



CONAFI PRESTITO: BoD approves 2009 first quarter results

- ▶ **Consolidated operating result for Q1 2009 a loss of Euro 499 thousand, an improvement of 38.8% on Q1 2008**
- ▶ **Consolidated net brokerage commission increased 6.7% on Q1 2008**
- ▶ **Consolidated brokerage margin for Q1 2009 of Euro 2,501 thousand, a decrease of 10.8% on Q1 2008**
- ▶ **Net cash position at March 31, 2009 of Euro 75,140 thousand (Euro 76,027 thousand at December 31, 2008).**

Turin, May 14, 2009

The Board of Directors, chaired by Mr. Nunzio Chiolo - Chief Executive Officer and Chairman of CONAFI PRESTITO, a company listed on the Expandi market since April 12, 2007, specialised in the provision of loans with repayment through direct salary or pension deductions, today approved the 2009 first quarter results.

Key consolidated results Q1 2009

The consolidated results for the first quarter of 2009 include the effects of the change in the consolidation scope following the incorporation in 2008 of three new companies and of the acquisitions in the past year. Management however believe that the comparison of results is reliable, as the financial contribution of the new companies and of the new subsidiaries is currently still marginal.

<i>Euro thousands</i>	Q12009	Q12008	Change %
Interest margin	529	957	-44.7%
Net commissions and revenues from services	1,972	1,848	+6.7%
Brokerage margin	2,501	2,805	-10.8%
General expenses and other costs	(3,000)	(3,621)	-17.1%
Operating result	(499)	(816)	+38.8%



The **brokerage margin** in the first quarter of 2009 was Euro 2,501 thousand, compared to Euro 2,805 thousand in the same period of 2008, a decrease of 10.8%. The contraction in the **interest margin** (-44.7%) is in part attributable to the decrease in the interest rates applicable on bank current accounts and in part due to the lower average liquidity held in the first quarter of 2009, and was partly offset by the **increase in net commissions and revenues from services of 6.7%**, generated from **(i)** the contribution of net revenues from the new companies of the Group, and **(ii)** higher average margins (as a percentage of net commission/gross amount) of the financial products placed by the Group.

Revenues deriving from Group companies operating in the ordinary and extraordinary corporate finance sector in the first quarter of 2009 amounted to Euro 388 thousand compared to Euro 116 thousand in the same period of 2008, an increase of approx. 234%.

The **loans brokered (gross amount and/or provided)** relating to financial products for households in the first quarter of 2009 amounted to Euro 20,990 thousand, compared to Euro 28,627 thousand in the same period of 2008, a decrease of approx. 27%¹.

The **result from operating activities** in the first quarter of 2009 reports an improvement of 38.8% from a loss of Euro 16 thousand in Q1 2008 to a loss of Euro 499 thousand in Q1 2009 principally relating to **(i)** a decrease in **general expenses and other costs** (Euro 3,621 thousand in the first quarter of 2008 compared to 3,000 thousand in the first quarter of 2009) and **(ii)** a reduction in **personnel costs** (employees and temporary staff) from Euro 1,411 thousand in the first quarter of 2008 to Euro 1,253 thousand first quarter of 2009.

The **net cash position** at March 31, 2009 amounted to Euro 75,140 thousand compared to Euro 76,027 thousand at December 31, 2008.

Nunzio Chiolo, Chairman and Chief Executive Officer of Conafi S.p.A. stated:

"The strategic policies implemented have contributed to an improvement in the consolidated operating result, enabling a significant reduction in the operating loss of 38.8% from the same period of 2008, although Conafi Prestitò during the first quarter of 2009 operated within a difficult marketplace providing unsatisfactory levels of activity.

The results of the first quarter of 2009 however illustrate that the strategies implemented by the company are beginning to deliver the anticipated results; the increase in the brokerage margin underlines that even within a difficult financial-economic environment, with a widespread reduction in financial margins, the company was able to increase its profitability without assuming further risks, operating with caution in sourcing funding and in its relations with the commercial network; this action, together with an optimisation of costs, which did not impact on the efficiency of the operating structure, permitted us to challenge the negative trend experienced during the past year.

This result was achieved in spite of an unaltered regulatory framework presenting significant confusion for brokers and agents, the difficulties in obtaining funding from the banking system and the impossibility of recourse to autonomous sources, due to the almost complete absence of the secondary securitisation market.

¹ Includes the financial products brokered to "Households" by Uniprestit and Progefin in the first quarter of 2008.



This situation also provided a competitive advantage for those operators registered in the general list as per article 106 of the Consolidated Banking Act which, although only undertaking the activity of placing loans - therefore without underwriting the risks such as "with recourse" - benefited from the same interest rates applied to the institutional operators (such as Conafi), however permitting these operators to offer agents and financial brokers operating in the sector a leaner operating structure at more competitive pricing.

Illustrating the strategies outlined above in greater detail during the quarter, the most important actions adopted were as follows: (i) a substantial cost containment policy, which resulted in the reduction of administrative expenses at consolidated level of almost 20% and (ii) a policy of great prudence and selection in the provision of credit and in the choice of the counterparties in commercial and distribution relations.

In spite of the efforts undertaken, and which will continue throughout the year, I wish to highlight that Conafi Prestitò despite its status as a financial company pursuant to Article 107 of the Consolidated Banking Act and of listed companies, and the valid governance model which it has autonomously decided to adopt, incurs significant administrative charges which have a considerable impact on the income statement, without however obtaining any benefits in terms of funding costs. I am confident however that the Draft bill approved by the Senate in March, relating to the principal guidelines for the reorganisation of the "consumer credit" sector, can undergo a quick legislative process in order to create a concrete and efficient regulatory framework which re-establishes healthy competition in the market and a clear role for the various operators. Within such a new regulatory framework, Conafi can maintain its leadership position in the sector."

Significant events in the first quarter of 2009

On March 17, 2009, the Senate approved the Draft Bill proposed by the Government "Provisions for compliance of obligations deriving from Italy's membership of the European Union - 2008 Community Law" which outlines the matters concerning financial brokers, agents and credit intermediaries, which the Government is attempting to enact. The matters contained in the draft bill provide optimism for a re-organisation of the entire sector.

In the first three months of 2009, the share buyback programme continued in accordance with the authorisations granted by the shareholders' meeting. In the first quarter of 2009 Conafi acquired 331,000 shares for a total value of Euro 310,560.68. At March 31, 2009, Conafi held 1,941,553 treasury shares, for a total value of Euro 3,289,038.59, equal to 4.17% of the share capital. At today's date 2,019,053 treasury shares were held, for a total value of Euro 3,362,624.15, equal to 4.34% of the share capital. At the present date, no treasury shares had been sold.



Subsequent events to the first quarter and outlook

No significant events arose after the end of the quarter. The company will continue in its policy to control and contain costs and the recovery of margins already seen in the first quarter.

Declaration of the Executive Responsible

The Executive responsible for the preparation of the corporate accounting documents Mr. Claudio Forte declares in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

Filing of documents

Pursuant to article 65-bis, paragraphs 2 and 82 of Consob Regulation No. 11971/1999 as supplemented, the present Interim Report as at March 31, 2009 will be available to the public at the registered office of the company and at Borsa Italiana S.p.A. The document is also available on the company's website www.conafi.it

The present press release, relating to the consolidated results as at March 31, 2009, unaudited, comprises the Interim Report prepared pursuant to article 154-ter of the Consolidated Finance Act, as well as in accordance with CONSOB Communication DEM/8041082 of April 30, 2008.

The financial results reported, although determined in accordance with international accounting standards (IAS/IFRS) and of the relative interpretations issued by International Financial Reporting Committee (IFRC), approved by the European Commission and in force at the approval date of the Interim Report, is not an interim report as per IFRS and in particular IAS 34. The accounting principles adopted for the preparation of the present interim report are in line with those utilised for the preparation of the financial statements at December 31, 2008 to which reference should be made.

Conafi Prestito S.p.A., with headquarters in Turin, is a financial broker, registered in the general list of financial brokers of the Italian Exchange Office in accordance with article 106 of the Banking Finance Act and the special list of the Bank of Italy in accordance with article 107 of the Banking Finance Act. The Company operates in the personal loans sector, specialised in providing loans repaid through direct salary or pension deductions. Conafi Prestito is also renowned as an innovator of products and services and noted as one of the few operators which have brought innovation to the consumer credit sector, prevalently concentrated on traditional activities. CONAFI PRESTITO S.p.A. has been listed on the Expandi Segment of the Italian Stock Exchange since April 12, 2007.

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Attachments:

- Consolidated Income Statement
- Consolidated Balance Sheet
- Net Financial Position
- Consolidated Cash Flow Statement
- Consolidated Group Companies



CONSOLIDATED INCOME STATEMENT

<i>(Amounts expressed in Euro/thousand)</i>	31.03.09	31.03.08	Cge. %
Interest margin	529	957	(44.7%)
Net brokerage commissions & other revenues	1,972	1,848	6.7%
Brokerage margin	2,501	2,805	(10.8%)
Administrative expenses	(2,767)	(3,449)	(19.8%)
Net provisions for risks and charges	(6)	(29)	(79.3%)
Net adjustment on fixed assets	(67)	(54)	24.1%
Adjustments to receivables	(186)	(149)	24.8%
Other operating income / charges	26	60	(56.7%)
Operating result	(499)	(816)	(38.8%)
Income taxes for the period	(119)	135	(188.1%)
Net loss	(618)	(681)	(9.3%)
Net (profit) loss pertaining to minority interests	7	0	n.s
Group net loss	(625)	(681)	(8.2%)



CONSOLIDATED BALANCE SHEET

Assets	31.03.09	31.12.08	Cge. %
<i>(Amounts expressed in Euro/thousand)</i>			
Cash and cash equivalents	12	12	0%
Held-for-trading financial assets	6	6	0%
Available-for-sale financial assets	61	153	(60.1)%
Receivables	94,317	95,239	(1)%
Fixed assets	3,659	3,707	(1.3)%
Other assets	9,549	9,855	(3.1)%
TOTAL ASSETS	107,604	108,972	(1.3)%
Liabilities and equity	31.03.09	31.12.08	Cge. %
Payables	13,222	13,747	(3.8)%
Other liabilities	14,512	10,238	41.7 %
Provision for risks, charges & employee leaving indemnity	1,132	1,107	2.3 %
Group shareholders' equity	78,433	83,581	(6.2) %
Minority interest shareholders' equity	305	299	2 %
TOTAL LIAIBILITIES & SHAREHOLDERS' EQUITY	107,604	108,972	(1.3)%



NET FINANCIAL POSITION

<i>Amounts expressed in Euro thousands</i>	31.03.09	31.12.08	31.03.08	Change % 31.03.2009 vs 31.12.2008
Cash and cash equivalents	12	12	5	0%
Bank current accounts	74,686	80,479	82,546	(7.2)%
Liquidity (A)	74,698	80,491	82,551	(7.2)%
Bank overdraft accounts	(254)	(95)	(24)	167.4%
Net liquidity (B)	74,444	80,396	82,527	(7.4)%
Loans in course of approval	8,935	4,830	7,776	85.0%
Payables for advance repayment	(8,239)	(9,199)	(8,068)	(10.4)%
Current debt (C)	696	(4,369)	(292)	(115.9) %
Net financial position (B+C)	75,140	76,027	82,235	(1.2)%



CONSOLIDATED CASH FLOW STATEMENT

<i>in Euro thousands</i>	31.03.09	31.03.08
A. OPERATING ACTIVITIES		
1. OPERATIONS	(354)	(481)
- interest income and similar	613	999
- interest expense and similar charges	(84)	(59)
- commission income	3,071	3,722
- commission expenses	(1,117)	(1,697)
- personnel costs	(1,643)	(1,597)
- other costs	(1,160)	(2,059)
- other revenues	85	74
- income taxes	(119)	135
2. LIQUIDITY GENERATED FROM THE REDUCTION OF FINANCIAL ASSETS	534	6,812
- financial assets available-for-sale	92	1
- receivables	4	5,992
- other assets	438	819
3. LIQUIDITY ABSORBED FROM THE INCREASE OF FINANCIAL ASSETS	(5,222)	(754)
- financial assets available-for-sale	(18)	(17)
- receivables	(5,100)	(206)
- other assets	(104)	(531)
4. LIQUIDITY GENERATED FROM THE INCREASE OF FINANCIAL LIABILITIES	606	1,185
- payables	435	437
- other liabilities	171	748
5. LIQUIDITY ABSORBED FROM THE REPAYMENT/REPURCHASE OF FINANCIAL LIABILITIES	(1,023)	(366)
- payables	(960)	0
- other liabilities	(63)	(366)
NET LIQUIDITY GENERATED/ABSORBED FROM OPERATING ACTIVITIES (A)	(5,459)	6,397
B. INVESTING ACTIVITIES		
2. LIQUIDITY ABSORBED BY THE INCREASE IN	(13)	(273)
- tangible fixed assets	(11)	(55)
- intangible fixed assets	(2)	(217)
NET LIQUIDITY GENERATED/ABSORBED FROM INVESTING ACTIVITIES (B)	(13)	(273)
C. FINANCING ACTIVITIES		
- acquisition of treasury shares	(321)	(903)
- distribution of dividends and other	0	(1,591)
- share capital increase	0	92
NET LIQUIDITY GENERATED/ABSORBED FROM FINANCING ACTIVITIES (C)	(321)	(2,401)
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	(5,793)	3,722
RECONCILIATION	31/03/09	31/03/08
Cash and cash equivalents at the beginning of the period	9	80,491
Total net liquidity generated/absorbed during the period	80,491	78,829
	(5,793)	3,722

Cash and cash equivalents at the end of the period

74,698

82,552

CONSOLIDATED GROUP COMPANIES

The consolidation includes the Interim Report at March 31, 2009 of the Parent Company and of the fully consolidated companies, appropriately reclassified and adjusted for the consolidation and for the uniformity of international accounting standards. The consolidation scope is determined in accordance with the provisions of IAS 27, 28 and 31.

At March 31, 2009 the Group comprised the company Conafi S.p.A. (parent company) and the companies listed below. The subsidiary companies are consolidated using the line-by-line method.

Company	Registered offices	Type of holding (1)	Holding	% held	Voting %
A. Fully consolidated companies			Holding company		
Italifin S.r.l.	Milan Via Borgonuovo 5	1	Conafi S.p.A.	100%	100%
Alba Finanziaria S.p.A.	Turin Via Cordero di Pamparato 15	1	Conafi S.p.A.	100%	100%
Holding Partecipazioni Business S.p.A	Turin Via Cordero di Pamparato 15	1	Conafi S.p.A.	100%	100%
Consulenze e finanze Srl	Turin Via Cordero di Pamparato 15	1	HPB S.p.A	51%	51%
Prestito'case Srl	Turin Via Cordero di Pamparato 15	1	HPB S.p.A	100%	100%
Rencredit Srl (ex Starfin Srl)	Turin Via Cordero di Pamparato 15	1	HPB S.p.A	99%	99%
Uniprestit S.p.A	Turin Via Aldo Barbaro 15	1	HPB S.p.A	51%	51%
Progefin S.p.A	Turin Via Cordero di Pamparato 15	1	HPB S.p.A.	60%	60%
Via Advisors Corporate Finance srl	Milan Via Borgonuovo 5	1	HPB S.p.A.	51%	51%
Euris Europe Srl	Turin Via Cordero di Pamparato 15	1	HPB S.p.A.	51%	51%

(1) Type of holding: 1 = a majority of the voting rights in an ordinary shareholders' meeting

