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1. 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 20 proprietory 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 Large Account division.
In November 2001 CDC was awarded a contract by Italia Lavoro in relation to the IT courses for young people in southern Italy. This involved the supply of 60,000 personal computers.
In November 2002, moreover, CDC won a contract from Consip SpA to supply PCs to central and local government agencies. The contract, which is worth over €30 million, will enable CDC to become a privileged partner for Italy's public administration.

In addition to its core IT production and distribution activities, the CDC Group also operates in the Internet market via Interfree, which operates 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 di 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

2. COMPOSITION OF CORPORATE BODIES

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 any 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

3. 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

4. BASIS OF CONSOLIDATION, ACCOUNTING PRINCIPLES AND POLICIES, METHOD OF CONSOLIDATION

BASIS OF CONSOLIDATION

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

The following companies were therefore consolidated:
Cdc Point S.p.A., Parent Company.
Micronica S.p.A., wholly owned
Cd Consulting S.r.l., wholly owned.
Cd Web S.r.l., wholly owned.
Polinet S.r.l., wholly owned.
Interfree S.r.L., wholly owned.
Direct S.r.l., 99% owned.
Mactronics Technology S.r.l., 60% owned.
Computer Discount S.r.L, wholly owned.

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, "Goodwill arising from consolidation" and posted to the income statement in accordance with the criteria applied to goodwill.

Profits and losses deriving from intercompany trading, 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.

The accounts registered in accordance with fiscal facilities were written – off and the rent leases were accounted according to the criteria IAS 17.

Amounts posted solely for tax purposes are eliminated.

Minority interest in the shareholders' equity of consolidated companies is shown in a specific item.

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

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the quarterly accounts as of March 31, 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.

Start-up and development costs are amortized over three and five years (start-up costs over three years).

Industrial patents and licenses are amortized over five years.

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

Trademarks are amortized over a period of ten years.

Purchased goodwill is amortized over a period of no more than ten years.

Assets are written down in order to reflect any other than temporary 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 section of these Notes dealing with assets.

Assets are written down in order to reflect any other than temporary 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.

Financial leases are accounted for on the basis of financial lease accounting.

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

Non-current financial assets

Non-current 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 movements 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.

Inventories

In the case of IT distribution, inventories are recorded at the lower of purchase or production cost, calculated on the basis of the FIFO method, and 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 costs of sale. 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. Should the factor be requested to pay advances, such amounts are posted to "Amounts payable to other lenders" without reversing the account receivable.

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, 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 ownership, which generally coincides with shipment.
Service revenues are recognized at the time the service is completed.

Income taxes
Income taxes are calculated on the basis of taxable income estimated in compliance with established legislation, taking account of any allowable deductions and tax credits due. Deferred tax assets and liabilities, deriving from temporary differences between the carrying value of an asset or liability and its tax base, are also recognized. Deferred tax assets are only recognized where there is reasonable certainty that they will be recovered and taking into account the estimated tax rate to which the Company will be liable in future years. The tax benefit deriving from the carry forward of tax losses is posted in the accounts where there is reasonable certainty that it will be realized, and in any event from the year in which the Company effectively benefits.

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 the period-end conversion of foreign currency accounts receivable and payable, falling due within 12 months, at period-end exchange rates, having taken account of the relevant hedging contracts, give rise to a net loss, such loss is ascertained and 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 allowance for exchange rate movements.

Currency options are posted to accounts receivable and valued at the lower of cost and market value at the end of the period.

Interest rate swaps, if used to hedge the interest rate risk associated with the Company's debt, are described in the notes to commitments and risks, whilst the related effects are posted to the income statements matched with the relevant interest expense. Such swaps not held for hedging purposes are valued on the basis of market prices at the end of the period, and any resulting loss recorded in the accounts.

Finance leases

Assets purchased via financial leases are recorded among tangible fixed assets and depreciated over their estimated useful lives, whilst the capital amount due to 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.

No changes were made to the accounting policies applied.

ESTIMATION CRITERIA

The main items subject to estimates regard a portion of the bonuses and contributions from suppliers. These are based on the achievement of certain qualitative and quantitative targets over the period, for which, at the current time, there is reasonable certainty that they will be met. The portion recognized for the third quarter derives from the activities carried out to March 31, 2003.

5. CONSOLIDATED ACCOUNTS OF THE CDC GROUP AND RELATED NOTES

5.1. GROUP OPERATING PERFORMANCE

During the first quarter of 2003, the CDC Group earned consolidated revenues of €140,822 thousand, compared to €140,788 thousand in the first quarter of 2002.

The consolidated revenues derived for €138,701 thousand from the core business of production and distribution of IT (compared to €138,580 thousand in the first quarter of 2002) and for €2,121 thousand from the Internet business (€2,209 thousand at the same period of 2002) via the subsidiary Interfree S.r.l.

During the first quarter of 2003, the downturn of the IT market, already recorded in the 2002, was continuing. The Italian PC market, where CDC earns the 50% of its revenues, decreased by around 4.5% in units and 9% in value (source: Sirmi, May 2003).

Thanks to the increase of revenues earned in the government and large corporates, equal to €17,130 thousand in the first quarter of 2003, against €1,430 thousand in the same period of 2002, the CDC group was able to face the downturn of the market, by increasing its market share in the PC production and distribution.
During the under consideration period, CDC increased its market share in the desktop PC segment, from 10.5% to 13.7%, confirming its leadership of the Italian market (source: Sirmi, units, May 2003).

This result was achieved thanks to: (i) the supply of PCs to according to Consip tender, won in November 2002; (ii) the growth of deliveries in the professional – SME desktop where CDC, during the first quarter of 2003, earned a market share of 9.3%. CDC confirms its leadership as the first Italian manufacturer of desktop PC for the consumer market, with a market share of 19.5% (source: Sirmi, units, May 2003).

During the first quarter of 2003, CDC reached a growth of profitability, in line with budget projections for 2003.

The Gross Margin rose from €17,542 thousand in the first quarter of 2002 (12.43% of total sales) to €20,700 thousand in the first quarter 2003 (14.65% of total sales), while total revenues were stable. This improvement was achieved thanks to the following factors:

- inclusion in the basis of consolidation for all the account period of Computer Discount S.r.l. (out of the basis of consolidation of the Group in the 2002) and its sell out gross margin, equal to €1,500 thousand in the first quarter of 2003;
- increasing of the share of the goods sold consisting of own brand products;
- down of the cross exchange US dollar against the Euro registered in the first quarter of 2003, which was partly cleared by exchange losses for €767 thousand, due to the prudential criteria of exchange risk management.

The operating costs, which are expressed net of cost of materials and goods, during the first quarter of 2003 rose by 6% compared to the same period of 2002, from €11,796 thousand to €12,504 thousand. This improvement was due to the following factors:

- increasing of the payroll costs from €3,698 thousand in 2002 to €5,093 thousand in 2003. The growth relates to the increase in the headcount from 396 in 2002 to 588 in 2003, resulting mainly due to change of basis of consolidation;

- growth of the lease expenses from €695 thousand to €1,327 thousand, due to the change of basis of consolidation;
- decreasing of the service costs from €7,357 thousand in 2002 to €5,932 thousand in the under consideration period, due to savings in marketing costs obtained thanks to the growth of contributions from suppliers.

The Consolidated Ebitda amounted to €8,191 thousand (5.80% of total sales), up over 40% against €5,746 thousand (4.07% of total sales) in the first quarter of 2002.

After charges for amortization and depreciation of €2,286 thousand, the Operating Profit rose from €3,735 thousand in the first quarter of 2002 to €5,905 thousand (4.18% of total sales) of the same period of 2003, an increase of 58%.

After financial expenses and credit card, POS and factoring fees for €1,605 thousand (compared with €1,177 thousand in the first quarter of 2002) and exchange losses of €767 thousand (compared with exchange gains of €54 thousand in the first quarter of 2002), the result from ordinary activities amounted to €3,348 thousand, compared with €2,612 thousand in 2002.

After extraordinary expenses of €234 thousand, consolidated pre-tax income amounted of €3,145 thousand, compared with €2,308 thousand in the same period of 2002, an increase of 37%.

The growth of consolidated Ebitda was achieved thanks to:

a) increasing of the Ebitda of the core IT business, in line with business plan, thanks to the focusing on own brand products;
b) profits earned by the subsidiary Interfree S.r.l., equal to €978 thousand at the EBITDA level, and equal to €846 thousand, bottom line (at the earning before taxes level).

The following schedule shows the reclassified consolidated income statement of the CDC Group for the quarter in question. This has been derived from the statutory income statement.

CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER OF 2003

Euro thousand	03/31/03		03/31/02		Change
Revenues from sales and services	140,822	99.68%	140,788	99.77%	34
Other revenues and income	446	0.32%	323	0.23%	123
Total revenues	**141,268**	**100.00%**	**141.111**	**100.00%**	**157**
Cost of raw and ancillary materials and goods for resale	(122,012)	-86.37%	(110,734)	-78.47%	(11,278)
Change in inventories of goods for resale	1,444	1.02%	(12,835)	-9.10%	14,279
Cost of materials and goods	**(120,568)**	**-85.35%**	**(123,569)**	**-87.57%**	**3,001**
Gross Margin	**20,700**	**14.65%**	**17,542**	**12.43%**	**3,158**
Service costs	(5,932)	-4.20%	(7,357)	-5.21%	1,425
Lease expense	(1,327)	-0.94%	(695)	-0.49%	(632)
Payroll costs	(5,093)	-3.61%	(3,698)	-2.62%	(1,395)
Other operating costs	(157)	-0.11%	(46)	-0.03%	(111)
Ebitda	**8,191**	**5.80%**	**5,746**	**-4.07%**	**2,445**
Amortization and depreciation	(2,100)	-1.49%	(1,866)	-1.32%	(234)
Provisions and write-downs	(186)	-0.13%	(145)	-0.10%	(41)
Ebit	**5,905**	**4.18%**	**3,735**	**2.65%**	**2,170**
Financial income (expense), net	(1,605)	-1.14%	(1,177)	-0.83%	(428)
Exchange gains (losses)	(767)	-0.54%	54	0.04%	(821)
Write downs on investments / own shares	(185)	-0.13%	0	0.00%	(185)
Income (loss) from ordinary activities	**3,348**	**2.37%**	**2,612**	**1.85%**	**736**
Extraordinary income (expense), net	(234)	-0.17%	(46)	-0.03%	(188)
Income (loss) before minority interest	**3,114**	**2.20%**	**2,566**	**1.82%**	**548**
Minority interest	**31**	**0.02%**	**(258)**	**-0.18%**	**289**
Consolidated pre-tax income (loss) attributable to the Group	**3,145**	**2.23%**	**2,308**	**1.64%**	**837**

Revenues from sales and services

Consolidated sales revenues - net of returns, discounts and credit notes and before the elimination of intercompany transactions - are broken down below, by area of business.

Areas of business	03/31/03	03/31/02	Change
IT	138,701	138,579	122
Internet	2,121	2,209	(88)

Other revenues and income

Other revenues and income were equal to €446 thousand in the first quarter of 2003, consisting mainly of rental income and income from the recovery of costs relating to retail credit sales.

They do not include payments to cover advertising, franchising fees received from new franchisees and contributions for promotions from suppliers, amounting to €2,970 thousand as at March 31, 2003, which were classified as a reduction of service costs (also including marketing costs).

Period-end bonuses from suppliers and stock protection, totaling €5,562 thousand at March 31, 2003 were classified as reductions of the cost of materials.

Operating costs

The following table shows the main Group operating costs, broken down by business unit:

Operating costs	03/31/03	03/31/02	Change
Goods for resale	(122,012)	(110,734)	(11,278)
Change in inventories	1,444	(12,835)	14,279
Payroll costs	(5,092)	(3,698)	(1,394)
IT distribution	*(4,962)*	*(3,477)*	*(1,485)*
Internet	*(130)*	*(221)*	*91*
Marketing costs	(602)	(1,566)	964
IT distribution	*(597)*	*(1,518)*	*921*
Internet	*(5)*	*(48)*	*43*
Transport and logistics costs	(1,909)	(2,128)	219
Other service costs	(3,421)	(3,663)	242
IT distribution	*(2,634)*	*0*	*(2,634)*
Internet	*(787)*	*(1,178)*	*391*
Other	*0*	*(2,485)*	*2,485*
Total	**(131,592)**	**(134,624)**	**3,032**

The amount referring to the **change in inventories** is essentially relating to the Parent Company CDC Point S.p.A., which is involved in the IT core business.

Marketing costs amount to €3,572 thousand (€3,902 thousand in 2002) and are expressed net of contributions from suppliers and reimbursements received from the distribution chain totaling €2,970 thousand (€2,336 thousand in 2002). The decrease of €964 thousand, compared with the same period of 2002, was due to:

- increasing of the contributions from suppliers for €635 thousand;
- decreasing of the canvass bonus to Computer Discount shops due to the inclusion in the basis of consolidation of Computer Discount shops owned by CDC group. These bonus, in the first quarter of 2003 amounted to €194 thousand.

Payroll costs as at March 31, 2001 amount to €5,092 thousand, with an increase of €1,394 thousand against to the same period in 2002, due to:

- rise in the payroll costs in the IT production and distribution business, from €3,476 thousand at March 31, 2002 to €4,963 thousand at March 31, 2003. The growth mainly relates to the increase in the headcount, resulting from the inclusion in the basis of consolidation of the following companies acquired in 2002:
  a. Computer Discount S.r.l.;
  b. branch company lease of Test S.p.A.;
  c. Armonia Computers;
  d. Mactronics Technology;
- decrease in payroll costs in the Internet business, which fell from €221 thousand in the first quarter of 2002 to €130 thousand in the first quarter of 2003.

The following table shows a breakdown of the average headcount by business unit for the periods ending on March 31, 2003 and on March 31, 2002.

HEADCOUNT	03/31/03	03/31/02	Change
IT distribution			
Managers	13	11	2
Supervisors	32	22	10
White-collar	393	219	174
Blue-collar	135	129	6
Trainees	2	3	(1)
TOTAL	**575**	**384**	**191**
Internet business			
Managers	0	0	0
Supervisors	1	0	1
White-collar	12	12	0
Trainees	0	0	0
TOTAL	**13**	**12**	**1**
GROUP TOTAL	**588**	**396**	**192**

Amortization, depreciation and write-downs

In addition to the charges relating to individual companies, **amortization and depreciation** also include consolidation adjustments resulting from the elimination of entries posted solely for tax purposes, such as accelerated depreciation and the recalculation of lease transactions according to financial lease accounting.

Financial income and expense

Net **financial expense** amounted to €2,373 thousand in the period under review, with an increase of €1,250 thousand with respect to the same period in 2002, due to:

- losses in foreign currency translation of €767 thousand resulting from coverage of cash requirements generated by commerce;
- commissions on credit cards and factoring fees of €210 thousand.

Financial income (expense)	03/31/03	03/31/02	Change
Interest income	52	69	(17)
Interest expense	(734)	(732)	(2)
Bank commissions	(72)	(44)	(28)
Credit card, POS and factoring fees	(680)	(470)	(210)
Net foreign currency translation adjustments	(767)	69	(836)
Provisions	(50)	(15)	(35)
Options premium	(122)	0	(122)
Total	**(2,373)**	**(1,123)**	**(1,250)**

Analysis of net debt

In the following table net debt for the periods ending March 31, 2003, March 31, 2002 and December 31, 2002 is analyzed.

Analysis of net debt	03/31/03	12/31/02	Change	03/31/02
Bank debt falling due within 12 months	(30,915)	(20,695)	(10,220)	(36,421)
Bank debt falling due after 12 months	(141)	(574)	433	(423)
Cash and cash equivalents	3,267	7,796	(4,529)	5,587
Total short-term debt	**(27,789)**	**(12,899)**	**(14,316)**	**(31,257)**
Amounts due to factor	(1,704)	0	(1,704)	0
Amounts due to other lenders for leases:				
- falling due within 12 months	(788)	(788)	0	(900)
- falling due after 12 months	(2,462)	(2,649)	187	(2,902)
Total amounts due to other lenders for leases	**(4,954)**	**(3,437)**	**187**	**(3,802)**
Total net debt	**(32,743)**	**(16,910)**	**(15,833)**	**(35,059)**

Total net debt, including amounts due to other lenders for leases, amounts to €32,743 thousand.

Extraordinary items

Extraordinary items recorded a negative balance of €234 thousand for the first quarter of 2003, mainly consisting of commercial contingent liabilities.

INVESTMENT

Consolidated investment	Q1 2003	Q1 2002	Change
Intangible fixed assets	114	17	97
Tangible fixed assets	217	320	(103)
Financial assets	33	51	(18)
Total	**364**	**388**	**(24)**

Investment net of disinvestment, during the first quarter of 2003, amounted to €364 thousand, with a decrease of €24 thousand. In the examined period, CDC Group did not make realised significant investment in fixed assets. For the opening of the new Cash & Carry located in Palermo, CDC made use of leasing as financial instrument.

5.2. OPERATING PERFORMANCE OF THE CORE IT BUSINESS

During the first quarter of the year, the Group has proceeded to distribute IT products in accordance with its multi-channel strategy serving the following markets:

a. the consumer and SOHO segments, where CDC is the Italian market leader with over 550 outlets bearing the Computer Discount, Compy and Amico trademarks;

b. IT resellers, system integrators and other IT sector operators, both through its network of 25 cash and carry outlets and via the B2B e-commerce channel;

c. sales to government and large corporate users, served by the CDC Group from the end of the 2001, earned revenues of €17,130 thousand as at March 31, 2003

During the first quarter of 2003 the CDC Group earned sales revenues of €138,701 thousand from its core IT business, compared with €138,579 thousand in the same period of 2002, increasing 0.1% in spite of the downturn of the Italian PC market (-4.5% in units, -9% in value, source: Sirmi, May 2003).

Despite total revenues unchanged, the Gross Margin rose from €15,174 thousand in the first quarter of 2002 to €18,619 thousand in the first quarter 2003. The improvement was achieved thanks to the inclusion in the basis of consolidation for all the account period of Computer Discount S.r.l., out of the basis of consolidation of the Group in the 2002, and its sell out gross margin (equal to €1,500 thousand in the first quarter 2003).

The Ebitda amounted to €7,046 thousand, compared with €5,294 thousand for the first quarter of 2002, an increase of around 33%.

After charges for amortization and depreciation of €1,955 thousand (were equal to €1,549 in the first quarter of 2002), Ebit rose from €3,745 thousand in the first quarter of 2002 to €5,091 thousand (4.18% of total sales) in the same period of 2003, an increase of 36%.

After extraordinary expenses of €240 thousand, consolidated pre-tax income for the IT business amounted of €2,516 thousand, compared with €2,308 thousand in the same period of 2002, an increase of 37%.

The following schedule shows the reclassified income statement for the core IT business, before write-downs of equity investments, for the period under consideration:

CONSOLIDATED INCOME STATEMENT FOR THE IT BUSINESS IN THE FIRST QUARTER OF 2003

Euro thousand	**03/31/03**		**03/31/02**		**Change**
Revenues from sales and services	138,701	99.65%	138,579	99.09%	122
Other revenues and income	483	0.35%	1,276	0.91%	(793)
Total revenues	**139,184**	**100.00%**	**139.855**	**100.00%**	**(671)**
Cost of raw and ancillary materials and goods for resale	(122,009)	-87.66%	(111,846)	-79.97%	(10,163)
Change in inventories of goods for resale	1,444	1.04%	(12,835)	-9.18%	14,279
Cost of materials and goods	**(120,565)**	**-86.62%**	**(124,681)**	**-89.15%**	**4,116**
Gross Margin	**18,619**	**13.38%**	**15,174**	**10.85%**	**3,445**
Service costs	(5,141)	-3.69%	(5,691)	-4.07%	550
Lease expense	(1,315)	-0.94%	(670)	-0.48%	(645)
Payroll costs	(4,963)	-3.57%	(3,476)	-2.49%	(1,487)
Other operating costs	(154)	-0.11%	(43)	-0.03%	(111)
Ebitda	**7,046**	**5.06%**	**5,294**	**3.79%**	**1,752**
Amortization and depreciation	(1,819)	-1.31%	(1,405)	-1.00%	(414)
Provisions and write-downs	(136)	-0.10%	(144)	-0.10%	8
Ebit	**5,091**	**3.66%**	**3,745**	**2.68%**	**1,346**
Financial income (expense), net	(1,599)	-1.15%	(1,160)	-0.83%	(439)
Exchange gains (losses)	(767)	-0.55%	54	0.04%	(821)
Income (loss) from ordinary activities	**2,725**	**1.96%**	**2,639**	**1.89%**	**86**
Extraordinary income (expense), net	(240)	-0.17%	(16)	-0.01%	(224)
Income (loss) before minority interest	**2,485**	**1.79%**	**2,623**	**1.88%**	**(138)**
Minority interest	**31**	**0.02%**	**0**	**0.00%**	**31**
Consolidated pre-tax income (loss) attributable to the Group	**2,516**	**1.81%**	**2,623**	**1.88%**	**(107)**

The sales network again expanded its presence throughout the country during the quarter, under the Computer Discount, Compy and Amico trademarks, and via its own cash and carry outlets.

Changes in the sales network	03/31/03	03/31/02
Cash and carry	25	18
Computer Discount	245	244
IT corner (Consumer electronics)	200	167
Amico	118	108
Total	**588**	**537**

Other revenues and income do not include payments to cover advertising, franchising fees received from new franchisees and contributions for promotions from suppliers, amounting to €483 thousand at March 31, 2003, which were classified as a reduction of service costs (also including marketing costs).
During the first quarter of 2003, such payments for advertising and contributions for promotions from suppliers amounted to €2,970 thousand.

Period-end bonuses from suppliers and stock protection, totaling €5,559 thousand for the nine months to March 31, 2003, were classified as reductions of the cost of materials.

Charges for amortization and depreciation include amortization of the CDC Point S.p.A. trademark totaling €323 thousand at March 31, 2003.

Amortization of goodwill and the cost of the public offering amounted to €568 thousand at March 31, 2003, including €22 thousand regarding the goodwill attributed to Armonia Computers acquired during the 2002.

Extraordinary items for the first quarter of 2003 report a negative balance of €240 thousand, mainly consisting of commercial contingent liability.

6. INFORMATION ON GROUP COMPANIES

PARENT COMPANY

CDC Point S.p.A.

The Company is the Italian market leader in the production and distribution of IT products for the consumer and SOHO markets.
Revenues are earned through its retail distribution network of over 550 outlets operating under the Computer Discount, Compy and Amico trademarks and 20 cash and carry stores distributing to resellers, who are also served by the B2B e-commerce platform, www.cdcpoint.it.
The Group has recently made a successful move into the government, large-scale user and retail chain markets.
The Company closed the period with sales revenues of €138,534 thousand (2002: €139,658 thousand), Ebit of €5,255 thousand (2002: € 4,972 thousand) and a pre-tax profit of €3,146 thousand (in 2002 the profit was €2,894 thousand).

SUBSIDIARIES

Micronica S.p.A.

The company carries out the assembly of personal computers on behalf of the Parent Company, CDC Point S.p.A., for whom it also provides logistics services.
Revenues from the assembly business amounted to €899 thousand, whilst logistics generated income of €1,163 thousand and other services €244 thousand.
The company's headcount numbers 169.
The three months to March 31, 2003 closed with a pre-tax result of €196 thousand.

CD Web S.r.l.

The company operates in the field of e-commerce, using Interfree as its internet portal and the Computer Discount network for the distribution of its products. It is wholly owned by CDC Point S.p.A.
The company does not have any personnel.
The three months to March 31, 2003 closed with a pre-tax loss of €4 thousand.

Polinet S.r.l.

The company purchased an office building in Milan from Gruppo Editoriale Futura S.p.A. in 2001. This was then rented to the vendor on a 6-year renewable lease at a rental of €129 thousand for the first year from October 1, 2001 to September 30, 2002. This figure is due to increase over subsequent years.
The three months to March 31, 2003 closed with a pre-tax result of €10 thousand.

Interfree S.r.l.

Thanks to the renewed consolidation of Interfree's dial-up revenues, during the second half of 2002, the Internet company closed the three months to March 31, 2003 with a pre-tax profit of €845 thousand.

Mactronics Technology

Mactronics Technology S.r.l. offers storage and server services. It manages the storage unit of Mactronics Data Systems S.r.l..
The three months to March 31, 2003 closed with a loss of €77 thousand.

Direct S.r.l.

Direct S.r.l. manages the commercial activities of Test Spa, an IT distribution company, via a lease agreement. The sales network includes 5 cash & carry outlets, which distribute microIT products to resellers in Milan, Padua, Reggio Emilia, Sassari, Florence, Perugia. Operations began on September 1, 2002.

The three months to March 31, 2003 closed with revenues of €6,957 thousand and a pre-tax result of €32 thousand.

ASSOCIATED COMPANIES AND OTHER BUSINESSES

Equity investments in associated and other companies consist of:

a) the equity investment in SIT S.r.l. with a share of 30%. The company is developing financial softwares;

b) CDC Point S.p.A.'s legally required investment in the Conai Consortium, totaling €0.5 thousand.

SHAREHOLDERS AND RELATED COMPANIES TRANSACTIONS

The transactions with related companies are the following:

- receivable to the holding CDC S.r.l. from sell-off of Gruppo Editoriale Futura S.p.A. This operation was make in the 2001 for get out of shareholding without CDC Point S.p.A. should pay costs more than already suffering losses at June 30, 2001. The residual receivable amounted to €325 thousand at March 31, 2003;
- receivable, for non interest caution money of €34 thousand, to Company IMO1 for the lease of the building in Milano, Cadorna Place.

CDC GROUP

(€*1.000)	Receivable	Payable	Revenues	Costs
CDC S.r.l.	325	0	0	0
Holding	**325**	**0**	**0**	**0**
CD Napoli S.r.l.	190	2	377	0
Cd Salerno S.r.l.	101	2	169	0
Associated Companies	**291**	**4**	**546**	**0**
Imo 1 S.r.l.	34	0	0	57
Imo 2 S.r.l.	0	0	0	21
Semata S.r.l. selling out	0	0	(1)	0
Gap S.r.l.	0	3	0	7
Icube s.r.l.	0	0	1	0
Diomelli Giuseppe	11	0	0	0
Andolfi Floriana	6	0	0	0
Related Companies	**51**	**3**	**(1)**	**85**

7. OTHER INFORMATION

RESEARCH AND DEVELOPMENT

During the first quarter of 2003 CDC was continuing to develop the Tegate project, a platform of integrated voice and data communication for Small, Medium and Large Business.

OWN SHARES

As of March 31, 2003, CDC Point S.p.A. holds 121,002 of its own shares were posted at their average value for the month of March 2003, equal to €5.115. This involved a write-down of €185 thousand with respect to December 31, 2002.
The relevant equity reserve was added to via the transfer of a corresponding amount from the share premium reserve.

OPERATING OUTLOOK

The Group's future development aims to reinforce its position as leading manufacturer and distributor of IT products.

The Group will focus on reaching the target of forecast, in line with the business plan for 2003 – 2005 period, which foresees the growth in the Group's market shares in the small and medium-sized companies, government and large corporate segments.
The business plan aims to create value via improvements in operating profitability and net income.

SIGNIFICANT SUBSEQUENT EVENTS

Aren't significant subsequent events.

The Chairman of the Board of Directors
Giuseppe Diomelli