

CDC GROUP



FINANCIAL STATEMENTS FOR **THE SIX-MONTH PERIOD ENDED** **ON JUNE 30, 2003**



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

BOARD OF DIRECTORS

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

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

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

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

Alessandro Barberis and Enrico Barachini are Independent Directors.

Enrico Barachini, as Chairman, and Claudio Andolfi are members of the Internal Audit Committee.

Alessandro Barberis, as Chairman, Enrico Barachini and Leonardo Pagni are members of the Remuneration Committee.

BOARD OF STATUTORY AUDITORS

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



BUSINESSES AND STRUCTURE OF THE CDC GROUP

BUSINESSES

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

Its retail distribution network – the largest in Italy in terms of sales and brand awareness – serves the consumer and SOHO segments with more than 550 outlets. The above outlets are organized into three distinct chains operating under the Computer Discount, Compy and Amico trademarks.

The Group also controls a network of 21 proprietary Cash & Carry outlets, to which, in September 2002, it added the 5 Cash & Carry stores operated by the subsidiary, Direct. These outlets distribute to over 25,000 specialist IT resellers. The IT distribution market for dealers and VARs is also served by the B2B e-commerce platform, www.cdcpoint.it.

As of 2001 CDC also serves the government, large-scale user and retail chain markets, via its Direct Sales division.

CDC is leader in the government market thanks to the award of the main supplies for the Italian Public Administration:

- November 2001. Agreement with Italia Lavoro for the IT education of the young people of Southern Italy, for a supply of about 60,000 personal computers;
- November 2002. Consip S.p.A. tender to supply PCs to central and local government entities, with a worth of over € 30 million;
- June 2003. Consip S.p.A. tender to supply PCs to central and local government entities, with a worth of over € 16 million.

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

GROUP STRUCTURE

CDC Point S.p.A.

Registered Office: Via Tosco Romagnola, 61 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01250630504

Parent Company and Operating holding company

- Business: sale of IT products

Micronica S.p.A.



Registered Office: Via Calabria, 1 GELLO - PONTEDERA (PI)

Member of the Chamber of Commerce of Pisa number 01144430509

Wholly owned

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

Cd Consulting S.r.l.

Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01341600508

Wholly owned

- Business: consultancy and assistance in the fields of management control, data processing, financial management, etc.

Cd Web S.r.l.

Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01515060505

Wholly owned

- Business: e-commerce

Polinet S.r.l.

Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01515070504

Wholly owned

- Business: real estate

Interfree S.r.l.

Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01499020509

Wholly owned

- Business: Internet Service Provider

Direct S.r.l.

Registered Office: Via Mazzini, 74 56025 PONTEDERA (PI)

Member of the Chamber of Commerce of Pisa number 01459540504

99% owned

- Business: distribution of IT products

Mactronics Technology S.r.l.

Registered Office: Via Tosco-Romagnola, 61 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01622090502

60% owned

- Business: design and marketing of storage systems

Computer Discount S.r.l.

Registered Office: Via Mazzini, 74 56025 PONTEDERA (PI)

Member of the Chamber of Commerce of Pisa number 01125180503

Wholly owned

- Business: holding company. The company holds equity in specialist IT retail outlets, affiliated to Computer Discount





USEFUL INFORMATION

CDC Point S.p.A.

CDC Point S.p.A.

Via Tosco Romagnola 61

56012 Fornacette (PI)

Registered in the Companies' Registry of Pisa number 01250630504

Tel: +39 0587 2882

Fax: +39 0587 288514

Investor relations

investorrelations@cdcpoint.it

Internet Address

<http://www.cdc.it>

<http://www.interfree.it>





REPORT ON OPERATIONS

1. Consolidated performance report

To our shareholders,

The first 6 months of operations for 2003 were characterized by unfavorable market trends, in terms of both overall consumption and demand for IT products.

The market for Information technology ("IT") products in Italy continued to witness the declining demand that had been under way since the 2002.

In particular, according to Sirmi, a market research firm, during the first half of 2003 the Italian market of personal computers (Pc desktops, notebooks, servers and workstations), which historically have accounted for more than 50% of your company's revenues, fell by 4.1% in terms of volume and by 9.7% in value (Source Sirmi, August 2003).

Despite this scenario, your company registered a positive first six-month period 2003, with consolidated revenues of over € 270 million, growing over 10% compared with the same period of 2002, and improving the main profit indexes. The consolidated income before taxes rose up to 5,686 thousand, in line with the target of the business plan of the Group produced in 2002, compared to € 532 thousand of the first half of 2002.

During the first half of 2003, your company pursued and achieved the following strategic goals.

1. Growth of revenues in the core business of production and distribution of IT

During the period under review, the CDC Group earned consolidated revenues of € 270,289 thousand, compared to € 243,813 thousand in the first half of 2002 (+10.8%).

The consolidated revenues derived for € 264,250 thousand (98% of total sales) from the core business of production and distribution of IT, that rose by over 9% in the first half of 2003, compared to the decrease of 9.7% of Italian Pc market (Source Sirmi, July 2003).

This positive performance of revenues was achieved thanks to:

- i. **growth of revenues of Direct sales division**, which operates in the government and public sector and large accounts markets, from € 2,980 thousand in the first half of 2002 to € 43,341 thousand in the period under review;
- ii. **consolidation of the distribution division**, by Cash & Carry and B2B channels, with revenues equal to about € 122 million (45% of consolidated revenues) in the period under review, in line with the revenues of the first half of 2002;
- iii. **reduction by about 20% of the revenues of Computer Discount chain**, amounting to € 73,624 thousand (27% of consolidated revenues) in the period under review. This result was due to:
 - (a) fall of retail market – computer shop format – in the first half of 2003;
 - (b) absence of revenues for over € 10 million achieved, in the first half of 2002, from the Italia Lavoro agreement (IT education program of young people of Southern Italy, which involved the main outlets of Computer Discount network there located).

As a result CDC achieved a growth of its market share. In particular, in the PC Desktop segment, the CDC market share rose from 9.5% in the first half 2002 to 12.3% in the period under review (source Sirmi, units, July 2003), confirming CDC as the first Italian producer of PC Desktop, after HP-Compaq.

2. Growth of core business profitability

Despite the competitive pressure caused by the downturn of the market, with many competitors which had to face economic and financial trouble, CDC continued to increase the operating profit of the IT core business, already achieved during 2002 by leveraging on two main directions:

- i. growth of the IT gross margin, from 10.73% of revenues of the first half of 2002 (€ 26.112 million) to 12.91% of the period under review (€ 34.260 million). This improvement was mainly achieved thanks to both the focus on own brand products and the consolidation of the sell out margin equal to about € 4 million, (1.5% of IT consolidated revenues) generated by the subsidiary Computer Discount Srl, included in the basis of consolidation during the second half of 2002;
- ii. growth of the operating efficiency of operations (production and logistics). CDC in the first half of 2003 confirmed the growth of the operating efficiency achieved during 2002 in production and logistics operations, thanks to the fine tuning of the new logistic plant. In particular, transportation and logistic costs in the first half of 2003 were € 3,706 thousand (1.4% of revenues) in line with the performance already reached in first half 2002 (€ 3,346 thousand, 1.4% of revenues).

3. Return to the profitability of Interfree S.r.l., company wholly owned by CDC S.p.A., operating in internet business

Interfree S.r.l., company wholly owned by CDC S.p.A., in the first half of 2003, achieved the target of the return to the profitability both at operating and pre-tax income level, in line with business plan prepared in the summer of 2002 at the time of the takeover of the internet company, whose 49% stake, including dial up assets, had been controlled by Upside I Group.

Interfree, in the period under review, has operated both as vortal of the IT Italian community and as provider of internet dial up services, improving the synergies with the manufacturing and distribution activity of the parent company, CDC S.p.A. The providing of internet dial up services generated reverse charge revenues for over € 4 million.

The Ebitda result, higher than expected according to the budget, amounted to € 2,032 thousand, while the pre-tax profit was € 1,638 thousand, compared to losses for € 1,351 thousand of the first half of 2002.

4. Growth of the consolidated profits in line with the 2003 budget and the plan for generating shareholders' value.

The Group, at consolidated level, in the first half of 2003, achieved the targets of profitability projected by the business plan prepared in 2002 as follows:

- i. gross operating profit (EBITDA) at € 14,954 thousand (5.53% of revenues, excellent performance for the personal computer industry), up 113% compared to the same period of 2002;
- ii. operating profit before the amortization of goodwill and the listing costs on the stock exchange (EBITA) for € 11,087 thousand (4.10% of revenues), compared to a result of € 3,339 thousand achieved in the first half of 2002;
- iii. operating profit after the amortization of goodwill and the listing costs on the stock exchange (EBIT) for € 9,824 thousand (3.63% of revenues) up 229%, compared to the result of € 2,988 thousand (1.23% of revenues) achieved in the first half of 2002;
- iv. Pre-tax consolidated income attributable to the Group for € 5,686 (2.10% of revenues) with a strong increase compared to pre-tax income of € 532 thousand of the first half 2002.



Thanks to the operating cash flow, the net financial debt as at June 30, 2003 declined from € 44.664 million of June 30, 2002 to € 37.010 million. Net financial debt included debt due to other lenders for leased assets for € 3.127 million.

The consolidated financial standing of the Group has improved. The consolidated shareholders' equity reached € 50,073, higher (over € 4.3 million) than total fixed assets for € 45,721 thousand.

CONSOLIDATED ACCOUNTS AND RELATED NOTES

All the figures in the tables below are in thousands of euros (€) unless otherwise noted.

The following notes referred to the consolidated operating and financial data of CDC Group for the six-month period ended on June 30, 2003.

Consolidated and reclassified income statement as at June 30, 2003

As follows the reclassified consolidated income statement for the first half 2003, compared to the same account for the first half 2002 and as at December 31, 2002.

The reclassifications operated on the statutory income statement shows a more representative description of the CDC Group's activity, in relation with the specificity of IT market.

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

In order to allow a better understanding of the data shown below, the figures for the first half 2003 reflect the inclusion in the area of consolidation of Direct Srl, Mactronics Technology Srl and Computer Discount Srl operations. These companies, acquired by CDC during the second half of 2002, were included in the Annual Report for the year ended on December 31, 2002 but not in the financial statement for the six-month period ended on June 30, 2002, which included the companies CDC Point Spa, Micronica SpA, Interfree Srl, CD Consulting Srl, CD Web SpA and Polinet Srl.

The company CD Consulting Srl, currently in liquidation, was not included in the basis of consolidation because not active and not relevant.

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

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



Consolidated Income Statement	June 30, 2003		June 30, 2002		December 31, 2002	
Revenues from sales and services	269,678	99.77%	242,929	99.64%	487,869	99.78%
Other revenues and income	611	0.23%	884	0.36%	1,099	0.22%
Total Revenues	270,289	100.00%	243,813	100.00%	488,968	100.00%
Cost of raw and ancillary materials and goods for resale	(231,706)	-85.73%	(191,270)	-78.45%	(417,424)	-85.37%
Change in inventories of goods for resale	597	0.22%	(25,894)	-10.62%	(11,341)	-2.32%
Cost of Goods	(231,109)	-85.50%	(217,164)	-89.07%	(428,765)	-87.69%
Gross Margin	39,180	14.50%	26,649	10.93%	60,203	12.31%
Service costs	(11,226)	-4.15%	(10,696)	-4.39%	(21,121)	-4.32%
Lease expense	(2,616)	-0.97%	(1,380)	-0.57%	(3,676)	-0.75%
Payroll costs	(9,928)	-3.67%	(7,375)	-3.02%	(16,431)	-3.36%
Other operating costs	(456)	-0.17%	(174)	-0.07%	(628)	-0.13%
Ebitda	14,954	5.53%	7,024	2.88%	18,347	3.75%
Depreciation	(3,108)	-1.15%	(3,365)	-1.38%	(7,066)	-1.44%
Provisions and write-downs	(759)	-0.28%	(320)	-0.13%	(215)	-0.04%
Ebita	11,087	4.10%	3,339	1.37%	11,066	2.26%
Goodwill amortization and stock market listing costs	(1,263)	-0.47%	(351)	-0.14%	(1,619)	-0.33%
Ebit	9,824	3.63%	2,988	1.23%	9,447	1.93%
Financial Income (expense), net	(3,585)	-1.33%	(2,751)	-1.13%	(5,105)	-1.04%
Extraordinary income (expense), net	(545)	-0.20%	283	0.12%	(325)	-0.07%
Adjustments to financial fixed assets	(69)	-0.03%	(556)	-0.23%	(767)	-0.16%
Income before Taxes	5,625	2.08%	(36)	-0.01%	3,250	0.66%
Income taxes	0	0.00%	0	0.00%	(1,533)	-0.31%



Net result before minority interests	5,625	2.08%	(36)	-0.01%	1,717	0.35%
Income (loss) attributable to minority interests	61	0.02%	568	0.23%	581	0.12%
Consolidated Net Income	5,686	2.10%	532	0.22%	2,298	0.47%

Revenues from sales and services

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

Business areas	June 30, 2003	June 30, 2002	December 31, 2002
IT Distribution	264,250	242,367	484,084
Internet	5,017	562	3,426
Other revenues	411	0	359
Revenues from sales and services	269,678	242,929	487,869

End-of-period bonuses from suppliers and stock protections, amounting to € 11,902 thousand, were utilized to reduce the cost of goods sold.

Contributions from suppliers for marketing programs, entry right fees of new affiliations, the contribution received by the distribution chain for the advertising campaign and the contribution received for the consumer credit, amounting to € 6,584 thousand, were utilized to reduce communication costs.

The **change in inventories** was brought about the inclusion of the company Computer Discount S.r.l. with the stocks of the 41 shops directly owned by itself. Stocks for € 12,777 thousand are represented by goods already delivered to Public Sector entities for orders relating to Consip tender not yet tested.

Service costs

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

Service costs	June 30, 2003	June 30, 2002	December 31, 2002
Transportation and logistics	3,706	3,346	6,983
Subcontractors	537	283	1,377
Maintenance and utilities	1,150	1,501	1,969
Marketing costs	1,498	2,479	2,626
<i>IT Distribution</i>	<i>1,480</i>	<i>2,427</i>	<i>2,596</i>
<i>Internet</i>	<i>18</i>	<i>52</i>	<i>30</i>
Insurance premiums	270	281	638



Technical, legal, administrative and tax consulting	408	727	1,262
Compensation to directors and auditors	1,307	702	2,010
Other service costs	2,350	1,377	4,256
Total	11,226	10,696	21,121

The increase compared to 30 June 2002 is mainly attributable to the inclusion in the basis of consolidation of the companies Direct Srl, Mactronics Technology Srl and Computer Discount Srl whose service costs as at 30 June, 2003 amount to € 1,530 thousand. The other consolidated service costs include both the costs for the rent of the modems provided by telecom carriers and the costs for reverse charge to other ISP for a total of € 588 thousand (balanced by the growth of internet revenues, as shown in table "Business Area" above).

Marketing costs, for a total of € 8,082 thousand (inclusive of suppliers' contributions), are essentially relating to the IT distribution business.

Subcontractors, insurance premiums, technical, legal, administration and tax consulting services are essentially relating to IT Distribution activities.

The total value, equal to € 1,215 thousand, is in line with the performance achieved in the first half of 2002 (€ 1,291 thousand), but the break down changed.

The subcontractors rose by € 254 thousand because of higher use of this services by the owned company Micronica SpA; this was necessary for the delivery maturities due to Consip tender, reducing the fixed payroll costs.

The technical, legal, administrative and tax consulting decreased.

In the table above, the other service costs were entered net of the costs due to services of installation and technical test of PC delivered to the government clients. These costs were reclassified among the ancillary purchasing costs.

Payroll costs for the IT distribution area reflect the increase in staff to fill operating requirements. The increase is moreover attributable to the entry in the basis of consolidation of the companies Direct Srl, Mactronics Technology Srl and Computer Discount Srl; their payroll costs amounted to € 1,805 thousand.

Payroll costs	June 30, 2003	June 30, 2002	December 31, 2002
IT Distribution	9,677	7,015	15,854
Internet	251	360	577
Total	9,928	7,375	16,431

The following table highlights the Group's employment trends:

Employees	June 30, 2003	June 30, 2002	December 31, 2002	Average employment 01/01/03-30/06/03
IT Distribution	571	400	576	557
<i>Managers</i>	<i>12</i>	<i>11</i>	<i>12</i>	<i>12</i>



Supervisors	29	22	31	29
White-collar	379	245	381	375
Blue-collar	151	122	152	141
Internet	13	11	13	13
Managers	0	0	0	0
Supervisors	1	0	1	1
White-collar	12	11	12	12

Amortization and depreciation charges included the consolidation adjustments resulting from the elimination of entries posted solely for tax benefit, such as the restatement of accelerated depreciation and the recalculation of lease transactions in accordance with the financial methodology for a total effect of about a € 721 thousand.

Amortization and depreciation charges as at 30 June, 2003, equal to € 4,371 thousand, included amortization of intangible assets for € 2,419 thousand relating to:

- trademarks € 646 thousand
- start up and expansion costs € 221 thousand
- research and development costs € 96 thousand
- software and use licenses € 118 thousand
- concessions € 43 thousand
- goodwill stock market listing costs € 1,263 thousand break down as follow:
 - a. goodwill Interfree € 322 thousand
 - b. goodwill Mactronics € 28 thousand
 - c. goodwill Computer Discount (ex Sofim) € 520 thousand
 - d. goodwill Armonia Computers € 61 thousand
 - e. stock market listing costs € 332 thousand

Overall, amortization for the IT distribution and the Internet areas totalled € 4,129 thousand and € 242 thousand, respectively.

Start-up costs for the Internet activity was fully amortized during 2002.

Allowances for bad debts and write-downs arose mainly from the adjustment to trade and other receivables of CDC Point S.p.A. for € 600 thousand, of Interfree for € 100 and of Computer Discount for € 50 thousand.

Financial income and expense

Financial income and expense break down as follows:

Financial income (expense)	June 30, 2003	June 30, 2002	December 31, 2002
----------------------------	---------------	---------------	-------------------



Interest and other financial income	309	141	365
Interest Expense	(1,674)	(1,326)	(2,581)
Net foreign currency translation adjustment	(583)	(59)	(522)
Provisions for exchange rate fluctuations	0	(469)	0
Bank Commissions	(155)	(191)	(222)
Commissions on credit cards and POS payments and factoring fees	(1,229)	(847)	(1,810)
Premiums on options	(253)		(335)
Total	(3,585)	(2,751)	(5,105)

The increase of the financial expenses, from € 2,751 thousand in the first half of 2002 to € 3,585 thousand in the first half of 2003, was mainly attributable to the sales to factoring companies of higher amount of receivables, with a growth of the related costs for commissions and interest (due to the Group's policy of systematic management of the credit risk for the all channel sales).

The interest paid, net of interest earned, increased by € 180 thousand from € 1,185 thousand to € 1,365 thousand, while commissions on credit cards and POS payments and factoring fees grew by € 382 thousand, from € 847 thousands to € 1.229 thousand.

Net losses on foreign exchange transactions amount to € 583 thousand, in line with the first half of 2002, including provisions for exchange rate fluctuations for € 528 thousand.

Currency losses as at June 30, 2003 are wholly attributable to the parent company CDC Point, which carried out a policy of risk management of currency needs on the basis of the sales prices, in particular for the prices referred to the supplies to the government clients. At the same time of the acquisition of the order CDC covers all or a share of the planned needs of currency, in order to secure the gross margin planned in the bid offer. The losses on foreign exchange transactions of the first half of 2003 resulted from forward contracts and currency options signed at the end of 2002 (in November 2002, CDC won a Consip tender), which in November 2002 – June 2003 period, due to the fall of the cross rate US dollar/Euro, produced net losses on foreign exchange transactions, wholly balanced by the growth of the gross margin.

Net Working Capital

Working Capital	June 30, 2003	June 30, 2002	December 31, 2002
Inventory	74,133	54,635	73,534
Trade receivables	87,860	44,173	84,733
Due from parent companies	0	5,824	5,822
Due from related companies	0	8,335	0
Due from associated companies	200	0	311
Other receivables	12,401	11,381	14,202
Accrued income and deferred expenses	1,043	754	1,227
Current assets	175,637	125,102	179,829
Trade payables	(118,796)	(66,298)	(145,277)
Other payables	(12,542)	(7,179)	(16,597)
Payables to associated companies	(9)	0	(4)



Accrued expenses and deferred income	(331)	(657)	(1,075)
Current liabilities	(131,678)	(74,134)	(162,953)
Net Working Capital	43,959	50,968	16,876

The above table highlights a net working capital stable compared to the net working capital of the same period of 2002, including due from related companies (€ 8,335 thousand) attributable to Computer Discount Srl subsidiary, included in the consolidation basis.

The trade payables are mainly attributable to suppliers of the parent company CDC Point (€ 116,072 thousand) which managed to sign new agreement with the suppliers in order to extend the terms of payment of the invoices. Trade receivables, mainly consisting of receivables from clients of the parent company CDC Point S.p.A., (€ 81,969 million), grew thanks to the sales to the Public Sector whose terms of payment are longer than the average of the other sales channel.

Inventories were entered net of an allowance to mark the products down which reflects the loss in value determined by the obsolescence of slow moving items; such allowance amounted to € 2.7 million and has been considered enough to cover the risk of obsolescence of slow moving products.

The growth is mainly attributable to the change of the consolidation basis with the inclusion in the current period of the companies Mactronics Technology Srl and Computer Discount Srl (total inventory for € 5,161 thousand), and to the delivering of PCs to the government entities as at June 30, 2003 not yet tested, generating a total value (accounted according to the Fifo method) of third rate - inventory for € 12,447 thousand.

Net financial position

Net financial position	June 30, 2003	June 30, 2002	December 31, 2002
Bank debts payable within 12 months	(39,139)	(43,168)	(20,695)
Cash and cash equivalents	6,155	2,704	7,796
Total short-term debts	(32,984)	(40,464)	(12,899)
Due to other lenders for leased assets:			
- payable within 12 months	(722)	(788)	(788)
- payable after 12 months	(2,405)	(2,989)	(2,649)
Due to factoring companies for advances on contracts	(758)	0	0
Total debts payable to other lenders	(3,885)	(3,777)	(3,437)
Bank debts payable beyond next 12 months	(140)	(423)	(574)
Total indebtedness	(37,010)	(44,664)	(16,910)

For a more in-depth analysis, reference should be made to the attached Cash Flow Statement.



BUSINESS UNITS' OPERATING AND FINANCIAL DATA

IT DISTRIBUTION BUSINESS

During the first half of fiscal year 2003, the CDC Group continued to develop its selling network, the most extensive in the Italian IT market.

CHANGES IN THE SELLING NETWORK	June 30, 2003	March 31, 2003	December 31, 2002	June 30, 2002
CASH & CARRY	26	25	24	19
COMPUTER DISCOUNT	244	245	249	250
IT corner (Compy)	211	200	195	177
AMICO/B2B	122	118	129	119
Total retail stores	603	588	597	565

In addition to strengthening the traditional selling channels, the parent company has reinforced a structure dedicated exclusively to major clients and government entities, a market that had never been served before.

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

The following table highlights the break down per sales channel:



Sales revenues	June 30, 2003	June 30, 2002	December 31, 2002
Cash & Carry	109,666	112,545	221,267
Computer Discount	73,624	92,267	173,455
IT corner (Consumer Electronics)	25,276	24,063	53,715
AMICO/B2B/Teleselling	12,345	10,380	22,597
Direct sales (government, large-scale user and retail chain)	43,341	2,980	10,164
Total	264,252	242,235	481,198

During the first half of the year, CDC Group achieved revenues in the IT distribution area for € 264.252 million, growing by 9.5% compared to the same period of the last fiscal year. This result is in marked contrast with the performance of the Italian PC market as a whole (where CDC Point S.p.A. derives over 50% of its yearly revenues) which, during the same period, according to data from Sirmi (July 2003), registered a 9.7% decrease in terms of value.

The IT revenues show a strong increase in the Public Sector and Large Accounts segments (€ 43,341 thousand) compared to € 2,980 thousand as at June 30 2002. This target was achieved thanks to the PC delivered in accordance with the Consip tender, which the parent company CDC Point S.p.A. won in November 2002 for a supply of 36,000 PCs to government entities.

Computer Discount channel has suffered for the downturn of the IT market which in the consumer desktop PC segment decreased by 26.7% (source Sirmi, July 2003).

On the contrary, the revenues of Consumer Electronics channel grew by about 5% compared to the same period of 2002. The company was able to face immediately the change of the market, supporting the channel sales by new formats (in addition to the sales of the historical format Compy, consisting of corners own brand with exclusive sales rights) giving the opportunity to cover a growing share of Consumer Electronics dealers.

The growth of the revenues of the IT core business was followed by a growth of the gross margin from € 26,112 thousand of the First Half 2002 (10.73% ratio on sales) to € 34,260 thousands (12.91% ratio on sales) of the current half. This performance was led by the following factors:

- o the company Computer Discount S.r.l. (outside the consolidation area in the first half of 2002 but included in the Financial Statement as at December 31, 2002 for 5 months) was included in the consolidation basis for all the period under review, generating a sell out gross margin for about € 4 million;
- o growth of the share of the own brand products with higher profitability than the branded ones;
- o fall of the cross rate US dollar/Euro during the first half of 2003, partially balanced by the losses on the foreign exchange transactions for € 583 thousand, due to the prudential policy of management of the currency risk.

Hereafter the reclassified consolidated income statement of the IT business area (IT production and distribution), for the First Half of 2003, compared to the First Half of 2002 and the Financial Statement as at December 31, 2002, prepared in a concise form, before the adjustment to financial assets.

CONSOLIDATED INCOME STATEMENT FOR THE IT BUSINESS	June 30, 2003		June 30, 2002		December 31, 2002	
Revenues from sales and services	264,709	99.75%	242,367	99.63%	486,985	99.77%
Other revenues and income	655	0.25%	899	0.37%	1,126	0.23%
Total Revenues	265,364	100.00%	243,266	100.00%	488,111	100.00%
Cost of raw and ancillary materials and goods for	(231,702)	-87.31%	(191,260)	-78.62%	(417,410)	-85.52%



resale						
Change in inventories of goods for resale	598	0.23%	(25,894)	-10.64%	(11,341)	-2.32%
Cost of Goods	(231,104)	-87.09%	(217,154)	-89.27%	(428,751)	-87.84%
Gross Margin	34,260	12.91%	26,112	10.73%	59,360	12.16%
Service costs	(8,627)	-3.25%	(10,045)	-4.13%	(21,596)	-4.42%
Lease expense	(2,594)	-0.98%	(1,335)	-0.55%	(3,622)	-0.74%
Payroll costs	(9,676)	-3.65%	(7,015)	-2.88%	(15,854)	-3.25%
Other operating costs	(449)	-0.17%	(168)	-0.07%	(607)	-0.12%
Ebitda	12,914	4.87%	7,549	3.10%	17,681	3.62%
Depreciation	(2,866)	-1.08%	(2,475)	-1.02%	(5,902)	-1.21%
Provisions and write-downs	(659)	-0.25%	(320)	-0.13%	(189)	-0.04%
Ebita	9,389	3.54%	4,754	1.95%	11,590	2.37%
Goodwill amortization and stock market listing costs	(941)	-0.35%	(351)	-0.14%	(771)	-0.16%
Ebit	8,448	3.18%	4,403	1.81%	10,819	2.22%
Financial Income (expense), net	(3,573)	-1.35%	(2,713)	-1.12%	(5,040)	-1.03%
Extraordinary income (expense), net	(496)	-0.19%	180	0.07%	(427)	-0.09%
Pre-Tax income	4,379	1.65%	1,870	0.77%	5,352	1.10%

End-of-period bonuses from suppliers and stock protections, amounting to € 11,902 thousand, were utilized to reduce the cost of goods sold.

Contributions from suppliers for marketing programs, entry right fees of new affiliations and the contribution received by the distribution chain for the advertising campaign, amounting to € 6,584 thousand, were utilized to reduce communication costs.

Details of service costs were as follows:

Service costs	June 30, 2003	June 30, 2002	December 31, 2002
Transportation and logistics	3,706	3,346	6,980
Subcontractors	537	283	1,012
Maintenance and utilities	1,119	778	1,927
Marketing and communication costs	(520)	2,426	2,596
Insurance premiums	268	281	638
Technical, legal, administrative and tax consulting services	404	716	1,519
Compensation to directors and auditors	1,307	690	1,901
Other service costs	1,806	1,525	5,023
Total	8,627	10,045	21,596

Marketing costs, amounting to € 6,064 thousand, in the table above are represented net of contributions from the suppliers for the marketing programs, entry right fees of new affiliations, the contribution received by the distribution chain for the advertising campaign for € 6,584 thousand. The company was able to involve the distribution structure and the main suppliers, obtaining net communication costs wholly covered by the contributions received. The other service costs do not include the costs of installation and testing of the PCs to the company partner of Consip supply RTI, for € 2,726 thousand accounted among the ancillary costs of the raw materials.

Transportation and logistics costs rose against first half of 2002, due the higher number of PCs delivered, while the ratio on sales (1.4%) was stable.

Subcontractors grow (€ 254 thousand) as a result of higher costs in the subsidiary Micronica SpA, in order to face the production and delivering needs of Consip supply, limiting the payroll costs. The technical, legal, administrative and tax consulting expenses declined because in the first half of 2003 no M&A activity requiring layers or consultant has been realised as in the first half of 2002.

The other service costs consist of third services costs, travelling expenses and other ones.

The payroll costs for the IT distribution suffered for a growth of the number of employees, due to the operating requirements of the group. Moreover this growth is attributable to the inclusion in the consolidation basis of the companies Direct Srl, Mactronics Technology Srl and Computer Discount Srl, whose total payroll costs amount to € 1.805 thousand.

Among the amortizations of the intangible assets, the ones referred to the trademarks (relating to the activity and the identification of the Group) paid for € 12,911 thousand at the end of 1999, in the period under review amount to € 646 thousand, while the amortisation of stock market Nuovo Mercato (Borsa Italiana) listing costs (equal to € 3.192 thousand), in the period were € 332 thousand.

The increase of the financial expenses, from € 2,713 thousand in the first half of 2002 to € 3,573 thousand in the first half of 2003, was mainly attributable to the sales to factoring companies of higher amount of receivables, with a growth of the related costs for commission and interest (due to the Group's policy of systematic management of the credit risk for all the channel sales).

Net losses on foreign exchange transactions amount to € 583 thousand, in line with the first half of 2002, including provisions for exchange rate fluctuations for € 528 thousand.

Currency losses as at June 30, 2003 are wholly attributable to the parent company CDC Point, which carried out a policy of risk management of currency needs on the basis of the sales prices, in particular for the prices referred to the supplies to the government clients. At the time of the acquisition of the order, CDC covers all or a share of the needs of currency, in order to secure the gross margin planned in the bid offer. The foreign currency losses of the first half of 2003 are relating to forward contracts and currency options signed at the end of 2002 (in November 2002, CDC won a Consip tender), which in November 2002 – June 2003 period, due to the fall of the cross rate US dollar/Euro, produced net losses on foreign exchange transactions, wholly balanced by the growth of the gross margin.

**BUSINESS AREA-INTERNET SERVICE PROVIDER AND PORTAL ACTIVITIES**

INCOME STATEMENT – INTERNET BUSINESS	June 30, 2003		June 30, 2002		December 31, 2002	
Revenues from sales and services	5,138	99.84%	931	100.00%	3,987	99.28%
Increases in fixed assets	0	0.00%	0	0.00%	0	0.00%
Other revenues and income	8	0.16%	0	0.00%	29	0.72%
Total Revenues	5,146	100.00%	931	100.00%	4,016	100.00%
Cost of raw and ancillary materials and goods for resale	(5)	-0.10%	(11)	-1.18%	(32)	-0.80%
Change in inventory of goods for resale	0	0.00%	0	0.00%	0	0.00%
Costs of goods	(5)	-0.10%	(11)	-1.18%	(32)	-0.80%
Gross margin	5,141	99.90%	920	98.82%	3,984	99.20%
Service costs	(2,795)	-54.31%	(1,019)	-109.45%	(2,622)	-65.29%
Lease expense	(56)	-1.09%	(70)	-7.52%	(115)	-2.86%
Payroll costs	(251)	-4.88%	(360)	-38.67%	(577)	-14.37%
Other operating cost	(7)	-0.14%	(6)	-0.64%	(21)	-0.52%
Ebitda	2,032	39.49%	(535)	-57.47%	649	16.16%
Amortization and depreciation	(242)	-4.70%	(890)	-95.60%	(1,797)	-44.75%
Provisions and write-downs	(100)	-1.94%	0	0.00%	(25)	-0.62%
Ebit	1,690	32.84%	(1,425)	-153.06%	(1,173)	-29.21%
Financial income (expense) net	(3)	-0.06%	(28)	-3.01%	(48)	-1.20%
Extraordinary income (expense) net	(49)	-0.95%	102	10.96%	101	2.51%
Pre-Tax Income	1,638	31.83%	(1,351)	-145.11%	(1,120)	-27.89%

The company Interfree Srl, representing the internet business unit of the group, is wholly controlled (100%) by CDC Point SpA.

In the period under review Interfree consolidated its structure after the turnaround carried out during 2002.

In the first half of 2003 Interfree generated a pre-tax income of € 1,638 thousand against losses for € 1,351 thousand of the first half of 2002 and losses for € 1,120 thousand in 2002 year.

The internet revenues, during the first half of 2003, were € 5,138 compared to € 931 thousand of the same period of the previous year. The growth described above was achieved thanks to new agreements (through the parent company CDC Point SpA) ruling revenues and charges (gross revenue per minute of internet traffic and charge of reverse and services costs) with telecom carriers (Telecom SpA, Wind SpA e Albacom SpA) for internet traffic produced by Interfree as Internet Service Provider. Thanks to these new agreements, Interfree realised higher revenues due to an higher revenue per minute of internet traffic. Interfree generated also revenues from services to the end users, through the portal www.interfree.it.



Service costs were equal to € 2,795 thousand increasing compared to the previous year (€ 1,019 thousand), as a result of the new contracts for the interconnection with the telecom carriers described above.

The gross operating profit (Ebitda) of the period under review was € 2,032 thousand, while the operating profit (Ebit) was € 1,690 thousand.

The profit at the Ebit level derives also from lower amortization, equal to € 242 thousand in the period under review against € 890 thousand of the same period of 2002, after the end of the amortisation of the start up costs of company in 2000 year.

The profit of the business unit, at the consolidated level, declines due to the amortisation of the goodwill, equal to € 322 thousand in the period under review.

The employees of the company as at June 30, 2003 amount to 13 units, growing by 2 units against June 30, 2002.

OTHER SIGNIFICANT INFORMATIONS

INVESTMENTS

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

RESEARCH AND DEVELOPMENT

During the period under review, the parent company CDC Point Spa carried out research and development activities for developing new products whose commercial launch is planned within the current year. The main projects were Ffun and Tegate, the first one aiming at developing a software on the basis of neural net for the projection of the trend of the stock prices of the shares on the stock exchange, while the second one consists of a project of unifying the corporate communications. As at June 30 2003, the goodwill for R&D costs amounts to € 599 thousand, before the amortization.

INVESTMENTS IN ASSOCIATED COMPANIES

Relationship with associated companies are the followings:

- S.I.T. Scienza Industrie Tecnologiche. CDC Point S.p.A. held a 30% stake of the company. Due to the negative economic performance of the company, on June 30, 2003, the extraordinary shareholders meeting deliberated about the matter of 2447 of the Italian Codice Civile, to cover losses by the reduction to zero of the share capital and to reset the share capital by shareholders payments. CDC Point Spa declared to want not to subscribe the share capital, abounding the right of option on the deliberated capital increase, going out from the shareholders of the company. The value of the stake held in SIT had been already wholly written – down as at December 31, 2002.

The balance of receivables and payables referred to SIT as at June 30 2003 was equal to zero. In the first half of 2003 CDC faced costs relating to SIT equal to € 34 thousand which have been wholly capitalised (S.I.T. S.r.l. developed the Ffun project on behalf of CDC Point S.p.A.), while the revenues were equal to zero.

- CDC, through the subsidiary Computer Discount Srl, holds the following stakes in associated companies:
 - o CD Pistoia S.r.l., company in liquidation (stake of 20%). Value of the stake equal to zero.
 - o CD Napoli S.r.l. (stake of 21%). Value of the stake equal to € 10 thousand.
 - o CD Salerno S.r.l. (stake of 21%). Value of the stake for € 10 thousand.

TREASURY SHARES

As of June 30 2003, CDC Point S.p.A. held of 121,002 its own shares, including 101,657 acquired during 2001, and 19,345 during 2002, in order to stabilize the stock market price, in accordance with the resolution passed by the General Shareholders' Meeting of April 29, 2002.

As of June 30, 2003 such shares were posted at the lower of cost and their average value during the last month (€ 6,082), recording a write-downs of € 68 thousand.

The relevant equity reserve was added to via the transfer of a corresponding amount from the share premium reserve.

STOCK OPTION PLAN

In a meeting held on April 26, 2001, the shareholders of CDC Point S.p.A. empowered the Board of Directors to issue, by April 26, 2006, a maximum of 138,628 common shares with a nominal value of € 0.50, for up to a maximum of € 69,314.00, under a stock option plan for Directors, executives, middle managers and employees of the company and its subsidiaries.

During the same meeting, the shareholders of CDC Point S.p.A. authorized the Board of Directors to set up a plan for such external Directors of the company and its subsidiaries, as are vested with the powers provided for by article 2381 of the civil code or tasked with special duties or functions, by using treasury shares for an amount not to exceed 1% of the share capital.

These plans are incentive and loyalty-building tools designed to retain the beneficiaries as well as to encourage the company to achieve pre-set strategic goals.

On January 23, 2002 the Board of Directors approved the rules and regulations governing both stock option plans, the assignment of 90,748 newly-issued shares, equivalent to 0.74% of the share capital, to directors employed by the company as well as to executives and middle managers, and the assignment of 31,761 shares, equivalent to 0.26% of the share capital, to external directors of CDC Point S.p.A. and its subsidiaries.

On February 28, 2002 The Board of Directors, authorized by the shareholders meeting, has increase the share capital from € 6,130,686 to € 6,176,060 to support the first tranche of stock option for Directors, executives, middle managers and employees of the company and its subsidiaries.

The rules and regulations called for a subscription price of € 11.382, representing the average of the official prices at which the common shares of CDC Point S.p.A. traded on the Nuovo Mercato in the period between the assignment date and the same day of the preceding month; the options will vest in three equal annual tranches, subject to the achievement of the goals set from year to year by the Board of Directors; each tranche will be exercised over a three-year period with increasing percentages. The first maturity date would have been April, 1 2003.

On July 25, 2003 the Board of Directors of CDC Point, considering that the target fixed for the exercise of the first tranche of the stock option have been achieved and that the beneficiaries had already been the opportunity to exercise the option accrued according to the plan, as the market price of the shares CDC Point was significantly lower than the strike price for the first tranche of the options (€ 11.382) and not able to incentive the beneficiaries of the stock option plan, deliberated a second tranche of options for a total amount of 24,708 options reserved to Directors, as employees, executives, middle managers and employees and n. 10,481 options reserved to external Directors of the company and its subsidiaries with special tasks of functions. The Board of Directors for this second tranche of options, relating to both the stock option plans, in a partial derogation of the rules as for to the date of accrual of the stock option plan, deliberated that all the options will be due from April 1, 2004, with a the strike price of 7.00 euro.

In the same data of July 25, 2003 the Board of Directors, in front of the notary, and exercising the proxy provided by the shareholders meeting on April 26, 2001, deliberated to increase the share capital for of a maximum amount of € 12,354, by issuing of a maximum of new 24,708 ordinary shares with a nominal value of € 0.5 per share, with a regular dividend right, reserved to Directors, which are employees, executives, managers and supervisors of the company and its subsidiary as beneficiaries of the second tranche of the stock option. The last term for the subscription of the new shares will be December 31, 2008, after which the share capital will be increased for an amount equal to the subscriptions collected within the data mentioned above.

TRANSACTIONS WITH RELATED PARTIES AND SHAREHOLDERS

Related-party transactions are solely of a commercial nature and take place at arm's length.

The most significant of such transactions were:

- business transactions for Internet-based solutions provided to CDC Point S.p.A. by Wal S.p.A. (a CDC S.r.l. investee company). Wal S.p.A. has sublet its headquarters in Milan, via Cavriana, from CDC Point S.p.A..

The table below summarizes the credit and debit positions, as well as the revenues and costs, arising from transactions with related parties and the parent company as of the June 30, 2003.

CDC				
(000's of €)	Receivables	Payables	Revenues	Costs
CDC S.r.l.	0	0	0	0
Parent company	0	0	0	0
Wal S.p.A. (in liquidation)	7	0	0	0
CD Napoli S.r.l.	130	2	741	12
Cd Pistoia S.r.l.	0	0	0	0
Cd Salerno S.r.l.	63	0	303	5
Associated companies	200	2	1,044	17
Imo 1 Srl	34	0	0	0
Gap S.r.l.	0	7	0	17
Related parties	34	7	0	17

SUBSEQUENT EVENTS

On June 10, 2003 Consip, the Agency controlled by the Ministry of Finance and Economy deliberated the temporary adjudication of the supply to government entities for n. 30,000 Desktop PCs (total amount of € 16 million). The agreement was signed on July 28, 2003 by CDC as leader of a partnership consisting of CDC Point SpA, the company which provide the installation and post sales services and a major leasing company. The PCs will be produced by the plant of Micronica S.p.A., wholly controlled by CDC Point with a 100% stake.

On July 24, 2003 CDC deliberated a new stock option plan, as described above.

OPERATING OUTLOOK

The operating outlook of the group is in line with the industrial plan approved by the Board of Directors of the parent company CDC POINT SpA on October, 31 2002 and announced to the financial market on November 6, 2002.

In particular, CDC will continue to carry out the developing of the sales on the new segments for the company:

- government entities;
- mass merchandising;
- large corporate and small and medium enterprises, also developing services and activities in order to develop the gross margin of the group



SECONDARY PLACES OF BUSINESS

The parent company has no secondary places of business

The Chairman of the Board
Giuseppe Diomelli

CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2003

BALANCE SHEET

As of June 30, 2003 and compared with June 30, 2002 and December 31, 2002

	<i>June 30, 2003</i>	<i>June 30, 2002</i>	<i>December 31, 2002</i>
A – DUE FROM SHAREHOLDERS FOR SUBSCRIPTIONS AND LOSSES	<u>0</u>	<u>0</u>	<u>0</u>
B – FIXED ASSETS			
<u>I – INTANGIBLE FIXED ASSETS</u>	<u>22,361,788</u>	<u>14,458,772</u>	<u>23,970,617</u>
1. Start up and expansion costs	1,536,881	2,680,735	1,909,945
2. Research, development and advertising costs	448,842	0	117,233
3. Industrial patents and intellectual rights	233,924	124,523	106,371
4. Concessions, licenses, trademarks and similar rights	8,996,011	10,436,752	9,849,463
5. Goodwill	915,693	563,341	604,559
6. Intangible assets under construction and advances	548,978	0	841,000
7. Other intangible assets	1,014,010	653,421	1,003,686
8. Consolidation differences	8,667,449	0	9,538,360
<u>II – TANGIBLE FIXED ASSETS</u>	<u>22,589,774</u>	<u>24,216,089</u>	<u>23,843,556</u>
1. Land and Buildings	9,635,576	9,970,723	9,791,552
2. Machinery	8,103,565	8,539,657	8,769,228
3. Industrial and commercial equipment	1,316,778	1,654,022	1,535,068
4. Other assets	3,533,855	3,149,456	3,747,708
5. Tangible assets under construction and advances		902,231	
<u>III – FINANCIAL FIXED ASSETS</u>	<u>770,022</u>	<u>1,697,111</u>	<u>739,022</u>
1. Shareholdings			
a. in subsidiaries		12,843	
b. in associated companies	19,522	1,505,000	19,522
c. in parent companies		0	



d. in other companies	5,143	5,094	5,143
<u>Sub-total</u>	<u>24,665</u>	<u>1,522,937</u>	<u>24,665</u>
2. Receivables			
a. due from subsidiaries	0	0	0
b. due from associated companies	0	0	0
c. due from parent companies		34,086	
d. due from other companies	745,357	140,088	714,357
<u>Sub-Total</u>	<u>745,357</u>	<u>174,174</u>	<u>714,357</u>
TOTAL FIXED ASSETS (B)	<u>45,721,584</u>	<u>40,371,972</u>	<u>48,553,195</u>
C - CURRENT ASSETS			
<u>I - Inventories-</u>	<u>74,132,688</u>	<u>54,635,586</u>	<u>73,533,745</u>
1. Raw, ancillary and consumable materials	0	0	0
2. Work in process and semi-finished products	0	0	0
3. Work in process under contract	0	0	0
4. Finished products and goods for resale	74,132,688	54,635,586	73,533,345
5. Advances		0	400
<u>II - Receivables-</u>	<u>100,461,429</u>	<u>69,712,406</u>	<u>105,067,842</u>
1. due from customers	87,859,953	44,172,751	84,732,648
2. due from subsidiaries		0	
3. from associated companies	200,115	0	310,560
4. from related companies		8,334,740	
5. due from parent companies	373	5,824,352	5,822,558
6. Others	12,400,988	11,380,563	14,202,076
- receivable within 12 months	11,901,328	10,884,246	13,702,418
- receivable beyond 12 months	499,660	496,317	499,658
<u>III - Short-term investments</u>	<u>836,130</u>	<u>930,678</u>	<u>804,337</u>
1. Shareholdings in subsidiaries	0	0	0
2. Shareholdings in associated companies	0	0	0
3. Shareholdings in parent companies	0	0	0
4. Shareholdings in other companies	0	0	0
5. Treasury shares	735,934	930,678	804,337
6. Other securities	92,846	0	0
7. Financial receivables	7,350	0	0
<u>IV - Cash and cash equivalents</u>	<u>6,154,784</u>	<u>2,703,672</u>	<u>7,796,377</u>
1. Bank and post office deposits	5,977,115	1,811,671	7,322,063
2. Checks		0	
3. Cash and other valuables on hand	177,669	892,001	474,314



<u>TOTAL CURRENT ASSETS(C)</u>	<u>181,585,031</u>	<u>127,982,342</u>	<u>187,202,301</u>
D- Accrued income and deferred expenses			
1. Bond and loan discounts	0	0	0
2. Other accruals and deferrals	1,043,762	754,013	1,226,868
<u>TOTAL ACCRUED INCOME AND DEFERRED EXPENSES (D)</u>	<u>1,043,762</u>	<u>754,013</u>	<u>1,226,868</u>
<u>TOTAL ASSETS</u>	<u>228,350,377</u>	<u>169,108,327</u>	<u>236,982,364</u>

BALANCE SHEET

As of June 30, 2003 and compared with June 30, 2002 and December 31, 2002

<i>LIABILITIES AND SHAREHOLDERS' EQUITY</i>	<i>June 30, 2003</i>	<i>June 30, 2002</i>	<i>December 31, 2002</i>
A – SHAREHOLDERS' EQUITY			
I – Share capital	6,130,686	6,130,686	6,130,686
II – Share premium reserve	36,307,450	36,112,706	36,239,047
III – Revaluation reserve		0	
IV – Legal reserve	621,034	479,435	479,435
V – Reserve for treasury shares	735,933	930,678	804,337
VI – Statutory reserves		0	
VII Other reserves	973,793	0	
VIII – Retained earnings (accumulated deficit)	(449,610)	113,269	113,178
IX – Net income (loss) for the period, brought forward	5,685,644	532,083	2,298,404
<u>GROUP EQUITY</u>	<u>50,004,930</u>	<u>44,298,857</u>	<u>46,065,087</u>
X – Net income (loss) attributable to minority interests	(60,694)	(568,024)	(13,253)
XI – Capital and reserves attributable to minority interests	128,448	568,024	95,553
<u>MINORITY INTERESTS</u>	<u>67,754</u>	<u>0</u>	<u>82,300</u>
<u>TOTAL SHAREHOLDER EQUITY</u>	<u>50,072,684</u>	<u>44,298,857</u>	<u>46,147,387</u>
B – ALLOWANCES FOR RISKS AND CHARGES			
1. Allowances for pensions and the like	0	0	0
2. Tax allowances	179,660	248,415	180,201
3. Others	106,478	871,180	103,291
<u>TOTAL ALLOWANCES FOR RISKS AND CHARGES (B)</u>	<u>286,138</u>	<u>1,119,595</u>	<u>283,492</u>



C – PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES	<u>3,147,156</u>	<u>2,186,721</u>	<u>2,892,223</u>
D – PAYABLES			
1. Bonds	0	0	0
2. Convertible Bonds	0	0	0
3. Bank debts	39,279,893	43,591,199	21,268,959
- payable within 12 months	39,139,045	43,168,094	20,695,266
- payable beyond next 12 months	140,848	423,105	573,693
4. Debts payable to other lenders	3,885,434	3,776,887	3,436,960
- payable within 12 months	1,480,257	787,634	787,636
- payable beyond next 12 months	2,405,177	2,989,253	2,649,324
5. Advance payments	6,408	47,333	3,617
6. Trade payables	118,789,812	66,011,279	145,274,032
7. Debts represented by securities issued	0	0	0
8. Amounts due to subsidiaries	0	0	0
9. Amounts due to associated companies	9,108	0	4,304
10. Amounts due to parent companies	3	209,446	0
11. Amounts due to related companies	0	30,617	0
12. Taxes payable	6,333,116	3,207,658	4,233,569
13. Amounts due to social security agencies	948,430	935,372	742,062
14. Other payables	5,260,710	3,036,510	11,621,094
<u>TOTAL PAYABLES (D)</u>	<u>174,512,914</u>	<u>120,846,301</u>	<u>186,584,597</u>
E – ACCRUED EXPENSES AND DEFERRED INCOME			
1. Bond premiums	0	0	0
2. Other accruals and deferrals	331,485	656,853	1,074,665
<u>TOTAL ACCRUALS AND DEFERRALS (E)</u>	<u>331,485</u>	<u>656,853</u>	<u>1,074,665</u>
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>228,350,377</u>	<u>169,108,327</u>	<u>236,982,364</u>

MEMORANDUM ACCOUNTS

As of June 30, 2003 and compared with June 30, 2002 and December 31, 2002

June 30, 2003 June 30, 2002 December 31, 2002

1. Commitments:

a. Buying	0	0	0
b. Selling	0	0	0
c. Leasing fees	0	0	0



d. Goods to be received	7,079,755	1,464,851	3,433,753
e. Currencies to be received	15,852,009	16,749,488	13,815,097
f. Third parties' assets	0	0	0
g. Other commitments	180,000	770,000	280,000
<u>Total Commitments</u>	<u>23,111,764</u>	<u>18,984,339</u>	<u>17,528,850</u>

2. Guarantees

a. Received		3,396,358	
b. Sureties provided	6,948,289	6,227,668	8,967,030
c. Mortgages			
<u>Total guarantees</u>	<u>6,948,289</u>	<u>9,624,026</u>	<u>8,967,030</u>

<u>Total memorandum accounts</u>	<u>30,060,053</u>	<u>28,608,365</u>	<u>26,495,880</u>
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INCOME STATEMENT
As of June 30, 2003 and compared with June 30, 2002 and December 31, 2002

	<i>June 30, 2003</i>	<i>June 30, 2002</i>	<i>December 31, 2002</i>
A - VALUE OF PRODUCTION			
1. Revenues from sales and services	269,677,780	242,929,241	487,868,998
2. Changes in work- in- process, semi-finished and finished product inventories	2,406,243	(25,893,935)	(11,340,562)
3. Changes in work-in-process under contract	0	0	0
4. Change in self-constructed assets	0	0	(562)
5. Other revenues and income			
a. Operating grants	8,882	0	12,808
b. Others	7,186,182	6,544,761	13,889,058
<u>Total value of production (A)</u>	<u>279,279,087</u>	<u>223,580,067</u>	<u>490,429,740</u>
B - PRODUCTION COSTS			
6. Raw, ancillary and consumable materials and goods for resale	228,980,019	191,270,406	417,423,802
7. Service costs	20,536,656	16,357,006	33,922,763
8. Leasing costs	2,615,885	1,380,613	3,676,113
9. Payroll costs			
a. Wages and salaries	6,935,174	5,137,977	11,495,252
b. Benefits	2,269,179	1,718,111	3,808,400
c. Provisions for severance indemnities	525,629	389,193	886,360
d. Provisions for pension and similar costs	0	0	
e. Other personnel costs	198,007	129,417	241,240
<u>Total payroll costs</u>	<u>9,927,989</u>	<u>7,374,696</u>	<u>16,431,252</u>
10. Amortization, depreciation and write-downs			
a. Amortization	2,419,040	1,988,705	4,979,527



b. Depreciation	1,952,478	1,727,082	3,705,912
c. Write-downs of tangible and intangible assets	8,263	0	
d. Write-downs of short-term receivables	750,922	20,000	214,949
<u>Total amortization, depreciation and write-downs</u>	<u>5,130,703</u>	<u>3,735,782</u>	<u>8,900,388</u>
11. Change in raw, ancillary, consumable materials and goods for sale inventories	0	0	0
12. Provisions for risks	0	0	
13. Other provisions	1,807,889	300,000	
14. Sundry operating costs	456,199	173,514	628,131
<u>Total costs of production (B)</u>	<u>269,455,340</u>	<u>220,592,024</u>	<u>480,982,449</u>
<u>DIFFERENCE BETWEEN VALUE OF PRODUCTION AND COSTS OF PRODUCTION (A - B)</u>	<u>9,823,747</u>	<u>2,988,043</u>	<u>9,447,291</u>
C – FINANCIAL INCOME AND CHARGES			
15. Income from shareholdings -			
a. Dividends	0	0	0
b. Dividends and other income from associated companies	0	0	0
c. Dividends and other income from other companies	68	0	0
16. Other financial income			
a. Long-term receivables -			
- From subsidiaries	0	0	0
- From associated companies	0	0	0
- From parent companies	0	0	0
- Others	0	0	503
b. From securities held as long-term investments other than shareholdings	0	0	0
c. From securities held as short-term investments other than shareholdings,	0	0	341
d. Income from sources other than the above			
- Interests and commissions from subsidiaries	0	0	0
- Interests and commissions from associated companies	0	0	0
- Interests and commissions from parent companies	0	0	0
- Interests and commissions from others and sundry income	1,970,736	1,239,658	3,309,162
<u>Total income from sources other than the above</u>	<u>1,970,736</u>	<u>1,239,658</u>	<u>3,310,006</u>
17. Interests and other financial charges			
a. paid to subsidiaries	0	0	0



b. paid to associated companies	0	0	0
c. paid to parent companies	0	0	0
d. Others	5,556,045	3,990,421	8,415,295
<u>Total interest and other financial charges</u>	<u>5,556,045</u>	<u>3,990,421</u>	<u>8,415,295</u>
<u>Total financial income and charges (C)</u>	<u>(3,585,241)</u>	<u>(2,750,763)</u>	<u>(5,105,289)</u>
D – ADJUSTMENTS TO FINANCIAL ASSETS			
18. Revaluations of			
a. Shareholdings	0	0	0
b. Financial fixed assets	0	0	0
c. Marketable securities	0	0	0
<u>Total revaluations</u>	<u>0</u>	<u>0</u>	<u>0</u>
19. Write-downs of			
a. Shareholdings	0	237,560	254,960
b. Financial fixed assets	0	0	0
c. Marketable securities	68,402	318,321	511,326
d. Short-term receivables	0	0	0
<u>Total write-downs</u>	<u>68,402</u>	<u>555,881</u>	<u>766,286</u>
<u>Total adjustments to financial assets (D)</u>	<u>(68,402)</u>	<u>(555,881)</u>	<u>(766,286)</u>
E – EXTRAORDINARY INCOME AND EXPENSES			
20. Income			
a. Gains on disposals	15,000	0	36,175
b. Others	334,760	484,748	706,546
<u>Total income</u>	<u>349,760</u>	<u>484,748</u>	<u>742,721</u>
21. Expenses			
a. Losses on disposals	0	0	0
b. Tax due from past fiscal years	0	0	0
c. Others	894,914	202,088	1,068,207
<u>Total Expenses</u>	<u>894,914</u>	<u>202,088</u>	<u>1,068,207</u>
<u>Total extraordinary items (E)</u>	<u>(545,154)</u>	<u>282,660</u>	<u>(325,486)</u>
<u>PRE-TAX INCOME (A-B+/-C+/-D+/-E)</u>	<u>5,624,950</u>	<u>(35,941)</u>	<u>3,250,230</u>
22. Income taxes (*)			(1,533,103)
<u>NET INCOME (LOSS) FOR THE PERIOD BEFORE MINORITY INTERESTS</u>	<u>5,624,950</u>	<u>(35,941)</u>	<u>1,717,127</u>



23. (Income) Loss attributable to minority interests	60,694	568,024	581,277
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<u>GROUP INCOME (LOSS)</u>	<u>5,685,644</u>	<u>532,083</u>	<u>2,298,404</u>
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(*) Income taxes for the period were not calculated, as allowed by paragraph 5 of article 3 of Consob's Rules and Regulations on the preparation of semi-annual accounts, approved with resolution number 8195 dated June 30, 1994.



NOTES TO THE CONSOLIDATED SEMIANNUAL FINANCIAL STATEMENTS

BASIS OF PRESENTATION

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

These consolidated financial statements were prepared on the basis of the semiannual accounts for the period ending on June 30, 2003 provided by the boards of directors of the companies included in the scope of consolidation.

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

BASIS OF CONSOLIDATION

All the subsidiaries of CDC Point S.p.A, have been consolidated on a line-by-line basis.

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

CDC Point S.p.A. – parent company

Registered Office: Via Tosco Romagnola, 61 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01250630504

Parent Company and Operating holding company

- Business: sale of IT products

Consolidated for the entire first half of fiscal year 2003.

Interfree S.r.l.

Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01499020509

Wholly owned

- Business: Internet Service Provider

Consolidated for the entire first half of fiscal year 2003.

Micronica S.p.A.

Registered Office: Via Calabria, 1 GELLO - PONTEDERA (PI)

Member of the Chamber of Commerce of Pisa number 01144430509

Wholly owned

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

Consolidated for the entire first half of fiscal year 2003.

Cd Web S.r.l.

Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01515060505



Wholly owned

- Business: e-commerce

Consolidated for the entire first half of fiscal year 2003.

Polinet S.r.l.

Registered Office: Piazza Fermi snc, 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01515070504

Wholly owned

- Business: real estate

Consolidated for the entire first half of fiscal year 2003.

Direct S.r.l.

Registered Office: Via Mazzini, 74 56025 PONTEDERA (PI)

Member of the Chamber of Commerce of Pisa number 01459540504

99% owned

- Business: distribution of IT products

Consolidated for the entire first half of fiscal year 2003.

Mactronics Technology S.r.l.

Registered Office: Via Tosco-Romagnola, 61 56012 Fornacette CALCINAIA (PI)

Member of the Chamber of Commerce of Pisa number 01622090502

60% owned

- Business: design and marketing of storage systems

Consolidated for the entire first half of fiscal year 2003.

Computer Discount S.r.l.

Registered Office: Via Mazzini, 74 56025 PONTEDERA (PI)

Member of the Chamber of Commerce of Pisa number 01125180503

Wholly owned

- Business: holding company. The company holds equity in specialist IT retail outlets, affiliated to

Computer Discount

Consolidated for the entire first half of fiscal year 2003.

The company changed the firm name from Sofim Srl to Computer Discount Srl as at 23 April, 2003.

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

- 1) **CD FIRENZE s.r.l.** Registered Office in Firenze Viale Matteotti 9/r, Member of the Chamber of Commerce of Firenze n° 03950910483, Tax number and VAT registration number 03950910483, Share Capital € 26,000 whose 56% owned by Computer Discount Srl.
- 2) **CD MILANO s.r.l.** Registered Office in Milano Via Cenisio 61, Member of the Chamber of Commerce of Milano n° 09194930153, Tax number and VAT registration number 09194930153, Share Capital € 20,400 whose 89% owned by Computer Discount Srl.
- 3) **CD PISA s.r.l.** Registered Office in Pisa Viale Gramsci 13/a, Member of the Chamber of Commerce of Pisa n° 01096500507, Tax number and VAT registration number 01096500507, Share Capital € 10,400 whose 100% owned by Computer Discount Srl.
- 4) **CD GENOVA s.r.l.** Registered Office in Genova Viale Brigata Bisagno 27/r, Member of the Chamber of Commerce of Genova n° 03097430106, Tax number and VAT registration number 03097430106, Share Capital € 41,600 whose 100% owned by Computer Discount Srl.

- 5) **CD TORINO s.r.l.** Registered Office in Torino Via Lanzo 15, Member of the Chamber of Commerce of Torino n°01145660500, Tax number and VAT registration number 01145660500, Share Capital € 20,800 whose 100% owned by Computer Discount Srl.
- 6) **C.V.M. s.r.l.** Registered Office in Bologna Via S. Donato 2/d, Member of the Chamber of Commerce of Bologna n° 03997720374, Tax number and VAT registration number 03997720374, Share Capital € 26,000 whose 87% owned by Computer Discount Srl.
- 7) **CD VERONA s.r.l.** Registered Office in Verona Largo Don Bosco 4, Member of the Chamber of Commerce of Verona n°01173640507, Tax number and VAT registration number 01173640507, Share Capital € 15,600 whose 100% owned by Computer Discount Srl.
- 8) **CD ROMA s.r.l.** Registered Office in Pontedera (PI), Via Calabria 1, Member of the Chamber of Commerce of Pisa n° 04265461006, Tax number and VAT registration number 04265461006, Share Capital € 56,100 whose 100% owned by Computer Discount Srl.
- 9) **CD BRESCIA s.r.l.** Registered Office in Pontedera (PI), Via Calabria 1, Member of the Chamber of Commerce of Pisa n° 03191550171, Tax number and VAT registration number 03191550171, Share Capital € 20,800 whose 100% owned by Computer Discount Srl.
- 10) **CD PESCARA s.r.l.** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 01351540685, Tax number and VAT registration number 01351540685, Share Capital € 25,882.84 whose 100% owned by Computer Discount Srl.
- 11) **CD MILANO 2 s.r.l.** Registered Office in Milano Via Andrea Costa 33, Member of the Chamber of Commerce of Milano n° 11412800150, Tax number and VAT registration number 11412800150, Share Capital € 52,000 whose 95% owned by Computer Discount Srl.
- 12) **CD MILANO 3 s.r.l.** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 11412780154, Tax number and VAT registration number 02844360962, Share Capital € 51,000 whose 100% owned by Computer Discount Srl.
- 13) **CD MILANO 4 s.r.l.** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 11412790153, Tax number and VAT registration number 11412790153, Share Capital € 51,000 whose 100% owned by Computer Discount Srl.
- 14) **CD MILANO 5 s.r.l.** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 11429220152, Tax number and VAT registration number 11429220152, Share Capital € 51,000 whose 100% owned by Computer Discount Srl.
- 15) **CD ROMA 2 s.r.l.** Registered Office in Pontedera (PI) Via Calabria 1, Member of the Chamber of Commerce of Pisa n° 04931601001, Tax number and VAT registration number 04931601001, Share Capital € 51,000 whose 99% owned by Computer Discount Srl.
- 16) **CD NAPOLI 2 s.r.l.** Registered Office in Pontedera (PI) Via Calabria 1, Member of the Chamber of Commerce of Pisa n° 06939510639, Tax number and VAT registration number 06939510639, Share Capital € 52,000 whose 100% owned by Computer Discount Srl.
- 17) **CD CAGLIARI s.r.l.** Registered Office in Cagliari Viale Marconi 222, Member of the Chamber of Commerce of Cagliari n° 02265710927, Tax number and VAT registration number 02265710927, Share Capital € 51,645 whose 100% owned by Computer Discount Srl.
- 18) **SOLUZIONI INFORMATICHE s.r.l.** Registered Office in Pontedera (PI) Via Calabria 1, Member of the Chamber of Commerce of Pisa n° 11644770155, Tax number and VAT registration number 11644770155, Share Capital € 52,000 whose 51% owned by Computer Discount Srl.
- 19) **CD MILANO 6 s.r.l.** Registered Office in Cinisello Balsamo (Mi) Viale Fulvio Testi 188, Member of the Chamber of Commerce of Milano n° 02696400965, Tax number and VAT registration number 02696400965, Share Capital € 26,000 whose 99% owned by Computer Discount Srl.
- 20) **CD AREZZO s.r.l.** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 01386290512, Tax number and VAT registration number 01386290512, Share Capital € 10,200 whose 100% owned by Computer Discount Srl.



- 21) CD BARI 2 s.r.l.** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 01570990505, Tax number and VAT registration number 01570990505, Share Capital € 50,000 whose 51% owned by Computer Discount Srl.
- 22) BELCOR S.r.l.** Registered Office in Pontedera (PI) Via Mazzini 74, Member of the Chamber of Commerce of Pisa n° 13152200153, Tax number and VAT registration number 13152200153, Share Capital € 10,200 whose 100% owned by Computer Discount Srl.

The company CD Consulting Srl, in liquidation since 6 February, 2003, was not consolidated for the period under review because at this moment it is basically inactive.

The consolidated semiannual financial statements as of 30 June, 2002 did not include the companies: Direct Srl, Macronics Technology Srl and the Computer Discount Group as above listed.

CONSOLIDATION PRINCIPLES

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

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

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

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

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

Minority interests in the net result is also shown separately. Such minority interests are calculated on the basis of the book value of shareholders' equity and the results of consolidated companies.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the semi-annual accounts as of June 30, 2003 comply with the laws related to such financial statements.

Intangible fixed assets

Such assets are recorded at purchase or production cost, including any incidental expenses, and amortized over their estimated useful lives.

Research and development costs only capitalized if their due to the production of prototype of new goods whose will be sure the marketing in the future fiscal year.

The amortization of this costs start when the development was concluded and its length is of 3 year.

Start-up and development costs are amortized over three and five years, respectively,

Industrial patents and licenses are amortized over five years.



Advertising costs are fully expensed as incurred, with the exception of those sustained during the start-up phase.

Trademarks are amortized over a period of ten years.

Consolidation difference consisting of the higher value paid for shareholdings acquisition and the length of its amortization is of 10 year at the latest.

Purchased goodwill is amortized over a period of no more than five years. Assets are written down in order to reflect any permanent impairments in value, independent of accumulated amortization; the appropriate value of such assets, adjusted solely to take account of accumulated amortization, is reinstated in future periods should the reasons for such write-down cease to apply.

Tangible fixed assets

Such assets are recorded at purchase or production cost. The stated cost includes incidental expenses and the direct and indirect costs that may be reasonably attributed to the asset concerned.

Tangible fixed assets are depreciated on a straight-line basis by applying the economic and technical rates shown in the Assets section of these Notes.

Assets are written down in order to reflect any permanent impairment in value, independent of accumulated depreciation; the appropriate value of such assets, adjusted solely to take account of accumulated depreciation, is reinstated in future periods should the reasons for such write-down cease to apply.

Finance leases are accounted for on the basis of finance lease accounting.

Ordinary maintenance costs are expensed as incurred, Improvements are capitalized and depreciated on the basis of the remaining useful life of the asset to which they relate.

Financial fixed assets

Long-term accounts receivable are recorded at their estimated realizable value.

Equity investments in unconsolidated subsidiaries and in associated companies are valued in accordance with the equity method, after deducting any dividends and applying the adjustments required by consolidation principles. The purchase or subscription cost is therefore adjusted in order to reflect any change in the shareholders' equity of such companies since the acquisition of the investment. The Parent Company's share of net income or losses realized by subsidiaries or associated companies is thus posted to the income statement for the period.

Equity investments in other companies are valued at cost.

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

Inventories

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



Accounts receivable

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

Factoring

The factoring of receivables without recourse result in the reversal of the corresponding entries under trade receivables on payment by the factor.

Treasury Shares

Shares were posted at the lower of cost and their average price during the last month.

Accruals and deferrals

These are recorded on an accruals basis.

Allowances for risks and charges

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

Provisions for employee severance indemnities

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

Accounts payable

Accounts payable are recorded at their nominal value.

Revenue recognition

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

Income taxes

The Group has decided not to use the option allowed by section 5 of article 3 of Consob's Rules and Regulations for the compilation of the 6-month report approved with resolution number 8195 of 30 June 1994, consequentially taxes on the results of the period were not calculated nor the effects derived by deferred taxation related to the period.

Capital grants

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

Foreign currency translation

Accounts receivable and payable originally denominated in foreign currency are translated into euros on the basis of historical exchange rates. Foreign currency translation gains or losses realized on collection of foreign currency accounts receivable and payment of foreign currency accounts payable are posted to the income statement, having taken account of the existing allowance for exchange rate movements.

Should a net loss arise from the conversion at period-end exchange rates of foreign receivables and payables falling due within 12 months, having taken account of the relevant hedging contracts, such loss is posted to the income statement for the period, with a contra-entry in the appropriate allowance for exchange rate movements. If, on the other hand, a net gain emerges, such gain is deferred.

Derivatives

Such instruments are posted to the memorandum accounts at their nominal value, based on the forward price, with the exception of options, which are posted to accounts receivable. The gains and losses resulting from the application of period-end exchange rates to forward currency agreements, where there is a net exposure not related to specific transactions, are reflected in the financial income and charges.

The contracts links to specific activities such as public supplies were posted in accordance with the plan of currency funding aiming at balance the currency transactions to the needs of currency as for amount and expiration.

The interest rate swaps are described under the section "Impegni e Rischi" in Nota Integrativa. If they consist of hedging swaps their effects are posted on the income statement among the financial income/expenses, if they consist of non hedging swaps their effects are posted according to a market evaluation at the end of the year (in the event of losses they are posted).

Finance leases

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

Risks, commitments and guarantees



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

Exceptions pursuant to section 4 of art. 2423

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

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

NOTES TO THE FINANCIAL STATEMENTS

(€ thousand)

ASSETS

INTANGIBLE FIXED ASSETS

Intangible fixed assets	June 30, 2003	June 30, 2002	December 31, 2002
Set-up and expansion costs	1,537	2,681	1,910
Industrial patents and intellectual rights	234	125	106
Research and development costs	449	0	117
Concessions, licenses, trademarks and similar rights	8,996	10,437	9,850
Goodwill	916	563	605
Intangible assets under construction and advances	549	0	841
Other intangible assets	1,014	653	1,003
Consolidation differences	8,667	0	9,538
Total	22,362	14,459	23,970

Set-up and expansion costs include € 1,277 thousand of charges incurred to list CDC Point S.p.A. on the Nuovo Mercato, amortized over a five-year period (rate of the first half of 2003 at € 319 thousand), € 50 thousand for Road show activities, € 193 thousand for the constitution and statutory modifications of CDC Point and of the other companies of the Group.

Industrial patents and intellectual rights are related mainly to own software programs.

Research and development costs amounting to € 449 thousand, resulted from the parent company for € 426 thousand, due to the developing of new products whose commercial launch is planned within the end of the year. The main projects consist of Ffun aiming at developing a new software on the basis on neural net for the projections of the stock price of shares listed on the stock exchange and Tegate, new platform to unifying corporate communications.

Concessions, licenses, trademarks and similar rights, equal to 8,996 thousand, consisted mainly of:

- licenses to utilize software and telephone lines for € 595 thousand;
- trademarks for € 8,401 thousand. This item reflected basically the CDC trademark, which had been purchased in 1999 from CDC S.r.l. for € 12,911,000. This amount was determined on the basis of a valuation by an external consultant.

Goodwill amounted to € 916 thousand (€ 1,156 thousand before amortization) and resulted, for € 832 thousand (€ 962 thousand before amortization) from the acquisition of Armonia. Goodwill amortization was computed to reflect a remaining useful life of five years, starting on May 7, 2002, the acquisition date. This period was considered reasonable for the type of business. The book value of goodwill is tested from time to time in light of the results achieved by this unit, Noteworthy is that the terms and conditions of this acquisition called for an additional payment of € 516,000, subject to the achievement of pre-set sales goals for 2003. Since the directors have sufficient information to form an opinion as to the achievement of such goals, the amount in question was recorded in the accounts for € 380 thousand. Goodwill included € 84 thousand attributable to the companies owned by Computer Discount Srl.

The intangible assets under construction and advances amount to € 549 thousand and mainly consist of the call option for the acquisition of the assets of company Test SpA for € 420 thousand, attributable to Direct Srl. The call option could be exercised during the period of the rent (September 1, 2002 – August 31, 2008), allowing Direct to buy the Italian commercial assets of Test. The price of the acquisition was fixed in 5.4 million less the price paid for the call option and the rents paid up to the date of the acquisition. In the case of acquisition at the end of the rent period, the price will be 2.5 million of which 50% payable in new issuing shares CDC – the choice is left to Direct discretion.

Other intangible fixed assets, equal to € 1,014 thousand, reflected leasehold improvements for € 936 thousand.

The **consolidation differences** as of June 30, 2003 referred to the goodwill (€ 8.667 thousand) paid for the acquisitions of the company Computer Discount Srl (€ 7.467 thousand), Interfree Srl (€ 967 thousand) and Mactronics Technologies Srl (€ 233 thousand) .

On July 31, CDC Point S.p.A. acquired from the shareholders of the parent company CDC S.r.l. the 100% stake of share capital of Sofim S.r.l. (now Computer Discount Srl), company currently owning 41 of the main shops, franchisee of Computer Discount brand, owned by CDC Group.

The difference of consolidation, according a sworn evaluation is amortized over a period of 10 year since the time of the acquisition, considering the benefits arising from the integration of Computer Discount point of sales in terms of improving of market position and of the management of the shops for a significant time period. This benefits are currently considered achievable by the management of the Group, despite not all of the Computer Discount shops in the first half of 2003 reached the economic targets planned.

This difference of consolidation is currently under monitoring, in order to verifying the key factors of the paid price.

TANGIBLE FIXED ASSETS

Tangible fixed assets	June 30, 2003	June 30, 2002	December 31, 2002
Land and buildings	9,635	9,971	9,792
Plants and machinery	8,104	8,540	8,769
Industrial and commercial equipment	1,317	1,654	1,535
Other assets	3,534	3,149	3,747
Assets under construction and advances	0	902	0
Total	22,590	24,216	23,843

Land and buildings, amounting to € 9,635 thousand, included € 6,677 thousand for the Micronica S.p.A. building, net of accumulated depreciation, which was completed in 1999 to house the new automated warehouse and € 2,929 thousand for the office building in Milan owned by Polinet S.r.l. net of accumulated depreciation, and rented out to third parties.

The cost of Micronica Sp.A.'s building includes that for the land title , which was acquired in 2001. Based on the sale agreement, this property may not be sold or leased prior to the expiration of a five-year period commencing on the date the safety certificate is issued.

Plants and machinery amount to € 8.104 thousand, including the lease of automated logistic plant (€ 5,010 thousand) of Micronica SpA accounted in accordance with IAS 17 method. The consolidation criteria lead to the write-downs of the rents of the lease mentioned above, accounting the interest on the residual capital financed and the amortization of the value of the plants acquired through leasing. We also accounted in the balance sheet the value of the leased assets and the residual net debt.

The industrial and commercial equipment item, amounting to € 1,317 thousand, consists mainly of equipment owned by the parent company CDC Point S.p.A (€ 869 thousand). Also for this item, the figures have been accounted on the basis on the International Accounting Standards (IAS 17).

As at June 30, 2003, the item other assets, net of accumulated depreciation, consisted of:

Fiscal year (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Office equipment and computers	1,838	1,782	1,960
Furniture, fittings and other equipment	773	448	795
Vehicles	133	135	192
Signs	635	603	642
Other tangible fixed assets	155	181	158
Total	3,534	3,149	3,747

Notice should be taken that, pursuant to article 10 of law 72/1983, there were no assets that had been revalued in past fiscal years in accordance with specific laws.

Furthermore, no revaluations of assets were made in accordance with law 342/2000.

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

Depreciation rates were as follows:

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

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

FINANCIAL FIXED ASSETS

Shareholdings



Shareholdings in associated company consist of following associated companies, owned through Computer Discount Srl:

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

Other shareholdings included:

- An interest by CDC Point S.p.A. in the Conai consortium, as required by law, in the amount of € 1 thousand;
- An interest by Micronica S.p.A., our subsidiary, in the C.C.A.P. consortium for € 4,000.

Receivables

This item, equal to € 745 thousand, reflected medium-to-long-term receivables and included € 34 thousand related to a non-interest-bearing security deposit by CDC Point with related company Imo 1 S.r.l. for the lease of the building located in Milan, Piazza Cadorna; € 420 thousand for caution money provided by the subsidiary Direct Srl to the company Test SpA, for the rent contract of the assets of the company; other caution money for € 266 thousand, other credits for € 25 thousand.

These receivables will be due within two to five years.

CURRENT ASSETS

INVENTORIES

Inventories	June 30, 2003	June 30, 2002	December 31, 2002
IT products	55,522	55,610	73,396
-allowance to reduce inventory	(2,687)	(999)	(879)
Products to be assembled	0	24	274
IT products with third parties	21,298	0	743
- allowance to reduce inventory	0	0	0
Total	74,133	54,635	73,534

The increase compared to the value as at June 30, 2002 mainly derived to the change of the basis of consolidation whose included the companies Mactronics Technology Srl and Computer Discount Srl (total value for € 5,161 thousand) and the PCs delivered to government entities not yet tested, accounted in accordance with Fifo method as third – inventory (€ 12,447 thousand) and the travelling goods (€ 8,507 thousand).

The allowance to reduce inventory was established to adjust the inventory of CDC Point S.p.A. to reflect the lower value of slow-moving items and the elimination of products from the range available, Allowances are made also in light of the purchasing terms and conditions and any stock protection clauses as well as, in a limited number of cases, to any repurchasing agreement with suppliers. The item included the provision to the allowance to reduce inventory for €1,808 thousand. As at June 30, 2003 the value of allowance was €2,687 thousand. This value was deemed in keeping with the conditions of the inventory.



RECEIVABLES

Due from customers

This item is related to amounts receivable as a result of sales and services provided to domestic customers and are due within 12 months.

The allowance for doubtful accounts consisting of € 1,387 thousand.

Due from customers	June 30, 2003	June 30, 2002	December 31, 2002
- IT Distribution	88,676	41,301	84,876
allowance for doubtful accounts	(1,262)	(688)	(771)
- Internet area	570	3,560	651
allowance for doubtful accounts	(125)	0	(23)
Total	87,859	44,173	84,733

The amount of receivables from clients for 93% (€ 81,969 net of its allowance) consist of receivables of the parent company CDC Point SpA for the ordinary commercial activities. The amount of receivables grew compared to the same period of 2002, as a result of the sales to government whose payment terms are longer than the average of the other corporate channels, and the new commercial strategy to extend the terms of payment of the clients.

A significant share of the total receivables is sold without recourse (pro-soluto); for other receivables, the credit risk is covered by major factoring companies.

Due from associated parties

This item reflects commercial transactions taking place at arm's length with associated companies of CDC Point S.p.A. or Computer Discount Srl which own stores of the commercial network. At the end of the period under review, these receivables amounted to € 200 thousand all due within the next 12 months.

Due from others

Due from others	June 30, 2003	June 30, 2002	December 31, 2002
Due from tax authorities	1,385	1,522	1,897
Deferred tax assets	500	496	500
Advances to suppliers	1,106	1,973	1,591
Credit notes receivable	8,952	5,729	9,440
Compensation receivable from insurers	137	116	291
Reimbursement from suppliers	0	875	0
Advances to employees	9	9	18
Others	311	661	465
Total	12,400	11,381	14,202

Except for deferred tax assets, all these receivables are due within 12 months.



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

Advances to suppliers, net of related provision for depreciation, reflect down-payments made for products and services.

The **credit notes receivable**, equal to e 8,952 thousand, included mostly bonuses from suppliers of the IT distribution area. The increase compared to the same period of 2002 due to the better contractual condition with the suppliers.

Advances to employees involved amounts provided in advance for business trips and loans.

Compensation receivable from insurers included insurance payments as a result of thefts.

Short-term investments

The item, equal to € 836 thousand, mainly included the value of treasury shares owned by CDC Point S.p.A.

As of June 30, 2003 CDC Point S.p.A. held 121,002 treasury shares.

Purchases were made in the 2001 for nr. 101,657 shares and in the 2002 for nr. 19,345 shares, in accordance with a plan approved by the shareholders in the meeting held on March 8, 2000 and on April 29, 2002 to stabilize the share price. The average purchasing price was € 10.87. As of June 30, 2003 such shares were marked to the smaller between the cost of acquisition and the average market price for the previous month (€ 6.082), resulting in a write-down of € 68 thousand.

Cash and cash equivalents

Cash and cash equivalents	June 30, 2003	June 30, 2002	December 31, 2002
Bank and post office deposits	5,977	1,812	7,322
Cash and other valuables on hand	178	892	474
Total	6,155	2,704	7,796

The increase of the bank deposits, compared to the first half 2002, also derived from the change in the basis of consolidation which, as of June 30, 2002, did not included Computer Discount and its subsidiaries, Direct Srl and Mactronics Technology Srl (with a positive value for € 1,054 thousand).

For an analysis of the financial position, reference is made to the cash flow statement attached herewith.

ACCRUALS AND DEFERRALS

As of June 30, 2003 this item consisted of:

Accrued income and deferred expenses	June 30, 2003	June 30, 2002	December 31, 2002
--------------------------------------	---------------	---------------	-------------------



Accrued income	56	0	0
Accrued income	56	0	0
Car rentals	0	2	40
Royalties	36	0	38
Prepaid rents	148	57	337
Adjustment of forward exchange cover as at June 30, 2003	0		317
Lease	21		29
Other	782	695	466
Deferred expenses	987	754	1,227
Total	1,043	754	1,227

This item reflects income and expense computed on an accrual basis.

The item "Other", equal to € 782 thousand, is mainly consisting of insurance premiums for € 234 thousand, anticipated directors' remuneration for € 80 thousand, branch company lease for € 71 thousand.

CONSOLIDATED SHAREHOLDER EQUITY

The statement of changes in shareholders' equity is attached herewith.

Below, a comment on the main equity items and the relevant changes is provided.

Share capital

As of June 30, 2003, the fully-subscribed and paid-in share capital consisted of 12,261,372 common shares with a nominal value of € 0,5 each, for a total of € 6,131,000. This item remained unchanged from December 31, 2002.

Legal reserve

The legal reserve, amounted to € 621 thousand, rose by € 142 thousand thanks to the disposition of net profit achieved in the 2002, in accordance with a plan approved by the shareholders in the meeting held on April 28, 2003.

Share premium reserve

The share premium reserve was established in fiscal year 2000, following the Company's listing on the Nuovo Mercato. As of the end of the period under review it amounted to € 36,307 thousand.

Compared to December 31, 2002, this reserve rose by € 68 thousand thanks to the adjustment of Reserve for treasury shares.

Reserve for treasury shares

This item amounted to € 736 thousand and had been established to offset the value of the treasury shares held in portfolio.

**Other reserves**

The item, equal to e 974 thousand, only included extraordinary reserves. The reserve was constituted in the 2003 by the disposition of net profit achieved in the 2002.

Retained earnings (accumulated deficit)

This item reflected the results of the subsidiaries and the effects of write-offs by consolidated companies for tax purposes alone; more specifically, this involved the restatement of accelerated depreciation and the effects determined by the application of the lease finance method, net of the relevant tax effects. This item also included dividends of year 2002 for € 16 thousand relating to its own shares and not differently assigned by the shareholders in the meeting held on April 28, 2003.

Net income (loss) for the period

This item reflected the consolidated results for the period.

Net income (loss) attributable to minority interests

This reflected the consolidated results for the period attributable to minority interests.

Capital and reserves attributable to minority interests

This item reflected the portion of capital and reserves attributable to minorities in consolidated subsidiaries as of June 30, 2003, according to the rates indicated in the schedule n. 8.

ALLOWANCES FOR RISKS AND CHARGES

Allowances for risks and charges	December 31, 2002	Provisions	Utilizations	June 30, 2003
For taxes :				
<i>Allowance for deferred taxes</i>	<i>180</i>	<i>0</i>	<i>0</i>	<i>180</i>
Other funds:				<i>0</i>
<i>Allowance for risks and charges</i>	<i>103</i>	<i>0</i>	<i>0</i>	<i>103</i>
<i>Allowance for coverage of losses on shareholdings</i>	<i>0</i>	<i>3</i>	<i>0</i>	<i>3</i>
Total	283	3	0	286

The **allowance for deferred taxes** was due to the write-off of tax items recorded by consolidated subsidiaries, This allowance was unchanged, as no income taxes are computed on semiannual results.



The **allowances for risks and charges**, equal to € 103 thousand, referred to provisions of the parent company for a litigation, precautionary accounted, on the basis of the indication provided by the legal consultant of CDC Point SpA.

PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES

As of June 30, 2003 this item, net of any advance payments provided to employees, reflected the total of all such provisions by the consolidated subsidiaries.

Balance as of December 31, 2002	2,892
Provisions during the year	472
Uses during the year	(217)
Balance as of June 30, 2002	3,147

PAYABLES

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

Bank debts

Period (000's of €)	June 30, 2003			June 30, 2002	
	Total	Maturity Within 1 year	From 1 to 5 years		
Bank debts	39,280	39,139	141	0	43,591

CDC Point S.p.A., Direct S.r.l., Polinet S.r.l. and Computer Discount S.r.l. (with its subsidiaries) had total bank debts in the amount of € 37,839 thousand, € 516 thousand, € 423 thousand and € 439 thousand respectively.

Polinet S.r.l.'s debt was a mortgage loan obtained to purchase an office building in Milan to be used as headquarters by Gruppo Editoriale Futura. This loan will mature on September 30, 2004; it carries interest payments indexed to Euribor and to the interest rates for government securities. During the period such interest rate was approximately 6%.

Due to other lenders

The amounts, equal to € 3,885 thousand, mainly due to other lenders reflected the sums due to leasing companies for the purchase of capital goods, as of indicated in the items equipment and machinery (€ 3,119 thousand).

This item also included payable due to factor of CDC Point Spa for an operation of transfer of sales contract advance (€ 758 thousand).

Advance payments



This item reflected advance payments received from customers for the sale of prepaid services by Interfree S.r.l. which will be recognized as revenues during this fiscal year (€ 2 thousand) and taken payment received from customers of subsidiaries companies of Computer Discount S.r.l. (€ 4 thousand).

Trade payables

Trade payables	June 30, 2003	June 30, 2002	December 31, 2002
IT distribution	117,827	61,903	144,178
Internet	962	4,108	1,096
Total	118,789	66,011	145,274

This item mainly derived from trade payables of CDC Point SpA for € 116,072 thousand.

Amounts due to associated companies

This item, equal to € 9 thousand, consisting of trade payables for goods and services. It is related to the associated companies of CDC Point SpA or Computer Discount Srl.

Taxes payable

Taxes payable	June 30, 2003	June 30, 2002	December 31, 2002
Withholding taxes	829	578	726
VAT payable	4,835	2,599	2,796
Taxes	629	21	652
Other	40	10	60
Total	6,333	3,208	4,234

Taxes payables rose due to higher VAT debt as of June 30, 2003 mainly related to CDC Point SpA.

Amounts due to social security agencies

This item, equal to € 948 thousand, is related to amounts payable to social security agencies by both the company and the employees for the wages and salaries of June.

Other payables

Other payables	June 30, 2003	June 30, 2002	December 31, 2002
Due to customers	374	637	328



Due to employees for wages and salaries, vacations and bonuses	3,389	2,173	2,674
Compensation payable to directors and auditors	166	74	164
Credit notes to be issued	729	0	131
Financial payable due to share acquisition	0	0	8,120
Other	603	153	204
Total	5,261	3,037	11,621

The decrease, compared to the value as of December 31, 2002, mainly due to the payment, in the January 2003, of the payables due to the shareholders of CDC's parent company for the acquisition of Computer Discount Srl (€ 8,120 thousand).

The most significant sub-item under this heading was the amount due to employees for June's wages and salaries, in addition to unused vacation and accrued bonuses as of June 30, 2003. This item experienced a substantial increase from June 30, 2002 (€ 3.389 thousand vis-à-vis € 2,173 thousand) as a result of the entry in the consolidation scope of subsidiaries of Computer Discount Srl (€ 435 thousand) and Direct Srl (€ 137 thousand).

Other payables included € 380 thousand due to the additional price of branch company acquisition Armonia Computer.

ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income	June 30, 2003	June 30, 2002	December 31, 2002
Rents payable	0	0	0
Accrued amounts due to employees	0	0	398
Adjustment of forward exchange cover as at June 30, 2003	61	0	240
Utilities and sundry accrued expenses	13	220	147
Accrued expenses	74	220	785
Grant under law 488	231	265	255
Other deferred income	26	172	35
Deferred income	257	437	290
Total	331	657	1.075

This item reflects expenses and income to be recognized in a period other than that in which the relevant cash outlay or collection takes place. The underlying rationale is the principle on which accrual-basis accounting rests.

The deferred income related to the grant under law 488 obtained by Micronica S.p.A. for the construction of the group's headquarters.

MEMORANDUM ACCOUNTS

Goods to be received

This item, equal to € 7,080 thousand, refers to the amount of letters of credit open in favor of suppliers as of June 30, 2003.

Forward transactions and options

As of June 30, 2003 the company had forward purchasing contracts for € 1,697 thousand. These contracts were entered into to hedge the company's exchange rate risk related to its purchases in foreign currency.

The company had also forward buying contracts outstanding for a total of USD 16,500 thousand, equivalent to € 14,155 thousand; such contracts had been entered into in view of the purchases necessary to supply computers to the first and second Consip tender, as required by a contract awarded by this organization in light of its objective to disseminate information technology in the public administration.

These contracts made it possible to set the exchange rates in a way that would ensure that the price bid is profitable.

Other Commitments

The other commitments resulted from a consulting contract of CDC Point S.p.A. amounting to € 420 thousand, over a period of 5 years. This contract was signed in 2002 at the same time of the acquisition of Mactronics Technology. The commitment as at June 30, 2003 amount to € 180 thousand.

Guarantees

As of June 30, 2003 sureties received for rental agreements, for the thefts suffered and in accordance with the need to provide performance bonds amounted to € 6,948 thousand.

Commitments for off-balance-sheet transactions

As of June 30, 2003 CDC Point S.p.A. had an interest-rate swap contract outstanding, calling for quarterly payments resulting from differentials between a fixed interest rate of 4,01%, and a floating interest rate, plus a spread if in the period this rate was lower than 5% on a notional principal amount of € 13,000 thousand; if it is higher, the IRS contract does not produced effects. This operation was carry out for the coverage of exchange risk rate.

Tax litigation

During 2000, the Tax Police conducted "an audit on VAT, direct-tax and other tax payments" on the premises of the parent company, CDC Point Sp.A., relating to 1995-1995 fiscal years, which ended in October. To this date, we have only received assessment notices on VAT and direct taxes for fiscal year 1995, 1996, 1997.

The audit revealed some alleged irregularities attributable to purchases made by persons currently under investigation for alleged violations and that, according to Tax Police officials, such purchases might not be material for tax purposes, for a relevant amount. According to the tax attorneys we have retained in this dispute with the Tax Authorities, our defense stands on solid ground and there are no significant contingent liabilities for the Company.

On June 26, 2003, Tax Police took again the fiscal audit on 1998-2002 year, as for the cases noticed and notified through the provisional report issued at the closing of the first inspection, open to additional findings.

The current fiscal audit consist of a partial audit on relationships between CDC and some suppliers.

To this end, given the simultaneous occurrence of the first audit with the listing of the company, on June 16, 2000, the parent company CDC Sr.l. issued a guarantee whereby it undertook to hold CDC Point S.p.A. harmless against any liability arising from any violation of tax laws that should emerge from the foregoing Tax Police audit.

The guarantee has to be considered extended to further assessment which could be generated by the second audit on VAT, being an extension of the first audit begun in 2000.

The Tax Commission of first instance of Pisa ruled in our favour against the VAT and Direct taxes assessments noticed for fiscal year 1995 and VAT assessment for year 1996.

For the other years the company appeal has been already made.

The guarantee provided by the parent company is considered to be more than sufficient to cover any possible charge; as a result no provisions were made to cover contingent liabilities in that respect.

As for the VAT assessment for the fiscal year 1997, referred to the purchase of goods from San Marino, for which not regular deductions had been made, the company paid the amount due within the terms (€ 1.264,80).

See below for a summary of the tax litigation situation , as of June 30, 2003:

- Irpeg/Ilor 1995 year – appeal upheld by judgment notified on February, 27 2002
- VAT 1996 year - appeal upheld through first instance judgment of December, 12 2002
- VAT 1995 year – appeal upheld. Claim of the Office and counter-declaration of the company.
- Irpeg/Ilor 1996 year – appeal notified to the Office on December 16, 2002
- Irpeg/Ilor 1997 – appeal notified to the Office on December 13, 2002
- VAT 1997 - Paid within the terms

Other disputes

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

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

VALUE OF PRODUCTION

All the figures are in thousand of euros

Revenues from sales and services



Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
IT distribution activities	264,540	242,367	483,882
Internet Service Provider activities	5,138	562	3,987
Total	269,678	242,929	487,869

For more details on consolidated revenues, reference should be made to the Report on Consolidated Operations

Revenues were realized mainly in Italy.

Other revenues and income

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Damages collected	201	31	331
Rental income	97	367	496
Sundry reimbursements and recoveries	6,344	5,661	12,052
Gains on disposals of fixed assets	9	0	8
Other	544	486	1,015
Total	7,195	6,545	13,902

Sundry reimbursements and recoveries were related to advertising expenses by franchisees, co-marketing contributions obtained by suppliers and franchising fees received from new franchisees, growing compared the same period of 2002 as a result of higher contributions from suppliers (€ 4,312 as of June 30, 2003 against € 3,370 as of June 30, 2002 and € 7,199 as of December 31, 2002).

Damages collected concerned mainly insurance payments received for thefts and pilferage (€ 25 thousand) as well as compensation from transportation companies for goods lost or damaged (€ 176 thousand)

The item **Other** included revenues from consumer credit companies in the amount of € 504 thousand, for promoting their services on the premises of the Computer Discount stores.

PRODUCTION COSTS

Purchasing costs

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Goods for resale	228,905	191,201	417,299
Ancillary purchasing costs	75	69	125
Total	228,980	191,270	417,424

Purchasing costs are net of end-of-period discounts and stock protection for € 11.903 thousand, growing compared to 2002 as a result of the increase of sales.



CDC Point S.p.A, buys most of the goods it sells in U.S, dollars, thus it is subject to exchange rate risks. The Company hedges approximately 70%-80% of the expected foreign-currency outlays.

Service costs

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Transportation and logistics	3,706	3,346	6,983
Subcontractors	537	283	1,377
Maintenance and utilities	1,150	1,501	1,969
Marketing costs	8,082	8,140	10,709
<i>IT Distribution</i>	<i>8,064</i>	<i>8,088</i>	<i>10,679</i>
<i>Internet</i>	<i>18</i>	<i>52</i>	<i>30</i>
Insurance premiums	270	281	638
Technical, legal, administrative and tax consulting	408	727	1,262
Compensation to directors and auditors	1,307	702	2,010
Other service costs	5,077	1,377	8,975
Total	20,537	16,357	33,923

Transportation and logistics costs amount to € 3,706 stable compared to the previous year (€ 3,346 thousand as of June 30, 2002). The Group fully reached the efficiency of the automated logistic plant of the subsidiary Micronica S.p.A.

Compared to June 30, 2002 **subcontractor** costs recorded a significant growth, rising to € 537 thousand from € 283 thousand, as a result of higher costs in the subsidiary Micronica SpA in order to face the deliveries plan to government (Consip) clients limiting the amount of the payroll costs.

Maintenance and utilities costs mainly consist of telecom utilities for € 516 thousand (€ 363 thousand as of June 30, 2002, and € 921 thousand as of December 31, 2002) ed power utilities for € 310 thousand (€ 212 thousand as of 30 June 2002, € 523 thousand as of December 31, 2002).

Marketing **costs amount to** € 8,082 thousand in line with the same period of 2002, while decrease the internet costs due to higher synergies with the group.

As to the compensation for the parent company's directors (see the attached table) and auditors, these received emoluments also from other Group companies; details are available in the relevant annex. Such emoluments reflected the amounts resolved by the Board of Directors and the amounts established for the Board of Auditors, growing as the change of basis of consolidation.

The other costs include € 2,726 thousand resulted from the costs for the installation and testing of the PCs delivered to government clients (in accordance with Consip tender), to the company partner in RTI .

Lease expenses

This item amounts to € 2,616 thousand including:

- rents for € 2,283 thousand (€ 1,145 thousand as of June 30, 2002), growing as a result of higher costs resulted from the lease of Test SpA assets, by CDC's subsidiary Direct Srl (€ 226 thousand), and from rents of the Computer Discount Srl's subsidiary (€ 608 thousand);

- automotive rents for € 262 thousand against € 225 thousand as of June 2002;
- other costs amounting to € 71 thousand.

Payroll costs

A breakdown of these costs is provided by the consolidated income statement.

The increase of the payroll costs of the IT business area resulted from the growth of the number of the employees as a result of the inclusion in the consolidation area of the company Direct Srl, Mactronics Technology Srl and Computer Discount Srl, whose total payroll costs amount to € 1,805 thousand. The table below shows the break down of Group employees by company and business area as of June 30, 2003. The number of employees grew

Employees	June 30, 2003	June 30, 2002	December 31, 2002	Average number of employees 01/01/03-30/06/03
IT Distribution	571	400	576	557
<i>Managers</i>	12	11	12	12
<i>Supervisors</i>	29	22	31	29
<i>White-collar</i>	379	245	381	375
<i>Blue-collar</i>	151	122	152	141
Internet Business	13	11	13	13
<i>Managers</i>	0	0	0	0
<i>Supervisors</i>	1	0	1	1
<i>White-collar</i>	12	11	12	12

Amortization, depreciation and write-downs

Break down already reported in the income statement

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Intangible assets	2,419	1,989	4,980
Tangible assets	1,952	1,727	3,706
Total	4,371	3,716	8,686

Amortisation amount to € 4,371 thousand, growing compared to June 30, 2002.

The growth mainly resulted from amortization of the goodwill amounting to € 871 thousand, attributable for € 322 thousand to Interfree Srl, for € 520 thousand to Computer Discount Srl and for € 28 thousand to Mactronics Tecnology Srl. This amortization was not posted as at June 30, 2002 (total amortization for € 671 thousand as at December 31, 2002).

Total Amortisation includes also amortization resulted from the Computer Discount Srl's subsidiaries (€ 196 thousand) not yet involved in the consolidation area as at June 30, 2002.



Amortization resulted from Interfree Srl declined from € 242 thousand of June 30, 2003, to € 890 thousand of June 30, 2002 after the closing of the amortisation start up costs of the company in 2000.

The **write-downs of short-term receivables** amount to € 751 thousand and include provisions for credit risk amounting to € 600 thousand resulted from the parent company, € 50 thousand resulted from Computer Discount Srl, € 100 thousand resulted from Interfree Srl. The provisions were prudential in accordance with the change of the credit policy to the commercial clients, with longer terms of payment.

Other provisions

This item reflected provisions for charges to allowance covering the obsolescence of the inventory for an amount of € 1.808 thousand.

As of June 30, 2003 the allowance posted to cover the obsolescence of the inventory was € 2,687 thousand. This amount has to be considered enough to cover the risk of obsolescence of the inventory.

Sundry operating costs

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Fines and penalties	13	4	17
Sundry taxes and fees	142	67	219
Sale on disposal of fixed assets	3	2	68
Government concessions	127	2	177
Receivables written off	65	0	11
Other operating costs	106	99	136
Total	456	174	628

The increase of the total costs resulted mainly from the change of the consolidation basis with a higher number of companies included in the consolidation area

FINANCIAL INCOME AND CHARGES

Financial income

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Bank interest	10	19	35
Gains on foreign exchange transactions	1.662	1.098	2.945
Interest on amounts due from customers	0	0	0
Financial discounts	83	99	165
Income on options	0	21	21
Other	216	3	144
Total	1,971	1,240	3,310

Gains in foreign exchange transactions resulted from forward contracts and currency options signed during 2002. This result has to be compared to the Losses on foreign exchange transactions mentioned below

Interest and other financial charges

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Interest on bank loans	797	989	463
Interest on amounts payable to other lenders	868	138	2,118
Losses on foreign exchange transactions	2,245	1,157	3,468
Allowances for exchange rate fluctuations	0	468	0
Expenses and commissions	1,373	1,039	2,026
Other financial charges	273	199	340
Total	5,556	3,990	8,415

The interest and the other financial charges rose to € 5,556 thousand compared to the same period of 2002 (€ 3,990 thousand).

The result derives mainly from higher losses on foreign exchange transactions (€ 2,245 thousand), resulted from currency operations realised by the parent company and from higher costs for interest and commissions due to the sales to factoring companies of higher amount of receivables.

ADJUSTMENTS TO FINANCIAL FIXED ASSETS

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Revaluation	0	0	0
Write-down	68	556	766
For equity interests	0	238	255
For its own shares	68	318	511
Total	68	556	766

The write-down of its own shares (€68 thousand in the period under review against € 318 thousand of the previous fiscal year) was order to balance their value to the stock market price of the last month.

EXTRAORDINARY INCOME AND EXPENSES

Income Income

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Extraordinary income	335	485	706
Capital gains	15	0	36
Total	350	485	742

As of June 30, 2003 the extraordinary income were € 355 thousand resulted mainly from less costs or higher revenues relating to the previous fiscal year.

Capital gains amount to € 15 thousand, resulted from the disposal of equity interests sold by the company Computer Discount Srl.



Extraordinary Expenses

Period (000's of euros)	June 30, 2003	June 30, 2002	December 31, 2002
Employees exodus incentives	0	0	206
Extraordinary losses	893	202	862
Other	2	0	0
Total	895	202	1,068

The extraordinary losses recorded as of June 30, 2003 for € 893 thousand resulted from the parent company CDC S.p.A. as for € 531 thousand, mainly attributable to marketing contributions to clients relating to 2002 fiscal year.



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

- Statement of change in the consolidated shareholders' equity for the six-month period ended on June 30, 2003 (annex 1).
- Consolidated cash flow statement for the six-month period ended on June 30, 2002 (annex 2).
- Statement of changes in consolidated intangible fixed assets (annex 3) .
- Statement of changes in consolidated tangible fixed assets (annex 4).
- Statement of changes in consolidated financial fixed assets (annex 5).
- Statement of changes in consolidated long-term receivables (annex 6).
- Reconciliation between the Parent Company's shareholders' equity and net income and the corresponding consolidated items (annex 7).
- List of consolidated companies (annex 8).
- Shares of CDC S.p.A. held by directors, auditors and general managers (annex 9) .
- Compensation to directors and auditors of CDC S.p.A. and its subsidiaries (annex 10) .
- Balance Sheet of CDC Point on June 30, 2002 (annex 11)

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

On behalf of the Board of Directors.

The Chairman

Giuseppe Diomelli



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003 - Annex 1

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIOD BETWEEN 01/01/2003 AND 06/30/2003

<u>(Amounts in thousands of euros)</u>	Share capital	Legal reserve	Share premium reserve	Reserve for treasury shares	Other reserves	Retained earnings (accumulated)	Net income (loss) for the period	GROUP EQUITY	MINORITY INTERESTS
Consolidated balance as of June 30, 2003	6,131	479	36,240	804	0	113	2,298	46,065	82
Allocation of net income for 2002		142			974	(534)	(582)	0	
Dividend allocation						16	(1,716)	(1,700)	
Sell-off 49% CD Bari						(46)		(46)	46
Changes in the reserve for treasury shares			67	(67)				0	
Consolidated net income (loss) for the period							5,686	5,686	(60)
Saldo al 30 Giugno 2003 consolidato	6,131	621	36,307	737	974	(451)	5,686	50,005	68



CONSOLIDATED CASH FLOW STATEMENT AS OF JUNE 30, 2003

(Amounts in thousands of euros)

	1° half 2003	Fiscal year 2002	1° half 2002
A. OPENING NET SHORT-TERM FINANCIAL INDEBTEDNESS	(12,899)	(32,270)	(32,270)
Net income (loss) for the period	5,685	2,298	532
Net change in funds for risks and charges	3	(501)	335
Amortization and depreciation	4,371	8,685	3,716
Net change in the provisions for employee severance payments	255	1,089	384
(Gains) losses on shareholding sales and write-downs	(15)	326	239
Net income (loss) for the period before any change in working capital	10,299	11,897	5,206
(Increase) decrease in short-term receivables	4,606	(19,075)	16,282
(Increase) decrease in inventories	(599)	6,996	25,894
Increase (decrease) in trade and other payables	(30,531)	26,252	(54,262)
(Increase) decrease in other working capital items	(684)	232	162
Increase (decrease) purchase of Sofim S.r.l.	0	8,120	0
Change in working capital	(27,208)	22,525	(11,924)
B. CASH FLOW FROM (FOR) OPERATING ACTIVITIES	(16,909)	34,422	(6,718)
Investments in fixed assets:			
Intangibles	(812)	(1,783)	(687)
Tangibles	(696)	(1,795)	(624)
Financial	(16)	(591)	(55)
Selling price or refund amount for fixed assets	0	(737)	
Increases in tangibles fixed assets due of consolidation of Sofim's subsidiaries	0	(959)	0
Increases in intangibles fixed assets due of consolidation of Sofim and Direct	0	1,505	35
Increase in fixed assets due to acquisition of Macronics, Sofim and Interfree.	0	(10,206)	
C. CASH FLOW FROM (FOR) INVESTMENT ACTIVITIES	(1,524)	(14,566)	(1,331)
Share capital and share premium reserve increase	0	0	0
Minority interests	32	(485)	(568)
Loan borrowings (repayments)	16	0	0
Dividends paid	(1,700)	0	0
D. CASH FLOW FORM (FOR) FINANCIAL ACTIVITIES	(1,652)	(485)	(568)
E. CASH FLOW FOR THE PERIOD (B+C+D)	(20,085)	19,371	(8,617)
F. ENDING NET SHORT-TERM FINANCIAL INDEBTEDNESS (A+G)	(32,984)	(12,899)	(40,887)



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003 - Annex 3

STATEMENT OF CHANGES IN INTANGIBLE FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2003 - 06/30/2003

(Amounts in thousands of euros)

	Opening balance				Changes during the year								Closing balance				
	Costo originario	Accumulated amortization	Write-ups / Write-downs	Book value as of 12/31/2002	Purchases	Adjustments to accumulated amortization	Disposals	Amortization	Fixed assets totally amortized		Write-ups / Write-downs	Reclassifications		Costo originario	Write-ups / Write-downs	Accumulated amortization	Book value as of 06/30/2003
									Original cost	Accumulated amortization		Original cost	Accumulated amortization				
Start-up and expansion costs	3,720	(1,810)	0	1,910	11			(375)				314	(323)	4,045	0	(2,508)	1,537
Research, development and advertising costs	163	(46)	0	117	62			(97)				373	(7)	598	0	(150)	448
Industrial patents and intellectual property rights	139	(33)	0	106	9			(20)				253	(114)	401	0	(167)	234
Concessions, licenses, trademarks and similar rights	14,400	(4,551)	0	9,849	77			(791)				(77)	(62)	14,400	0	(5,404)	8,996
Goodwill	736	(131)	0	605	380			(61)		(8)	41	(41)		1,157	(8)	(233)	916
Assets under construction and advances*	841	0	0	841	74							(366)		549	0	0	549
Other intangible assets	2,804	(1,800)	0	1,004	208			(205)				291	(283)	3,303	0	(2,288)	1,015
Goodwill arising from consolidation	10,209	(671)	0	9,538				(870)						10,209	0	(1,541)	8,668
TOTAL	33,012	(9,042)	0	23,970	821	0	0	(2,419)	0	0	(8)	829	(830)	34,662	(8)	(12,291)	22,363



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003 - Annex 4

STATEMENT OF CHANGES IN TANGIBLE FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2003 - 06/30/2003

(Amounts in thousands of euros)

	Opening balance			Changes in the basis of consolidation			Changes during the year							Closing balance			
	Original cost	Accumulated depreciation	Book value as of 12/31/2002	Original cost	Accumulated depreciation	Book value	Purchases	Increases in accumulated amortization	Uses of accumulated amortization	Disposals	Depreciation	Reclassifications		Original cost	Write-ups / Write-downs	Accumulated amortization	Book value as of 06/30/2003
												Original cost	Accumulated depreciation				
Land and buildings	10,442	(651)	9,791			0	2				(158)			10,444	0	(809)	9,635
Equipment and machinery	13,970	(5,201)	8,769			0	325	3		(3)	(991)			14,292	0	(6,189)	8,103
Industrial and commercial equipment	5,586	(4,051)	1,535			0	49	2		(10)	(259)			5,625	0	(4,308)	1,317
Other assets	7,709	(3,961)	3,748	(3)	1	(2)	343	17		(28)	(544)			8,021	0	(4,487)	3,534
Assets under construction and advances	0	0	0			0								0	0	0	0
TOTALE	37,707	(13,864)	23,843	(3)	1	(2)	719	22	0	(41)	(1,952)	0	0	38,382	0	(15,793)	22,589



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003 - Annex 5

STATEMENT OF CHANGES IN FINANCIAL FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2003 - 06/30/2003

SHAREHOLDINGS

(Amounts in thousands of euros)

	Opening balance			Changes during the period			Closing balance		
	Original cost	Write ups / Write-downs	Book value as of 12/31/2002	Acquisitions	Decreases	Write ups / Write-downs	Original cost	Write ups / Write-downs	Book value as of 06/30/2003
Shareholdings in subsidiaries	0	0	0	0	0	0	0	0	0
Shareholdings in associated companies	96	(77)	19	0	0	0	96	(77)	19
Shareholdings in parent companies	0	0	0	0	0	0	0	0	0
Shareholdings in affiliated companies	0	0	0	0	0	0	0	0	0
Shareholdings in other companies	5	0	5	0	0	0	5	0	5
TOTAL	101	(77)	24	0	0	0	101	(77)	24



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003 - Annex 6

STATEMENT OF CHANGES IN FINANCIAL FIXED ASSETS FOR THE PERIOD BETWEEN 01/01/2003 - 06/30/2003

RECEIVABLES

(Amounts in thousands of euros)

	Opening balance			Changes in the basis of consolidation	Changes during the period				Closing balance		
	Original cost	Write ups / Write-downs	Book value as of 12/31/2002		Increases	Decreases	Reclassifications	Write ups / Write-downs	Original cost	Write ups / Write-downs	Book value as of 06/30/2003
SECURITY DEPOSITS											
Security deposits with other companies	682	0	682	(1)	48	(9)	0	0	720	0	720
Security deposits with subsidiaries	0	0	0	0	0	0	0	0	0	0	0
Other receivables beyond 12 months	32	0	32	0	0	0	(7)	0	25	0	25
TOTALE	714	0	714	(1)	48	(9)	(7)	0	745	0	745



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

<u>(Amounts in thousands of euros)</u>	<u>Net income for the period</u>	<u>Shareholders' equity</u>
As per CDC Point S.P.A.'s financial statements	5,671	50,457
Effect of elimination of tax amounts	(147)	111
Adoption of financial method for goods acquired through finance leases	<u>161</u>	<u>(563)</u>
Come da bilancio consolidato	5,685	50,005



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003 - Annex 8

**LIST OF CONSOLIDATED COMPANIES
as of June 30, 2003**

(Amounts in thousands of euros)

Name	Registered Office	Share Capital	Shareholders' equity	Result for the first half 2003	% held
CDC POINT S.P.A.	Calcinaia (PI)	6,131	50,218	5,432	
INTERFRE S.R.L.	Calcinaia (PI)	50	2,188	1,638	100%
MICRONICA S.P.A.	Pontedera (PI)	6,450	6,823	322	100%
CD WEB S.R.L.	Calcinaia (PI)	75	69	(6)	100%
POLINET S.R.L.	Calcinaia (PI)	78	31	(47)	100%
DIRECT S.R.L.	Pontedera (PI)	15	81	63	99%
COMPUTER DISCOUNT S.R.L.	Pontedera (PI)	63	(359)	(422)	100%
MACTRONICS TECHNOLOGY S.R.L.	Calcinaia (PI)	12	(45)	(137)	60%
CD FIRENZE SRL	Firenze	26	28	(15)	56%
CD MILANO SRL	Milano	20	4	(24)	89%
CD PISA SRL	Pisa	10	73	62	100%
CD GENOVA SRL	Genova	42	13	(28)	100%
CD TORINO SRL	Torino	21	64	(25)	100%
C.V.M. SRL	Bologna	26	40	12	87%
CD VERONA SRL	Verona	16	(21)	(37)	100%
CD ROMA SRL	Pontedera (PI)	56	64	(11)	100%
CD BRESCIA SRL	Pontedera (PI)	21	(33)	(54)	100%
CD PESCARA SRL	Pontedera (PI)	26	10	(42)	100%
CD MILANO 2 SRL	Milano	52	23	(22)	95%
CD MILANO 3 SRL	Pontedera (PI)	51	25	(26)	100%
CD MILANO 4 SRL	Pontedera (PI)	51	38	(13)	100%
CD MILANO 5 SRL	Pontedera (PI)	51	77	26	100%
CD ROMA 2 SRL	Pontedera (PI)	51	152	39	99%
CD NAPOLI 2 SRL	Pontedera (PI)	52	160	(10)	100%
CD CAGLIARI SRL	Cagliari	52	23	(56)	100%
SOLUZIONI INFORMATICHE SRL	Pontedera (PI)	52	116	39	51%
CD MILANO 6 SRL	Cinisello Balsamo (M)	26	(4)	(30)	99%
CD AREZZO SRL	Pontedera (PI)	10	0	(10)	100%
CD BARI 2 SRL	Pontedera (PI)	50	31	(19)	51%
BELCOR SRL	Pontedera (PI)	10	(50)	(60)	100%

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

Last name and first name	Company	Number of shares held directly as of 12/31/2002	Number of shares held indirectly as of 12/31/2002	Number of shares acquired directly during the period	Number of shares acquired indirectly during the period	Number of shares sold directly during the period	Number of shares sold indirectly during the period	Number of shares held indirectly as of 06/30/2003	Number of shares held directly as of 06/30/2003
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BOARD OF DIRECTORS

DIOMELLI GIUSEPPE (*)	CDC Point S.p.A.	7.176	7.176					7.176	7.176
PAGNI LEONARDO	CDC Point S.p.A.	0	0					0	0
ANDOLFI CLAUDIO	CDC Point S.p.A.	24.453	0					0	24.453

BOARD OF AUDITORS

BOSSI CARLO	CDC Point S.p.A.	0	0					0	0
CARLI DANIELA	CDC Point S.p.A.	0	0					0	0
LANG ALBERTO	CDC Point S.p.A.	0	0					0	0

(*) through his spouse, Andolfi Floriana

**COMPENSATION TO DIRECTORS AND AUDITORS OF CDC SPA AND ITS SUBSIDIARIES**

BOARD OF DIRECTORS	CDC Point S.p.A.	Interfree S.p.A.	Miconica S.p.A.	Computer Discount S.r.l.	Polinet S.r.l.	CD Web S.r.l.	Direct S.r.l.
DIOMELLI GIUSEPPE	€ 237,000.00						
PAGNI LEONARDO	€ 118,500.00						
ANDOLFI CLAUDIO	€ 93,000.00						
BARBERIS ALESSANDRO	€ 21,000.00						
BARACHINI ENRICO	€ 21,000.00						
BOARD OF AUDITORS	CDC Point S.p.A.	Interfree S.p.A.	Miconica S.p.A.	Computer Discount S.r.l.	Polinet S.r.l.	CD Web S.r.l.	Direct S.r.l.
BOSSI CARLO	€ 14,121.00						
CARLI DANIELA	€ 7,717.00		€ 2,002.00	€ 691,00	€ 82,00	€ 200,00	
LANG ALBERTO	€ 7,571.00			€ 691,00	€ 82,00		



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003

Annex 11

BALANCE SHEET of CDC POINT S.p.A.
as of June 30, 2003 and compared with December 31, 2002 and June 30, 2002

ASSETS	June 30, 2003	June 30, 2002	December 31, 2002
A - DUE FROM SHAREHOLDERS FOR SUBSCRIPTIONS AND LOSSES	0		
<u>I Make up for of losses</u>			
B - FIXED ASSETS			
<u>I - INTANGIBLE FIXED ASSETS</u>	<u>12.403.337</u>	<u>13.419.755</u>	<u>13.209.247</u>
1. Start up and expansion costs	1,330,648	2,001,173	1,666,022
2. Research, development and advertising costs	425,511	0	91,440
3. Industrial patents and intellectual rights	10,185	15,597	12,891
4. Concessions, licenses, trademarks and similar rights	8,836,440	10,186,645	9,649,578
5. Goodwill	831,644	563,341	495,352
6. Intangible assets under construction and advances	128,978	0	421,000
7. Other intangible assets	839,931	652,999	872,964
<u>II - TANGIBLE FIXED ASSETS</u>	<u>2.945.165</u>	<u>3.149.739</u>	<u>2.949.651</u>
1. Land and Buildings	28,367	30,412	27,964
2. Machinery	759,910	630,424	716,249
3. Industrial and commercial equipment	869,075	1,056,759	975,293
4. Other assets	1,287,813	1,056,657	1,230,145
5. Tangible assets under construction and advances	0	375,487	0
<u>III - FINANCIAL FIXED ASSETS</u>	<u>17.237.767</u>	<u>8.902.578</u>	<u>16.611.734</u>
1. Shareholdings			
a. in subsidiaries	17,073,512	7,230,101	16,456,419
b. in associated companies	0	1,505,000	0
c. in parent companies	0	0	0
d. in other companies	704	704	704
<u>Sub-Total</u>	<u>17.074.216</u>	<u>8.735.805</u>	<u>16.457.123</u>
2. Receivables			
a. due from subsidiaries	0	0	0
b. due from associated companies	0	0	0
c. due from parent companies		34,086	
d. due from other companies	163,551	132,687	154,611
<u>Sub-Total</u>	<u>163.551</u>	<u>166.773</u>	<u>154.611</u>
<u>TOTAL FIXED ASSETS (B)</u>	<u>32.586.269</u>	<u>25.472.072</u>	<u>32.770.632</u>
C - CURRENT ASSETS			
<u>I - Inventories-</u>	<u>69.226.821</u>	<u>54.611.579</u>	<u>69.316.963</u>
1. Raw, ancillary and consumable materials	0	0	0
2. Work in process and semi-finished products	0	0	0
3. Work in process under contract	0	0	0
4. Finished products and goods for resale	69,226,821	54,611,579	69,316,963
5. Advances	0	0	0

**BALANCE SHEET of CDC POINT S.p.A.**
as of June 30, 2003 and compared with December 31, 2002 and June 30, 2002

ASSETS	June 30, 2003	June 30, 2002	December 31, 2002
<u>II – Receivables-</u>	<u>112,301,780</u>	<u>75,000,016</u>	<u>121,318,795</u>
1. due from customers	81,969,332	40,447,269	78,899,343
2. due from subsidiaries	19,553,157	11,140,448	24,495,170
- receivable within 12 months	19,553,157	5,975,879	24,495,170
- receivable beyond 12 months		5,164,569	0
3. from associated companies	200,115	0	310,560
4. from related companies		8,334,740	0
5. due from parent companies	374	5,824,352	5.825
6. Others	10,578,802	9,253,207	11,788,999
- receivable within 12 months	10,209,394	8,863,798	
- receivable beyond 12 months	369,408	389,409	
<u>III – Short-term investments</u>	<u>735,934</u>	<u>930,678</u>	<u>804,337</u>
1. Shareholdings in subsidiaries	0	0	0
2. Shareholdings in associated companies	0	0	0
3. Shareholdings in parent companies	0	0	0
4. Shareholdings in other companies	0	0	0
5. Treasury shares	735,934	930,678	804,337
6. Other securities	0	0	0
7. Financial receivables	0	0	0
<u>IV – Cash and cash equivalents</u>	<u>4,864,428</u>	<u>2,560,247</u>	<u>2,818,332</u>
1. Bank and post office deposits	4,835,646	1,669,781	2,591,566
2. Checks		0	
3. Cash and other valuables on hand	28,782	890,466	226,766
<u>TOTAL CURRENT ASSETS(C)</u>	<u>187,128,963</u>	<u>133,102,520</u>	<u>194,258,427</u>
D- Accrued income and deferred expenses			
1. Bond and loan discounts	0	0	0
2. Other accruals and deferrals	706,312	691,347	796,140
<u>TOTAL ACCRUED INCOME AND DEFERRED EXPENSES (D)</u>	<u>706,312</u>	<u>691,347</u>	<u>796,140</u>
<u>TOTAL ASSETS</u>	<u>220,421,544</u>	<u>159,265,939</u>	<u>227,825,199</u>



BALANCE SHEET of CDC POINT S.p.A.
as of June 30, 2003 and compared with December 31, 2002 and June 30, 2002

<i>LIABILITIES AND SHAREHOLDERS' EQUITY</i>	<i>June 30, 2003</i>	<i>June 30, 2002</i>	<i>December 31, 2002</i>
A - SHAREHOLDERS' EQUITY			
I - Share capital	6,130,686	6,130,686	6,130,686
II - Share premium reserve	36,307,450	36,112,705	36,239,047
III - Revaluation reserve	0	0	479,435
IV - Legal reserve	621,034	479,435	804,337
V - Reserve for treasury shares	735,933	930,678	
VI - Statutory reserves	0	0	
VII Other reserves	973,793	0	
VIII - Retained earnings (accumulated deficit)	16,940	0	
IX - Net income (loss) for the period, brought forward	5,671,743	1,184,223	2,831,984
<u>TOTAL SHAREHOLDER EQUITY</u>	<u>50,457,579</u>	<u>44,837,727</u>	<u>46,485,489</u>
B - ALLOWANCES FOR RISKS AND CHARGES			
1. Allowances for pensions and the like	0	0	0
2. Tax allowances	0	0	0
3. Others	106,478	1,062,881	210,142
<u>TOTAL ALLOWANCES FOR RISKS AND CHARGES (B)</u>	<u>106,478</u>	<u>1,062,881</u>	<u>210,142</u>
C - PROVISIONS FOR EMPLOYEE SEVERANCE INDEMNITIES			
	<u>1,971,696</u>	<u>1,615,354</u>	<u>1,748,205</u>
D - PAYABLES			
1. Bonds	0	0	0
2. Convertible Bonds	0	0	0
3. Bank debts	37,871,664	42,880,270	20,669,791
4. Debts payable to other lenders	757,732	0	0
5. Advance payments	0	0	0
6. Trade payables	116,071,681	61,094,339	142,340,378
7. Debts represented by securities issued	0	0	
8. Amounts due to subsidiaries	2,935,677	1,138,716	1,413,610
9. Amounts due to associated companies	9,108	0	4,304
10. Amounts due to parent companies	0	16,146	0
11. Amounts due to related companies	0	30,616	0
12. Taxes payable	5,779,435	3,008,784	3,505,131
13. Amounts due to social security agencies	634,932	755,137	413,860
14. Other payables	3,681,436	2,474,310	10,448,575
<u>TOTAL PAYABLES (D)</u>	<u>167,741,665</u>	<u>111,398,318</u>	<u>178,795,649</u>
E - ACCRUED EXPENSES AND DEFERRED INCOME			
1. Bond premiums	0	0	0
2. Other accruals and deferrals	144,126	351,659	585,714
<u>TOTAL ACCRUALS AND DEFERRALS (E)</u>	<u>144,126</u>	<u>351,659</u>	<u>585,714</u>
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>220,421,544</u>	<u>159,265,939</u>	<u>227,825,199</u>



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003

Annex 11

**MEMORANDUM ACCOUNTS of CDC POINT S.p.A.
as of June 30, 2003 and compared with December 31, 2002 and June 30, 2002**

	<i>June 30, 2003</i>	<i>June 30, 2002</i>	<i>December 31, 2002</i>
<u>1. Commitments:</u>			
a. Buying	0	0	0
b. Selling	0	0	0
c. Leasing fees	196,562	0	188,019
d. Goods to be received	7,079,755	1,464,851	3,433,753
e. Currencies to be received	15,852,009	16,749,488	13,815,097
f. Third parties' assets	0	0	0
g. Other commitments	0	790,000	280,000
	<u>23,128,326</u>	<u>19,004,339</u>	<u>17,716,869</u>
<u>2. Guarantees</u>			
a. Received		3,396,358	2,251,431
b. Sureties provided	6,937,960	6,227,668	8,956,701
	<u>6,937,960</u>	<u>9,624,026</u>	<u>11,208,132</u>
	<u>30,066,286</u>	<u>28,628,365</u>	<u>28,925,001</u>



INCOME STATEMENT of CDC POINT S.p.A.
as of June 30, 2003 and compared with December 31, 2002 and June 30, 2002

	<i>June 30, 2003</i>	<i>June 30, 2002</i>	<i>December 31, 2002</i>
A - VALUE OF PRODUCTION			
1. Revenues from sales and services	264,437,419	242,295,365	482,211,325
2. Changes in work- in- process, semi-finished and finished product inventories	1,717,747	(25,904,776)	(11,199,392)
3. Changes in work-in-process under contract	0	0	0
4. Change in self-constructed assets	0	0	0
5. Other revenues and income	0	0	0
a. Operating grants	1,444	0	0
b. Others	7,929,357	6,472,247	14,054,515
<u>Total value of production (A)</u>	<u>274,085,967</u>	<u>222,862,836</u>	<u>485,066,448</u>
B - PRODUCTION COSTS			
6. Raw, ancillary and consumable materials and goods for resale	230,425,638	192,289,589	419,065,004
7. Service costs	23,041,213	17,376,281	36,457,243
8. Leasing costs	1,503,491	1,365,062	2,814,009
9. Payroll costs			
a. Wages and salaries	4,053,083	3,566,645	7,316,560
b. Benefits	1,399,286	1,192,211	2,487,112
c. Provisions for severance indemnities	304,231	267,464	556,694
d. Provisions for pension and similar costs		0	0
e. Other personnel costs	72,463	54,836	100,271
<u>Total payroll costs</u>	<u>5,829,063</u>	<u>5,081,156</u>	<u>10,460,637</u>
10. Amortization, depreciation and write-downs			
a. Amortization	1,399,148	1,250,577	2,733,762
b. Depreciation	453,464	383,419	819,844
c. Write-downs of tangible and intangible assets	0	0	0
d. Write-downs of short-term receivables	600,000	20,000	189,191
<u>Total amortization, depreciation and write-downs</u>	<u>2,452,612</u>	<u>1,653,996</u>	<u>3,742,797</u>
11. Change in raw, ancillary, consumable materials and goods for sale inventories	0	0	0
12. Provisions for risks	0	0	0
13. Other provisions	1,807,889	491,701	
14. Sundry operating costs	224,816	139,655	401,403
<u>Total costs of production (B)</u>	<u>265,284,722</u>	<u>218,397,440</u>	<u>472,941,093</u>
<u>DIFFERENCE BETWEEN VALUE OF PRODUCTION AND COSTS OF PRODUCTION (A - B)</u>	<u>8,801,245</u>	<u>4,465,396</u>	<u>12,125,355</u>



INCOME STATEMENT of CDC POINT S.p.A.
as of June 30, 2003 and compared with December 31, 2002 and June 30, 2002

	<i>June 30, 2003</i>	<i>June 30, 2002</i>	<i>December 31, 2002</i>
C - FINANCIAL INCOME AND CHARGES			
15. Income from shareholdings -			
a. Dividends	0	0	0
b. Dividends and other income from associated companies	0	0	0
c. Dividends and other income from other companies	0	0	0
16. Other financial income			
a. Long-term receivables -			
- From subsidiaries	0	0	0
- From associated companies	0	0	0
- From parent companies	0	0	0
- Others	0	0	0
b. From securities held as long-term investments other than shareholdings	0	0	0
c. From securities held as short-term investments other than shareholdings,	0	0	0
d. Income from sources other than the above			
- Interests and commissions from subsidiaries	38,419	37,070	69,060
- Interests and commissions from associated companies	0	0	0
- Interests and commissions from parent companies	0	0	0
- Interests and commissions from others and sundry income	1,969,420	1,247,378	3,323,306
<u>Total income from sources other than the above</u>	<u>2,007,839</u>	<u>1,284,448</u>	<u>3,392,366</u>
17. Interests and other financial charges			
a. paid to subsidiaries	41,661	0	4,933
b. paid to associated companies	0	0	0
c. paid to parent companies	0	0	0
d. Others	5,298,392	3,901,714	8,101,959
<u>Total interest and other financial charges</u>	<u>5,340,053</u>	<u>3,901,714</u>	<u>8,106,892</u>
<u>Total financial income and charges (C)</u>	<u>(3,332,214)</u>	<u>(2,617,266)</u>	<u>(4,714,526)</u>
D - ADJUSTMENTS TO FINANCIAL ASSETS			
18. Revaluations of			
a. Shareholdings	2,021,882	432,212	
b. Financial fixed assets	0	0	0
c. Marketable securities	0	0	0
<u>Total revaluations</u>	<u>2,021,882</u>	<u>432,212</u>	<u>0</u>
19. Write-downs of			
a. Shareholdings	1,423,125	832,776	2,607,365
b. Financial fixed assets		0	0
c. Marketable securities	68,402	318,321	511,326
d. Short-term receivables	0	0	0
<u>Total write-downs</u>	<u>1,491,527</u>	<u>1,151,097</u>	<u>3,118,691</u>
<u>Total adjustments to financial assets (D)</u>	<u>530,355</u>	<u>(718,885)</u>	<u>(3,118,691)</u>



CDC GROUP - FINANCIAL STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2003

Annex 11

**INCOME STATEMENT of CDC POINT S.p.A.
as of June 30, 2003 and compared with December 31, 2002 and June 30, 2002**

	<i>June 30, 2003</i>	<i>June 30, 2002</i>	<i>December 31, 2002</i>
E - EXTRAORDINARY INCOME AND EXPENSES			
20. Income			
a. Gains on disposals		0	
b. Others	205,579	205,352	366,639
	<u>Total income</u>	<u>205,352</u>	<u>366,639</u>
21. Expenses			
a. Losses on disposals		0	
b. Tax due from past fiscal years		0	
c. Others	533,222	150,374	706,793
	<u>Total Expenses</u>	<u>150,374</u>	<u>706,793</u>
	<u>Total extraordinary items (E)</u>	<u>54,978</u>	<u>(340,154)</u>
<u>PRE-TAX INCOME (A-B+/-C+/-D+/-E)</u>	<u>5,671,743</u>	<u>1,184,223</u>	<u>3,951,984</u>
22. Income taxes			
a. Income taxes for the period			(1,000,000)
b. Deferred taxes			(20,000)
	<u>Total income taxes</u>	<u>0</u>	<u>(1,120,000)</u>
<u>NET INCOME (LOSS) FOR THE PERIOD</u>	<u>5,671,743</u>	<u>1,184,223</u>	<u>2,831,984</u>