increase of the financial requirement of the Group is motivated, for over € 9 Million, from the acquisitions effected by the Group in the last period of the year, for approximately € 1 Million from the execution of the program of stock buy back, and for about € 3 Million from the expansion of the net capital.

Such acquisitions, that have had reflected on the Financial Position on 31 December 2010, have not been able to produce on the budget of the financial year the expected improvements, because of the limited period of time of strength control practiced by the Group on the acquired activities.

Accordingly, the trend of the not normalized PFN/Ebitda indicator results poorly meaningful of the business dynamics.

In particular it is reported that a the acquisition of the chain of retail shops with the Essedi brand is happened with formal effect of acquisition of control as at 31 December 2010, with beginning of the substantial control from the group CDC with 1 January 2011. The impact of such acquisition on the Net Financial Position of Group on 31 December 2010 is approximately € 3.5 Million.

During the first semester 2010, as already described in the quarterly financial statements is defined with the Italian Revenue Agency of Pisa the situation related to the tributary contentious regarding, for the years 1995 - 2000, the VAT.

Because of the release of responsibility issued by the Parent Company CDC Srl, the economic and financial impact of the extrajudicial agreement reverts entirely on the same Parent Company: nevertheless, because of the dynamics of rule of the payments to the Agency carries out by the CDC Point SpA, and of the relative reimbursements from the CDC Srl, from a financial point of view the definition of the contentious has effected the Net Financial Position of the Group at 31 December 2010 for about € 1.4 Million.

During the year 2010 is continued the politics of attention to the containment of the commercial circulating net capital, also in presence of a situation of market that has asked for a prudent expansion of the granted credit to the client.

The principal guidelines of the Industrial Plan, that confirms the strategic address of the previous Plan, of which during 2010 has been given concrete realization to the principal actions, are based on the development of the value solutions, of the products with own brand to sustain the margin, on the opening of new market/channel other than on the amplification of the distributive amount on the existing channels, and on the reduction of the point of break-even also through a deep re-examination of the business operational processes and the costs to them associates, kept also account of the new competitive context and the compression of the primary limit.

In the optics to simplify and make the structures of the Group more efficient, during 2010 is provided to the juridical extinction of three societies of second level, whose winding-up was in progress at the beginning of the financial year.

In 2010 it is undertaken and concluded the process of incorporation in the Parent Company of the first level subsidiaries Interfree Srl, Micronica SpA and Tradesoft Srl, whose effects have been produced since 1 January 2011.

3. PERFORMANCE INDICATORS

In order to provide a better description of the financial-equity performance of the Group, and in compliance with the integrations to company disclosure introduced into Italian law through Legislative Decree 32/2007 (which implemented into Italian law the European Directive on “accounting modernization”), starting from this report, we have introduced several tables of indicators which can be derived from the elementary data publishes in the financial statements.

3.1 PERFORMANCE INDICATORS

Performance indicators	31-Dec-10	31-Dec-09	31-Dec-08
Revenues by employee (average) (k/€)	863	782	847
Value added by employee (average) (k€)	53	57	63
Labour cost by employee (average) (k€)	36	38	39
Value added on revenue	6.11%	7.24%	7.49%

3.2 ECONOMIC INDICATORS

Economic indicators	31-Dec-10	31-Dec-09	31-Dec-08
R.O.E. (Net profit / Net Shareholders' Equity)	0.18%	1.49%	0.84%
R.O.I. (Ebit / total current assets)	1.53%	1.79%	3.42%
R.O.S. (Ebit / revenues)	0.85%	0.89%	1.59%
R.O.C.E. (Ebit / invested capital)	3.91%	4.61%	9.88%

3.3 EQUITY AND LIQUIDITY INDICATORS

Equity and liquidity indicators	31-Dec-10	31-Dec-09	31-Dec-08
Assets coverage	133.18%	201.36%	176.19%
Equity/Net invested capital	57.14%	71.87%	71.41%
Net Financial expenses (*)/Revenues	0.66%	0.38%	0.90%
NFP/Ebitda	(4.78)	(2.28)	(1.57)
NFP/Net Equity	(0.75)	(0.39)	(0.40)
Net Working Capital (K€)	47,003	43,773	41,833
NPF (K/€)	(32,237)	(17,186)	(17,312)

(*)net of capital gains

3.4 NON-FINANCIAL INDICATORS

Sales networks

During 2010 the structure of the sale net has known an expansive dynamics as it regards the retail segment, even though with trend diversified by brand.

The sale points with Computer Discount brand has been reduced of 18 units, following an operation of passage of the shops of small dimension to the AmiCo brand, in a situation of greater focusing and specialization of the retail commercial brands of the Group.

Within the Computer Discount brand, is reported that during the fiscal year the number of the computer shops directly managed by the Group and is passed from 14 stores to 12; the reduction responds to the strategic demand to assemble the Group on the development of diffused entrepreneurial competences.

From the budget 2010 are considered belonging to the retail nets the shops with AmiCo brand, previously classified in the Distribution channel (the 2009 data have consequently been re-allocated), also in function of the actions concretized during the fiscal year of strong expansion to such sale net, whose sale points are passed from 140 of end 2009 to the 207 of end 2010.

From the reported data are excluded the sale point with AmiCo brand, acquired with effect of substantial control since 1 January 2011. The Essedi chain has an amount of 81 sale points, of which 7 directly managed by the Group.

On 1 January 2011 the Group has in the retail segment, 474 sale points, strengthening therefore in substantial measure his own position of prominence on the market of the computer shop, with a quota of estimable market in the 20%.

Regarding the Distribution segment (in which now are reported only the Cash&Carries), the net increase of the amount comes from the evolution of the net of the Cash & Carry, with an important growth of the amount, having been opened during the 2010 further 5 sale points, after the 8 sale points opened during 2009. As at 31 December 2010 42 Cash & Carry operated on the whole national territory.

The numerical evolution of the sale nets is reported in the chart below.

Commercial network	Revenues (k€)			Point of sales (units)	
	2010	2009	Δ	31-Dec-10	31-Dec-09
Distribution	237,181	215,818	21,363	42	38
Retail	97,850	94,050	3,800	393	344
Direct Sales	7,163	5,190	1,973		
Other revenues	3,256	3,342	(86)		
TOTAL	345,450	318,401	27,049	435	382

Relationships with customers

During 2010 the number of customers remained around 30,000 without significant changes compared to the previous year.

In order to better monitor purchasing behaviors and increase the capacity to match customer needs, during 2010, the Customer Relationship Management process was improved, both by introducing new operational tools and by creating a dedicated organizational structure.

Product range, innovation and certifications

In 2010 the Group concentrated its efforts in the revision, extension and fine-tuning of its own brand products (**Kraun** and **Inkdrops**) which form the basis for an important part of the policies for consolidation and increasing profitability, in addition to reinforcing *brand loyalty*, with positive effects also on the Group's captive distribution networks. At the end of 2010, there were approximately 700 codes of own brand products in the product range (compared to approximately 650 available at the beginning of the year and to the 470 available at the end of the year 2008), with a renewal rate of 25%.

It must be noted that the expansion of the wideness and deepness of range is occurred mainly in the area of the products to greater technological content (IP cameras, NAS, Networking, Media Player, mobile phones).

Moreover, the Group has invested in resources and competences in the value solutions, structured in four areas of activity: *unified communications*, *videosorveglianza IP*, software solution for shops, applications of *cloud computing*.

During 2010 the Group has acquired the full ownership of the system software owner of integrated management of the communications (Dexgate), by now out of the patent and prototypal phase, and of the relative patent coverages that covers the principal world markets. **Dexgate**, which integrates voice, fax, and videoconference communications over IP without the constraint of proprietary hardware, places the Group in the conditions to operate with an innovative product on a market which is expected to significantly grow over the next few years, in both the private and public sectors.

During 2010 the Group had sales more than € 3.7 Million in the segment of the value solutions, approximately doubling the volume of business of the previous year, also thanks to important accords of distribution with important national and international operators.

The Parent Company CDC Point SpA is ISO 9001 certified on a voluntary basis.

It is also certified by the Ministry of Communications as a top-level installer and maintenance provided for telecommunications systems of any type.

Personnel

In 2010, the Group continued operating with a view to rationalizing its workforce and optimizing operating processes.

The evolution of the personnel is reported in the cart below, and it excludes the personnel related to the chain of retail sale points with Essedi brand, whose operational control is practiced by the Group since 1 January 2011.

Employees*	31-Dec-10	31-Dec-09	Δ	Average employees 2010	Average employees 2009
IT Distribution	400	389	11	392.9	399.0
Managers	9	7	2	8.6	7.7
Supervisors	49	38	11	43.6	35.3
White-collars	275	281	(6)	275.8	289.9
Blue-collars	67	63	4	65.0	66.1
Internet	8	8	0	7.3	8.0
Managers	0	0	0	0.0	0.0
Supervisors	1	1	0	1.0	1.0
White-collars	7	7	0	6.3	7.0
Total Group	408	397	11	400.2	407.0

* including trainee

To the net of the increase of personnel connected to the widening of the perimeter relative to the acquisition of the control of the companies SIS Srl and Tradesoft Srl, the personnel of the Group are maintained stable in the punctual comparisons of the end of the year, improving the data of the average personnel.

Any mobility procedure and/or collective dismissals during the year.

Beginning from the month of June 2009, and up to the month of June 2010, the Group has obtained the authorization to the appeal to the Extraordinary Unemployment Benefits (that interests approximately 150 employees), to use through a program of identification at rotation of the resources, and through the consumption of the outstanding holidays. The program of CIGS is assisted from activity of formation and requalification of the involved human resources.

Beginning from the month of June 2010, the Group has given start to a program of solidarity of the one year renewable for another year, that interests all the employees of the Parent Company CDC Point SpA, to

exception of the managing personnel, to use through a program of reduction of the schedule working and the consumption of the holidays amount.

There were no accidents in the workplace in 2010 that resulted in death, invalidity, serious injury or occupational illnesses.

There were no episodes of mobbing which involved employees.

For several years now, the CDC Group has adopted a code of ethics, signed by each employee, which not only guarantees compliance with current regulations in terms of employment and trade union relations, but also a high quality of conduct in the company.

In 2010, an extensive training program on safety in the workplace was implemented at the various company levels, also in light of the new legislation passed. Some of these courses were opened also to the clients of the Groups.

The training program involved over 180 employees.

Environment

As the Group operates a primarily sales business, it is not structurally exposed to problems regarding pollution or environmental damages.

During 2010 no environmental damages occurred for which the Group was ruled responsible, nor environmental crimes for which Group companies were sanctioned or convicted.

The Parent Company CDC S.p.A. is ISO 14001 certified on a voluntary basis. This certification guarantees respect of the environment by the company management system.

CDC has also implemented all necessary measures for compliance with regulations regarding the Management of Waste from Electric and Electronic Equipment (RAEE).

4. FINANCIAL STATEMENTS AND COMMENTS ON PERFORMANCES

All figures shown in the statements contained in the report are shown in thousands of Euro (highlighted as K€) if not expressly indicated.

4.1 ECONOMIC PERFORMANCE OF THE CDC GROUP

Income statement

The CDC Group reclassified Income Statement for 2010 is set forth below. Considering that the companies within the consolidation area all carry out activities related and complementary to that of the parent company CDC Point S.p.A., it was not considered meaningful to provide the details for each individual consolidated company but it was considered meaningful to provide information on the results of the two business units - IT and INTERNET – whose summary Income Statements are set forth in point 8 of this report.

Consolidated profit and loss account (k€)	2010		2009	
<i>(Reclassified by nature)</i>				
1.Revenues	344,101	99.61%	317,642	99.76%
2.Other incomes	1,349	0.39%	759	0.24%
I - REVENUES AND OPERATING INCOME	345,450	100.00%	318,401	100.00%
3.Purchase costs	(304,763)	-88.22%	(277,013)	-87.00%
4.Service costs	(18,881)	-5.47%	(17,735)	-5.57%
5.Labour costs	(14,354)	-4.16%	(15,521)	-4.87%
6.Other operating costs	(704)	-0.20%	(610)	-0.19%
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION, GAINS/LOSSES ON DISPOSALS AND IMPARTMENT REVERSALS/LOSSES ON NON-CURRENT ASSETS (EBITDA)	6,747	1.95%	7,522	2.36%
7.Amortization of intangible fixed assets	(1,126)	-0.33%	(1,022)	-0.32%
8.Depreciation on tangible fixed assets	(2,022)	-0.59%	(2,057)	-0.65%
9.Gains/losses on disposals of non-current assets	39	0.01%	(124)	-0.04%
10.Provisions and impairment reversal/losses on non-current assets	(699)	-0.20%	(1,501)	0.47%
OPERATING INCOME (EBIT)	2,939	0.85%	2,818	0.89%
11.Share of earnings of equity investments in associated companies accounted for by the equity method	0	0.00%	0	0.00%
12.Financial income	1,853	0.54%	1,244	0.39%
13.Financial expenses	(4,134)	-1.20%	(2,464)	-0.77%
INCOME BEFORE TAXES FROM CONTINUING OPERATIONS	658	0.19%	1,598	0.50%
14.Income taxes for the period	(581)	-0.17%	(946)	-0.30%
NET INCOME FROM CONTINUING OPERATIONS	77	0.02%	652	0.20%
15.Net income from continued operations/assets held for sale	0	0.00%	0	0.00%
NET INCOME	77	0.02%	652	0.20%
16.Income (loss) attributable to minority interest	0	0.00%	0	0.00%
NET INCOME ATTRIBUTABLE TO CDC GROUP	77	0.02%	652	0.20%

Revenues and income

In 2010, the CDC Group realized total revenues of € 345,450 thousand, a increase of approximately 8.5% compared to that realized in 2009. The contribution to consolidated turnover of the various channels is as follows:

- Distribution channel (cash & carry, web sales): € 237,181 thousand
- Retail channel (Computer Discount chain, AmiCo, GDO and Consumer Electronics): € 97,850 thousand
- Direct sales channels (key accounts): € 7,163 thousand
- Other revenues: € 3,256 thousand

Compared to the previous year, the increase in revenues amounted to 9.9% for the distribution channel, 4.0% for the retail channel and 38.0% for the direct sales channel.

The performance of the retail channel is significantly affected, in the last two months of the year, from the first positive effects deriving from the execution of the supply in convention reserved to the Italian Tax Police.

The direct sales channel figure also included revenues, amounting to € 0.6 million, resulting in 2009 from award of a tender issued by the Poste Italiane S.p.A. for the supply of monitors for post offices, other than the revenue

for approximately € 3.6 million resulting from award of a tender issued by Lottomatica for the supply of 16.000 monitor tv.

The increase of the revenue resulting from award of tenders, which owes to add the value of approximately up € 25 million resulting from the supply in convention to the Italian Tax Police (whose income are exposed in the retail channel, occurring the supply through the territorial net of the shops managed by the Group) confirms the success of the return of the Group to the Public Administration arena and big clients, under assumptions of profitability and positive cash flows.

Other revenues mainly comprise revenues from the Internet business segment, revenues from provision of technical assistance services and, for the residual amount, recovery of costs and insurance reimbursements. Sales revenues were almost entirely achieved in Italy.

The increase in the number of retail points of sale derives from the policy of increasing distribution numbers in order to more effectively counteract the adverse market trend, also with a view to increasingly specializing and segmenting the distribution network.

Commercial network	Revenues (k€)			Point of sales (units)	
	2010	2009	Δ	31-Dec-10	31-Dec-09
Distribution	237,181	215,818	21,363	42	38
Retail	97,850	94,050	3,800	393	344
Direct Sales	7,163	5,190	1,973		
Other revenues	3,256	3,342	(86)		
TOTAL	345,450	318,401	27,049	435	382

Sales margin

The sales margin, which showed a primary sales margin (revenues net of purchase costs for sales) stood at € 40,687 thousand, with a weight of 11.8% on revenues.

The improvement in percentage margins, which was already clear during the year, derives from the general trend to the decrease of the margin released by the vendor to the distributive filiera, from the revenue in business with margin lower than the average and the decrease of the revenue in ISP services in dial-up mode, whose primary margin is approximately 100%.

The sales strategy of increasing penetration of own-brand products with high margins (specifically with the brands **Kraun** and **Inkdrops**) has allowed to attenuate the impact of the negative trend of weakening of the primary margin of the sales.

Operating costs

Operating costs are comprised of goods purchasing costs, net of changes in inventories and supplier bonuses recognized by contract, cost for services functional to business operations, and personnel costs of employees.

The development in sales costs, increasing by 10% compared to the same period of the previous year, was affected by both the dynamic increase in sales volumes illustrated above, and the decrease of the percentage margin.

Within the scope of increased control of working capital, there was an improvement in the management of slow circulating capital as compared to the previous year.

Operating costs (k€)	2010	2009	Δ
Costs of goods for resale	304,763	277,013	27,750
Total service costs	18,881	17,735	1,146
Net marketing expenses	76	222	(146)
<i>(gross marketing expenses)</i>	2,851	3,337	(486)
<i>(contributions from suppliers for marketing expenses)</i>	(2,775)	(3,115)	340
Shipping and Logistics	3,322	3,466	(144)
Emoluments paid to Corporate Board	938	1,417	(479)
Utilities	1,294	1,227	67
Lease and rental expenses	4,023	4,036	(13)
Bank Commissions	899	854	45
Insurance	1,651	1,337	314
Technical and Fiscal services	1,393	1,627	(234)
Management shop costs	1,801	357	1,444
Other service costs	3,484	3,193	292
Labour costs	14,354	15,521	(1,167)
<i>IT Distribution</i>	14,063	15,178	(1,114)
<i>Internet</i>	291	343	(52)
Other operating costs	704	610	94
TOTAL	338,703	310,880	27,823

Costs for services, which, on the whole, increased by 6.5% compared to 2009, showed improvement in the level of efficiency of the main company processes.

As regards **net marketing costs**, spending was reduced within a refocus on activities with greater added value and effectiveness. The vendor contributions received for marketing activities decreased at a lower speed, thus producing a lower net marketing expense of about € 0.1 million compared to 2009.

Logistics costs showed an decrease of approximately 2.6% compared to 2009. The reduction is to attribute to a careful management of the logistic aspects in the optics to make the relative process more efficient, improving the performances for the clients.

Lease expenses and **costs of utilities**, aligned to the data of the 2009, refer to the availability and use of areas in which the CDC Group's business is carried out. The substantial stability of this typology of costs derives from a constant effort of containment of this area of cost, being during 2010 widened the perimeter of the locations in which the Group practices his own activity.

The increase of the costs for the **insurance premium** is to connect to the most greater cost of the insurance coverage on the credit, in relation with the worsened rate of in relief payment on the market which directed consequence of the macroeconomic crisis and the moment of difficulty of the market of the IT.

The trend of the **consulting** fees, in decreasing of approximately 14% compared to the 2009, underlines the wish of the Group to contain the employment of external competences, which was appeals during 2009 to give greater speed to the processes of change in progress.

The costs for sale points management, for € 1,801 thousand, express the variable costs of management of some Cash & Carry managed by partners with a formula of commissions on the volume of developed activity (for this typology of cost, during 2009, had been spent € 357 thousand: the difference is direct function of the increase of income produced by the structures of sale managed with the formula of the Cash&Carry Light).

Other costs for services, as for € 3,484 thousand, are primarily composed by travel costs and other personnel costs (about € 1,052 thousand), maintenance, cleaning and supervision (about € 841 thousand), temporary

employment and coordinated and continued collaboration (about € 453 thousand), costs for commercial information and call center management (approximately € 382 thousand), canteen and restaurant tickets (for about € 300 thousand), audits (about € 146 thousand), costs for access to internet and other IT costs (about € 132 thousand), waste disposal costs (about € 40 thousand).

The **other operating costs** mainly contain sundry taxes and duties and similar charges.

Personnel costs decreased by 7.52% compared to 2009, and reflect rationalisation of the staff of the main companies within the CDC Group, together with the programs described of Extraordinary Unemployment Benefits (ended in June 2010) and of solidarity (beginning in June 2010), other than an extraordinary activity of use of previous holidays.

Personnel costs include about € 87 thousand in non-recurring costs linked to layoffs of personnel. These nonrecurring costs had an effect of € 409 thousand in 2009.

Compared to 2009, personnel costs reflect a positive effect of approximately € 228 thousand linked to the actuarial valuation of employee severance indemnity in application of IAS 19.

At the moment, no mobility or similar procedures are in progress.

The table below summarizes the data regarding the staff of the CDC Group at the date of this report.

Employees*	31-Dec-10	31-Dec-09	Δ	Average employees 2010	Average employees 2009
IT Distribution	400	389	11	392.9	399.0
Managers	9	7	2	8.6	7.7
Supervisors	49	38	11	43.6	35.3
White-collars	275	281	(6)	275.8	289.9
Blue-collars	67	63	4	65.0	66.1
Internet	8	8	0	7.3	8.0
Managers	0	0	0	0.0	0.0
Supervisors	1	1	0	1.0	1.0
White-collars	7	7	0	6.3	7.0
Total Group	408	397	11	400.2	407.0

* including trainee

Ebitda

As a result of the trends illustrated above, the EBITDA stood at 1.95% of revenues, an decrease on the 2.36% recorded in 2009. The complex of the operational costs, with a growth of the varying costs and a reduction of the fixed costs, is maintained approximately stable in comparison to the datum related to the year 2009, also in presence of a meaningful increase of the turnover.

The marginal reduction in absolute value of the primary commercial limit is reflected therefore in a reduction of the achieved Ebitda.

Nevertheless, considering the difficulty macroeconomic context in which the Group is found to operate, and of the increasing variation of the operational costs, the gotten result, even though lower than 2009, can positively be valued.

Amortisation, deprecation and write-down

Amortisation and depreciation costs include, in addition to costs relating to owned assets, the adjustments resulting from the recalculation of leasing transactions according to the financial method.

The costs for amortizations result in line with how much recorded in the previous fiscal year; because of the limited period of time for which, in the fiscal year 2010, operational control is practiced on the acquired activities, relative amortization has not been effected, resulting besides of negligible dimension.

During the first quarter of the exercise is provided to the transfer to third entrepreneurs of the activities of the subsidiary CD Napoli 2 Srl, resetting the relative starting, for a value of € 146 thousand.

Amortisation, depreciation and write-downs can be attributed to write-downs of trade and sundry receivables and provisions for write-downs of tangible and intangible assets. The total of the above provisions amounts to € 699 thousand, down compared to the € 1,501 thousand recorded in 2009 and are almost entirely attributable to the parent company CDC Point S.p.A.

The value of the capital gain realization of non current activity is primarily to attribute to the above quoted transfer of the sale point of the subsidiary CD Napoli 2 Srl for € 49 thousand, to the net one of minus capital from alienation for €10 thousand.

Financial income and charges

Funding activity and treasury management is centralized within the Parent Company; therefore, the values shown under net financial charges are primarily attributable to the Parent Company.

Net financial charges increased by about € 1.1 million compared to the previous year: the increase is attributable, in equivalent measure, to the course of the changes and the increase of the cost of the absorbed financial resources.

The unfavorable and continuous trend of the rate of change between Euro and US Dollar, that you/he/she has characterized the first three quarters of the year, not neutral results through the tools of non speculative coverage of the changes adopted by the Group. Note that, in the last quarter of the year, during which oscillations of the rate of change are recorded in both the senses, the adopted coverage have substantially involved net limit of change equal to zero.

The program of acquisitions realized in the year, further to a certain expansion occurred during the fiscal year of the capital of net income, have determined a growth of the onerous average indebtedness that, substantially to parity of the cost of the money, has determined the growth of the net financial limit from indebtedness.

Financial income (expenses) (k€)	2010	2009	Δ
Interest and other financial income	496	431	65
Interest expenses	(2,350)	(1,784)	(566)
Net exchange differences	(427)	133	(560)
TOTAL	(2,281)	(1,220)	(1,061)

Pre-tax profit

The pre-tax profit for the period amounted to € 658 thousand, and was inferior to the pre-tax profit for the previous year.

Taxes

Taxes were quantified based on the tax charges for 2010, considering the tax legislation in force at the date of approval of this report. The tax burden in 2010 discounts the effect of the option exercised for realignment between the tax values and the financial statement values of certain assets, in addition to the positive effects of a 10% recovery on the IRES taxable base and IRAP paid in years 2004-2007.

4.2 BALANCE SHEET OF THE CDC GROUP

Below, several notes are provided regarding the performance of the main balance sheet aggregates which best describe the effect on the balance sheet of the operating activity of the CDC Group during the period in question.

Net Working Capital

Together with the activities aimed to improving of the economic performance, the CDC Group paid specific attention to the management of working capital, particularly on working capital turnover in terms of days of rotation of the components related to the cycle of provisioning, that have allowed to assist the commercial activity with a politics of flexible credit towards the clients.

The trend of the commercial credits, that record an increase of approximately € 4.1 million in comparison to the data of end 2009 is substantially to connect to the increase of the income marginally recording a rotation on the increasing income.

The trend of the commercial debts, in growth of approximately € 8.5 in comparison to 31 December 2009, it primarily reflects the growth of the volumes of purchase, further to a slight improvement of the DPO.

The value of inventories, about € 1.6 million higher than the figure at the end of 2009, reflects other than the increase of the income volume, the improving of the distributive chain of Cash&Carry, which result in an improvement of the average stock turnover. In every case, the rotation of the stock on the sold one is improved of about one day in comparison to the 2009.

The increase of the other credits is predominantly motivated from the most greater value of the rebate to collect from the suppliers in function of the increase of the purchased volumes, that of the different mix of provisioning.

The parallel increase of the credits toward the subsidiaries and of the other debts finds reason in the definition of the fiscal contentious with the agency of the Entrances, as described to the point 9 of the Report, whose economic and financial limit reverts on the Parent Company CDC Srl in virtue of the authorization issued.

The net capital of exercise in its complex underlines a substantial stability in absolute value in comparison to the values to 31 December 2009 and a marginal improvement, of about one day, in terms of rotation on the turnover.

Net Working Capital	31-Dec-10	31-Dec-09	Δ
Inventories	36,037	34,409	1,628
Trade receivables	83,903	79,795	4,109
Receivables from parent company	14,664	333	18,522
Receivables from unconsolidated subsidiaries	0	(0)	0
Receivables from other subsidiaries	(0)	0	(0)
Taxes receivables	570	1,226	(657)
Other receivables	12,146	9,167	2,978
Assets held for sales	0	0	0
Current assets	147,320	124,931	26,580
Trade payables	(79,842)	(71,329)	(8,513)
Other payables	(20,133)	(9,819)	(10,314)
Payables to parent company	(342)	(9)	(4,523)
Payables to unconsolidated subsidiaries	0	0	0
Payables to other subsidiaries	(0)	0	0
Liabilities associated to assets held for sales	0	0	0
Current liabilities	(100,317)	(81,157)	(23,350)
Net Working Capital	47,003	43,773	3,230

Net Financial Position

The NPF results in growth of approximately € 15 million in comparison to that of 31 December 2009, primarily following the acquisitions of firms and activity completed in the fiscal year (for approximately € 9 million), over

that for the increase of the capital of net income above commented. In the fiscal year 2010 own shares are been purchased for a value of approximately € 1 million.

The Net Financial Position is covered by the financing to middle term gotten by a pool of primary credit institutes, controlled by Unicredit, in December 2009 of the general value of € 21.5 million at 31 December 2010. To the same date the financing has been extinguished to regularly middle long term 2005 - 2010 controlled by MCC SpA.

Net Financial Position (k€)	31-Dec-10	31-Dec-09	Δ
Banks debts payable within 12 months*	(22,775)	(6,668)	(16,107)
Cash and cash equivalents	12,155	10,560	1,594
(Amounts due to) Due from factoring companies*	(476)	0	(476)
Liquidity (borrowing) within 12 months	(11,096)	3,892	(14,989)
Short term loans*	(7,698)	(8,000)	302
Amounts due to other lenders for leases falling due within 12 months*	0	0	0
Amounts due to others within 12 months	(7,698)	-8	302
Net financial Position within 12 months	(18,794)	(4,108)	(14,687)
Amounts due to other lenders for leases falling due after 12 months	0	0	0
Bank debts payable beyond next 12 months	(13,442)	(13,078)	(364)
Net Financial Position beyond next 12 months	(13,442)	(13,078)	(364)
Total Net Financial Position	(32,237)	(17,186)	(15,051)

Investments

The investments (divestments) performed by the CDC Group in 2010 are set forth below

Net consolidated investments (k€)	31-Dec-10	31-Dec-09	Δ
Intangible fixed assets	10,583	966	9,617
Tangible fixed assets	1,738	(94)	1,832
Financial fixed assets	800	(9)	809
Total	13,121	863	12,258

During the period, investments, calculated net of divestments and write-downs of intangible assets due to closing of points of sale, recorded a increase of € 12,258 thousand compared to the previous year.

Investments net of divestments during the year mainly regard:

- 1) **Intangible fixed assets:** comprise net investments of € 10,583 thousand, mainly regarding:
 - a) Acquisition of rights of brevet, marks and software from the correlated Company Gefa Srl for € 3,170 thousand and to the acquisition of the branch of firm of Brain Techonolgy related to the chain of shops with Essedi brand occurred on 31 December 2010 for € 2,650 thousand.
 - b) devaluation of the starting of the sale points Computer Discount managed by CD Napoli 2 Srls for € 146 thousand.

- c) investments in other immaterial activities for € 3,125 thousand referable to the starting related to the totalitarian shares in SIS and Tradesoft mainly acquired by the group in the month of September 2010 and for around € 1,784 thousand connected to the creation during the fiscal year of the new division CDC Tech;
- 2) **Tangible fixed assets:** comprise net investments of € 1,738 thousand, mainly regarding:
- openings and relocalization of Cash & Carry and expansion of the electronic machine of the Parent Company CDC Point S.p.a. for an amount equal to € 1,566 thousand; for about € 200 thousand to the entrance in the perimeter of consolidation of the societies SIS and Tradesoft;
 - Disinvestments, for € 146 thousand, primarily attributable to the activities pertinent to the transfer of the branch of firm of CD Napoli 2;
 - investments for machineries and equipments related to the plants of the subsidiary Micronica S.p.A for € 118 thousand.
- 3) **Long-term investments:** present increases related to the new acquisitions of SIS S.r.l. and Tradesoft S.r.l. occurred in September 2010 and of CDC Pro S.r.l. and Essedi Shop Italia S.r.l. occurred on 31 December 2010 for € 800 thousand.

5. REPORT BY BUSINESS SEGMENT

All figures shown in the statements contained in the report are shown in thousands of Euro (highlighted as K€) if not expressly indicated.

The CDC Group identifies two distinct business segments: the first, the primary activity in terms of volumes of operations, regards the distribution and production of IT, and the second regards Internet provider services and similar activities.

Within the IT segment, the primary business activity is distribution.

The year 2010 have recorded a substantial growth, after different years of reduction, of the dimensions of turnover of the IT segment (+8.7%) and a stabilization of the economic results of the management, that is confirmed in positive.

The IT segment, met in January 2011 in the new division to value CDC Tech, instead, in 2010, has kept on recording a meaningful loss, attributable to the obsolescence of the employed technology, of the turnover of the consequential activities deriving from the Internet traffic in dial-up mode, that has gone down the level of break-even, producing so for the first time a result in slight loss.

5.1 IT Segment

During the period, the CDC Group continued with its IT distribution activities, through a multi-channel market strategy. Specifically:

- Distribution Channel: mainly targets IT resellers, *system integrators* and other sector operators, both through the network of 42 Cash & Carry shops located throughout Italy, and through sales activities developed through the B2B e-commerce platform.
- Retail channel: targets the consumer market – SOHO, in which the CDC Group is the Italian market leader with approximately 393 points of sale under the Computer Discount brand (at 31 December 2010 the points of sale under this brand were 186) – in part managed directly, in part through commercial franchising agreements – and with AmiCo brand (as at 31 December 2010 were 207 sale points operating with this brand).
The sales realized toward clients of the GDO and GDS (Mass merchandiser) belong to the retail channel.
- Direct sales channel: targets large public and private customers

In terms of the main sales channels, the business model of the CDC Group is based on a widespread presence

throughout the country which ensures, together with a high-performing logistics organization – quick availability of products and services.

Income statement

Here is exposed the reclassified Income Statement, related to the core business of the IT production and distribution for the year 2010.

Consolidated profit and loss account IT SEGMENT (k€)	2010		2009	
<i>(Reclassified by nature)</i>				
1.Revenues	343,343	99.62%	316,237	99.77%
2.Other incomes	1,293	0.38%	716	0.23%
I - TOTAL REVENUES AND OPERATING INCOME	344,636	100.00%	316,953	100.00%
3.Purchase costs	(304,763)	-88.43%	(277,010)	-87.40%
4.Service costs	(18,460)	-5.36%	(17,338)	-5.47%
5.Labour costs	(14,063)	-4.08%	(15,178)	-4.79%
6.Other operating costs	(697)	-0.20%	(602)	-0.19%
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION, GAINS/LOSSES ON DISPOSALS AND IMPARTMENT REVERSALS/LOSSES ON NON-CURRENT ASSETS (EBITDA)	6,653	1.93%	6,825	2.15%
7.Amortization of intangible fixed assets	(1,100)	-0.32%	(993)	-0.31%
8.Depreciation on tangible fixed assets	(1,896)	-0.55%	(1,916)	-0.60%
9.Gains/losses on disposals of non-current assets	39	0.01%	(124)	-0.04%
10.Provisions and impairment reversal/losses on non-current assets	(682)	-0.20%	(1,475)	-0.47%
OPERATING INCOME (EBIT)	3,013	0.87%	2,316	0.73%
11.Share of earnings of equity investments in associated companies accounted for by the equity method	0	0.00%	0	0.00%
12.Financial income	1,853	0.54%	1,244	0.39%
13.Financial expenses	(4,132)	-1.20%	(2,461)	-0.78%
INCOME BEFORE TAXES FROM CONTINUING OPERATIONS	735	0.21%	1,100	0.35%
14.Income taxes for the period	(593)	-0.17%	(837)	-0.26%
NET INCOME FROM CONTINUING OPERATIONS	142	0.04%	263	0.08%
15.Net income from continued operations/assets held for sale	0	0.00%	0	0.00%
NET INCOME	142	0.04%	263	0.08%
16.Income (loss) attributable to minority interest	0	0.00%	0	0.00%
NET INCOME ATTRIBUTABLE TO CDC GROUP	142	0.04%	263	0.08%

Revenues and income

In 2010, the CDC Group realized total revenues of € 344,636 thousand, an increase of approximately 8.7% compared to that realized in 2009. The contribution to consolidated turnover of the various channels is as follows:

- Distribution channel (cash & carry, web sales), € 237,181 thousand
- Retail channel (Computer Discount chain, GDO and Consumer Electronics, AmiCo), € 97,286 thousand
- Direct sales channel (key accounts), € 7,761 thousand
- Other revenues, € 2,408 thousand

Compared to the same period last year, the increase in revenues was 9.89% for the distribution channel, 3.44% for the retail channel and 49.53% for the direct sales channel; the retail channel's performance is significantly affected by a substantial change of approach in the GDO/GDS, channel removing the lower-performance customers/products from the portfolio.

The direct sales channel figure also includes revenues, amounting to € 0.7 million, resulting from award of a tender by the Poste Italiane S.p.A. *for the supply of monitors for post offices*. The value of the tender, around € 1 million overall, which will also affect the 2011 financial statements, marks the return of the Group to the Public Administration arena, under assumptions of profitability and positive cash flows.

Other revenues mainly comprise revenues from the provision of technical assistance services and, for the residual amount, recovery of costs and insurance reimbursements.

Sales revenues were almost entirely achieved in Italy.

Commercial network	Revenues (k€)			Point of sales (units)	
	2010	2009	Δ	31-Dec-10	31-Dec-09
Distribution	237,181	215,818	21,363	42	38
Retail	97,286	94,050	3,236	393	344
Direct Sales	7,761	5,190	2,571		
Other revenues	2,408	1,894	(86)		
TOTAL	344,636	316,953	27,684	435	382

Sales margin

The sales margin, which showed a primary sales margin (revenues net of purchase costs for sales), stood at € 39,873 thousand, with a 11.57% impact on revenues, a significant improvement on 2009 figures, which stood at 12.60%.

The improvement in percentage margins, which was already clear during the year, derives from the general trend to the decrease of the margin released by the vendor to the distributive filiera, from the revenue in business with margin lower than the average.

The sales strategy of increasing penetration of own-brand products with high margins (specifically with the brands **Kraun** and **Inkdrops**) has allowed to attenuate the impact of the negative trend of weakening of the primary margin of the sales.

As a result of the decrease in volumes, however, the absolute value of the sales margin is approximately € 0.70 million lower than the figure for the previous year.

Operating costs

Operating costs are comprised of goods purchasing costs, net of changes in inventories and supplier bonuses recognized by contract, cost for services functional to business operations, and personnel costs of employees.

The development in sales costs, increasing by 10 % compared to the same period of the previous year, was affected by both the reduction in sales volumes illustrated above, and the trend in selling prices of IT products, which in 2010 also suffered the downward trend in purchase and selling prices.

Conversely, and predominantly a result of the product range expansion for the Premium and Professional segments, an average purchase and selling price increase of more than 10% was recorded for the Kraun products.

The growing percentage weight of own-brand products with stronger margins contributed to a scarce decrease in the cost of sales than in turnover.

As part of increased control of working capital, there was an improvement in the management of slow circulating capital as compared to 2009, which enabled a reduction in the amount of inventory write-downs.

Operating costs IT segment (k€)	2010	2009	Δ
Costs of goods for resale	304,763	277,010	27,752
Total service costs	18,460	17,338	1,121
Net marketing expenses	58	221	(163)
<i>(gross marketing expenses)</i>	2,833	3,336	(503)
<i>(contributions from suppliers for marketing expenses)</i>	(2,775)	(3,115)	340
Shipping and Logistics	3,322	3,466	(144)
Emoluments paid to Corporate Board	923	1,405	(482)
Utilities	1,236	1,166	70
Lease and rental expenses	3,961	3,975	(14)
Bank Commissions	897	852	45
Insurance	1,645	1,331	314
Technical and Fiscal services	1,347	1,583	(237)
Management shop costs	1,801	357	1,444
Other service costs	3,270	2,982	288
Labour costs	14,063	15,178	(1,114)
Other operating costs	697	602	96
TOTAL	337,983	310,128	27,855

Costs for services, which, on the whole, increased by 6.47% compared to 2009, showed improvement in the level of efficiency of the main company processes.

As regards **net marketing costs**, spending was reduced within a refocus on activities with greater added value and effectiveness. Despite the reduction in gross spending, vendor contributions received for marketing activities decreased at a higher speed, thus producing a greater net marketing expense of about € 0.16 million compared to 2009, which was maintained to support sales volumes in a difficult market environment.

Logistics costs showed an decrease of approximately 4.15% compared to 2009. The decrease reflects the minor market trend towards an increased splitting of orders and shipments.

The **costs for third goods and the costs for uses**, respectively in 0.35% reduction and in 6% increase in comparison to 2009, they make reference to the availability and the use of the areas in which it develops the activity of the Group CDC. The decrease derives from both a reduction in the number of directly managed points of sale and the concentration of several goods warehousing areas.

The decrease of the **consulting** fees, down compared to 2009, reflect the organizational effort to speed up the implementation of strategic decisions identified in the Business Plan, which involved the use of temporary skilled external resources.

The **costs for sale points management**, for € 1,801 thousand, express the variable costs of management of some Cash & Carry managed by partners with a formula of commissions on the volume of developed activity (for this typology of cost, during 2009, had been spent € 357 thousand: the difference is direct function of the increase of income produced by the structures of sale managed with the formula of the Cash&Carry Light).

Other costs for services are primarily composed by maintenance, cleaning and supervision (about € 822 thousand), travel costs and other personnel costs (about € 800 thousand), temporary employment and coordinated and continued collaboration (about € 453 thousand), costs for commercial information and call center management (approximately € 356 thousand), canteen and restaurant tickets (for about € 227 thousand), audits (about € 131 thousand), costs for access to internet and other IT costs (about € 79 thousand), waste disposal costs (about € 40 thousand).

The **other operating costs** mainly contain sundry taxes and duties and similar charges.

Personnel costs decreased by 7.3% compared to 2009, and reflect rationalization of the staff of the main companies within the CDC Group, together with the programs described of Extraordinary Unemployment Benefits (ended in June 2010) and of solidarity (beginning in June 2010), other than an extraordinary activity of use of previous holidays.

The benefit of a workforce reduction was achieved net of wage effects arising from the renewal of collective bargaining agreements and a more professional mix of human resources.

Personnel costs included about € 87 thousand in non-recurring costs linked to layoffs; these non-recurring costs had an approximate impact of € 409 thousand in 2009.

As of June 2009, the Group implemented a 1-year CIGS program, which in the reference period will affect approximately 150 units, mainly through a rotation mechanism. In 2009, the CIGS program had an estimated positive impact of around € 275 thousand on labor costs.

Compared to 2009, personnel costs reflect a positive effect of approximately € 228 thousand linked to the actuarial valuation of employee severance indemnity in application of IAS 19.

Excluding this effect, and given that the costs in 2010 include the effect resulting from the renewal of collective bargaining agreements, labor costs result in reductions of more than 7%, reflecting the organization rationalization activities started in the first half of last year and continuing this year, which have led to a reduction of 35 staff (representing approximately 8%) of the average headcount.

At the moment, no mobility or similar procedures are in progress.

Ebitda

As a result of the trends illustrated above, the EBITDA stood at 1.9% of revenues, an decrease on the 2.2% recorded in 2009.

The complex of the operational costs, with a growth of the varying costs and a reduction of the fixed costs, is maintained approximately stable in comparison to the datum related to the year 2009, also in presence of a meaningful increase of the turnover.

The marginal reduction in absolute value of the primary commercial limit is reflected therefore in a reduction of the achieved Ebitda.

Nevertheless, considering the difficulty macroeconomic context in which the Group is found to operate, and of the increasing variation of the operational costs, the gotten result, even though lower than 2009, can positively be valued.

Amortization, depreciation and write-down

Amortization and depreciation costs include, in addition to costs relating to owned assets, the adjustments resulting from the recalculation of leasing transactions according to the financial method.

The decrease in amortization and depreciation costs compared to the previous year (both for tangible assets and relating to goodwill for the Computer Discount chain) mainly derives from the decrease in the number of directly managed retail points of sale.

Amortization, depreciation and write-downs can be attributed to write-downs of trade and sundry receivables and provisions for write-downs of tangible and intangible assets. The total of the above provisions amounts to € 682 thousand, down compared to the € 1,475 thousand recorded in 2009 and are almost entirely attributable to the parent company CDC Point S.p.A.

Financial income and charges

Funding activity and treasury management is centralized within the Parent Company; therefore, the values shown under net financial charges are primarily attributable to the Parent Company.

Net financial charges were approximately € 1.06 million higher than the previous year: the increase is attributable, in equivalent measure, to the course of the changes and the increase of the cost of the absorbed financial resources.

The unfavorable and continuous trend of the rate of change between Euro and US Dollar, that you/he/she has characterized the first three quarters of the year, not neutral results through the tools of non speculative coverage of the changes adopted by the Group. Note that, in the last quarter of the year, during which oscillations of the rate of change are recorded in both the senses, the adopted coverage have substantially involved net limit of change equal to zero.

The program of acquisitions realized in the year, further to a certain expansion occurred during the fiscal year of the capital of net income, have determined a growth of the onerous average indebtedness that, substantially to parity of the cost of the money, has determined the growth of the net financial limit from indebtedness.

Pre-tax profit

The pre-tax result of the period is positive for € 735 thousand, and is in reduction compared to how much recorded in 2009 (€ 1,100 thousand), also reducing the incidence on the realized incomes.

The result for 2010 expressed the ability of the CDC Group to recover overall margins in the primary business segments, even in the presence of materially significant business volume reductions, and in a particularly complex competitive environment.

Taxes

Taxes were quantified based on the tax charges for 2010, considering the tax legislation in force at the date of approval of this report, and were attributed to the business segments in relation to the specific taxable income of the *legal entities* represented.

5.2 Internet Service Provider and Portal Segment

The activity sector (following for brevity pointed out as "Internet sector") is identified with the operations of ISP in dial-up mode developed by the Interfree S.r.l., checked to 100% by the Parent Company CDC Point S.p.A., and incorporated in the same with effect on 1 January 2011.

Income statement

Here is exposed the reclassified Income Statement, in synthetic form related to the internet area for the year 2010

Consolidated profit and loss account INTERNET SEGMENT (k€)	2010		2009	
1.Revenues	758	93.11%	1,405	97.01%
2.Other incomes	56	6.89%	43	2.99%
I - TOTAL REVENUES AND OPERATING INCOME	814	100.00%	1,448	100.00%
3.Purchase costs	(0)	0.00%	(2)	-0.16%
4.Service costs	(421)	-51.77%	(397)	-27.42%
5.Labour costs	(291)	-35.75%	(343)	-23.71%
6.Other operating costs	(7)	-0.88%	(9)	-0.61%
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION, GAINS/LOSSES ON DISPOSALS AND IMPARTMENT REVERSALS/LOSSES ON NON-CURRENT ASSETS (EBITDA)	94	11.60%	697	48.11%
7.Amortization of intangible fixed assets	(26)	-3.20%	(28)	-1.97%
8.Depreciation on tangible fixed assets	(126)	-15.49%	(141)	-9.73%
9.Gains/losses on disposals of non-current assets	0	0.00%	0	0.00%
10.Provisions and impairment reversal/losses on non-current assets	(17)	-2.05%	(26)	-1.78%
OPERATING INCOME (EBIT)	(74)	-9.15%	502	34.63%
11.Share of earnings of equity investments in associated companies accounted for by the equity method	0	0.00%	0	0.00%
12.Financial income	0	0.01%	0	0.00%
13.Financial expenses	(2)	-0.28%	(3)	-0.23%
INCOME BEFORE TAXES FROM CONTINUING OPERATIONS	(77)	-9.43%	498	34.41%
14.Income taxes for the period	12	1.45%	(109)	-7.51%
NET INCOME FROM CONTINUING OPERATIONS	(65)	-7.98%	390	26.90%
15.Net income from continued operations/assets held for sale	0	0.00%	0	0.00%
NET INCOME	(65)	-7.98%	390	26.90%
16.Income (loss) attributable to minority interest	0	0.00%	0	0.00%
NET INCOME ATTRIBUTABLE TO CDC GROUP	(65)	-7.98%	390	26.90%

Revenue and income

In the Internet segment, the CDC Group realized total revenues of € 814 thousand, with a decrease of around 44% compared to the previous year.

Turnover essentially related to the recognition of revenue sharing by the major telephone operators (Telecom S.p.A., Wind S.p.A., Albacom S.p.A. and Tiscali S.p.A.) for telephone traffic generated by the company as an Internet service provider. For Telecom S.p.A, this recognition is exercised through the parent company CDC Point S.p.A. In this report, revenues for *revenue sharing* are expressed net of costs.

In 2010, enabled users amounted to approximately 17.000.

Also included are revenues from services provided to end users through the portal www.interfree.it, which refer mainly to the sale and renewal of web domains to end users, in addition to revenues deriving from advertising banners placed on the portal and *ADV mailing* activities.

During 2010, revenues were recorded for housing and remote hosting in ASP mode, for which a specific Internet portal was created (www.interhosting.interfree.it).

Operating costs

The **costs for services** are aligned to those registered in 2009.

Staff costs reduced by 15% compared to values recorded in 2009. The average segment workforce decreased by one unit with respect to 2009.

Ebitda

As a result of the decrease in revenues and the fact that operation costs are not fully flexible, EBITDA decreased sharply compared to 2009. Nonetheless, it reached the threshold of € 94 thousand, amounting to 11.6% of revenues, compared to the € 697 thousand in 2009, amounting to 48.1% of revenues.

Taxes

Taxes were quantified based on the tax charges for 2010, considering the tax legislation in force at the date of approval of this report, and were attributed to the business segments in relation to the specific taxable income of the *legal entities* represented.

6. ANALYSIS OF RISK FACTORS

The specific risks that can determine the rising of the obligations and of the meaningful potential liabilities for the Group have been object of evaluation during the determination of the relative provisions and are commented in the explanatory notes to the budget.

In the present paragraph of this report reference should be made to that risk and uncertainty factors produced by exogenous situations.

Macroeconomic risks

Beginning from the third quarter 2008 the crisis of financial nature emerged in the United States and tied up to the phenomenon of the subprime loans and other financial tools poorly controlled and not subject to the control of the authorities of the markets has spread in the rest of the world, striking in remarkable measure the European and Italian financial institutions.

The consequent climate of mistrust and uncertainty related to the real losses contained in such derived tools, mainly held by the financial system, has conducted to a meaningful reduction of the volumes of credit disbursed to the productive world, determining therefore on one side a strong contraction of the volumes of production and occupation and, on the other side, as direct consequence, of a fall of the propensity to the consumption of the families.

Support measures for financial and real economy deliberated by the national governments of extraordinary nature and dimensions, have, at the time of drafting this report, resulted in an impact solely attributable to key macroeconomic indicators, although the assessment more frequently shared envisages a scenario of substantial stabilization of the main parameters in 2010, except for the unemployment rate, and for 2011 project a reversal of the economic cycle.

Besides, the recent turbulences also politics of the Middle East area, with possible negative reflexes on the prices of the energetic sources and, accordingly, on the inflective processes, are potentially able to reduce in meaningful measure the perspectives of resumption of the western economies.

If the weakness and uncertainty of the economies persist in the future, the perspectives and the economic, equity and financial balances of the group would be negatively and significantly influenced: to balance such risk, the Group is committed to constant monitoring of the macroeconomic trends and confirming the strategic line approved in the 2011-2013 Business Plan for reducing the breakeven point and employing geographic diversification of the markets served.

Market Risks

The IT market in 2010 showed a decrease, albeit less than most other industries, thus showing a greater level of resistance to the negative trends illustrated above.

Under any circumstances, for the second consecutive year after an expansive cycle lasted twenty year, the Italian market of the IT, has underlined a down of value.

The forecasts of the principal institutes of search individualize, for the year 2011 and for the year 2012, a situation of established of the value dimensions of the market of reference.

Nonetheless, also considering the extraordinary nature, size and geographic scope of the current economic trends, the possibility cannot be ruled out that private demand and demand for investments in IT may suddenly and rapidly decrease.

In order to compensate for this risk, the Group continuously monitors the performance of the markets it currently serves and other accessible markets, and confirms the strategic guidelines approved in the Business 2010-2012 Plan for reducing the breakeven point and employing geographical diversification of the markets served.

Credit and liquidity risks

The macroeconomic deterioration originated in the global financial system, and despite the sharp decrease in the interbank cost of money recorded from the last two months of 2008, directly generated a significant reduction in the willingness to disburse credit both within the banking system and in the production sector.

So far, the Group has not felt the effects of the credit crunch, also due to its management policies, which in 2009 enabled the Group to reduce its need to turn to the credit market.

To compensate for this risk, the Group, which has for some time used daily financial planning tools and, through cash pooling practices, optimizes consolidated available funds and financial requirements, implemented a policy of increased diversification of its financial partners portfolio.

With regard to time frames, liquidity risk is hedged by recourse to medium-term bank loans with repayment by instalments. In particular, on 29 December 2009 the Parent company CDC Point S.p.A. signed a pool financing agreement, coordinated by Unicredit Corporate Banking, for € 21.5 million with a 4-year duration, which overlaps with the current medium-term facility maturing in December 2010. As at 31 December 2009, the notional value of mid-term borrowings totaled € 29.5 million, of which € 21.5 million disbursed.

In the month of December 2010 the Group has extinguished, as from original plan of amortization, the financing from the original € 32 M, and it has provided to use totally the lines at middle term obtained in December 2009.

Financial and exchange rate risks

The CDC Group's activities are mainly exposed to financial risks relating to changes in exchange and interest rates. The risks linked to fluctuations in exchange rates and interest rates are concentrated in the Parent Company, which uses financial instruments to hedge exposure to such risks.

A part of the goods acquisition costs is expressed in currencies other than the Euro (primarily USD), and the CDC Group does not have sufficient positive cash flows to warrant internal foreign currency balancing.

Financial instruments for exchange rate risk management consist mainly of forward exchange contracts. Such contracts are recorded at their fair value at the date of closure of the financial statements, allocating any differences with respect to the original exchange rate to "financial income/charges" in the Income Statement.

This method of hedging exchange rate risk has proven effective over the years in protecting the exchange rates used for sales price lists against fluctuations in exchange rates.

However, to forehad of monotonic courses of the reasons for change, the used tools, that distinguish for their non speculative nature, are not able to neutralize the clean costs of consequential change from the monetary conversion of the debts denominated in foreign currency.

Regarding the risks of rate, gives the actual differential among fixed rates and variable rates on the European currency, the Group CDC has not used during the 2010 tools of coverage; for 2011, and up to the anticipated extinction in 2013, the Group has covered from the risk of rate, for the destination of the flows, the financing to middle term through the signature of cap options.

Counterparty risks

The risk of insolvency on trade receivables is managed by a dedicated credit management department, equipped with suitable tools for constant daily monitoring of customer conduct and creditworthiness.

Customer credit scores are provided in real time to the Group's organizational sales departments.

It is the Group's policy to hedge credit risk through specific insurance contracts.

No concentrations of trade receivables were noted which could increase counterparty risk.

Cash and cash equivalents are deposited at leading national banks, and no specific counterparty risks are considered to exist.

Operation risks

In order to mitigate operational risks, the Group has established organizational models, written procedures and internal control systems, also through dedicated decision-making bodies and departments, which serve to protect the Group from operational risks.

The Group, during 2010, adjusted and maintained its organizational model (pursuant to legislative decree 231/01) as suggested in the guidelines issued by Confindustria in March 2008, and has implemented controls required by legislative decree 262/05 on accounting control.

In particular, identification and description activities for the main operating processes were completed and maintained through specific *narratives*, and tests inherent to the closure of accounts and the formation of financial statement balances were successfully.

In the context of the activities expected by D.Lgs. 196/03 information protection activities have been made in the group companies subjected to such law, included the update of guideline of Standard of Safety, approved from the Board of Directors of CDC Point Spa.

The system administrator of CDC Point SpA have to ensure the subsequent updates to the PDS.

Tax risks

In 2000, the Italian Tax Police (Guardia di Finanza) carried out "a general inspection on VAT, direct taxes and other taxes" at CDC Point S.p.A. relating to the financial years 1995-1999, which was concluded at the end of October. As a result of the inspection, charges mainly regarding purchases by parties currently under investigation for presumed infringements and which therefore, according to the Tax Police, might entail the considerable non-fiscal significance for VAT purposes of the purchases themselves, in addition to several charges regarding the deductibility of certain Corporation Tax (IRPEG)/Local Income Tax (ILOR) amounts have emerged.

On 26 June 2003, the Italian Tax Police continued its partial tax inspection on the years 1998-2002 limited to the specific positions shown in the findings report for the first inspection that envisaged a reservation. This inspection cancelled the reservations in question by undertaking a partial inspection restricted to relations between CDC Point S.p.A. and certain suppliers. The inspection was concluded on 19 February 2004 and the report on findings essentially confirmed the conclusions of the inspection that ended in October 2000.

The years subject to inspection are from 1995 to 2000 (inclusive).

Considering the concurrence of the events referred to above relating to the first inspection, on the company's admission to listing, on 16 June 2000 the Parent company CDC S.r.l. issued a guarantee in favor of CDC Point S.p.A involving an irrevocable commitment to *"(...) protect and hold the former harmless from any liabilities (not covered by specific provisions for risks recorded in the financial statements) deriving from possible breaches of tax regulations concerning the Significant Event. This commitment refers to the total amounts borne by the guaranteed company and the liabilities, in any form requested, whether definitive or merely provisional, for duties, taxes, sanctions, interest, charges, costs and expenses (including expenses for consultants and legal proceedings or litigation) relating to, depending on or connected to the Significant Event (...)"*. This guarantee is also understood to cover any findings from the second inspection, since it is an extension to that initiated in 2000.

As described in the financial statement as at 31 December 2009, and subsequently in the financial statement as at 31 March 2010, the Company has won 7 judgments (among first and according to degree) and losing party in the judgment of second degree regarding the years 1999 and 2000.

In the month of January 2010, following the commented sentence of second degree unfavorable to the Company and related to the years 1999 and 2000, the Company has received a tax assessment with provisional registration to role of the tax for the amount of € 10.8 million, plus sanctions, rights of collection and interests for up € 18,3 million, and for a total amount of € 29.1 million.

Considered that during the fiscal year 2009 have been made towards the Society decisions of conflicting address, and the subject object of such decisions was substantially the same one and there pits also frequent identity in the typologies of matter and suppliers object of confrontation from the Italian Tax Agency, the Company has held to have to take in examination the alternative among to constantly continue in the practiced choice in past to privilege the road of the jurisdictional guardianship of own reasons and defenses, or to modify his own approach and to also test the different road of the attempt to define in a extrajudicial way the whole

trial story. With the favorable opinion of his own lawyers, the Company has started therefore in the first months of 2010 the run to come to a extrajudicial definition of all the contentious for which the terms are open for appeal or burden, holding preferable for the Company and for its development to reset the consequential risk from the contentious (also to the light of the recent orientation unfavorable strongly to the contributor, not for fraud and/or tax evasion, over that of the predictable long term that an appeal for cassation would have involved, firm it not possibility remaining to suspend the course of the tax assessment issued in January 2010). The Company, together with his lawyers, has asked and obtained in the month of March 2010 the payment into instalments of the tax assessment in 60 monthly instalments. The first four installments of the tax assessment (related to the months of March, April, May and June) have regularly been paid to the relative expiration.

In date 28 June 2010, previous unanimous deliberation of the Board of directors of the Company, has been initialed with the Italian Tax Agency an extrajudicial agreement for the total definition of all the debts relative to the years 1995 - 2000, whose fundamental features - and the obligations assumed by the parts - summarized below:

- CDC has made the payment on 12 July 2010 to the Italia Tax Agency of the imposed VAT that the agency illegitimately considers evaded for the fiscal years 1995, 1996, 1998, years for which the Company results victorious in both the degrees of the tributary judgment. For the above mentioned annuities the situation of the contentious to the date of signature of the agreement is the following:
 - ✓ for the year 1995 is pendent the judgment of resumption by the Regional Tax Committee in Florence, following the sentence no. 15396-08 of the 13 March 2008 of the Court of Cassation that has cancelled the sentence of second degree favorable to the Company;
 - ✓ for the year 1996 is pendent the judgment by the Court of Cassation;
 - ✓ for the year 1998 are opened the terms for the appeal the Court of Cassation.
- CDC is forced to pay to the Italia Tax Agency the VAT that the agency illegitimately considers evaded for the fiscal years 1999 and 2000, years for which the Company results losing party in the relative proceeding of second degree;
- CDC is forced to pay, besides the amounts for the tax related to the above mentioned fiscal years, the interests matured by the date of control to the date of the extrajudicial definition, calculated according to the law, as well as the costs of collection due to the Equitalia Cerit SpA, calculated according to the law;
- The above mentioned amounts, relatively to tax, interest and costs of collection for the years 1999 and 2000, have been divided into instalments in 60 monthly instalments, the last of which expires on 28 February 2015, following the definitive plan of instalments obtained on 14 September 2010. Such instalments has determined interests, calculated according to the law.
- The Italian Tax Agency is forced to abandon the sanctionatory claims related to each year object of contentious, that constituted in terms of amount, relatively to the annuities 1999 and 2000, and for the amounts object of the tax assessment issued in the month of January 2010; to the date of the this statement such obligation has been carried out.
- The Italian Tax Agency and CDC are forced to abandon the introduced appeals or that it would be to every of the parts possible to introduce before the Court of Cassation and the parts, jointly abandon the judgment of resumption before the Regional Tax Committee in Florence for the year 1995; to the date of the this statement such obligation has been carried out.
- The Italian Tax Agency is forced to annul, obligation carried out to the date of the this statement, the tax assessment sent for the year 1995 for about € 63 thousand, currently suspended through performance of fidejussion guarantee (that to the date of the this statement has been released and returned to the Company); to the date of the this statement such obligation has been carried out.

The amounts defined through the extrajudicial agreement and following communications, for each of the voices to be considered, are the followings:

- Tax, € 15,240,423.92 of which:
 - € 4,450,897.82 for the years 1995, 1996 e 1998 paid through F24 within 12 July 2010
 - € 10,789,526.10 for the year 1999 and 2000 in liquidation with Equitalia tax assessment in 60 monthly instalments
- Interests at the date of the agreement, € 5,461,748.53 of which:
 - € 1,778,937.51 for the years 1995, 1996 e 1998 paid through F24 within 12 July 2010
 - € 3,682,811.02 for the year 1999 and 2000 in liquidation with Equitalia tax assessment in 60 monthly instalments

The total amount of the extrajudicial agreement is € 20,702,172.45.

To the date of this statement, all the obligations of CDC Point SpA towards the Italian Tax Agency have regularly been carried out.

The Parent Company CDC Srl, in his quality of issuing of the authorization letter on 16 June 2000, in which CDC POINT SpA doesn't suffer the economic weight of the last extrajudicial agreement, has constantly and accomplishedly been informed of the development of the negotiations with the Italian Tax Agency. Any observation contrary to the definition of the extrajudicial agreement has been received by CDC POINT SpA.

As consequence of the above mentioned authorization letter, any consequential economic and financial costs deriving from the agreement will be suffered by the Company CDC Point SpA.

As at 31 December 2010, CDC Srl has refunded € 9,030 thousand to CDC Point SpA in consequence of the installments from the same paid to the Italian Tax Agency, according to the plans of arranged installment.

Other risks

As at the financial statements date, there were no other risks which could result in significant litigation for the Group. Specific risks relating to individual legal disputes - of marginal importance – are reflected in the specific provisions for risks allocated in the financial statements.

There are no material risks of loss of professional expertise strategic to the Group, in any case mitigated by specific *retention* policies.

7. INFORMATION ON CDC GROUP COMPANIES

The fiscal year 2010 have been interested from an elevated number of operations that have interested acquisitions, extinctions and processes of incorporation of companies.

Particularly, since 30 September 2010 the Group has acquired the totalitarian control of the companies SIS Srl and Tradesoft Srl, active in the segment of the value solutions.

With juridical effect since 31 December 2010 and substantial effect since 1 January 2011, the Group has acquired the totalitarian control of the companies Essedi Shop Italia Srl and CDC Pro. Srl (former Brain Industries Srl), operating in the commercial net with the Essedi brand. In function of the lack of substantial control during 2010, and for the not importance of the relative values, these two companies have not been consolidated with the method of the integral consolidation, even though limitedly to the property part.

On 27 December 2010, for effect on 1 January 2011, have been incorporated in the Parent Company CDC Point SpA the companies Micronica SpA, Interfree Srl and Tradesoft Srl.

During the fiscal year, is concluded, with the cancellation from the Register of the Enterprises, the process of liquidation of some subsidiaries of second level (CD Catania Srl, CD Milano Srl, CD Roma Srl, CD Roma 2 Srl).

GROUP PARENT COMPANY

CDC Point S.p.A.

This company is one of the leading operators in Italy in the production and distribution of IT products for the consumer – SOHO segment.

Revenues are achieved through distribution channels (Cash & Carry CDC and web sales) and the retail network (Computer Discount points of sale and AmiCo) and key sales (key accounts).

SUBSIDIARIES

Micronica S.p.A.

The inbound and outbound activity of this company involves logistics management (stock management and outbound logistics management) and assembly of CDC-brand personal computers.

Both of these activities are performed internally within the CDC Group.

The company is 100%-owned by the Parent Company, in which is consolidated from 1 January 2011.

Interfree S.r.l.

Interfree S.r.l. manages the Internet Service Provider and Portal business segment for the CDC Group.

Revenues mainly derive from revenue-sharing with telephony operators (Telecom S.p.A., Wind S.p.A., Albacom S.p.A. and Tiscali S.p.A.) for traffic generated as Internet Service Provider, and from the sale of *web services*.

The company is 100%-owned by the Parent Company, in which is consolidated from 1 January 2011.

Computer Discount S.r.l.

The company is a sub-holding of equity investments and controls 12 companies, 6 of which active, operating retail outlets specializing in the sale of IT products under the Computer Discount brand.

The company is 100%-owned by the Parent Company.

S.I.S. S.r.l.

The company, incorporated on 30 September 2010, is active in the planning, production and marketing of managerial software; it manages besides a sale point of IT material and services with the AmiCo brand.

The company is 100%-owned by the Parent Company.

Tradesoft S.r.l.

The company, incorporated on 30 September 2010, is active in the planning, production and marketing of software and solutions of unified communications.

The company is 100%-owned by the Parent Company, in which is consolidated from 1 January 2011.

Essedi Shop Italia S.r.l.

The company, incorporated on 31 December 2010 is active in the management of seven sale points with Essedi brand.

The company is 100%-owned by the Parent Company.

CDC Pro. S.r.l.

The company, incorporated on 31 December 2010, is active in the production of personal computer with **Selecta** brand, marketed in the net with Essedi brand.

In January 2011 the society has assumed the actual company name from the previous Brain Industries S.r.l.

The company is 100%-owned by the Parent Company.

ASSOCIATED COMPANIES AND OTHER COMPANIES

Equity investments in associated companies and other companies are mainly represented by CDC Point S.p.A.'s legally compulsory equity investment in the Conai consortium amounting to € 0,7 thousand and the Equal consortium (National Ecodigital Consortium) amounting to € 2,6 thousand, in addition to Micronica S.p.A.'s equity investment in the CAAP consortium for production development, amounting to € 4 thousand.

TRANSACTIONS WITH SHAREHOLDERS AND RELATED COMPANIES

It should be noted that transactions carried out with shareholders and related parties, identified according to IAS standards, do not qualify as atypical or unusual, and fall within the scope of normal CDC Group transactions.

These transactions are settled at market conditions, taking into account the characteristics of the goods and services provided.

During 2010 the Group has adjusted his own rules of Governance in theme of relationships with correlated parts in conformity to the regulation, deeply innovated in 2010.

The most significant transactions with shareholders and related companies are summarized below:

- toward the Parent Company CDC S.r.l. are reported credits for € 14,566 thousand, relative substantially to the credit matured following the authorization issued by the same company to maintain the indemnity of the CDC Point Spa from the consequential costs from the tributary contentious for the years 1995 – 2000, in addition to € 151 thousand related to Ires tax for fiscal consolidated;
- in relation to IMO 1 S.p.A. for leased property located in Piazza Cadorna, Milan, in piazza Fermi and via T. Romagnola in Fornacette (PI), and in Piazza Martiri della Libertà in Pontedera (PI), costs were recorded of € 349 thousand, and revenues of € 3 thousand
- in relation to Gap S.r.l., payables were recorded of € 11 thousand, and revenues and costs relating to hotel services provided amounting to € 1 thousand and € 14 thousand respectively;
- towards the Company Gefa, debts and credits are not reported as at 31 December 2010.
During the fiscal year have been purchased marks, patents and software for a value of € 3,170 thousand within the operation of acquisition occurred in September 2010.
- towards Giuseppe Diomelli there are incomes and credits for € 1 thousand;

A summary of the equity and financial transactions with related companies, parent companies, and associated companies is provided below.

CDC Group				
(k€)	Receivables	Payables	Revenues	Costs
CDC S.r.l.	14,566	(151)	306	-
Parent company	14,566	(151)	306*	0
Imo 1 S.p.a	-	-	3	(349)
Gap S.r.l.	-	(11)	1	(14)
Tradesoft Technologies S.r.l.	-	-	-	-
S.I.S. S.r.l.	1	-	1	-
Related companies	1	(11)	4	(362)

*Revenues towards the parent company CDC srl refers to a cost recovery, so they are classified in income statement within "service costs"

8. OTHER INFORMATION

Research and development

In the period covered by this report the CDC Group did not carry out any significant research and development activities, made exception for some activities of completion of development software related to solution of unified communications realized by the software engineering structure of the CDC Tech division.

Own shares

As at 31 December 2010 CDC Point S.p.A. has 859.434 own shares, the 7% of the capital. From the stock of own shares are purchased 392.286 shares in 2001, 2002, 2004, 2005 and 2006, as a result of the share performance stabilization plan, resolved by the Shareholders' Meeting of 28 April 2005.

In execution of the program of purchase and sale of own shares approved by the Meeting of the Partners of 28 April 2009, and wide temporally from the Meeting of the Partners of 29 April 2010, that has had beginning in the month of January 2010, are been purchased in the first nine months nr. 467.148 shares, for an amount of € 1,028.323.

In application of the IFRS, own shares are recorded as a reduction in Equity. The changes in the book value and any revenues deriving from subsequent sales are shown as movements in equity.

Stock Option Plan

There are no stock option plans as of the preparation date of this report.

9. EVENTS OCCURRING AFTER THE CLOSE OF THE YEAR AND OUTLOOK FOR 2011

With the month of January 2011 is become operational the control, from the Group, of the net with Essedi brand.

Besides, with effect on 1 January, the incorporation in the Parent CDC Point SpA of Micronica SpA, Interfree Srl and Tradesoft Srl has produced all of his civil, bookkeeping and fiscal effects.

In the month of February CDC, representative and Parent Company of a consortium of enterprises formed by very important national partners, it is classified first for the adjudication of the contract, published by the Region Tuscany, for the realization and the exercise of the new date center of the Region. The tender has a base of value of € 38 M in three years.

We are waiting for the provision of adjudication.

The obtained result is an important recognition to the competences and the abilities of the division of the value solutions CDC Tech, and it opens the way to further developments and collaborations to national level to make to emerge the offer of value solutions of the Group CDC.

In the month of March they have been initiated the procedures of opening of a new Cash&Carry in the South Italy

The actions of development of the commercial net, of widening and close examination of the range produced and of flexibilization of the operational costs as provided in the Triennial Plan are in phase of full operational implementation.

The balance of the first two months of the year 2011 see, under the profile of the sales, a beginning of year slightly down if compared to how much recorded in the first two months of 2010.

The negative trend of the market has also interested the greater competitors.

There are also some signals that make to suppose, during 2011, that an inversion of tendency can be recorded, and that the average prices of sale, along the whole chain of the value of the distribution of products IT, can begin a path of stabilization and slow regrowth.

The Group CDC has a clear perception of the risks and the consequential uncertainties from the prolonged phase of weakness of the economy, and of the reflexes that such weakness can induce on the behaviors of purchase of the privacies and of the firms. These factors have to today induced behaviors of prudence from the ends users in the purchase of products IT, above all on the channels where operates the Group.

For the year 2011, to the date of the present report the contained indications are confirmed in the Industrial Plan 2011 - 2013, whose highlights is also published on the website www.cdc.it, approved in the November 2010, that sees a further growth of the volumes of sales compared to 2010 and a growth of the net result.

Giuseppe Diomelli
Chairman of the Board of Directors

<i>notes</i>	Consolidated balance sheet	31-Dec-10	31-Dec-09
	<i>(Reclassified as current and non-current assets and liabilities)</i>		
	ASSETS		
	Non-current assets		
	Sale network and internet portal	3,347	1,943
	Brands	7,584	7,613
	Other intangible assets	9,833	1,285
<i>(1)</i>	Intangible assets	20,765	10,842
	Lands	754	754
	Buildings	5,184	5,339
	Real estate investments	0	0
	Other tangible fixed assets	3,429	3,530
<i>(2)</i>	Tangible fixed assets	9,367	9,623
	Subsidiaries	800	(0)
	Equity investments in associated companies accounted for using the equity method	0	0
	Other financial assets and equity investments in other companies	188	189
<i>(3)</i>	Financial fixed assets	988	189
<i>(4)</i>	Deferred tax assets	1,157	1,150
	Total non-current assets	32,276	21,803
	Current assets		
<i>(5)</i>	Inventories	36,037	34,409
<i>(6)</i>	Trade receivables	83,903	79,795
	of which Related companies	1	14
<i>(7)</i>	Accounts receivable due from parent companies and associated companies	14,664	333
	of which Related companies	0	0
<i>(8)</i>	Other accounts receivable	12,715	10,394
	Current financial assets	0	(0)
<i>(9)</i>	Net cash and cash equivalents	12,155	10,560
	Assets held for sale	0	0
	Total current assets	159,475	135,491
	TOTAL ASSETS	191,751	157,294
	LIABILITIES		
	Group Equity		
	Share capital	6,132	6,132
	Share premium reserve	33,356	33,356
	Treasury stock reserve	4,732	3,704
	Treasury stock	(4,732)	(3,704)
	Legal reserve	1,226	1,226
	Other reserves	2,194	2,536
	Retain results	0	0
	Net result for the period	77	652
	Total Group Equity	42,985	43,902
	Minority interests	0	0
<i>(10)</i>	Total consolidated Shareholders' Equity	42,985	43,902
	Non-current liabilities		
<i>(11)</i>	Deferred tax liabilities	786	1,028
<i>(12)</i>	Provisions for employee severance indemnities	2,995	3,159
<i>(11)</i>	Allowances for risks and charges	276	302
<i>(13)</i>	Financial payables falling due beyond next 12 months	13,442	13,078
	Total non-current liabilities	17,499	17,566
	Current liabilities		
<i>(14)</i>	Trade payables	79,842	71,330
	of which Related companies	11	81
<i>(15)</i>	Accounts payable due from parent companies and associated companies	342	9
	of which Related companies	0	0
<i>(16)</i>	Other accounts payable	20,133	9,819
<i>(17)</i>	Financial payables falling due within 12 months	30,949	14,668
	Liabilities associated to assets held for sales	0	0
	Total current liabilities	131,266	95,826
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	191,751	157,294

notes	Consolidated profit and loss account	2010	2009
	<i>(Reclassified by nature)</i>		
	Revenues	344,101	317,642
	<i>of which Related companies</i>	4	215
	Other incomes	1,349	759
	<i>of which Related companies</i>	0	4
(18)	TOTAL REVENUES AND OPERATING INCOME	345,450	318,401
(19)	Purchase costs	(304,763)	(277,013)
	<i>of which Related companies</i>	0	(89)
(20)	Service costs	(18,881)	(17,735)
	<i>of which Related companies</i>	(361)	(455)
(21)	Labour costs	(14,354)	(15,521)
(22)	Other operating costs	(704)	(610)
	<i>of which Related companies</i>	(1)	0
(23)	Amortization of intangible fixed assets	(1,126)	(1,022)
(23)	Depreciation of tangible fixed assets	(2,022)	(2,057)
(24)	Gains/losses on disposals of non-current assets	39	(124)
(25)	Provisions and impairment reversal/losses on non-current assets	(699)	(1,501)
	OPERATING INCOME (EBIT)	2,939	2,818
	Share of earnings of equity investments in subsidiaries and associated companies accounted for by the equity method	0	0
(26)	Financial income	1,853	1,244
(26)	Financial expenses	(4,134)	(2,464)
	INCOME BEFORE TAXES FROM CONTINUING OPERATIONS	658	1,598
(27)	Income taxes for the period	(581)	(946)
	NET INCOME FROM CONTINUING OPERATIONS	77	652
	Net income from discontinued operations/assets held for sale	0	0
	NET INCOME	77	652
	Income (loss) attributable to minority interest	0	0
	NET INCOME ATTRIBUTABLE TO CDC GROUP	77	652

Consolidated profit and loss account global index	2010	2009
Net result for the period	77	652
Other profit and loss accounts components		
<i>Floating exchange rate due to foreign currency</i>		
<i>Buildings, plants and machinery appreciation</i>		
<i>Change in financial fair value activities for sales</i>		
<i>Change in financial fair value activities for sales reclassified in net result for the period</i>		
<i>Change in cash flow hedge reserves</i>		
<i>Actuarial results of financial profit plans</i>		
<i>Taxes on other profit and loss accounts components</i>		
	0	0
Other profit and loss accounts components net of fiscal effects of the period		
Result of the period	77	652
Result of the period due to:		
<i>Parent company Shareholders</i>	77	652
<i>Third-party interests</i>		
Result of the period	77	652



CONSOLIDATED FINANCIAL REPORT

	2010	2009
A.CASH AND CASH EQUIVALENTS (DEBTS) AT THE BEGINNING OF THE PERIOD AS REPORTED	3,892	(1,439)
Net result (loss) with taxes	77	653
Amortization and depreciation	3,848	4,571
Net change in other allowances and other net fiscal assets	(275)	(261)
Net change in provision for employee severance payments	(164)	(287)
Net financial expenses	2,281	1,220
	5,767	5,896
(Increase) Decrease in trade receivables and other short-terms receivables	(21,425)	6,155
(Increase) Decrease in inventories	(1,628)	7,783
Increase (Decrease) in payable and other short-term payables	19,587	(15,849)
Increase (Decrease) in assets held for sale		
(Increase) Decrease in short-term financial assets	96	429
Cash flow generated (absorbed) by operating assets	2,397	4,413
Net Financial expenses paid	(2,377)	(1,649)
Income taxes paid	(428)	(1,606)
B.CASH FLOW FROM (FOR) OPERATING ACTIVITIES	(408)	1,158
Investments/Disposal in fixed assets		
Intangible	(11,049)	(1,143)
Tangible	(1,766)	103
Financial	(799)	8
C.CASH FLOW FROM (FOR) INVESTMENTS ACTIVITIES	(13,614)	(1,032)
Net drawing (repayment) of financing related to goods managed by financial leasing		
Net drawing (repayment) of fmedium/long-term borrowing	62	5,205
Buy-back of treasury share	(1,028)	-
Changes in shareholders' equity of minority interest		-
Change in shareholders' equity		
D.CASH FLOW FROM (FOR) FINANCIAL ACTIVITIES	(966)	5,205
E.CASH FLOW FROM (FOR) THE PERIOD (B+C+D)	(14,988)	5,331
A.CASH AND CASH EQUIVALENTS (DEBTS) AT THE END OF THE PERIOD AS REPORTED	(11,096)	3,892

STATEMENTS OF CHANGES IN THE GROUP'S SHAREHOLDERS' EQUITY FOR THE PERIOD BETWEEN 01/01/2008 AND 31/12/2010

	Share capital	Legal reserve	Share premium reserve	Treasury shares reserves	Treasury shares	Other reserves	Retained results	Net result for the period	GROUP EQUITY
Consolidated balance as of December 31, 2008	6,132	1,226	33,356	3,704	(3,704)	2,016	0	155	42,885
Allocation of consolidated result						155	0	(155)	0
2008 consolidated profit								365	365
Consolidated balance to 31 December 2008	6,132	1,226	33,356	3,704	(3,704)	2,171	0	365	43,250
Allocation of consolidated result						365	0	(365)	0
2009 consolidated profit								652	652
Consolidated balance to 31 December 2009	6,132	1,226	33,356	3,704	(3,704)	2,536	0	652	43,902
Allocation of consolidated net profit						652	0	(652)	0
Other changes in equity						34			34
Purchase treasury shares				1,028	(1,028)	(1,028)			(1,028)
2010 consolidated profit								77	77
Consolidated balance to 31 December 2010	6,132	1,226	33,356	4,732	(4,732)	2,194	0	77	42,985

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Presentation and contents of the consolidated financial statements

These consolidated financial statements (hereinafter, “financial statements” or “consolidated financial statements”) are expressed in Euro (€) since this is the currency in which most of the Group’s operations are conducted. The figures shown are expressed in thousands of Euro (indicated also as €/thousand) with certain slight differences in amounts due to rounding.

The consolidated financial statements as at 31 December 2010 are accompanied by the Annual Report, and consist of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and these notes.

With regard to the structure of the consolidated financial statements, the Company has opted to present the following types of accounting statements:

Statement of Financial Position

The consolidated Statement of financial Position is presented with a separate consolidated financial statement of assets, liabilities, and equity.

In turn, the assets and liabilities are presented in the consolidated financial statements based on their classification as current and non-current.

Income Statement

The consolidated Income Statement is presented classified by nature. The aggregate Operating Profit includes all income and cost elements, irrespective of whether they are recurring or extraneous to normal business operations, except for financial management elements recorded under Operating Profit and Pre-tax Profit.

Statement of Comprehensive Income

The Statement of Comprehensive Income is presented classified by nature, including the overall result for the period, net of attributable tax effects, including income elements that could have been recognised directly under equity pursuant to IAS / IFRS standards.

Statement of Cash Flows

The consolidated Statement of Cash Flows is presented divided by cash flow generation areas. The Statement of Cash Flows adopted by the CDC Group has been drafted by applying the indirect method. Cash and cash equivalents included in the Statement of Cash Flows include the equity balances for that item as at the financial statements date. Foreign currency cash flows have been converted at the average exchange rate for the period. Income, costs relating to interest, dividends received and income tax are included in the cash flows generated from operations.

Statement of Changes in Equity

The statement of changes in consolidated equity is presented as required by International Accounting Standards, showing separate consolidated results for the year and earnings of each component used recognised to the Income Statement, but taken directly to consolidated equity on the basis of specific IAS/IFRS accounting standards.

Notes to the Financial Statements

The Notes to the Financial Statements are presented systematically. The purpose of the notes is to present information on the specific principles selected and applied to significant transactions or events; they provide information required by IFRS which is not provided in other parts of the financial statements. Lastly, they contain the additional information necessary to provide a reliable representation of the situation of the Group.

Consolidation area

All subsidiaries, directly and indirectly controlled by the parent CDC Point S.p.A., have been consolidated by the global integration method, even if in the process of being wound-up. Companies wound-up during the period (CD Catania Srl, CD Roma Srl, CD Roma 2 Srl, CD Milano Srl, CD Milano 3 Srl) have been consolidated through global integration of Income Statements.

The companies S.I.S. Srl and Tradesoft Srl have been consolidated through global integration and the control of these companies has been acquired by the Group on 30 September 2010, but whose activity was already largely integrated, under the commercial profile, in that of the Group.

Instead it has not been consolidated the holding in the companies Essedi Shop Italia Srl and CDC Pro Srl, acquired on 31 December 2010. For such companies, in fact, the substantial control from the Group has been practiced beginning from 1 January 2011, such acquisition doesn't produce economic effects and the contained values in the property and financial situations of the companies in object are entirely immaterial compared to the analogous values of the Group.

The consolidation area is composed of the following companies whose figures are illustrated in the attachment:

CDC S.p.A. Group Parent company and Companies directly controlled by the Parent

CDC Point S.p.A. - Parent

Registered Office: Via Calabria, 1 Pontedera (PI)

VAT number: 01250630504

Group parent company

- Activity: marketing of IT products

Interfree S.r.l. unipersonal

Registered Office: Via Calabria, 1 Pontedera (PI)

VAT number: 01499020509

100 % controlled, consolidate for incorporation in the Parent with effect on 1 January 2011.

- Activity: Internet Service Provider and web services

Micronica S.p.A., sole member

Registered Office: Via Calabria, 1 Pontedera (PI)

VAT number: 01144430509

100% controlled, consolidate for incorporation in the Parent with effect on 1 January 2011.

- Activity: production of personal computers and the Group's logistics platform

Computer Discount S.r.l. - unipersonal

Registered Office: Via Calabria, 1 Pontedera (PI)

VAT number: 01125180503

100% controlled.

Activity : management of holdings and other financial assets

Tradesoft S.r.l. - unipersonal

Registered Office: Piazza Fermi, 1 Calcinaia (PI)

VAT number: 01543600504

100% controlled.

Activity : software creation and software consulting

S.I.S. Società Internazionale Software S.r.l. - unipersonal

Registered Office: Via Calabria, 1 Pontedera (PI)

VAT number: 01116520501

100% controlled.

Activity : installation, maintenance and reparation of office machines and of computer equipments and software creation

Gruppo CDC S.p.A. – Breakdown of Computer Computer Discount S.r.l. subsidiaries

- 1) **CD FIRENZE S.r.l. unipersonal** with Registered Office in Florence Viale Matteotti 9/r, registered in the Register of Companies of Florence no. 03950910483, Fiscal Code and VAT number 03950910483, Share Capital € 26,000.00 100% of which is held by Computer Discount S.r.l unipersonal.
- 2) **CD MILANO S.r.l. unipersonal (extinguished as at 31 December 2010)** with Registered Office in Pontedera (PI), Via Calabria 1 Loc. Gello, registered in the Register of Companies of Pisa no. 09194930153, Fiscal Code and VAT number 09194930153, Share Capital € 20,400.00 100% of which is held by Computer Discount S.r.l unipersonal.
- 3) **CD PISA S.r.l. unipersonal** with Registered Office in Pisa Viale Gramsci 13/a, registered in the Register of Companies of Pisa no. 01096500507, Tax Code and VAT number 01096500507, Share Capital € 10,400.00 100% of which is held by Computer Discount S.r.l. unipersonal.
- 4) **CD GENOVA S.r.l. unipersonal** with Registered Office in Pontedera (PI) Via Calabria 1 Loc. Gello, registered in the Register of the Companies of Pisa no. 03097430106, Tax Code and VAT number 03097430106, Share Capital € 41,600.00, 100% of which is held by Computer Discount S. r. l.
- 5) **CD TORINO S.r.l. unipersonal (winding-up)** with Registered Office in Turin Via Lanzo 15, registered in the Register of Companies of Turin no. 01145660500, Tax Code 01145660500, VAT number 06408470018, Share Capital € 20,800.00 100% of which is held by Computer Discount S.r.l. unipersonal.
- 6) **C.V.M. S.r.l. unipersonal (winding-up)** with Registered Office in Bologna Via S. Donato 2/d, registered in the Register of Companies of Bologna no. 03997720374, Tax Code and VAT number 03997720374, Share Capital € 26,000.00, 100% of which is held by Computer Discount S.r.l. unipersonal.
- 7) **CD ROMA S.r.l. unipersonal (extinguished as at 31 December 2010)** with Registered Office in Pontedera (PI), Via Calabria 1 Loc. Gello, registered in the Register of Companies of Pisa no. 04265461006, Fiscal Code and VAT number 04265461006, Share Capital € 56,100.00 100% of which is held by Computer Discount S.r.l unipersonal.
- 8) **CD PALERMO S.r.l. unipersonal (winding-up)** with Registered Office in Pontedera (PI) Via Mazzini 74, registered in the Register of the Companies of Pisa no. 01351540685, Tax Code and VAT number 01351540685, Share Capital € 25,822.00, 100% of which is held by Computer Discount S. r. l. unipersonal.
- 9) **CD MILANO 3 S.r.l. unipersonal (extinguished as at 31 December 2010)** with Registered Office in Pontedera (PI) Via Mazzini 74, registered in the Register of the Companies of Pisa no. 11412780154, Tax Code and VAT number 11412780154, Share Capital € 51,000.00, 100% of which is held by Computer Discount S. r. l. unipersonal.
- 10) **CD MILANO City S.r.l. unipersonal** with Registered Office in Pontedera (PI) Via Mazzini 74, registered in the Register of the Companies of Pisa no. 11412790153, Tax Code and VAT number 11412790153, Share Capital € 51,000.00, 100% of which is held by Computer Discount S. r. l. unipersonal.
- 11) **CD ROMA 2 S.r.l. unipersonal (extinguished as at 31 December 2010)** with Registered Office in Pontedera (PI), Via Calabria 1 Loc. Gello, registered in the Register of Companies of Pisa no. 04931601001, Fiscal Code and VAT number 04931601001, Share Capital € 51,000.00 100% of which is held by Computer Discount S.r.l unipersonal.
- 12) **CD NAPOLI 2 S.r.l. unipersonal (winding-up)** with Registered Office in Pontedera (PI), Via Calabria 1 Loc. Gello, registered in the Register of Companies of Pisa no. 06939510639, Fiscal Code and VAT number 06939510639, Share Capital € 52,000.00 100% of which is held by Computer Discount S.r.l unipersonal.
- 13) **CD CAGLIARI S.r.l. unipersonal (winding-up)** with Registered Office in Pontedera (PI), Via Calabria 1 Loc. Gello, registered in the Register of Companies of Pisa no. 02265710927, Fiscal Code and VAT number 02265710927, Share Capital € 51,645.00 100% of which is held by Computer Discount S.r.l unipersonal.
- 14) **SOLUZIONI INFORMATICHE S.r.l. unipersonal** with Registered Office in Pontedera (PI) Via Calabria 1, registered in the Register of the Companies of Pisa no. 11644770155, Tax Code and VAT number

11644770155, Share Capital € 52,000.00, 100% of which is held by Computer Discount S. r. l. unipersonal.

- 15) **CD BARI 2 S.r.l. unipersonal** with Registered Office in Pontedera (PI) Via Mazzini 74, registered in the Register of the Companies of Pisa no. 01570990505, Tax Code and VAT number 01570990505, Share Capital € 50,000.00, 100% of which is held by Computer Discount S. r. l. unipersonal.
- 16) **CD CATANIA S.r.l. unipersonal (extinguished as at 31 December 2010)** with Registered Office in Pontedera (PI), Via Calabria 1 Loc. Gello, registered in the Register of Companies of Pisa no. 04079520872, Fiscal Code and VAT number 04079520872, Share Capital € 100,000.00 100% of which is held by Computer Discount S.r.l unipersonal.

Accounting Standards used in drawing up the Financial Statements

General standards

The consolidated financial statements of the CDC Group as at 31 December 2009 were prepared in accordance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board and certified by the European Commission, and in accordance with the implementing provisions for art. 9, Legislative Decree no. 38/2005 (Consob Resolution no. 15519 of 27 July 2006 containing "Provisions on Financial Statement Formats", Consob Resolution no. 15520 of 27 July 2006 containing "Amendments and Additions to the Issuers' Regulation adopted by Regulation no. 11971/99", Consob Communication no. 6064293 of 28 July 2006 on "Corporate Disclosures Required pursuant to art. 114, subsection 5, Legislative Decree 58/98") and the provisions of Legislative Decree 32/2007 (containing "Implementation of Directive 2003/51/EC amending Directives 78/660, 83/349 and 91/674 on the separate and consolidated annual reports for certain types of companies, banks and other financial institutions and insurance companies").

The provisions of Legislative Decree 195/2007 (the "Transparency Directive") are also taken into account.

The accounting standards applied are those adopted in drawing up the Consolidated Financial Statements as at 31 December 2009.

The consolidated financial statements as at 31 December 2010 were mainly drafted on the basis of the historical cost principle, except for a number of financial instruments measured at fair value. The most significant accounting standards adopted are illustrated below.

Adoption of new International Accounting Standards

The CDC Group has not performed advance, voluntary adoption of the accounting standards and interpretations which will be compulsory in the future, and which, for the most part, are not applicable to the Group.

Accounting standards, amendments and interpretations applied since 1 January 2010

The following accounting standards, amendments and interpretations were applied for the first time by the Group since 1 January 2010.

Amendment to IAS 27 - Consolidated and Separate Financial Statements: the amendment establishes that the changes in the quota of commission that don't constitute loss of control must be treated as equity transaction and therefore they have to have net patrimony compensation. Furthermore it has been established that when a company surrenders the control in a proper participated but continuous to hold a quota of capital in the company it has to appraise the share maintained in budget to the fair value and to impute possible profits or consequential losses from the loss of the control to the economic account.

Finally the amendment requires that all the attributable losses to the partners of minority are allocated to the quota of net patrimony of third parties, also when these exceed their quota of capital of the investee company. The Group has applied the new amendment in perspective way since 1 January 2010, nevertheless since its adoption have not emerged accounting effects for the Group.

Amendment to IAS 39 - Financial Instruments: recognition and measurement: the amendment clarifies the application of the principle for the definition of the underlying object of coverage in particular situations. The Group has applied the new amendment in perspective way since 1 January 2010, nevertheless since its adoption have not emerged accounting effects for the Group.

Interpretation of the IFRIC 17- Distribution of non cash activity: the interpretation enacts that a debt for dividends must have recognized when the dividends have appropriately been authorized and that such debt has to be valued to the fair value of the clean activities that will be used for its payment. The Group has applied the interpretation in perspective way since 1 January 2010, nevertheless since its adoption have not emerged accounting effects for the Group.

IAS 1 – Presentation of the financial statements: the amendment clarifies that an enterprise has to classify a passivity as actual if it doesn't have an unconditional right to differ its rule for at least 12 months after the closing of the exercise, also in presence of an option of the counterpart that could translate in a rule through issue of tools of equity. The Group has applied the new amendment in perspective way since 1 January 2010, nevertheless since its adoption have not emerged accounting effects for the Group.

IAS 7 – Statement of Cash Flows: the amendment clarifies that only the derived cash flows from expenses that result in the recognition of an activity in the property-financial situation can be classified in the financial account as deriving from activity of investment, while the derived cash flows from expenses that don't result in the recognition of a source must have classified as deriving from the operational activity. The Group has applied the new amendment in perspective way since 1 January 2010, nevertheless since its adoption have not emerged accounting effects for the Group.

IAS 36 – Reduction of value of the activity: the amendment requires that each operational units or group of operational units on which the goodwill is allocated for the test of impairment doesn't have greater dimensions of an operational segment as defined by the paragraph 5 of the IFRS 8, before the aggregation allowed by the paragraph 12 of the same IFRS on the base of similar economic characteristics or other similar elements. The Group has applied the new amendment in perspective way since 1 January 2010, nevertheless since its adoption have not emerged accounting effects for the Group.

Amendments and interpretations applied since 1 January 2010 not significant for the Group

IAS 17 – Leasing: the amendment requires that in the evaluation of a contract of leasing that includes both grounds and buildings, the part relative to the grounds is normally considered as a financial leasing if the ground in object has an indefinite useful life, because in such case the connected risks to its use for the duration of the contract can be considered transferred to the leaseholder. To the date of adoption all the grounds object of existing leasing agreements and not yet expired, they have to be valued separately with the possible retrospective recognition of a new financial leasing.

IAS 39 – Financial instruments: recognition and measurement the amendment tightens the exception of not contained applicability in the paragraph 2g of the IAS 39 to the forward agreements among a buyer and a shareholder seller for the sale of an enterprise served in a business aggregation to a future date of acquisition, if the completion of the business aggregation depends only on spending a congruous period of time.

The amendment enacts that revert within applicability of the IAS 39 the agreements of option (currently exercisable or not) that allow to one of the two parts to have the control on realizing or not of future events and whose exercise would behave the control of an enterprise. The amendment clarifies that the implicit penalties for the extinction anticipated of loans, the price of which it compensates the subject lender of the loss of the further affairs, has to tightly be considered correlated to the financing agreement that assumes it and therefore cannot separately be recorded. Finally the amendment establishes that the profits or losses on a covered financial tool must be declassify from clean patrimony to economic account in the period in which the attended covered cash flow has effect on the economic account.

IFRS 2 – Share-based payments: The amendment has clarified that the conferment of a branch of firm for the formation of a joint venture or the aggregation of enterprises or branches of firm in entity to joined control don't revert within applicability of the IFRS 2. Besides about the payments based on actions of group regulated for cash, the amendment defines its circle of application and its relationships with other accounting principles. Particularly the amendment clarifies that the company that receives goods and services in plans of payment based on shares must record such goods and services independently from the society of the group that regulates the transaction and independently from the fact that the rule occurs through cash or shares. Besides it establishes that the term "group" is to intend him as in the IAS 27 - Consolidated financial statement, comprehensive of the Parent Group and his subsidiaries. The amendment finally specifies that a society has to value the goods and services received in a regulated transaction for cash or shares by his own point of view, that would be able not to coincide with that of the group and with the relative amount recognized in the consolidated financial statement. The amendment incorporates the guidelines previously included in the IFRIC 8 and in the IFRIC 2 that consequently have been retired.

IFRS 3 – Business aggregations: the updated version of the IFRS 3 has introduced important changes, described below, that mainly concern: the discipline of the acquisitions for phases of subsidiaries; the faculty to value to the fair value possible commissions of pertinence of third parties acquired in a partial acquisition; the charge to economic account of all the connected costs to the business aggregation and the survey to the date of acquisition of the passivities for payments submitted to condition.

Acquisition for phases of a subsidiary

In the case of acquisition for phases of a subsidiary, the IFRS 3 (2008) establishes that it realizes only a business aggregation in the moment in which is acquired the control and that, in this moment, all the identifiable net activities of the incorporated company have to be valued to the fair value; the commissions of pertinence of third parties have to be valued on the base of their fair value or on the base of the proportional quota of the fair value of the identifiable net activities of the incorporated company (method already allowed by the previous version of the IFRS 3).

In an acquisition for phases of the control of an investee company, the share of minority previously held, till that moment recorded according as pointed out by the IAS 39 - Financial Tools: Survey, or according to the IAS 28 – Investments in associated companies or according to the IAS 31 - Investments in joint ventures, must be treats as if had been sold and reincorporated to the date in which control is acquired. Such investment had to

be valued to its fair value to the date of "transfer" and the profits and the consequent losses to such evaluation have to be in relief in the economic account.

Besides, each value previously recorded in the net patrimony as Other profits and general losses, that should be imputed to economic account following the transfer of the activity which refers, must be declassified in the economic account. The goodwill or the proceeds (in case of badwill) deriving from the concluded business with the following acquisition must have determined as summation among the price corresponded for the obtainment of the control, the value of the commissions of pertinence of third parties (valued according to one of the methods allowed by the principle), the fair value of the investment of minority previously held, to the net of the fair value of the acquire identifiable net activities.

According to the previous version of the principle the control's acquisition for phases was noticed transaction by transaction as a series of separate acquisitions that altogether produced a goodwill determined as the sum of the goodwill produced by the single transactions.

IFRS 5 – Non current activities available for the sale and ceased operational activity. The amendment, applicable in perspective way, has clarified that the IFRS 5 and the other IFRSs that do specific reference to non current activities classified as available for the sale or as ceased operational activities, establish all the informative necessary for this kind of activity or operations.

IFRS 8 – Operative segments: the amendment requires that the enterprises furnish the total value of the activities

for each segment object of the informative, if such value is furnished to the higher operational decisional level. Previously such information was also required in lack of such condition.

Amendment to the IFRIC 9 – Redetermination of the value of the derived incorporated and to the IAS 39 – Financial Tools: recognition and measurement. Such amendment allows in particular circumstances to declassify determined financial tools other than the accounting category "affiliate to the fair value with compensation to economic account". Such amendment clarifies that in declassifying a financial tool other than the above mentioned category, all the implicit derived have to be valued and if necessary recorded separately in the financial statement. The amendment excludes from the applicability of the IFRIC 9 the implicit derived in agreements acquired during business aggregations at the moment of the formation of enterprises with joined control or of joint venture.

Interpretation IFRIC 18 – Transfer of activity of the clients. The interpretation clarifies the accounting treatment to adopt if the enterprise stipulates an agreement in which it receives from a own client a material good that will have to use for connecting the client to a net or to furnish a determined access to the supply of goods and services.

Accounting standards, amendments and interpretations not yet applicable and not adopted in advance by the Group

As at 8 October 2009, the IASB has issued an amendment to the IAS 32 -Financial Tools: Presentation: Classification of the rights issued with the purpose to discipline the recording for the issuing of rights (rights, options or warrant) denominated in different currency by that functional of the issuer. Previously such rights were enrolled as passivity from derived financial tools; instead the amendment requires that, to determined conditions, such rights are independently classified as Net Asset Value by the currency in which the price of exercise is denominated.

The amendment is applicable since 1 January 2011 in retrospective way.

As at 20 July 2010 was published in official Gazzetta ufficiale dell'Unione Europea the Rule (UE) n. 632/2010 that introduces a revised version of the IAS 24 - Informative of the financial statement on the operations with correlated parts and modifies the IFRS 8 - Operational Segments.

The revised version of the IAS 24:

- it simplifies the obligations of informative on the correlated parts in the enterprises in which a government corporate body is shareholder of control, manages a meaningful influence or the joined control;
- it removes some consequential application difficulties from the actual notion of correlated parts;
- it introduces a revised definition of correlated parts.

In reducing the requisite of informative anticipated for the enterprises in which there is a shareholder represented by the State with a qualified investment, the revised version of the IAS 24 requires to furnish:

- the denomination of the government body that manages the control;
- the nature and the amount of each meaningful transaction;
- a qualitative or quantitative indication of the transactions that altogether results meaningful while singly took are not.

Besides, the revision of the contained definition of correlated parts in the revised version of the IAS 24 has:

- made symmetrical the application of the informative in the financial statements of the correlated subjects (i.e. if A and the related B for the financial statement of B, then also A must to be considered correlated part of A in the financial statement of A);
- clarified that the object of the informative of the correlated parts also concerns the concluded operations with the subsidiaries of connected and joint venture and not only with the subsidiary or with the joint venture;
- balanced the position of the physical persons to the companies for the individualization of the relationship of correlation;
- required as mandatory also the informative of the received appointments and granted to correlated parts.

The introduction of the revised version of the IAS 24 has modified the IFRS 8 - Operational segments with respect to the informative to be furnished in the notes to the financial statement budget about the dependence from the incomes from the greater clients when these are equal or superior to the 10% of the general incomes of the consolidated and referable to one or more groups whose control both of a government body (government agency, national or international local public body). For the informative in word, in fact, a group of an entity that the enterprise knows to belong to a common controlling subject has to be considered as an unique client. The modified disposition requires to value the degree of economic integration in the case in which the control of the clients belonging to one or more groups is referable to a government body.

The document will be applicable beginning from the financial statements of the fiscal year that begin on or after 1 January 2011.

As of 12 November 2009 the IASB has published the principle IFRS 9 - Financial Tools - on the classification and evaluation of the financial activities since 1 January 2013. This publication represents the first part of a trial for phases that has the purpose to entirely replace the IAS 39. The new principle uses an unique approach founded on the formalities of management of the financial tools and on the characteristics of the contractual cash flows of the financial activities to determine its criterion of evaluation replacing the different rules expected by the IAS 39. Therefore the new principle expects an unique method of determination of the losses of value for financial activities.

To the date of presentation of this Financial statement the competent organs of the European Union have not concluded the necessary process of homologation for its application.

As at 20 July 2010 was published on Gazzetta Ufficiale of the European Union the Rule (UE) n. 633/2010 that adopt some amendments at the IFRIC 14 – Pre-payments related to an estimate of least contribution. The change, that has a limited course, allows to enroll among the activities the minimal contributions plans mandatory for the pension plan when an enterprise anticipates the payments to satisfy such contributions.

The changes are applicable to the financial statements that begin on or after 1 January 2011.

As at 24 July 2010 was published on Gazzetta Ufficiale of the European Union the Rule (UE) n. 662/2010 that introduce the interpretation IFRIC 19 – Extinction of financial passivity with representative tools of capital. The aim of the document is to furnish orientations on the recording, from the debtor, of the representative tools of

capital issued for extinguishing entirely or partially a financial passivity following the renegotiation of the relative conditions.

The IFRIC 19 establishes that:

- the tools of net patrimony issued by the debtor are a component of the correspondent paid to extinguish the passivity and have to be measured to their fair value to the date of extinction of the passivity;
- in the cases in which the fair value of the tools of net patrimony cannot be reliably valued, the representative tools of capital have to be valued to the fair value of the extinct financial passivity;
- if the financial passivity is partially extinguished it is necessary to value the part of the correspondent paid and referable to a change of the conditions of the passivity;
- any difference among the value of load of the passivity and the value initially recognized to the tools of net patrimony and to enroll in the economic account of the debtor.

The interpretation is applicable prospectively beginning from the financial statements that begin since 1 July 2010. It's allowed the anticipated application.

As at 6 May 2010 the IASB has issued various amendments to the IFRS applicable since 1 January 2011. Here are reported only those that will behave a change in the presentation, recognition and evaluation of the financial statement items:

IFRS 3 – Business aggregations: the amendment clarifies that the components of commissions of pertinences of third parties that don't give right to the holders to receive a proportional quota of the net activities of the subsidiary have to be valued to the fair value or according to as required by the applicable international principles. Furthermore the Board has deepened the theme of the plans of payment founded on shares that are replaced within a business aggregation adding a specific guide to clarify its accounting treatment.

IFRS 7 – Financial tools: integrative information: the change emphasizes the interaction among the integrative information type qualitative and those type quantity required by the principle about the nature and the course of the inherent risks the financial tools. This should help the users of the financial statement to connect the introduced information and to constitute a general description about the nature and the course of the risks inherent to the financial tools.

Furthermore it has been eliminated the application of informative about the financial activities that have expired but that have been renegotiated or devalue and that related to the fair value of the collateral ones.

IAS 1 – Presentation of the financial statements: with the change is required that the reconciliation of the variations of each component of net patrimony is introduced in the notes or in the schemes of financial statement.

IAS 34 – Quarterly report: they have been inserted explanations about the additional information that must have introduced in the Quarterly Reports. To the date of presentation of this Financial statement the competent organs of the European Union have not concluded the necessary process of homologation for its application.

As at 7 October 2010 the IASB has published some amendments to the following principles:

IFRS 7 – Financial tools: Additional information, applicable for the fiscal period that will have beginning on or after 1 July 2011. The amendments have been issued with the intent to improve the understanding of the transactions of transfer of the financial activities, included the understanding of the possible consequential effects from any risk remained in head to the enterprise that has transferred such activities. Furthermore the amendments require more information in the case in which a disproportionate amount of such transactions is present at the end of the accounting period. To the date of presentation of this Financial statement the competent organs of the European Union have not concluded the necessary process of homologation for its application.

IFRS 1 – *First adoption of the International Financial Reporting Standards (IFRS)*, as at 20 December 2010 the IASB has issued a minor amendment to the IFRS 1 to eliminate the reference as at 1 January 2004 in it contained and described as date of transition to the IFRS and to furnish a guide on the presentation of the fiscal statement according to the IFRS after a period of hyperinflation. Such amendments will be applicable since 1 July 2011. To the date of presentation of this Financial statement the competent organs of the European Union have not concluded the necessary process of homologation for its application.

IAS 12 – *Income taxes*, as at 20 December 2010 the IASB has issued a minor amendment to the IAS 12 that requires to the enterprise to appraise the consequential deferred taxes from an activity in function of the way in which the accounting value of that activity will be recovered (through the continuous use or through the sale). Consequently to such amendment the SIC 21 - Income Taxes - The recovering of a non amortizable revalued activity is not applicable. Such amendments will be applicable since 1 July 2012. To the date of presentation of this Financial statement the competent organs of the European Union have not concluded the necessary process of homologation for its application.

Consolidation criteria

General standards

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries as at 31 December 2010. A company has control over another company when it has the power to determine the financial and operating policies of a company to such an extent that benefits are obtained from its activity.

For this reason have not been consolidated with the method of the global integration the subsidiaries Essedi Shop Italia Srl and CDC Pro. Srl, incorporated as at 31 December 2010 and for which the control by the Group is started on 1 January 2011.

The economic results of subsidiaries acquired, disposed of or extinguished during the year are included in the consolidated Income Statement from the actual date of acquisition until the effective date of transfer or winding-up.

If necessary, adjustments are made to the financial statements of the subsidiaries in order to align their adopted accounting standards with those adopted by the Group.

All significant intercompany transactions and the relevant balances are eliminated in the consolidation.

The quota of commission of the minority shareholders in the net activities of the consolidated subsidiaries is identified separately in comparison to the net patrimony of Group. Such commission is determined in base to the percentage from them held in the fair value of the activities and enrolled passivity as at the date of the original acquisition and in the variations of net patrimony after such dates.

Subsequent losses attributable to minority shareholders exceeding their share of equity are attributed to the Group's equity except in cases in which the minorities have a binding obligation and are able to make further investments to cover the losses.

Business combinations

The acquisition of subsidiaries is recognized according to the acquisition method. The acquisition cost is established as the sum of current values, as at the date of exchange, of the assets received, of liabilities incurred or assumed and the financial instruments issued by the Group in exchange for control of the acquired company, plus any costs directly attributable to the business combination.

The identifiable assets, liabilities and potential liabilities of the acquired company that meet the recognition requirements of IFRS 3 are recorded at their current values as at the date of acquisition, except for fixed assets (or discontinued groups) that are classified as held for sale in compliance with IFRS 5, which are recognized and measured at current values less costs to sell.

The goodwill deriving from the acquisition is recorded as an asset and initially measured at cost, represented by the surplus of the acquisition cost with respect to the Group share in the current value of identifiable recorded assets, liabilities and potential liabilities. If, after re-calculation of such values, the Group's share of the current value of identifiable assets, liabilities and potential liabilities exceeds the acquisition cost, the surplus is recognized directly to the Income Statement.

The goodwill included in the paid price for the companies Essedi Shop Italia Srl and CDC Pro. Srl are not been underlined separately on the consolidated financial statement 2010, in reason for the timing of acquisition of the societies themselves.

Minority interests in the acquired company are initially recognized as an amount equal to their share in the current value of any assets, liabilities and potential liabilities recognized.

On first-time application of IFRS, the Group decided to apply IFRS 3 retrospectively to company acquisitions with effect from 31 July 2002 (acquisition date of the equity investment in the subsidiary Computer Discount S.r.l.) allocating the fair value of the acquired elements backed by to the fairness opinion issued by a specially appointed independent expert in relation to specific asset items.

Measurement criteria for financial statement items

Intangible fixed assets

Sales network and Internet portal acquisition

This category includes amounts paid by the Group to acquire directly-managed points of sale (Computer Discount, Armonia Computer and Test S.p.A. channels) as part of the business combinations operations accounted for with the acquisition method in compliance with IFRS 3 as specified above. Such activities are classified as intangible fixed assets with a defined useful life and therefore subject to amortization over a period from 5 to 10 years (according to the type of point of sale), considered as a reasonable period of time, bearing in mind the positioning of the individual stores and the acquired clientele. At year end, and every time there is an indication that the asset may have suffered an impairment loss, it is subjected to impairment testing.

Goodwill

Any goodwill deriving from the acquisition of a subsidiary represents the surplus of the acquisition cost compared with the Group share of the fair value of the identifiable assets, liabilities and potential liabilities of the subsidiary or the jointly-controlled entity as at the date of acquisition. Goodwill is initially recognized as an asset and valued at cost. Subsequently, it is measured at cost less any accumulated impairment losses.

Impairment is recognized directly to the Income Statement and is not restored at a later date.

In the case of disposal of a subsidiary or jointly-controlled entity, the amount of goodwill attributable to such entities is included in the calculation of the capital gains or losses on disposal.

Trademarks and patents

Trademarks with a definite life and patents are initially recognized at acquisition cost and are amortized on a straight-line basis according to their useful life, if this is considered to be represented by a period of 10 and 5 years, respectively.

Trademarks with an infinite life are initially recognized at cost and subsequently reduced only due to accumulated impairment. Annually, or more frequently if specific events or changes in circumstances indicate that they may have suffered impairment, the value of the trademark is subjected to impairment testing, according to the provisions of IAS 36 (Impairment of Assets).

Research and development costs

Research costs are recognized to the Income Statement in the period in which they are incurred.

Acquired or internally-generated intangible fixed assets deriving from new Group product development (mainly software) are recognized as assets only if all of the following conditions are respected:

- the asset can be identified (for example, software or new processes);
- it is likely that the created asset will generate future economic benefits;
- the asset's development costs can be reliably calculated.

Such intangible fixed assets are amortized on a straight-line basis throughout their related useful lives, i.e. three years.

When internally-generated assets cannot be recorded in the financial statements, development costs are recognized to the Income Statement for the financial year in which they are incurred.

Other intangible fixed asset

Other intangible fixed assets acquired or produced internally are recorded under assets, in accordance with the provisions of IAS 38 – Intangible fixed assets, when it is likely that use of the assets will generate future economic benefits and when the cost of the asset can be reliably calculated.

Such assets are valued at purchase or production cost and are amortized on a straight-line basis over their estimated useful life.

Tangible fixed assets

Property, plant, equipment and other assets

Property, plant, equipment and other assets utilized for the production or supply of goods and services or for administrative purposes, are recorded in the financial statements at purchase or production cost. The cost includes additional charges and direct and indirect costs for the quota that can reasonably be attributed to the asset. Fixed assets are depreciated in each financial year on a straight-line basis according to the depreciation rates shown in the relative section in the notes on assets.

The depreciation criterion applied to an asset is reviewed at the end of each year and, in the event of significant changes in the future economic benefits generated by an asset, the criterion is modified to reflect this change. The change is recognized as a change in the estimated book value according to the provisions of IAS 8.

Land is not depreciated.

Assets held under financial leases are depreciated on the basis of their estimated useful life in the same way as owned assets or, if lower, on the basis of the lease maturity dates.

Routine maintenance costs are fully recognized to the Income Statement. Maintenance costs resulting in an increase in value are recognized to the assets to which they refer and depreciated in relation to the remaining useful lives of those assets.

Profits and losses deriving from the sale or disposal of assets are calculated as the difference between the sale proceeds and the net book value and are recognized to the Income Statement for that year.

Real estate investments

Real estate investments, represented by real estate owned for rental purposes and/or for capital appreciation, are recognized at acquisition cost, net of cumulative depreciation as at the date of transfer of ownership and any accumulated impairment. After the transfer date, real estate investments are measured at fair value. Profits and losses deriving from changes in the fair value of the real estate investment are recognized to the Income Statement of the relevant financial year.

Leasing

Leasing contracts are classified as financial leases every time the terms of the contract are such that they essentially transfer all the risks and benefits of ownership to the lessee. All other leasing contracts are considered operating leases.

Assets covered by leases are recognized as Group assets at their fair value as at the date the contract is stipulated or, if lower, at the current value of the minimum lease instalments. The corresponding liability to the lessor is included under leasing liabilities in the Statement of Financial Position. Lease instalments are divided into capital and interest in order to achieve a constant interest rate on the outstanding liability. The interest on lease instalments is recognized directly to the Income Statement under financial charges.

Lease instalment costs deriving from operating leases are recorded on a straight-line basis according to the duration of the contract.

Impairment of tangible and intangible assets, excluding goodwill

At least once a year, usually on preparation of the financial statements, except where there have been previous indications of impairment, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there are specific indications of impairment loss. If such indications exist, the recoverable amount of such assets is estimated in order to calculate any write-downs. Where it is impossible to individually estimate the recoverable value of an asset, the Group estimates the recoverable value of the cash-generating unit to which the asset belongs.

Intangible fixed assets with an infinite useful life and intangible assets not yet available for use are checked annually, and if necessary are impairment tested to establish whether any write-downs must be made.

The recoverable amount is the fair value net of sale costs or value in use, whichever is higher. In calculating the value in use, estimated future cash flows are discounted at their current value using a rate that reflects the current market value of money and the specific risks of the asset (WACC).

If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be less than the related book value, it is reduced to its recoverable value. Impairment is recognized directly to the Income Statement unless the asset is represented by land or buildings other than real estate investments measured at revalued amounts, in which case the loss is recognized to the related revaluation reserve.

When there is no reason to maintain a write-down, the book value of the asset (or cash-generating unit) is increased to the new estimated recoverable value, but not higher than the net book value that the asset would have had if no write-down had been made. The write-back is recognized directly to the Income Statement unless the asset is measured at a revalued amount, in which case the value write-back is recognized to the revaluation reserve.

Investments in associated companies

An associate is a company over which the Group is able to exercise significant influence, but not control or joint control, through participation in decisions on the operational and financial policies of the investee company.

The economic results and the assets and liabilities of associated companies are recorded in the Consolidated Financial Statements using the equity method, except for assets or liabilities classified as held for sale.

Under this method, the equity investments in associated companies are recognized to the Statement of Financial Position, the carrying amount being increased or decreased as appropriate to detect the investor's share of changes occurring after the date of acquisition of the associate in equity, including gains and losses realized by the associated company. The losses of associated companies exceeding the Group's interest (including medium-long term interests which, essentially, are part of the Group's net investment in the associated company), are not recognized, unless the Group has undertaken an obligation to cover such losses. The surplus of the acquisition cost compared with the Group share of the current value of identifiable assets, liabilities and potential liabilities of the associated company as at the date of acquisition is recognized as goodwill. Goodwill is included in the book value of the investment and is subject to impairment testing. The lower value between the acquisition cost and the Group share of the fair value of identifiable assets, liabilities and potential liabilities of the associated company as at the date of acquisition is recognized to the Income Statement in the financial year of acquisition.

With reference to transactions between a Group companies and an associated company, unrealised profits and losses are eliminated at a rate equal to the Group's percentage interest in the associated company, except in the case where unrealized losses constitute evidence of impairment in the value of the transferred asset.

Other non-current financial assets

Investments in companies other than associated companies (generally with an ownership percentage of less than 20%) are valued at cost, adjusted for impairment.

Receivables included in long-term investments are recognised at their estimated realisable value.

Inventories

Inventories are valued at acquisition or production cost or net realizable value, whichever is lower. The cost includes direct materials and, where applicable, direct labor, production overheads and other costs incurred in bringing the inventories to their present location and condition. The cost is obtained using the FIFO (First In, First Out) method, calculated on a daily basis, which is substantially equivalent to the weighted average cost. The net realizable value represents the average price adopted for significant quantities in the last month/quarter of the period, centered on the inventory reference date. Obsolete or slow turnover inventories are written down in relation to their possible usage or realization, in compliance with a specific company procedure.

Trade receivables

Receivables are recorded at par value and reduced to the estimated realizable value through the recognition of specific provisions for write-downs. Such provisions are calculated on the basis of recovery valuations carried out by analyzing individual positions and of the overall level of risk of the total amount of receivables, taking into account existing guarantees and insurance cover.

Receivables due beyond one year, interest bearing or bearing interest at below market rate, and net of allocated provisions for write-downs, are discounted at market rates.

Factoring operations

The Group may dispose of its trade receivables via factoring operations. For factoring with-recourse operations, since neither the risk of non-payment nor liquidity risk is transferred, the related receivables remain on the Statement of Financial Position until collected from the transferred debtor. Advances received by the factor are recognized under payables to other lenders.

Assets classified as held for sale

Non-current assets are classified as held for sale if their value will be recovered mainly through a sale transaction rather than continuous use. This condition is met only if the sale is highly probable, and the asset is available for immediate sale as-is. To define a sale as highly probable, a plan for disposal of the asset (or group of assets) must be implemented by a suitable level of Management, and the actions for identifying a buyer and completing the plan must have been launched. Moreover, the asset (or group of assets) must be actively traded on the market and offered for sale at a reasonable price in relation to its current fair value. Completion of the sale must be expected within one year of the classification date, and the actions required for completing the disposal plan must show that it is unlikely that the plan will change significantly or be cancelled.

The company recognizes assets classified as held for sale at the lesser of their book value and their fair value, net of costs to sell.

Cash and cash equivalents

Cash and cash equivalents includes cash, current accounts, demand deposits and other short-term, highly liquid financial investments, that can be promptly converted into cash and are subject to insignificant risk of a change in value.

Own shares

Own shares are recognized as a reduction in equity. The book value of own shares and revenues deriving from any subsequent sales are shown as changes in equity.

Provisions for risks and charges

Provisions for risks and charges are allocated to cover losses and payables, of certain or probable existence, whose amount or date of occurrence were impossible to calculate at the end of the financial year. Allocations are shown on the Statement of Financial Position only when a legal or implicit contractual obligation exists that results in the use of resources capable of producing sufficient economic benefits to fulfill said obligation, and if a reliable estimate of the amount can be made. Where the effect is material, provisions are calculated by time discounting the estimated future cash flows at a rate estimated before tax that reflects the current market value of money and risks specific to the liability.

Employee Benefits

Employee Severance Indemnity

With the adoption of IFRS, Employee Severance Indemnity is considered a defined benefit obligation to be recognized according to IAS 19 (Employee Benefits) and, amongst other things, is based on the employees' length of service and on the remuneration received by the employee during a predetermined period of employment. Employee Severance Indemnity is calculated by independent actuaries according to the Projected Unit Credit Method.

Following amendments to the regulation of Employee Severance Indemnity Provisions implemented by Law no. 296 of 27 December 2006 ("2007 Finance Act") and subsequent implementing Decrees and Regulations, the accounting criteria applied to quotas of Employee Severance Indemnity accruing as at 31 December 2006 and those accruing from 1 January 2007 were modified starting from 2007, according to the provisions of IAS 19 and interpretations defined over the year by the relevant Italian authorities.

As a result of the reform of complementary pensions referred to in that decree, the shares of TFR accrued until 31 December 2006 will remain in the company setting up a defined benefit plan (an obligation for accrued benefits subject to actuarial valuation), while accruals from 1 January 2007 (with the exception of employees of companies with fewer than 50 employees), as a result of the choices made by employees, are allocated to a complementary pension fund or transferred to the INPS-managed pension fund by the company, classed as defined contribution plans (no longer subject to actuarial valuation) from the moment of the employee's decision.

Given that the Group includes companies with fewer than 50 employees, the actuarial valuation of payables for Employee Severance Indemnity is performed both according to defined benefit logic (for this type of company), and defined contribution logic (for companies with more than 50 employees).

The Group decided, both during first-time application of IFRS and in the financial years under full application of IFRS, to recognize all accumulated actuarial gains and losses. Costs relating to increases in the current value of the Employee Severance Indemnity obligation, deriving from the benefits' proximity to payment, are included in personnel costs.

Share – based payments

According to the provisions of IFRS 2 – Share-based payments – the overall amount of the current value of stock options as at the date of allocation is fully recognized to the Income Statement among personnel costs with a balancing entry directly recognized to equity if persons assigned the equity instruments receive shareholder rights at the time of allocation.

If a “vesting period” is envisaged in which certain conditions must occur so that those assigned the stock options may become rightful holders, the remuneration cost, calculated on the basis of the current value of the options at allocation date, is recognized under personnel costs on a straight-line basis over the period between the date of allocation and the vesting date, with balancing entry recognized directly to equity.

Changes in the current value of options subsequent to the date of allocation have no effect on the initial measurement.

Bank loans

Interest-bearing bank loans and overdrafts are initially recognized on the basis of amounts collected, net of transaction costs. This value is adjusted at a later date to take into account any difference between the initial cost and the reimbursement value throughout the duration of the loan using the amortized cost method. Loans are classified among current liabilities unless the Group has the unreserved right to defer settlement of the liability by at least twelve months after the reporting date.

Derivate financial instruments and accounting of hedging activities

As specifically envisaged in the related policy, the Group uses financial instruments exclusively in order to hedge exposure to exchange rate and interest rate risk.

Even though derivative transactions can be financially classified as hedging in compliance with IAS 39, the Group decided to classify these instruments as held for trading and not to apply hedge accounting.

Therefore, as a result of the accounting treatment adopted, the Group measures derivatives at fair value, adjusting their value with effects recognized to the Income Statement.

Trade payables

Trade payables are recognized at nominal value.

Criteria for conversion of foreign currency items

Receivables and payables originally expressed in foreign currency are converted into Euro at the exchange rates of the date on which the related transactions took place. Exchange rate differences realized when receivables are collected and payables in foreign currency are paid are recognized to the Income Statement.

Revenues and income, costs and charges relating to transactions in foreign currency are entered at the exchange rate in force on the date on which the relevant transaction is carried out.

At the end of the period, assets and liabilities expressed in foreign currency, except for fixed assets, are entered at the year-end spot exchange rate and the related exchange gains or losses are recognized to the Income Statement. If translation results in a net gain, this amount constitutes a reserve that cannot be distributed until it is actually realized.

Recognition of revenues

Sales of assets are recognized when the assets are delivered and the Group has transferred the risks and significant benefits connected to ownership of the assets to the purchaser.

Revenues for the provision of services are recognized at the time the services are performed. When the provision of services involves an obligation for the Group that extends to subsequent years, the revenues are recognized on the basis of the expected time curve for the accrual of costs underlying the obligations undertaken, according to the provisions of IAS 18.

Interest income is shown on an accrual basis, on the basis of the financed amount and the actual applicable rate of interest, which represents the rate that considers future revenues estimated throughout the expected

useful life of the financial asset to bring them to the book value of the asset itself.

Dividends are recorded when the shareholders' right to receive payment of them is established.

Public Contributions

Public contributions received for investments in plants are shown in the income statement throughout the period necessary to correlate them to the relevant costs and are deducted directly from the same.

Financial income

Financial income includes interest income on invested funds, income from exchange rate differences and income deriving from financial instruments, when not off-set within the sphere of hedging activities. Interest income is attributed to the income statement at the time it accrues, considering the actual yield.

Financial charges

Financial charges include interest expense on loans payable calculated using the effective interest method, exchange rate differences and the losses on derivative financial instruments. The share of interest of finance lease instalments is charged to the income statement using the effective interest method.

Taxes

Taxes for the financial year represent the sum of current payable and deferred taxes. The CDC Group opted for domestic tax consolidation in drawing up the yearly financial statements.

Income tax charges for the year are determined based on the current regulations in force. Income taxes are recorded in the income statement, with the exception of those regarding items which are directly deducted from or charged to equity, in the cases where the tax effect is recognized directly in equity. Deferred tax liabilities and prepaid taxes are determined on the basis of the temporary differences arising between the asset and liability items in the financial statements, and their corresponding values for tax purposes. Prepaid taxes on tax losses as well as temporary differences are recognized to the extent which it is probably that future taxable income will be available from which these may be recovered.

Tax assets and liabilities, both current and deferred, are off-set where a legal right to such off-setting exists. Deferred tax assets and liabilities are determined using the tax rates that are expected to be applicable during the years in which the temporary differences will be realized or settled.

Profit per share

Basic profit per share is calculated by dividing the profit or loss that can be attributed to the shareholders of the Parent Company by the weighted mean of ordinary shares outstanding during the period. The diluted profit per share is calculated by dividing the profit or loss that can be attributed to the shareholders of the Parent Company by the weighted mean of shares outstanding, taking into account the effects of all potential ordinary shares having a diluting effect (for example, stock option plans for employees).

Use of estimates

Drafting the financial statements and the relative notes in application of IFRS requires that management should make estimates and assumptions that have an effect on the values of the assets and liabilities in the financial statements and on the notes relating to potential assets and liabilities at the balance sheet date. The final results may be different from such estimates. Estimates are used to measure tangible and intangible fixed assets subject to impairment tests as described above and for recording provisions for bad debt, stock obsolescence, amortization and depreciation, write-downs to assets, employee benefits, and taxes. Estimates and assumptions are reviewed periodically and the effects of each change are reflected immediately in the income statement.

Relations with associated companies and related parties

Relations with associated companies and related companies are shown in the Report on Operations, referred to herein.

Report by Business Segment

Business segments

The business activities of the CDC Group and the relevant strategies, and the underlying activities linked to management control, are defined in terms of the “IT production and distribution” segment and the “internet service provider and portal” segment, which constitute the Group’s main segments.

The secondary segments consist of the various types of sales networks for the IT production and distribution sector, while no other segments are identified for the internet segment. In consideration of the type of products and purchasing and management policies, the IT production and distribution segment has significantly homogeneous management characteristics not attributable to specific activities otherwise separable, while particular characteristics exist with regard to commercial sale policies depending on the specific channels.

Primary segment: business area

	2010			2009		
	IT Distribution	Internet Area	Total	IT Distribution	Internet Area	Total
Revenue:						
Sales to third-parties	344,636	814	345,450	316,953	1,448	318,401
Inter-company sales	6,942	924	7,866	8,378	344	8,722
Intercompany write-offs	(6,942)	(924)	(7,866)	(8,378)	(344)	(8,722)
Total Group revenue	344,636	814	345,450	316,953	1,448	318,401
Operating result from normal activities	3,013	(74)	2,939	2,316	502	2,818
Result before taxes	735	(77)	658	1,100	498	1,598

Joint and financial costs are shown below per business segment

	2010			2009		
	IT Distribution	Internet Area	Total	IT Distribution	Internet Area	Total
Allocated overhead costs	(36,177)	(872)	(37,049)	(36,151)	(919)	(37,070)
Financial expenses	(4,132)	(2)	(4,134)	(2,461)	(3)	(2,464)

	2010			2009		
	IT Distribution	Internet Area	Total	IT Distribution	Internet Area	Total
Non current assets	31,876	400	32,276	21,385	419	21,803
Current assets	156,841	2,634	159,475	132,884	2,607	135,491
Total assets	188,717	3,034	191,751	154,269	3,025	157,294
Non current liabilities	17,386	113	17,499	17,439	128	17,566
Current liabilities	130,731	535	131,266	95,370	456	95,826
Total liabilities	148,117	648	148,765	112,809	583	113,392

Secondary segment: sales channel

	Revenues			Commercial network	
Commercial network (k€)	2010	2009	±	31-dec-10	31-dec-09
Distribution	237,181	215,818	21,363	42	38
Retail	97,850	94,050	3,800	393	344
Direct Sales	7,163	5,190	1,973		
Internet	814	1,448	(634)		
Other revenues	2,442	1,894	548		
Total	345,450	318,401	27,049	435	382

COMMENT ON BALANCE SHEET ITEMS

All figures shown in the statements and the comments contained in the report are shown in thousands of Euro (highlighted as K€) if not expressly indicated. The items contain a reference to the rows in the Balance Sheet, where applicable

NON CURRENT ASSETS

INTANGIBLE FIXED ASSETS (1)

The item Acquisition of sale nets and activities at value include the cost of purchase of the following sale nets and added value activity, noted for the differential with the attributable net patrimony to the legal entities and to the acquired firm branches:

- Armonia Computer company branch including a Cash & Carry purchased in 2002 , which has been fully amortised as at the balance sheet date;
- Test SpA company branch including 5 Cash & carry shops purchased in July 2004;
- SIS S.r.l.
- Tradesoft S.r.l.
- Computer Discount, including the network of Computer Discount points of sale purchased in 2002, of which 12 were operational as at 31 December 2010.

The purchase cost is subject to amortization, classified under the item amortization of intangible assets.

Sales network and internet portal

Description	Gross book value	Accumulated amortization as of 01-01-2010	2010 amortization	Accumulated amortization as of 31-12-2010	Residual value as of 31-12-2010
Armonia Computer	963	963	0	963	0
Test S.p.A.	2,435	1,320	244	1,564	871
SIS S.r.l.	428	0	0	0	428
Tradesoft	1630	0	0	0	1,630
Computer Discount	7,426	6,615	408	7,023	403

In addition to the amounts indicated above, the item also includes amounts associated with:

- 11 Computer Discount companies that are part of the Group's consolidation area and hold intangible fixed assets for shop acquisitions, with a useful life defined as a residual value of € 10 thousand. The amortization recorded in the financial year is equal to € 3 thousand;
- the sub-holding Computer Discount Srl, that holds intangible fixed assets for purchases of sales networks completely amortized during the fiscal year. The amortization recorded in the financial year is equal to €4 thousand.

The amortization calculated based on these amounts was included in line 7) "Amortization of intangible assets" of the income statement. In the year 2010 there was the transfer of the sale point of Cd Napoli 2 S.r.l., with a consequent devaluation of goodwill of approximately € 146 thousand; the Company, remained without operational activity, was wound up during the fiscal year.

Amortization of the sales network and the Internet portal relating to the Armonia company branch was carried out over five financial years, while amortization relating to the sales network of the Test S.p.A. company branch was calculated over ten years. The different amortization period is explained by the different forecasts for future economic results.

During the fiscal year the amortization has not been effected for the recognized goodwill on the subsidiaries SIS Srl and Tradesoft Srl, as the relative purchase is occurred with effect of control since the fourth quarter 2010

The transaction that generated the greatest value for the Computer Discount sales network was as follows: on 31 July 2002 the Parent Company CDC Point S.p.A. bought out from the Shareholders of the holding company CDC S.r.l. 100% of the share capital of Sofim S.r.l. now called Computer Discount S.r.l. unipersonal, a company which, as at 31 December 2010, controlled 13 points of sale affiliated to the Computer Discount chain of the CDC Group (all of which existed at the acquisition date in 2002). The difference attributed to the acquisition of the sales network and Internet portal (as per the assessment report), was calculated with respect to the shareholders' equity as at 31 July 2002. The initial value, equal to € 8,257 thousand, was reduced to € 807 thousand as a result of amortization charges and the write-downs relating to shops that ceased operation. This higher value is confirmed in the assessment report produced during the take-over phase and is amortized over 10 years starting from the purchase date, with the assumption that the benefits deriving from the integration of the points of sale will result in a consolidation of the market position and in greater control of the final points of sale for a significant period of time. This activity is monitored in order to check periodically if the assumptions that were at the basis of the paid price still exist.

In order to assess the recoverability of the residual value of the tangible and intangible assets (with both indefinite and definite useful life), at the end of the financial year, an impairment test was carried out.

In application of the methodology set forth in IAS 36, the Group identified the cash generating units which represent the small identifiable group of assets capable of generating considerably independent cash flows within the consolidated financial statements. The maximum level of aggregation of the *cash generating units* is represented by the primary segment, as set forth in IAS 14 – Segment Reporting.

The criterion used to determine the recoverable value is the value in use, calculated as the present value of future cash flows expected to be derived from the continuous use of the assets comprising the *cash generating unit* and the terminal value attributable to the same.

In order to determine the value in use, the CDC Group referred to the forecasts in the Business Plan 2011-2013 (approved by the Parent Company's Board of Directors on 15 November 2010, a summary of which has been sent to the Italian Stock Exchange and published on the company website www.cdc.it)

Moreover, terminal value was calculated by applying a growth rate (*g-rate*) of 0.5%.

The discounting rate used is the weighted average cost of capital, calculated on the average monthly indebtedness of 2010 and the related final cost, and on the cost of own capital calculated based on the specific beta. The discounting rate used was 5.36%. This is considered suitable also because the Group used a prudent, conservative three-year plan for the purposes of impairment testing.

The period on which have been evaluate the previsions for the execution of the test of impairment is equal to 5 years, in conformity with the recent indications Consob that requires - gives the moment of turbulence of the markets - to limit the expected period.

Till the fiscal year 2007, the temporal horizon used for the evaluation of the cash flows was of 10 years, however held by the Society a period of congruous time under the industrial profile.

Lastly, based on the indications provided in the Bank of Italy, CONSOB and ISVAP (Italian Supervisory Body for Private Insurance) joint document no. 2 of 6 February 2009, the CDC Group carried out a sensitivity analysis on the results of the test in relation to the changes in the underlying assumptions which affect the value in use of the *cash generating units*. An increase or decrease of one-half percentage point in relation to the WACC rate would not result in the need to record impairment.

For these reasons, in light of the results of the impairment test, it was not necessary to record any impairment losses in the income statement.

The item **trademarks** amounted to € 7,584 thousand (of which € 7,409 thousand considered as having an indefinite useful life). This item is composed mainly of the CDC trademark (approximately € 2,827 thousand) and the Computer Discount brand and its related forms (approximately € 4,582 thousand) purchased by the parent company CDC S.r.l. in 1999 for an original value of € 12,913 thousand.

On the basis of the analysis conducted on registered trademarks, trademarks with a value of € 7,409 thousand were identified, considered as having an indefinite useful life and therefore not amortized starting from 1 January 2004. These are mainly the CDC Point and Computer Discount trademarks representing the entire scope of company operations and are closely linked to the company itself since they represent its well-known name on the market.

This item also includes trademarks considered as having a definite useful life, with a net value as at 31 December 2010 amounting to € 236 thousand. These are amortized over 10 years and the accumulated amortization for the year amounts to € 63 thousand.

In order to assess the value of the CDC Point and Computer Discount trademarks considered as having an indefinite useful life, at the end of the financial year an impairment test was carried out. The value of the trademarks was determined using the Discounted Cash Flow method (DCF) and thus, identified as the present value of future cash flows.

As a control method, for the valuation of the CDC Point trademark, the expected differential sales margins, net of the related direct marketing costs and taxes, deriving from own brand products (CDC, Kraun and Inkdrops) and the same type of products sold under third party trademarks were used. The expected differential margins were based both on evidence from the last five years and on future forecasts.

For the valuation of the Computer Discount trademark, the differentials of operating profit, net of taxes, expected for the Computer Discount channel and the Amico channel. The expected differential margins were based both on evidence from the last five years and on future forecasts.

The valuation obtained by applying this method was mediated using the valuation obtained by applying the method regarding royalties contractually obtained and obtainable based on the franchising contracts entered into with the points of sale of the Computer Discount chain.

The expected differential margins and turnover relating to the cash generating units identified above derive from the forecasts in the CDC Group Business Plan 2011-2013 (approved by the Parent Company's Board of Directors on 15 November 2010, a summary of which has been sent to the Italian Stock Exchange and published on the company website www.cdc.it)

Moreover, terminal value was calculated by applying a growth rate (*g-rate*) of 1%.

The discounting rate used is the weighted average cost of capital, calculated on the average monthly indebtedness of 2010 and the related final cost, and on the cost of own capital calculated based on the specific beta. The discounting rate used was 5.36%. This is considered suitable also because the Group used a prudent, conservative three-year plan for the purposes of impairment testing.

Lastly, based on the indications provided in the Bank of Italy, CONSOB and ISVAP (Italian Supervisory Body for Private Insurance) joint document no. 2 of 6 February 2009, the CDC Group carried out a sensitivity analysis on the results of the test in relation to the changes in the underlying assumptions which affect the value in use of the *cash generating units*. An increase or decrease of one-half percentage point in relation to the WACC rate would not result in the need to record impairment.

For these reasons, in light of the results of the impairment test, it was not necessary to record any impairment losses in the income statement for the year.

Other intangible assets

Description	Gross book value	Accumulated amortization as of 01-01-2010	2010 amortization	Accumulated amortization as of 31-12-2010	residual value as of 31-12-2010
Patent rights	3,175	2,212	277	2,489	686
Changes during the year	724	0	0	0	724
Patent rights	3,899	2,212	277	2,489	1,410
Research and development	723	720	5	725	(2)
Changes during the year	21	(4)	0	(4)	25
Research and development	744	716	5	721	23
Plants and improvements costs	5	5	0	5	(0)
Changes during the year	1	1	0	1	0
Plants and improvements costs	6	6	0	6	(0)
Others	642	558	127	685	(43)
Changes during the year	6,214	(1)	0	(1)	6,215
Others	6,856	557	127	684	6,172
Intangible fixed assets under construction	235	0	0	0	235
Changes during the year	1,993	0	0	0	1,993
Intangible fixed assets under construction	2,228	0	0	0	2,228
Total of other intangible assets	13,733	3,491	409	3,901	9,833

Other intangible fixed assets amounted to € 9,833 thousand net of the relative accumulated amortization and mainly include:

- costs for proprietary software, industrial patent rights and internet sites for € 7,190 thousand, amortized during the financial year for € 2,988 thousand;
- development costs for € 654 thousand amortized during the period for € 632 thousand;
- other intangible assets for € 5,899 thousand amortized during the period for € 280 thousand;

The net investments effected in the fiscal year 2010 are mainly relative:

- to the operation of acquisition of Brands, Patents and Software from the company Gefa Srl equal to € 3,170 thousand, whose control is assumed by CDC as at the fourth quarter 2010;
- to the acquisition occurred as at 31 December 2010 of the branch of firm of the company Brain Technology related to the chain of shops with brand Essedi, for a value of € 2,650 thousand. The operational control of such business unit is occurred since 1 January 2011.

In reason of the assumption timing of the real control of the business units acquired during the fiscal year, for the year 2010 have not been appropriated the relative amortizations

Amortization for the period relating to the total of intangible fixed assets with a definite useful life, not considering the inherent write-downs of € 146 thousand, are shown in the income statement in the item amortization of intangible fixed assets for a total value of € 1,126 thousand.

Attachment 1 contains details of the movements which took place during the period.

TANGIBLE FIXED ASSETS (2)

Tangible fixed assets	31-dec-10	31-dec-09
Lands	754	754
Buildings	5,184	5,339
Real estate	0	0
Other tangible fixed assets out of which:	3,429	3,530
<i>Plants</i>	<i>1,195</i>	<i>1,600</i>
<i>Machinery</i>	<i>96</i>	<i>125</i>
<i>Others</i>	<i>2,137</i>	<i>1,805</i>
Total	9,367	9,623

(Net values of the amortization)

Details of the individual items of tangible fixed assets (Buildings, Plant, Equipment and other Tangible assets), relating to: gross recorded value, accumulated depreciation at the start and end of the financial year, additions, decreases, write-downs, depreciation and anything else required in the notes to the financial statements including the comparison with the previous financial year, are explained in detail in attachment 2 of these Notes.

The item **land**, amounting to € 754 thousand, refers to the historical cost of the land owned by the subsidiary Micronica S.p.A. where the automated warehouse is built. This item is not subject to depreciation. It is noted that, as required by the international accounting standards, upon first time adoption (1 January 2004) the value of the land was separated out from the book value of the buildings, in compliance with IAS 16. The item **buildings**, amounting to € 5,184 thousand, includes the residual value of the building belonging to Micronica S.p.A. where the Group's automated warehouse is located, for a total of € 4,559 thousand Lease expenses and renovation costs with a net value of € 618 thousand were also classified in this item.

Other tangible fixed assets amounted to € 3,429 thousand, and break down as shown in the table below.

Other tangible fixed assets	31-Dec-2010	31-Dec-2009
Plants and machinery	1,195	1,600
Industrial equipment	840	672
Electronic machines	1,046	893
Furniture, fittings and equipment	96	125
Vehicles	0	0
Signs	213	215
Other fixed assets	39	25
Current tangible fixed assets	0	0
Total	3,429	3,350

Plant and machinery include leased assets acquired for € 551 thousand, relating to plants in the automated warehouse of Micronica S.p.A. and plant and equipment mainly relating to the parent company for € 1,005 thousand.

Electronic office machinery, totaling € 1,046 thousand, refers to hardware owned by the Group for € 858 thousand, in addition to the server farm owned by subsidiary Interfree S.r.l., amounting to € 188 thousand.

Depreciation, shown in table below, was calculated on a straight-line basis using the rates indicated below and considered to be representative of the residual possibility of usage of the tangible assets.

The following rates were applied:

Buildings	3%
Light constructions	10%
Plant and machinery	15-30%
Industrial and commercial equipment	15%
Other assets:	
- Electronic office machinery	20%
- Motor vehicles	20-25%
- Mobile telephone	20%
- Advertising equipment/signs	15%
- Trade fair equipment	15%

Depreciation for the financial year referring to tangible fixed assets is shown in the Income Statement under "Depreciation of Tangible Fixed Assets" for a total value of € 2,022 thousand.

Attachment 2 provides details of the movements during the financial year.

Leased tangible fixed assets

In 2007, the subsidiary Micronica S.p.A. purchased, at the end of the lease, the automatic goods handling system acquired in 1999 for approximately € 72 (original value € 7,260 thousand.)

The value of the plant was treated in compliance with IAS 17.

Figures relating to the values reflected in the financial statements are given below:

Micronica S.p.a.

Description	Gross value	Accumulated fund value	Net book value	Future leasing rents due			Rents reported in the income statement
				within 1 year	within 5 years	more than 5 years	
Logistic system	7,260	7,260	-	-	-	-	-
Total	7,260	7,260	-	-	-	-	-

During the period 1995-2003, the company CDC Point S.p.A. entered into several leasing contracts for the purchase of plants, equipment and fittings for setting up some Cash & Carry shops. These contracts expired in 2008. The corresponding value was treated in compliance with IAS 17.

Figures relating to the values reflected in the financial statements are given below:

CDC Point S.p.a.

Description	Gross value	Accumulated fund value	Net book value	Future leasing rents due			Rents reported in the income statement
				within 1 year	within 5 years	more than 5 years	
Plants	173	173	-	-	-	-	-
Equipment and fittings	1,837	1,837	-	-	-	-	-
Total	2,010	2,010	-	-	-	-	-

LONG-TERM INVESTMENTS (3)

Equity investments in subsidiaries

All companies controlled directly and indirectly by the parent company have been consolidated using the global line-by-line method, except for the controller companies Essedi Shop Italia Srl and CDC PRO. Srl, whose control has been practiced by the Group beginning from 1 January 2011.

The *fair value* of those companies is reported in **Other financial assets and equity investments in other companies**.

The following list excludes CD Catania Srl, CD Roma Srl, CD Roma 2 Srl, CD Milano Srl, CD Milano 3 Srl, whose voluntary liquidation had been completed as at the date of preparation of the financial statements with subsequent cancellation from the Register of Companies.

Subsidiaries

Name of the subsidiary	Registered office	% of owned capital	% of exercisable voting right	Main activity
INTERFREE S.R.L.	Pontedera (PI)	100%	100%	Internet Service Provider
MICRONICA S.P.A.	Pontedera (PI)	100%	100%	Pc assembling and logistic activity
COMPUTER DISCOUNT S.R.L.	Pontedera (PI)	100%	100%	Shareholdings Management
S.I.S. S.R.L.	Pontedera (PI)	100%	100%	Amico Shop Management
TRADESOFT S.R.L.	Calcinaia (PI)	100%	100%	Design, development, software consulting
CDC PRO S.R.L. (**)	Pontedera (PI) (***)	100%	100%	Manufacturing, Assembling, installation, Mounting of IT products
ESSEDI SHOP ITALIA S.R.L.	Pontedera (PI) (***)	100%	100%	Franchising Shops Management
Directed by Computer Discount Srl				
C.V.M. SRL (*)	Bologna	100%	100%	Franchising Shops Management
CD BARI 2 SRL	Pontedera (PI)	100%	100%	Franchising Shops Management
CD CAGLIARI SRL (*)	Pontedera (PI)	100%	100%	Franchising Shops Management
CD FIRENZE SRL	Firenze	100%	100%	Franchising Shops Management
CD GENOVA SRL	Pontedera (PI)	100%	100%	Franchising Shops Management
CD MILANO CITY SRL	Pontedera (PI)	100%	100%	Franchising Shops Management
CD NAPOLI 2 SRL (*)	Pontedera (PI)	100%	100%	Franchising Shops Management
CD PALERMO SRL (*)	Pontedera (PI)	100%	100%	Franchising Shops Management
CD PISA SRL	Pisa	100%	100%	Franchising Shops Management
CD TORINO SRL (*)	Torino	100%	100%	Franchising Shops Management
SOLUZIONI INFORMATICHE SRL	Pontedera (PI)	100%	100%	Franchising Shops Management

(*) winding-up

(**) is so named from January 2011

(***) changed its registered office in January 2011

Other financial assets and equity investments in other companies equal to € 988 thousand can be broken down as follows:

- € 800 thousand for the share to 100% in the companies CDC Pro S.r.l. and Essedi Shop Italia S.r.l., incorporated within the operation of acquisition from Brain Technology SpA of the chain of computer shop with brand Essedi. The acquisition of such companies is occurred as at 31 December 2010, and the Group performs the control on such companies since the 1 January 2011: for this reason the two companies have not been consolidated with the method of the global integration;
- € 180 thousand in medium-long-term receivables composed mainly of guarantee deposits provided to third parties for property rental agreements (€ 105 thousand) and other guarantee deposits for € 75 thousand;
- € 8 thousand in equity investments as detailed below:
 - compulsory equity investment in the Conai consortium for approximately € 0.7 thousand;
 - equity investment in the Equal'it consortium for € 3 thousand;
 - equity investment in the C.C.A.P. consortium for production development for € 4 thousand.

DEFERRED TAX ASSETS (4)

Deferred tax assets, amounting to € 1,157 thousand, mainly relate to the following temporary differences:

- allocations to taxable provisions
- costs which are tax deductible over more than one financial year;
- effects of the valuations required by IAS (for example. IAS 17 and 19)
- consequential effects from the affiliation to the national fiscal consolidated.

Group companies recorded prepaid tax assets since the requirement of reasonable certainty of their recovery in future financial years is satisfied. During the year, deferred tax assets of € 322 thousand were recorded, and deferred tax assets of € 318 thousand were used.

The table below summarizes the reasons for prepayment/deferment of taxes for the period:

Description	Total	Provisions	(Employment)	Total	Provisions	(Employment)
Depreciation receivables fund allowance				125		(148)
Exchange evaluation differences			(29)	20		(29)
Consolidated fiscal loss remuneration transferred				30		
Micronica risk fund				7		
IAS rectification on Micronica Leasing						(49)
Risk fund				5		(48)
Brands amortizations		215				
Brands realignment			(341)			
TFR realignment			(26)	102		
Others			(61)	33		(44)
Total	(242)	215	(457)	4	322	(318)

The table below shows the breakdown of deferred tax assets:

Advanced taxes	31-Dec-10	31-Dec-09	⊞
Amortizations exceeding the tax rate	249	258	(9)
Shareholdings depreciation	568	591	(23)
Stock obsolescence fund	110	110	0
Legal disputes fund	15	58	(43)
Other funds	7	0	7
Other	208	136	72
Total	1,157	1,153	4

DEFERRED TAX LIABILITIES

Deferred tax liabilities, amounting to € 785 thousand, generally temporary differences arising in relation to the expected deductibility of costs (or deferred taxation of revenues) as regards the period of reference of such taxes, and mainly refer to:

- capital gains taxable over more than one financial year;
- costs which are tax deductible, but not recognized to the Income Statement (for example, amortization of trademarks with an infinite useful life)
- effects of valuations required by IAS (for example IAS 17, 36, and 19)

The table below shows the breakdown of deferred tax liabilities:

Deferred tax liabilities	31-Dec-10	31-Dec-09	Δ
IAS 36 brand evaluation	872	998	(126)
IAS 19 employee severance indemnities	(87)	0	(87)
Differences on exchange rates from evaluation	0	29	(29)
Other	0	0	0
Total	785	1,027	(242)

During the year, deferred tax assets of € 215 thousand were recorded, and deferred tax assets of € 457 thousand were used.

Within the amount of the use of passive deferred taxes, the value of € 341 thousand is derived by the use of reported deferred taxes to brands whose growing in future exercises in case of transfer of the marks appears extremely unlikely, for the strict identification among the brands and the same business activities.

CURRENT ASSETS

INVENTORIES (5)

Stocks	31-Dec-10	31-Dec-09	Δ
Electronic products	30,417	31,971	(1,554)
Travelling goods	5,833	2,715	3,117
<i>-obsolescence fund</i>	(426)	(602)	177
Electronic products at third parties	212	324	(113)
Total	36,037	34,409	1,628

Information regarding the breakdown of the accounting figure for the Group inventories measurement is provided below:

Description	FIFO value	market depreciation	inter-company elimination	Obsolescence fund	Total
IT Products	36,838	(168)	(207)	(426)	36,037

"Inventories" are primarily attributed to the Parent company CDC Point S.p.A. that contributes with € 33,746 thousand. The slight growth of the final inventories compared to 31 December 2009 is due to the expansion of

the volumes of the activity recorded in the exercise and to the amplification of the net of sale of the Cash & Carry that involves, at the same conditions, an expansion of the available inventories.

In any case, thanks to the implementation of the operational controls on the principal elements of the working capital, the rotation of the inventories remainders on the turnover is decreased in the fiscal year of about one day.

Inventories are stated net of the provision for obsolete products, which reflect their decrease in value due to slow rotation and obsolescence; for the Parent company, this provision amounts to € 250 thousand and the remaining € 176 thousand refers to allocations to cover the risk of obsolescence of products in the warehouses of Computer Discount S.r.l. subsidiaries.

As at 31 December 2010, the obsolescence provision was released for € 150 thousand due to the sale of previously written-down products.

The value of profit in stock originated from inventories resulting from intercompany transactions has remained essentially unchanged since 2009.

RECEIVABLES

Trade receivables (6)

Trade receivables derive from normal sales and provision of services to customers and are fully payable within twelve months. In compliance with company operating procedures, numerous receivables are also backed by personal and bank guarantees.

Receivables deriving from the main sales channels are also backed by specific insurance guarantees.

The provision for write-downs includes the provision for the IT distribution segment of € 645 thousand and uses for € 919 thousand for IT distribution and € 22 thousand for the Internet segment.

Credits towards customers	31-Dec-10	31-Dec-09	Δ
-IT Distribution	86,113	82.120	3,993
<i>Credit depreciation fund</i>	(2,440)	(2,736)	296
- Area Internet	259	462	(203)
<i>Credit depreciation fund</i>	(29)	(51)	23
Total	83,903	79,795	4,109

Receivables, mainly from Italian customers, increased by about € 4.1 million compared to the final figure of 2009: the slightly increase of the receivables value is mainly motivated by a turnover increase, balances by a slightly reduction in DSO as a result of credit policies deployed to preserve sales volumes.

In December 2009, the Group carried out a non-recourse receivables factoring transaction of credits.

In December 2009, the Group carried out a non-recourse receivables factoring transaction with regard to an important Italian customer, for an assigned par value of € 1,772 thousand.

Due from the parent company, non-consolidated subsidiaries and associated companies (7)

Toward the Parent Company CDC S.r.l. are reported credits for € 14,664 thousand, relative substantially to the credit matured following the authorization issued by the same company to maintain the indemnity of the CDC Point Spa from the consequential costs from the tributary contentious for the years 1995 - 2000 (for € 14,566 thousand) described at the point 9 "Fiscal risk".

There are no receivables due from associated companies.

Other receivables (8)

Other receivables, amounting to € 12,715 thousand are detailed as follows:

Other credits	31-Dec-10	31-Dec-09	Δ
Tax credits	570	1.226	(657)
Credits towards others	12,146	9,167	2,978
- out of which advances to suppliers	1,109	600	510
- out of which credit notes to receive	9,691	7.810	1.881
- insurance compensations to receive	11	20	(9)
- out of which others	618	656	(39)
- out of which credits towards social security institutes	717	82	635
Total	12,715	10,394	2,322

Tax receivables, amounting to € 570 thousand, mainly refer to receivables for IRAP (Regional Business Tax - € 108 thousand), VAT (€ 230 thousand), IRES (Corporation Tax - € 28 thousand), IRPEG (Personal Income Tax - € 43 thousand) and withholding tax on interest income and other tax receivables for € 186 thousand.

Other receivables, totaling € 12,146 thousand, approximately half of the figure as at 31 December 2009, largely refer to credit notes to be received relating mainly to the parent company CDC Point S.p.A. for bonuses from suppliers in the distribution segment (€ 9,664 thousand). The value of contributions certified from suppliers, still to be received as of the financial statements date, is increased much more than the increase of purchases volume, mostly due to careful management aiming to achieve prompt issue of supplier credit notes.

Advances to suppliers (€ 1,109 thousand) include advanced payment for supplies of goods and services.

Other receivables, amounting to € 618 thousand, mainly include prepayments for € 355 thousand.

The credits toward Social Security institutes are to attribute fundamentally to the prepayment disbursed by the firm to the employees for the Solidarity program, become compensable with the contributions to pay since the month of March 2011.

The total for "Other receivables", which does not include amounts collectable beyond 12 months, is collectable in full and therefore no value adjustments have been made.

Assets classified as held for sale

This item has a zero value as at 31 December 2010.

Current financial assets and Cash and cash equivalents (9)

Current assets	31-Dec-10	31-Dec-09	Δ
Current financial assets	0	0	0
Cash and cash equivalents	12,155	10,560	1,594
- out of which bank and post deposits	11,967	10,441	1,526
- out of which money and cash flow value	187	120	68
Total	12,155	10,560	1,594

Net Financial Position

Reference should be made to the Statement of Cash Flows for an analysis of changes in the net financial position in 2010.

Financial Status (k€)	31-Dec-10	31-Dec-09	Δ
Loans from financial institutions falling due within 12 months*	(22,775)	(6,668)	(16,107)
Cash	12,155	10,560	1,594
(Loans) Credits to factoring companies*	(476)	0	(476)
Short-term liquidity (borrowing)	(11,096)	3,892	(14,989)
Short-term fees and loans*	(7,698)	(8,000)	302
Loans from other lenders for lease-purchases of goods falling due after 12 months*	0	0	0
Short-term indebtedness towards others	(7,698)	(8,000)	302
Short-term net financial status	(18,794)	(4,108)	(14,687)
Loans from other lenders for lease-purchases falling due after 12 months	0	0	0
Medium-term loans from financial institutions	(13,442)	(13,078)	(364)
Medium-term financial status	(13,442)	(13,078)	(364)
Total net borrowing	(32,237)	(17,186)	(15,051)

*Financial debts due within 12 months detailed in consolidated balance sheet liabilities

The NPF results in growth of approximately € 15 million in comparison to that of 31 December 2009, primarily following the acquisitions of firms and activity completed in the fiscal year (for approximately € 9 million), over that for the increase of the capital of net income above commented. In the fiscal year 2010 own shares are been purchased for a value of approximately € 1 million.

The Net Financial Position is covered by the financing to middle term gotten by a pool of primary credit institutes, controlled by Unicredit, in December 2009 of the general value of € 21.5 million at 31 December 2010. To the same date the financing has been extinguished to regularly middle long term 2005 - 2010 controlled by MCC SpA.

The financing, that has the purpose to stabilize and to outline temporally in default way the structure of the sources of third parties covers the two third of the PFN at the end of the fiscal year.

EQUITY (10)

The movement of items making up shareholders' equity is shown in the attachment. Comments are provided below on the main Equity items and related changes:

Share capital

Share Capital as at 31 December 2010, fully subscribed and paid up, is composed of 12,263,992 ordinary shares with a par value of € 0,5 each, equal to € 6,132 thousand

Own shares

Own shares held in the portfolio as at 31 December 2010 amounted 859,434 for a value of € 4,732 thousand.

Changes during the period are set forth in the table below.

	Balance as of 31 December 2009	Purchases	Sales	Devaluation	Balance as of 31 December 2010
(k€)	3,704	1,028	-	-	4,732
Number	392,286	467,148	-	-	859,434

Own shares are directly recognized as a reduction in equity.

Legal reserve

The legal reserve, equal to € 1,226 thousand, is unchanged compared to the previous year.

Share premium reserve

The share premium reserve was set up in 2000 when the company was listed on the segment *Nuovo Mercato* and as at 31 December 2010 amounted to € 33,356 thousand, unchanged compared to 31 December 2009.

Other Reserves

The composition of Other Reserves is as follows:

	31-Dec-10	31-Dec-09	Δ
Extraordinary reserve	3,287	4,982	(1,695)
Restricted reserve	0	0	0
Stabilisation reserve	(10,614)	(11,496)	882
Stock option reserve	0	0	0
IFRS reserve	9,686	9,214	472
IFRS FTA reserve	(165)	(165)	0
Total of other reserves	2,194	2,535	(341)

The item, amounting to € 2,194 thousand, includes:

- extraordinary reserve for € 3,287 thousand: the extraordinary reserve for € 667 thousand, decreasing in the period to cover 2009 losses of the parent company for € 1,028 thousand, as per the shareholders' resolution of 28 April 2010;
- the consolidation reserve (€ 10,614 thousand) includes the effects of the following transactions on consolidated equity:
 - 2009 losses of the subsidiaries (Computer Discount S.r.l. and its subsidiaries for € 278 thousand after profit in stock netting);
 - 2009 profit of Micronica S.p.A. for € 503 thousand and Interfree S.r.l. for € 432 thousand;
 - gone out of the perimeter of consolidation of some subsidiaries companies that they brought negative reserves of consolidation (CD Web Srl for € 15 thousand and Polinet Srl for € 78 thousand);
 - entry in the perimeter of consolidation of some subsidiaries that have brought positive reserves of consolidation (S.I.S. Srl for € 45 thousand and Tradesoft Srl for € 88 thousand).

- the IFRS reserve equal to € 9,521 thousand deriving from adjustments made to comply with IAS. The effects deriving from 1 January 2004 were allocated to a special FTA (First Time Adoption) reserve.

Consolidated profit (losses)

This item the consolidated profit for the period.

Stock Option Plan

There are no outstanding stock option plans as at the financial statements date.

DEFERRED TAX LIABILITIES, PROVISIONS FOR RISKS AND CHARGES (11)

For a breakdown of **deferred tax liabilities**, reference should be made to the table in the section **Deferred tax assets**.

Provisions for risks and charges, amounting to € 273 thousand, include € 151 thousand for a dispute with employees, € 94 thousand for disputes with suppliers and customers; € 25 thousand for allocations to the provision for returns to take into account the negative effect of possible returns of products sold.

Allowances for risks and charges	31-Dec-09	Provisions	Employment	31-Dec-10
<i>Dispute risks reserve</i>	275	41	(71)	245
<i>Loan loss taxed</i>	0	3	0	3
<i>Product guarantee fund</i>	0	0	0	0
<i>Future risks reserve</i>	0	0	0	0
<i>Other reserves</i>	25	0	0	25
Total	300	44	(71)	273

Employee severance indemnity (12)

Law 296/06 did not involve any modification to employee severance indemnity accrued as at 31 December 2006, therefore remaining a *Defined Benefit Plan* with the subsequent need to carry out actuarial calculations as required by IAS 19.

As a result of the reform of complementary pensions referred to in that decree, the shares of TFR accrued until 31 December 2006 will remain in the company setting up a defined benefit plan (an obligation for accrued benefits subject to actuarial valuation), while accruals from 1 January 2007 (with the exception of employees of companies with fewer than 50 employees), as a result of the choices made by employees, are allocated to a complementary pension fund or transferred to the INPS-managed pension fund by the company, classed as defined contribution plans (no longer subject to actuarial valuation) from the moment of the employee's decision.

Given that the Group includes companies with fewer than 50 employees, the actuarial valuation of payables for Employee Severance Indemnity is performed according to both defined benefit logic (for this type of company and for employee severance indemnity allocated up to 31 December 2006 in companies with more than 50 employees), and defined contribution logic (for companies with more than 50 employees on employee severance indemnity accruing from 1 January 2007).

The balance as at 31 December 2010 is net of advances paid on employee severance indemnity and is the sum of employee severance indemnity provisions of all the consolidated companies.

Balance as of 31 December 2009	3,159
Allowance of the period	935
Employment in the period	(984)
IAS 19 application	(115)
Balance as of 31 December 2010	2,995

The parameters used for the actuarial estimate of employee severance indemnity are as follows:

Demographic assumptions:

Mortality	Survival Table RG48
Disability	INPS tables distinguished by age and gender
Minimum Retirement Age	Minimum requirements of Compulsory General Insurance
Advances of Employee Severance Indemnity	3%
Turnover	7.5%

Financial assumptions:

Annual discount rate	4.30%
Inflation rate	1.90%
Annual growth rate of employee sev. indemnity	2.93 %
Annual growth rate	Executives 2.5%
Wage (inclusive of Inflation)	Admin. staff/Managers 1.0%
	Manual workers 1.0%

Loans payable beyond 12 months (13)

This item amounted to € 13,442 thousand, is mainly related to the portion due beyond 12 months of the medium-term financing granted on 29 December 2009 for the notional amount of € 21.5 million, used as at the financial statements date for a notional € 13.5 million, and commented in greater detail under Loans below.

Trade payables (14)

Trade payables, equal to € 79,842 thousand, are mainly composed of Parent Company trade payables. The reduction in trade payables as compared to 31 December 2009, approximately € 8,5 million, derives from both the increase in purchase volumes and in turnover.

Debts for geographical area

(k€)	Italy	EU Countries	Extra U.e. Countries	Total
Debts towards suppliers	65,097	13,634	1,111	79,842
Total	65,097	13,634	1,111	79,842

The balance of trade receivables in USD was valued at the year-end exchange rate of €/ \$ 1,3362.

Due to parent companies (15)

The balance amounted to € 342 thousand, and refers to CDC Point S.p.A. payables due to the parent company CDC S.r.l., for taxes due under of the consolidated tax group Regulation , which CDC S.r.l is the consolidating company.

Other payables (16)

Other payables amounted to € 20,133 thousand and were composed mainly as follow:

Other loans and similar borrowings	31-Dec-10	31-Dec-09	Δ
Down Payments due	2	8	(6)
Tax liabilities	16,446	5,384	11,062
Loans from social security institutes	794	769	25
Other loans	2,892	3,658	(766)
- of which Amounts due to customers	626	1,429	(803)
- of which Amounts due to employees for wages and salaries, holidays and bonuses	962	764	198
- of which Contributions to directors for emoluments	7	1	6
- of which Loans for credit slips to be issued	663	183	480
- Of which Others	634	1,282	(647)
Total	20,133	9,819	10,314

Advances regard advances received from customers, specifically customers of the subsidiaries of Computer Discount S.r.l for € 2 thousand.

Tax payables, amounting to € 16,446 thousand, are composed of:

Tax liabilities	31-Dec-10	31-Dec-09	Δ
Withholding tax	495	441	54
Output VAT	2,558	4,813	(2,256)
Tax debts	13,338	129	13,209
Others	55	1	55
Total	16,446	5,384	11,062

The tributary debts are reported, primarily, to the definition of the VAT fiscal contentious for the years 1995-2000 effected in the month of June 2010 by the Parent Group, as better described to the point 9 of the management report.

Social Security payables, equal to € 794 thousand, refer to contributions paid by companies in the Group and by employees on wages and salaries relating to December 2010, amounts due for leave accrued but not taken, for leave of absence, national holidays and bonuses allocated during the financial year that will be paid after 31 December 2010, and to amounts due to complementary pension funds.

Other payables, amounting to € 2,892 thousand, mainly refer to payables to employees for bonuses and leave (€ 962 thousand), amounts due to customers (€ 626 thousand) for advances received and credit notes to be

issued (€ 663 thousand) and directors' fees for € 7 thousand relating to unpaid fees for the period. The residual amount, equal to € 634 thousand, mainly includes income and charges pertaining to a period before or after the time of recording in number and/or document form.

Loans (17)

Loans from banks and other lenders	31-Dec-10				31-Dec-09
	Total	Due date in years			
		within 1 year	From 1 to 5 years	more than 5 years	
Loans from financial institutions	22,775	22,775	0	0	6,787
Loans from other lenders	476	476	0	0	0
Medium-term financing	21,140	7,698	13,442	0	20,959
Total	44,391	30,949	13,442	0	27,746

Payables to other lenders relate to residual lease instalments to be paid on several instrumental assets of the Parent Company.

Medium-term loans refer to:

- An unsecured 5-year loan agreement between the parent company and the pool with MCC S.p.A. as lead bank for a notional amount of € 32 million, maturing on 29 December 2010 and stipulated on 29 December 2005. By virtue of the loan agreement, the Group has undertaken to provide the pool of lenders with specific information about the Group's financial situation and any corporate finance, not to grant collateral without authorization on its own assets for amounts over € 1 million, to restrict the distribution of dividends only to profits achieved during the year and to observe specific financial parameters relating to the ratios of net loans payable, gross operating margin, equity and financial charges at consolidated level, as defined in the loan agreement. These parameters are recorded with reference to 31 December of each year.

During the year, the company paid both six-monthly instalments due in 2010, totaling € 4,000 thousand each on the capital and therefore, as at 31 December 2010, the financing has been extinguished.

The nominal rate applied to the second half of the year was 2.23%, and the effective rate calculated according to the *amortized cost* method was approximately 2.65%.

All *covenants* provided in the loan agreement were complied with during 2010 and the incorporation operations and the activities performed during 2010 are been authorized by a pool of financing institutes.

- An unsecured loan agreement, concluded on 29 December 2009 between the Parent Company and a pool of major banks with Unicredit Corporate Banking S.p.A. as lead bank, for a notional amount of € 21.5 million, 4-year duration until 29 December 2013. The loan was granted for € 13.5 million on 30 December 2009 and the remaining € 8 million is for 12 months from the stipulation date. The amortization schedule provides a refund in 6 semi-annual instalments of constant capital starting on 30 June 2011 and ending on 29 December 2013. The early full or part repayment of the financing will be possible 18 months after the last grant against payment of a commission of 0.50% of capital repaid in advance. The funding is intended to support the financial needs of the group for normal business management activities in the period 2010-2013. Interest shall accrue on a six-monthly basis in arrears at a floating rate equal to the 6-month Euribor calculated at the beginning of each period of interest (half year), plus a spread varying according to the annual observance of certain EBITDA, net debt and net financial expense ratios. For the first half of

2010, the nominal interest rate applied is equal to 4.192%, for the second half of 2010 is equal to 4.235% and for the first half 2011 is equal to 4.191%.

Under the loan agreement, the Group is committed to providing the pool of lending banks with, among other things, specific information about the group's financial situation and any extraordinary transactions, not to grant real collateral without prior approval for amounts exceeding € 1 million, to limit distribution of dividends to the profits achieved for the year, to maintain stock exchange listing of the Parent company and to meet certain financial parameters relating to the net financial debt, EBITDA, equity and consolidated borrowing cost ratios, as defined in the loan agreement.

Such parameters are recorded with semester rolling reference; as at 30 June 2010 and 31 December 2010 the covenants have been respected, and the operations of incorporation and of activities effected in 2010 are authorized by the pool of financing institutes.

Loans are initially recognized on the basis of the collected amounts, net of the costs of the transaction. This value is later adjusted according to IAS 39, taking into account any difference between the initial cost and the reimbursement value throughout the duration of the loan using the effective interest rate method.

Reference should be made to the Statement of Cash Flows for a detailed analysis of changes in the financial position.

Liabilities associated with assets held for sale

This item has a zero value as at 31 December 2010.

COMMITMENTS AND RISKS

Guarantees

As at 31 December 2010 bank guarantees provided to third parties in the interest of the Group amounted to an overall value of € 2,029 thousand, relating to leasing contracts, supply contracts, and security deposits for tenders and open competitions. € 1,806 thousand are the responsibility of the parent CDC Point S.p.A. Their distribution by type is shown in the table below:

	As of 31 December 2010
Bank guarantee	742
Insurance guarantee	1,287
Other guarantees	-
Total	2,029

Tax litigation

As regards the status of the tax dispute, refer to paragraph 9 of the Management Report.

Other disputes

The Parent company CDC Point S.p.A. has ongoing disputes with certain customers affiliated with the Computer Discount chain that, in response to our collection requests have, also through their lawyers, made very general and spurious allegations. Injunctions against them have been served, and in some cases complaints/legal action for fraud and defamation following certain e-mail communications. The company's legal advisors are overseeing the disputes, in certain cases jointly with lawyers appointed by the factoring company.

The Company also has some ongoing in-court and out-of-court disputes with employees no longer working for the company who objected to their dismissal or who contested pay differentials.

All the disputes referred to above are at different stages in the ruling process, and the related risks have been assessed and reflected in specific risk provisions.

COMMENT ON INCOME STATEMENT ITEMS

All figures shown in the statements and the comments contained in the report are shown in thousands of Euro (highlighted as K€) if not expressly indicated. The items contain a reference to the rows in the Income Statement, where applicable.

Revenues (18)

Revenues	2010	2009	Δ
IT distribution activity	343,343	316,237	27,106
- of which sale of products	344,748	316,783	27,965
- of which service provision	247	305	(58)
- of which contributions to customers	(1,652)	(851)	(801)
Other revenues	1,293	716	577
- of which rents earned	222	39	183
- of which sundry refunds and recoveries	704	354	350
- of which capital gains from the transfer of tangible fixed assets	2	0	1
- Other profits	365	323	42
Internet Service Provider Activity	758	1,405	(647)
- of which net revenues from reverse charge and pra (primary access)	337	966	(629)
- of which sale of domains and other connectivity services	421	439	(18)
- of which service provision	0	0	0
Other profits	56	43	13
- of which rents earned	0	0	0
- of which sundry refunds and recoveries	56	43	13
- of which capital gains from the transfer of tangible fixed assets	0	0	0
- of which other profits	0	0	(0)
Total	345,450	318,401	27,049

As regards IT distribution, **revenues from the sale of products**, equal to € 334,748 thousand, are shown net of contributions and bonuses to customers, which amounted to € 1,652 thousand in 2010. The increase in revenues in all the main sales channels as more extensive commentary is available in the Management Report. Revenues were mainly achieved in Italy.

Revenues from provisions of services, which amounted to € 247 thousand, mainly refer to revenues deriving from technical assistance activities.

Sundry reimbursements and recoveries, equal to € 704 thousand, can be mainly attributed to insurance reimbursements obtained for thefts and damages incurred and the chargeback of costs.

OPERATING EXPENSES

Purchasing costs (19)

Costs of goods sold	2010	2009	Δ
Purchasing goods	303,874	267,073	36,801
Changes in inventory	(1,574)	7,784	(9,358)
Collateral charges of purchase	2,463	2,155	308
Total	304,763	277,013	27,750

The value of purchases is calculated net of discounts linked to the purchase target, and net of discounts to protect stock from reductions in selling prices for € 22,466 thousand, recognized by suppliers to the Parent company.

Net purchases decreased mainly due to the reduction in volumes, the decrease in the average purchase price and stock reduction related to the improvement in warehouse turnover.

Certain purchases were carried out in US Dollars and hence subject to exchange rate risk. Control and mitigation of foreign exchange risk policies are described below.

The increase in net inventories (€ 1.6 million in 2010) – as illustrated – highlights the careful control of working capital.

Costs for services (20)

Costs for services amounted to € 18,881 thousand and include:

Services costs	2010	2009	Δ
Transport and logistics costs	3,322	3,466	(144)
Maintenance and utilities	1,733	1,626	107
Contributions from suppliers for net marketing expenses	76	222	(146)
- Marketing costs			
- IT Distribution	2,833	3,336	(503)
- Internet	18	0	17
- Contributions from suppliers for advertising	(2,775)	(3,115)	340
Insurance premium	1,651	1,337	314
Technical, legal, administration and tax advisory services	1,393	1,627	(234)
Emoluments and reimbursements paid to Corporate Board	938	1,417	(479)
Lease and rental expenses	4,023	4,036	(13)
Bank Commissions	899	854	45
Retail management expenses	1,801	357	1,444
Other costs	3,046	2,794	252
Total	18,881	17,735	1,146

Transport and logistics costs show a slight decrease compared to 2009, following the actions addressed to improve the logistic processes realized during the financial year.

Maintenance and utilities increased by approximately 6% compared to 2009, above all due to the effect of the energies deriving from the expansion of the territorial net of the Cash&Carries.

Marketing expenses, net of contributions received from suppliers, mainly regard the parent company and decrease compared to the last year. The gross spending is reduced, in the effort to direct the resources only on selective actions, and in every case is increased the rate of coverage of the contributions received on the costs of the activities.

Insurance premiums are grown in non marginal measure, primarily with reference to the component of the costs for insurance of the credit, whose technical rates are grown on the market because of the generalizes deterioration of the quality of the commercial credit.

The **consulting fees** are reduced approximately of 14%, coherently to the politics of containment of the costs, and having mostly used the competences internal to the Group.

Emoluments paid to corporate officers, amounting to € 938 thousand, reflect the amounts resolved for the Boards of Directors and the amount envisaged for the Boards of Statutory Auditors. Note also that the directors of the parent company did not receive any fees from other companies in the Group. The reduction in these fees compared to 2009 can be attributed to the rationalization of the Group's company structure.

Lease expenses

This item, included in the cost of services, mainly refers to rents and charges for € 3,534 thousand and rental charges for € 488 thousand.

Bank fees and expenses

The costs of commissions are in line with those recorded in 2009, reflecting the increase in the cost of banking services recorded in the year.

The costs for sale points management, for € 1,801 thousand, express the variable costs of management of some Cash & Carry managed by partners with a formula of commissions on the volume of developed activity (for this typology of cost, during 2009, had been spent € 357 thousand: the difference is direct function of the increase of income produced by the structures of sale managed with the formula of the Cash&Carry Light).

Other costs for services, as for € 3,046 thousand, are primarily composed by travel costs and other personnel costs (about € 1,052 thousand), maintenance, cleaning and supervision (about € 403 thousand), temporary employment and coordinated and continued collaboration (about € 453 thousand), costs for commercial information and call center management (approximately € 382 thousand), canteen and restaurant tickets (for about € 300 thousand), audits (about € 146 thousand), costs for access to internet and other IT costs (about € 132 thousand), waste disposal costs (about € 40 thousand).

Personnel costs (21)

These costs can be broken down as follows:

Labour costs	2010	2009	Δ
Wages and Salaries	10,204	10,919	(715)
Social charges	3,322	3,529	(208)
Employee severance indemnities	743	664	79
Other labour costs	87	409	(322)
Total	14,354	15,521	(1,167)

It is noted that in 2009, compared to the current par value, the cost of employee severance indemnity was negatively influenced by the *curtailment* of € 187 thousand deriving from application of IAS 19, while in 2010 this effect was positive, for € 228 thousand.

The staff of the Group, with breakdown by business segment as at 31 December 2010, is illustrated below:

Employees*	31-Dec-2010	31-Dec-2009	Δ	Average employees 2010	Average employees 2009
IT Distribution	400	389	11	392.9	399.0
Managers	9	7	2	8.6	7.7
Supervisors	49	38	11	43.6	35.3
White-collars	275	281	(6)	275.8	289.9
Blue-collars	67	63	4	65.0	66.1
Internet Area	8	8	0	7.3	8.0
Managers	0	0	0	0.0	0.0
Supervisors	1	1	0	1.0	1.0
White-collars	7	7	0	6.3	7.0
TOTAL GROUP EMPLOYEES	408	397	11	400.2	407.0

* Also trainees are included

The decrease in personnel costs reflects the rationalization of the staff of the main companies within the Group, which from June 2009 began a one-year CIGS program of extended rotations for 150 employees of the Group. From the early months of 2009, an extraordinary leave usage plan for the entire Group's staff is in operation.

The program has been realized through a reduction of the working schedule of the employees.

Furthermore has been realized an extraordinary plan of use of previous holidays for the all the personnel of the Group.

Personnel costs include approximately € 87 thousand for non-recurring costs related to certain personnel layoffs, these non-recurring costs accounting for € 409 thousand in 2009.

During 2010, no mobility or similar procedures are in progress.

Other operating expenses (22)

Other operating costs amounted to € 704 thousand, referring to government concessions and corporate charges for € 116 thousand, taxes and sundry duties (advertising, registration, chamber of commerce, etc.) to € 386 thousand, losses on disposal of assets for € 13 thousand, donations and general services € 148 thousand and loan losses net of provision use € 41 thousand.

Amortization, depreciation, and write-downs (23)

Depreciation and write-downs amounted to € 3,808 thousand as at 31 December 2010, reducing by approximately 0.1% over the same period last year.

Amortization of **intangible assets** totaled € 1,126 thousand, while write-downs due to the disposal of Computer Discount points of sale totaled € 146 thousand.

Depreciation of **tangible assets** amounted to € 2,022 thousand, and mainly comprise generic and specific plants for € 909 thousand, equipment and machinery for € 287 thousand, electronic machinery for € 278 thousand, depreciation of buildings for € 198 thousand; furniture and fittings for € 44 thousand; advertising assets for €

76 thousand; server farms for € 103 thousand, costs for improvements to third party assets for € 84 thousand, and motor vehicles for € 12 thousand.

Capital gains/losses on realization of non-recurring assets (24)

They amount to € 39 thousand of net gains, and are primarily to attribute to the transfer of the sale point of the subsidiary CD Napoli 2 Srl, company subsequently wounded up, for € 49 thousand, to the net one of minus capital from alienation for €10 thousand.

Provisions and write-backs/write-downs of non-current assets (25)

These amounted to € 699 thousand, and include provisions for write-downs of loans of € 646 thousand, write-downs of tangible and intangible assets of € 12 thousand, and provisions for future risks of € 41 thousand.

Financial income and charges (26)

Financial income

Financial income	2010	2009	Δ
Income from equity disposals	0	0	0
Interests from banks	4	3	2
Interests from customers	425	324	101
Interests in securities	1	3	(2)
Exchange gains	1,357	813	544
Other financial income	66	101	(35)
Total	1,853	1,244	609

Exchange rate gains and losses are fully analyzed in the comments on financial charges.

Interest and other financial charges

Financial expense	2010	2009	Δ
Interests on debts with banks	1,674	1,261	413
Other interests payable	404	291	114
Option premiums	0	0	0
Losses on disposals	0	0	0
Other financial expenses	271	232	39
Exchange losses	1,784	680	1,104
Total	4,134	2,464	1,670

Interest expenses relating to loans from banks, equal to € 1,674 thousand, are mainly represented by bank interest expenses of € 819 thousand plus interest expenses on loans of € 855 thousand.

The data is affected, compared with the previous year, of the increase of the spreads applied by the financial institutes on the rates of reference, on short- and medium-long term, and by the growth of the average onerous indebtedness deriving from the activities of acquisition realized during the financial year, and from the financing of the working capital.

The exchange rate gain presents a net of € 427 thousand, compared to the net profit of € 133 thousand of the 2009. The use of non speculative tools of coverage of the risk change, as those used by the Group, don't allow

to absorb completely the risks/benefits of change in situation of variations potentially monotonic of the rates of change, as those verified in the first three quarters 2010.

Taxes for the period (27)

Taxes for the period include both taxes to be recorded on the tax returns and deferred and prepaid taxes. The table below breaks down the accrued tax payables, both for IRAP (Regional Business Tax) and IRES (Corporation Tax).

The taxes of period are positively affected, for approximately € 341 thousand, from the use of deferred taxes referred to brands whose emergency in future exercises in case of transfer of the brands themselves appears extremely unlikely, due to the strict identification among this brands and the same business activity.

Description	Company income tax	Regional tax on assets	Deferred tax liabilities/(assets)	Total
CDC Point S.p.A.	158	408	(85)	481
Interfree S.r.l.	0	6	(17)	(11)
Micronica S.p.A.	89	64	(6)	147
Computer Discount S.r.l. (Group)	1	0	0	1
Consolidation adjustments and other effects	0	0	(37)	(37)
Total	248	478	(145)	581

DISCLOSURE PURSUANT TO IFRS 7

Liquidity risk

The liquidity risk to which the Group is exposed is the risk that, due to the inability to locate funds to support operating and investment activities within the required time frames, the company will not be able to cover its payment commitments, resulting in a negative impact on the Income Statement if the company is forced to incur additional costs to cover its commitments or, as an extreme consequence, a situation of insolvency which places the company's operations at risk. The Group has adopted a series of policies and processes aimed at optimizing the management of financial resources, thereby reducing liquidity risk:

- Identification at strategic planning stage (three-year plan) of the target size of the key economic aggregates: working capital needs, equity and net financial position at Group level.
- Planning of short-term cash needs.
- Centralized management, under the control of the Group Treasury Department, of cash flows and the activities regarding location and use of short and medium-term financial resources, in order to guarantee the funding required and to minimize costs.
- Constant monitoring of debt performance at Group level and of several indicators representing the Group's solvency or its ability to repay its debts.
- Monitoring of credit lines granted by financial institutions by type in order to ensure the adequacy of the credit lines in relation to the Group's needs.

The table below sets forth the Group's financial obligations, by time frame of contractual expiry and with non-discounted values, considering the closest date on which payment may be requested.

Medium-term loans from banks include the quotas of interest estimated based on the last contractual interest rate applied:

(k€)	As of 31 December 2010			As of 31 December 2009		
	within one year	within two years	Longer	within one year	within two years	Longer
Loans from financial institutions within 12 months	(22,774)	-	-	(6,787)	-	-
Loans from financial institutions of medium/long-term (interests included)	(7,699)	(7,032)	(6,410)	(8,709)	(5,026)	(9,478)
Amounts due to factoring companies	(476)	-	-	(10)	-	-
Amounts due to other lenders for leases falling due	-	-	-	-	-	-
Agreements from differences	-	-	-	-	-	-
Agreements from rates	-	-	-	-	-	-
Trade payables and other liabilities	(114,605)	-	-	(80,941)	-	-
Total financial liability	(145,554)	(7,032)	(6,410)	(96,447)	(5,026)	(9,478)

The financial passivities at medium-long term are represented by the quotas with reimbursement programmed since 2011 of a financing of the notional amount of € 21.5 of Euro stipulated in December 2009 with a pool of banks coordinated by Unicredit S.p.A., used as at 31 December 2010 for the whole contractual amount. The financing expires on 29 December 2013 and the reimbursement is expected in six semestral installments to floating rate, the first one in expiration on 30 June 2011.

Exchange rate risk

Exposure to exchange rate risk derives from the impact of changes in foreign currency exchange rates (exclusively USD) on commitments and operations regarding supplies expressed in currencies other than the operating currency (EUR) concerning part of the products sold.

Therefore the Group is exposed to the risk that the settlement exchange rate of supplies expressed in foreign currency may differ from the listed exchange rate used to calculate the selling price of products purchased in foreign currency.

Exchange rate risk is managed, within the internal risk management procedures, using derivative contracts, which for 2010 were represented exclusively by forward exchange contracts, as required by company policy. The objectives of exchange rate risk management are as follows:

- Ensuring a hedging exchange rate in line with the listed rate used for pricing.
- Minimising risk hedging costs.
- Planning for foreign currency needs, ensuring the necessary funding.
- Monitoring the level of exposure to risk and planning the most suitable hedging policies.

In terms of the fair value measurement of exchange rate derivatives, this is calculated using valuation techniques generally adopted by market operators to determine the prices of financial instruments (cash flow analysis, generalized Black-Scholes, etc.); in particular, fair value for forward exchange contracts has been calculated considering the exchange rate and interest rates in both currencies as at the financial statements date.

As at 31 December 2010, the exposure to exchange rate risk was provided by the notional value of derivatives, valued in the table below at the contractual forward exchange rates and by the total of other assets and liabilities in foreign currency:

	As of 31 December 2010			As of 31 December 2009		
	Standard value	Positive fair value	Negative fair value	Standard value	Positive fair value	Negative fair value
<i>(k€)</i>						
Currency agreements						
<i>Currency acquisition or currency term</i>	2,298	26	(3)	2,750	96	-
<i>Currency Option</i>	-	-	-	-	-	-
Total	2,298	26	(3)	2,750	96	-

	As of 31 December 2010	As of 31 December 2009
<i>(k€)</i>		
Money asset		
<i>Net cash and cash equivalents</i>	55	533
<i>Accounts receivables and other accounts</i>	97	192
Total	55	533
Money liabilities		
<i>Banks debts</i>	-	-
<i>Trade payables and other liabilities</i>	(4,398)	(5,757)
Total	(4,398)	(5,757)

Sensitivity Analysis

Sensitivity analysis is performed on financial instruments subject to exchange rate risk at the date of drawing up of the financial statements. The underlying assumption of the analysis is a symmetrical variation of 10% in the EUR/USD exchange rate at the financial statements date. The pre-tax impact on the Income Statement and equity is shown in the table below:

	Euro amount	Currency amount	USD			
			+10%	-10%		
<i>(k€)</i>			Profit and loss account	Net assets	Profit and loss account	Net assets
Financial assets						
<i>Net cash and cash equivalents</i>	55	74	(5)	-	7	-
<i>Accounts receivables and other accounts</i>	97	130	(9)	-	11	-
Financial liabilities						
<i>Banks debts</i>	-	-	-	-	-	-
<i>Accounts receivables and other accounts</i>	4,398	5,877	400	-	(489)	-
<i>Derivative instrument on exchange rate</i>						
<i>Currency acquisition or currency term</i>	2,320	3,100	(211)	-	258	-
<i>Currency options</i>	-	-	-	-	-	-
Result before taxes			175	-	(213)	-

Interest rate risk

Interest rate risk is the risk that fluctuations in market rates lead to a negative impact on economic performance. The Group's risk management policy includes medium term planning of cash requirements broken down according to structural and cyclical requirements, quantification of the level of exposure to risk and fixed rate hedging of part of the exposure using derivatives (interest rate swaps). During 2010, in strength of the contractual obligations deriving from the financing agreement at medium term in expiration on 29 December 2013 and considering the expectations of a moderate increase of the rates of interest, the Group has stipulated with the financing banks to the same economic conditions, swap agreements with rates in the formula "amortizing forward start" for an notional amount of € 10,750 thousand with effectiveness since 1 January 2011 and with the same expiration of the financing:

(k€)	At 31 December 2010			At 31 December 2009		
	Standard value	Positive fair value	Negative fair value	Standard value	Positive fair value	Negative fair value
Contracts on interest rate						
Rates Swap contracts	10,750	-	(67)	-	-	-
Total	10,750	-	(67)	-	-	-

Sensitivity Analysis

Sensitivity analysis is performed on financial instruments subject to interest rate risk at the date of drawing up of the financial statements. The underlying assumptions of the analysis are:

- Symmetrical variation of 50bps at the re-fixing date of the internal rate of return for the loans.
- Symmetrical variation of 50bps in market rates for bank and postal deposits and other short-term loans from banks, assuming these remain constant over the following year.

The pre-tax impact on the Income Statement and equity is shown in the table below:

	Economic result		Net assets reserves	
	50 bps	-50 bps	50 bps	-50 bps
2010				
Bank debts payable of medium/long-term (short-term payable included)	(106)	106	-	-
Banks debts payable within 12 months	(116)	116	-	-
Bank and post deposits	60	(60)	-	-
Total	(162)	162	-	-
2009				
Bank debts payable of medium/long-term (short-term payable included)	(10)	10	-	-
Banks debts payable within 12 months	(34)	34	-	-
Bank and post deposits	52	(52)	-	-
Total	8	(8)	-	-

Credit Risk

Credit risk is the exposure to potential losses arising from counterparties' failure to meet their commitments.

In order to control this risk, the Company has implemented customer rating procedures, including the use of credit scoring and subsequent monitoring of expected cash flows, and makes systematic use of third party guarantors for their loans.

The Company's overall exposure to credit risk, gross of the bad debt provisions and guarantees held, amounted to € 86,372 thousand as at 31 December 2010, in line with the balance at 31 December 2009 of € 82,582 thousand.

The increase that is observed is referable substantially to two trends: commercial development toward cluster clients that operate in segments of market partially characterized by longer delays (2 days on annual average) and the national and international conjuncture that reports a general trend to the increase of delays and delays of payment, also and in above all in the IT segment; this trend that doesn't seem to produce greater defaults of the clients and real obstacles to contentious.

	As of 31 December 2010	As of 31 December 2009
Trade receivables	86,372	82,582

The balance by times of expiration results so composed:

	As of 31 December 2010		As of 31 December 2009	
	<i>Amount</i>	%	<i>Amount</i>	%
Total exposure	86,372	100%	82,582	100%
To be due	64,727	74.94%	61,664	74.67%
Overdue by (days)	21,645	25.06%	20,918	25.33%
0 - 30	1,735	2.01%	988	1.20%
31 - 60	1,863	2.16%	1,962	2.38%
61 - 90	5,628	6.52%	852	1.03%
91 - 120	1,265	1.46%	1,861	2.25%
Oltre 120	11,154	12.91%	15,255	18.47%

The overall exposure as at 31 December 2010 is therefore in line with that as at 31 December 2009, in terms of rotation on the turnaround, and in growth in absolute value.

Credit control policy, though with a view to risk containment, targeted support for commercial activities at a time of financial strain on the Group's customers.

Credit control policy, though with a view to risk containment, targeted support for commercial activities at a time of financial strain on the Group's customers.

In order to facilitate access to credit, in 2009 the Group made a set of financial services available to its customers, in direct support of business, ranging from funding specifically for rentals and leasing.

These credit facilities, easily accessible through the website www.cdcpoint.it are provided by leading national financial partners.

The increase in the absolute value of past due loans is almost entirely concentrated in the range beyond 120 days. The expired credits balance 2010, equal to € 21,645 thousand, substantially is in line with the same balance as at 31 December 2009, equal to € 20,918 thousand.

Credit restructuring and rescheduling agreements, bearing interest at market rates and usually backed by collateral, in accordance with company policy do not result in a shift of such loans from "past due" to "almost due".

In the face of overall exposure to commercial counterparty risk, the Company makes provisions for impairment losses on loans, in order to adjust the value of loans to their estimated realizable value which, given the short maturity and the average time of collection, is a reasonable approximation of their fair value.

Allocations to these provisions were made both to hedge collective positions, based on past experience and statistical data (macro-hedging), and to hedge individual positions, considered to be partially or fully uncollectible (micro-hedging).

During the period, the aggregate amount of the provision is broken down as follows between macro-hedging and micro-hedging:

Year	allowance account for "specific cover proposal " (a)	allowance account for "generic cover proposal " (b)	Total allowance account (c) = (a) + (b)
2009	2,294	493	2,787
2010	2,175	294	2,469

The marginal decline in the provision for credit risk hedging in 2010 is a result of:

- Problem loans have not experienced significant increases from 2006 onwards thus the closure of the positions held prior to that year can significantly reduce the corresponding balance;
- The recovery of some remarkable hindered positions not exclusively through actions of legal nature
- within the positions with obstacle, a remarkable part of the same are assisted from guarantees of third parties in strength of agreements pro-soluto and of insurance, that will be liquidated in the next financial year.
- A particularly meaningful trend in 2010, of positions that average don't correspond to default of the clients.

The balance and movements in these provisions for 2010 are shown in the table below, compared with 2009:

Year	Opening balance (a)	Use (b)	Allowance accounts (c)	Final balance (d) = (a) - (b) + (c)
2009	3,077	1,643	1,353	2,787
2010	2,787	964	646	2,469

The following table shows the balance of loans hedged from the provision for loan impairment losses, for the part relating to micro hedging, broken down by maturity:

Year	Total balance	<120 days	>120 days
2009	8,662	873	7,789
2010	9,860	1,067	8,793

To limit the risk of insolvency, the company uses insurance cover and/or bank and personal guarantees, according to provisions of the credit granting procedure.

In the case of insurance cover, the maximum exposure covered by the credit limit, gross of thresholds, deductibles, and percentages of risk for the company, amounted to € 35,477 thousand in 2010, a reduction of €

29,404 thousand compared to 2009. Other index that attests a smaller risk is that related to the fragmentation of the credit; in 2010 the exposure is distributed among 11.946 clients while in 2009 it was among 10.966 clients.

Furthermore it's reduced in 2010 the medium exposure for client.

The amount of guarantees is shown in the table below:

Year	Individual Guarantee	Bank guarantee
2009	15,767	5,151
2010	10,741	5,828

The increase in bank guarantees held as at 31 December 2010, compared to the end of the previous year, is attributable mainly to the company's option to increase its credit risk hedging through direct instruments, under an objective restriction of the market of insurance coverage due to the ongoing financial crisis.

There was no significant concentration of credit risk as at the financial statements date.

The maximum exposure to credit risk on other financial assets of the group, represented by bank and postal deposits and derivatives (the total value of which for the same counterparty is positive) is equal to the carrying value of these assets in the event insolvency of the counterparty.

In any event, it is noted that the counterparties are always leading national banks.

The amount of these assets is shown in the table below:

(k€)	As of 31 December 2010			As of 31 December 2009		
	within one year	within two years	Longer	within one year	within two years	Longer
Bank and post deposits	11,967	-	-	10,154	-	-
Agreements from differences	26	-	-	96	-	-
Agreements from rates	-	-	-	-	-	-
Total financial liability	11,993	0	0	10,250	0	0

ATTACHMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

The following attachments contain additional information to that shown in the Notes, of which they form an integral part.

- Statement of changes in consolidated intangible fixed assets (attachment 1),
- Statement of changes in consolidated tangible fixed assets (attachment 2),
- Statement of changes in equity investments in subsidiaries and other companies (attachment 3),
- Statement of changes in consolidated capitalized receivables (attachment 4),
- Reconciliation statement of profit for the year and equity of the Parent company CDC Point S.p.A. and the consolidated accounts (attachment 5),
- List of consolidated companies (attachment 6),
- Statement of shares owned by directors, statutory auditors and General Managers (attachment 7),
- Statement of fees paid to directors, statutory auditors and General Managers of CDC Point S.p.A. and its subsidiaries (attachment 8),
- Statement of earnings per share (attachment 9)
- Statement of fees for accounting auditing and other auditing services for 2010 (attachment 10)

Giuseppe Diomelli
Chairman of the Board of Directors

Attachment nr. 1

STATEMENT OF CHANGES IN INTANGIBLE FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2010 - 31/12/2010

(Amounts in thousands of Euro)

	Opening balance			Changes during the year							Closing balance			
	Net of reversal/losses original cost	Accumulated amortization	Book value as of 31/12/2009	Purchases	Adjustments to accumulated amortization	Disposals	Amortizations	Entry/out in the consolidation area		Reversal/losses	Net of reversal/losses original cost	Reversal/losses	Accumulated amortization	Book value as of 31/12/2010
								Original cost	Accumulated amortization					
Acquisition of sale chains and internet portal	8,455	(6,511)	1,944	2,057	0	0	(654)	0	0	0	10,512	0	(7,165)	3,347
Trademarks	13,087	(5,477)	7,612	35	0	0	(63)	1	(1)	0	13,123	0	(5,541)	7,584
Other intangible fixed assets	4,783	(3,498)	1,285	8,637	11	(11)	(409)	321	(1)	0	13.730	0	(3,897)	9,833
Total	26,325	(15,486)	10,841	10,729	11	(11)	(1,126)	322	(2)	0	37,365	0	(16,603)	20,765

Attachment nr.2

STATEMENT OF CHANGES IN TANGIBLE FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2010 - 31/12/2010

(Amounts in thousands of Euro)

	Opening balance				Entry/out in the consolidation area		Changes during the year						Closing balance			
	Net of reversal/losses original cost	reversal / losses	Accumulated amortization	Book value as of 31/12/2009	Original cost	Accumulated amortization	Purchases	Increase to accumulated amortization	Adjustments to accumulated amortization	Disposals	reversal / losses	Amortization	Net of reversal/losses original cost	reversal / losses	Accumulated amortization	Book value as of 31/12/2010
Buildings	754	0	0	754									754	0	0	754
Lands	10,591	0	(5,252)	5,339			133	0	51	(54)	0	(286)	10,670	0	(5,486)	5,184
Real estate investment	0	0	0	0			0	0	0	0	0	0	0	0	0	0
Other assets	32,699	0	(29,174)	3,529	150	(121)	1,636	0	273	(300)	0	(1,736)	34,190	0	(30,761)	3,429
Plant and machineries	15,613	0	(14,013)	1,600	11	(6)	547	0	156	(165)	0	(947)	16,005	0	(14,810)	1,195
Industrial and commercial equipment	7,280	0	(6,608)	672	5	(3)	440	0	7	(7)	0	(274)	7,718	0	(6,879)	840
Electronic machineries	6,051	0	(5,163)	892	49	(39)	525	0	30	(32)	0	(379)	6,596	0	(5,550)	1,046
Furniture	1,265	0	(1,140)	125	58	(58)	32	0	59	(75)	0	(44)	1,279	0	(1,183)	96
Vehicles	17	0	(17)	0			0	0	10	(10)	0	0	6	0	(6)	0
Signs	2,080	0	(1,866)	215			74	0	0	0	0	(76)	2,156	0	(1,944)	213
Other assets	392	0	(367)	25	27	(15)	18	0	11	(11)	0	(16)	429	0	(389)	39
Tangible fixed assets under construction	0	0	0	0			0	0	0	0	0	0	0	0	0	0
TOTAL	44,044	0	(34,426)	9,622	150	(121)	1,769	0	324	(354)	0	(2,022)	45,614		(36,247)	9,367

Attachment nr. 3

STATEMENT OF CHANGES IN FINANCIAL SUBSIDIARIES FIXED ASSETS AND IN OTHER ASSETS FOR THE PERIOD BETWEEN 01/01/2010 - 31/12/2010

EQUITY INVESTMENTS

(Amounts in thousands of Euro)

	Opening balance			Changes during the period			Closing balance		
	Net of reversal/losses original cost	Reversal/Assets coverage/losses	Book value as of 31/12/2009	Purchases	Decreases	Reversal/Assets coverage/losses	Net of reversal/losses original cost	Reversal/Assets coverage/losses	Book value as of 31/12/2010
<u>EQUITY INVESTMENTS</u>									
Equity investments in subsidiaries	0	0	0	800	0	0	800	0	800
Equity investments in other companies	8	0	8	0	0	0	8	0	8
	8	0	8	800	0	0	808	0	808

Attachment nr. 4

STATEMENT OF CHANGES IN FINANCIAL FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2010 - 31/12/2010

RECEIVABLES

(Amounts in thousands of Euro)

	Opening balance			Changes during the period		Closing balance		
	Net of reversal/losses original cost	Reversal/losses	Book value as of 31/12/2009	Increases	Decreases	Net of reversal/losses original cost	Reversal/losses	Book value as of 31/12/2010
SECURITY DEPOSITS								
Security deposits with other companies	180	0	180	18	(18)	180	0	180
Other medium/long term receivables	1	0	1	0	0	1	0	1
TOTAL	181	0	181	18	(18)	181	0	181

Attachment nr. 5

**RECONCILIATION BETWEEN THE PARENT COMPANY NET CURRENT INCOME AND SHAREHOLDERS' EQUITY
OTHER THAN CONSOLIDATED**

(Amounts in thousands of Euro)

	Net income for the period	Shareholder's Equity
CDC Point S.p.A. Financial Statements as of 31.12.2010	1,657	45,046
Land and buildings of Micronica S.p.A.	23	184
Discounting of the reserve for employee severance indemnities to present value	181	257
Adoption of financial method for goods acquired through finance leases from Micronica S.p.A.	(535)	(79)
Equity investments valuation in subsidiaries	(1,249)	(1,672)
Equity investments valuation in associated companies	0	(2,126)
Compy Superstore Capital gains	0	1,159
Other changes in consolidated equity by variations in the consolidation area	0	159
Income (loss) attributed to Shareholders' Equity	0	57
CDC Point S.p.A. Consolidated Financial Statements as of 31.12.2010	77	42,985

Attachment nr. 6

STATEMENT OF INVESTMENTS (according to and due to art. 2427 c.c.) as of 31 December 2010

(Amounts in thousands of Euro)

Name	Registered Office	Share capital	Shareholders' equity	2010 consolidated net result	% held	Load value as of 31/12/2010
CDC POINT S.P.A.	Pontedera (PI)	6,132	49,450	1,503		
INTERFREE S.R.L.	Pontedera (PI)	50	2,386	(56)	100%	3,278
MICRONICA S.P.A.	Pontedera (PI)	6,450	6,919	349	100%	6,546
COMPUTER DISCOUNT S.R.L.	Pontedera (PI)	63	569	(197)	100%	2,957
S.I.S. S.R.L.	Pontedera (PI)	10	71	54	100%	400 *
TRADESOFIT S.R.L.	Calcinaia (PI)	97	101	13	100%	1,630
CDC PRO S.R.L.	Pontedera (PI)	99	112	17	100%	100
ESSEDI SHOP ITALIA S.R.L.	Pontedera (PI)	100	235	38	100%	700
C.V.M. SRL	Bologna	26	31	(1)	100%	31 **
CD BARI 2 SRL	Pontedera (PI)	50	48	3	100%	48 **
CD CAGLIARI SRL	Pontedera (PI)	52	31	(2)	100%	31 **
CD CATANIA SRL	Pontedera (PI)	0	0	(98)	100%	0 **
CD FIRENZE SRL	Firenze	26	42	(72)	100%	42 **
CD GENOVA SRL	Pontedera (PI)	42	135	8	100%	135 **
CD MILANO 3 SRL	Pontedera (PI)	0	0	(88)	100%	0 **
CD MILANO CITY SRL	Pontedera (PI)	51	236	24	100%	236 **
CD MILANO SRL	Pontedera (PI)	0	0	(28)	100%	0 **
CD NAPOLI 2 SRL	Pontedera (PI)	52	67	(48)	100%	67 **
CD PALERMO SRL	Pontedera (PI)	26	23	(2)	100%	23 **
CD PISA SRL	Pisa	10	89	(11)	100%	89 **
CD ROMA 2 SRL	Pontedera (PI)	0	0	(179)	100%	0 **
CD ROMA SRL	Pontedera (PI)	0	0	(64)	100%	0 **
CD TORINO SRL	Torino	21	22	24	100%	22 **
SOLUZIONI INFORMATICHE SRL	Pontedera (PI)	52	196	(6)	100%	196 **

** load value related to Computer Discount S.r.l. The load values are shown net of any valuation allowances

* The load values are shown net of any valuation allowances

Allegato nr.7

SHARES IN CDC POINT S.P.A. AND ITS SUBSIDIARIES HELD BY DIRECTORS, AUDITORS AND GENERAL MANAGERS

First name and last name	Company	Number of shares directly held as of 31/12/09	Number of shares indirectly held as of 31/12/09	Number of shares directly acquired during the period	Number of shares indirectly acquired during the period	Number of shares directly sold during the period	Number of shares indirectly sold during the period	Number of shares indirectly held as of 31/12/10	Number of shares directly held as of 31/12/10
<u>BOARD OF DIRECTORS</u>									
GIUSEPPE DIOMEGLI	CDC Point S.p.A.	-	-	-	-	-	-	-	-
ENRICO DELL'ARTINO	CDC Point S.p.A.	-	-	-	-	-	-	-	-
ENRICO BARACHINI	CDC Point S.p.A.	-	-	-	-	-	-	-	-
ELENA CENDERELLI	CDC Point S.p.A.	-	-	-	-	-	-	-	-
EMILIO VITALE	CDC Point S.p.A.	-	-	-	-	-	-	-	-
<u>BOARD OF STATUTORY AUDITORS</u>									
ALBERTO LANG	CDC Point S.p.A.	-	-	-	-	-	-	-	-
DANIELA CARLI	CDC Point S.p.A.	-	-	-	-	-	-	-	-
LUCA CECCONI	CDC Point S.p.A.	-	-	-	-	-	-	-	-

Attachment nr.8

COMPENSATION TO DIRECTORS AND AUDITORS WITH STRATEGIC FUNCTIONS

First name and last name	Position	Period of appointment	Expiry of appointment	2010 emoluments related to the position with the financial statement responsibility	Benefits	Bonus and other incentives	Other remunerations
BOARD OF DIRECTORS							
GIUSEPPE DIOMELLI	President	From 01/01/10 to 31/12/10	Balance approval as of 2010	€ 183,283			
ENRICO DELL'ARTINO	Managing Director	From 01/01/10 to 31/12/10	Balance approval as of 2010	€ 309,238			
ENRICO BARACHINI	Independent member of the board	From 01/01/10 to 31/12/10	Balance approval as of 2010	€ 56,992			
ELENA CENDERELLI	Independent member of the board	From 01/01/10 to 31/12/10	Balance approval as of 2010	€ 50,808			
EMILIO VITALE	Independent member of the board	From 01/01/10 to 31/12/10	Balance approval as of 2010	€ 40,008			
BOARDS OF STATUTORY AUDITORS							
LANG ALBERTO	President	From 01/01/10 to 31/12/10	Balance approval as of 2010	€ 43,419			
CARLI DANIELA	Auditor	From 01/01/10 to 31/12/10	Balance approval as of 2010	€ 34,324			
LUCA CECCONI	Auditor	From 01/01/10 to 31/12/10	Balance approval as of 2010	€ 34,001			
MANAGEMENT WITH STRATEGIC FUNCTIONS (3 directors included)							€ 306,756



Attachment nr.9

STATEMENT OF EARNINGS PER SHARE

		31-Dec-10	31-Dec-09
Group consolidated result (amounts in thousands of Euro)	(A)	77	652
Weighted average of outstanding securities for common stock	(B)	12,263,992	12,263,992
Right of first refusal to apply	(C)	0	0
Total	(D)= B+C	12,263,992	12,263,992
Basic earnings per share result	A/B	0.006	0.053
Diluted earnings per share result	A/D	0.006	0.053

Attachment nr. 10

PROSPECT OF AMOUNTS DUE FOR AUDITOR SERVICES AND FOR OTHER DIFFERENT AUDITORS' SERVICES AS OF 31 DECEMBER 2010

according to and due to art. 149 duodecies paragraph 1

(Amounts in thousands of Euro)

Service type	Subject of service supply	Beneficiary	Remuneration
Auditors*	Mazars Spa	CDC Point Spa	131
	Mazars Spa	Parent company	14
Other services**	Mazars Spa	CDC Point Spa	1
	Mazars Spa	Parent company	1
TOTAL			147

**it includes the auditing of profit and loss account, of half-yearly financial report and of accounting*

*** it refers to the annual income tax declaration (Unico model) and to the annual income for individuals (770 model)*

Certification of the consolidated financial statement pursuant to article 154 *bis* of Legislation Decree 58/98

1. The undersigned Enrico Dell'Artino, in his capacity of Managing Director, and Stefano Zecchi, in his capacity of Manager in Charge for drafting the account books of CDC Point S.p.A., hereby bear witness, by taking into consideration also the provisions of article 154-*bis*, paragraphs 3 and 4 of Legislation Decree dated 24 February 1998 No. 58:
 - a. the suitability with respect to the characteristics of the Company and
 - b. the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statement for fiscal year 2010.

2. The evaluation of the suitability of the administrative and accounting procedures for the preparation of the consolidated financial statement at 31 December 2010 was based on an internationally recognized methodology related to the activities of collection, verification and implementation of administrative and accounting practices.

3. We further certify that:
 - a. the consolidated financial statement:
 - i. complies with the accounting books and records
 - ii. is prepared in accordance with applicable international accounting standards recognized in the European Community pursuant to EC Regulation No. 1606/2002 of the European Parliament and the Council dated 19 July 2002, and the provisions issued in implementation of article 9 of Legislative Decree No. 38/2005;
 - iii. is suitable to give a true and fair view of the shareholder's equity, and economic and financial position of the issuer and the companies as a whole included in the consolidation.
 - b. the annual report on operations includes a fair review of the development and operating results and the situation of the issuer and the companies as a whole included in the consolidation area, together with a description of the main risks and uncertainties to which the Group is exposed

14 March 2011

Enrico Dell'Artino
Managing Director

Stefano Zecchi
Manager in Charge

(The text is translated from the original signed in Italian)

CDC POINT S.p.A. STATUTORY AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2010

To the CDC POINT S.p.A. Assembly of Shareholders,

As is well known, control of the consolidated financial statement is referred to the bodies or subjects to whom is assigned by law the fiscal year's report and accounts of the Parent Company (article 41, paragraph 3, of Legislative Decree dated 9 April 1991, No. 127) which, in the case of companies listed in the Stock Exchange, is not the task of the Statutory Auditors (article 154 of Legislative Decree dated 24 February 1998, No. 58), but that of an independent Firm of Auditors (articles 155 and 156). Nevertheless, as is the tradition of the Company, the Statutory Auditors deem it appropriate to submit a brief report both for the duty of supervising on the compliance with the law and the Constitutive Act to which they are generally bound (Article 149), and in accordance with the principle for which the arguments and the documents submitted by the Directors to the Assembly are subject to review by the Statutory Auditors, and which consequently refer to the Assembly thereof on those most important.

The Board of Directors, in accordance with Legislative Decree dated 9 April 1991, No 127, drafted the consolidated financial statement at 31 December 2010, which coincides with the closure of the fiscal year of the Parent Company and the Subsidiary Companies. In connection with the consolidated area, we refer to the news and the reasons given in the Notes to the Accounts on which it has no importance.

The consolidated financial statement closed at 31 December 2010 is drafted in accordance with International Accounting Standards (IAS/IFRS) in force at the time of drafting the financial statement, issued by IASB, and approved by the European Commission and in accordance with the interpretations issued by IFRIC.

The Explanatory Notes explain exhaustively the methodologies used for drafting the document.



The consolidated financial statement shows a net profit total of € 77 thousand. The revenues amounted to € 345,450 thousand.

The independent Firm of Auditors, with which the Statutory Auditors were in contact, confirmed to us that it had ascertained the good order and correspondence of the shareholders' equity and of the Profit and Loss Account deriving from the consolidation with the resulting accounting of the Parent Company and the information sent by the Subsidiary Companies included in the consolidation thereof. There is consistency between the information and explanations in the Explanatory Notes and in the management report, and the contents of the consolidated financial statement.

For details that are more particular concerning the activities carried out by the Statutory Auditors on the Parent Company and the Subsidiary Companies, reference is made to the explanations in the report of the financial statement for the fiscal year of CDC Point S.p.A.

From the consolidated financial statement and its accompanying documents the Assembly must take into consideration only for information purposes, since it concerns an act which is not subject to approval.

Pontedera, 5 April 2010

THE STATUTORY AUDITORS
Mr. Alberto Lang
Mrs. Daniela Carli
Mr. Luca Cecconi

Report by the firm of Auditors pursuant to articles 14 and 16 of Legislative Decree dated 27 January 2010, No. 39

To the Shareholders
of CDC Point S.p.A.

1. We have audited the consolidated financial statements, consisting of the consolidated financial position, the consolidated Profit and Loss Account, the overall consolidated Profit and Loss Account, the prospectus of variations in the shareholders' equity, the consolidated cash flow statement and the related Explanatory Notes, of the CDC Point S.p.A. and its subsidiaries ("CDC Group") closed at 31 December 2010. Whereas liability for drafting the report of the financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and the provisions taken in implementation of art. 9, Legislative Decree No. 38/2005, lies with the Directors of CDC Point S.p.A., liability for the expressed professional opinion on the financial statement is based on our audit.
2. Our examination was conducted according to the principles and criteria for audits recommended by Consob. In accordance with the aforementioned principles and criteria, the audit was planned and performed to obtain every necessary element for ascertaining whether the consolidated financial statements are vitiated by considerable errors, and if, as a whole, it is reliable. An audit procedure includes examining, on the basis of sample checks, of the evidence elements supporting the balances and information contained in the financial statements and the assessment of the adequacy and accuracy of the accounting criteria used, and the reasonableness of the estimates made by the administrators. We deem that the performed work provides a reasonable basis for the expression of our professional opinion.
3. For the opinion relating on the consolidated financial statements of the previous fiscal year, for which the data are shown for comparative purposes, reference is made to our report issued on 29 March 2010.
4. In our opinion, the consolidated financial statements of the CDC Group at 31 December 2010 comply with the International Financial Reporting Standards as adopted by the European Union, and the provisions taken in implementation of art. 9, Legislative Decree No. 38/2005; it is therefore drafted clearly and presents a true and fair view of the financial position, the net profit and the cash flows of the CDC Group for the fiscal year closed on that date.

MAZARS SPA

No. 11, Via Fiume, – 50123 FLORENCE – I T A L Y
TEL: +39 055 27 19 601 - FAX: +39 055 27 19 602 - www.mazars.it

SPA – AUTHORISED SHARE CAPITAL €3,000,000.00 – SUBSCRIBED AND PAID UP €2,803,000.00 – LEGAL OFFICE: No. 35, C.SO DI PORTA VIGENTINA - 20122 MILAN

REA No. 1059307 – MILAN REGISTRY OF COMPANIES AND FISCAL CODE No. 01507630489 – VAT No. 05902570158 – AUTHORISED PURSUANT TO LAW 1966/39 – REGISTRY OF AUDITORS GU 60/1997

SPECIAL ROLL OF FIRMS OF AUDITORS WITH CONSOB AUTHORISATION No. 17,141 OF 26 JANUARY 2010

OFFICES IN ITALY: BOLOGNA - BRESCIA - FLORENCE - GENOA - MILAN - NAPLES - PADUA - PALERMO - ROME - TURIN



5. Whereas liability for drafting the report on management and the report on company governance, in compliance with the provisions of the rules and regulations of the law lies with the Directors of CDC Point S.p.A., liability for the expressed opinion on the consistency of the report on management and information under paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-*bis* of Legislative Decree No. 58/98, shown in the report on company governance and ownership structures, with the balance sheet, as required by law lies with us. To this end, we have performed the procedures required by Auditing Standard 001 issued by the National Council of the Association of Chartered Accountants and recommended by Consob. In our opinion, the report on management and the information under paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of art. 123-*bis* of Legislative Decree No. 58/98 shown in the report on company governance and ownership structures are consistent with the CDC Group consolidated financial statements at 31 December 2010.

Florence, 31 March 2011

Mazars S.p.A.

Raffaele Vanni
Shareholder – Chartered Auditor