



CONAFI PRESTITO':

2010 HALF-YEAR REPORT APPROVED

- **Consolidated brokerage margin of Euro 4.14 million (Euro 5.96 million in 1H 2009)**
- **Group net loss of Euro 1.81 million (net loss of Euro 0.45 million in 1H 2009)**
- **Significant recovery in Q2: Gross loans +86%, brokerage margin +23% on Q1 2010**
- **Net cash position of Euro 56.48 million (Euro 62.31 million at March 31, 2010)**

Turin, August 26, 2010

The Board of Directors, chaired by Mr. Nunzio Chiolo, Chairman and Chief Executive Officer of Conafi Prestitò, a company listed on the MTA market, specialised in the provision of loans with repayment through direct salary or pension deductions, today approved the 2010 first half-year results.

The Chairman and Chief Executive Officer of Conafi Prestitò, **Nunzio Chiolo**, commented:

"Although the half-year was greatly affected by the performance in the first months of the year, the second quarter has seen significant growth both in terms of the overall result and business levels, assisted by the progressive normalisation of the sector and the stabilisation of the global economy. The current reorganisation of the distribution network and the consumer credit transparency regulations contained in the European directive 2008/48 recently enacted in Italy by the Government on July 30 support the reaching of the objectives of the strategic plan."

Consolidated results for the six months to June 30, 2010

The **brokerage margin** amounted to Euro 4.14 million (Euro 5.96 million in 1H 2009). The result was affected by the reduction in volumes and the reduced average account balances. **Net commissions** amounted to Euro 3.63 million compared to Euro 5.04 million in 1H 2009.

The **pre-tax result** was a loss of Euro 1.91 million (loss of Euro 0.32 million in the first half of 2009). **Administrative expenses** were substantially stable at Euro 5.96 million (Euro 5.65 million in 1H 2009).

The **group net loss** was Euro 1.81 million (Euro 0.45 million in the first half of 2009).

The **net cash position** totalled Euro 56.48 million, compared to Euro 62.31 million at March 31, 2010.



Operating activities

The performance in the first half-year, although weaker than 2009, recorded a significant improvement in the principal indicators in Q2 from Q1:

- Growth of 23% in the brokerage margin
- A 41% improvement in the operating result
- Reduction of 40% in the parent company loss

valori espressi in migliaia di euro

	1Q 2010	2Q 2010	% cge (2Q vs 1Q)
interest margin	295	214	-27%
net commissions	1559	2071	33%
brokerage margin	1854	2285	23%
operating loss	-1205	-708	41%
loss before taxes from current operations	-1205	-697	42%
net loss from current operations	-1155	-669	42%
loss for the period	-1155	-669	42%
parent company loss for the period	-1134	-680	40%

The volume data confirms the significant improvement: gross loans in Q2 amounted to Euro 22,09 million with growth of 86% on the first quarter. The change in the same period in 2009 was 49%.

valori espressi in migliaia di euro

	30.06.2010	30.06.2009
	Gross value	Gross value
QUARTER 1	11,905	19,908
QUARTER 2	22,087	29,653
TOTAL	33,992	49,561

Buy-back programme

In 2010, pursuant to the share buy-back plan expiring on October 30, 2011, the Group purchased 610,450 shares for a total value of Euro 592,175.

At 30/06/2010 Conafi Prestitò held 3,177,586 treasury shares, equal to 6.83352% of the share capital for a total value of Euro 4,499,247.

Subsequent events to the period end

In July 2010 the strategic lines for the 2010-2013 period were approved which established a path for reaching breakeven in 2010 and returning to profit from 2011.

The principal objectives of the plan are:

- growth in volumes in the core business, through the strengthening of the commercial channels and the development of a single mandate distribution network;



- increasing the value of the corporate sector investments, consolidating the companies through cross selling strategies and the creation of innovative services for business through the subsidiary Network and Business S.r.l.;
- management of capital, with use of liquidity to support the organic growth of the core business, benefitting from investment opportunities on the secondary market with high yields.

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 Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

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 with repayment through direct salary or pension deductions. 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 MTA segment of the Italian Stock Exchange since April 12, 2007.

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Attachments:

- **Consolidated Income Statement for 1H 2010**
- **Consolidated Balance Sheet at June 30, 2010**
- **Net financial position at June 30, 2010**
- **Consolidated Cash Flow Statement at June 30, 2010**



Consolidated Income Statement (in millions of Euro)

	Account	1H 10	1H 09
10.	Interest income and similar	619	1.023
20.	Interest expense and similar charges	(110)	(132)
	INTEREST MARGIN	509	891
30.	Commission income	7.082	8.248
40.	Commission expenses	(3.452)	(3.208)
	NET COMMISSION	3.630	5.040
90.	Profit from sale or repurchase:		30
	a) financial assets		30
	BROKERAGE MARGIN	4.139	5.961
100.	Write-down/write-back on	(57)	(514)
	a) financial assets	(57)	(514)
110.	Administrative expenses	(5.966)	(5.649)
	a) personnel costs	(3.633)	(3.270)
	b) other administrative expenses	(2.333)	(2.379)
120.	Write-down/write-back of value of property, plant & equipment	(94)	(112)
130.	Write-down/write-back of value of intangible fixed assets	(89)	(76)
150.	Net provisions for risks and charges	(54)	(31)
160.	Other operating income	208	102
	LOSS FROM OPERATIONS	(1.913)	(319)
180.	Profit from investment sales	11	
	LOSS BEFORE TAXES FROM CURRENT OPERATIONS	(1.902)	(319)
190.	Income tax on current operations	78	(213)
	NET LOSS FROM CURRENT OPERATIONS	(1.824)	(532)
	NET LOSS	(1.824)	(532)



Consolidated Balance Sheet at 30.06.2010 (in millions of Euro)

	Account	30/06/10	31/12/09
10.	Cash and cash equivalents	7	6
40.	Financial assets available-for-sale	414	401
60.	Receivables	76.728	84.665
100.	Property, plant & equipment	542	544
110.	Intangible assets	3.060	3.109
120.	Tax assets:	4.185	4.625
	a) current	1.822	2.349
	b) deferred	2.363	2.276
140.	Other assets	3.837	3.396
	TOTAL ASSETS	88.773	96.746
10.	Payables	10.423	13.152
70.	Tax liabilities	502	532
	a) current	432	449
	b) deferred	70	83
90.	Other liabilities	14.376	14.081
100.	Employee leaving indemnity	429	426
110.	Provisions for risks and charges	451	428
	b) other provisions	451	428
120.	Share capital	11.160	11.160
130.	Treasury shares (-)	(4.499)	(4.438)
150.	Share premium reserve	65.225	68.890
160.	Reserves	(7.626)	1.059
170.	Valuation reserves	2	(6)
180.	Net loss for the period	(1.814)	(8.623)
190.	Minority interest equity	144	85
	TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	88.773	96.746



Net Financial Position (in millions of Euro)

Account/Value	30/06/2010	31/03/2010
Cash and cash equivalents	7	6
Bank current accounts	54,970	65,833
Liquidity (A)	54,977	65,839
Bank overdraft accounts	(6)	(2)
Net liquidity (B)	54,971	65,837
Loans in course of approval	7,526	3,516
Payables for advance repayment	(6,015)	(7,042)
Current Financial Account (C)	1,511	(3,526)
Net financial position (B+C)	56,482	62,311



Consolidated cash flow statement (in millions of Euro)

D. OPERATING ACTIVITIES	AMOUNT	
	30/06/10	30/06/09
1. OPERATIONS	(1.530)	201
- net loss for the period (+/-)	(1.824)	(532)
- net impairment charges (+/-)	57	514
- net adjustments on property, plant & equipment and intangible assets (+/-)	183	188
- net provisions for risks and charges and other costs/revenues (+/-)	54	31
2. LIQUIDITY GENERATED/ABSORBED FROM FINANCIAL ASSETS	(3.736)	(15.684)
- financial assets available-for-sale	(5)	70
- receivables from banks	(111)	(13.855)
- receivables from financial institutions	51	(871)
- receivables from customers	(3.715)	(1.701)
- other assets	44	673
3. LIQUIDITY GENERATED/ABSORBED FROM FINANCIAL LIABILITIES	(1.360)	613
- bank borrowings	(2.199)	203
- payables to financial institutions	27	7
- due to customers	(243)	(143)
- other liabilities	1.055	546
<i>Net liquidity generated/absorbed from operating activities</i>	<i>(6.626)</i>	<i>(14.870)</i>
E. INVESTING ACTIVITIES		
2. LIQUIDITY GENERATED/ABSORBED BY	(142)	(1.558)
- acquisitions of investments	(10)	(916)
- acquisition of tangible fixed assets	(92)	(49)
- acquisition of intangible fixed assets	(40)	(593)
- acquisition of business units	0	0
<i>Net liquidity generated/absorbed by investing activities</i>	<i>(134)</i>	<i>(1.558)</i>
F. FINANCING ACTIVITIES		
- issue/acquisition of treasury shares	(592)	(444)
- distribution of dividends and other	(3.484)	(4.184)
<i>Net liquidity generated/absorbed by financing activities</i>	<i>(4.076)</i>	<i>(4.628)</i>
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	(10.836)	(21.056)

RECONCILIATION

	AMOUNT	
	30/06/10	30/06/09
Cash and cash equivalents at the beginning of the period	65.813	80.491
Total net liquidity generated/absorbed during the period	(10.836)	(21.056)
Cash and cash equivalents at the end of the period	54.977	59.435