



Meeting with the Financial Community

Milan, 18th May 2004

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cdb web tech

**invests directly and through venture capital
funds in Information & Communication
Technology, Biotech and life sciences,
Nanotechnology**

Annual Report 2003 – Highlights

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(Thousand Euro)	2003	2002
■ Net profit/(loss)	1,911.5	-58,590.8
■ NAV per share*	2.64	2.48
■ Investments	135,077.0	129,097.9
■ Net Financial Position	115,915.2	120,764.9
■ Commitments/Net Financial Assets	90%	105.5%

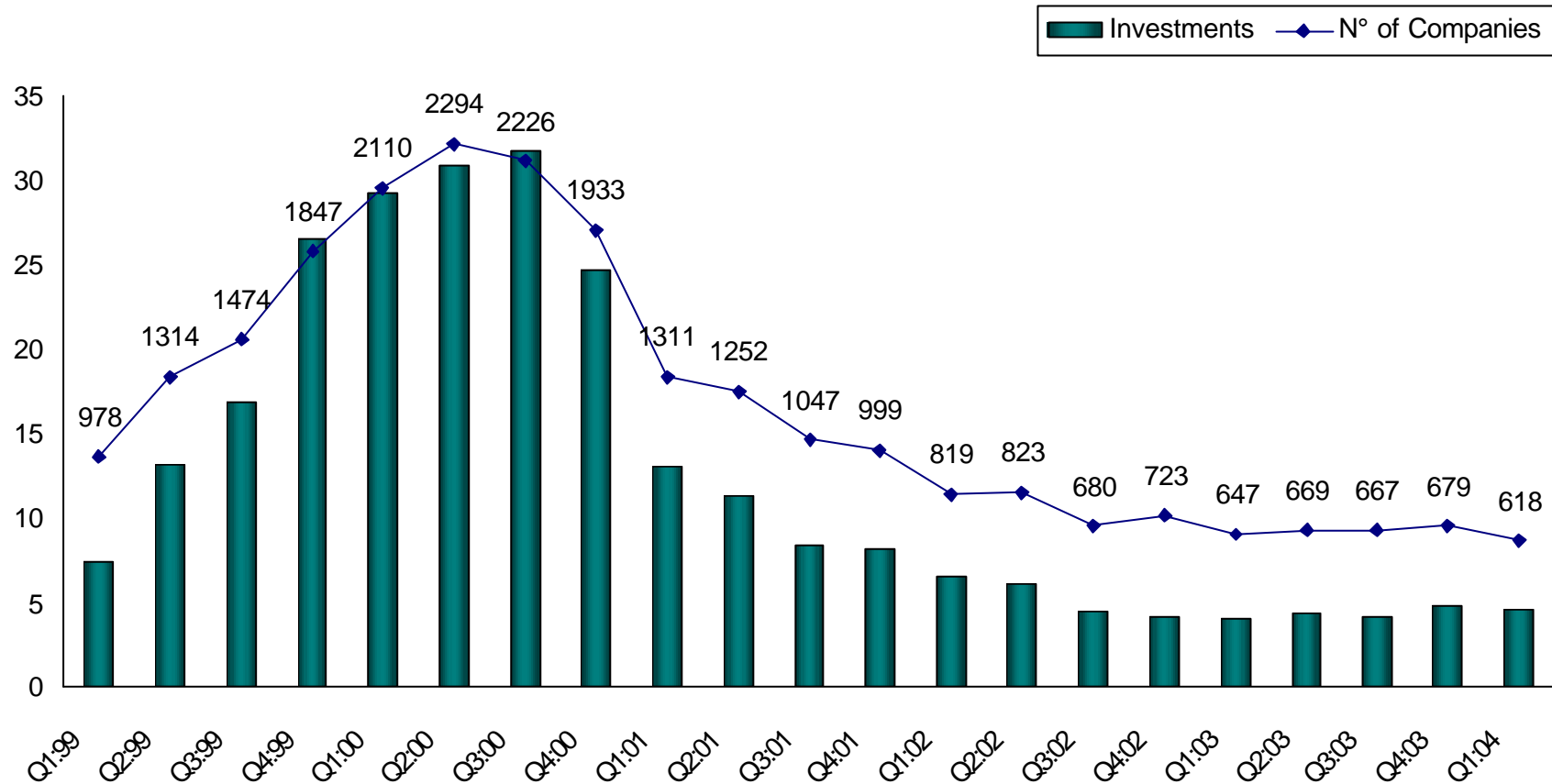
(*) in Euro

First Quarter 2004 – Highlights

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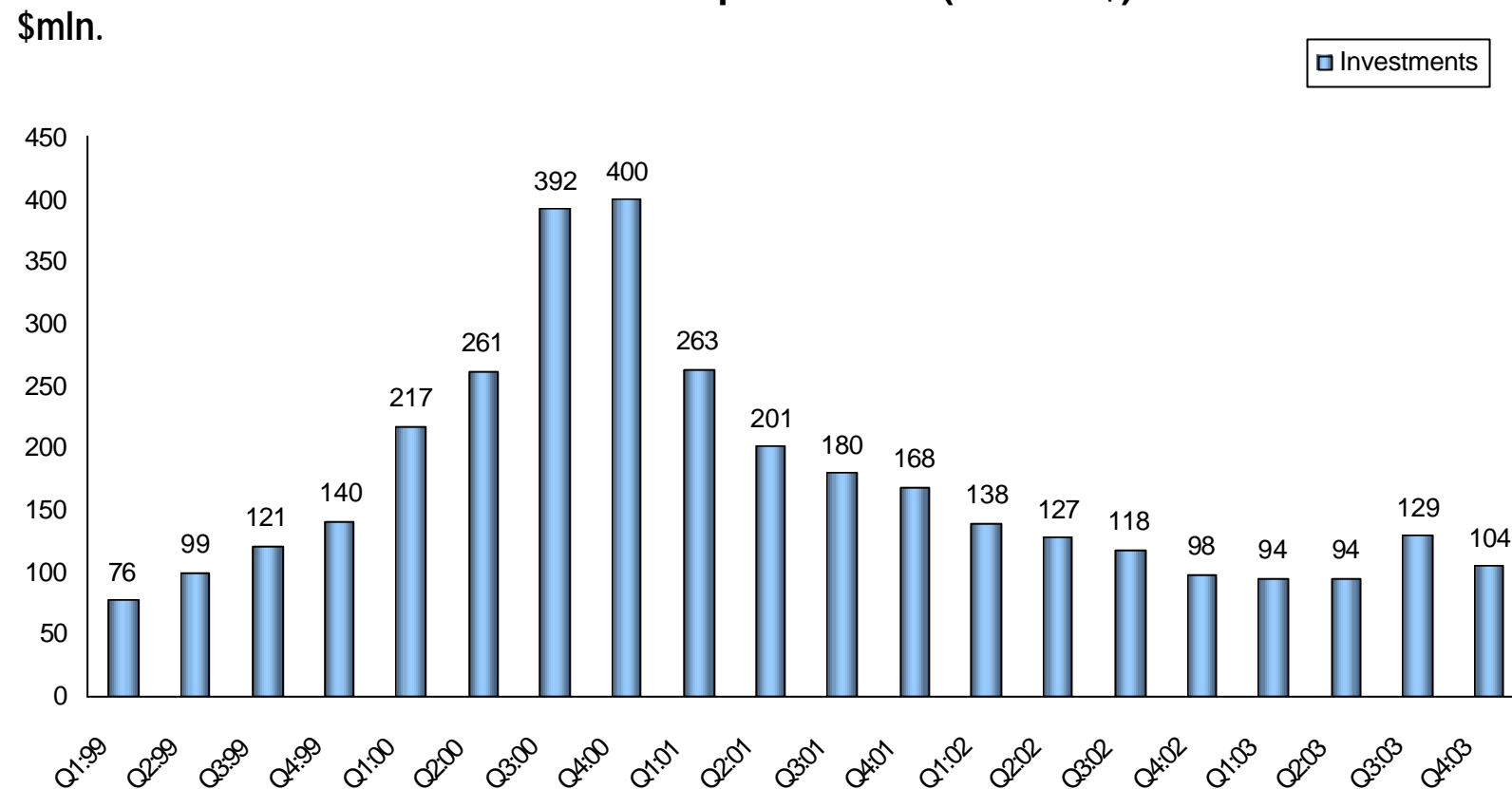
(Million Euro)	Q1:2004	Q1:2003
■ Net profit/(loss)	0,64	-0,97
■ Investments	102,8	74,2
■ Net Financial Position	102,4	114,5
■ Commitments/Net Financial Assets	94,7%	100,2%

VC Investments per Quarter (bln US\$)



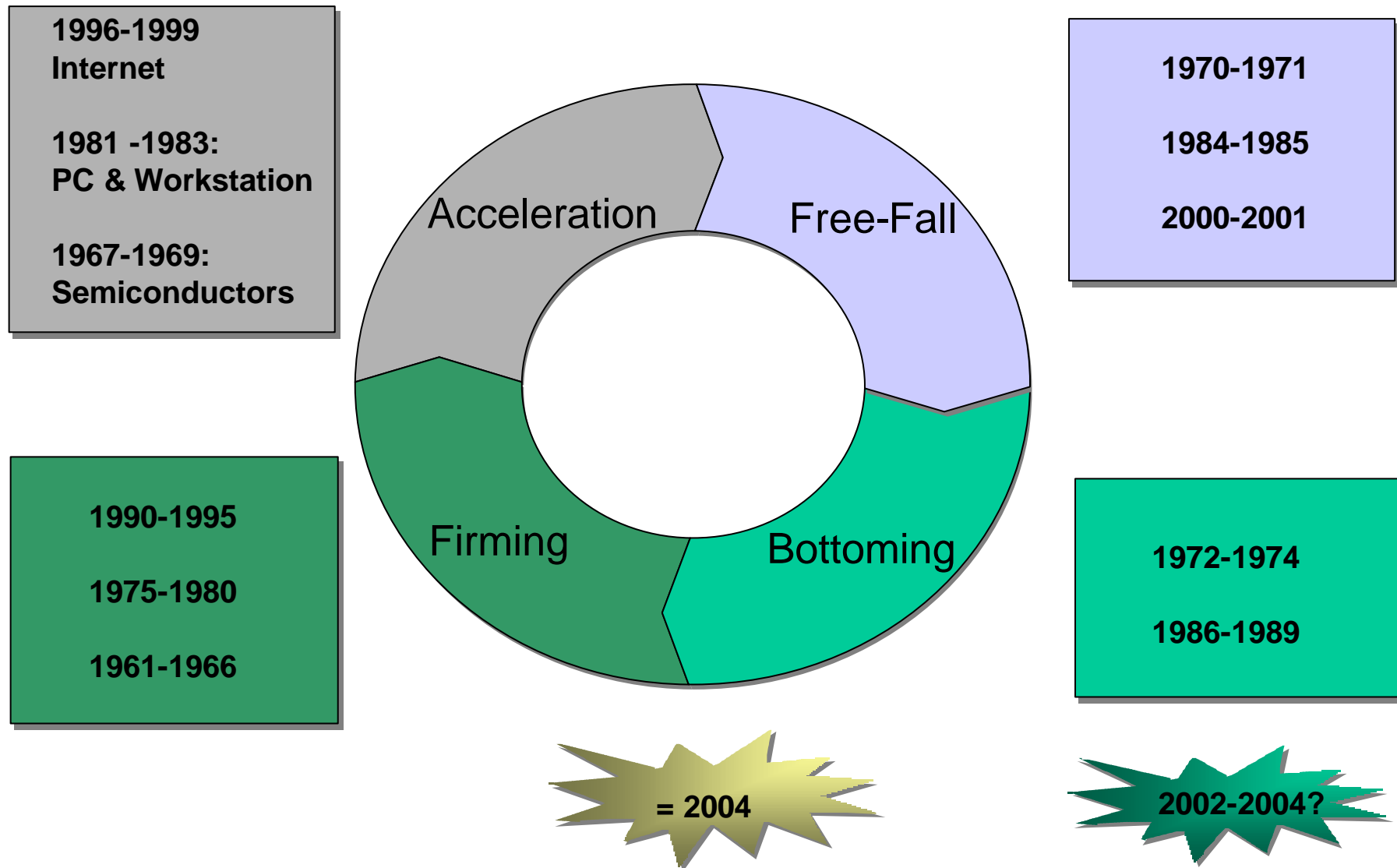
Investments follow the trend of the last quarters,
showing signs of growth

VC Investments per Quarter (mln. US\$)



Technology Investment Cycle (I)

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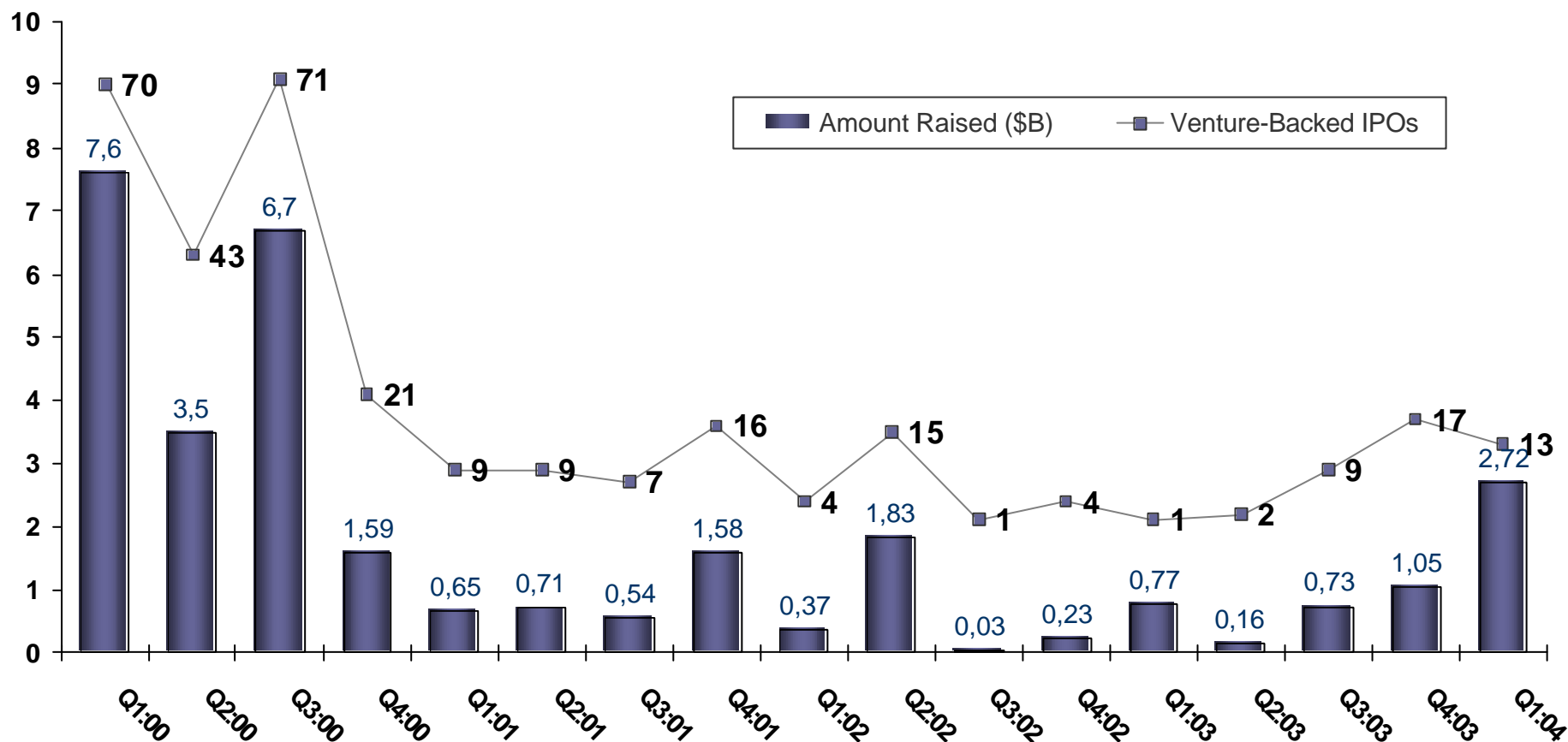
Median Pre-Money Valuation

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Round Class (Valori in US\$)	1998	1999	2000	2001	2002	2003
Seed Round	3,5	4,0	5,0	3,4	2,6	2,4
First Round	6,8	9,8	12,2	8,0	6,0	5,3
Second Round	19,7	30,0	39,5	18,0	12,5	14,1
Later Round	35,0	62,9	89,8	40,0	20,2	28,6
Restart	19,0	13,4	12,4	14,2	6,5	6,6
Grand Median	15,4	20,0	24,5	15,2	10,0	11,6

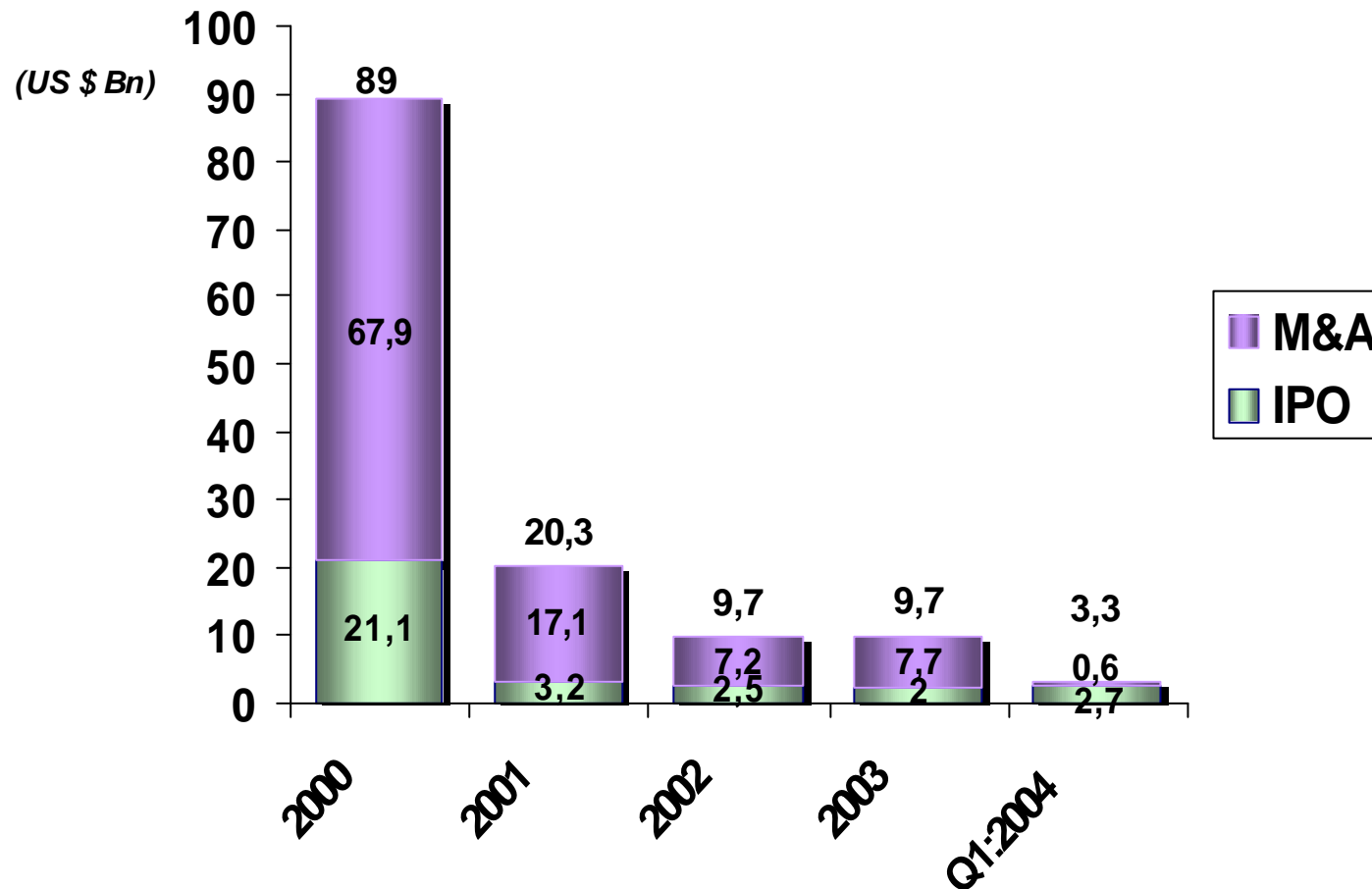
Source: Thomson Financial Venture Economics

IPOs of venture-backed US companies



Source: VentureEconomics, NVCA

In 2003 VC exits are the same as in 2002, there is an increase in the second half of 2003 and in Q1 2004



Annual Performances

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	1 Year	3 Years	5 Years	10 Years
Venture Capital	-17,8%	-22,7%	25,7%	25,4%
Buyouts	9,9%	-5,7%	1,4%	8,1%
NASDAQ	52,5%	-21,3%	1,1%	8,9%

Source: Private Equity Performance Index (PEPI) by Thomson Venture Economics and National Venture Capital Association

**Venture Capital performance is linked to the cycle and “J curve” of the business
However the best long term IRR**

- › Committed US\$ 21,7 million in 4 new venture capital funds
- › Acquired 10 partnerships – at a discount price – for a total of US\$ 72,9 million, already invested for US\$ 47,9 million
- › Invested US\$1,25 million in 2 new direct investments, the first in a biotech company: Elixir Pharmaceuticals
- › Invested US\$ 42,6 milion in Venture Capital funds following capital calls pursuant to previous commitments
- › Reduced commitments in VCs by €27,0 million following downsize of funds and disposal of partnerships
- › Received distributions from Venture Capital funds totaling €5,5 milioni with a retron of 1,75x
- › Invested US\$51,4 million in 35 IT and healthcare hedge funds diversified by sector, market and management, in order to deploy all available capital. Performance of 2003: +7,4% (10,9% per year)

Activity – Q1:2004

- › Committed US\$ 13,2 million in 4 venture capital funds
- › Invested US\$1,13 million in two companies, the first in a nanotech company: KOVIO
- › Invested Euro 10,8 million in Venture Capital funds following capital calls pursuant to previous commitments
- › Received distributions from Venture Capital funds totaling Euro 3,91 million with a return of 1,9x
- › Sold 50% of partnership in an Israeli Venture capital fund: plus US\$ 0,5 million in P&L in Q2:2004
- › Invested Euro 12,6 million in hedge funds diversified by sector, market and management, in order to deploy all available capital. Performance of Q1: 2004: + 2,4%

Investments

<i>MIn Euro</i>	31 March 2004		31 December 2003		Variation	
	<i>Nr.</i>	<i>Euro</i>	<i>Nr.</i>	<i>Euro</i>	<i>Nr.</i>	<i>%</i>
Direct Investments	14	7,6	14	7,4	-	2,9
Venture Capital	68	95,2	66	83,0	+2	14,7
Total Investments	-	102,8	-	90,4	-	13,8
Venture Capital: Residual Commitments	62	147,6	57	149,7	+5	-1,4

New commitments in top tier funds

<i>(mln US dollars)</i>	Sector	Geography	Fund size	Commitment
<u>2003</u>				
Sequoia XI	ICT	USA	395	4,2
NEA XI	ICT/life sciences	USA	1100	7,5
TCV V	ICT	USA	900	5,0
Castle Harlan IV	Buyout	USA	1250	5,0
<u>2004</u>				
Arch Venture IV	ICT/life sciences	USA	350	5,0
Pitango IV	ICT/life sciences	Israel	150	3,0
DCM IV	ICT	USA	400	5,0
JVP III Annex	ICT	Israel	18,5	0,2

New Investments (II)

Acquired on Secondary Market

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Acquired funds partially invested at a discount price

<i>(mln US dollars)</i>	Geography	Commitment	Residual
Oxford Bioscience II	USA	3,5	0
Evergreen III	Israel	10,0	3,6
Sve Star Ventures IX	Isr/Eu	15,0	9,6
Storm Ventures II	USA	5,0	2,4
Giza GE III	Israel	20,0	6,8
Pitango II	Israel	5,0	0
Pitango III	Israel	5,0	0
Israel Seed III	Israel	4,0	0
Israel Seed IV	Israel	5,0	2,4
Nexit Infocom 2000	Finland	<u>0,4</u>	<u>0,2</u>
		72,9	25,0

Venture Capital Portfolio

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US WEST COAST

Early Stage

- ACCEL INTERNET IV
- BAY PARTNERS X
- BENCHMARK FOUNDERS IV
- BLUESTREAM VENTURES
- CRESCENDO IV
- DFJ VII
- DOLL III
- HUMMER WINBLAD IV & V
- INFINITY I
- NEA X & XI
- NOKIA VENTURES II
- SEQUOIA CAPITAL IX, X & XI
- SEVIN ROSEN FUND VIII
- SIERRA VIII
- SOFINNOVA VI
- STORM VENTURES II
- TRIDENT CAPITAL FUND V
- VANTAGE POINT IV

Late Stage

- DFJ E-PLANET
- MERITECH I & II
- TCV IV & V
- THOMAS WEISEL CP

Total US - 72%

US EAST COAST

Early Stage

- ARCH VENTURE PARTNERS VI
- CHARLES RIVER XI
- DAWNTREADER II
- DRAPER ATLANTIC II
- HEALTHCARE VENTURES VII
- NORTHBRIDGE V
- OAK X
- OXFORD BIOSCIENCE II
- PEQUOT VP II

Late Stage

- AFA PRIVATE EQUITY FUND II
- BAKER II
- PEQUOT PE II & III
- CASTLE HARLAN IV

Secondary

- DOVER STREET V

EUROPE - 12%

- ACCEL EUROPE
- AMADEUS II
- BENCHMARK EUROPE
- CRESCENDO IV
- DFJ E-PLANET
- DOUGHTY HANSON
- NEXIT INFOCOM
- NOKIA VENTURES II
- POND VP II
- STAR VENTURES IX

ISRAEL - 12%

- BENCHMARK ISRAEL
- EVERGREEN DIRECT FUND III
- GIZA GE III
- ISRAEL SEED PARTNERS III & IV
- JVP III, III ANNEX & IV
- PITANGO II, III & IV
- PORTVIEW
- SEQUOIA CAPITAL SEED II
- STAR VENTURES IX

ASIA - 4%

- CARLYLE ASIA I
- WESTBRIDGE I
- DFJ E-PLANET
- SPG INFINITY

Invested

56,8%

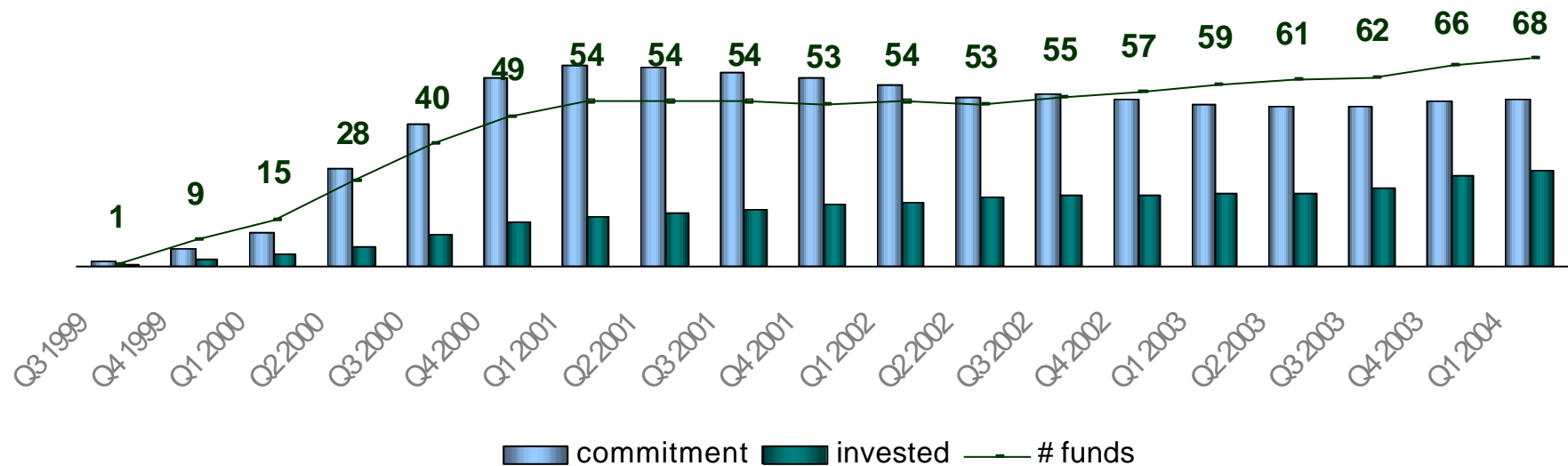
Commitments 100%

1999/2000

31 March 2004

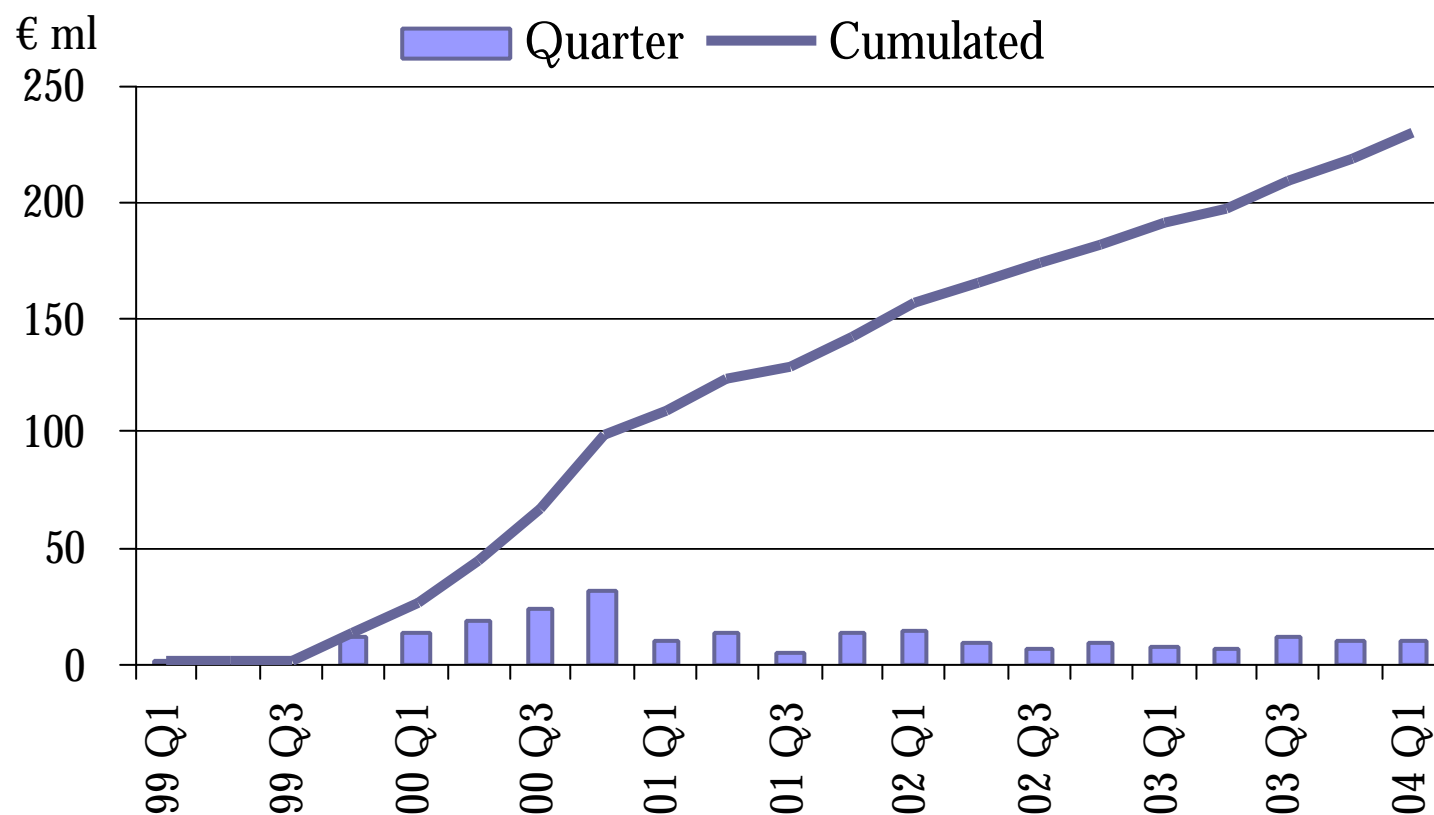
200..

Committed/Invested

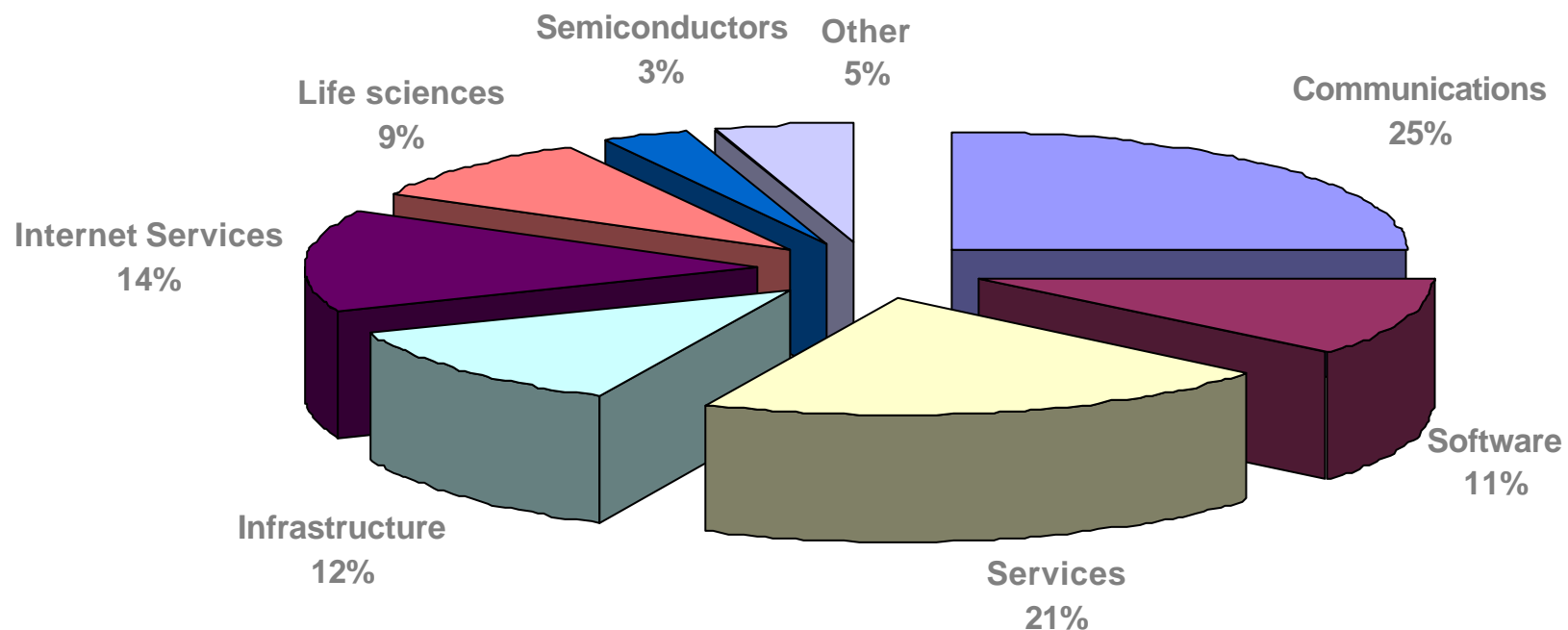


In the year 2000 the market euphoria set the investment pace at an average of €21.5 ml per quarter, in 2001 - 2003 that rate slowed down to an average of about €10 ml per quarter

The time diversification of the investments is crucial in the highly cyclical VC Business and is guaranteed by the stable investment pace



**Cdb Web Tech has invested in 1250 companies
in diversified sectors**



New Direct Investments

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Sector: Biotechnology

Established in 1999, based in Boston

Drug discovery and development company that is focused on the creation of a new set of drugs and treatments for elderly people through studies on the genetics of longevity

Cdb Web Tech has invested \$1 ml at a post money valuation of \$ 74 ml

Other Investors include: MIT, Oxford Bioscience, Arch Venture Partners, MPM Bioventures



Sector: Nanotechnology

Established in 2001, based in Sunnyvale

Developing a new technology that will enable the so called 'printed electronics': print electronic circuits on paper with laser or ink-jet printers

Cdb Web Tech has invested \$ 1 ml at a post money valuation of \$ 30 ml

Other Investors include: Kleiner Perkins Caufield and Byers, Jerusalem Venture Partners, Bessemer

Active Portfolio (I)

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Sector: Business Process Outsourcing

Based in Los Angeles, present in Americas, Europe and Asia

Provides high quality customer management services to companies seeking to enhance customer satisfaction and loyalty while reducing costs

Clients include leading Fortune 500 and mid-market companies in a wide range of industries: Travel & Hospitality, Technology, Financial Services, Retail, Telecommunications, Consumer Products

Cdb Web Tech holding: 1.37%

Company Valuation: €30 ml

Active Portfolio (II)

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Sector: Call Center Services, Speech Recognition

Based in Mountain View

Brings Internet features like personalization, XML, and TCP/IP to the telephone by joining both networks under a speech user interface

Clients include E-Trade, American Airlines, Merrill Lynch, AT&T Wireless, United Health Group, Fandango, Orbitz, Song, Verizon

Cdb Web Tech holding: 0.2%

Company Valuation: €163 ml

Active Portfolio (III)

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Sector: Wireless Telecommunications

Based in Washington (R&D in Israel)

Provider of converged wireless indoor networks that support multiple wireless voice and data services on a single broadband infrastructure

Clients include American Family Insurance, American University, Ft. Lauderdale Hollywood International Airport

Cdb Web Tech holding: 2.24%

Company Valuation: €21 ml

Active Portfolio (IV)

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Sector: Managed Internet Hosting

Based in Sydney [HWG AU]

Provider of customized solutions for Internet hosting by managing Data Centers, Networks, Hardware, Operating Systems, Databases and Applications

Cdb Web Tech holding: 9.43%

Company Valuation: €10 ml

<i>Euro million</i>	31 March 2004	31 December 2003	31 March 2003
Net Financial Income	1,70	9,62	2,17
Adj. to Financial Assets	(0,49)	(4,66)	(2,60)
Operating Costs	(0,57)	(2,84)	(0,55)
Exceptional Income & Expenses	0,00	0,04	0,01
Income Tax	0,00	(0,25)	0,00
Net profit	0,64	1,91	(0,97)

Venture Capital Investments (Euro Mln)	<u>Q1 04</u>	<u>Y 2003</u>
› Realized gain further Distributions:	2,19 (1,9x)	2,73 (1,75x)
› Change in unrealized depreciation:		2,10
› Unrealized depreciation and Realized loss: ()		(4,77)
Direct Investments		
› Realized gain:	0,09	0,29
› Unrealized depreciation and Realized loss: ()	(0.89)	(3,55)
Hedge Funds		
› Realized gain and (loss):	(0.04)	3,32
› Cumulative Unrealized gain:	7.23	5,56
› Change in unrealized depreciation:	0.49	0.12
› Performance:	2,4%	7,4%

Balance Sheet

<i>Euro Million</i>	31 March 2004	31 December 2003	31 March 2003
<u>ASSETS</u>			
<u>Non-current assets</u>			
Intangible assets	0,28	0,27	0,28
Property, plant & equipment	0.10	0.10	0,13
Investments	149,27	135,25	133,69
Total	149,65	135,62	134,10
<u>Current assets</u>			
Receivables	5,92	24,99	1,64
Marketable securities	79,61	65,13	69,51
Cash and banks	17,94	27,57	44,82
Total	103,47	117,69	115,97
<u>Pre paid & Accrued Expenses</u>	0,39	0,35	0,48
TOTAL ASSETS	253,51	253,66	250,55
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>	252,47	251,84	248,91
<u>Other debts & Accrued Expenses</u>	1,04	1,82	1,64
TOTAL EQUITY AND LIABILITIES	253,51	253,66	250,55

Financial Highlights

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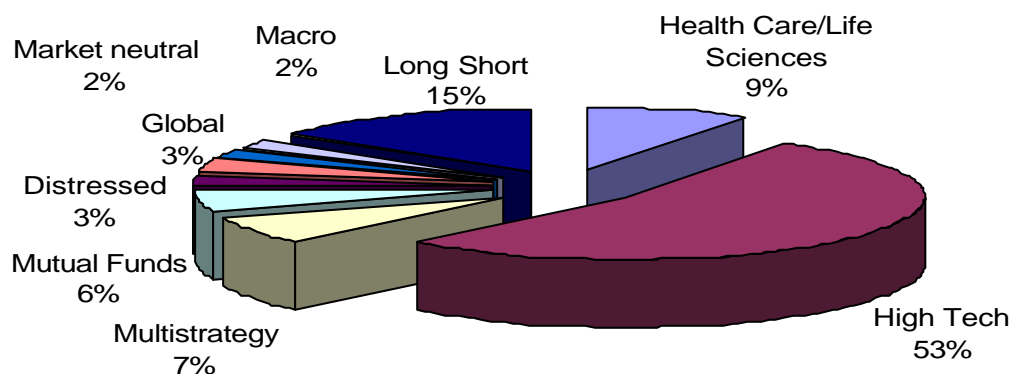
<i>Euro Million</i>	31 March 2004	31 December 2003	31 March 2003
Cash, Banks	17,94	27,57	44,82
Financial Credits	4,98	23,98	0,13
Bonds & Hedge Funds	79,61	65,13	69,51
Financial Debts	(0,09)	(0,76)	
Total Net Financial Position	102,44	115,92	114,46

(euro million)

Committed Capital	Invested at 31.03.04	Invested/Committed	Residual Commitment
342,0	194,4	56,8%	(147,6)
Totale Posizione Finanziaria Netta e hedge funds (31 March 2004)			155,9
Under commitment al 31 March 2004			8,3

Greater resources for new investments

Available liquidity is invested in hedge funds
to maximize the return on cash



Book Value 31/12/2003 83,26

Market Value 31/12/2003 88,82

Unrealized Gain 5,56

Book Value 31/03/2004 98,51

Market Value 31/03/2004 105,74

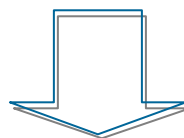
Unrealized Gain 7,23

Unrealized Gain Q1 04 1,67

A joint-venture to manage “funds-of-hedge funds”

Cdb Web Tech

Banca Intermobiliare



BIM Alternative Investments SGR

High Tech Hedge Funds

Multistrategy Hedge Funds

Euro 100 million under management

After touching the bottom, an improvement can be foreseen

PLUS

- › In Venture Capital: valuations are now stabilized, investments are more selective, there are new openings for IPOs and M&As
- › Quality of Cdb Web Tech's portfolio
- › Positive financial position
- › Investments at 56,8% of Commitments
- › Opportunities offered by the secondary market

MINUS

- › Uncertainty regarding the macroeconomic and political situation
- › Growth of US economy, consequently companies' new investments in IT, conditioned by double deficit and EU stagnation
- › The over 6000 companies backed by venture capital during the past years and the amount of capital still available to be invested that inflates the market

We can now expect positive results in 2004

- › We entered the venture capital industry at the “peak of valuations”, and after the tech bubble burst, we were able to handle the new situation
- › We are beginning to report positive results, the worst is over and there is a recovery
- › Many top tier funds belong to our portfolio, but investments need even more carefully selecting
- › There is liquidity, to continue investing at the market's best conditions, entering new sectors: biotech and nanotech

Venture Capital is not a “trend”,
we still believe it is the engine of further
development and we continue to invest to
produce value which historically has created
the best venture capital and will continue to do
so in the future.