

CONAFI PRESTITÒ: Board of Directors approves 9M 2014 consolidated results

- **Net commissions** of Euro 3.6 million (Euro 3.1 million in 9M 2013)
- **Consolidated brokerage margin** loss of Euro 4.9 million (income of Euro 1.4 million in 9M 2013)
- **Consolidated net loss** of Euro 10.9 million (loss of Euro 5.2 million in 9M 2013)
- **Net cash position** of Euro 27.0 million (Euro 27.9 million at 30/06/2014)

Turin, November 12, 2014

The Board of Directors of Conafi Prestitò, a company listed on the MTA market, specialised in the provision of salary and pension-backed loans, chaired by Mr. Nunzio Chiolo, Chairman and Chief Executive Officer, today approved the 2014 first nine month results.

9M 2014 Consolidated results

In the first nine months of 2014, salary and pension-backed loan brokerage, although growing 40.2% compared to 2013 (with total loans brokered of Euro 32.0 million in 9M 2014 compared to Euro 22.8 million in 9M 2013), remained at insufficient levels, significantly impacted by the noted difficulties in sourcing new funding.

The consolidated result for 9M 2014 was a loss of Euro 10.9 million compared to a loss of Euro 5.2 million in the previous year, which however was significantly impacted by the approx. Euro 9 million treasury management loss, suspended in February 2014.

The Group at 30/09/2014 however had significant capital backing of approx. Euro 30 million, substantially in liquid or readily liquid form (with a net cash position of approx. Euro 27.0 million), comfortably exceeding regulatory requirements and working capital needs.

Significant events in the period

On April 14, 2014, the Board of Directors of the company approved the 2013 consolidated and separate financial statements which were subsequently approved by the Shareholders' AGM of May 22, 2014 (first call).

Also on April 14, the Board co-opted, in accordance with Article 2386 of the Civil Code, Mr. Marco Gerardo, previously General Manager of the Company, in replacement of the Director Massimiliano Naef who resigned on July 10, 2013.

On April 17, 2014, Mr. Carlo Colombotti resigned with effect from April 14, 2014 his position as a non-Executive Independent Director of Conafi Prestitò S.p.A..

On July 15, 2014, the introduction of the personnel mobility scheme was announced, with the departure of 96 employees, avoiding therefore further costs in the absence of the fresh funding sought for the development of the brokered loan business and in the case that social security schemes or other instruments to achieve corporate aims are not available.

Negotiations with the trade unions as part of the administrative process of the mobility scheme are still in progress.

Significant events after period-end

On October 23, 2014, in replacement of the Director Mr. Carlo Colombotti, who resigned on April 14, the Board of Directors of the Company co-opted in accordance with Article 2386 of the Civil Code Ms. Valentina Sanfelice di Bagnoli, as a non-executive independent director.

Outlook

The difficulties in sourcing sufficient funding have required - also in 2014 - arduous commitments to maintain the current operating model.

The Group is however backed by a significant capital base, substantially invested in liquid or readily liquid assets and considerably exceeding regulatory requirements and working capital needs.

The meetings and discussions continued with leading financial operators for the sourcing of the new funds necessary to re-establish growth and to improve the core business which may offer significant opportunities in view of the extensive potential customer base.

Meetings are also being held with the social partners, also on an institutional basis, in order to assess possible options to reach an agreement which will allow for a significant containment of overhead costs and, hopefully, the maintenance of employment.

With the continued insufficient availability of funding and the consequent reduced business volumes, despite the actions taken to restructure and to control operating costs, 2014 will also report operating losses, which however may be comfortably absorbed by the available equity.

Other Board of Directors' resolutions

The Board of Directors today approved the updating of the 2014 company process regulations.



PRESS RELEASE
Turin, November 12, 2014

Declaration of the executive officer responsible for the preparation of the company's financial statements

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.

Pursuant to Article 65-bis, paragraphs 2 and 82 of Consob Regulation No. 11971/1999 as supplemented, the Interim Report as at September 30, 2014, not subject to limited review by the Independent Audit Firm, is available to the public at the registered office of the company and at Borsa Italiana S.p.A..

The present press release is also available on the company's website www.conafi.it.

Conafi Prestito S.p.A., with headquarters in Turin, is a financial broker, registered in the general list of financial brokers 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. 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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PRESS RELEASE
Turin, November 12, 2014

Attachments

- Consolidated Balance Sheet at September 30, 2014
- 9M 2014 Consolidated Income Statement
- Consolidated Net Financial Position at September 30, 2014
- Consolidated Cash Flow Statement at September 30, 2014
- Consolidated Group Companies at September 30, 2014

CONSOLIDATED BALANCE SHEET AT September 30, 2014

	Assets	30/09/14	31/12/13	Change
10.	Cash and cash equivalents	4	5	-20.00%
20.	Held-for-trading financial assets		1,318	n.a.
40.	Available-for-sale financial assets	1,671	2,526	-33.85%
60.	Receivables	42,864	51,573	-16.89%
100.	Property, plant & equipment	217	247	-12.15%
110.	Intangible assets	463	469	-1.28%
120.	Tax assets:	2,760	3,248	-15.02%
	a) current	795	1,180	-32.63%
	b) deferred	1,965	2,068	-4.98%
140.	Other assets	5,418	3,018	79.52%
	TOTAL ASSETS	53,397	62,404	-14.43%
	Liabilities and shareholders' equity	30/09/14	31/12/13	
10.	Payables	6,317	5,538	14.07%
70.	Tax liabilities	55	20	175.00%
	a) current	6	11	-45.45%
	b) deferred	49	9	444.44%
90.	Other liabilities	15,501	14,696	5.48%
100.	Post-employment benefits	293	279	5.02%
110.	Provisions for risks and charges	474	491	-3.46%
	b) other provisions	474	491	-3.46%
120.	Share capital	11,160	11,160	0%
130.	Treasury shares (-)	(5,830)	(5,830)	0%
150.	Share premium reserve	34,155	56,783	-39.85%
160.	Reserves	2,020	(11,021)	-118.33%
170.	Valuation reserves	124	(47)	-363.83%
180.	Net loss	(10,872)	(9,336)	16.45%
190.	Minority interest equity		(329)	n.a.
	TOTAL LIABILITIES & NET EQUITY	53,397	62,404	-14.43%

(in Euro thousands)

9M 2014 CONSOLIDATED INCOME STATEMENT

	Account	9M 14	9M 13	Change
10.	Interest income and similar	634	720	-11.94%
20.	Interest expense and similar charges	(112)	(172)	34.88%
	INTEREST MARGIN	522	548	-4.74%
30.	Commission income	6,130	5,626	8.96%
40.	Commission expenses	(2,482)	(2,486)	0.16%
	NET COMMISSIONS	3,648	3,140	16.18%
50.	Dividends and similar income		4	n.a.
60.	Net result from trading operations	(9,042)	(2,219)	-307.48%
90.	Profit from sale or repurchase:		(56)	n.a.
	a) financial assets		(56)	n.a.
	BROKERAGE MARGIN	(4,872)	1,417	-443.82%
100.	Write-down/write-back on:	(669)	(903)	25.91%
	a) financial assets	(559)	(945)	40.85%
	b) other financial operations	(110)	42	-361.90%
110.	Administrative expenses	(5,161)	(5,423)	4.83%
	a) personnel costs	(3,522)	(3,508)	-0.40%
	b) other administrative expenses	(1,639)	(1,915)	14.41%
120.	Write-down/write-back of value of property, plant & equipment	(72)	(94)	23.40%
130.	Write-down/write-back of value of intangible fixed assets	(11)	(346)	96.82%
150.	Net provisions for risks and charges	14	197	-92.89%
160.	Other operating income / charges	(18)	(103)	82.52%
	RESULT FROM NORMAL OPERATIONS	(10,789)	(5,255)	-105.31%
180.	Loss on sale of investments	(1)	9	-111.11%
	LOSS BEFORE TAXES FROM CURRENT OPERATIONS	(10,790)	(5,246)	-105.68%
190.	Income tax on current operations	(101)	61	-265.57%
	LOSS AFTER TAXES FROM CURRENT OPERATIONS	(10,891)	(5,185)	-110.05%
	NET LOSS	(10,891)	(5,185)	-110.05%
210.	Loss - minority share	(19)	(101)	81.19%
220.	Group loss	(10,872)	(5,084)	-113.85%

(in Euro thousands)

CONSOLIDATED NET CASH POSITION AT September 30, 2014

Account/Value	30/09/14	30/06/14	Change %
Cash	4	3	33.33%
Bank current accounts	28,262	28,318	-0.20%
Cash equivalents		50	-100.00%
Liquidity (A)	28,266	28,371	-0.37%
Bank overdraft accounts	(7)	(6)	-16.67%
Net liquidity (B)	28,259	28,365	-0.37%
Net trading position	-	-	n.a.
Loans in course of approval	2,052	2,643	-22.36%
Payables for advance repayment	(3,343)	(3,055)	-9.43%
Current Financial Account (C)	(1,291)	(412)	-213.35%
Net Financial Position (B+C)	26,968	27,953	-3.52%

(in Euro thousands)

CONSOLIDATED CASH FLOW STATEMENT AT September 30, 2014

A. OPERATING ACTIVITIES	AMOUNT		
	30/09/14	31/12/13	Change
1. OPERATIONS	(10,153)	(6,499)	-56.22%
- loss for the period	(10,891)	(9,436)	-15.42%
- gain/loss on financial assets held-for-trading and on financial assets/liabilities	0	(37)	n.a.
- net impairment losses on loans	669	1,642	-59.26%
- net impairment on property, plant & equipment and intangible assets	83	1,492	-94.44%
- net provision for risks and charges and other costs and revenues	(14)	(160)	91.25%
2. LIQUIDITY GENERATED/ABSORBED FROM FINANCIAL ASSETS	(984)	3,177	-130.97%
- held-for-trading financial assets	1,318	1,880	-29.89%
- AFS financial assets	1,115	0	n.a.
- bank receivables	(368)	1,332	-127.63%
- receivables from financial institutions	57	(39)	246.15%
- client receivables	(1,202)	(320)	-275.63%
- other assets	(1,904)	324	-687.65%
3. LIQUIDITY ABSORBED FROM FINANCIAL LIABILITIES	1,521	(1,673)	190.91%
- bank payables	1,140	(152)	850.00%
- payables to financial institutions	(3)	(12)	75.00%
- client payables	(357)	(643)	44.48%
- other liabilities	741	(866)	185.57%
<i>Liquidity generated/absorbed by operating activities</i>	(9,616)	(4,995)	-92.51%
B. INVESTING ACTIVITIES			
1. LIQUIDITY GENERATED BY	0	78	n.a.
- sale of property, plant and equipment	0	7	n.a.
- sale of intangible assets	0	25	n.a.
- sale of business units	0	46	n.a.
2. LIQUIDITY ABSORBED BY	(47)	(87)	45.98%
- purchase of property, plant and equipment	(42)	(42)	0.00%
- purchase of intangible assets	(5)	(45)	88.89%
<i>Net liquidity generated/absorbed by investing activities</i>	(47)	(9)	-422.22%
C. FINANCING ACTIVITIES			
- issue/purchase of treasury shares	0	(226)	n.a.
- distribution of dividends and other	0	(2,532)	n.a.
<i>Net liquidity generated/absorbed by financing activities</i>	0	(2,758)	n.a.
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	(9,663)	(7,762)	-24.49%

RECONCILIATION

	AMOUNT		
	30/09/14	31/12/13	Change
Cash & cash equivalents at the beginning of the period	37,922	45,685	-16,99%
Total net liquidity generated/absorbed during the period	(9,663)	(7,762)	-24,49%
Cash and cash equivalents at the end of the period	28,259	37,923	-25,48%

(in Euro thousands)

CONSOLIDATED GROUP COMPANIES AT SEPTEMBER 30, 2014

Company	Registered office	Type of holding (1)	Holding	Share capital	% held	Voting %
Alba Finanziaria S.p.A. Società Unipersonale	Turin. Via Cordero di Pamparato 15	1	Conafi S.p.A.	1,200,000	100%	100%
Holding Partecipazioni Business S.p.A Società Unipersonale	Turin. Via Cordero di Pamparato 15	1	Conafi S.p.A.	120,000	100%	100%
Alta Italia Servizi Srl . Società Unipersonale	Turin. Via Cordero di Pamparato 15	1	HPB S.p.A. Società Unipersonale	24,631	100%	100%
(1) Type of holding = 1, majority of voting rights at the Shareholders' AGM						