



Annual Report 2005

cdb web tech



2005 Annual Report

December 31, 2005

Cdb Web Tech SpA

*Head Office: Via Borgonuovo, 24
20121 Milan, Italy*

*Registered Office: Via Valeggio, 41
10129 Turin, Italy*

Share capital: € 101,127,700

Registration number /Tax code 07918170015

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Notice of Annual General Meeting(*)

The Stockholders are convened to the Annual General Meeting to be held at the Centro Congressi dell'Unione Industriale di Torino, 17 Via Fanti, Turin, Italy on **March 31st, 2006 at 10.00 a.m.**, in order to discuss and consider the following:

Agenda

1. Review of the Annual Report for the financial year ending December 31, 2005, including the Directors' Report and Board of Auditors' Report, and related deliberations.
2. Nomination of the Board of Directors for the 2006 – 2008 period. Determination of number of members, remuneration levels and rights to subscribe for company shares treasury shares.
3. Nomination of the Board of Auditors and its chairman for the 2006 – 2008 period and determination of remuneration levels. Lists to be deposited at company headquarters at least five days prior to the Meeting, pursuant to Article 18 of the company by-laws.
4. Renewal of the mandate for the preparation of the financial statements of the Parent Company, comprising annual reports, half-yearly and quarterly financial statements, and regular accounting procedures, and determination of remuneration levels relating to this matter.
5. Proposal to distribute reserves in order to distribute Management & Capitali SpA shares held by the Company, comprising the integration of the legal reserve to the limit of the law, and related deliberations.
6. Proposal to revoke the decision taken on April 26, 2005 relating to the authorization to enable the Company to acquire its own shares. Proposal regarding new authorization.

Only those stockholders presenting the specific certification as stipulated by Article 34 of CONSOB, (Italian Stock Exchange regulatory agency) resolution no. 11768 of December 23, 1998 for dematerialization in Monte Titoli SpA, the centralized stock management system, may take part in the meeting.

Stockholders still holding shares not yet dematerialized must entrust them in advance to a broker, in order for them to be included in the centralized stock management system in dematerialized form, pursuant to Article no. 51 of CONSOB no. 11768/98, and request the issue of said certification, at least two days before the Meeting.

Stockholders have the right to obtain copies of the documentation concerning matters on the agenda at the Company's registered office or from its Website www.cdbwebtech.com or at the Italian Stock Exchange.

28th February Turin, Italy

Chairman of the Board of Directors
Carlo De Benedetti

(*) Notice published on Italian daily newspapers Il Sole 24 Ore and La Repubblica on 1st March 2006

CORPORATE GOVERNANCE

Board of Directors

Chairman	Carlo De Benedetti *
Vice-Chairman	Franco Girard **
CEO	Vittorio Moscatelli**
Director	Giampio Bracchi
Director	Michel Cicurel
Director	Pietro D'Agui
Director	Elserino Piol
Director	Massimo Segre***
Director	Gian Carlo Vaccari

Secretary to the Board	Franca Segre
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Board of Auditors

Chairman	Flavio Dezzani
Principal auditor	Vittorio Ferreri
Principal auditor	Luigi Nani
Alternate auditor	Luigi Macchiorlatti Vignat
Alternate auditor	Michele Passera
Alternate auditor	Gianfranco Grimaldi

* Ordinary and extraordinary executive powers exercised with single signatory

** Ordinary executive powers exercised with single signatory, extraordinary executive powers exercised with dual signatories

*** Executive powers exercised with single signatory limited to powers so delegated, extraordinary powers exercised with dual signatories

In all cases, the exercise of extraordinary executive powers is exclusively restricted to the limitations set by law on the Board of Directors

Independent Auditors

PricewaterhouseCoopers SpA

DIRECTORS' REPORT

Executive Summary

Cdb Web Tech Group 2005 fiscal year financial highlights were as follows:

- NAV € 2.85 per share, (€ 2.73 at December 31, 2004) an increase of € 12.6 million in absolute value. Without M&C start-up costs, the NAV would have reached € 2.88 per share, an increase of 5.5% on last year.
- The start-up phase of Management & Capitali SpA (M&C) has commenced. This company, promoted by Cdb Web Tech with an investment of € 50 million, will carry out investment activity in companies in difficulty, primarily working on relaunch and profit recovery activities for medium-sized Italian companies. The share capital of M&C currently amounts to € 80 million, subscribed by a number of major investors, Italian entrepreneurs and international institutional investors, who have also committed to an additional investment of € 195.5 million. A further increase of share capital up to € 420 million (of which, as described € 195.5 million is already the subject of a commitment to subscribe by the Initial Investors) will be executed as part of the listing of the M&C share on a regulated market, which will bring the share capital of this company to € 500 million. With regard to the listing of M&C, Cdb Web Tech will continue to invest in venture capital funds, allocating shares held in M&C to its stockholders.
- Investments in Information & Communications Technology, Biotechnology and Life Sciences venture capital funds total \$US 67.5 million (\$US 63.7 million at December 31, 2004).
- Distribution by venture capital funds of \$US 27.4 million (up 54% over 2004) realizing capital gains of \$US 16.6 million;
- Net profit of € 9.9 million, net of FOREX risk coverage and Management & Capitali start-up costs;
- Consolidated loss of € 26.2 million, or € 28.9 million including M&C startup costs (profit of € 24.4 million in 2004, restated in accordance with IAS/IFRS standards for transparency) due to the effect of FOREX risk coverage on investments being taken to the Income Statement;
- Fair value reserve on investments and venture capital funds up € 4.9 million
- Net financial assets of € 42.2 million, and an over-commitment position of € 100.3 million.

Key data:

<i>(€ thousand except NAV)</i>	2005 FY at December 31, 2005	2004 FY at Dec. 31, 2004
NAV (€ per share)	2.85	2.73
Statement of performance (IAS No.1)	9,914	8,260
Profit/(loss) before tax	(28,907)	24,424
Investments	197,339	131,988
Fair Value Reserve	22,125	17,216
Net financial assets	42,249	142,459

The financial statements at December 31, 2005 see CDB Web Tech Group applying the IAS/IFRS international accounting standards to the annual reports for the first time. They have been applied to both Parent Company and Group financial statements. They were

first applied to the half-yearly reports at June 30, 2005. The adoption of these new accounting principles has required the preparation of interim financial statements at January 1, 2004, and a restatement of the financial statements at December 31, 2004 and intervening statements, in order to ensure transparency and ease of comparison.

The application of international accounting standards has led to the adoption of the US dollar as the functional currency for the consolidated financial results of the Parent Company. The balances are expressed in US dollars and translated into euro for presentation, in accordance with Italian law.

The adoption of the US dollar as functional currency has been analyzed at length and discussed with the parties concerned, including CONSOB (the Italian securities market regulatory authority), as we feel that this decision will lead to a distorted representation of Group's economic performance.

Since their listing on the stock exchange in 2000, CDB Web Tech has informed the market and its stockholders that although the majority of the Group's venture capital investments were and would remain in US dollars, the Group would operate FOREX risk coverage relating to the \$US / € (Italian Lira in 2000) exchange, using particular derivative contracts. The Group did not intend to take any FOREX risks, offsetting the effect of \$US / € exchange rate variations. This is how the Group has operated until today.

The adoption of the US dollar as functional currency means that the Group is no longer exposed to FOREX risk (the risk is now that of the shareholder who invests in an activity expressed in US dollars). Thus in accordance with IAS 39, the derivative contracts set up to cover this risk are no longer to be considered hedges and thus the result of these forward contracts is taken to the Income Statement. Obviously no corresponding adjustment to the investment in \$US can be made, as was done in previous years in accordance with Italian accounting standards.

The use of the US dollar as functional currency means that as well as profits and losses, changes in balances in Euro (bank balances, credits, debits, etc) would not have occurred if the Euro was used instead. This means that net financial expenses of € 37.1 million have been recorded in the Income Statement as in 2005 the dollar gained strength against the Euro. The restated financial statements for 2004 prepared in accordance with the IAS/IFRS standards, with the US dollar as functional currency, show profits of € 24.4 million, against € 8.6 million recorded when expressed in accordance with Italian accounting standards.

The financial results for the 2005 financial year, determined using the same principles as last year, with derivative contracts considered hedges relating to FOREX risk or the risk of the translation of balances from US dollars to Euro, would have recorded a profit of € 9.9 million (against losses of € 28.9 million). This figure is also excluding M&C startup costs, as they relate to an activity, which will leave Cdb Web Tech consolidation scope during 2006. This € 9.9 million result is recorded as the statement of performance required by IAS No. 1.

As the financial statements are "distorted" in this way, it is important to state that Company and Group net equity and NAV are only partially affected by this functional currency/FOREX issue, with the net equity and the NAV increasing by over € 12 million. Thus we can confirm that in the valuation of Group and Company performance, primary importance must be given to the NAV and not the financial results. Furthermore, the fact that the Company performance must be measured by the NAV and not the financial statements has been stated many times since the presentation of our first set of financial statements and is of even greater relevance since the adoption of the IAS/IFRS standards and the fair value valuation of investments.

Market Analysis

The reference market for Cdb Web Tech investment activity remains that of venture capital investments in Information & Communication Technology, and Life Sciences, primarily in the US and Israel where the venture capital market has developed. During 2005 Cdb Web Tech began to invest in a more systematic way in the emerging economies of China and India, two very large countries.

The general view of the venture capital industry for 2005 is that the pioneering phase which ended during 2001 – 2002 and the transitional phase of 2003 – 2004 have now given way to a new maturity in the industry, characterized by increased discipline and prudence.

This phase has many diverse aspects. If risk-taking is still an aspect of the venture capital industry, nowadays the risks are more calculated. As a result, there has not been a sudden increase in investment levels in new sectors; instead a gradual increase has been recorded over the years as the potential of these sectors has been investigated. The maturity of the industry has led to less exuberance in levels of investment in so-called hot investment sectors, while investment in the more traditional sectors (software, communications, and biotechnology) has become more complex, as the venture capitalist must find individual niches in order to create companies with large growth potential. IPOs in the US declined sharply during 2005 (56 against 93 in 2004), and no great recovery is expected for 2006.

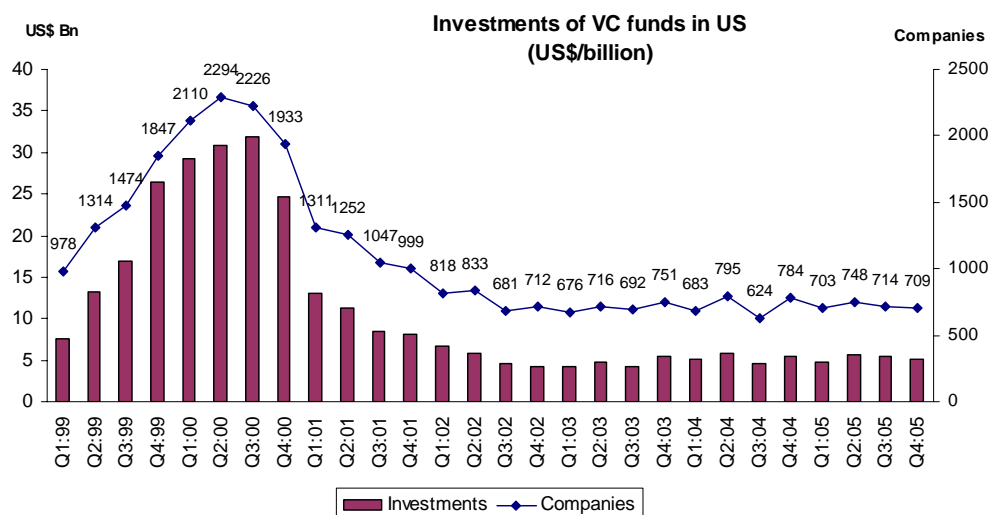
The most significant implication of this for venture capital funds is that companies will need to be supported over a longer timeframe before the liquidation of the investment to generate the expected capital gains. This means later stage funds, hedge funds and buyout funds, which in general over the last few years have received high levels of capital and now have difficulty using it, have a need and an opportunity to invest in venture capital. This means more capital, more competition and investors with a different approach to that of the venture capitalist. If 2006 sees continued low numbers of IPOs it will have a negative impact on expected returns as IPOs have, historically, determined venture capital performance. M&A operations generate positive returns but the levels of liquidity expected by venture capital investors cannot be generated by acquisitions alone.

Despite this background situation, with so few exit opportunities, Cdb Web Tech venture capital fund distributions for 2005 increased 54% on last year, representing a return of over 2.5 times the capital invested. This confirms that top tier venture capital funds generate positive returns even in difficult market conditions.

The outlook for 2006 is positive overall for the venture capital industry, with valuations increasing slightly while investments and returns from new funds remain at 2005 levels.

The US venture capital industry

US venture capital funds invested \$US 21.7 billion in 2,939 companies during 2005, largely unchanged on the \$US 21.6 billion invested in 2,876 companies during 2004, a year characterized by the first real increase in venture capital investment levels, following three years of continuous decline after the so-called bubble of 2000. Over the last few quarters, venture capital investment levels have stabilized, as shown in the following graph:



The positive trend in later stage investments has continued, reaching 45% of total venture capital industry investment, a total of \$US 9.7 billion in 2005 against \$US 8 billion in 2004. This is the highest percentage recorded over the last ten years. The increase in later stage investments reflects the need for the venture capital industry to continue to support companies over a longer term, until the company is bought out or completes an IPO. As a result, with the higher levels of capital going into later stage investments, the average valuation of companies has grown from \$US 73 million in 2004 to \$US 81.9 million.

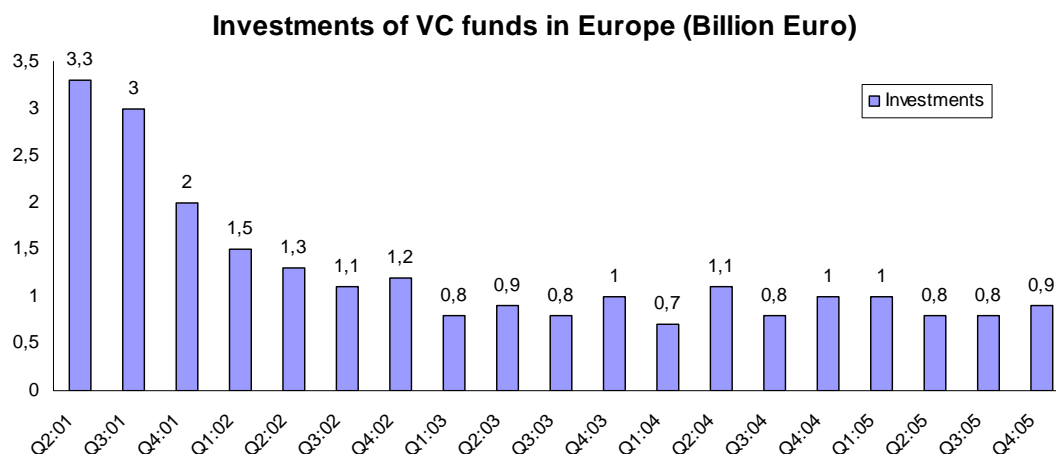
Startup and early stage investments totaled \$US 4.1 billion, against \$US 4.4 billion last year, with average company valuations of \$US 12.9 million, down from \$US 15.4 million in 2004. These figures confirm the level of interest in long term investments and the caution being exercised in relation to the risks involved in early stage investments. Furthermore, 901 companies received their first investment from venture capital funds during 2005, up from 865 the previous year. These companies received \$US 5.3 billion, up from \$US 4.6 billion in 2004, which shows the high level of interest of the venture capital industry in new ideas and new initiatives.

Life sciences remains the primary sector for venture capital fund investments, as it has been for some years, receiving 28% of all venture capital industry investments. Software companies received 22%, as in previous years, while telecommunications companies received 9.7%.

During 2005, Cdb Web Tech made new commitments to US venture capital funds totaling \$US 38.5 billion, of which \$US 8.5 million went to life sciences funds. Investment of \$US 0.9 million was made as part of a share capital increase in three US technology companies in the Cdb Web Tech investment portfolio.

The European venture capital industry

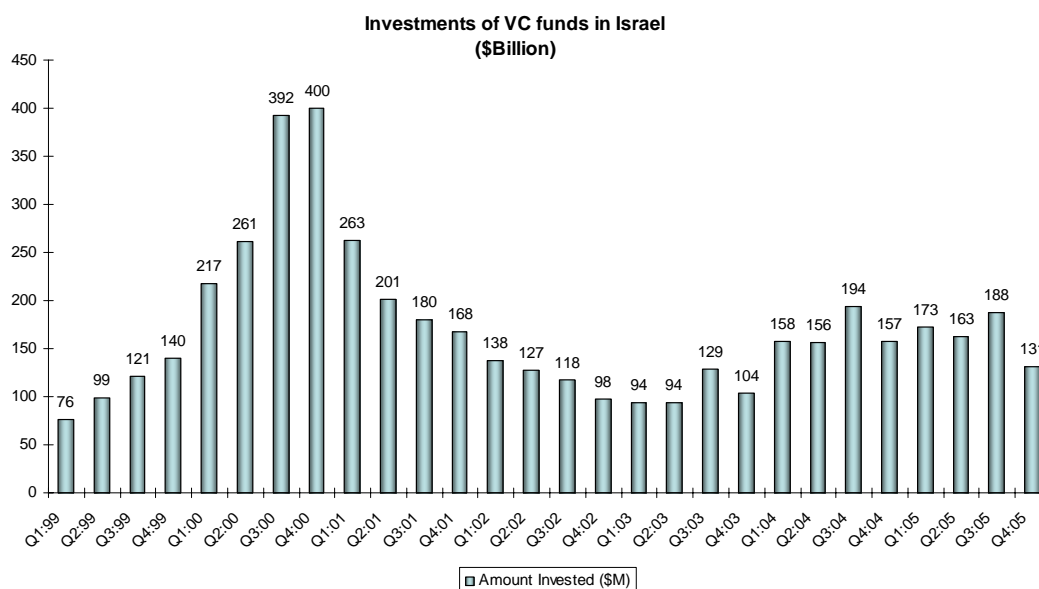
Venture capital fund investments in Europe during 2005 totaled € 3.6 billion, against € 3.8 billion in 2004, as shown on the following graph.



These figures further confirm the weakness recorded in the venture capital industry in Europe, which has shown no sign of recovery. European venture capitalists have turned to investment in companies already in their portfolio, with 42% of investment going to companies in which an investment had already been made. This is due to the exit timeframe being even longer in Europe than in the US, while AIM listings in London are seen more as an opportunity to raise capital than for exits. During 2005, Cdb Web Tech did not make any new commitments in Europe as we feel that European venture capital funds would have difficulty generating the levels of returns expected by investors, apart from buyouts.

The venture capital industry in Israel

Israel is the second reference market for the Cdb Web Tech Group. This market saw investment of \$US 1.34 billion during 2005, down 8% from \$US 1.46 billion the year before. This confirms that the crisis recorded in 2003 has been overcome and that venture capital fund investment levels in Israel are proportionately much higher than in Europe. The communications sector received 33% of investment, life sciences received 20% and 19% went to software companies.



(Source: IVC Research Center)

The venture capital industry in Asia

The venture capital industry is developing in the large emerging markets of south east Asia, China and India. Economic growth, socio-economic development and the opening up of these two huge countries have caught the attention of the venture capital industry for which these countries are large markets, with great opportunities for venture capital backed companies. These countries represent a low cost resource with proven technological capabilities for the development of innovative products and services. Even in this part of the world, technology is driving development.

Some venture capital funds in which Cdb Web Tech has invested operate in these markets, and Cdb Web Tech has already enjoyed some success with Asian investments, including Ctrip, 51Job, Baidu.com, FocusMedia and KongZhong which continue to record strong performances. In some cases, we are part of alliances or joint US/Asian venture capital funds. We feel this is the best way to access local knowledge while offering global vision, access to the largest markets in the world and the capacity and professionalism of the US venture capital industry to the companies in which we invest.

Cdb Web Tech is closely monitoring investment opportunities in Asia. During this period, we invested \$US 10.2 million in Grace Semiconductor, a company producing integrated circuits in Shanghai, and made commitments of \$US 10 million in venture capital funds focusing on China and India (20% of our total investment commitments for 2005). We intend to increase investment levels in South East Asia, both in China and in India, while being aware of the problems connected with investment in these geographic regions.

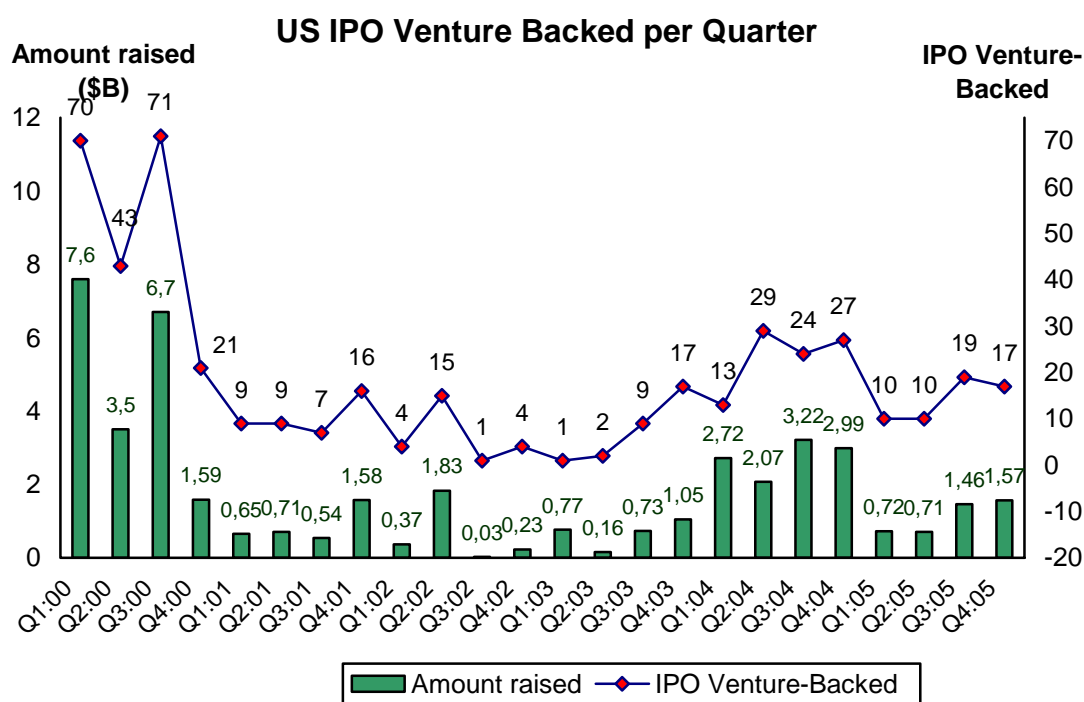
Exit opportunities: IPOs and M&A operations

During 2005, IPOs of venture-backed companies totaled 56 (93 during 2004) which generated \$US 4,461 million (\$US 11,014 million for 2004). This marked decline seems to indicate the start of a new cycle of IPOs. The decrease is largely due to the costs related to the application of the Sarbanes – Oxley law (estimated at \$US 2 million annually). For companies with annual profits of less than \$US 100 million (which includes the majority of venture capital backed firms which completed an IPO), these costs were high enough to delay the listing. This situation is delaying the liquidation of several investments.

Through holdings in venture capital funds, Cdb Web Tech has invested in ten companies which have completed an IPO during the 2005 financial year: Baidu.com, Cbeyond Communications, Focus Media, iRobot, Silicon Motion Technology, Somaxon Pharmaceuticals,

Thus 10 out of 56 venture capital backed companies completed an IPO in the United States, confirming the high quality of our investment portfolio.

The following table shows the number of IPOs in the US of venture capital backed companies, and the total money raised.



Year	IPOs by venture capital backed companies	US\$ millions offered in IPO	Post IPO company value
1999	245	18,831	122,230
2000	215	20,885	112,088
2001	41	3,489	18,004
2002	24	2,473	8,992
2003	29	2,022	8,257
2004	93	11,014	61,087
2005	56	4,461	24,680

Source: Thomson Financial – National Venture Capital Association

M&A transactions by venture-backed companies in the US for this period remained largely stable in number but increased in average value per transaction against the figures for 2004, as detailed in the following table.

Year	Number of investments	Average value (\$US million)	Estimated total value of M&A operations (\$US billions)
2000	326	330.8	107.8
2001	383	102.8	39.4
2002	316	52.1	16.5
2003	293	62.8	18.4
2004	339	83.4	28.3
2005	330	91.5	30.3

Source: Thomson Financial – National Venture Capital Association

M&A transactions remain the primary method for venture capital funds to realize and liquidate their investment. Given the visible decline in IPOs, M&A operations took on an even more central role. Through holdings in venture capital funds, Cdb Web Tech has invested in 43 M&A transactions during 2005, equivalent to 12% of operations completed.

Capital raised

The revenue from US venture capital funds has been affected by the increased demand from institutional investors for opportunities in the so-called alternative investments, which led to an increase of 67% in buyout and mezzanine investment inflows since 2004. The increase in capital raised has also affected venture capital funds, which raised \$US 25.2 billion during 2005, up 46% on the total for 2004. The following table shows the capital raised by venture capital funds over the last few years.

Capital Raised by US Venture Capital Funds		
Year	Number of funds	Capital collected (US\$ billions)
2000	635	106.1
2001	309	38.1
2002	173	3.9
2003	144	10.8
2004	194	17.3
2005	182	25.2

The increase recorded during 2005 reflects the decrease in number of funds, which had a greater average size. We exercised a certain level of discipline in this area, refusing further capital to funds which had reached their pre-set target.

More new capital was raised than was invested (25.2 billion against 21.7 billion. This is a positive result as it will allow funds to continue to support investments made in previous years, without the necessity of rejecting new opportunities. The worry is that the excess of capital could lead to an increase in valuations and to companies being supported which do not then deliver the expected return. This analysis has led Cdb Web Tech to remain a very selective in investment in new commitments.

The performance of the venture capital industry for 2005, shown by the Private Equity Performance Index (PEPI) developed by Thomson Venture Economics and the National Venture Capital Association, was up 19.7%. The performance of the venture capital industry over 3 – 5 years remains negative overall, with the drop of the 2001-2002 period as yet unabsorbed. This is shown in the following table, the average annual rate of return of the venture capital industry over the last 5 and 10 years. This rate of return is still significantly positive at 26.5%, confirming the cyclical nature of the business and the high level of returns over the medium-long term.

Annual Performance				
	1 year	3 years	5 years	10 years
Venture capital	19.7%	4.9%	(9.3%)	26.5%
Buyouts	32.5%	14.7%	3.1%	8.7%
NASDAQ	16.1%	13.6%	(6.7%)	5.9%
S&P 500	18.0%	8.0%	(5.6%)	5.5%

The annual figures for venture capital and buyouts refer to September 30 2005 while the market figures refer to the end of year levels for each calendar year.

Source: Thomson Financials – NVCA – Bloomberg

The performance of Cdb Web Tech investments cannot be compared with the reported figures for venture capital as Cdb Web Tech only began investing in 2000 and market

performance indicated in this table takes into account a historical perspective of the annual returns on the investment. Despite the limits imposed by the lack of investment history, the Cdb Web Tech venture capital fund investment portfolio recorded a positive performance of 7.36% in 2005.

Cdb Web Tech Group Investment Activities Performance

Overview

At December 31, 2005 the Group had investments in venture capital funds and direct investments in unlisted companies operating in information and communication technology, biotechnology and nanotechnology, totaling \$US 233.7 million.

Profile of Group Investments at December 31, 2005

	31 Dec. 2005		31 Dec. 2004		Change	
	N°	\$US millions	N°	\$US millions	N°	% Value
Direct Investments	12	20.7	14	9.2	(2)	125.0%
Venture Capital (VC) Funds	89	213.0	78	169.9	11	25.4%
Total Investments		233.7		179.1		30.5%
VC Funds outstanding commitments	79	168.8	70	176.1	9	(4.1%)

Investment activity carried out during 2005 can be summarized as follows:

(US\$ millions)	2005	2004
New direct investments	11.4	1.1
Venture capital fund commitments	50.5	53.5
New venture capital funds	n° 11	n° 14
Venture capital fund investments	56.4	62.6
Venture capital fund distributions received	27.4	17.8
Capital gains on distributions	16.6	11.6

Cdb Web Tech received venture capital fund distributions totaling \$US 27.4 million during 2005, up from \$US 17.8 million in 2004, representing a return of over 2.5 times the cost and generating capital gains of \$US 16.6 million. The increase of 54% in distributions and the high capital gains realized are among the strongest indicators of the creation of value with the investments made.

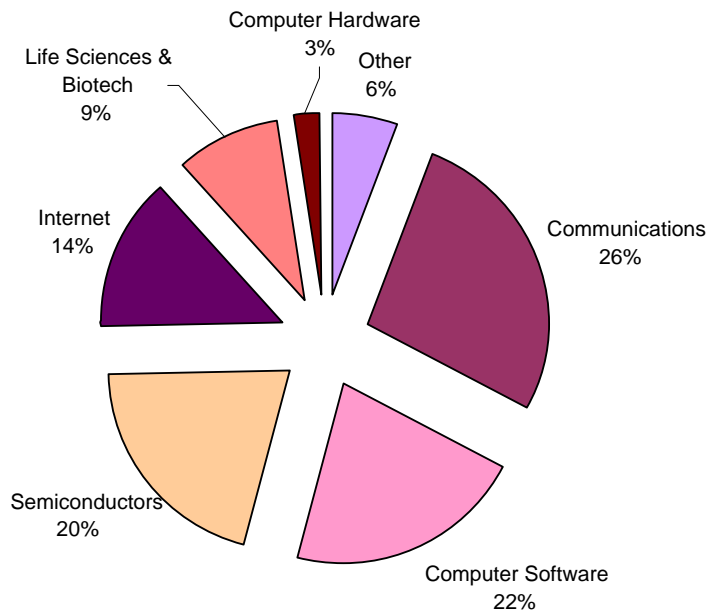
Cdb Web Tech Group has direct or indirect investments in some **1,270 active technology companies** at December 31, 2005. The following table details the Company's 15 primary investments.

Company ⁽¹⁾	D/I ⁽²⁾	Sector	Location	Value US\$/000	% of total investments
Grace Semiconductor	D	Integrated Circuits	China	10,200	4.4
Baidu.com [BIDU US]	I	Internet Search	China	7,844	3.4
Tele Atlas [TA6 GR]	I	Digital Maps	Belgium	5,275	2.3
Ecrio	D	Wireless Messaging	USA	3,483	1.5
Vonage Holdings	I	Digital Telephony	USA	2,723	1.2
Hostworks [HWG AU]	D	Web Hosting	Australia	2,473	1.1
Transitive Technologies	I	Computer software	USA	1,535	0.7
Airgo	I	WLAN Technology	USA	1,471	0.6
Kovio	D	Nanotechnology	USA	1,391	0.6
Mobile 365	I	Wireless Messaging	USA	1,356	0.6
Elixir Pharmaceutical	D	Biotechnology	USA	1,150	0.5
Ceres	I	Biotechnology	USA	1,104	0.5
Big Band Networks	I	Broadband Routers	USA	1,096	0.5
Cogent Communication [COI US]	I	High Speed Internet Access	USA	1,064	0.5
Widerthan.com	I	Wireless Entertainment	Korea	954	0.4
				43,119	18.90

(1) Listed company (2) D = Direct Investment; I = Indirect Investment via venture capital funds

These investments can be analyzed on an investment cost basis

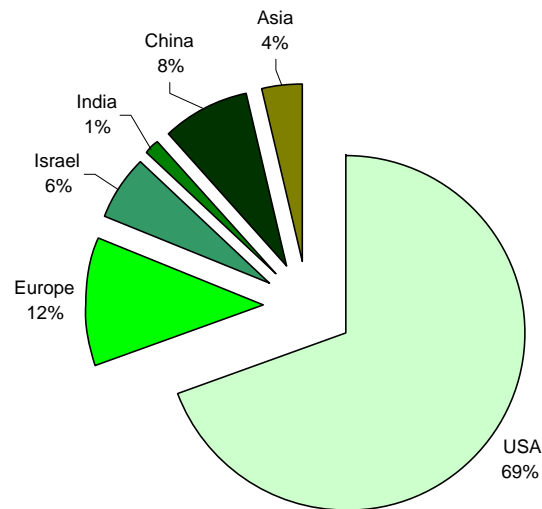
Analysis of investments by industry sector



Four sectors, communications, semiconductors, software and internet services, represent 80% of the Cdb Web Tech portfolio in a balanced way, with no one sector dominating the others. The fifth sector, life sciences, represents 9% and is starting to emerge as a strategic choice. Future growth is expected in this sector. Nanotechnology investments, the so-called cleantech investments, those in the energy industry and genetics, have a presence but it is of minor importance.

Investment levels in semiconductors have increased from 13% to 20% since December 31, 2004, with the new investment in Grace. Communications investment levels have recovered, increasing from 24% to 26%, with recovery particularly evident in the wireless sector. Computer Software and Internet services have fallen from 25% to 22% and from 20% to 14%, respectively.

Analysis of investments by location



Investment levels in China have increased from 3% to 8% since the end of 2004, both through direct investments made and venture capital funds in which we have invested.

At December 31, 2005 the Group had investments in venture capital funds with equity stakes in 95 listed companies (84 at December 31, 2004). These investments have a pro rata value of \$US 27 million for Cdb Web Tech at market values at period end, accounting for more than 13% of venture capital investments. It is expected over the coming months that these shares will be distributed or will be sold with revenues distributed.

The only listed company in which the Group has a direct investment is Hostworks, listed on the Sydney Stock Exchange, of which we own 8.2%. During this period, all Group shares in PeopleSupport were sold, following the end of the lock-up period. This company was listed on the NASDAQ exchange during 2004.

As detailed in previous reports, as the Group investment portfolio matures and market conditions improve, valuations are rising and conditions for companies are improving. This means a significant increase in distributions and capital gains which confirm the validity of Group investment strategies and allows us a greater level of optimism with regard to future prospects.

Direct Investments

At December 31, 2005, the Group had invested directly in 12 companies operating in the areas of services, hardware and software, systems and components for the ICT and communications sectors, biotechnology and nanotechnology. At December 31, 2005, the value of direct investments was \$US 20.7 million, against \$US 9.2 million at December 31, 2004. The increase is largely due to the investment carried out during 2005 in GSMC, Grace Semiconductor Manufacturing, a Chinese company producing integrated circuits. Furthermore, 2005 saw Cdb Web Tech participate in share capital increases for MobileAccess, Kovio and Airband and in a bridge loan for Elixir Pharmaceutical. The total investment in these companies amounts to \$US 11.45 million.

Cdb Web Tech direct investments can be analyzed as follows:

Listing of Cdb Web Tech Group direct investments at December 31, 2005

Company	Country	Industry sector	Investment value (\$US thousands)	% owned
12Snap	Germany	Mobile marketing services	251	2.54
AirBand	USA	High bandwidth wireless internet access for companies	508	1.67
Ecrio	USA	Wireless messaging applications and infrastructure	3,000	8.12
Elixir Pharmac	USA	Biotech firm, focusing on age-related illnesses	1,150	1.35
ETF Group	Switzerland	Europe and USA focus venture capital company	0	1.18
GSMC – Grace	China	Integrated circuits	10,333	0.73
Hostworks	Australia	Web hosting and data center services for companies	2,450	8.20
Integral	USA	Financial institution services and software	382	0.87
Kovio	USA	Nanotechnology – printed circuits	1,391	3.56
Legerity	USA	Integrated circuits for telecommunications sector	0	0.90
MobileAccess	USA	Wireless coverage systems for buildings and remote areas	777	2.24
TellMe Networks	USA	Voice technology call center services	406	0.17

12Snap

Based in Munich, in Germany, the company's primary market, 12Snap also operates in Italy, the United Kingdom and since July 2005 in the US. It is one of the market leaders in the mobile marketing sector, carrying out marketing activities via mobile phones. The company has had some difficulty attaining a high market share, despite repeat cellular phone advertising business from some big brand name companies, and stable revenue levels. Subsequent to December 31, 2005 12Snap was bought out by NeoMedia, a NASDAQ listed US company. For Cdb Web Tech the purchase price was twice the fair value reported in the 2005 financial statements.

Air Band

Airband offer broadband wireless communications. Their clients can merge data applications with telephonic applications, maintaining maximum levels of company mobility. Their product portfolio includes VoIP services and high-speed data solutions.

Where possible, the company uses their own fixed and mobile networks in order to completely bypass telephone companies and making them redundant, enabling them to offer a service which is faster, more reliable and more flexible, allowing for growth as and when clients request it. 2005 saw this company record sales of \$US 12 million, confirming their positive growth trend. During the first half of 2005, Airband completed the acquisition of another firm in order to boost their market share and attain critical mass. They also obtained a further round of finance from their current stockholders, including a further \$US 0.5 million from Cdb Web Tech.

Ecrio

This company, which produces highly advanced mobile phone telecommunication systems, was in difficulty during 2003 and most of 2004, with delays in completing sales contracts. As a result, the investment in this company was completely written down. However, the second half of 2004 and the start of 2005 saw Ecrio acquire some very important licensing contracts which validated their product on the market and allowed for recurring revenue during 2005 and the years to come. Furthermore, in April of this year, a Japanese strategic partner signed a large sales agreement for this product and invested in the share capital of this company, bringing new capital and a positive valuation for the company, thereby consolidating their growth. Sales at December 31, 2005 were over \$US 7 million, with a small profit and positive cash flow. The valuation of the investment at December 31, 2005 was determined on the basis of the increase in share capital from the strategic partner.

Elixir Pharmaceuticals

Established in 1999 and based in Boston in the US, Elixir Pharmaceuticals is studying the genetic factors which affect illnesses related to the human aging process, in order to develop a new type of pharmaceutical product which could prevent or delay their onset. Cdb Web Tech made an initial investment of \$US 1 million in this company, followed by a further \$US 150 thousand in the form of a bridge loan during 2005. Other investors in Elixir Pharmaceuticals include MIT in Boston and other venture capital firms. The company recently reviewed their business strategy and acquired licenses to produce pharmaceuticals related to their core business, in order to accelerate cash flow rates and maximize potential investment in research.

Grace Semiconductor Manufacturing

As detailed above, during 2005 a new investment was made in Grace Semiconductor, a Chinese company producing integrated circuits, totaling \$US 10.2 million. This firm was founded in 2000 and in 2004 had already realized sales of \$US 140 million. The company has great growth potential as it has strategic and financial partners from China, south east Asia and the US who have invested in the share capital. During 2005, GSMC was negatively affected by the downturn in demand for semiconductors, particularly as client numbers are low. A further round of financing is expected during 2006, in which Cdb Web Tech may participate.

Hostworks

Hostworks Group Limited, listed on the Sydney Stock Exchange is one of the leading Internet hosting services providers in Australia and South-East Asia, hosting information sites and particularly complex e-commerce sites. Hostworks realized sales of \$AUS 16 million for the fiscal year-ending June 30, 2005, up 16% over the previous year. Some significant long-term contracts were secured during the second half of the 2005 calendar year.

Integral

Integral supplies platforms and software for financial transactions within a network, to banks and financial operators. For the first 8 months of 2005, Integral posted sales of \$US 9 million. Cdb Web Tech holds a 0.87% stake in Integral through its \$US 3.14 million investment, including the bridge loan mentioned.

Kovio

A US nanotechnology company in the process of developing a technology that allows for the creation of electronic circuits using printed electronics technology, by modifying the physical structure of ink. This is a very early stage investment but the company is attaining all forecasted targets within the expected timeframe. The primary reference market for this company will probably be RFID, which if produced with the technology currently under development, could be distributed at a much lower cost than that currently incurred.

MobileAccess

MobileAccess was founded in Israel and then transferred to the US. This company develops, produces and markets solutions for RF communications via fiber optic cable which allows for the extension of wireless coverage (mobile phones, PCs and other systems) in remote areas and areas with coverage difficulties. MobileAccess is also developing a solution for wireless coverage inside large structures like airports, skyscrapers, university campuses, shopping centers, stadiums, etc. used by many telecommunications operators around the world. The company posted 2005 sales of \$US 16 million (down 11% on 2004), largely due to delays in order confirmation on the part of some clients. For 2006, it is expected that MobileAccess will continue to focus on the coverage of hospitals and medical centers, where telephone signal quality is of particular importance.

TellMe

TellMe, based in Mountain View, California, has developed voice recognition technology, which enables automated call centers to avoid caller identification requests, achieving considerable costs savings for its users. The company posted 2005 sales of over \$US 100 million, up 20% over the previous year, as well as realizing net profit of over \$US 1 million and positive operating cash flows, and enjoying a positive net financial position.

During this period, all Group shares in PeopleSupport, listed on the NASDAQ exchange during 2004, were sold, following the end of the lock-up period, for a total of \$US 1.7 million, realizing capital gains of \$US 0.1 million against book values at December 31, 2004, recovering 85% of the initial investment made in 2000 when valuations were at their highest. Furthermore, Cdb Web Tech and all other stockholders sold all shares in Xpert, an Israeli company which failed to develop their business, despite a promising beginning. This generated capital losses of \$US 2.13 million on the initial investment made in 2000, which impacted on the results of the 2005 fiscal year by \$US 1.38 million.

Subsequent to December 31, 2005, Cdb Web Tech and all other stockholders sold all shares in 12Snap. The value realized, \$US 0.5 million, is twice the fair value recorded at December 31, 2005.

Venture Capital Funds

At December 31, 2005, the 89 venture capital funds in the Group portfolio represent 65.7% of investment commitments, of which 11 are new commitments made during 2005, with outstanding investment commitments totaling \$US 168.8 million, to be collected during the next 3 – 5 years.

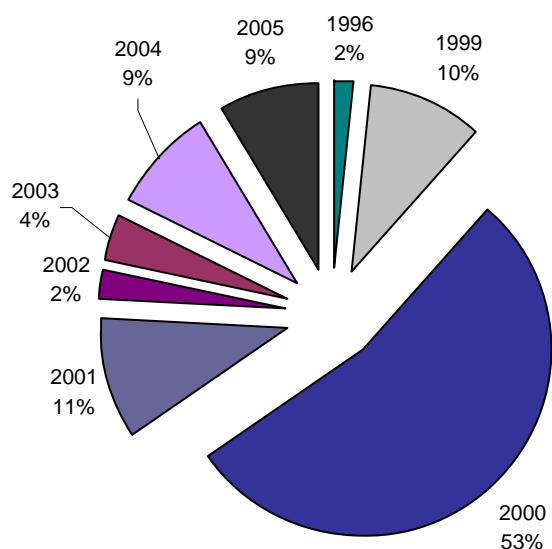
Group venture capital investments can be analyzed as follows:

Listing of Cdb Web Tech Group VC investments at December 31 2005

Venture Capital fund's description	Legal entity	Commitment subscribed year	Fund Size	Commitment	% Cdb Web Tech on fund
USD Dollars					
Accel Europe	Delaware U.S.A.	2000	509.300.000	5.000.000	,98
Accel Internet Partners IV	Delaware U.S.A.	2000	820.760.000	9.724.000	1,18
AFA Private Equity Fund I	Cayman Islands	1999	16.500.000	2.500.000	15,15
ArchVenture Fund LP VI	Delaware U.S.A.	2004	355.230.000	5.000.000	1,41
Artiman Ventures	California U.S.A.	2004	165.000.000	3.600.000	2,18
Baker Communication Fund II	Delaware U.S.A.	2000	1.124.678.000	5.000.000	,44
Bay Partners X	Delaware U.S.A.	2000	364.480.000	4.000.000	1,10
Benchmark Capital Partners V	Delaware U.S.A.	2004	328.282.800	4.000.000	1,22
Benchmark Europe	Delaware U.S.A.	2000	379.449.600	3.333.333	,88
Benchmark Founders Fund IV	Delaware U.S.A.	2000	218.292.900	5.000.000	2,29
Benchmark Israel I	Delaware U.S.A.	2001	217.882.400	5.000.000	2,29
Benchmark Israel II	Delaware U.S.A.	2005	242.000.000	4.000.000	1,65
Bluestream Ventures	Delaware U.S.A.	2000	278.980.000	5.000.000	1,79
Carlyle Asia Growth III	Cayman Islands	2005	500.000.000	5.000.000	1,00
Carlyle Asia Vent. Partners I	Cayman Islands	2000	159.000.000	4.056.604	2,55
Carlyle Asia Vent. Partners II	Cayman Islands	2004	153.420.523	5.000.000	3,26
Castle Harlan Offshore IV	Delaware U.S.A.	2003	1.036.000.000	5.157.335	,50
Charles River Partnership XI	Delaware U.S.A.	2001	436.740.000	1.784.535	,41
Crescendo Ventures IV	Delaware U.S.A.	2000	585.808.100	9.977.217	1,70
Dawntreader Fund Offshore II	Cayman Islands	2000	270.000.000	2.500.000	,93
Doll Capital Management III	Delaware U.S.A.	2000	437.995.000	10.000.000	2,28
Doll Capital Management IV	Delaware U.S.A.	2004	375.000.000	5.000.000	1,33
Doughty Hanson & Co Technology	England EU	2000	236.700.000	10.000.000	4,22
Doughty Hanson & Co Technology	England EU	2004	236.700.000	1.925.000	,81
Dover Street V	Delaware U.S.A.	2002	515.151.500	5.000.000	,97
Dover Street VI	Delaware U.S.A.	2005	575.707.071	5.000.000	,93
Draper Atlantic Vent. Fund II	Delaware U.S.A.	2000	65.600.000	3.600.000	5,49
Draper Fisher Jurveston ePlane	Delaware U.S.A.	2000	646.222.200	10.000.000	1,55
Draper Fisher Jurveston VII	Cayman Islands	2000	643.080.800	5.000.000	,78
Evergreen Partners III	Delaware U.S.A.	2003	170.500.000	10.000.000	5,87
Frazier Healthcare V	Delaware U.S.A.	2005	475.000.000	5.000.000	1,05
Gemini Israel Funds IV	Delaware U.S.A.	2004	200.000.000	3.000.000	1,50
GIZA GE Venture Fund III	Delaware U.S.A.	2003	211.680.000	10.000.000	4,72
GIZA Venture Fund IV	Delaware U.S.A.	2004	213.000.000	3.000.000	1,41
GSR Golden Sand River Ventures	Cayman Islands	2005	60.000.000	3.000.000	5,00
Healthcare Ventures VII	Delaware U.S.A.	2002	353.540.000	3.500.000	,99
HealthCare Ventures VIII	Delaware U.S.A.	2005	375.000.000	3.500.000	,93
Hummer Winblad Technology IV	Delaware U.S.A.	1999	10.374.500	500.000	4,82
Hummer Winblad Venture Part IV	Delaware U.S.A.	1999	318.205.200	4.000.000	1,26
Hummer Winblad Venture Part V	Delaware U.S.A.	2000	422.236.400	5.000.000	1,18
Infinity Capital Vent. Fund 99	California U.S.A.	1999	199.023.100	5.000.000	2,51
Israel Seed III	Cayman Islands	2003	40.000.000	4.000.000	10,00
Israel Seed IV	Cayman Islands	2000	200.000.000	4.000.000	2,00
Israel Seed IV	Cayman Islands	2003	200.000.000	5.000.000	2,50
Jerusalem Venture P. III Annex	Delaware U.S.A.	2002	22.000.000	660.000	3,00
Jerusalem Venture Partners III	Delaware U.S.A.	1999	146.400.000	5.000.000	3,42
Jerusalem Venture,Partners IV	Delaware U.S.A.	2000	388.665.000	15.000.000	3,86
Meritech Capital Partners I	Delaware U.S.A.	1999	1.100.000.000	10.000.000	,91
Meritech Capital Partners II	Delaware U.S.A.	2000	738.712.500	7.500.000	1,02
NEA X	Delaware U.S.A.	2000	2.322.929.000	20.000.000	,86
NEA XI	Delaware U.S.A.	2003	1.111.111.000	7.500.000	,68
Nokia Venture Partners II	Delaware U.S.A.	2000	459.596.000	15.000.000	3,26
North Bridge Ventures Part. V	Delaware U.S.A.	2001	824.755.700	4.233.616	,51
North Bridge Ventures Part. VI	Delaware U.S.A.	2005	448.750.000	3.000.000	,67
Oak Investment Partners X	Delaware U.S.A.	2000	1.638.713.000	10.000.000	,61
Orchid Asia III LP	Cayman Islands	2004	181.260.000	3.000.000	2,13
Oxford Bioscience Partners II	Delaware U.S.A.	2003	106.768.200	3.500.000	3,28
Oxford Bioscience Partners IIB	Delaware U.S.A.	2004	106.768.200	500.000	,47
Pequot Private Equity II	Delaware U.S.A.	1999	537.719.000	5.000.000	,93
Pequot Private Equity III	Cayman Islands	2000	730.000.000	5.000.000	,68
Pequot Venture Partners II	Delaware U.S.A.	2000	179.411.100	2.000.000	1,11
Pitango Venture Capital II	Delaware U.S.A.	2003	125.000.000	5.000.000	4,00
Pitango Venture Capital III	Delaware U.S.A.	2003	387.172.000	5.000.000	1,29
Pitango Venture Capital IV	Cayman Islands	2004	300.000.000	3.000.000	1,00
Pond Venture Partners II	England EU	2000	60.000.000	2.310.000	3,85
Portview Communications Partn.	Cayman Islands	2000	61.015.000	3.000.000	4,92
Prospect Venture Partners III	Delaware U.S.A.	2004	500.000.000	5.000.000	1,00
Rho Ventures V Lp	Delaware U.S.A.	2004	390.696.970	4.000.000	1,02
Sequoia Capital IX	Delaware U.S.A.	1999	351.293.000	3.000.000	,85
Sequoia Capital Seed Fund II	Delaware U.S.A.	2001	150.800.000	4.000.000	2,65
Sequoia Capital X	Delaware U.S.A.	2000	695.135.000	10.000.000	1,44
Sequoia Capital XI	Delaware U.S.A.	2003	387.236.000	4.242.000	1,10
Sevin Rosen IX	Delaware U.S.A.	2004	305.005.000	3.000.000	,98
Sevin Rosen VIII	Delaware U.S.A.	2000	600.426.500	3.893.050	,65
Sierra Ventures VIII	California U.S.A.	2000	495.172.800	1.000.000	,20
Sofinnova VI	Delaware U.S.A.	2002	252.765.309	3.000.000	1,19
Spectrum Equity Investors V	Delaware U.S.A.	2005	1.018.400.000	10.000.000	,98
SPG Infinity Technology Fund I	Mauritius	2000	34.500.000	700.000	2,03
Storm Ventures Fund II	Delaware U.S.A.	2003	309.075.000	5.000.000	1,62
Storm Ventures Fund III	Delaware U.S.A.	2005	219.000.000	5.000.000	2,28
SVE Star Venture Enterprise IX	Europe	2003	340.467.000	15.000.000	4,41
Technology Cros. Vent. VI	Delaware U.S.A.	2000	1.400.000.000	5.000.000	,54
Technology Crossover Vent. IV	Delaware U.S.A.	2000	1.703.600.000	5.000.000	,29
Technology Crossover Vent. V	Delaware U.S.A.	2003	900.000.000	5.000.000	,56
Thomas Weisel Capital Partners	Delaware U.S.A.	2000	1.120.742.000	10.000.000	,89
Trident Capital Fund V	Delaware U.S.A.	2000	519.000.000	3.529.333	,68
Vantage Point Venture IV	Delaware U.S.A.	2000	1.600.000.000	15.000.000	,94
Westbridge Ventures I	Mauritius	2000	135.110.000	5.000.000	3,70
Westbridge Ventures II	Mauritius	2005	200.000.000	2.000.000	1,00
Total Dollars			40.947.690.373	481.226.023	,00
EUR Euro					
HBM BioCapital	Cayman Islands	2004	117.100.000	5.000.000	4,27
Nexit Infocom 2000	Guernsey	2000	66.325.790	3.819.167	5,76
Total Euro			183.425.790	8.819.167	,00
STG Stg					
Amadeus Capital II	England EU	2000	235.000.000	13.500.000	5,74
Total Stg			235.000.000	13.500.000	,00
TOTAL Euro				434.959.671	,00
Residual Commitment					
Residual commitment in original currency	USD Dollars			159.692.986	
	EUR Euro			3.787.949	
	STG Stg			2.696.800	
Total residual commitment to be invested in:	Euro			142.608.103	
Total residual commitment to be invested in:	Usd			168.819.473	

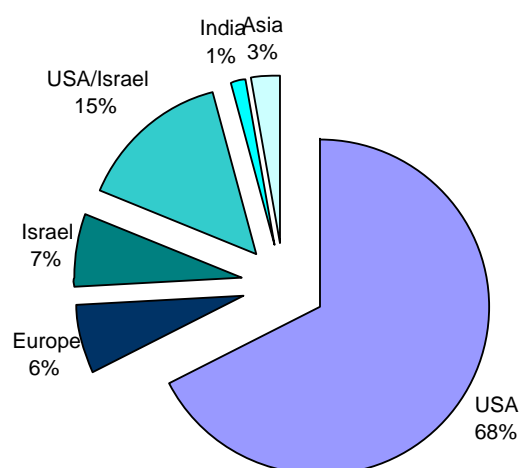
An analysis of venture capital funds by vintage, (the year in which the firm began to invest), as detailed below, shows that almost 50% of commitments were made in years not included in the so called “speculative bubble”. Furthermore, investments made across a broad timeframe bring the advantage of a high level of diversification by market conditions, product, valuation and exit opportunities. This means that the Cdb Web Tech investment portfolio has a higher potential for positive returns and a lower concentration of risk.

Analysis of venture capital funds by vintage



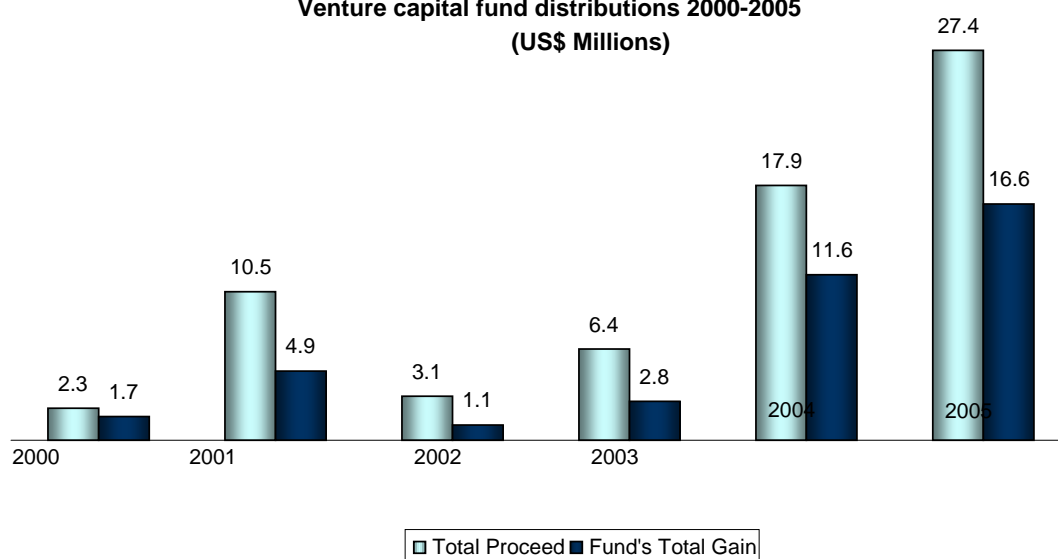
The geographical analysis of Cdb Web Tech investments is largely unchanged on 2004:

Analysis by geographic region



Of note, distributions have increased, both in number and in value, with good returns on capital invested. During the 2005 fiscal year, Cdb Web Tech received \$US 27.4 million, against \$US 17.9 million for last year, generating capital gains of \$US 11.6 million. This increase is part of a trend we had forecast, and we expect it to continue through 2006, given that many companies in our investment portfolio have grown, with increased sales posted and the listed companies detailed above in which Cdb Web Tech holds indirect investments which are close to being realized.

Venture capital fund distributions 2000-2005 (US\$ Millions)



The venture capital fund investment portfolio held by Cdb Web Tech posted a positive return of 7.36% for 2005, net of capital gains and losses realized and not realized with the latter comprising variations in fair value. This performance is of particular importance

as it includes investments made over the last 2 years of over 100 million US dollars which as is characteristic of the venture capital industry, do not generate short-term returns.

One indicator of performance in the venture capital industry is represented by the total value of investments held and divestments, against the total invested (TVPI–Total Value to Paid In), analyzed by the year in which the fund began to invest. For 1999-2004 funds, in which most Group investment has been made, this data has been prepared by Thomson Financial/ NVCA:

Year	Industry average	Top quartile	Median quartile	Lower quartile
1999	0.77	0.95	0.64	0.35
2000	0.83	0.99	0.78	0.63
2001	0.94	1.10	0.88	0.73
2002	0.93	1.08	0.92	0.81
2003	0.87	0.95	0.80	0.75
2004	0.81	0.92	0.87	0.68

Note: Taking 1999 vintage and the value of the median quartile, we see that \$US 1 invested in US 1999 vintage venture capital funds was at March 31, 2005 valued at \$US 0.64 (considering investments already in the Group portfolio and those already realized)

When analyzed in this way, the Cdb Web Tech portfolio contains 39 funds out of 78, which have performed better than average, of which 20 belong to the top quartile. Investments acquired at a discount on the secondary market have enjoyed even better performances. We have not included 2005 funds here, as they are in the initial investment stages, and there is no significant reference sample. In general terms, the TVPI of the top quartile for 2002 funds and 2003 funds are almost level, in line with the “J curve”, while funds prior to these are still affected by the “bubble” of 2000 and 2001.

As the majority of investments are in funds still in our portfolio, their performance is subject to change, in comparison to the performance of individual investments and to the valuation criteria adopted by each fund. Some funds have been pursuing a very aggressive strategy in writing down the value of their investments. Thus, from one quarter to the next, we see value adjustments, which could bring them into the top performer bracket.

During 2005, commitments totaling US\$ 50.5 million were made to 11 venture capital funds. Of these, 8 were firms with whom we have invested in previous funds, while the remaining 3 were our first investment with these particular firms, The new funds are:

- Benchmark Israel II, an Israeli fund which invests in early stage ICT companies. Cdb Web Tech invested in Benchmark Israel I. A commitment of 4 million US dollars was made in the fund which totals 242 million US dollars.
- Carlyle Asia Growth III, a fund investing in growth stage companies in the technology and services sectors in south east Asia (China – Singapore – India – Japan). A commitment of US\$ 5 million was made. The fund totals \$US 450 million. Cdb Web Tech invested in Carlyle Asia I and II which posted very positive returns.
- Dover Street VI, a US fund which acquires partnerships in venture capital funds and buyouts on the secondary market in the US and Europe. Cdb Web Tech invested in a previous Dover Street fund. A commitment of US 5 million was made. The target for this fund is \$US 520 million.
- Frazier V, a US life sciences and healthcare fund based in Seattle and California focusing on early stage funds but with some later stage investments. A

commitment of \$US 5 million was made, the first investment we have made in this company. The target for the fund is \$US 475 million.

- GSR Ventures I, an early stage fund investing in IT companies in China. A commitment of \$US 3 million was made in this fund, which has a target of \$US 62.4 million.
- Healthcare Ventures VIII, a US fund investing in early stage biotech and healthcare companies, based in Princeton and Boston, in the US. Cdb Web Tech invested the previous Healthcare Ventures fund. A commitment of \$US 3.5 million was made, as part of the \$US 378.8 million fund.
- Northbridge VI, a US fund investing in ICT, primarily early stage. Cdb Web Tech invested in Northbridge V. We made a commitment of \$US 3 million in this fund, which has a target of \$US 448 million.
- Spectrum V, a later-stage US fund based in Boston investing in the media and communications sector. A commitment of \$US 10 million was made in this fund which has a target of \$US 1,018 million.
- Storm Ventures III, a US fund based in California investing in early stage ICT companies. Cdb Web Tech invested in a previous Storm Ventures fund. A commitment of 5 million was made in this fund, which has a target of \$US 219 million.
- TCV VI, a later stage US fund based in Palo Alto investing in business outsourcing and services in India. Cdb Web Tech invested in a previous TCV fund. A commitment of \$US 2 million was made, part of a fund with a target of \$US 200 million.
- Westbridge II, a fund investing in business outsourcing and services in India. Cdb Web tech had invested in the previous Westbridge I. The commitment made had a total value of US\$ 2 million, in a fund of US\$ 200 million.

Subsequent to December 31, 2005, the Group acquired a new commitment for \$US 10 million in VantagePoint V, a US fund of over \$US 1 billion which invests in the ICT sector, both early and late stage. Cdb Web Tech invested in the previous fund from VantagePoint. A further commitment of \$US 5 million was made to the US life sciences fund Oxford Bioscience V. Previously, Cdb Web Tech had acquired a partnership in Oxford Bioscience II on the secondary market.

Management & Capitali

This company, initially proposed by Mr. De Benedetti, will carry out turnaround investment activity in companies in difficulty, primarily working on relaunch and profit recovery activities for medium-sized Italian companies. Management & Capitali SpA was established to achieve this goal, with Cdb Web Tech investing 90% of the share capital, with an investment of € 50 million. A further 10% came from management. M&C is now fully operational, with the capitalization plan now at an advanced stage. During February 2006 a group of major investors, including Italian entrepreneurs and international institutional investors, subscribed to a share capital increase for M&C of € 24.5 million and made a commitment to invest an additional € 195.5 million, subject to M&C being listed on a regulated stock market. With the share capital increases already carried out and further investment commitments, the financial resources of M&C currently stand at € 275.5 million.

Following the share capital increase subscribed by the investors detailed above, the shares profile of M&C will be as follows:

- Cdb Web Tech 62.5%
- Initial investors 30.6%
- Management 6.9%

The M&C Shareholders' Meeting considered the launch of the process whereby M&C be listed on an Italian regulated stock market in the shortest timeframe allowed by the current regulations, possibly before the end of 2006.

Given that Borsa Italiana SpA has approved some modifications to the regulations regarding the listing of shares in investment companies in the Italian Electronic Equity Market (Mercato Telematico Azionario, or MTF) , we expect M&C to be listed in this market segment.

The float for the listing of M&C will be realized by the distribution to the stockholders of Cdb Web Tech of M&C shares held by this company. This action will mean that Cdb Web Tech will no longer be a shareholder in M&C.

On the basis of current information, subsequent to this action, the share profile of M&C will be as follows:

- Mr. De Benedetti will hold a 30% share through subsidiary companies;
- initial investors will hold 33%;
- management will hold 7%
- the market will hold the remaining 30%, from the distribution of M&C
- shares to the minority stockholders of Cdb Web Tech.

It is forecast that this project will bring a share capital increase of up to € 420 million in options, (of which, as described, € 195.5 million is already the subject of a commitment to subscribe by the Initial Investors) will be executed as part of the listing of the M&C share on a regulated market. This share capital increase will allow for:

- the completion of the commitment to invest made by the initial investors in relation to agreements subscribed;
- the entrance of new investors to the share capital and the involvement of Cdb Web Tech minority stockholders in the capitalization process.

Asset Management – BIM Alternative Investments Sgr

BIM Alternative Investments Sgr (BIM) has continued to perform well, with the company's managed net investment assets portfolio valued at € 177.1 million at December 31, 2005, reflecting the performances of the three hedge funds it manages, Global Equity, Multistrategy and Equity Europe Arbitrage).

Subsequent to December 31, 2005, a new speculative fund, BIM Market Neutral, was set up, with a relative value, event driven, investment strategy.

BIM reported a profit before tax for 2005 of € 0.63 million, almost double the total for last year.

Cdb Web Tech Financial Performance

Group (Consolidated) Financial Results for 2005

The financial results for 2005 show a loss of € 28.9 million, of which net financial expenses total € 36.1 million, reflecting the coverage of FOREX risk, due to the adoption of the US dollar as functional currency and the failure to consider a translation risk relating to the translation of the balance sheet from \$US to Euro. If calculated under Italian accounting standards as done in previous years, the financial statements for the year would post a profit of € 7.2 million. If start-up costs for M&C were excluded, this profit would rise to € 9.9 million. The next few months will see the disposal of activities and liabilities relating to M&C.

The restated financial statements for 2004 prepared in accordance with the IAS/IFRS standards, with the US dollar as functional currency, show profits of € 24.4 million, against € 8.6 million recorded when expressed in accordance with Italian accounting standards.

From the beginning, the Group has engaged in hedge operations to cover foreign exchange exposure as most Group investments were expressed in US dollars. Until last year the effect of the coverage of FOREX risk and the \$US / € exchange rate variation effect on investments was taken to the Income Statement and was offset, as intended.

The adoption of the US dollar as functional currency means that the Group is no longer exposed to FOREX risk (the risk is now that of the shareholder who invests in an activity expressed in US dollars). Thus in accordance with IAS 39, the derivative contracts set up to cover this risk are no longer to be considered hedges and thus the result of these forward contracts is taken to the Income Statement. Obviously no corresponding adjustment to the investment in \$US can be made, as was done in previous years in accordance with Italian accounting standards.

Only at the moment of translation of the balance sheet from \$US to Euro is there a variation in net equity, positive or negative, according to the exchange rate. This largely offsets the effect of the forward contracts being taken to the Income Statement. We feel that this creates a “translation risk” relating to the financial statements. We would like to record the effect of the FOREX risk coverage to the Balance Sheet and not the Income Statement in order to have a representation of the results for the period and the equity movements without the “distortions” currently evident. The current Board of Independent Auditors does not agree so we have followed their interpretation, despite being convinced that the representation of the Group’s economic performance at December 31, 2005 is distorted by the methods used to record the effects of FOREX risk coverage.

The adoption of the US dollar as functional currency also determines profits and losses on all balances expressed in Euro. For Cdb Web Tech, based in Italy, this means profits and losses on all administrative and general costs incurred in Italy, as well as bank balances, expressed in Euro.

The financial effect of the FOREX risk coverage has been almost entirely offset by an opposing variation in net equity. During 2005, against losses of € 26.2 million (net of M&C losses), net equity has increased € 12.7 million. In 2004, with profit of € 24.4 million (€ 8.6 million if expressed using Italian accounting standards), equity was increased by € 7.6 million.

The 2005 1st fiscal year loss before tax of € 26.2 million comprised:

- **€ 37.1 million in net finance expenses** reflecting the coverage of FOREX risk, due to the adoption of the US dollar as functional currency and losses relating to the translation of the balance sheet from \$US to Euro.

- **€ 14.6 million in realized capital gains** on direct investments disposals (PeopleSupport) and venture capital funds distributions
- **€ 3.5 million in net investments writedowns** comprising permanent impairments in value and venture capital funds writedowns
- **€2.7 million** in revaluation and net income relating to hedge funds.
- **€0.3 million in interest and other net finance income**
- **€3.1 million in net operating expenses, in line with 2004 figures**
- **€0.1 million in tax charges**

The startup costs for M&C totaled € 2.7 million, bringing the total loss to €28.9 million.

The financial results for the 2005 financial year, determined using the same principles as last year, excluding M&C startup costs, would have disclosed a profit of € 9.9 million, comprising:

- net finance income from direct investments and venture capital fund investments of € 11.1 million
- net financial expenses of €3.8 million
- writedowns to fair value of current investments of € 1.9 million
- net operating expenses of €3.1 million
- tax liabilities of €0.1 million

The Statement of Performance required by IAS No. 1, showing the results for the year including figures taken to equity and not the income statement, gives a summary of company performance and Group activity.

Cdb Web Tech Group Statement of Performance

<i>(€ / thousands)</i>	December 31, 2005	December 31, 2004
Profit/ (loss) from revaluation carried to net equity	4,909	2,987
FOREX difference relating to translation of balances	33,912	(19,151)
Net profit/ (loss) listed to net equity	38,821	(16,164)
Profit/ (loss) for this year	(28,907)	24,424
Total income/ (expenses) for this year	9,917	8,260

In order to complete an analysis of Group investments, it should be noted that the fair value reserve relating to direct and indirect investments for 2005 increased by € 4.9 million, net of capital gains realized of € 15.5 million.

Group investments can be analyzed as follows:

<i>(€ / millions)</i>	Capital gains	Capital losses	Value Adjustments	Writedowns / Impairments	Total
Direct investments	1.01	(0.05)	n/a	(1.1)	(0.14)
Venture capital funds	14.5	(0.92)	n/a	(2.41)	11.17
Hedge funds	5.87	(1.32)	1.11	(2.97)	2.69

Cdb Web Tech Group
Consolidated Income Statement
for the year ending December 31, 2005

Results of Minority interests to be disposed (M&C)	(298.8)	-
Net Group & Minority profit / (loss) for this period	(29,206.4)	24,424.1
Financial income and expenses		
Profit / loss per share	(0.288)	0.243
Capital gains on investments	15,534.2	11,235.1
Profit / (loss) per share diluted	(0.287)	0.242
Subsidiaries		
- Direct investment in tech companies	1,009.0	89.6
- Venture capital funds	14,525.2	11,145.5
- Shares		-
Capital losses on investments	(962.0)	(1,387.1)
- Subsidiaries		-
- Direct investment in tech companies	(41.5)	-
- Venture capital funds	(920.5)	(1,387.1)
- Shares		-
Value impairment (permanent loss in value)	(3,502.0)	(7,943.8)
Net financial income / (loss) on non-current activities	11,070.2	1,904.2
Financial income / (expenses)		
Total financial income	9,581.7	36,847.3
Total financial expenses	(41,772.2)	(13,053.4)
Total financial income / (expenses) on ordinary activities	(32,190.5)	23,793.9
Total income / (expenses) from investment activity	(21,120.3)	25,689.1
Value adjustments to current financial activities		
Share writedowns	(2,972.5)	(6,814.1)
Other	(7.0)	(142.9)
Total	(2,979.5)	(6,957.0)
Share value adjustments	1,111.6	9,294.6
Other	-	30.6
Total	1,111.6	9,325.2
Total value adjustments to non-current financial activities	(1,867.9)	2,066.3
Total income, expenses and value adjustments to current financial activities	(22,988.2)	28,066.3
Operating revenues	2,372.1	1,485.5
Operating expenses	(5,470.8)	(4,606.1)
Net revenues/(expenses)	(3,098.7)	(3,120.6)
Profit/(loss) before tax	(26,086.9)	24,945.7
Income tax, deferred tax	(131.2)	(521.6)
Net profit / (loss) for this period	(26,218.1)	24,424.1
Results of investments to be disposed (M&C)	(2,689.5)	-
Net Group profit / (loss) for this period	(28,907.6)	24,424.1

Group (Consolidated) Assets and Liabilities at December 31, 2005

Cdb Web Tech Group Consolidated Balance Sheet at December 31, 2005

(€ thousands)	December 31, 2005	Dec. 31, 2004
ASSETS		
Non-current assets		
Intangible assets	47.1	71.6
Property, furniture and equipment	60.1	81.8
Total	107.2	153.4
Investments		
Subsidiary companies	-	-
Other companies	17,442.7	6,754.0
Venture Capital funds	179,897.1	125,234.0
Credits	-	-
Total investments	197,339.8	131,988.0
Deferred tax benefits	14.8	-
Total non-current assets	197,461.8	132,141.4
Current assets		
Cash and bank	26,631.8	36,572.8
Current financial activities	29,814.0	88,215.8
Other financial activities	-	-
Receivables	7,467.5	18,899.3
Total financial activities	63,913.3	143,687.9
Other non-current activities	-	-
Total other activities	0	0
Total current assets	63,913.3	143,687.9
TOTAL ASSETS net of asset to be sold	261,375.1	275,829.3
Asset to be disposed (M&C)	55,430.8	
TOTAL ASSETS	316,805.9	275,829.3
EQUITY AND LIABILITIES		
Equity		
Share capital	100,512.7	100,250.0
Share premium	96,779.0	97,530.9
Legal reserve	1,916.3	1,411.9
Fair value reserve	22,125.8	17,216.8
Translation reserve	14,730.5	(19,151.2)
Other reserves	56,363.1	54,751.3
Retained earnings/ (losses)	22,213.7	(2,385.5)
Profit / (loss) for the period	26,218.1	24,424.1
Writedown of assets to be disposed (M&C)	(2,689.5)	
Total equity	286,733.5	274,048.3
Capital and minority interests	5,201.2	
Total Group and minority interests	291,934.7	274,048.3
Non-current liabilities		
Deferred tax liabilities		-
Provisions for liabilities and charges		-
Provision for employee termination benefits	83.4	54.2
Total non-current liabilities	83.4	54.2
Current liabilities		
Short term financial payables	20,109.9	0.0
Trade payables	940.7	912.8
Tax liabilities	259.8	409.2
Other payables	556.7	404.8
Total current liabilities	21,867.1	1,726.8
Total liabilities	21,950.5	1,781.0
Liabilities to be disposed	2,920.70	-
TOTAL EQUITY AND LIABILITIES	316,805.9	275,829.3

The increase in net equity reflects the results for the period, in addition to the translation reserve relating to the translation of Euro balances into US dollars, the functional currency, plus the variation in fair value reserve which contains venture capital share value adjustments, as shown in the Statement of Performance above.

Deferred tax benefits of € 37 million, relating to tax losses incurred in previous years, have not been recorded as they are not currently realizable.

Variations in net equity have been listed in the appropriate table, as part of the financial statements.

Group (Consolidated) Financial Situation at December 31, 2005

The Group had net financial assets of € 42.2 million at December 31, 2005, down € 100.3 million from December 31, 2004, reflecting investments made during that time in venture capital funds, and an investment of € 50 million in Management & Capitali SpA, net of cash distributions from venture capital funds and hedge operations to cover foreign exchange exposure.

Analysis of Group Net Financial Assets by Company and Type at December 31, 2005

(€ thousands)	December 31, 2005	December 31, 2004	Change	% Change
Cdb Web Tech SpA.	(5,471.2)	56,455.7	(61,926.9)	(110%)
Cdb Web Tech Int LP	45,294.7	83,192.4	(37,897)	(46%)
Cdb Web Tech Mgmt LTD	900.1	787.3	112.8	14%
Cdb Private Equity	298.8	1,175.9	(877.1)	(75%)
ICT Investment Srl	110.7	24.6	86.1	350%
BIM Alternative Inv SGR	1,116.3	913.6	202.7	22%
Group net financial assets	42,249.5	142,549.5	(100,300.0)	(70%)
(€ thousands)	December 31, 2005	December 31, 2004	Change	% Change
Cash and bank	26,631.7	36,572.8	(9,941.1)	(27%)
Financial receivables	5,913.6	17,760.9	(11,847.3)	(67%)
Marketable securities	29,814.1	88,215.8	(58,401.7)	(66%)
Financial liabilities	(20,109.9)	0.0	(20,109.9)	(100%)
Group net financial assets	42,249.5	142,549.5	(100,300.0)	(70%)

The financial resources of Management & Capitali SpA, totaling € 55 million, have not been included in the analysis of group financial assets as this company is soon to be disposed.

Liquidity is temporarily placed almost entirely in hedge funds. At December 31, 2005 the NAV of the 19 hedge funds in the Cdb Web Tech portfolio was \$US 34.3 million. These hedge funds returned a positive result of 5.2%. The reduction in hedge fund investments during 2005 reflects the increase in venture capital investment activity.

A short term line of credit from a bank was utilized for € 20 million as an advance on reimbursements requested on hedge funds

Investment commitment's financial coverage at December 31, 2005

At December 31, 2005 the Group has an over-commitment of € 100.3 million, reflecting its decision to increase the rate of return on capital for the Group's primary investing

activity. Thus, commitments to invest in venture capital funds have been made during this period, for the financial effect of contracts designated for the coverage of FOREX exposure.

This over-commitment is expected to increase in a controlled way over the coming months, in light of timing differences between the undertaking of commitments and actual investments, which generally follow within 4 to 5 years. In the meantime, we intend to manage this over-commitment on the basis of cash flow forecasts, now that distributions and cash flows are incoming from the other funds in which investments have previously been made, as recorded during this period. Our investment portfolio has now reached a high level of maturity, with potential to be realized over the coming months and years.

Parent Company Financial Performance

Cdb Web Tech SpA, the Group's parent company (henceforth known as the Company) realized a loss before tax of € 29.2 million, which would have been € 31.9 million if the share value adjustment relating to M&C of € 2.7 million (relating primarily to startup costs for the third and final quarter of the 2005 financial year) were included.

The loss recorded is due to the recording in the Income Statement of the effect of the coverage of the FOREX risk on investments, and foreign exchange losses relating to the adoption of the US dollar as functional currency, which for 2005 totaled € 27.9 million. Without this effect, without the losses on foreign exchange and the treatment of FOREX risk, the result for 2005 would be net profit of € 10.8 million, as detailed in the Statement of Performance included with the financial statements, in accordance with IAS No. 1.

Despite these developments, net equity at December 31, 2005 increased by € 12 million since December 31, 2004. This increase reflects the positive effect of the translation into Euro of the Company balance sheet prepared in US dollars, and movements in the fair value reserve.

The financial statements for 2004, prepared in accordance with IAS/IFRS standards, show a profit of € 6.7 million before tax against € 10 million when prepared in accordance with Italian accounting standards. In addition to the work carried as part of the preparation of the 2005 half-yearly reports, we have included with the financial statements a table detailing the reconciliation of the income statement and net equity for 2004, in accordance with IAS/IFRS standards and Italian accounting standards.

Cdb Web Tech SPA
Income Statement

	2005 FY	2004 FY
	Euro	
<i>FINANCIAL INCOME AND EXPENSES</i>		
CAPITAL GAINS ON INVESTMENTS	745.315	1.950.472
Subsidiaries	-	-
Direct investment in tech companies	-	-
Venture capital funds	745.315	1.950.472
CAPITAL LOSSES ON INVESTMENTS	(1.355)	(1.342.260)
Subsidiaries	-	-
Direct investment in tech companies	-	-
Venture capital funds	(1.355)	(1.342.260)
VALUE IMPAIRMENT (permanent loss in value)	(1.095.111)	(675.406)
NET FINANCIAL INCOME/(EXPENSES) ON NON-CURRENT ACTIVITIES	(351.151)	(67.194)
<i>NET FINANCIAL INCOME/(EXPENSES) ON CURRENT ACTIVITIES</i>		
a FINANCIAL INCOME		
	<i>Total financial income</i>	6.629.894
b FINANCIAL EXPENSES		
	<i>Total financial expenses</i>	(31.444.673)
TOTAL FINANCIAL INCOME/(EXPENSES) ON ORDINARY ACTIVITIES	(24.814.779)	6.796.717
<i>TOTAL INCOME/(EXPENSES) FROM INVESTMENT ACTIVITIES</i>	(25.165.930)	6.729.523
REVALUATIONS AND WRITEDOWNS OF CURRENT FINANCIAL ACTIVITIES		
a Writedowns		
Shares- Other current financial activity	(2.207.759)	(2.550.002)
	<i>Total share writedowns</i>	(2.207.759)
b Share revaluations		
Shares- Other current financial activity	93.527	4.645.606
	<i>Total share revaluations</i>	93.527
<i>TOTAL WRITEDOWNS OF CURRENT ACTIVITY</i>	(2.114.232)	2.095.604
<i>TOTAL INCOME/(EXPENSE) AND WRITEDOWNS</i>	(27.280.162)	8.825.127
Operating revenues		
	<i>Total operating revenues</i>	538.217
Operating expenses		
	<i>Total operating expenses</i>	(2.486.417)
<i>OPERATING LOSS</i>	(1.948.200)	(1.919.675)
PROFIT BEFORE TAX (excluding loss of operations to be disposed)	(29.228.362)	
Loss of operations to be disposed (Management & Capitali)	(2.690.931)	
LOSS BEFORE TAX	(31.919.293)	6.905.452
Income tax	-	(228.450)
NET PROFIT/(LOSS) FOR THE YEAR	(31.919.293)	6.677.002
	Earnings per share, basic	(0.318)
	Earnings per share, diluted	(0.317)
		0.066
		0.066

The Parent Company has also been affected by the adoption of the US dollar as functional currency as dictated by the IAS/IFRS standards. As the Company is no longer exposed to risk on investments in dollars, the derivative contracts set up to cover this risk are no longer to be considered hedges and thus the result of these forward contracts is taken to the Income Statement. No corresponding adjustment to the investment in \$US can be made, as was done in previous years in accordance with Italian accounting standards. We, the Board of Directors, feel that this creates a "translation risk" relating to the financial statements.

The Company, in addition to its direct investments in companies and venture capital holdings, continues to provide coordination, consultancy and finance services to Group companies, as in 2004.

During 2005 the Company promoted and launched Management & Capitali SpA, as described above.

During the 2005 financial year, the Company invested in three startups: Elixir, Kovio and MobileAccess, as described above. At December 31, 2005 the value of these investments totaled \$US 3.3 million.

The Company participated in share capital increases by MobileAccess and Kovio and gave a bridge loan to Elixir, with a total investment of \$US 0.6 million.

As described above, during this year the investment in Xpert was sold.

The Company has investments in eight venture capital funds, making no new commitments during this period. Investment of \$US 6.4 million was made, pursuant to capital calls, and distributions received totaling \$US 1.3 million, realizing capital gains of \$US 0.9 million.

The Company fully owns three subsidiaries that operate from London: Cdb Web Tech International LP and Cdb Private Equity LP directly invest in technology companies, as well as in venture capital funds, while Cdb Web Tech Management Ltd acts as the Group's general partner, administering the investment portfolio held by UK subsidiaries.

The Company's 50% holding in BIM Alternative Investments is discussed in the Asset Management section of this report. The Company's ICT Investments subsidiary remained inactive. A listing of Cdb Web Tech SpA's subsidiaries is provided in the notes to the financial statements.

The Company had net borrowings of €5.1 million at December 31, 2005, due to the €50 million invested in M&C and the effect of forward contracts to cover FOREX risk.

The Company financial results for this year comprise the following:

- net financial expenses of € 31.4 million (2004: € 3.5 million), comprising € 30.6 million relating to the coverage of the \$US / € FOREX risk, which with the adoption of the US dollar as functional currency are no longer considered risk coverage and are now taken to the Income Statement, plus foreign exchange losses;
- financial income of € 6.6 million (2004: € 10.3 million) of which € 3.6 million relates to hedge fund investments and interest and a further € 3.0 million was realized through FOREX risk coverage and foreign exchange gains;
- capital losses of € 0.3 million (2004: € 0.1 million) realized on venture capital fund investments and direct investments, net of capital gains and impairments;
- value adjustments of € 2.1 million;
- net operating expenses of € 1.9 million, unchanged on 2004 figures;
- writedown applied to the investment in M&C relating to startup costs, totaling € 2.7 million.

Cdb Web Tech SPA
Parent Company Balance Sheet

31 Dec. 2005 **31 Dec. 2004**

		Euro	
ASSETS			
Non-current assets			
Intangible assets		30.632	52.293
Property, plant and equipment		39.118	58.808
	<i>Total</i>	<u>69.750</u>	<u>111.101</u>
Investments			
A Subsidiary companies		235.342.874	197.603.482
B Other companies		2.802.396	3.588.000
C Venture capital funds		22.972.269	16.181.442
Credits		-	-
	<i>Total investments</i>	<u>261.117.539</u>	<u>217.372.924</u>
	<i>Total non-current assets</i>	<u>261.187.289</u>	<u>217.484.025</u>
Current assets			
Cash and bank		5.801.786	8.359.602
Current financial activities		5.692.208	45.849.283
Other financial activity		-	-
Receivables		3.986.925	2.972.632
	<i>Total current assets</i>	<u>15.480.919</u>	<u>57.181.517</u>
TOTAL ASSETS net of assets to be disposed		<u>276.668.208</u>	<u>274.665.542</u>
Assets to be disposed (Management & Capitali)		47.158.550	
TOTAL ASSETS		<u>323.826.758</u>	<u>274.665.542</u>
Equity and liabilities			
EQUITY			
Share capital		100.512.700	100.250.000
Share premium		96.778.984	97.530.919
Legal reserve		1.916.341	1.411.872
Fair value reserve		41.648.379	32.593.967
Translation adjustment		15.472.654	(18.270.173)
Other reserves		55.550.238	53.907.226
Retained earnings		6.172.532	-
Profit/(loss) for the period		(29.228.362)	6.677.002
Loss for operations to be disposed (Management & Capitali)		(2.690.931)	
Group equity (including loss for operations to be disposed)		<u>286.132.535</u>	<u>274.100.813</u>
LIABILITIES			
Non-current liabilities			
Provisions for employee termination benefits		55.774	28.603
	<i>Total non-current liabilities</i>	<u>55.774</u>	<u>28.603</u>
Current liabilities			
Short term financial payables		20.109.900	-
Trade payables		415.045	373.501
Tax liabilities		84.505	98.159
Other payables		17.028.999	64.466
Subsidiaries			
	<i>Total current liabilities</i>	<u>37.638.449</u>	<u>536.126</u>
Total liabilities		<u>37.694.223</u>	<u>564.729</u>
TOTAL EQUITY AND LIABILITIES		<u>323.826.758</u>	<u>274.665.542</u>

Other Financial Information

Net Asset Value (NAV)

Group Net Asset Value (NAV) increased to **€2.85 per share** at December 31, 2005 from €2.73 per share at December 31, 2004. In absolute value, the NAV has increased by €12.6 million. If M&C startup costs were excluded, the NAV would stand at €2.88 per share, up 5.5% on last year.

Treasury shares

In conformity with the spirit and purpose of the delegation granted by the General Meeting, the Group bought and sold Cdb Web Tech SpA shares on the market during this period.

	No. of shares	%	Average Price	Value
		shares issued	(€)	(€)
Total December 31, 2004	550,000	0.545%	2.522	1,386,859
Bought during 2005	966,362		3.524	3,405,795
Sold during 2005	931,362		3.626	3,376,756
Total December 31, 2005	585,000	0.578%	2.420	1,415,898
Bought after December 31, 2005	5,000		3.005	15,022
Sold after December 31, 2005	590,000		3.470	1,873,799
Total February 28, 2006	0			

Controlling Stockholder shares

The Company does not own shares in the Controlling Stockholder, nor has the Company purchased or received the transfer of such shares during this fiscal year.

Data Protection (Legislative Decree no.196, June 30, 2004)

Pursuant to Section 26 of Appendix B of Legislative Decree N°196/2004, Cdb Web Tech is currently developing a document on the Company's security policy. This document contains:

- a list of the methods of dealing with personal data employed in the organization;
- the distribution of tasks and responsibilities relating to the treatment of data;
- a description of the measures to be adopted in order to guarantee the integrity and accessibility of data;
- a description of the criteria and methodologies for the recovery of data access following destruction or damage;

All documentation to bring the Company and all Company subsidiaries in line with the regulations relating to data protection is currently under development, including adjustments to the regulations relating to the protection of personal data, looking at minimum security measures to be adopted by Cdb Web Tech when dealing with non-sensitive data.

Stock Options granted to Directors

Name	Company	Balance Dec. 31 2004	Shares Purchased	Shares Sold	Balance Dec. 31 2005	Note
Carlo De Benedetti	Cdb Web Tech S.p.A.	47,845,001	680,000	1,245,000	47,280,001	(1)
Franco Girard	Cdb Web Tech S.p.A.	54,000	60,000	54,000	60,000	
Vittorio Moscatelli	Cdb Web Tech S.p.A.	0	80,000	80,000	0	
Giampio Bracchi	Cdb Web Tech S.p.A.	0	20,000	20,000	0	
Gian Carlo Vaccari and M. Luisa Beltrame (wife of Vaccari)	Cdb Web Tech S.p.A.	200	5,500	0	5,700	

(1) Held indirectly through indirect subsidiaries ROMED SpA and ROMED INTERNATIONAL SpA

Thus at December 31, 2005 46.77% of Cdb Web Tech shares were held by Mr. De Benedetti.

Stock Option plan

The Stock Option Plans, approved by the Stockholders' Meeting for Company's employees and officers and its subsidiaries, allow beneficiaries to exercise their options, enabling them to subscribe to share capital at a fixed price. The prices per share for Directors in the various plans approved during the period 2001 - 2003 – 2004 -2005 are as follows – € 6.39 - € 4.15 - € 2.48 - € 2.84 with the prices per share for employees as follows: € 6.39 - € 4.15 - € 1.76 - € 2.34 - € 2.48 - € 2.84.

Options can be exercised in several installments, quarterly and annually.

With the adoption of the IAS/IFRS standards, the cost of options granted has been taken to the Income Statement, with a corresponding adjustment to net equity.

During 2005, employees exercised 357,700 stock options at an average price per share of € 2.17.

At present, options have been allocated that can be exercised within the terms and conditions of the Plans to subscribe to 1,991,104 shares, equivalent to 1.97% of the Company's share capital. Of these, the Directors of the Company and group companies were allocated options to subscribe to 1,158,528 shares, equivalent to 1.25%, as detailed in the following table.

STOCK OPTIONS GRANTED TO DIRECTORS														
Director	Position	Options outstanding at Jan 1 2005			Options granted during 2005			Options to acquire exercised during 2005			Options lapsed during 2005	Options outstanding at Dec. 31 2005		
		N° of shares To be acquired or subscribed	Exercise Price	Exercise Period	N° options	Exercise Price	Exercise Period	N° of shares acquired or subscribed	Exercise Price	Average market price for the year	N° of shares	N° of shares	Exercise Price	Average Expiry Date
De Benedetti Carlo	Chairman	0	-	-	0	-	-	0				0		
Moscatelli Vittorio	CEO	200,000	6.39								35,000	165,000	6.39	4
		180,000	4.15								82,500	97,500	4.15	4
		530,000	2.48					80,000	2.48	3.664		450,000	2.48	84.5
					200,000	2.84						200,000	2.84	104
		910,000			200,000			0			117,500	912,500		
Bracchi Giampio	Director	12,000	6.39								3,996	8,004	6.39	4
		30,000	2.48					20,000	2.48	3.664		10,000	2.48	16
		42,000						0				18,004		
Cicurel Michel	Director	12,000	6.39								3,996	8,004	6.39	4
		30,000	2.48									30,000	2.48	16
		42,000						0				38,004		
D'Agui Pietro	Director	12,000	6.39								3,996	8,004	6.39	4
		30,000	2.48									30,000	2.48	16
		42,000						0				38,004		
Girard Franco	Director	12,000	6.39								3,996	8,004	6.39	4
		30,000	2.48									30,000	2.48	16
		42,000						0				38,004		
Piol Elserino	Director	12,000	6.39								3,996	8,004	6.39	4
		30,000	2.48									30,000	2.48	16
		42,000						0				38,004		
Segre Massimo	Director	12,000	6.39								3,996	8,004	6.39	4
		30,000	2.48									30,000	2.48	16
		42,000						0				38,004		
Vaccari Gian Carlo	Director	12,000	6.39								3,996	8,004	6.39	4
		30,000	2.48									30,000	2.48	16
		42,000						0				38,004		
		1,204,000			200,000			100,000			145,472	1,158,528		

Subsequent to December 31, 2005, 30,000 stock options were exercised, at an average price per share of €2.48.

Movements in stock options can be analyzed as follows:

Transactions between the Controlling Stockholder, Group Companies and Related Parties

There were no direct or indirect transactions between the Company and the Controlling Stockholder or Related Parties during this period

Transactions between the Parent Company and Group subsidiaries related to the provision, by the Company, of investing consultancy services and management support, at market rates (Libor + spread of 20 points).

Significant Post Balance Sheet (December 31, 2005) Events

The report contains information on events that occurred after the end of the half-year.

Outlook

Cdb Web Tech will continue its investment strategy that focuses on direct investment and venture capital investment in companies with high growth potential, with particular attention given to new technologies and emerging nations like China and India.

The returns on medium – long term investments which were recorded during 2005 are expected to continue, notwithstanding the occurrence of any events that could have a negative impact on the market and economy.

At today's meeting, the Board of Directors proposed to the Shareholders that shares in M&C (Management & Capitali) held by Cdb Web Tech be distributed to stockholders, as part of the listing of this company on a regulated Italian market, on the basis of one M&C share for every 2 Cdb Web Tech share held.

PROPOSED ALLOCATION OF 2005 FISCAL YEAR NET LOSS AND REAPPOINTMENT OF CORPORATE BODIES

To the stockholders of Cdb Web Tech SpA:

We submit for your approval the financial statements of Cdb Web Tech SpA for the fiscal year ended December 31, 2005, which report a net loss for the year of € 31,919,293. We recommend that this amount be covered by € 6,172,532 in profit brought forward from previous years and the remaining € 25,746,761 coming from the share premium.

With the approval of the financial statements for 2005, the mandate for the members of the Board of Directors and Board of Auditors expires. Therefore we ask today that you decide the number of members for each board and the appropriate levels of remuneration.

Milan, Italy
February 28, 2006

The Board of Directors



**Consolidated Financial Statements
at December 31, 2005**

Cdb Web Tech Group
Consolidated Balance Sheet

31-dic-05

31-dic-04

		€thousands	
ASSETS			
Non-current assets			
Intangible assets		47,10	71,60
Property, plant and equipment		60,10	81,80
	<i>Total</i>	107,20	153,40
Investments			
Subsidiary companies		-	-
Other companies		17.442,70	6.754,00
Venture capital funds		179.897,10	125.234,00
	<i>Total investments</i>	197.339,80	131.988,00
Deferred tax benefits		14,80	
	<i>Total non-current assets</i>	197.461,80	132.141,40
Current assets			
Cash and bank		26.631,80	36.572,80
Current financial activities		29.814,00	88.215,90
Receivables		7.467,50	18.899,20
	<i>Total financial activities</i>	63.913,30	143.687,90
			-
	<i>Total current assets</i>	63.913,30	143.687,90
TOTAL ASSETS net of assets to be disposed		261.375,10	275.829,30
Assets to be disposed (Management & Capitali)		55.430,80	-
TOTAL ASSETS		316.805,90	275.829,30
Equity and liabilities			
EQUITY			
Share capital		100.512,70	100.250,00
Share premium		96.779,00	97.530,90
Legal reserve		1.916,30	1.411,90
Fair value reserve		22.125,80	17.216,90
Translation adjustment		14.730,50	(19.151,20)
Other reserves		56.363,10	54.751,20
Retained earnings/(losses)		23.213,70	(2.385,50)
Profit/(loss) for the year	(26.218,10)	24.424,10
Loss for operations to be disposed (Management & Capitali)	(2.689,50)	
Total equity		286.733,50	
Minority interests		5.201,20	
Total group and minority interests		291.934,70	274.048,30
LIABILITIES			
Non-current liabilities			
Provisions for employee termination benefits		83,40	54,20
	<i>Total non-current liabilities</i>	83,40	54,20
Current liabilities			
Short term financial payables		20.109,90	-
Trade payables		940,70	912,80
Tax liabilities		259,80	409,20
Other payables		556,70	404,80
	<i>Total current liabilities</i>	21.867,10	1.726,80
Total liabilities		21.950,50	1.781,00
Liabilities to be disposed (Management & Capitali)		2.920,70	
TOTAL EQUITY AND LIABILITIES		316.805,90	275.829,30

Cdb Web Tech Group

Consolidated Income Statement

	2005 FY	2004 FY
	€thousands	
FINANCIAL INCOME AND EXPENSES		
CAPITAL GAINS ON INVESTMENTS	15.534,2	11.235,1
Subsidiaries	-	-
Direct investment in tech companies	1.009,0	89,6
Venture capital funds	14.525,2	11.145,5
CAPITAL LOSSES ON INVESTMENTS	(962,0)	(1.387,1)
Subsidiaries	-	-
Direct investment in tech companies	(41,5)	-
Venture capital funds	(920,5)	(1.387,1)
VALUE IMPAIRMENT (permanent loss in value)	(3.502,0)	(7.943,8)
NET FINANCIAL INCOME/(EXPENSES) ON NON-CURRENT ACTIVITIES	11.070,2	1.904,2
NET FINANCIAL INCOME /(EXPENSES) ON CURRENT ACTIVITIES		
a FINANCIAL INCOME		
	<i>Total financial income</i>	
	9.581,7	36.847,3
b FINANCIAL EXPENSES		
	<i>Total financial expenses</i>	
	(41.772,2)	(13.053,4)
TOTAL FINANCIAL INCOME/(EXPENSES) ON ORDINARY ACTIVITIES	(32.190,5)	23.793,9
TOTAL INCOME/(EXPENSES) FROM INVESTMENT ACTIVITY	(21.120,3)	25.698,1
REVALUATIONS AND WRITEDOWNS OF CURRENT FINANCIAL ACTIVITIES		
a Share writedowns		
Current financial activity	(7,0)	(142,9)
Share writedowns	(2.972,5)	(6.814,1)
	<i>Total share writedowns</i>	
	(2.979,5)	(6.957,0)
b Share revaluations		
Other current financial activity	-	30,6
Shares- Other current activity	1.111,6	9.294,6
	<i>Total share revaluations</i>	
	1.111,6	9.325,2
TOTAL ADJUSTMENTS TO FINANCIAL ACTIVITIES	(1.867,9)	2.368,2
TOTAL INCOME, EXPENSE AND WRITEDOWNS	(22.988,2)	28.066,3
Operating revenues		
	<i>Total operating revenues</i>	
	2.372,1	1.485,5
Operating expenses		
	<i>Operating expenses</i>	
	(5.470,8)	(4.606,1)
OPERATING LOSS	(3.098,7)	(3.120,6)
PROFIT/(LOSS) BEFORE TAX	(26.086,9)	24.945,7
Income tax	(131,2)	(521,6)
PROFIT/(LOSS) FOR THE YEAR	(26.218,1)	24.424,1
Loss for operations to be disposed - Group (Management & Capitali)	(2.689,5)	
PROFIT/(LOSS) FOR THE PERIOD	(28.907,6)	24.424,1
Loss for operations to be disposed - Minority interests (Management & Capitali)	(298,8)	
NET PROFIT/(LOSS) FOR THE YEAR	(29.206,4)	24.424,1
	Earnings per share, basic	(0,288)
	Earnings per share, diluted	(0,287)
		0,243
		0,243

STATEMENT OF CASH FLOW

(amounts in euro)

CASH FLOW FROM OPERATING ACTIVITIES

Purchase of Investments
Proceeds from return of invested capital in Operating Activities
Proceeds from sales of investments short-term, net
Interest received
Interest paid
Proceeds from Distributions of realized gains on investments
Proceeds from realized gains (losses) on foreign exchange
Proceeds from other realized income
Taxes paid
Taxes refunded
Management fees received
Operating expenses paid from cash
Operating expenses paid

NET CASH FROM OPERATING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES

Purchase of Financial Assets
Proceeds from sales of Financial Assets
Share Capital Issued (Stock Option Plan)
Treasury shares acquired
Treasury shares sold
Minority interests
Interest received from Financial Activities
Purchase of non-current Assets
Repayments of bank loan
Proceeds from Bank Loan

NET CASH FLOWS FROM FINANCING ACTIVITIES

NET INCREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR

EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD (Including minority interests and investments held for sale)

Minority interests and investments held for sale

CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD

CDB WEB TECH GROUP	CDB WEB TECH GROUP
Full year 2005	Full year 2004

(53.663.696)	(52.557.178)
1.415.361	1.797.057
0	30.623.232
556.688	212.754
(134.699)	(3.638)
23.032.547	12.991.027
(35.581.291)	19.759.694
168.968	167.844
(723.494)	(140.810)
0	0
2.272.238	3.511.762
0	(46)
(5.043.879)	(5.389.959)
(67.701.256)	10.971.743

(39.294.079)	(30.621.349)
122.007.739	31.632.205
772.520	0
(3.430.010)	(2.089.255)
3.220.645	833.853
5.500.000	0
35.688	330.979
(2.280)	(3.161)
(43.477.370)	
62.595.418	

107.928.271	83.272
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40.227.015	11.055.014
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36.572.817	27.422.549
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5.178.852	(1.904.747)
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81.978.684	36.572.817
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55.346.927	0
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26.631.757	36.572.817
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Schedule listing Group equity items movements during the 2005 year

(€ thousands)	Share capital	Legal reserve	Share premium	Treasury share holding reserve	Translation adjustment	Consolidation reserve	Conversion adjustment	Stock options	Fair value	IFRS transition	Cumul deficit	Group cumul deficit	Total
Total 31 Dec. 2004	100.250,0	1.411,9	97.530,9	53.475,3	(19.151,2)	778,0	66,0	432,0	13.441,1	3.775,7	(2.385,5)	24.424,1	274.048,3
Net profit allocation	0,0	504,5	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	23.919,6	(24.424,1)	0,0
Cancellation of treasury shares acq.	0,0	0,0	53.475,3	(53.475,3)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Authorisation to acquire treasury shares	0,0	0,0	(54.600,0)	54.600,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Stock options exercised	297,7	0,0	408,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	705,9
Treasury shares acquisition	(966,3)	0,0	(2.297,8)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(3.264,1)
Treasury shares sale	931,4	0,0	2.262,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	3.193,8
Translation adjustment	0,0	0,0	0,0	0,0	33.881,7	0,0	0,0	0,0	0,0	0,0	1.679,6	0,0	35.561,3
Cost of stock options	0,0	0,0	0,0	0,0	0,0	0,0	0,0	518,2	0,0	0,0	0,0	0,0	518,2
Fair value investment adjustment	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	8.411,0	0,0	0,0	(3.502,1)	4.908,9
2005 FY loss before tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(3.502,1)	0,0	0,0	(25.405,5)	(28.907,6)
2005 conversion adjustment	0,0	0,0	0,0	0,0	0,0	0,0	(31,1)	0,0	0,0	0,0	0,0	0,0	(31,1)
Total at 31 Dec. 2005	100.512,8	1.916,4	96.779,0	54.600,0	14.730,5	778,0	34,9	950,2	18.350,0	3.775,7	23.213,7	(28.907,6)	286.733,5
Minority interests	5.500,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(298,8)	5.201,2
Total at 31 Dec. 2005	106.012,8	1.916,4	96.779,0	54.600,0	14.730,5	778,0	34,9	950,2	18.350,0	3.775,7	23.213,7	(29.206,4)	291.934,7

STATEMENT OF PERFORMANCE FOR THE YEAR (IAS 1)

Dec 31, 2005	Dec 31, 2004
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CDB WEB TECH GROUP (€ thousands)

Revaluation gains/(losses) taken to Equity	4,909	2,987
Exchange adjustment on balance sheet translations	33,912	(19,151)
Net gains/(losses) taken directly to Equity	38,821	(16,164)
Profit/(loss) for the year	(28,907)	24,424
Total income/(expense) in respect of the year	9,914	8.260



**Parent Company Financial Statements
at December 31, 2005**

Cdb Web Tech SPA
Parent Company Balance Sheet

31 Dec. 2005 **31 Dec. 2004**

		Euro	
ASSETS			
Non-current assets			
Intangible assets		30.632	52.293
Property, plant and equipment		39.118	58.808
	<i>Total</i>	69.750	111.101
Investments			
A Subsidiary companies		235.342.874	197.603.482
B Other companies		2.802.396	3.588.000
C Venture capital funds		22.972.269	16.181.442
Credits		-	-
	<i>Total investments</i>	261.117.539	217.372.924
	<i>Total non-current assets</i>	261.187.289	217.484.025
Current assets			
Cash and bank		5.801.786	8.359.602
Current financial activities		5.692.208	45.849.283
Other financial activity		-	-
Receivables		3.986.925	2.972.632
	<i>Total current assets</i>	15.480.919	57.181.517
TOTAL ASSETS net of assets to be disposed		276.668.208	274.665.542
Assets to be disposed (Management & Capitali)		47.158.550	
TOTAL ASSETS		323.826.758	274.665.542
Equity and liabilities			
EQUITY			
Share capital		100.512.700	100.250.000
Share premium		96.778.984	97.530.919
Legal reserve		1.916.341	1.411.872
Fair value reserve		41.648.379	32.593.967
Translation adjustment		15.472.654	(18.270.173)
Other reserves		55.550.238	53.907.226
Retained earnings		6.172.532	-
Profit/(loss) for the period		(29.228.362)	6.677.002
Loss for operations to be disposed (Management & Capitali)		(2.690.931)	
Group equity (including loss for operations to be disposed)		286.132.535	274.100.813
LIABILITIES			
Non-current liabilities			
Provisions for employee termination benefits		55.774	28.603
	<i>Total non-current liabilities</i>	55.774	28.603
Current liabilities			
Short term financial payables		20.109.900	-
Trade payables		415.045	373.501
Tax liabilities		84.505	98.159
Other payables		17.028.999	64.466
Subsidiaries			
	<i>Total current liabilities</i>	37.638.449	536.126
Total liabilities		37.694.223	564.729
TOTAL EQUITY AND LIABILITIES		323.826.758	274.665.542

Cdb Web Tech SPA
Income Statement

	2005 FY	2004 FY
	Euro	
<i>FINANCIAL INCOME AND EXPENSES</i>		
CAPITAL GAINS ON INVESTMENTS	745.315	1.950.472
Subsidiaries	-	-
Direct investment in tech companies	-	-
Venture capital funds	745.315	1.950.472
CAPITAL LOSSES ON INVESTMENTS	(1.355)	(1.342.260)
Subsidiaries	-	-
Direct investment in tech companies	-	-
Venture capital funds	(1.355)	(1.342.260)
VALUE IMPAIRMENT (permanent loss in value)	(1.095.111)	(675.406)
NET FINANCIAL INCOME/(EXPENSES) ON NON-CURRENT ACTIVITIES	(351.151)	(67.194)
<i>NET FINANCIAL INCOME/(EXPENSES) ON CURRENT ACTIVITIES</i>		
a FINANCIAL INCOME		
<i>Total financial income</i>	6.629.894	10.295.868
b FINANCIAL EXPENSES		
<i>Total financial expenses</i>	(31.444.673)	(3.499.151)
TOTAL FINANCIAL INCOME/(EXPENSES) ON ORDINARY ACTIVITIES	(24.814.779)	6.796.717
<i>TOTAL INCOME/(EXPENSES) FROM INVESTMENT ACTIVITIES</i>	(25.165.930)	6.729.523
REVALUATIONS AND WRITEDOWNS OF CURRENT FINANCIAL ACTIVITIES		
a Writedowns		
Shares- Other current financial activity	(2.207.759)	(2.550.002)
<i>Total share writedowns</i>	(2.207.759)	(2.550.002)
b Share revaluations		
Shares- Other current financial activity	93.527	4.645.606
<i>Total share revaluations</i>	93.527	4.645.606
<i>TOTAL WRITEDOWNS OF CURRENT ACTIVITY</i>	(2.114.232)	2.095.604
<i>TOTAL INCOME/(EXPENSE) AND WRITEDOWNS</i>	(27.280.162)	8.825.127
Operating revenues		
<i>Total operating revenues</i>	538.217	475.548
Operating expenses		
<i>Total operating expenses</i>	(2.486.417)	(2.395.223)
<i>OPERATING LOSS</i>	(1.948.200)	(1.919.675)
PROFIT BEFORE TAX (excluding loss of operations to be disposed)	(29.228.362)	
Loss of operations to be disposed (Management & Capitali)	(2.690.931)	
LOSS BEFORE TAX	(31.919.293)	6.905.452
Income tax	-	(228.450)
NET PROFIT/(LOSS) FOR THE YEAR	(31.919.293)	6.677.002
Earnings per share, baisc	(0.318)	0.066
Earnings per share, diluted	(0.317)	0.066

STATEMENT OF CASH FLOW

(amounts in euro)

CDB WEB TECH SPA
Full Year 2005

CDB WEB TECH SPA
Full Year 2004

CASH FLOW FROM OPERATING ACTIVITIES

Purchase of Investments	(5.297.377)	(8.675.890)
Proceeds from return of invested capital in Operating Activities	0	1.766.926
Interest received	118.004	34.316
Interest paid	(107.232)	(99)
Proceeds from Distributions of realized gains on investments	1.384.913	88.147
Proceeds from realized gains (losses) on foreign exchange	(26.900.017)	4.118.832
Proceeds from other realized income	76.507	46.190
Taxes paid	(342.965)	(121.975)
Management fees received	417.820	389.569
Operating expenses paid from cash	0	(46)
Operating expenses paid	(1.613.939)	(1.612.627)
NET CASH FROM OPERATING ACTIVITIES	(32.264.288)	(3.966.657)

CASH FLOWS FROM FINANCING ACTIVITIES

Purchase of Financial Assets	(13.185.975)	(20.845.795)
Proceeds from sales of Financial Assets	57.833.698	31.632.205
Share Capital Issued	(53.771.919)	(7.355.420)
Share capital issued under Stock Option Plan	772.520	
Treasury shares acquired	(3.430.010)	(2.089.255)
Treasury shares sold	3.220.645	833.853
Interest received from Financial Activities	6.091	330.979
Repayments of bank loan	(38.653.831)	
Proceed from bank loan	57.771.880	
Proceeds from inter group loan	16.078.463	
NET CASH FLOWS FROM FINANCING ACTIVITIES	26.641.561	2.506.567

NET INCREASE IN CASH AND CASH EQUIVALENTS

(5.622.727)	(1.460.090)
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CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR

8.359.602	9.795.940
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EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

3.064.911	23.752
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CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD

5.801.786	8.359.602
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Schedule listing parent company equity items movements during the 2005 full year

(€ thousands)	Share capital	Legal reserve	Share premium	Treasury share holding reserve	Translation adjustment	Consolidation reserve	Conversion adjustment	Stock options	Fair value	IFRS transition	Total
Total at 31 Dec. 2004	100.250,0	1.411,9	97.530,9	53.475,3	(18.270,2)	432,0	31.776,1	817,8	6.677,0	(6.677,0)	274.100,9
Net profit allocation	0,0	504,5	0,0	0,0	0,0	0,0	0,0	0,0	6.677,0	(6.677,0)	504,5
Cancellation of treasury shares acq.	0,0	0,0	53.475,3	(53.475,3)	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Authorisation to acquire treasury shares	0,0	0,0	(54.600,0)	54.600,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Stock options exercised	297,7	0,0	408,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	705,9
Treasury shares acquisition	(966,4)	0,0	(2.297,8)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(3.264,2)
Treasury shares sale	931,4	0,0	2.262,4	0,0	0,0	0,0	0,0	0,0	0,0	0,0	3.193,8
Translation adjustment	0,0	0,0	0,0	0,0	33.742,8	0,0	0,0	0,0	(504,5)	0,0	33.238,3
Cost of stock options	0,0	0,0	0,0	0,0	0,0	518,2	0,0	0,0	0,0	0,0	518,2
Fair value investment adjustment	0,0	0,0	0,0	0,0	0,0	0,0	9.054,4	0,0	0,0	0,0	9.054,4
2005 FY loss before tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	(31.919,3)	(31.919,3)
2005 conversion adjustment	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total at 31 Dec. 2005	100.512,7	1.916,4	96.779,0	54.600,0	15.472,6	950,2	40.830,5	817,8	6.172,5	(31.919,3)	286.132,5

STATEMENT OF PERFORMANCE FOR THE YEAR (IAS 1)

Dec 31, 2005	Dec 31, 2004
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CDB WEB TECH SPA (€ thousands)

Revaluation gains/(losses) taken to Equity	9,054	19,704
Exchange adjustment on balance sheet translations	33,743	(18,270)

Net gains/(losses) taken directly to Equity

42,797	1,434
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Profit/(loss) for the year

(31,919)	6,677
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Total income/(expense) in respect of the year

10,878	8,111
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Subsidiary Companies' Balance Sheets

As at 31 December 2005

CDB PRIVATE EQUITY LP
BALANCE SHEET

for the year ended 31 December 2005 (amounts in USD)

	31.12.05	31.12.04
ASSETS		
CURRENT ASSETS		
CASH AND EQUIVALENTS	353.745,14	1.107.810,31
DERIVATIVES INSTRUMENTS (FWD, OPTIONS)	-	-
CURRENT ASSETS AND SECURITIES (HELD FOR TRADING)	-	-
HEDGE FUNDS (CURRENT ASSETS- HELD FOR TRADING)	-	487.236,99
OTHER CURRENT ASSETS	-	-
TOTAL CURRENT ASSETS	353.745,14	1.595.047,30
NON CURRENT ASSETS		
INTANGIBLE ASSETS	-	-
TANGIBLE ASSETS	-	-
TOTAL	-	-
INVESTMENTS	-	-
DIRECT INVESTMENTS AT FAIR VALUE (AVAILABLE FOR SALES)	-	-
VENTURE CAPITAL FUND AT FAIR VALUE (AVAILABLE FOR SALES)	13.900.343,86	8.279.828,67
TOTAL INVESTMENTS	13.900.343,86	8.279.828,67
TOTAL NON CURRENT ASSETS	13.900.343,86	8.279.828,67
TOTAL ASSETS	14.254.089,00	9.874.875,97
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	10.992.412,50	6.419.731,50
FAIR VALUE RESERVE	359.959,87	2.804.144,49
OTHER RESERVES	13,17	13,17
ACCUMULATED PROFIT/LOSS BROUGHT FORWARD	650.986,81	137.595,21
NET PROFIT/LOSS OF THE YEAR	1.127.088,43	513.391,60
TOTAL SHAREHOLDERS' CAPITAL	13.130.460,78	9.874.875,97
NON CURRENT LIABILITIES		
PROVISION AND OTHER LIABILITIES	-	-
TOTAL NON CURRENT LIABILITIES	-	-
CURRENT LIABILITIES		
LOANS	-	-
ACCOUNT PAYABLE AND ACCRUED LIABILITIES	1.123.628,22	-
TOTAL CURRENT LIABILITIES	1.123.628,22	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14.254.089,00	9.874.875,97

CDB PRIVATE EQUITY LP
INCOME STATEMENT

for the year ended 31 December 2005 (amounts in USD)

	31.12.05	31.12.04
INCOME (LOSS)		
INCOME ON INVESTMENTS (NON CURRENT ASSETS - AVAILABLE-FOR-SALES)		
REALIZED GAIN ON AVAILABLE FOR SALES INVESTMENTS AND SECURITIES		112.008,00
DIRECT INVESTMENT	-	21.098,00
VENTURE CAPITAL	1.633.737,06	
TOTAL INCOME	<u>1.633.737,06</u>	<u>133.106,00</u>
LOSS ON INVESTMENTS (NON CURRENT ASSETS - AVAILABLE-FOR-SALES)		
REALIZED LOSS ON AVAILABLE FOR SALES INVESTMENTS AND SECURITIES		-
DIRECT INVESTMENT	-	130.000,00
VENTURE CAPITAL	110.878,00	
TOTAL LOSS	<u>- 110.878,00</u>	<u>-130.000</u>
TOTAL INCOME (LOSS) ON INVESTMENTS, NET	<u>1.522.859,06</u>	<u>3.106,00</u>
INCOME (LOSS) FROM CURRENT ASSETS		
FINANCIAL INCOME		
INCOME ON FOREIGN EXCHANGE RATE	-	226,29
REALIZED GAIN ON HELD FOR TRADING DERIVATIVES	-	748.518,91
INTEREST INCOME	3.268,41	82,97
REALIZED GAIN ON OTHER CURRENT ASSETS AND SECURITIES	13.210,70	
REALIZED GAIN ON HEDGE FUNDS (HELD FOR TRADING)	-	-
TOTAL INCOME	<u>16.479,11</u>	<u>748.828,17</u>
LOSS ON FOREIGN EXCHANGE RATE	-	192.757,60
INTEREST & BANK EXPENSES	- 337.015,03	- 1.639,40
REALIZED LOSS ON OTHER CURRENT ASSETS AND SECURITIES	- 26.402,88	
REALIZED LOSS ON HEDGE FUNDS (HELD FOR TRADING)	-	12.763,01
TOTAL LOSS	<u>- 363.417,91</u>	<u>- 207.160,01</u>
TOTAL FINANCIAL INCOME (LOSS) FROM CURRENT ASSETS	<u>- 346.938,80</u>	<u>541.668,16</u>
TOTAL INCOME (LOSS) FROM OPERATIONS	<u>1.175.920,26</u>	<u>544.774,16</u>
UNREALIZED GAIN (LOSS) ON HELD FOR TRADING HEDGE FUNDS AT F.V.	-	-
EXPENSES		
MANAGEMENT AND PERFORMANCE FEES	- 44.181,83	- 26.882,56
ADMINISTRATIVE EXPENSES	- 4.650,00	- 4.500,00
EXPENSES FROM INVESTMENTS		
TOTAL EXPENSES	<u>-48831,83</u>	<u>-31382,56</u>
NET PROFIT (LOSS) FOR THE YEAR BEFORE TAXES	<u>1.127.088,43</u>	<u>513.391,60</u>
TAX EXPENSES	0	0
NET PROFIT (LOSS) FOR THE YEAR	<u>1.127.088,43</u>	<u>513.391,60</u>

CDB PRIVATE EQUITY LP
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2005 (amounts in USD)

	SHARE CAPITAL	SHARE CAPITAL PREMIUM	FAIR VALUE RESERVE	TRANSLATION RESERVES	PROFIT/LOSS BROUGHT FORWARD	TOTAL SHAREHOLDERS' EQUITY
SHAREHOLDERS' EQUITY						
Balance as at 1 January 2005	6.419.731,50		2.804.144,49	13,17	650.986,81	9.874.875,97
Increase in Share Capital	4.572.681,00					4.572.681,00
Unrealised loss, net on Investments as at 31st December 05			- 2.444.184,62			- 2.444.184,62
Net profit for the period					1.127.088,43	1.127.088,43
TOTAL SHAREHOLDERS' EQUITY AS AT 31 December 05	10.992.412,50	-	359.959,87	13,17	1.778.075,24	13.130.460,78

CDB PRIVATE EQUITY LP
STATEMENT OF CASH FLOW
for the year ended 31 December 2005 (amounts in USD)

	2005 IFRS 31.12.05	2004 IFRS 31.12.04
CASH FLOW FROM OPERATING ACTIVITIES		
Purchase of Investments (capital calls)	- 8.553.103,71	- 3.269.478,99
Proceeds from return of invested capital in Financial Assets (DI)		135.000,00
Interest received	3.174,81	
Interest paid	- 15.662,02	- 50,75
Proceeds from Distributions of realized gains on VC investments	2.020.531,99	644.815,00
Net effect of forward contracts Q1 05	- 309.819,69	596.494,05
Proceeds from other realized income		
Operating expenses paid	- 7.727,37	- 5.985,07
Intercompany management fees paid	- 44.181,83	- 26.882,56
NET CASH FROM OPERATING ACTIVITIES	- 6.906.787,82	- 1.926.088,32
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sales of investments short-terms(HF)	487.236,99	
Purchase of Financial Assets (HFs)		- 500.000,00
Share Capital Issued	4.572.681,00	2.922.671,50
Proceeds from intercompany loan	1.120.000,00	
NET CASH FLOWS FROM FINANCING ACTIVITIES	6.179.917,99	2.422.671,50
NET INCREASE IN CASH AND CASH EQUIVALENTS	- 726.869,83	496.583,18
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1.107.810,31	651.733,58
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	353.745,14	1.107.810,31
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	- 27.195,34	- 40.506,45
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING AS AT 31 DECEMBER	353.745,14	1.107.810,31

**Amount in
usd**

CDB WEB TECH INTERNATIONAL LP
COMPANY FINANCIAL STATEMENTS
BALANCESHEET

2005 IFRS USD
31.12.05

2004 IFRS USD
31.12.04

ASSETS

CURRENT ASSETS

CASH AND EQUIVALENTS	21.786.654,34	34.820.111,56
DERIVATIVES INSTRUMENTS (FWD, OPTIONS)		
CURRENT ASSETS AND SECURITIES (HELD FOR TRADING)	987.105,56	248.318,22
HEDGE FUNDS (CURRENT ASSETS- HELD FOR TRADING)	27.568.377,80	63.197.385,71
OTHER CURRENT ASSETS	24.546.646,38	14.615.508,45
TOTAL CURRENT ASSETS	74.888.784,08	112.881.323,94

NON-CURRENT ASSETS

INTANGIBLE ASSETS	-	-
TANGIBLE ASSETS	-	-
TOTAL	-	-
INVESTMENTS		
DIRECT INVESTMENTS AT FAIR VALUE (AVAILABLE FOR SALES)	17.331.221,42	4.294.324,42
VENTURE CAPITAL FUND AT FAIR VALUE (AVAILABLE FOR SALES)	171.867.291,30	139.639.106,20
TOTAL INVESTMENTS	189.198.512,72	143.933.430,62
TOTAL NON CURRENT ASSETS	189.198.512,72	143.933.430,62

TOTAL ASSETS

264.087.296,80	256.814.754,56
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LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

SHARE CAPITAL	409.244.864,59	409.244.864,59
FAIR VALUE RESERVE	21.293.595,42	14.956.751,68
OTHER RESERVES	814.906,57	814.906,57
ACCUMULATED PROFIT/LOSS BROUGHT FORWARD	- 168.337.329,42	- 190.635.768,68
NET PROFIT/LOSS FOR THE YEAR	992.498,23	22.298.439,26
TOTAL SHAREHOLDERS' CAPITAL	264.008.535,39	256.679.193,42

NON CURRENT LIABILITIES

PROVISION AND OTHER LIABILITIES	-	-
TOTAL NON CURRENT LIABILITIES	-	-

CURRENT LIABILITIES

LOANS		
ACCOUNT PAYABLE AND ACCRUED LIABILITIES	78.761,41	135.561,14
TOTAL CURRENT LIABILITIES	78.761,41	135.561,14

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

264.087.296,80	256.814.754,56
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CDB WEB TECH INTERNATIONAL LP
COMPANY STATEMENT OF INCOME

	31.12.05	31.12.04
INCOME (LOSS)		
INCOME ON INVESTMENTS (NON CURRENT ASSETS - AVAILABLE-FOR-SALES)		
REALIZED GAIN ON AVAILABLE FOR SALES INVESTMENTS AND SECURITIES	1.270.228,82	-
DIRECT INVESTMENT	15.205.023,70	-
VENTURE CAPITAL	-	-
TOTAL INCOME	16.475.252,52	11.448.447,28
LOSS ON INVESTMENTS (NON CURRENT ASSETS - AVAILABLE-FOR-SALES)		
REALIZED LOSS ON AVAILABLE FOR SALES INVESTMENTS AND SECURITIES	-	-
DIRECT INVESTMENT	49.290,35	250.163,56
VENTURE CAPITAL	3.951.924,45	8.657.173,00
TOTAL LOSS	- 4.001.214,80	- 8.907.336,56
TOTAL INCOME (LOSS) ON INVESTMENTS, NET	12.474.037,72	2.541.110,72
INCOME (LOSS) FROM CURRENT ASSETS		
FINANCIAL INCOME		
INCOME ON FOREIGN EXCHANGE RATE	72.852,39	30.571.954,33
INTEREST INCOME	667.449,07	378.150,21
REALIZED GAIN ON OTHER CURRENT ASSETS AND SECURITIES	54.580,18	24.722,88
REALIZED GAIN ON HEDGE FUNDS (HELD FOR TRADING)	2.995.027,67	2.866.730,57
OTHER INCOME	-	-
TOTAL INCOME	3.789.909,31	33.841.557,99
LOSS ON FOREIGN EXCHANGE RATE	- 12.082.942,06	- 11.345.037,76
INTEREST EXPENSES	- 18.503,33	-
REALIZED LOSS ON OTHER CURRENT ASSETS AND SECURITIES	- 132.001,06	- 42.857,96
REALIZED LOSS ON HEDGE FUNDS (HELD FOR TRADING)	- 2.107.838,12	- 500.701,49
OTHER LOSSES	-	-
TOTAL LOSS	- 14.341.284,57	- 11.888.597,21
TOTAL FINANCIAL INCOME (LOSS) FROM CURRENT ASSETS	- 10.551.375,26	21.952.960,78
TOTAL INCOME (LOSS) FROM OPERATIONS	1.922.662,46	24.494.071,50
UNREALIZED GAIN (LOSS) ON HELD FOR TRADING HEDGE FUNDS AT F.V.	1.351.903,56	134.628,96
EXPENSES		
MANAGEMENT AND PERFORMANCE FEES	- 2.220.138,90	- 2.309.605,45
ADMINISTRATIVE EXPENSES	- 45.453,89	- 20.425,33
EXPENSES FROM INVESTMENTS	- 16.475,00	- 230,42
OTHER OPERATING EXPENSES	-	-
TOTAL EXPENSES	- 2.282.067,79	- 2.330.261,20
NET PROFIT (LOSS) FOR THE YEAR BEFORE TAXES	992.498,23	22.298.439,26
TAX EXPENSES	-	-
NET PROFIT (LOSS) FOR THE YEAR	992.498,23	22.298.439,26

CDB WEB TECH INTERNATIONAL LP
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2005 (amounts in USD)

	SHARE CAPITAL	FAIR VALUE RESERVE	TRANSLATION RESERVES	PROFIT/LOSS BROUGHT FORWARD	TOTAL SHAREHOLDERS' EQUITY
SHAREHOLDERS' EQUITY					
Balance as at 1 January 2005	409.244.864,59	14.956.751,68	814.906,57	- 168.337.329,42	256.679.193,42
Increase in Share Capital	-	-	-	-	-
Unrealised gain, net on Investments as at 31 December 05	-	6.336.843,73	-	-	6.336.843,73
Net profit for the period	-	-	-	992.498,23	992.498,23
TOTAL SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2005	409.244.864,59	21.293.595,41	814.906,57	- 167.344.831,19	264.008.535,38

CDB WEB TECH INTERNATIONAL LP
STATEMENT OF CASH FLOW
for the period ended 31 December 2005 (amounts in usd)

	2005 IFRS 31.12.05	2004 IFRS 31.12.04
CASH FLOW FROM OPERATING ACTIVITIES		
Purchase of Investments (capital calls, new investments) VC DI	- 51.609.760,07	- 51.089.454,84
Proceeds from return of invested capital in Financial Assets (DI)	1.760.567,37	-
Interest received	345.148,39	221.340,41
Interest paid	- 18.503,33	- 230,42
Proceeds from Distributions of realized gains on VC investments	24.906.959,99	15.411.528,95
Net effect of Q1 forward contracts	- 10.488.817,19	-
Proceeds from realized gains (losses) on foreign exchange	21.022,75	18.866.994,44
Proceeds from other realized income	95.018,19	8.155,11
Operating expenses paid	- 249.104,91	- 15.652,85
Intercompany expenses	- 2.042.679,77	- 2.097.391,34
NET CASH FROM OPERATING ACTIVITIES	- 37.280.148,58	- 18.694.710,54
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sales of investments short-terms(HF)	79.338.852,74	38.107.550,43
Purchase of Financial Assets (HFs)	- 32.475.870,65	- 11.664.700,01
Share Capital Issued	-	6.020.970,00
Proceeds from bank loan	6.000.000,00	-
Repayments of bank loan	- 6.000.000,00	-
Advancements of Intercompany loans	- 2.120.000,00	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	25.742.982,09	32.463.820,42
NET INCREASE IN CASH AND CASH EQUIVALENTS	- 11.537.166,49	13.769.109,88
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	34.820.111,56	20.681.430,62
CASH AND CASH EQUIVALENTS, END OF THE YEAR	21.786.654,34	34.820.111,56
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	- 1.496.290,73	369.571,06
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING AS AT DECEMBER 31	21.786.654,34	34.820.111,56

CDB WEB TECH MANAGEMENT LTD
BALANCE SHEET
as at 31 December 2005 (amounts in GBP)

ASSETS

CURRENT ASSETS

CASH AND EQUIVALENTS	618.435,36	556.734,00
OTHER CURRENT ASSETS	37.664,95	38.782,95
DEFERRED INCOME TAX ASSETS	10.200,35	-
TOTAL CURRENT ASSETS	666.300,66	595.516,95

NON CURRENT ASSETS

INTANGIBLE ASSETS		
TANGIBLE ASSETS	14.397,37	16.235,43
TOTAL	14.397,37	16.235,43
OTHER NON CURRENT ASSETS	110.714,46	125.722,41
TOTAL OTHER ASSETS	110.714,46	125.722,41
TOTAL NON CURRENT ASSETS	125.111,83	141.957,84

TOTAL ASSETS

791.412,49	737.474,79
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LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

SHARE CAPITAL	150.000,00	150.000,00
OTHER RESERVES	- 44.690,37	- 60.199,37
ACCUMULATED PROFIT/LOSS BROUGHT FORWARD	25.771,07	2.248,37
NET PROFIT/LOSS OF THE YEAR	151.712,16	23.522,70
TOTAL SHAREHOLDERS' CAPITAL	282.792,86	115.571,70

NON CURRENT LIABILITIES

DEFERRED INCOME TAX LIABILITIES	-	1.946,65
PROVISION AND OTHER LIABILITIES		
TOTAL NON CURRENT LIABILITIES	-	1.946,65

CURRENT LIABILITIES

ACCOUNT PAYABLE AND ACCRUED LIABILITIES	441.127,36	434.525,24
ACCRUED TAXES	67.492,27	185.431,20
TOTAL CURRENT LIABILITIES	508.619,63	619.956,44

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

791.412,49	737.474,79
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CDB WEB TECH MANAGEMENT LTD
INCOME STATEMENT
for the year ended 31 December 2005 (amounts in GBP)

	31.12.05	31.12.04
<i>INCOME (LOSS)</i>		
FINANCIAL INCOME		
INCOME ON FOREIGN EXCHANGE RATE	-	9.097,72
INTEREST INCOME	-	-
MANAGEMENT FEES	1.190.108,78	1.138.849,78
OTHER INCOME	5.230,54	3.252,67
TOTAL INCOME	1.195.339,32	1.151.200,17
LOSS ON FOREIGN EXCHANGE RATE	- 25.926,01	-
INTEREST EXPENSES	- 3.854,44	- 21.043,19
OTHER LOSSES	-	-
TOTAL LOSS	- 29.780,45	- 21.043,19
TOTAL FINANCIAL INCOME (LOSS) FROM CURRENT ASSETS	1.165.558,87	1.130.156,98
TOTAL INCOME (LOSS) FROM OPERATIONS	1.165.558,87	1.130.156,98
EXPENSES		
MANAGEMENT AND PERFORMANCE FEES	- 323.092,57	- 264.607,27
ADMINISTRATIVE EXPENSES	- 632.668,14	- 648.244,01
EXPENSES FROM INVESTMENTS	-	-
OTHER OPERATING EXPENSES	-	-
TOTAL EXPENSES	- 955.760,71	- 912.851,28
NET PROFIT (LOSS) FOR THE PERIOD BEFORE TAXES	209.798,16	217.305,70
TAX EXPENSES	- 58.086,00	- 193.783,00
NET PROFIT (LOSS) FOR THE PERIOD	151.712,16	23.522,70

CDB WEB TECH MANAGEMENT LTD
CASH FLOW STATEMENT
for the year ended 31 December 2005 (amounts in GBP)

	2005 IFRS 31.12.05	2004 IFRS 31.12.04
CASH FLOW FROM OPERATING ACTIVITIES		
Management Fees received	1.167.058,52	1.131.126,50
Operating expenses	- 589.660,71	- 582.241,92
Advisory Fee paid to Cdb SpA	- 268.404,48	- 223.880,99
UBS Fee Recharge paid to Cdb LP	- 66.916,91	- 91.419,54
	-	-
CASH GENERATED FROM OPERATING ACTIVITIES	242.076,42	233.584,05
Interest paid	-	- 2.209,98
Corporation Tax paid	- 199.053,59	- 12.780,92
NET CASH FROM OPERATING ACTIVITIES	43.022,83	218.593,15
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	20.238,49	-
Purchase of Non-current Assets	- 1.559,44	- 2.144,88
NET CASH FLOWS FROM INVESTING ACTIVITIES	18.679,05	- 2.144,88
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	61.701,88	216.448,27
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	556.734,00	340.517,12
CASH AND CASH EQUIVALENTS, END OF THE YEAR	618.435,36	556.734,00
Effects of exchange rate changes on cash and cash equivalents	- 0,52	- 231,39
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING AS AT DECEMBER 31	618.435,36	556.734,00

CDB WEB TECH MANAGEMENT LTD
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2005 (amounts in GBP)

	SHARE CAPITAL	SHARE CAPITAL PREMIUM	IFRS 1 ADJUSTMENT	PROFIT/LOSS BROUGHT FORWARD	TOTAL SHAREHOLDERS' EQUITY
SHAREHOLDERS' EQUITY					
Balance as at 1 January 2005	150.000,00	-	44.690,37	25.771,07	131.080,70
Net profit for the period				151.712,16	151.712,16
TOTAL SHAREHOLDERS' EQUITY AS AT 31 December 2005	150.000,00	-	44.690,37	177.483,23	282.792,86

MANAGEMENT & CAPITALI S.p.A.

Bilancio dell'esercizio 2005

Stato Patrimoniale

31 dicembre 2005

Euro

Attivo		
1	Attività non correnti	
	Immobilizzazioni materiali - impianti	48.000
	<i>Totale Immobilizzazioni</i>	48.000
	<i>Totale Attività non correnti</i>	48.000
2	Attività correnti	
2a	Disponibilità liquide (Depositi Bancari e cassa)	55.346.927
2b	Crediti tributari	35.867
	<i>Totale Attività Finanziarie</i>	55.382.794
	<i>Totale Attività correnti</i>	55.382.794
	TOTALE ATTIVO	55.430.794
Passivo e Patrimonio Netto		
3	Patrimonio netto	
3a	Capitale sociale	55.500.000
3b	Altre riserve:	
	- Riserva stock options	139.090
3c	- Perdita dell'esercizio	(2.989.923)
	<i>Patrimonio Netto</i>	52.649.167
Passivo		
Passività non Correnti		
4	Passività correnti	
	Debiti verso fornitori	2.608.568
	Debiti tributari	63.263
	Altri debiti	109.796
	<i>TOTALE Passività correnti</i>	2.781.627
	TOTALE PASSIVO	2.781.627
	TOTALE PASSIVO e PATRIMONIO NETTO	55.430.794

MANAGEMENT & CAPITALI S.p.A.
Bilancio dell'esercizio 2005
Conto Economico

1/8 - 31/12/2005
Euro

5	VALORE della Produzione Ricavi dalle prestazioni Altri Ricavi e proventi		
		Totale Valore della produzione	0
6	COSTI della Produzione Spese per Servizi Altri oneri di gestione		3.122.049
			668
		Totale Costi della produzione	<u>3.122.717</u>
		DIFFERENZA TRA VALORE E COSTI DELLA PRODUZIONE	<u>3.122.717</u>
7	PROVENTI (ONERI) FINANZIARI da ATTIVO CORRENTE		
7a	PROVENTI FINANZIARI - Altri		132.841
7b	ONERI FINANZIARI - Altri		-47
	TOTALE PROVENTI (ONERI) FINANZIARI SU ATTIVO CORRENTE		<u>132.794</u>
		RISULTATO PRIMA DELLE IMPOSTE	<u>-2.989.923</u>
		Imposte sul reddito dell'esercizio, correnti differite anticipate	0
		PERDITA DELL'ESERCIZIO	<u>-2.989.923</u>
		Utile (perdita) per azione, base	-0,054
		Utile (perdita) per azione, diluito	-0,054

ICT Investments S.p.A.		
Torino Via Valeggio n. 41		
Capitale Sociale Euro 120,000=		
Registro Imprese e Codice Fiscale 12303940154		
Società soggetta alla direzione e coordinamento di CdbWebTech S.p.A. - Unico Socio		
BILANCIO in forma abbreviata dell' Esercizio al 31 dicembre 2005		
	31.12.2005	31.12.2004
STATO PATRIMONIALE		
A) CREDITI VERSO SOCI PER VERS.ANCORA DOVUTI		
Totale crediti verso soci per versamenti ancora dovuti	0	0
B) IMMOBILIZZAZIONI		
I) Immobilizzazioni immateriali	0	0
II) Immobilizzazioni materiali	0	0
III) Immobilizzazioni finanziarie	0	0
TOTALE IMMOBILIZZAZIONI	0	0
C) ATTIVO CIRCOLANTE		
I) Rimanenze	0	0
II) Crediti	9.257	10.571
III) Attivita' finanz.che non costit.immobilizzazioni	0	0
IV) Disponibilita' liquide	110.713	24.625
TOTALE ATTIVO CIRCOLANTE	119.970	35.196
D) RATEI E RISCONTI ATTIVI	0	0
TOTALE ATTIVO	119.970	35.196
PASSIVO		
A) PATRIMONIO NETTO		
I) Capitale	120.000	46.482
IV) F Altre Riserve	4.192	8.146
VIII) Utili (perdita) portati a nuovo	-	(11.847)
IX) Utile (perdita) dell'esercizio	(21.946)	(14.424)
TOTALE PATRIMONIO NETTO	102.246	28.357
D) DEBITI		
entro 12 mesi	17.724	6.839
TOTALE DEBITI	17.724	6.839
E) RATEI E RISCONTI PASSIVI	0	0
TOTALE PASSIVO	119.970	35.196
CONTO ECONOMICO		
	31.12.2005	31.12.2004
A) VALORE DELLA PRODUZIONE		
5) Altri Ricavi e proventi	0	0
TOTALE VALORE DELLA PRODUZIONE	0	0
B) COSTI DELLA PRODUZIONE		
7) Per servizi	22.065	14.254
10) Ammortamenti e svalutazioni:	0	0
14) Oneri diversi di gestione	701	683
TOTALE COSTI DELLA PRODUZIONE	22.766	14.937
DIFFER.TRA VALORE E COSTI DELLA PROD. (A-B)	(22.766)	(14.937)
C) PROVENTI E ONERI FINANZIARI		
15) Proventi da partecipazioni	0	0
16) Altri proventi finanziari:		
d) da proventi da terzi diversi dai precedenti	893	569
Totale Altri proventi finanziari	893	569
17) Interessi e altri oneri finanziari:		
d) altri	73	56
Totale Interessi e altri oneri finanziari	73	56
TOTALE PROVENTI E ONERI FINANZIARI	820	513
D) RETTIFICHE DI VALORE DI ATTIVITA' FINANZIARIE	0	0
TOTALE RETTIFICHE DI ATTIVITA' FINANZIARIE	0	0
E) PROVENTI E ONERI STRAORDINARI	0	0
TOTALE DELLE PARTITE STRAORDINARIE (E)	0	0
RISULTATO PRIMA DELLE IMPOSTE	(21.946)	(14.424)
Imposte sul redd.dell'eserc.,correnti,diff.e anticip.	0	0
UTILE (PERDITA) DELL'ESERCIZIO	(21.946)	(14.424)
Subsidiaries' Financial Statements at 31 December 2005		
Il Consiglio di Amministrazione		
Il Presidente		
dott.Franco Girard		

B.I.M. Alternative Investments S.g.r. S.p.A.

Stato Patrimoniale

	Voci dell'attivo	2005	2004
60.	a) per gestioni di patrimoni	1856246	1.108.986
	b) altri crediti	2299785	1.834.200
110.	Attività immateriali	32983	38.574
120.	Attività fiscali	0	-
	a) correnti	0	15.794
140.	Altre attività	15549	10.617
	Totale Attivo	4.204.563	3.008.171

	Voci del passivo e del patrimonio netto	2005	2004
10.	Debiti	1.117.573	1.113.682
70.	Passività fiscali	0	-
	a) correnti	91.445	80.010
	b) differite	4.861	4.861
90.	Altre passività	594.483	55.804
100.	Trattamento di fine rapporto del personale	40.471	30.349
	Totale passivo	1.848.833	1.284.706
120.	Capitale	1.500.000	1.500.000
160.	Riserve	220.451	-187.767
170.	Riserve da valutazione	3.015	3.015
180.	Utile (Perdita) d'esercizio	632.264	408.217
	Totale patrimonio netto	2.355.730	1.723.465

Conto Economico

	Voci	2005	2004
10.	Commissioni attive	4.612.866	2.870.875
20.	Commissioni passive	(2.004.979)	(1.904.296)
	Commissioni nette	2.607.887	966.579
30.	Dividendi e proventi assimilati	0	0
40.	Interessi attivi e proventi assimilati	50.123	31.443
	Margine di intermediazione	2.658.010	998.022
120.	Spese amministrative:		
	a) spese per il personale	(1.347.555)	(175.711)
	b) altre spese amministrative	(553.217)	(371.152)
140.	Rettifiche di valore nette su attività immateriali	(9.906)	(12.840)
170.	Altri oneri di gestione	(57.093)	0
180.	Altri proventi di gestione	33.470	7.533
	Risultato della gestione operativa	723.709	445.852
	Utile (Perdita) dell'attività corrente al lordo delle imposte	723.709	445.852
210.	Imposte sul reddito dell'esercizio dell'operatività corrente	(91.445)	(30.781)
	Utile (Perdita) dell'attività corrente al netto delle imposte	632.264	415.071
	Utile (Perdita) d'esercizio	632.264	415.071