

CDC GROUP



CONSOLIDATED HIGHLIGHTS AS AT 31 DECEMBER 2010

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Group highlights and general informations

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Consolidated highlights as at 31 December 2010

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1. HIGHLIGHTS

Economics			(k€)
2010	2009		2008
345,450	318,401	Net Revenues	375,387
6,747	7,522	EBITDA	11,004
2,939	2,818	EBIT	5,981
658	1,598	EBT	2,587
77	652	Net Result	365
77	652	Group Net Result	365
0.006	0.053	Basic earnings per share (€)	0.030
0.006	0.053	Diluted earnings per share (€)	0.030

Financials			
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 (Group and minority interest)	(43,250)
408	397	Employees (units at period-end)	422

2. CDC GROUP

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 society.

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 honour 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 products: **Premium** (high-end computer), **Cybermate** (professional products), **Next** (high quality computers with lower prices respect to brand products).

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 **X4-shop**) 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.

3. BOARD OF DIRECTORS AND AUDITORS

BOARD OF DIRECTORS

	Position	Expiry of appointment
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.

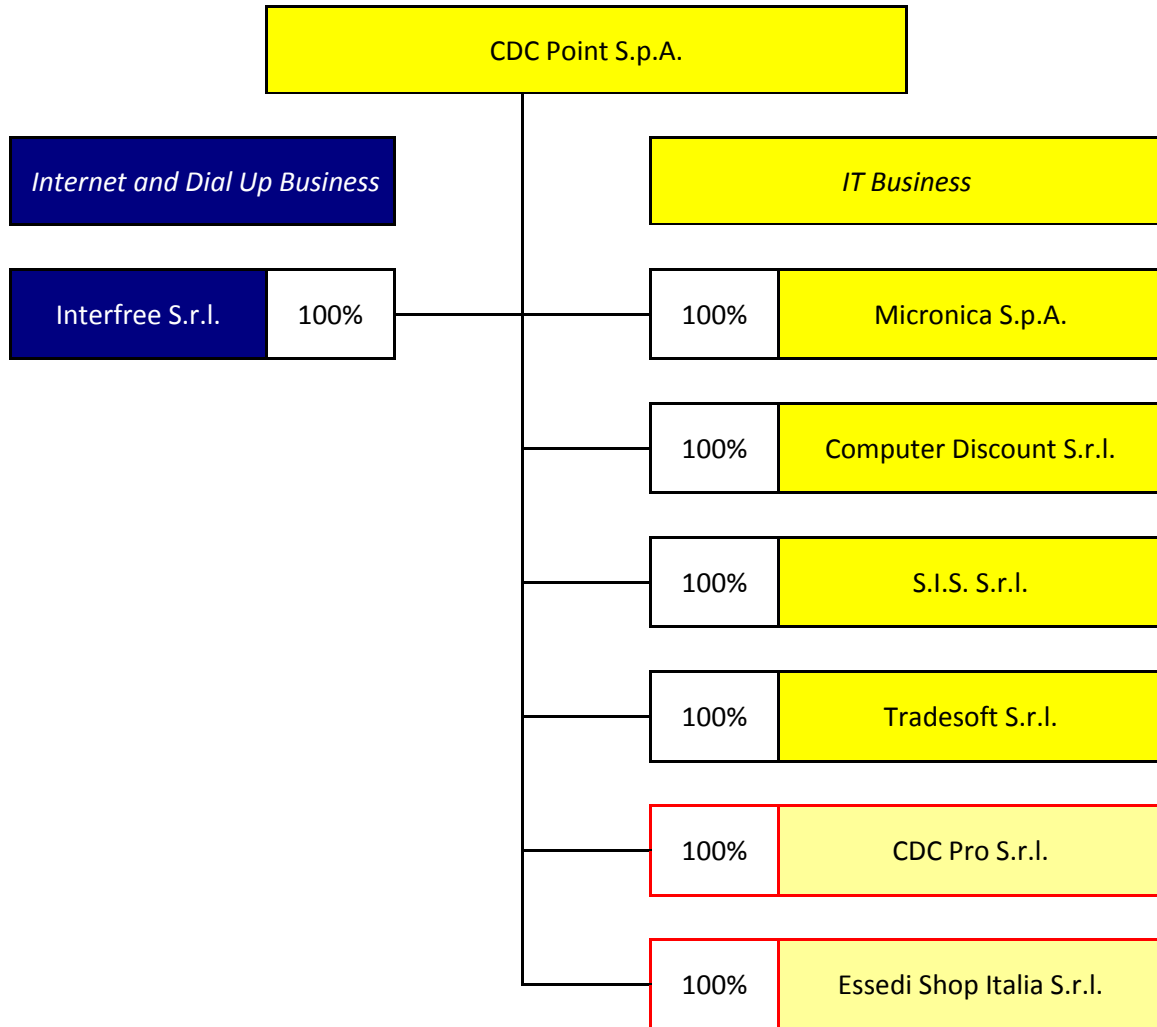
BOARDS OF STATUTORY AUDITORS

	Position	Expiry of appointment
Alberto Lang	President	Balance approval as of 2010
Daniela Carli	Auditor	Balance approval as of 2010
Luca Cecconi	Auditor	Balance approval as of 2010
Enzo Polidori	Auditor	Balance approval as of 2010
Rebecca Baldini	Auditor	Balance approval as of 2010

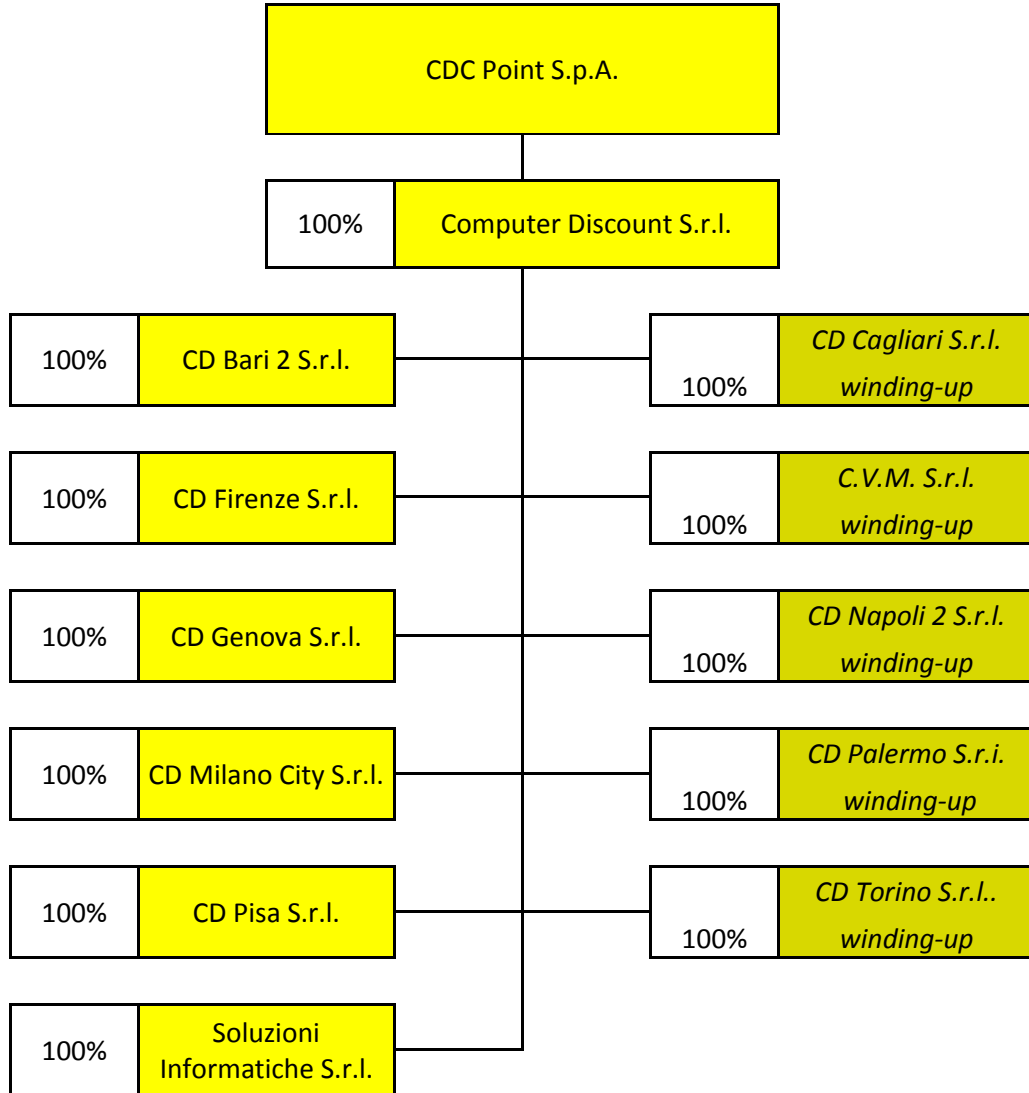
AUDITORS

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

4. GROUP STRUCTURE



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.



5. GROUP RESULTS

As of today the following financial data are under review by Mazars SpA, the audit company, which will provide certification report according to the law together with the Supervisory Board report

Income statement

Consolidated Income Statement (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.Cost of goods sold	(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%
EBITDA	6,747	1.95%	7,522	2.36%
7.Amortization	(1,126)	-0.33%	(1,022)	-0.32%
8.Depreciation	(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%
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	-	0.00%	-	0.00%
12.Financial income	1,853	0.54%	1,244	0.39%
13.Financial expenses	(4,134)	-1.20%	(2,464)	-0.77%
EBT FROM CONTINUING BUSINESS	658	0.19%	1,598	0.50%
14.Income taxes for the period	(581)	-0.17%	(946)	-0.30%
NET RESULT FROM CONTINUING BUSINESS	77	0.02%	652	0.20%
15.Net Result from discontinued business	-	0.00%	-	0.00%
NET RESULT	77	0.02%	652	0.20%
16.Income (loss) attributable to minority interest	-	0.00%	-	0.00%
NET GROUP RESULT	77	0.02%	652	0.20%

Consolidated balance sheet

Consolidated balance sheet	31-dic-10	31-dic-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
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
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
Financial fixed assets	988	189
Deferred tax assets	1,157	1,150
Total non-current assets	32,276	21,803
Current assets		
Inventories	36,037	34,409
Trade receivables	83,903	79,795
of which Related companies	1	14
Accounts receivable due from parent companies and associated companies	18,856	333
of which Related companies	0	0
Other accounts receivable	12,715	10,394
Current financial assets	0	(0)
Net cash and cash equivalents	12,155	10,560
Assets held for sale	0	0
Total current assets	163,666	135,491
TOTAL ASSETS	195,942	157,294

Consolidated balance sheet	31-dic-10	31-dic-09
<i>(Reclassified as current and non-current assets and liabilities)</i>		
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
Total consolidated Shareholders' Equity	42,985	43,902
Non-current liabilities		
Deferred tax liabilities	786	1,028
Provisions for employee severance indemnities	2,995	3,159
Allowances for risks and charges	276	302
Financial payables falling due beyond next 12 months	13,442	13,078
Total non-current liabilities	17,499	17,566
Current liabilities		
Trade payables	79,842	71,330
<i>of which Related companies</i>	<i>11</i>	<i>81</i>
Accounts payable due from parent companies and associated companies	4,533	9
<i>of which Related companies</i>	<i>0</i>	<i>0</i>
Other accounts payable	20,133	9,819
Financial payables falling due within 12 months	30,949	14,668
Liabilities associated to assets held for sales	0	0
Total current liabilities	135,457	95,826
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	195,942	157,294



Consolidated financial report

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	(25,616)	6,155
(Increase) Decrease in inventories	(1,628)	7,783
Increase (Decrease) in payable and other short-term payables	23,778	(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

Operating Costs

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

Net Working Capital

Net Working Capital	31-dic-10	31-dic-09	Δ
Inventories	36,037	34,409	1,628
Trade receivables	83,903	79,795	4,109
Receivables from parent company	18,856	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	151,511	124,931	26,580
Trade payables	(79,842)	(71,329)	(8,513)
Other payables	(20,133)	(9,819)	(10,314)
Payables to parent company	(4,533)	(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	(104,508)	(81,157)	(23,350)
Net Working Capital	47,003	43,773	3,230

Consolidated net financial position

Net Financial Position (k€)	31-dic-10	31-dic-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)	(8,000)	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)

* Issues highlighted incorporate global financial amounts within 12 months, detailed in liabilities of balance sheet

Net consolidated investments

Net consolidated investments (k€)	31-dic-10	31-dic-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