CASSA DEPOSITI E PRESTITI
SOCIETÀ PER AZIONI

CDP S.p.A.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

at 30 June 2009

Condensed interim separate financial statements at 30 June 2009

Cassa depositi e prestiti società per azioni

REGISTERED OFFICE

ROME – Via Goito, 4

COMPANY REGISTER OF ROME

Entered in Company Register of Rome no. 80199230584

Registered with Chamber of Commerce of Rome at no. REA 1053767

SHARE CAPITAL

Share capital €3,500,000,000.00 fully paid-up

Tax code 80199230584 – VAT registration no. 07756511007

Board of Directors (in office at 30 June 2009)

Franco Bassanini	*Chairman*	
Massimo Varazzani	*Managing Director*	
Francesco Giovannucci	*Director*	
Vittorio Grilli	*Director*	
Nunzio Guglielmino	*Director*	
Ettore Gotti Tedeschi	*Director*	*(1)*
Fiorenzo Tasso	*Director*	
Luisa Torchia	*Director*	
Gianfranco Viesti	*Director*	

Supplementary members for administration of Separate Account

(Article 5.8, Decree Law 269/2003, ratified with amendments by Law 326/03)

State Accountant General	*Director*	*(2)*
Director General of the Treasury	*Director*	*(3)*
Isaia Sales	*Director*	
Francesco Scalia	*Director*	
Giuseppe Pericu	*Director*	

(1) Appointed on 29 April 2009 following the death of director Gianfranco Imperatori

(2) Edoardo Grisolia, delegate of the State Accountant General

(3) Maria Cannata, delegate of the Director General of the Treasury

Preference Shareholders Support Committee

Mario Nuzzo	*Chairman*
Teresio Barioglio	*Member*
Pier Giuseppe Dolcini	*Member*
Amedeo Grilli	*Member*
Francesco Lorenzetti	*Member*
Antonio Marotti	*Member*
Massimo Paniccia	*Member*
Marco Parlangeli	*Chairman*
Stefano Poli	*Member*
Roberto Saro	*Member*
Davide Tinelli	*Member*

Steering Committee

Giuliano Segre	*Chairman*
Carlo Colaiacovo	*Member*
Adriano Giannola	*Member*
Matteo Melley	*Member*
Antonio Miglio	*Chairman*
Francesco Parlato	*Member*
Antimo Prosperi	*Member*
Massimo Varazzani	*Member*

Board of Auditors

Alberto Sabatini	*Chairman*
Mario Basili	*Auditor*
Biagio Mazzotta	*Auditor*
Fabio Alberto Roversi Monaco	*Auditor*
Antonello Arru	*Auditor*
Francesco Bilotti	*Alternate*
Gerhard Brandstätter	*Alternate*

Parliamentary Supervisory Committee

Tommaso Foti	*Chairman*
Massimo Bitonci	*Deputy Chairman*
Salvatore Cultrera	*Secretary for Confidential Matters*
Cinzia Bonfrisco	*Parliamentary member*
Paolo Franco	*Parliamentary member*
Giovanni Legnini	*Parliamentary member*
Valter Zanetta	*Parliamentary member*
Pietro Franzoso	*Parliamentary member*
Oriano Giovanelli	*Parliamentary member*
Luigi Papiano	*Non-parliamentary member*
Salvatore Giacchetti	*Non-parliamentary member*
Gaetano Trotta	*Non-parliamentary member*

Judge of the State Audit Court
(Article 5.17, Decree Law 269/2003 – attends meetings of the Board of Directors and the Board of Auditors)

Luigi Mazzillo

Independent auditors

KPMG S.p.A.

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MAIN INDICATORS

Reclassified balance sheet

	30/06/2009 (€/mil)	31/12/2008 (€/mil)	Change (%)
ASSETS			
Cash and cash equivalents	114,512	106,863	7.2%
Loans to customers and banks	83,624	82,237	1.7%
Debt securities	659	662	-0.4%
Equity investments and shares	16,745	13,869	20.7%
Assets held for trading and hedging derivatives	808	502	61.1%
Property, plant and equipment and intangible assets	212	214	-1.1%
Accrued income, prepaid expenses and other non-interest-bearing assets	3,093	4,770	-35.2%
Other assets	716	672	6.5%
Total assets	**220,369**	**209,789**	**5.0%**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Funding	205,570	195,603	5.1%
- postal funding	*183,803*	*175,116*	*5.0%*
- funding from banks	*655*	*470*	*39.3%*
- funding from customers (excluding postal funding)	*10,710*	*10,119*	*5.8%*
- funding from securities	*10,403*	*9,899*	*5.1%*
Liabilities held for trading and hedging derivatives	1,428	1,671	-14.5%
Accrued income, prepaid expenses and other non-interest-bearing liabilities	1,425	879	62.2%
Other liabilities	1,040	985	5.6%
Provisions for contingencies, taxes and staff severance benefit	672	935	-28.2%
Shareholders' equity	10,233	9,716	5.3%
Total liabilities and shareholders' equity	**220,369**	**209,789**	**5.0%**

Reclassified income statement

	1st half 2009 (€/mil)	1st half 2008 (€/mil)	Change (%)
Interest income and similar revenues	4,232	3,985	6.2%
of which on loans to customers and banks	*2,051*	*1,919*	6.9%
Interest expense and similar charges	(2,922)	(2,816)	3.8%
NET INTEREST INCOME	**1,309**	**1,169**	**12.0%**
Dividends	566	629	-10.0%
Commission income	4	3	71.7%
Commission expense	(452)	(404)	11.8%
of which postal savings management commissions	*(452)*	*(404)*	*11.8%*
Net gain (loss) on trading activities	(6)	(4)	61.4%
Net gain (loss) on hedging activities	(29)	(3)	N/S
Gains (losses) on disposal or repurchase of assets and liabilities	5	3	97.7%
GROSS INCOME	**1,396**	**1,391**	**0.4%**
Net impairment adjustments	0	(1)	N/S
of which impairment adjustments of loans	*0*	*(1)*	*N/S*
NET INCOME FROM FINANCIAL OPERATIONS	**1,396**	**1,390**	**0.4%**
Administrative expenses	(30)	(28)	4.3%
of which staff costs	*(18)*	*(16)*	*9.2%*
Other operating income (expenses)	0	0	84.5%
OPERATING INCOME	**1,367**	**1,362**	**0.4%**
Net provisions	0	(4)	N/S
Net adjustments of non-current assets	(5)	(4)	8.9%
Gains (losses) on equity investments	0	(266)	N/S
Gains (losses) on disposal of investments	0	0	N/S
INCOME (LOSS) BEFORE TAX ON CONTINUING OPERATIONS	**1,363**	**1,088**	**25.3%**
Income tax	(324)	(283)	14.7%
NET INCOME FOR THE PERIOD	**1,039**	**805**	**29.0%**

(millions of euros)

MAIN INDICATORS

	2009	2008
BALANCE SHEET DATA (balances at 30 June 2009 and 31 December 2008)		
Total assets	220,369	209,789
Loans to customers and banks	83,624	82,237
Equity investments and shares	16,745	13,869
Postal funding	183,803	175,116
Other direct funding	21,112	20,018
Shareholders' equity	10,233	9,716
PERFORMANCE DATA (accruing in 1st half of 2009 and 2008)		
Net interest income	1,309	1,169
Dividends	566	629
Net commissions	(448)	(402)
Other net revenues	(31)	(5)
Gross income	1,396	1,391
Net writedowns	0	(1)
Overheads	(34)	(32)
Operating income	1,367	1,362
Net income	1,039	805
PERFORMANCE RATIOS (%) (annualised, where material, on the basis of accruals for 1st half)		
Spread on interest-bearing assets - liabilities	1.4%	1.4%
Cost/income ratio	2.4%	2.3%
ROE	21.4%	11.2%
CREDIT RISK RATIOS (%) (values at 30 June 2009 and 30 June 2008)		
Gross bad debts / Gross loans to customers	0.128%	0.076%
Net writedowns/ Net loans to customers	0.000%	0.001%
OPERATING STRUCTURE (averages of 1st half 2009 and 2008)		
No. of employees	406	394

1. INTRODUCTION

1.1 CDP'S ROLE AND MISSION

Cassa Depositi e Prestiti S.p.A. (CDP S.p.A.) is the result of the transformation of CDP S.p.A. from an agency part of general government into a joint-stock company pursuant to Article 5 of Decree Law 269 of 30 September 2003, ratified by Law 326/2003.

CDP pursues public interest goals, positioning itself as a private-law financial institution that provides support for national and local infrastructure projects that contribute to the development of the country, leveraging its solid financial position and reputation.

Since 2003, when it was transformed into a joint-stock company, CDP has supplemented its traditional business of providing direct financial support to public entities with financing projects for the delivery of public services, pursuing a market-based approach of optimising its risk exposure and maximizing profitability.

Recent regulatory changes and amendments to its articles of association have made it possible for CDP to finance infrastructure projects, adding decision-making based on identifying long-term economic value to the usual market-based financial approach.

In its dual role as a market player and long-term investor, CDP seeks to be a key partner for public entities, playing a complementary role to other private-sector lenders (particularly banks) in financing investments in infrastructure and other public works that have the appropriate degree of sustainability both in terms of their long-term economic value and their ability to offer a financial return compatible with the market.

CDP therefore serves as a bridge between government's desire to implement its planning decisions without burdening on the public debt and the interest of private investors to take part in these infrastructure projects, taking appropriate steps to render the time horizon and the level of risk normally acceptable to compatible with the investment's financial profile.

1.2 PERFORMANCE IN THE FIRST HALF OF 2009

A number of regulatory changes introduced since the end of 2008 have expanded the potential uses of postal savings by permitting them to be used to finance projects undertaken also by non-government entities, and, more generally, have broadened the scope of CDP's activities to include economic support measures.

Since its founding, CDP has financed investments on the government budget using funds raised through postal savings. With the regulatory changes described below, CDP will be able to continue to finance those investments of general interest that affect the economic and social development of the nation using innovative procedures that do not negatively impact the government debt. CDP also takes over steps to boost the economy with the injection of medium/long-term credit in order to help stabilise the credit market, which is currently being buffeted by the international financial crisis.

As to the funding of infrastructure and other public works, Article 22 of Decree Law 185/2008, ratified with Law 2/2009, amends Article 5, paragraph 7, letter a) of the Decree Law transforming CDP into a joint-stock company to allow the use of postal savings to finance all other operations set out in the Articles of Association that are in the public interest and that are promoted by the State, local authorities, other public entities and public-law entities, taking into account the economic and financial sustainability of each such operation. The measure charged the Minister for the Economy and Finance with establishing the general criteria to be used in identifying operations eligible for financing. These criteria were set out in the ministerial decree of 12 March 2009, which identified the following categories of operations "promoted" by public bodies:

- recipients of long-term grants and national or community subsidies;
- projects included in the promoters' programmes, plans or other planning mechanisms;
- projects co-financed by the European Investment Bank (EIB);
- projects carried out under agreements between EU member states or institutions;
- projects intended to accomplish the bodies' institutional duties;
- projects carried out through the concession of public assets, tenders for works or services, public works;
- projects carried out via public-private partnerships (PPP).

As regards economic support measures, Article 3, paragraph 4-bis of Decree Law 5/2009, ratified by Law 33/2009, extended the use of postal savings to include the provision of financing to small and medium enterprises (SMEs), provided that the operation is conducted through banks. To accomplish this, CDP expects to make up to €8 billion available to banks.

In addition, to promote the reconstruction of the areas of Abruzzo hit by earthquakes in April 2009, Article 3, paragraph 3 of Decree Law 39/2009, ratified by Law 77/2009, establishes that banks operating in the stricken areas may obtain up to €2 billion in loans from CDP. Banks must use these funds to make loans to people hit by the earthquakes. These loans will be repaid using a tax credit mechanism and can be backed by the State. CDP also enacted other measures in favour of its customers affected by the earthquakes, such as interest-free deferment of payments due in 2009 for 12 months.

Finally, Article 8 of Decree Law 78/2009 authorizes and governs the activities of CDP in support of SACE S.p.A. to create an integrated "export bank" system operating on market terms and conditions. The public-interest operations that CDP can engage in using postal savings include projects to support the international expansion of enterprises that are guaranteed or insured by SACE.

Under all these economic support programmes, CDP will work with the banks and will assume a credit risk exposure in respect of the State or the banks themselves.

In response to the changes introduced, in the first few months of the year CDP focused internally on implementing, in the areas of its responsibility, the various legislative provisions discussed above, on preparing the new Business Plan and on reviewing internal processes.

First, the CDP Extraordinary Shareholders' Meeting of 13 May 2009 approved the amendments to the corporate purpose section of CDP's articles of association, bringing it into line with the provisions of Article 22 of Decree Law 185/2008, ratified with Law 2/2009 (financing for projects promoted by public entities) and Article 3, paragraph 4-bis of Decree Law 5/2009, ratified with Law 33/2009 (funds for lending to SMEs) in particular.

On 28 May 2009, CDP signed an agreement with the Italian Banking Association (ABI) governing the use of the first €3 billion (out of the €8 billion total authorised) in funds available for loans to SMEs under Decree Law 5/2009. In accordance with the general principles agreed, CDP will disburse loans to banks using funds raised through the postal savings system, thereby enabling the banks to grant medium and long-term loans to SMEs. Moreover, under the framework agreement signed on 30 June 2009 between ABI and SACE S.p.A., SACE can issue guarantees for up to 50% of the principal and interest financed (triggered in the event the SME fails to repay the loan) in order to facilitate advances on receivables due to SMEs from government departments or to promote international expansion.

On 3 July, CDP signed the first agreement with ABI concerning funding to repair homes in areas hit by the recent earthquake. The funds will be distributed through banks operating in Abruzzo. Further, similar agreements are expected to follow concerning funding to rebuild or purchase new homes, financed out of the €2 billion allocated by CDP for this purpose.

Finally, on 6 July, CDP signed a framework agreement with the EIB to strengthen and expand cooperation in extending financing to government bodies and public-sector enterprises, local authorities, private-sector groups and SMEs in Italy. As to co-financing between the EIB and CDP, the agreement envisages joint action to identify projects, particularly infrastructure works, conduct the preliminary processing, identify forms of financing and make funding available to the final beneficiaries on the best terms available. The framework agreement could apply to joint programmes for projects promoted by SMEs through banks.

As for other significant events during the period, in June CDP subscribed the capital increase by Enel S.p.A., in which it holds a stake, for around €3 billion. In addition to its own share, CDP also subscribed the portion of the capital increase attributable to the Ministry for the Economy and Finance, acquiring the Ministry's pre-emption rights. As a result of the capital increase, completed in early July, CDP's stake in Enel rose to 17.4%.

A preliminary agreement was reached between the heads of CDP and Poste Italiane S.p.A., which will shortly be formalized and submitted to the Board of Directors for approval, to renew the Agreement that expired at the end of 2008 concerning the management of postal savings.

Internationally, a series of initiatives under the "Long-Term Investors Club" project established by the EIB, Caisse des Dépôts et Consignation (CDC), CDP and Kreditanstalt für Wiederaufbau (KfW) last April were pursued. The Club's main goal is to underscore the importance of long-term investors for European financial stability and economic growth, a strategic role in the current crisis. Through the Club, members will reinforce their reciprocal ties by promoting common initiatives and will foster the search for long-term investments. A specific example is CDP's participation in the Marguerite fund, which invests in EU countries. The EIB serves as the fund manager, and CDP, CDC (France), ICO (Spain), KfW (Germany) and PKO (Poland) are sponsors. The goal of the fund is to finance infrastructure programmes, specifically in the energy, environmental and transport sectors.

Likewise, CDP, in cooperation with CDC, CDG (Morocco) and EFG-Hermes (Egypt), is launching the InfraMed Infrastructure Fund ("IIF") to finance sustainable urban development and energy and transport infrastructures in the Southern and Eastern Mediterranean region, within the framework of the Mediterranean Union.

Finally, CDP's shareholders (MEF and the 66 banking foundations) recently announced that they plan to amend certain articles of the articles of association concerning the preferred shares currently held by the foundations. Specifically, the mandatory, automatic conversion of preferred shares into ordinary shares, originally scheduled for 1 January 2010, has been postponed for three years. The amendments are subject to the approval of the upcoming Extraordinary Shareholders' Meeting.

2. THE GENERAL MACROECONOMIC SITUATION

2.1 THE MACROECONOMIC FRAMEWORK

In the first half of 2009, the financial crisis affected the world economy, triggering a contraction in GDP in the advanced economies and a slowdown in the emerging economies.

Since late 2008, the EU's major countries – France, Germany, Italy, the United Kingdom and Spain – have implemented corrective measures at the domestic and Community level.

In December 2008, the Council of the European Union approved the European Economic Recovery Plan macro-economic support package, which envisages initiatives worth a total of 1.5% of the EU's 2009 GDP, of which the Community budget is expected to contribute 0.3%.

On April 2, the G20 resolved to increase funding to the International Monetary Fund (IMF) by earmarking $250 billion to support trade credit in the emerging economies, and to back anti-recessionary macroeconomic policies, and financial system oversight and regulation.

Extraordinary new support measures have been enacted in the main economies. In the leading euro-area economies, financial institutions have benefited from official public guarantees to issue bank bonds.

In Italy, overall economic support resources earmarked for 2009 amount to around half a percentage point of GDP, funded through offsetting interventions of the opposite sign in order to ensure they have a neutral impact on the budget. Previously appropriated funds have also been redirected to areas which are more effective in stimulating aggregate demand. The size and type of actions taken in Italy reflect the prudent approach dictated by the size of the country's public debt. Of particular importance is the support offered to banks by the Ministry for the Economy and Finance through an undertaking to subscribe bank-issued securities (so-called Tremonti bonds) in order to increase lending capacity by strengthening banks' capitalisation.

2.2 THE FINANCIAL MARKET AND RATES

After a period of high volatility at the start of the year, from late February the world's financial markets have been characterised by an increasing sense of stabilisation. The generalised attenuation of uncertainty has led to a reduction in the prices of long-term government securities, with upward pressure being exerted on yields and the re-weighting of portfolios towards higher-risk assets. On the bond markets, ten-year US government bond yields rose from around 2.5% in January to 3.7% in June; in the euro area, they rose to around 4%. As a result, by the end of June the differential between nominal interest rates on ten-year US and euro-area bonds had narrowed significantly, to around -40 basis points.

Over the last three months, the spreads on financial and non-financial corporate bonds have diminished further still in the euro area. Together with a protracted rise in corporate bond issues, this trend suggests that market pessimism is abating, and that there is an increased propensity for risk. Nevertheless, the spread on corporate debt continues to remain at high levels.

In the first half of 2009, all money market rates (for both unsecured and secured deposits) came down for all maturities, in line with reductions in European Central Bank (ECB) reference rates, as money market conditions gradually returned to normal. During the first half of the year, the six-month Euribor rate fell by around 163 basis points.

Since the start of the year, the slope of the euro interest rate swap (IRS) yield curve has steadily steepened, with declining rates on maturities of up to ten years, and higher rates on longer-dated maturities. The differential between 12-year and two-year IRSs, which stood at 1.6% at the end of January, had risen to around 2% by the end of June. Over the first half of the year, the interest rate on main refinancing operations in the Eurosystem was reduced by a total of 150 basis points to 1%.

Since the start of the year, general stock market indices in the United States and the euro area, as measured respectively by the Standard & Poor's 500 and the Dow Jones Euro Stoxx, rose by an average of around 4.6% and 7%.

The euro/dollar exchange rate, which moved downwards in early 2009, began to appreciate once more from March onwards. In particular, diminishing perceptions of risk may have persuaded investors to close positions in "safe" currencies (such as the US dollar and Japanese yen). As at June 30, 2009, one euro was trading at $1.40, a rise of 9.8% compared with the end of January, but a reduction of 4.6% compared with the 2008 average of $1.4711.

2.3 PUBLIC FINANCES

Public finance figures published by the European Commission in April 2009 showed a worsening of the average general government budget balance, which went from –0.6% of GDP in 2007 to –1.9% of GDP in 2008. The main reasons for increased deficits are the economic slowdown, higher primary spending and reduced revenues, in part as a result of fiscal stimulus measures adopted by the majority of euro-area countries. The ratio of general government debt to GDP also rose, up from 66.1% in 2007 to 69.3% in 2008. The ratio rose fastest in countries where the slowdown in economic activity was the sharpest or where injections of capital into the financial sector have been at their highest.

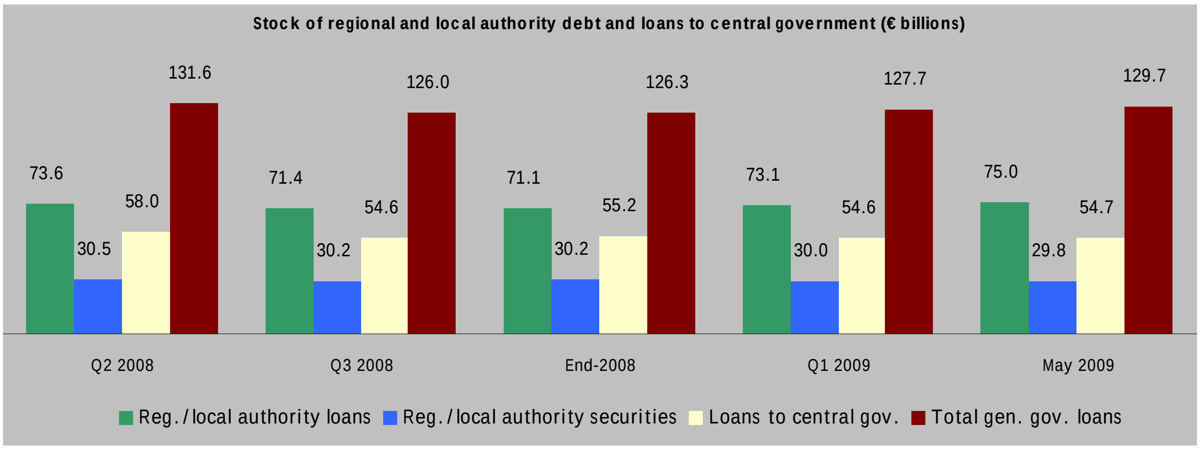
As far as Italy is concerned, according to the data that ISTAT sent to the European Commission in April 2009, at the end of 2008 net general government borrowing amounted to 2.7% of GDP, significantly worse than the 2007 figure of 1.5% of GDP. At the end of 2008, the ratio of debt to GDP was 105.8% (compared with 103.5% for 2007).

At 31 May 2009, the stock of loans disbursed to local and regional authorities was €75.0 billion, an increase of 5.4% over the end of 2008 (€71.1 billion).

At the same date, the stock of securities issued by local and regional authorities amounted to €29.8 billion, a slight decline (1.4%) compared with the €30.2 billion at the end of 2008.

Total debt for regional and other local governments, including securitisation transactions recognised as public debt (€5.3 billion), bonds and other debt and securities issued, therefore reached €110.0 billion. The total stock of debt posted a 3.2% rise compared with the end of 2008, as a result of developments in lending.

At the end of May, loans with costs charged to central government amounted to €54.7 billion, down 0.9% compared with the end of 2008.



Source: Bank of Italy. The time series are subject to revision in conjunction with periodic updates to the figures.

A breakdown of the debt of regional and other local governments by type of financial instrument reveals a further increase in the proportion of lending granted by CDP S.p.A. and other monetary financial institutions (MFIs), corresponding to 68.1% of total debt (compared with 66.7% at the end of 2008), along with an ongoing reduction in the use of bond issues (27.1% of total debt, compared with 28.3% at the end of 2008). At the same date, securitisation transactions for regional and local authorities, which are treated as debt under Eurostat criteria, fell slightly to 4.8% of total debt, down from 5.0% at year end 2008.

3. CASSA DEPOSITI E PRESTITI

3.1 ORGANISATION

In the first half of 2009, CDP continued to evolve and develop its structure by further developing its organisational model, planning and reviewing organisational processes, and implementing infrastructure projects.

FURTHER DEVELOPMENT OF THE ORGANISATIONAL MODEL

The establishment of the post of managing director in late 2008 marked the start of a series of interventions involving the creation of a number of new management positions, alongside the creation of new organisational units.

Specifically, three new coordinator positions reporting directly to the managing director have been established: "Legal and Corporate Affairs", "Administration, Financial Reporting and Planning", and "Processes and Risk Management".

A Property division has been set up to support public entities in implementing and managing projects to leverage the value of their real estate holdings.

The Equity Investments department was set up to monitor the performance of CDP's main holdings; the Institutional Relations and External Communications department is in charge of strategies for developing institutional relations and external communications; the Logistics department and the Purchasing department, which were previously part of the same organisational unit, have been separated in order to enhance management efficiency in their specific areas of responsibility.

THE DESIGN AND REVISION OF ORGANISATIONAL PROCESSES

Business processes

Work continues on reviewing and re-engineering lending processes with a view to introducing operating guidelines and rules for granting loans. The resulting new processes will subsequently be adapted for roll out to the different business areas run by specific business units. This activity is closely related to the drafting of the new Lending Rules, which will become the cornerstone for assuming and managing credit risk.

Organisational and applications procedures having been planned and defined for granting and disbursing financing through the new lending instruments for bank lending to SMEs and work in the areas affected by the Abruzzo earthquake.

An organisational procedure has also been established for the granting of subsidised loans directly or indirectly to businesses, in response to specific legislation intended to support the economy and the public finances.

Finally, the organisational process for managing the company's treasury operations has been defined. Operations carried out by the treasury line of the Finance Front Office and activities regarding interbank market deposits have, further, all been formalised. The planning and implementation approach that CDP has adopted is conceived to ensure integrated and controlled management of CDP's overall liquidity position, and to ensure accounting separation between the different accounts.

Support processes

Purchasing management

Purchasing processes continued to be upgraded and updated, both in regard to regulatory changes for public tenders, and in view of the new division of responsibilities between the Purchasing department and the Logistics department, in the wake of the above-mentioned changes to CDP's organisational structure.

Human resource management

Following the completion of activities associated with mapping human resource management processes, new operational processes for management policies and administrative activities have been refined. Previously-defined processes have, furthermore, being updated to reflect recent changes to CDP's organisational structure.

Other monitoring processes

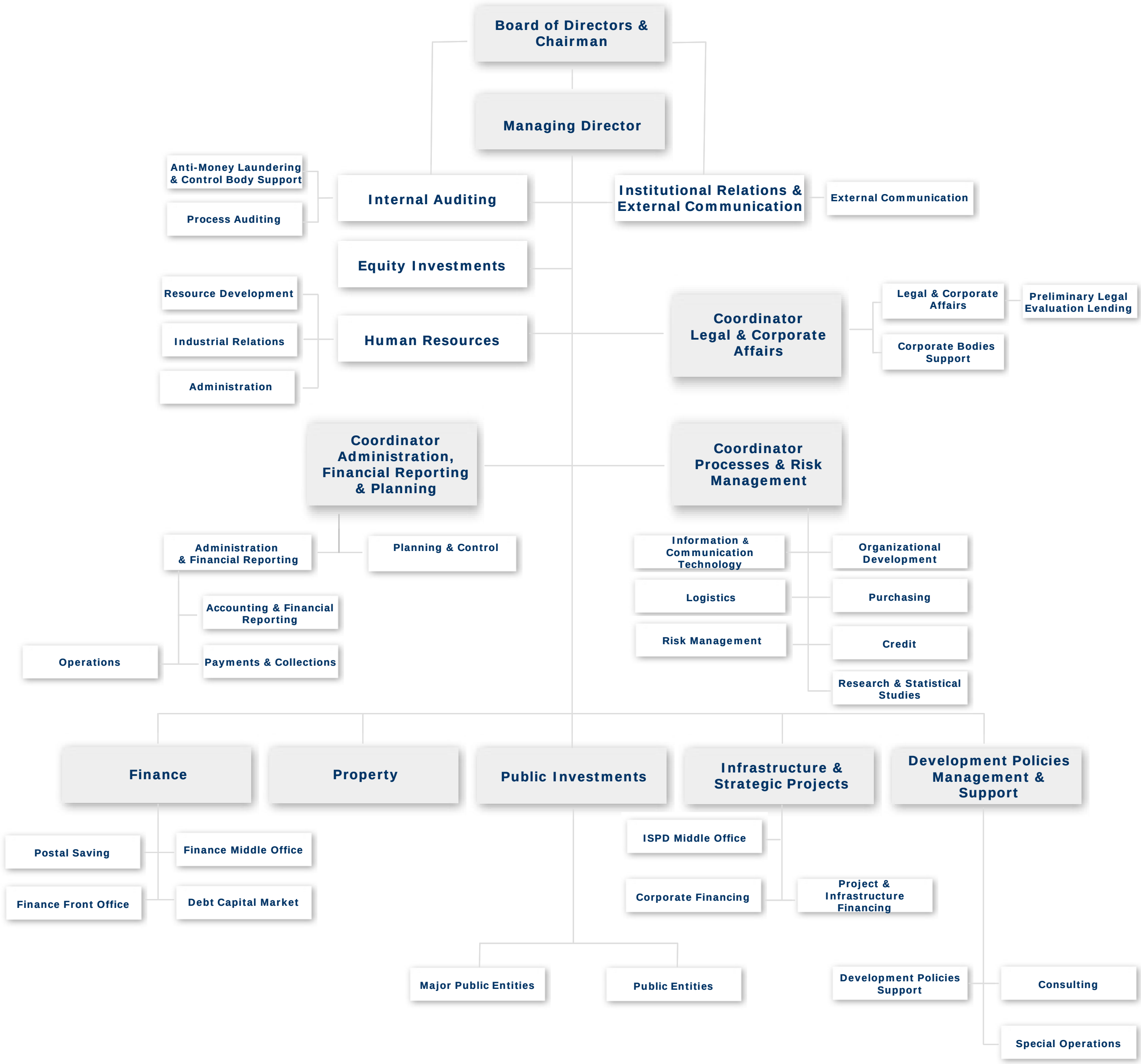
As part of the gradual process of compliance with regulations governing internal controls and anti-money-laundering procedures, new "know your customer" and "handling suspect transactions" processes have been developed, with the concomitant review and updating of operating process for managing the centralised database.

IMPLEMENTATION OF INFRASTRUCTURE PROJECTS

The study phase for integrating the Finance department's front–to–back operational support systems is now complete. In particular, an application solution has been identified for automating the settlement and accounting of finance products (derivatives, securities and short-term liquidity).

THE ORGANISATION CHART

The CDP organisation chart is as follows (company rules of 27 January 2009):



3.2 PERSONNEL

THE WORKFORCE AND PERSONNEL TRAINING

At 30 June 2009, CDP had 406 employees: 35 executives, 136 middle managers and 235 office staff.

In the first half of 2009, CDP supplied around 3,300 hours of training to 55% of its staff. Training initiatives included the start-up of a specific middle-management professional development course. The company also continued to provide training on regulatory and financial issues, in addition to overall professional training and improvement of IT and language skills.

4. RESULTS FOR THE PERIOD

In order to facilitate understanding of our results, the analysis of CDP S.p.A.'s financial position is provided using schedules reclassified on the basis of operational criteria, in line with the schedules that precede the descriptive section of the report on operations. The following table offers a reconciliation of the balance sheet items and the reclassified aggregates.

Balance sheet - Assets

		ASSETS - Reclassified schedules							
(€/mil)	1st half 2009	Cash and cash equivalents	Loans to customers and banks	Debt securities	Equity investments in associates and shares	Assets held for trading and hedging derivatives	Property, plant and equipment and intangible assets	Accrued income, prepaid expenses and other non-interest bearing assets	Other assets
ASSETS									
10. Cash and cash equivalents	115,815	113,671						2,144	
20. Financial assets held for trading	554					554			
40. Financial assets available for sale	12,644			204	12,437			2	
50. Financial assets held to maturity	205			200				5	
60. Loans to banks	1,351	841	501					9	
70. Loans to customers	84,311		83,122	255				933	
80. Hedging derivatives	254					254			
100. Equity investments	4,307				4,307				
110. Property, plant and equipment	206						206		
120. Intangible assets	6						6		
130. Tax assets	333								333
150. Other assets	383								383
Total assets	**220,369**	**114,512**	**83,624**	**659**	**16,745**	**808**	**212**	**3,093**	**716**

Balance sheet - Liabilities and shareholders' equity

		LIABILITIES AND SHAREHOLDERS' EQUITY Reclassified schedules					
(€/mil)	**1st half 2009**	**Funding**	**Liabilities held for trading and hedging derivatives**	**Accrued expenses, deferred income and other non-interest bearing liabilities**	**Other liabilities**	**Provisions for contingencies taxes and staff severance benefit**	**Shareholders' equity**
Liabilities and shareholders' equity							
10. Due to banks	805	657		148			
20. Due to customers	98,041	97,134		908			
30. Securities issued	108,149	107,780		370			
40. Financial liabilities held for trading	518		518				
60. Hedging derivatives	843		843				
70. Adjustment of financial liabilities hedged generically (+/-)	67		67				
80. Tax liabilities	669					669	
100. Other liabilities	1,040				1,040		
110. Staff severance pay	1					1	
120. Provisions	2					2	
130. Valuation reserves	885						885
160. Reserves	4,809						4,809
180. Share capital	3,500						3,500
200. Net income for the period (+/-)	1,039						1,039
Total liabilities and shareholders' equity	**220,369**	**205,570**	**1,428**	**1,425**	**1,040**	**672**	**10,233**

4.1 ASSETS

The following chart presents CDP's assets and developments in the most significant aggregates over the period.

(millions of euros)

ASSETS

	30/06/2009 (€/mil)	31/12/2008 (€/mil)	Change (%)
Cash and cash equivalents	114,512	106,863	7.2%
Loans to customers and banks	83,624	82,237	1.7%
Debt securities	659	662	-0.4%
Equity investments and shares	16,745	13,869	20.7%
Hedging derivatives and financial assets held for trading	808	502	61.1%
Property, plant and equipment and intangible assets	212	214	-1.1%
Accrued income, prepaid expenses and other non-interest-bearing assets	3,093	4,770	-35.2%
Other assets	716	672	6.5%
Total assets	**220,369**	**209,789**	**5.0%**

Total assets at the end of the first half of 2009 amounted to around €220 billion, an increase of around 5% on the end of 2008 figure of €210 billion.

An analysis of individual asset aggregates shows significant growth in liquid assets (up 7.2%). This can essentially be ascribed to high levels of net funding generated by CDP through postal savings products during the first half of the year (more than €6.8 billion), which were not fully utilised in lending to customers.

The aggregate of loans to customers and banks (for financing activities) showed a more moderate growth trend (up 1.7%) that was essentially in line with developments in the first half of 2008.

Equity investments and securities posted a significant 20.7% increase, essentially as a result of CDP's subscription of the Enel S.p.A. rights issue (including the share pertaining to the Ministry for the Economy and Finance), as well as the adjustment of the carrying amounts of the Enel S.p.A. and Eni S.p.A. shares to market value at 30 June 2009 and two further investments in funds during the first half of the year.

As regards the other aggregates, debt securities remained essentially unchanged (-0.4%), as did the aggregate of other residual entries on the asset side of the balance sheet.

4.1.1 The main financial assets

The main financial assets of CDP regard loans to customers and banks, investments in securities, equity investments, and holdings in investment funds.

The following table provides a detailed overview of the main financial assets during the first half of 2009 regarding loans to customers and banks, broken down between the Separate Account and the Ordinary Account. Developments in equity investments and holdings in investment funds is covered in subsequent sections.

(millions of euros)

STOCK OF LOANS TO CUSTOMERS AND BANKS - SEPARATE ACCOUNT

	30/06/2009	31/12/2008	Change %
Separate account	**81,296**	**79,931**	**1.7%**
- receivables and securities from lending activities	79,977	78,726	1.6%
- other receivables	1,319	1,205	9.4%
Ordinary account	**2,327**	**2,306**	**0.9%**
- receivables and securities from lending activities	2,279	2,255	1.1%
- other receivables	49	51	-5.3%
Total loans to customers and banks	**83,624**	**82,237**	**1.7%**

The amount classified as loans and securities from lending activities generally corresponds to the residual debt being paid (or to amounts disbursed during the pre-payment grace period) for loans through the Separate Account, and amounts disbursed for lending through the Ordinary Account. Other receivables include adjustments to carrying amounts required under IAS/IFRS, with particular regard to the measurement of loans and securities at amortised cost. For the purpose of analysing trends in loans to customers, hereinafter we refer to loans and securities from financing activities net of other receivables from customers and banks.

4.1.1.1 *Developments in Separate Account lending*

A) LOANS TO CUSTOMERS AND BANKS AND NEW LENDING[1]

The stock of loans to customers regarding financing activities under the Separate Account at 30 June 2009 amounted to €79,977 million, an increase of 1.6% over the end of 2008. At 30 June 2009, €10,660 million of loans in repayment were still to be disbursed.

(millions of euros)

STOCK OF LOANS TO CUSTOMERS AND BANKS - SEPARATE ACCOUNT

	30/06/2009	31/12/2008	Change %
Specific-purpose loans	78,695	77,498	1.5%
Advances	18	27	-32.2%
Securities	879	881	-0.3%
Other loans (FRI)	386	321	20.3%
Total	**79,977**	**78,726**	**1.6%**
Amounts to disburse on loans	**10,660**	**10,041**	**6.2%**

Total new lending in the first half of 2009 came to €1,654 million, of which €177 million was related to lending through the Revolving Fund in support of businesses and investments in research (FRI). The performance represents a 15% improvement on the same period in 2008. As in previous years, lending volumes followed a distinctly seasonal trend, which will presumably give rise to a significant concentration of new lending in the latter part of 2009.

(millions of euros)

FLOWS OF NEW LOANS GRANTED - 1ST HALF 2009

	North	Centre	South	Total
Local authorities	436	75	118	630
Regions and autonomous provinces	-	-	-	-
Other entities	826	11	10	847
Other loans (FRI)	31	131	16	177
Total	**1,293**	**217**	**144**	**1,654**

Of the loans granted, 38.1% (€630 million) were to local authorities, 51.2% (€847 million) for a limited number of high-value transactions granted to other beneficiaries, such as universities, public-law bodies and other public entities, for the most part with repayment charged to the State, and 10.7% (€177 million) was granted in loans under the FRI.

[1] Since 2007 the flow and stock figures for the Separate Account also include the contribution of the Revolving Fund in support of businesses and investment in research (FRI), which is discussed in section D below.

An examination of the loans to the public sector (excluding the contribution of the FRI) net of lending for sundry purposes, including, *inter alia*, one of the high-value transactions noted above, the majority of new special-purpose loans were granted for new road and transport projects, school building maintenance or construction, reconstruction or purchase of properties for public offices, and the construction of sports, recreational and lodging facilities.

(millions of euros)

BREAKDOWN OF LOANS UNDER SEPARATE ACCOUNT BY PURPOSE - 1ST HALF 2009 (net of FRI)

Public and social building	92
School and university building	97
Sports, recreational and lodging facilities	28
Healthcare building	0
Road and transport	343
Water projects	5
Sanitation projects	16
Energy projects	16
Other public works	21
Loans for sundry projects	856
Total investments	**1,474**
Liabilities	3
Total	**1,477**

Looking at the breakdown of new lending by product, in the first half of 2009 CDP S.p.A. participated in tenders held by public entities for loans with repayment charged to the State, and was awarded contracts totalling €817 million (corresponding to 49.4% of the total). The remaining flow of new lending can mainly be ascribed to ordinary loans, for which a total of €611 million was financed (corresponding to 37% of the total). During the first half of the year, there was a significant reduction in the proportion of loans without a pre-repayment grace period (down to €32 million, or 2% of the total), flexible loans, and products dedicated to non-territorial public entities (unsecured and real estate loans), which accounted for 1% of total lending. During the first half of 2009, the non-territorial public entity sector underwent a full review of its application approval process and the related circulars governing the procedures. Pending the updating of the circulars, all lending has been suspended.

(millions of euros)

BREAKDOWN OF LOANS UNDER SEPARATE ACCOUNT BY PRODUCT - 1ST HALF 2009

Ordinary loans	611
Flexible loans	14
Unsecured and real estate loans	3
Loan contracts awarded in tenders	817
Loans without pre-repayment grace period	32
Other loans (FRI)	177
Total	**1,654**

B) DISBURSEMENTS MADE DURING THE YEAR

During the first half of 2009, loan disbursements amounted to €2,247 million, a significant decline (11%) compared with the corresponding figure for the first half of 2008.

(millions of euros)

DISBURSEMENTS OF CDP SPA LOANS- 1ST HALF 2009

Local authorities	1,687
Regions and autonomous provinces	105
Other entities	382
Other loans (FRI)	72
Total	**2,247**

C) OTHER SEPARATE ACCOUNT ACTIVITIES

Advances granted under the Revolving Fund for Project Development posted a decline in the first half of 2009, totalling €18 million at 30 June 2009.

D) REVOLVING FUND IN SUPPORT OF BUSINESSES

The Revolving Fund in support of businesses and research investments, established by Article 1(354) of Law 311 of 30 December 2004, is one of the specific-purpose funds and has been active since 2006. Of the fund's resources (some €6 billion) at the end of the first half of 2009, the competent ministries had approved loans totalling €2,489 million, of which €1,538 million under Law 488/92 (development incentives), €307 million under Law 46/82 (Technological Innovation Fund), €554 million under Legislative Decree 297/99 (Research Incentive Fund), and €100 million under the MiPAF-MEF-MiSE inter-ministerial decree of 22 November 2007 in support of the agriculture industry.

Total new lending agreed during the first half of 2009 amounted to €177 million, for a cumulative total of €1,562 million under the fund.

(millions of euros)

FLOWS OF NEW FRI LOANS BY SUBSIDY LAW - 1ST HALF 2009

Subsidy law	
Law 488/92 (Artisans)	1
Law 488/92 (Tourism, industry and trade)	125
Law 46/82 (FIT - PIA Innovation)	4
Legislative Decree 297/99 (FAR)	45
MiPAF-MEF-MiSE inter-ministerial decree of 22/11/2007 (Agriculture industry)	3
Total	**177**

In the first half of 2009, total disbursements amounted to €72 million, mainly under Law 488/92.

4.1.1.2 Developments in Ordinary Account lending

At 30 June 2009, the stock of lending through the Ordinary Account amounted to €4,531 million, a rise of 26% compared with the corresponding figure at 31 December 2008.

(millions of euros)

STOCK OF LOANS GRANTED - ORDINARY ACCOUNT

	30/06/2009	31/12/2008	Change %
Project finance	436	548	-20.3%
Corporate finance	4,095	3,047	34.4%
Total	**4,531**	**3,594**	**26.1%**
of which: guarantees	*135*	*135*	*0.0%*

At the same date, the amount of loans disbursed, corresponding with the amount reported as an asset on the balance sheet totalled €2,279 million, up 1% compared with the corresponding figure reported in the most recently-approved financial statements.

(millions of euros)

STOCK OF LOANS TO CUSTOMERS AND BANKS - ORDINARY ACCOUNT

	30/06/2009	31/12/2008	Change %
Project finance	161	118	36.4%
Corporate finance	2,118	2,137	-0.9%
Total	**2,279**	**2,255**	**1.1%**

Total new lending agreed during the first half of the year amounted to €1,402 million, almost all of which was in the form of corporate finance transactions, focusing on a limited number of operations. This figure was significantly higher than that for the same period last year.

(millions of euros)

FLOWS OF NEW LOANS GRANTED - 1ST HALF 2009

	Total
Project finance	21
Corporate finance	1,381
Total	**1,402**

Total flows of new loans granted are reported gross of amounts repaid early and principal repayments

Net disbursements in the period for new lending and lending contracted in previous year came to €379 million, once again mainly regarding corporate finance transactions.

(millions of euros)

FLOWS OF NEW LOANS DISBURSED - ORDINARY ACCOUNT - 1ST HALF 2009

	Total
Project finance	65
Corporate finance	314
Total	**379**

Total flows of new loans disbursed are reported gross of amounts repaid early and principal repayments

4.1.1.3 *Equity investments*

(thousands of euros)

EQUITY INVESTMENTS AND FINANCIAL ASSETS AVAILABLE FOR SALE

	31/12/2008		Change		30/6/2009	
	% holding	Book value	from inv./disinv. (*)	from measurement	% holding	Book value
A. Listed companies						
1. Eni S.p.A.	9.99%	6,700,827	-	44,032	9.99%	6,744,858
2. Enel S.p.A.	10.14%	2,837,997	3,158,366	(331,156)	17.36%	5,665,206
3. Terna S.p.A.	29.99%	1,315,200	-	-	29.99%	1,315,200
B. Unlisted companies						
1. Poste Italiane S.p.A.	35.00%	2,518,744	-	-	35.00%	2,518,744
2. ST Holding N.V.	30.00%	446,787	-	-	30.00%	446,787
3. Galaxy S.àr.l.	40.00%	24,523	555	0	40.00%	25,078
4. Sinloc S.p.A.	11.85%	5,507	-	-	11.85%	5,507
5. F2i SGR S.p.A.	14.29%	2,143	-	-	14.29%	2,143
6. Istituto per il Credito Sportivo	21.62%	2,066	-	-	21.62%	2,066
7. CDP Investimenti SGR S.p.A.(**)	n.a.	n.a.	1,400	n.a.	70.00%	1,400
8. Europrogetti & Finanza S.p.A. in liquidazione	31.80%	-	-	-	31.80%	-
9. Tunnel di Genova S.p.A.	33.33%	-	-	-	33.33%	-
Total		**13,853,793**	**3,160,321**	**(287,125)**		**16,726,989**

(*) Increase/decrease in equity investment

(**) Authorisation pending

At 30 June 2009, the carrying amount of CDP S.p.A.'s equity portfolio amounted to €16,727 million, up around €2,873 million (20.7%) compared with 31 December 2008. For the most part, this change resulted from subscription of the Enel rights issue, including the share pertaining to the Ministry for the Economy and Finance. In addition, CDP undertook two further investments during the first half of the year: i) the establishment of CDP Investimenti SGR S.p.A., with the subscription of 70% of the company's share capital; ii) the pro-rata subscription of a capital increase undertaken by Galaxy S.àr.l. with regard to an additional investment.

Dividends generated by equity investments held by CDP S.p.A. in the first half of 2009 were ascribable to the equity interests in Eni S.p.A. (€260 million), Enel S.p.A. (€182 million), Terna S.p.A. (€59 million) and Poste Italiane S.p.A. (€52 million), and amounted to around €566 million (of which around €565 million had been received at 30 June 2009). This figure was down 10% on the corresponding figure for the first half of 2008 (€629 million), as a result of a generalised decrease in payout policies.

The current portfolio of equity investments held by CDP S.p.A. can be classified as follows under the separate financial statements:

- the investments in Terna S.p.A. and in CDP Investimenti SGR S.p.A. are classified as investments in subsidiaries, and are carried at purchase cost;

- the investments in Europrogetti & Finanza S.p.A. (in liquidation), Galaxy S.àr.l., Poste Italiane S.p.A., STMicroelectronics Holding N.V., and Tunnel di Genova S.p.A. are classified as investments in associates and are therefore carried at purchase cost, net of writedowns;
- the investments in Enel S.p.A., Eni S.p.A., F2i SGR S.p.A., Istituto per il Credito Sportivo and Sinloc S.p.A do not constitute investments in subsidiaries or associates. These equity investments therefore continue to be classified as available-for-sale financial assets, and are measured at fair value, with changes taken to a specific equity reserve.

As concerns the separation of organisation and accounting, shareholdings in the CDP S.p.A. portfolio as of 30 June 2009, regardless of their classification for financial reporting purposes, fall within the scope of the Separate Account, with the exception of the shares held in CDP Investimenti SGP S.p.A., F2i SGR S.p.A. and Galaxy S.àr.l, which fall under the Ordinary Account.

The main change among CDP S.p.A.'s subsidiaries was the aforementioned establishment of CDP Investimenti SGR S.p.A., an asset management company set up to boost the social housing construction industry in Italy. The company's €2 million share capital is 70%-owned by CDP S.p.A. The remaining shareholders, each with a 15% stake, are the association of bank foundations (ACRI) and the Italian Banking Association (ABI), both of which intend to support CDP S.p.A. in its social housing initiatives. Once authorisation is received from the Bank of Italy, CDPI SGR will manage a fund of funds that will begin with assets of at least €1 billion.

As far as other equity investments are concerned, the largest transaction undertaken during the first half of the year was subscription of the Enel rights issue, including the share pertaining to the Ministry for the Economy and Finance. In May 2009, Enel's Board of Directors resolved to increase the company's capital by up to €8 billion. The capital increase, which was subscribed in June, closed in July 2009 with full subscription of all 3,216,938,192 newly-issued ordinary shares, for a total of €7,978 million. Of this amount, CDP subscribed 1,005,095,936 shares at a per-share price of €2.48, for a total value of €2,493 million, after purchasing 1,305,348,513 rights from the Ministry for the Economy and Finance at a unit price of €0.51, for a total of €666 million, which brought CDP's total investment to €3,158 million. On completion of the subscription of the capital increase, CDP S.p.A.'s equity investment corresponded to around 17.36% of the company's capital.

In July 2009, Galaxy S.àr.l. SICAR, a Luxembourg-registered firm which makes equity or quasi-equity investments in transportation infrastructure, particularly in Italy, the rest of Europe and the other OECD countries, adopted the legal form of a venture capital investment company (SICAR), pursuant to Article 1(1) of the Luxembourg law of 15 June 2004.

Finally, Europrogetti & Finanza S.p.A. (in liquidation), a company established in 1995 pursuant to Decree Law 26/1995 to promote initiatives to stimulate entrepreneurial activities and develop projects eligible for European co-financing, whose carrying amount had already been wholly written down in the annual 2008 financial statements, was placed in voluntary liquidation by its shareholders pursuant to Article 2484, paragraph 1(6) of the Italian Civil Code at the Shareholders' Meeting held on 28 January 2009.

4.1.1.4 Investment funds subscribed by CDP

(thousands of euros)

INVESTMENT FUNDS

	Sector	Number of units	Carrying amount at 31/12/2008	Change from inv./disinv.	Carrying amount at 30/06/2009
1. Fondo PPP Italia	Infrastructure and PPP projects	350	580	140	720
2. Fondo Abitare Sociale 1	Social Housing	98	4,949	-	4,949
3. F2i - Fondo Italiano per le Infrastrutture	Infrastructure				
- Units A		150	9,589	2,293	11,882
- Units C		16	n.a.	64	64
Total			**15,118**	**2,496**	**17,615**

Within the framework of organisational and accounting separation, investments in investment funds or in private equity funds are made under the Ordinary Account, and are therefore wholly financed with funding that is not guaranteed by the State.

Changes during the first half of 2009 essentially regard draw-downs requested by F2i - Fondo Italiano per le Infrastrutture with the start-up of the fund's investment activities. In June 2009, CDP S.p.A. subscribed 16 C units in the F2i Fund, for a total commitment of €800 thousand. At 30 June 2009, around €64 thousand of this amount had been paid, recognised by CDP S.p.A. as the purchase price.

4.2 LIABILITIES AND EQUITY

The main aggregates of CDP liabilities and equity are shown below, along with changes for the period:

(millions of euros)

LIABILITIES AND SHAREHOLDERS' EQUITY

	30/06/2009 (€/mil)	31/12/2008 (€/mil)	Change (%)
Funding	205,570	195,603	5.1%
Financial liabilities held for trading and hedging derivatives	1,428	1,671	-14.5%
Accrued expenses, deferred income and other non-interest-bearing liabilities	1,425	879	62.2%
Other liabilities	1,040	985	5.6%
Provisions for contingencies, taxes and staff severance benefit	672	935	-28.2%
Shareholders' equity	10,233	9,716	5.3%
Total liabilities and shareholders' equity	**220,369**	**209,789**	**5.0%**

Liabilities and equity increased by 5% compared with the end of 2008, almost entirely due to the positive performance of postal savings funding in the first half of 2009 (see below for greater detail); other liability and equity items posted only insignificant changes in absolute terms. Shareholders' equity increased by around 5%, and once again exceeded the €10 billion threshold. This was the result of a positive performance over the period, allied with a conservative dividend policy, partially offset by a reduction in the valuation reserve for equity investments classified as financial assets available for sale (generated by the decline in the Enel share price).

4.2.1 Funding

CDP's funding over the period breaks down as follows:

(millions of euros)

FUNDING

	30/06/2009 (€/mil)	31/12/2008 (€/mil)	Change (%)
Postal funding	183,803	175,116	5.0%
Funding from banks	655	470	39.3%
Funding from customers (excluded postal funding)	10,710	10,119	5.8%
Funding from securities	10,403	9,899	5.1%
Total funding	**205,570**	**195,603**	**5.1%**

The increase in postal funding is ascribable to the net funding flows registered by CDP S.p.A. in the first half of 2009. Greater detail is provided below.

As regards other funding items, growth in "funding from banks" can be attributed to an increase in deposits associated with Credit Support Annex collateral agreements. Compared with the figure at 31 December 2008, liabilities in respect of funding from securities increased as a result of net new issues of €500 million under the Ordinary Account. As regards developments in funding from customers, changes in the first half of 2009 regarded the beginning of repayment of amounts yet to be disbursed regarding loans to customers, net of disbursements on amounts requested during the first half of the year.

4.2.1.1 *Developments in postal savings*

At 30 June 2009, CDP S.p.A.'s postal funding, inclusive of passbook savings accounts and postal savings bonds, totalled €183,803 million, a rise of around 5% compared with the figure of €175,116 million registered at the end of 2008. The carrying amount of passbook savings accounts reached €86,426 million; the carrying amount of postal savings bonds, calculated at amortised cost, totalled €97,377 million. These represent increases of 5.7% and 4.4%, respectively, compared with 31 December 2008.

(millions of euros)

POSTAL SAVINGS

	30/06/2009	31/12/2008	Change %
Postal passbook savings accounts	86,426	81,801	5.7%
Postal savings bonds	97,377	93,315	4.4%
Total	**183,803**	**175,116**	**5.0%**

The increase in the stock of postal savings was generated by a flow of new net funding from both passbook savings accounts and CDP postal savings bonds, amounting to a total of €6,842 million. This figure was up 50% compared with the same period in 2008, when net flows of €4,540 million were recorded.

(millions of euros)

TOTAL NET POSTAL SAVINGS FUNDING (CDP+MEF) - 1ST HALF 2009

	CDP subscriptions/payments	CDP redemptions/withdrawals	MEF redemptions	Net funding (CDP+MEF)
20-year bonds	3,873	-2,840	-2,404	-1,370
Fixed-term bonds	0	-794	-977	-1,771
Indexed bonds	879	-376	0	503
Premia bonds	1,262	-169	0	1,093
Inflation indexed bonds	2,931	-1,278	0	1,653
Bonds for minors	335	-17	0	318
18-month bonds	1,758	-2,603	0	-845
Postal savings bonds	**11,039**	**-8,077**	**-3,381**	**-420**
Passbook savings accounts	**38,199**	**-34,319**	**n.a.**	**3,881**
Total	**49,238**	**-42,396**	**-3,381**	**3,461**

More specifically, during the first half of 2009, new funding from passbook savings accounts amounted to €3,881 million, a significant increase on the same period in 2008, when the net value was €688 million. Subscriptions of postal savings bonds amounted to €11,039 million, down 13% on the same period in 2008, when the total was €12,711 million, as a result of fewer redemptions during the period. Total net postal funding for CDP S.p.A. and the Ministry for the Economy and Finance yielded a net positive balance of €3,461 million, compared with €1,861 million for the first half of 2008.

4.3 PERFORMANCE

CDP's performance during the year has been analysed using an income statement reclassified on the basis of operational criteria, in line with the schedules presented above, which detail CDP’s margins, as follows:

(millions of euros)

INCOME DATA

	1st half 2009 (€/mil)	1st half 2008 (€/mil)	Change (%)
NET INTEREST INCOME	1,309	1,169	12.0%
GROSS INCOME	1,396	1,391	0.4%
OPERATING INCOME	1,367	1,362	0.4%
NET INCOME FOR THE PERIOD	**1,039**	**805**	**29.0%**

Net income for the first half 2009 results posted an improvement over the year-earlier period, boosted by the strong performance of net interest income and the absence of the writedowns that had been necessary during the corresponding period of 2008.

Net interest income amounted to €1,309 million, up 12% on the figure for the corresponding period of 2008. This trend, alongside virtually no change in the ratio of interest-bearing assets to interest-bearing liabilities, can mainly be ascribed to an increase in the volume of lending and funding over the period, as well as non-recurring revenues of around €39 million associated with bringing forward the income-statement impact of the closure of one of the securitisation portfolios undertaken by CDP in 2002 (which took place in July). It has been possible to maintain a constant level of profitability at a time when market interest rates have fallen substantially by bringing the cost of postal savings into line with the lower yields obtained by CDP, in particular for the treasury current account, into which almost all liquidity is deposited. The mechanism for setting the interest rate on this account envisages a 6-month observation period for government securities (treasury bills and the Rendistato index). This generates a gradual alignment of the rate in the event of sharp upwards or downwards movements in interest rates. The persistent reduction in interest rates over the past few months will therefore lead to a further reduction in the rate over the remainder of the year: the rate in the second half of the year will be 2.41%, compared with 3.91% in the first half. It will not be possible to wholly pass this through to the cost of postal savings, given that rates are already at extremely low levels, and owing to the fact that the commission CDP pays Poste Italiane is not pegged to developments in interest rates. As noted in greater detail in the section on the outlook for the full year, it is expected that the positive difference registered in the early months of the year will in any event be reabsorbed during the second half of the year.

Gross income came to €1,396 million, a rise of around 0.4% compared with the same period in 2008. The smaller gain in gross income was attributable to higher costs in respect of commission expense due to the rise in postal savings aggregates, lower dividends from equity investments owing to a general reduction in pay-outs by almost all the companies in which CDP holds an interest, and a deterioration in the net performance of hedging and trading activities, which was not offset by the increase in commission income and in gains on the disposal or repurchase of loans.

Although operating income remained stable (up 0.4%), net income for the first half of 2009 of €1,039 million was up 29% compared with the figure registered for the same period last year (€805 million). However, please note that this performance is largely explained by the fact that during the first half of 2008 the value of the equity investment in STMicroelectronics N.V. was written down by €266 million. Comparing net income with the pro-forma result for the first half of 2008 (amounting to €1,071 million), a decline of about 3% was would have been posted.

4.4 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties were normally carried out on an arm's length basis, and in any event on the basis of an assessment of their mutual economic benefit.
For more information on transactions with related parties, please see the specific section in the explanatory notes.

5. PERFORMANCE INDICATORS

5.1 OPERATING PERFORMANCE

The following table reports the main performance indicators for the first half of 2009, with comparative figures for the same period of 2008.

(% or euros per share)

PERFORMANCE RATIOS (RECLASSIFIED DATA)

	2009*	2008*
Spread interest-bearing assets - interest-bearing liabilities	1.4%	1.4%
Net income / Opening shareholders' equity (ROE)	21.4%	11.2%
Net income / Average shareholders' equity (ROAE)	20.8%	11.8%
Income tax / Income before taxes (tax rate)	23.8%	26.0%
Net income / Total average assets (ROAA)	1.0%	0.8%

** Annualised figures where material*

An analysis of these figures shows that the return on equity rose substantially compared with the previous year as a result of the combined impact of the increase in net income and the reduction in shareholders' equity (both average and start of period).

The average tax rate of about 24% of pre-tax income decreased with respect to that for 2009, although the total tax liability was larger in the first half of 2009 than in the corresponding period of 2008. The figure for 2008 reflected the non-deductibility of the writedown of the investment in STMicroelectronics N.V., which reduced pre-tax income while having no impact on taxable income.

5.2 OPERATING EFFICIENCY

The per-employee efficiency indicators deteriorated slightly as a result of a proportionately larger increase in staff numbers compared with the increase in gross income and operating income.
Conversely, the cost-to-income ratio rose slightly in the first half of 2009 as a result of the proportionately larger rise in operating expenses compared with the increase in revenues.

(thousands of euros or %)

OPERATING EFFICIENCY (RECLASSIFIED DATA)

	2009*	2008*
Loans to customers and banks / No. of employees	205,969	204,416
Gross income / No. of employees	6,879	7,062
Operating income / No. of employees	6,735	6,914
Operating expenses/No. of employees	168	165
Staff costs / No. of employees	86	82
Cost/income ratio	2.4%	2.3%
Cost/income ratio (including cost of postal funding)	26.3%	24.3%

** Annualised figures where material*

5.3 BALANCE SHEET STRUCTURE

The analysis of the balance sheet structure shown below compares the values for the first half of 2009 with those for the first half of 2008.

(%)

BALANCE SHEET STRUCTURE (RECLASSIFIED DATA)

	2009	2008
Loans to customers and banks/Total assets	37.9%	39.9%
Loans to customers and banks/Postal funding	45.5%	49.2%
Equity investments and shares / Shareholders' equity	1.6x	1.4x
Gross bad debts / Gross loans to customers and banks	0.128%	0.076%
Net writedowns/ Net loans to customers and banks	0.000%	0.001%

The rise in postal funding for the period, which outpaced disbursements made on the asset side, led to a further increase in the liquidity held by CDP and, consequently, in the ratio of liquidity to total assets, as compared with a decline in the equivalent ratios for loans to customers and equity investments and shares.

Gross bad debts increased with respect to the first half of 2008, the figures for which did not include the bad debts in respect of Lehman Brothers International Europe, which was recognised in September 2008.

In the first half of 2009, it was not necessary to make any writedowns due to the deterioration of the creditworthiness of counterparties.

6. MONITORING RISK

DEVELOPMENTS IN INTEREST RATE RISK AND INFLATION RISK

The first half of 2009 saw an improvement in conditions on financial markets, which appear to be gradually returning to normal, while at the same time the adverse affects of the crisis on the real economy spread even further.
In the euro area, the sharp reduction in short-term interest rates, the direct consequence of the ECB's monetary policy action, was accompanied by a substantial rise in rates on long-term swaps, especially those a more than 20 years.
Spreads between Euribor rates and those on government securities with the same maturity narrowed, although the situation remained unusual. Similarly, the volatility of interest rates also subsided gradually, although it remains high.

In this environment of gradually settling conditions, albeit one marked by a degree of persistent uncertainty, CDP constantly kept its exposure to interest rate risk close to zero. Developments in all the market risk metrics used in daily monitoring reflect this fact.

As regards developments in inflation risk, there are signs of a possible rise in inflation in the medium term. Despite the current recessive macroeconomic climate, a number of factors, such as the sizeable volume of liquidity injected into the markets and the rise in government debt in the industrial countries, could fuel inflation. This possibility is only partially reflected in market prices: the expected inflation rate implicit in 10-year swap rates rose only moderately during the period, going from 1.98% at the start of the year to 2.24% at the end of June.

CDP is primarily exposed to a rise in inflation as the issuer of postal savings bonds indexed to the consumer price index for the households of office and manual workers. Over the period, the size of the exposure increased in line with the rise in the stock of indexed bonds, which occurred at the forecast rate. CDP's risk is mitigated by its holdings of a certain financial instruments that are positively correlated with inflation (shareholdings) and indexed to inflation (loans granted and Italian Republic securities acquired in 2008).

DEVELOPMENTS IN PRICE RISK IN THE BANKING BOOK

The market value of the portfolio of large equity investments held by CDP remained relatively stable at the historically very low level reached at the end of 2008.

CDP also participated in the Enel S.p.A. capital increase, both through the exercise of the pre-emption rights attaching to its investment and the exercise of the rights in respect of the investment held by the Ministry for the Economy and Finance.

DEVELOPMENTS IN COUNTERPARTY RISK CONNECTED WITH DERIVATIVE TRANSACTIONS

Thanks to the gradual easing of the crisis in the markets, the first half of 2009 saw a partial decline in premiums for credit risk (CDS spreads) for many of the main international banks. However, such premiums remain quite high. In this environment, CDP continued to adopt an extremely prudent approach, improving its counterparty risk management tools. In particular, the number of counterparties involved in a Credit Support Annex for the exchange of collateral was increased and the frequency with which the collateral exchange was settled was raised, with three counterparties moving from monthly settlement to fortnightly settlement.

Currently, out of a total of 26 counterparties used by CDP, 15 have signed CSAs for the exchange of collateral. The percentage of notional value covered by the CSAs amounts to 78% of the total.

DEVELOPMENTS IN LIQUIDITY RISK

During the credit crisis, nearly all financial institutions experienced periods in which it was difficult to raise funds on acceptable terms, except at very short term. CDP was able to operate in this environment without encountering significant problems thanks to the substantial liquidity held in its treasury account (which actually increased over the course of the period) and to the limited need to raise funds through the interbank market for the Ordinary Account.

CREDIT RISK

In view of the high average quality (in terms of ratings and guarantees) of the CDP's loan portfolio, the current crisis has so far not had a significant effect in terms of higher credit risk. Neither the Separate Account nor the Ordinary Account have registered any material increase in default rates. As in the past, problem positions remains negligible both in number and in size. Looking forward, however, it is clear that current macroeconomic conditions and the situation of the public finances could have an adverse impact on the status of the portfolio.

LEGAL DISPUTES

As concerns pending litigation as of the end of the first half of 2009, it should be noted that both the total number of cases and the related contingent liabilities have remained insignificant in absolute terms and that, even in relative terms, the impact of the estimated potential charge for CDP appears to be of very little significance.

With regard to the customers of the Separate Account, it should be noted that, at 30 June 2009, 31 suits were pending with a total estimated liability of no more than €500,000. There are no situations that point to serial disputes that could suggest the presence of critical issues in procedures or in the related laws and regulations. Indeed, the reasons for the various individual disputes are never recurring and often regard the actions or facts concerning other entities involved in the litigation in which CDP is also involved.

There are currently no pending disputes, and therefore no related contingent liability, in relation to the Ordinary Account.

With regard to labour disputes, as at the end of the first half of the year, there were 47 suits pending with a total estimated contingent liability of no more than €1.6 million.

7. OUTLOOK FOR THE FULL YEAR

The medium-term objectives of the Company will shortly be set out in the new 2009-2011 Business Plan, which is scheduled to be presented in July 2009.

On the basis of the data available at the close of the first half of 2009, it is currently expected that loans to customers and banks will grow more rapidly than forecast at the start of the year, thanks to the recent expansion of the scope of CDP's operations in financing infrastructure and public works and its intervention to support the economy. This should slow the growth of liquidity, which will nevertheless remain high owing to the substantial positive net funding forecast for postal savings, which continues to be driven by the gradual replacement of maturing savings bonds pertaining to the MEF with new bonds issued by CDP.

As regards performance, net income for the full year (gross of writedowns of equity investments) is still expected to contract substantially. This is mainly attributable to the decline in net interest income owing to the fall in market interest rates, as well as the general reduction in dividends announced by the companies in which CDP has invested.

The main risk to net income for the year continues to be the potential decline in stock markets. Although the prices of a number of stocks held by CDP have risen from their lows (notably STMicroelectronics Holding N.V., the carrying amount of which was already written down significantly in past years), additional and potentially large writedowns in the presence of further downward corrections in market prices in the coming months cannot be ruled out. At the end of the first half of the year, however, there were no signs of deterioration in the credit quality of loans to customers and banks.

Rome, 30 July 2009

The Chairman
Franco Bassanini

REPORT OF THE INDEPENDENT AUDITORS

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Review report

To the shareholders of
Cassa Depositi e Prestiti S.p.A.

1 We have reviewed the condensed interim separate financial statements comprising the balance sheet, income statement, statement of changes in equity, statement of comprehensive income, cash flow statement and notes thereto of Cassa Depositi e Prestiti S.p.A. as at and for the six months ended 30 June 2009. The company's directors are responsible for the preparation of these condensed interim separate financial statements in accordance with IAS 34, "Interim Financial Reporting", endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information relating to the captions of the condensed interim separate financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim separate financial statements. The review excluded such audit procedures as tests of controls and verification or validation of assets and liabilities and is significantly less than an audit performed in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual separate financial statements, we do not express an audit opinion on the condensed interim separate financial statements.

With regard to the corresponding figures included in the condensed interim separate financial statements, reference should be made to our reports on the annual separate and interim separate financial statements of the previous year dated 14 April 2009 and 6 August 2008, respectively. The corresponding figures have been reclassified in order to reflect the changes to the financial statements schedules introduced by IAS 1 (revised 2007).

KPMG

Cassa Depositi e Prestiti S.p.A.
Review report
30 June 2009

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim separate financial statements of Cassa Depositi e Prestiti S.p.A. as at and for the six months ended 30 June 2009 have not been prepared, in all material respects, in conformity with IAS 34, "Interim Financial Reporting", endorsed by the European Union.

Rome, 31 July 2009

KPMG S.p.A.

(signed on the original)

Riccardo De Angelis
Director of Audit

CERTIFICATION pursuant to Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended

Certification of the condensed interim separate financial statements at 30 June 2009 pursuant to Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended

1. The undersigned Massimo Varazzani, in his capacity as Managing Director and Angelo Mariano, in his capacity as the manager responsible for the preparation of the financial reports of Cassa Depositi e Prestiti S.p.A., hereby certify, taking account of the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:

- the appropriateness with respect to the characteristics of the company and
- the effective adoption

of the administrative and accounting procedures for the preparation of the condensed interim separate financial statements for the period (1 January – 30 June 2009).

2. In this regard:

2.1 the assessment of the appropriateness of the administrative and accounting procedures followed in preparing the condensed interim separate financial statements at 30 June 2009 was based on a process developed by Cassa Depositi e Prestiti S.p.A. in line with the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, which is a generally accepted framework at the international level;
2.2 in the first half of 2009 the manager responsible for the preparation of the financial reports of Cassa Depositi e Prestiti S.p.A. assessed the adequacy and effective adoption of existing administrative and accounting procedures, with reference to the internal control system for financial reporting, continued the updating of administrative and accounting procedures and began the upgrading process, adopting generally accepted international standards, for the information technology component, for which the upgrading process undertaken requires further activities for completion.

3. In addition, we certify that:

3.1 the condensed interim separate financial statements:
a) have been prepared in compliance with the international accounting standards adopted in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
b) correspond to the information in the books and other accounting records;
c) provide a true and fair representation of the performance and financial position of the issuer;
3.2 the interim report on operations contains a reliable analysis of references to significant events in the first six months of the year and their impact on the condensed interim separate financial statements, together with a description of the main risks and uncertainties to be faced in the remaining six months of the year.

Rome, 31 July 2009

Managing Director	Manager responsible for the preparation of the financial reports
Massimo Varazzani	*Angelo Mariano*
(signed on the original)	(signed on the original)

This report has been translated into the English language solely for the convenience of international readers.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2009

FORM AND CONTENT OF THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2009

The condensed interim separate financial statements as at and for the six months ended 30 June 2009 have been prepared in conformity with the applicable regulations and are composed of:

- **BALANCE SHEET;**
- **INCOME STATEMENT;**
- **STATEMENT OF COMPREHENSIVE INCOME;**
- **STATEMENT OF CHANGES IN EQUITY;**
- **CASH FLOW STATEMENT;**
- **EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS.**

Schedules presenting a comparison with the balance sheet at 31 December 2008 and the income statement for the six months ended 30 June 2008 have also been prepared.

A list of the equity investments of CDP S.p.A. is contained in the annex to the financial statements.

FINANCIAL STATEMENTS
AS AT AND FOR THE SIX MONTHS ENDED
30 JUNE 2009

(euros)

BALANCE SHEET

	Assets	30/06/2009	31/12/2008
10.	Cash and cash equivalents	115,814,953,146	105,269,043,064
20.	Financial assets held for trading	554,093,969	400,990,768
40.	Financial assets available for sale	12,643,658,171	9,775,231,397
50.	Financial assets held to maturity	204,989,234	205,794,907
60.	Loans to banks	1,351,330,250	4,784,305,085
70.	Loans to customers	84,310,524,522	84,061,306,451
	of which securing covered bonds	*15,980,103,951*	*16,542,633,865*
80.	Hedging derivatives	253,784,013	100,620,152
100.	Equity investments	4,307,208,564	4,305,253,564
110.	Property, plant and equipment	206,270,432	207,859,820
120.	Intangible assets	5,625,910	6,378,596
130.	Tax assets	332,967,733	635,901,612
	a) current	230,580,345	543,613,578
	b) deferred	102,387,388	92,288,034
150.	Other assets	383,111,560	36,245,997
	Total assets	**220,368,517,504**	**209,788,931,413**

Head of the Administration
& Financial Reporting Department
Angelo Mariano

Managing Director
Massimo Varazzani

(euros)

BALANCE SHEET

	Liabilities and shareholders' equity	30/06/2009	31/12/2008
10.	Due to banks	804,849,401	693,603,829
20.	Due to customers	98,041,105,094	92,281,092,694
	of which amounts to be disbursed on loans securing covered bonds	*1,271,931,967*	*1,476,182,991*
30.	Securities issued	108,149,073,377	103,507,258,860
	of which covered bonds	*8,363,783,564*	*8,287,062,673*
40.	Financial liabilities held for trading	518,028,003	382,376,686
60.	Hedging derivatives	843,497,993	1,271,550,763
70.	Adjustment of financial liabilities hedged generically (+/-)	66,937,678	16,699,410
80.	Tax liabilities	668,671,419	926,680,468
	a) current	310,287,208	570,807,543
	b) deferred	358,384,211	355,872,925
100.	Other liabilities	1,039,916,777	984,585,352
110.	Staff severance pay	708,508	690,848
120.	Provisions	2,441,596	8,005,040
	b) other provisions	2,441,596	8,005,040
130.	Valuation reserves	885,460,622	1,162,184,469
160.	Reserves	4,809,202,993	3,664,760,473
180.	Share capital	3,500,000,000	3,500,000,000
200.	Net income (loss) for the period (+/-)	1,038,624,043	1,389,442,521
	Total liabilities and shareholders' equity	**220,368,517,504**	**209,788,931,413**

Head of the Administration
& Financial Reporting Department
Angelo Mariano

Managing Director
Massimo Varazzani

(euros)

INCOME STATEMENT

		1st half 2009	1st half 2008
10.	Interest income and similar revenues	4,231,825,050	3,985,289,627
20.	Interest expense and similar charges	(2,922,413,072)	(2,816,010,188)
30.	**Net interest income**	**1,309,411,978**	**1,169,279,439**
40.	Commission income	4,431,112	2,580,374
50.	Commission expense	(452,350,636)	(404,467,270)
60.	**Net commission income**	**(447,919,524)**	**(401,886,896)**
70.	Dividends and similar revenues	565,536,423	628,637,432
80.	Net gain (loss) on trading activities	(6,366,786)	(3,945,907)
90.	Net gain (loss) on hedging activities	(29,414,422)	(3,413,556)
100.	Gains (losses) on disposal or repurchase of:	5,139,122	2,599,810
	a) loans	5,139,122	2,599,810
120.	**Gross income**	**1,396,386,791**	**1,391,270,322**
130.	Net impairment adjustments of:	-	(1,051,349)
	a) loans	-	(1,051,349)
140.	**Financial income (expense), net**	**1,396,386,791**	**1,390,218,973**
150.	Administrative expenses:	(29,738,157)	(28,523,434)
	a) staff costs	(17,389,074)	(15,911,754)
	b) other administrative expenses	(12,349,083)	(12,611,680)
160.	Net provisions	271,491	(3,948,104)
170.	Net adjustments of property, plant and equipment	(3,411,205)	(3,279,583)
180.	Net adjustments of intangible assets	(1,098,855)	(862,232)
190.	Other operating income (costs)	569,175	389,264
200.	**Operating costs**	**(33,407,551)**	**(36,224,089)**
210.	Gains (losses) on equity investments	-	(266,003,726)
250.	**Income (loss) before tax from continuing operations**	**1,362,979,240**	**1,087,991,158**
260.	Income tax for the period on continuing operations	(324,355,197)	(282,844,231)
270.	**Income (loss) after tax on continuing operations**	**1,038,624,043**	**805,146,927**
290.	**Income (loss) for the period**	**1,038,624,043**	**805,146,927**

Head of the Administration
& Financial Reporting Department
Angelo Mariano

Managing Director
Massimo Varazzani

(thousands of euros)

STATEMENT OF COMPREHENSIVE INCOME

		1st half 2009	1st half 2008
10.	**Net income for the period**	**1,038,624**	**805,147**
	Other income components net of taxes		
20.	Financial assets available for sale	(275,885)	(1,830,802)
60.	Cash flow hedges	(838)	263
110.	**Total other income components net of taxes**	**(276,723)**	**(1,830,539)**
120.	**Comprehensive income (item 10+110)**	**761,901**	**(1,025,392)**

Head of the Administration
& Financial Reporting Department
Angelo Mariano

Managing Director
Massimo Varazzani

(thousands of euros)

STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2009

	Balance at 31.12.08	Changes in opening balance	Balance at 1.1.09	Allocation of net income for previous year		Changes for the period								Shareholders' equity at 30.06.09
							Equity transactions							
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Special dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options	Net income (loss) for the period ended at 30.06.09	
Share capital:														
a) ordinary shares	2,450,000		2,450,000											2,450,000
b) other shares	1,050,000		1,050,000											1,050,000
Share premium reserve														
Reserves:														
a) income	3,664,760		3,664,760	1,144,443										4,809,203
b) other														
Valuation reserves:														
a) available for sale	994,036		994,036			(275,885)								718,151
b) cash flow hedges	576		576			(838)								(262)
c) other reserves														
- revaluation of property	167,572		167,572											167,572
Equity instruments														
Treasury shares														
Net income (loss) for the period	1,389,443		1,389,443	(1,144,443)	(245,000)								1,038,624	1,038,624
Shareholders' equity	**9,716,387**		**9,716,387**	**-**	**(245,000)**	**(276,723)**							**1,038,624**	**10,233,288**

Head of the Administration
& Financial Reporting Department
Angelo Mariano

Managing Director
Massimo Varazzani

(thousands of euros)

STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2008

	Balance at 31.12.07	Changes in opening balance	Balance at 1.1.08	Allocation of net income for previous year		Changes for the period								
							Equity transactions							
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Special dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options	Net income (loss) for the period ended at 30.06.08	Shareholders' equity at 30.06.08
Share capital:														
a) ordinary shares	2,450,000		2,450,000											2,450,000
b) other shares	1,050,000		1,050,000											1,050,000
Share premium reserve														
Reserves:														
a) income	2,746,235		2,746,235	918,525										3,664,760
b) other														
Valuation reserves:														
a) available for sale	6,566,605		6,566,605			(1,830,802)								4,735,803
b) cash flow hedges	2,107		2,107			263								2,370
c) other reserves														
- revaluation of property	167,572		167,572											167,572
Equity instruments														
Treasury shares														
Net income (loss) for the period	1,373,525		1,373,525	(918,525)	(455,000)								805,147	805,147
Shareholders' equity	**14,356,044**		**14,356,044**	**-**	**(455,000)**	**(1,830,539)**							**805,147**	**12,875,652**

Head of the Administration
& Financial Reporting Department
Angelo Mariano

Managing Director
Massimo Varazzani

thousands of euros

CASH FLOW STATEMENT (indirect method)

A. OPERATING ACTIVITIES	30/06/2009	30/06/2008
1. Operations	**1,406,184**	**1,369,525**
- Net income for the period (+/-)	1,038,624	805,147
- Gains (losses) on financial assets held for trading and on financial assets recognised at fair value (-/+)	6,367	3,946
- Gains (losses) on hedging activities (-/+)	29,414	3,414
- Net impairment adjustments (+/-)	-	1,051
- Net value adjustments to property, plant and equipment and intangible assets (+/-)	4,510	4,142
- Net provisions and other costs/revenues (+/-)	(254)	4,312
- Unpaid taxes and duties (+)	324,355	282,844
- Writedowns/writebacks of equity investments (+/-)	-	266,004
- Other adjustments	3,168	(1,335)
2. Cash generated by/used in financial assets	**(477,439)**	**(1,918,647)**
- Financial assets held for trading	(193,608)	(165,998)
- Financial assets available for sale	(3,160,862)	(1,313)
- Loans to banks: other	3,523,302	(553,602)
- Loans to customers	(646,271)	(1,197,734)
3. Cash generated by/used in financial liabilities	**9,957,065**	**7,215,774**
- Due to banks: other	111,237	139,756
- Due to customers	5,760,012	2,142,801
- Securities issued	4,517,979	5,110,210
- Trading financial liabilities	169,790	143,586
- Other liabilities	(601,953)	(320,579)
Cash generated by/used in operating activities	**10,885,810**	**6,666,652**
B. INVESTING ACTIVITIES		
1. Cash generated by	**-**	**-**
- Sale of equity investments	-	-
- Dividends from equity investments	-	-
- Sale of property, plant and equipment	-	-
2. Cash used in	**(4,123)**	**(209,074)**
- Purchase of equity investments	(1,955)	(1,705)
- Purchase of financial assets held to maturity	-	(202,514)
- Purchase of property, plant and equipment	(1,822)	(2,599)
- Purchase of intangible assets	(346)	(2,256)
Cash generated by/used in investing activities		**(209,074)**
C. FINANCING ACTIVITIES		
- Dividend distribution and other allocations	(245,000)	(455,000)
Net cash generated by/used in financing activities	**(245,000)**	**(455,000)**
NET CASH GENERATED/USED DURING THE PERIOD	10,636,687	**6,002,578**

RECONCILIATION

Cash and cash equivalents at beginning of period	105,539,037	**91,634,997**
Total cash generated/used during the period	**10,636,687**	**6,002,578**
Cash and cash equivalents: effects of changes in exchange rates	-	-
Cash and cash equivalents at end of period	**116,175,724**	**97,637,575**

Head of the Administration
& Financial Reporting Department
Angelo Mariano

Managing Director
Massimo Varazzani

NOTES TO THE

FINANCIAL STATEMENTS

(CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2009)

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

STRUCTURE AND CONTENT OF THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

The CDP S.p.A. condensed interim separate financial statements have been prepared in accordance with international accounting standards, specifically IAS 34, which establishes the minimum content and preparation rules for interim financial reports.

With Regulation (EC) 1606/2002 of 19 July 2002, the European Union made it compulsory, as of the 2006 financial year, to adopt the IFRSs in preparing the financial statements of EU companies that issue equity or debt securities on a regulated market in the European Community.

Legislative Decree 38 of 20 February 2005 was then issued in Italy in order to govern the application of the international accounting standards issued by the International Accounting Standards Board (IASB) as well as the *Implementation Guidance, Basis for Conclusions* adopted by the International Financial Reporting Interpretations Committee (IFRIC, formerly the Standing Interpretations Committee, or SIC).

The financial statements are expressed in euros and include the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and these explanatory notes to the financial statements and related annexes, as well as the directors' report on operations.

The statement of comprehensive income, which is required under IAS 1 Revised, has been prepared in the format envisaged in the Bank of Italy document updating circular no. 262/2005, which is still in the consultation phase.

The condensed interim separate financial statements of CDP S.p.A. at 30 June 2009 present a clear, true and accurate view of the company's performance and financial position for the period. The figures reported in the statements correspond with the company's accounting records and fully reflect the transactions conducted during the period.

PRESENTATION OF DATA

In accordance with the regulations issued by the Bank of Italy, the financial statements are expressed in euros, whereas the explanatory notes to the financial statements are expressed in thousands of euros.

Accounts with zero balances for both the current and prior period have been excluded. In the income statement, revenues are indicated as positive numbers, while costs are shown as negative numbers (in parentheses).

The figures in the explanatory notes to the interim financial statements have been rounded to the nearest thousand, and the rounded totals for the various figures are obtained by summing the rounded balances of the items making up such totals.

COMPARISON AND DISCLOSURE

The financial statements comply with the provisions of Bank of Italy circular no. 262/2005 and, in accordance with IAS 34, contain the following comparative information in addition to the accounting data at 30 June 2009:

- balance sheet at 31 December 2008;
- income statement for the six months ended 30 June 2008;
- statement of comprehensive income for the six months ended 30 June 2008;
- statement of changes in equity for the six months ended 30 June 2008;
- cash flow statement for the six months ended 30 June 2008.

CDP SEGREGATED ASSET POOL

CDP holds the covered bond segregated asset pool.
This is not a segregated asset pool as defined by the Italian Civil Code, but rather a separation related to certain CDP assets (loans to local authorities) for which CDP has established guarantees/liens on the cash flows for the holders of the covered bonds issued, which enables the bond itself to have a higher rating that that of the issuer.
The separation concerns the flows related to the portfolio of loans that constitute the collateral of the related bond issue.
The assets are in the accounts with an "of which" indication in the financial statements.

AUDITING OF THE FINANCIAL STATEMENTS

The CDP condensed interim separate financial statements have undergone a limited audit by KPMG S.p.A.

ANNEXES

In order to enhance disclosure, list of equity investments is annexed to this report:

ACCOUNTING POLICIES

GENERAL INFORMATION

SECTION 1 – DECLARATION OF CONFORMITY WITH THE INTERNATIONAL ACCOUNTING STANDARDS

These financial statements have been prepared in accordance with the International Financial Reporting Standards and International Accounting Standards (IFRSs/IASs) issued by the IASB (and related IFRIC and SIC interpretations) endorsed by the European Commission as of 30 June 2009. More specifically, the condensed interim separate financial statements have been prepared in compliance with the provisions of IAS 34 governing interim financial reporting. As permitted under this standard, CDP has elected to prepare a condensed report in place of the full reporting envisaged for the annual financial statements.
The schedules have been prepared in compliance with the Bank of Italy circular of 22 December 2005 and the subsequent clarifications notified to banks by the Bank of Italy in a letter of 2 January 2009.

SECTION 2 – GENERAL PREPARATION PRINCIPLES

The financial statements have been prepared in accordance with the IFRSs issued by the IASB (including the SIC and IFRIC interpretations) endorsed by the European Commission pursuant to Regulation (EC) 1606 of 19 July 2002.

For the purposes of interpretation and to provide support in applying these standards, the following documents have also been considered, although they have not been endorsed by the European Commission:

- the *Framework for the Preparation and Presentation of Financial Statements* issued by the International Accounting Standards Board in 2001;
- *Implementation Guidance, Basis for Conclusions*, IFRIC interpretations, and any other documentation prepared by the IASB or IFRIC to supplement the IFRSs;
- Interpretation documents concerning the application of the IFRSs in Italy, prepared by the Organismo Italiano di Contabilità (Italian Accounting Board; OIC) and by the Italian Banking Association (ABI).

Where the information required by the IFRSs and the regulations of the Bank of Italy is deemed to be inadequate in presenting the company's financial standing in a true and fair manner, the explanatory notes to the financial statements also include supplemental information for such purpose.

The interim financial statements have been prepared on an accruals and going-concern basis. The general principles of the materiality and significance of information and the prevalence of substance over form have also been taken into account.

Pursuant to the provisions of joint Bank of Italy/Consob/Isvap document no. 2 of 6 February 2009 concerning disclosures on business continuity and in compliance with the requirements on the same issue contained in IAS 1 Revised, CDP has conducted an assessment of the Company's ability to continue to operate as a going concern, considering all available information over a medium-term time horizon.

Based on an analysis of the information and the results achieved in previous years, CDP feels that it is appropriate to prepare its financial statements on a going-concern basis.

No assets have been offset with liabilities, nor revenues with costs, unless expressly required or allowed by the regulations issued by the Bank of Italy or by an accounting standard or a related interpretation.

SECTION 3 – EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

In July 2009, investments in the PPP Italia and F2i funds totalled €1.6 million.

Also in July, CDP issued an unsecured fixed-rate bond with a nominal value of 100 million. The bond matures on 28 January 2011 and pays an annual coupon of 2.0055%. The issue was carried out within the framework of the Euro Medium Term Notes (EMTN) Programme. It is listed on the Luxembourg Stock Exchange and the proceeds will be used to finance infrastructure projects.

THE MAIN FINANCIAL STATEMENT AGGREGATES

The accounting policies governing the classification, recognition, measurement and derecognition of assets and liabilities and the recognition of revenues and costs used in preparing the condensed interim financial statements are the same as those adopted in preparing the annual financial statements. No changes have been made in classification criteria, with the exception of those governing the remuneration of members of the Board of Auditors set out in the clarifications to circular no. 262 of 22 December 2005 transmitted by the Bank of Italy in a letter to the banks.

In compliance with the Bank of Italy notice of 2 January 2009 and in order to ensure the comparability of the condensed interim separate financial statements, the remuneration paid to the members of the Board of Auditors for the first half of 2008 has been reallocated to item "150.a Staff costs" of the income statement from item "150.b Other administrative expenses".

The following pages provide a description of the accounting principles adopted in preparing the condensed interim separate financial statements.

1 – FINANCIAL ASSETS HELD FOR TRADING

"Financial assets held for trading" (item 20) includes all financial assets, regardless of type (debt securities, equity, loans, derivatives, etc.), allocated to the trading portfolio and held for the purpose of generating profits over the short term as a result of changes in the price of such instruments, as well as the derivative contracts operationally connected with financial liabilities measured at fair value (under the fair value option) and derivatives with a positive value, including those resulting from the separation of embedded derivatives, that are not deemed to be effective for hedging purposes.
Financial assets held for trading meet the following prerequisites:

a) they are purchased with the intention of being sold in the short term;
b) they are a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
c) they are derivatives (with the exception of derivatives that are designated and effective hedging instruments).

Such financial assets are initially recognised at fair value, which generally equals the amount paid or received net of transactions costs or income. Where the amount paid is different from the fair value, the financial asset is recognised at fair value, and the difference between the two amounts is recognised through profit or loss. Initial recognition is carried out at the subscription date for derivative contracts and on the settlement date for debt and equity securities, with the exception of those for which delivery is governed by conventions on the market concerned, for which initial recognition is at the settlement date.

Financial assets held for trading also include derivative contracts embedded in other financial instruments or contracts and which have financial and risk characteristics that are not correlated with the host instrument or which meet the requirements to be classified themselves as derivative contracts, recognising them separately after separating the embedded derivative from the main contract, which is then treated in accordance with the accounting rules for its own category. This is not done in cases in which the compound instrument containing the derivative is measured at fair value through profit or loss.

The financial instruments are measured subsequently at fair value based on the official prices as of the balance sheet date if they are listed on active markets. For financial instruments, including equity, not listed on active markets, fair value is determined by using measurement techniques and information available on the market, such as the price of similar instruments on an active market, discounted cash flows, option pricing models, and values registered in recent similar transactions. For equity securities and related derivative instruments, if the fair value obtained using such measurement techniques cannot be reliably determined, the financial instruments are measured at cost and adjusted in the event of losses in value.

If the fair value of a financial asset becomes negative, it is recognised as a financial liability held for trading.

Financial assets held for trading are derecognised when payment is received, when the contractual rights to the cash flows expire, or a sale transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with the financial asset are retained, the asset remains on the balance sheet even if official title has been transferred.

The gains and losses on sale or redemption and unrealised gains and losses resulting from the fair value measurement of the trading portfolio are shown under "Net gain (loss) on trading activities" (item 80). The income components are recognised following the results of the measurement of the financial assets held for trading.

2 – FINANCIAL ASSETS AVAILABLE FOR SALE

Available-for-sale financial assets (item 40) are non-derivative financial assets (debt securities, equity, etc.) that are classified as being available for sale and not as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised on the contract date for all financial assets, with the exception of those for which delivery is governed by conventions on the market concerned, for which initial recognition is carried out at the settlement date and on the disbursement date in the case of loans.
The financial assets are initially recognised at fair value, which generally equals the amount paid or received net of transactions costs or gains. In cases in which the amount paid is different from the fair value, the financial asset is recognised at fair value, and the difference between the two amounts is recognised through profit or loss. Initial recognition is done on the subscription date for derivative contracts and on the settlement date for debt and equity securities, with the exception of those for which delivery is governed by conventions on the market concerned, for which initial recognition is at the settlement date.
Investments in equity instruments that are not listed on an active market and for which it is not possible to measure fair value reliably, as well as derivatives connected to such instruments and/or that must be settled with the delivery of such instruments, are measured at cost.
Unrealised gains or losses on available-for-sale securities are recorded in a specific equity reserve, net of tax effects, until the investment is sold or written down.
Subsequent measurement is done at fair value based on the official prices as of the balance sheet date if the financial instruments are listed on active markets. For financial instruments, including equity, not listed on active markets, fair value is determined by using measurement techniques and information available on the market, such as the price of similar instruments on an active market, discounted cash flows, option pricing models and values registered in recent similar transactions. For equity securities and related derivative instruments, if the fair value obtained using such measurement techniques cannot be reliably determined, the financial instruments are measured at cost and written down in the event of impairment losses.
Available-for-sale financial assets are subject to impairment tests to determine whether there is objective evidence of impairment. Where an available-for-sale security is impaired, the cumulative, unrealized change in value recorded in the equity reserve is recognised in the income statement under "Net impairment adjustments of financial assets available for sale" (item 130.b). The impairment is recognised when the purchase cost (net of any amortisation and repayments of principal) of an available-for-sale financial asset exceeds its recoverable amount. The amount of this loss is measured using specific valuation techniques and models concerning equity securities. Any writebacks of investments in equity instruments are not recognised in the income statement but in an equity reserve, while any writebacks of investments in debt instruments go through the income statement.
Where the reasons for the impairment should cease to obtain subsequent to the recognition of the impairment loss, the writeback is recognised in the income statement for loans or debt securities and in an equity reserve in the case of equity instruments. The amount of the

writeback shall in any event not exceed the amortised cost that the instrument would have had in the absence of the prior adjustments.
Dividends on equity instruments that are available for sale are recognised as income when the right to receive payment is established.
In addition to the recognition of impairment losses, the cumulative gains or losses in the equity reserve are, as mentioned above, recognised in the income statement at the time of the sale of the asset. Accordingly, in the event of the disposal of an investment in available-for-sale securities, the related cumulative, unrealised change in value recorded in equity is recognised in the income statement as "Gains (losses) on the disposal or repurchase of financial assets available for sale" (item 100.b).
Available-for-sale financial assets are derecognised when payment is received, when the contractual rights to the cash flows expire, or a sale transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with the financial asset are retained, the asset remains on the balance sheet even if official title has been transferred.

3 – FINANCIAL ASSETS HELD TO MATURITY

Financial assets held to maturity include financial assets other than derivatives with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.
If, following a change in such intention or ability, it is no longer appropriate to continue to classify an investment as held to maturity, it is reclassified under financial assets available for sale.
Held-to-maturity financial assets are initially recognised at fair value, which is normally equal to the price paid or received. In cases where the price differs from fair value, the asset is recognised at fair value and the difference between the price and the fair value is taken to the income statement.
The value at which such assets are recognised includes incidental costs and revenues attributable to the transaction.
Following initial recognition, financial assets held to maturity are measured at amortised cost and undergo impairment testing. The amortised cost of a financial asset is equal to the amount at which it is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Such assets are derecognised when the contractual rights to the cash flows from the assets expire or when

the assets are divested by transferring substantially all the risks and rewards of ownership of the assets.

4 - LOANS

The term "loans" refers to a portfolio of financial instruments, including debt securities, that are not listed on an active market and which IAS 39 refers to as "loans and receivables", for which the company has a right to receive future cash flows.
Loans are initially recognised at the disbursement date or, in the case of debt securities, at the settlement date.
Loans are recognised when the contract is executed, i.e. upon the unconditional acquisition of a right to payment of the amounts agreed, and are initially measured at fair value, which equals the amount disbursed including directly related transaction costs and commissions. Where the net amount disbursed does not equal the loan's fair value because the interest rate is lower than the market rate or the rate normally applied for similar loans, initial measurement is effected by discounting the future cash flows using an appropriate rate.
The loans in CDP's Separate Account portfolio are quite different from the loans granted by banks, which normally disburse the entire amount of the loan to its beneficiary at the time the loan is granted. Such loans are special-purpose loans generally granted to local authorities for public works and are disbursed to the beneficiaries only after detailed verification of the progress of the works in question. Therefore, disbursements are intended to meet the debts actually accumulated by the authority as the work is performed by the various contractors involved.
Upon signing the finance agreement, the debtor assumes the obligation to repay the entire principal granted, and this amount is used to determine an amortisation schedule separately from the amount actually disbursed. Amounts still to be disbursed by CDP earn interest that can be treated as a reimbursement of the interest income earned by customers on the non-disbursed portion. CDP's special-purpose loans normally have an initial grace period, during which, in the absence of disbursements on the loan granted, the loan does not bear interest. The repayment plan for the amount granted begins, with certain exceptions, the year following the signing of the related contract. CDP's accounting policy for special-purpose loans is to recognise a commitment to disburse the sums granted upon signing the loan agreement and to recognise a receivable (with a consequent reduction in the disbursement commitments) for the entire amount granted only when repayment begins.
Any disbursements requested by borrowers during the grace period effectively reduce the commitment and result in a "short-term" receivable for the amount actually disbursed, with this amount accruing interest at the rate agreed upon by contract. The short-term receivable for advances on loans in their grace period is measured at cost in accordance with the IFRSs.

When repayment begins on a loan that has not yet been disbursed, both a payable and a receivable are recognised for the same amount in respect of the party responsible for repaying the loan. In accordance with the IFRSs, the receivable is measured at amortised cost (which, given the lack of transaction costs on the loans granted by CDP and with certain exceptions, equals cost), and the payable is a demand liability that decreases as the amounts are actually disbursed.

The interest on loans and default interest is recognised as interest income and similar revenues on loans to banks and customers and are recognised on an accruals basis.

The carrying amount of loans is subject to periodic testing for impairment that could reduce their expected realisable value. This reduction becomes material when it is deemed probable that the amount due will not be paid in full, based on the original terms of the agreement, or that an equivalent asset will not be received.

Loans classified as bad debts, substandard or restructured are measured individually for positions that exceed a given value threshold. In view of the lack of time series of loss data on loans, as well as the creditworthiness of CDP's leading borrowers, no general writedowns of the portfolio are recorded.

The measurement of writedowns of loans is based on discounting the expected future cash flows of principal and interest net of collection costs, taking account of any guarantees securing the positions and any advances received. The key to determining the value of the future cash flows is in defining the estimated collections, the related timing, and the discount rate to be applied.

The impairment of problem loans is then written back only when the quality of the loan improves to the point that there is a reasonable certainty of a greater recovery of principal and interest and/or greater receipts have been recorded than the previously recorded carrying amount of the loan. In any event, given the method used to measure impairment losses, as the due dates for credit collection approach with the passing of time, the value of the loan is "written back", given that there is a reduction in the implicit finance costs previously recognised as a reduction in the value of the loans.

Recovery of all or a part of previously written down loans is recognised as a reduction to "Net impairment adjustments of loans" (item 130.a).

Loans are derecognised when paid in full, when all of the related risks and rewards have been transferred, or when a loan is deemed to be definitively uncollectible. The amount of the loss is recognised in the income statement net of previously recognised impairment losses.

Loans represented by positions with parties that are not classified under any of the risk categories listed above, but which are more than 180-days past due at the balance sheet date, are also subject to individual impairment testing.

"Loans to customers" include unlisted financial assets in respect of customers (loans, debt securities, operating receivables, etc.) that are allocated to the "loans" portfolio. This also includes receivables from Italian post offices and variation margins with clearing bodies for derivative transactions.

"Loans to banks" include unlisted financial assets in respect of banks (current accounts, security deposits, debt securities, operating receivables, etc.) that are allocated to the "loans" portfolio. This also includes the amounts receivable from central banks other than free deposits (as the reserve requirement).

6 - HEDGING TRANSACTIONS

According to the IASs, hedging instruments are designated derivatives or (limited to the hedging of foreign currency risk) non-derivative financial assets or liabilities the fair value or cash flows of which are expected to offset the changes in fair value or cash flows of a designated position (IAS 39, paragraphs 72-77 and Annex A, paragraph AG94). A hedged position is an asset, liability, firm commitment, a highly probable forecast transaction, or a net investment in a foreign operation that (a) exposes the organisation to the risk of a change in fair value or future cash flows and (b) is designated as being hedged (paragraphs 78-84 and Annex A, paragraphs AG98-AG101). The effectiveness of the hedge is the extent to which the change in fair value or cash flows of the hedged position that is attributable to a hedged risk are offset by the change in fair value or cash flows of the hedging instrument (Annex A, paragraphs AG105-AG113).

When a financial instrument is classified as a hedging instrument, the following are to be formally documented:

1. the relationship between the hedging instrument and the position hedged, including the risk management objectives;
2. the hedging strategy, which must be in line with established risk management policies;
3. the methods to be used in order to verify the effectiveness of the hedge.

Accordingly, both at the inception of the hedge and throughout its life, the change in the fair value of the derivative is analysed in order to determine whether it is highly effective in offsetting the changes in fair value of the hedged position.

A hedge is deemed to be highly effective if, both at inception and throughout its life, the changes in fair value of the hedged position or in the expected cash flows attributable to the risk being hedged are almost entirely offset by the changes in fair value of the hedging derivative, with the relationship of these changes falling within a range of between 80% and 125%.

If the hedge is not effective as described above, the hedging instrument is reclassified under trading instruments, while the hedged item is measured in accordance with the criteria for its category and in the case of cash flow hedge any reserve is reversed to profit or loss.

Hedge accounting also ceases in the event the hedging instrument expires, is sold or exercised or where the hedged item expires, is sold or is repaid.
CDP has fair value hedges in place to neutralise the carrying amount of individual assets and liabilities or groups of similar assets and liabilities, as well as macro-hedging of the interest rate risk of portfolios of liabilities in respect of medium/long-term fixed-rate postal funding.
Asset item 80 and liability item 60 report hedging derivatives (when not considered guarantees received in accordance with IAS 39), which at the balance sheet date have either a positive or negative value.

7 - EQUITY INVESTMENTS

The term "equity investments" refers to investments in subsidiaries (IAS 27), in joint ventures (IAS 31), and associates subject to significant influence (IAS 28) other than financial assets held for trading (item 20) and financial assets at fair value through profit or loss (item 30) in accordance with IAS 28 and IAS 31.
Subsidiaries are companies in which CDP holds, either directly or indirectly, more than half of the voting rights for the purpose of appointing dependent directors or, in any event, when CDP exercises the power to determine financial and operating policies. Joint ventures are companies in which control is shared with other parties by contract. Associates are companies in which CDP holds, either directly or indirectly, at least 20% of the voting rights or, independently of the proportion of voting rights, companies over which CDP has significant influence, which is defined as the power to participate in determining financial and operating policies, but without exercising either control or joint control. Minority interests are recognised as financial assets available for sale (item 40) and are treated as described above.
Equity investments are initially recognised and subsequently carried at cost at the settlement date, including costs and revenues that are directly attributable to the transaction.
Where there is evidence that the value of an equity investment may be impaired, its recoverable value is determined, taking account of both its market value and the present value of future cash flows. If this value is lower than the carrying amount, the difference is recognised in the income statement as an impairment loss. This loss is only recognised when the loss in value is significant and persistent. Impairment losses on investments listed on active markets, and unless there are additional, specifically justified reasons, are recognised when the impairment is deemed to be significant, which for investments in listed companies is when the market price is more than 20% lower than the carrying amount for nine months prior to the balance sheet date.

In the absence of market prices or valuation models, the value of the equity investment is prudentially written down by the amount of the loss reported in the financial statements of the investee where the loss is considered to be a reliable indicator of impairment.
Equity investments are derecognised when the contractual rights to the cash flows of the business terminate or when the financial asset is sold, transferring substantially all risks and rewards connected with it.

8 - PROPERTY, PLANT AND EQUIPMENT

"Property, plant and equipment" includes all non-current tangible assets used in operations governed by IAS 16 and investment property governed by IAS 40. These include assets under finance leases (for the lessee) and operating leases (for the lessor), as well as leasehold improvement costs.
Property, plant and equipment is recognised at purchase cost including incidental expenses and VAT, increased by revaluations carried out under the provisions of specific laws.
The carrying amount represents the book value of the assets net of depreciation. The depreciation rates used are felt to reflect the remaining useful economic lives of the assets.
Newly acquired assets are depreciated as from the period in which they enter service.
Land and buildings are treated as separate assets for accounting purposes, even if purchased together. Therefore, with the transition to the IFRSs, we have separated the value of land from the value of buildings based on appraisals that were previously used in 2005 for the purpose of revaluing company properties that had been recognised in the 2004 financial statements, pursuant to the provisions of the 2006 Finance Act. Land is considered to have an indefinite life and, as such, is not depreciated.
Buildings are depreciated over a 33-year period, which is considered to be the useful life of the buildings themselves.
Assets whose use or nature classifies them as capital equipment are depreciated on a straight line basis over their remaining useful lives. Newly acquired assets are depreciated as from the period in which they enter service.
In the event an asset should suffer a lasting impairment of value, independently of depreciation, it is written down. The original value is restored where the conditions that had prompted the writedown should cease to obtain.
Maintenance and repair costs that do not increase the utility or useful lives of assets are charged directly to income for the year.
"Assets under construction and advances" are composed of advances or expenses incurred in respect of assets and materials that have not been completed or are undergoing testing before entering service. Since they have not yet entered the company's production cycle, depreciation is suspended.

9 - INTANGIBLE ASSETS

"Intangible assets" include goodwill and other intangibles governed by IAS 38.
Intangible assets are recognised at purchase or development cost including incidental expenses and are amortised over their estimated useful lives, which, at the end of each year, is subject to impairment testing in order to verify the appropriateness of the estimates.
An intangible asset is only recognised under the following conditions:
(a) CDP can control the future economic benefits generated by the asset;
(b) it is probable that the expected future economic benefits that are attributable to the asset will flow to the company;
(c) the cost of the asset can be measured reliably.
Intangible assets are therefore derecognised when sold or when future economic benefits are no longer expected.
CDP's intangible assets essentially consist of software.
Costs incurred for the purchase and development of software by third parties are amortised, usually on a straight-line basis, over the residual useful lives of the assets, which is no greater than 5 years.
Costs incurred for software development before the year in which the project is completed are capitalised when the development/implementation of the project is likely to be successful and the utility of the product extends over more than one year. In this case, the costs are amortised over a period of no more than 5 years. In the year in which the software is completed, the costs incurred and not yet amortised are imputed to the asset and the cost is amortised over five years.
Intangible assets under development and advances include advances or costs incurred for intangible assets that have not yet been completed or are undergoing testing before entering service. Since they have not yet entered the company's production cycle, amortisation is suspended.

11– CURRENT AND DEFERRED TAXATION

Income tax (IRES) and the regional tax on business activities (IRAP) are recognised on an accruals basis using a realistic estimate of the negative and positive tax components for the year under applicable tax law.

Deferred taxation - calculated on the basis of the tax rates set out in the applicable tax regulations - regards the recognition of the effects of possible differences, including timing differences, between the valuation of accounting items under tax regulations (which are used to determine taxable income) and that under statutory reporting regulations (which seek to quantify the result for the year).

More specifically, "taxable temporary differences" between statutory and tax values are those that will give rise to taxable amounts in future tax periods, while "deductible temporary differences" are those that will give rise to deductible amounts in the future.

Deferred tax liabilities – which are correlated with the amount of income that will become taxable in future years – are recognised in the tax provision without offsetting against deferred tax assets, which are recognised in the balance sheet under "Tax assets".
If the deferred tax items regard developments that directly affect shareholders' equity, they are recognised in shareholders' equity.

12 - PROVISIONS

"Provisions" (item 120) are recognised solely under following conditions:

(a) there is a present (legal or constructive) obligation resulting from a past event;
(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
(c) a reliable estimate can be made of the amount of the obligation.

When the financial impact of the time factor is significant and the dates of payment of the obligation can be estimated reliably, the provision is measured as the present value (discounted at market rates as of the balance sheet date) of the charges that are expected to be incurred in order to settle the obligation.
CDP has no "provisions for retirement and similar obligations", while "other provisions" includes the provisions for liabilities and contingencies established in observance of international accounting standards, with the exception of writedowns due to the impairment of guarantees issued and credit derivatives treated as such in accordance with IAS 39, which, where applicable, are recognised under "other liabilities". In particular, CDP's provision for contingencies only includes estimates related to pending litigation, which includes allocations for revocatory actions and suits filed by third parties (including employees and former employees).
The provisions are only used when the charges for which they were originally established are incurred. When the outlay to fulfil the obligation is no longer deemed to be probable, the provision is reversed through the income statement.

13– DEBT AND SECURITIES ISSUED

"Amounts due to banks" (item 10) and "Amounts due to customers" (item 20) include all forms of interbank and customer funding. In particular, these items include all debt of any kind (deposits, current accounts, loans) other than financial liabilities held for trading (item 40), financial liabilities at fair value through profit or loss (item 50), and debt securities under item 30 ("Securities issued"). This includes operating payables. In particular, CDP includes in these items the amounts still to be disbursed for loans being repaid (see the description of CDP Separate Account loans under section 4 above).

Securities issued, both listed and unlisted, are measured at amortised cost. The item is reported net of repurchased securities. It also includes securities which, as of the balance sheet date, have matured but have not yet been redeemed. It does not include the portion of the company's own debt securities issued but not yet placed with third parties.

These are initially measured at fair value including the costs incurred to issue the securities, which normally coincides with the issue price. Subsequent measurement is at amortised cost using the effective interest rate method. The payables are eliminated when they mature or are extinguished.

Securities issued include the postal savings bonds issued by CDP. These bonds are zero-coupon securities (where the interest accrued is paid when the principal is redeemed) with a step-up interest structure (the interest rate increases as the period for which the bond is held increases) and with principal and interest redeemed in a single payment upon maturity, although the bonds may be redeemed at any time prior to the bond's contractual maturity, with principal and interest paid in accordance with the period for which the bond was held. For financial instruments such as postal savings bonds, IAS 39 calls for the adoption of the amortised cost method and states that the effective interest rate to be used in calculating amortised cost must be equal to the internal rate of return of the estimated (not contractual) cash flows throughout the expected (and not contractual) life of the instrument. Given the aforementioned option of early redemption, the expected life of postal savings bonds is, on average, less than their contractual life. CDP has therefore developed a statistical model for forecasting early redemption of savings bonds based on a time series of redemptions, which is used to price the new issues. The forecasting model used at the time of the bond issue is also used to determine the initial estimated amortisation plan for each series of savings bonds. Based on these estimated flows, the effective interest rate and the amortised cost to be recognised in the balance sheet are then calculated. Differences between the actual early redemptions and these estimates result in an adjustment to the remaining amortisation schedule. In such cases, the IFRSs state that the amortised cost of the instrument being measured is to be equal to the present value of the new estimated future cash flows using the unchanging effective interest rate calculated upon issuing each series of savings bonds as the discount rate. It is also necessary to recognise distribution commissions paid to Poste Italiane S.p.A. as transaction costs. These fees are therefore considered along with the other cash flows for the savings bonds for the purpose of determining the effective interest rate and are no longer amortised at a constant annual rate.

14 - FINANCIAL LIABILITIES HELD FOR TRADING

This item includes all forms of financial liabilities (debt securities, loans, etc.) designated as being held for trading purposes. It does not include the portion of the company's own debt securities issued but not yet placed with third parties.

The financial liabilities are initially recognised at fair value, which generally equals the amount received net of transactions costs or revenues. In cases in which the amount paid differs from the fair value, the financial asset is recognised at fair value, and the difference between the two amounts is recognised through profit or loss. Initial recognition is effected at the signing date for derivative contracts and at the settlement date for debt and equity securities, with the exception of those for which delivery is governed by conventions on the market concerned, for which initial recognition is at the settlement date.

Financial liabilities held for trading also include derivative contracts embedded in other financial instruments or contracts and which have financial and risk characteristics that are not correlated with the host instrument or which meet the requirements to be classified themselves as derivative contracts, recognising them separately after separating the embedded derivative from the main contract, which is then treated in accordance with the accounting rules for its own category. This is not done in cases in which the compound instrument containing the derivative is measured at fair value through profit or loss.

Subsequent measurement is at fair value. If the fair value of a financial liability becomes positive, it is recognised as a financial asset held for trading.

Financial liabilities held for trading are derecognised when the contractual rights to the cash flows expire or a sale transfers all the risks and rewards connected with ownership to a third party. Conversely, when a prevalent share of the risks and rewards associated with the financial liability are retained, the liability remains on the balance sheet even if official title has been transferred.

The gains and losses on sale or redemption and unrealised gains and losses resulting from the fair value measurement of the trading portfolio are reported under "Net gain (loss) on trading activities" (item 80). The income components are recognised following the results of the measurement of the financial liability held for trading.

16– FOREIGN CURRENCY TRANSACTIONS

Transactions in a foreign currency are initially recognised in euros by translating the amount in the foreign currency into euros at the exchange rate in prevailing on the date of the transaction.
Assets and liabilities denominated in foreign currencies or indexed to foreign currencies, as well as financial assets with funding denominated in or indexed to foreign currencies, are translated at the spot exchange rates prevailing at the end of the period.
Costs and revenues in foreign currencies are recognised at the spot exchange rate prevailing at the time of the transactions.
The effects of this measurement are recognised in the income statement in the period in which they emerge.
Positive and negative foreign exchange differences related to financial assets and liabilities denominated in a foreign currency, other than those that are recognised at fair value or those that are subject to fair value or cash flow hedging and their related hedging instruments, are recognised under "Net gain (loss) on trading activities" (item 80).

17 - OTHER INFORMATION

CASH AND CASH EQUIVALENTS (ITEM 10 OF ASSETS)
Liquid assets are recognised at fair value.
Liquidity is composed of cash on hand at the company and the balances on the current accounts held with the Central State Treasury.
The balance is increased for accrued interest that has not yet been settled on these current accounts. Interest accrues semi-annually at a floating rate determined (pursuant to the decree of the Minister for the Economy and Finance of 5 December 2003) on the basis of the gross yield on 6-month Treasury bills and the monthly level of the Rendistato index.

STAFF SEVERANCE PAY
This provision covers the entire entitlement accrued by employees at the end of the financial year, in conformity with the provisions of law (Article 2120 of the Civil Code) and applicable employment contracts. In accordance with IAS 19, the staff severance pay scheme (TFR) is considered a defined-benefit plan and, therefore, is recognised as the present value of the accumulating obligation (both the present value of the expected future payments related to benefits accrued during the current year and the present value of future payments resulting from amounts accrued in previous years).
It should also be noted that the balance of provisions for staff severance pay is minor given that CDP employees maintained their participation the INPDAP pension scheme after the

transformation; therefore, contributions are paid to that institution. As such, the amount shown for TFR is related solely to newly hired employees (under the INPS pension scheme) for amounts accrued until 2006, given that the amounts accrued subsequently were not applied to this fund, but to the supplemental pension fund in accordance with the applicable legislation.
Therefore, the effects of the application of IAS 19 are not significant.

INTEREST INCOME AND EXPENSE

Interest income and expense is recognised in the income statement for all instruments based on amortised cost using the effective interest method.
Interest also includes the net positive or negative balance of the differences and margins related to financial derivative contracts.

COMMISSIONS

Commissions are recognised in the income statement on an accruals basis. This excludes commissions considered when calculating amortised cost for the purpose of determining the effective interest rate, which are recognised under interest.

DIVIDENDS

Dividends are recognised as income in the period in which they are approved for distribution.

INFORMATION ON THE BALANCE SHEET

ASSETS

CASH AND CASH EQUIVALENTS – ITEM 10

The liquid assets of CDP S.p.A. are mainly held the interest-bearing treasury current account no. 29814 denominated "*Cassa DP SPA-gestione separata*", which holds all liquid balances associated with the operations conducted by CDP in its activities under the Separate Account. At the end of the first half of 2009 the balance on the account was about €113,671 million.

As envisaged by Article 6.1 of the MEF decree of 5 December 2003, the Ministry for the Economy and Finance pays semi-annual interest on account no. 29814 the interest-bearing treasury account at a floating rate equal to the simple arithmetic mean between the gross yield on 6-month Treasury bills and the monthly level of the Rendistato index.

Interest accrued and not yet paid on account no. 29814 amounted to about €2,144 million.

FINANCIAL ASSETS HELD FOR TRADING – ITEM 20

(thousands of euros)

FINANCIAL ASSETS HELD FOR TRADING: COMPOSITION BY TYPE

	30 June 2009		31 December 2008	
	Listed	**Unlisted**	**Listed**	**Unlisted**
A On-balance-sheet assets				
1. Debt securities				
1.1 Structured securities				
1.2 Other debt securities				
2. Equity securities				
3. Units in collective investment undertakings				
4. Loans				
4.1 repurchase agreements				
4.2 other				
5. Impaired assets				
6. Assets assigned but not derecognized				
Total (A)				
B Derivatives				
1. Financial derivatives:		554,094		400,991
1.1 trading		554,094		400,991
1.2 associated with fair value option				
1.3 other				
2. Credit derivatives				
2.1 trading				
2.2 associated with fair value option				
2.3 other				
Total (B)		**554,094**		**400,991**
Total (A+B)		**554,094**		**400,991**

The financial derivatives set out in the table regard options purchased to hedge the embedded option component of indexed bonds and Premia bonds. This option component was separated from the host instrument (indexed bonds and Premia bonds) and was classified among financial liabilities held for trading.

(thousands of euros)

FINANCIAL ASSETS HELD FOR TRADING: DERIVATIVES

	Interest rates	Foreign currencies and gold	Equity securities	Loans	Other	30 June 2009	31 December 2008
A) Listed							
1. Financial derivatives:							
• with exchange of principal							
- options purchased							
- other derivatives							
• without exchange of principal							
- options purchased							
- other derivatives							
2. Credit derivatives:							
• with exchange of principal							
• without exchange of principal							
Total (A)							
B) Unlisted							
1. Financial derivatives:			554,094			554,094	400,991
• with exchange of principal							
- options purchased							
- other derivatives							
• without exchange of principal							
- options purchased			554,094			554,094	400,991
- other derivatives							
2. Credit derivatives:							
• with exchange of principal							
• without exchange of principal							
Total B			**554,094**			**554,094**	**400,991**
Total (A+B)			**554,094**			**554,094**	**400,991**

FINANCIAL ASSETS AVAILABLE FOR SALE – ITEM 40

(thousands of euros)

FINANCIAL ASSETS AVAILABLE FOR SALE: COMPOSITION BY TYPE

	30 June 2009		31 December 2008	
	Listed	Unlisted	Listed	Unlisted
1. Debt securities	**196,391**	**9,871**	**202,014**	**9,560**
1.1 Structured securities				
1.2 Other debt securities	196,391	9,871	202,014	9,560
2. Equity securities	**12,410,065**	**9,716**	**9,538,823**	**9,716**
2.1 Recognised at fair value	12,410,065		9,538,823	
2.2 Recognised at cost		9,716		9,716
3. Units in collective investment undertakings	**17,615**			**15,118**
4. Loans				
5. Impaired assets				
6. Assets assigned but not derecognized				
Total	**12,624,071**	**19,587**	**9,740,837**	**34,394**

The substantial increase in this item is attributable to CDP's participation in the Enel capital increase, including the share pertaining to the Ministry for the Economy and Finance, with a total outlay of €3,158 million. Following subscription of the capital increase, CDP now holds about 17.36% of Enel.

FINANCIAL ASSETS HELD TO MATURITY – ITEM 50

The item includes inflation-linked Treasury bonds (*BTP*) with a nominal value of €200 million acquired in 2008 in response to the increasing exposure of the balance sheet to Italian inflation due to the issue of postal savings bonds indexed to inflation.

LOANS TO BANKS – ITEM 60

(thousands of euros)

LOANS TO BANKS: COMPOSITION BY TYPE

	30 June 2009	31 December 2008
A. Claims on central banks	**886**	**3,358,655**
1. Fixed-term deposits		
2. Reserve requirement	886	3,358,655
3. Repurchase agreements		
4. Other		
B. Loans to banks	**1,350,444**	**1,425,650**
1. Current accounts and free deposits	360,704	264,777
2. Fixed-term deposits	480,218	631,645
3. Other financing	509,522	529,228
3.1 repurchase agreements		
3.2 finance leases		
3.3 other	509,522	529,228
4. Debt securities		
4.1 structured		
4.2 other debt securities		
5. Impaired assets		
6. Assets assigned but not derecognized		
Total (book value)	**1,351,330**	**4,784,305**

The significant decline in the balance at 30 June 2009 compared with 31 December 2008, was affected by the policy for managing the reserve requirement adopted in the maintenance period under way at the end of the period.

LOANS TO CUSTOMERS – ITEM 70

Loans to customers regard lending operations under the Separate Account and Ordinary Account of CDP and include bonds issued by municipal and regional governments. The following table provides a breakdown of the positions by technical form.

(thousands of euros)

LOANS TO CUSTOMERS: COMPOSITION BY TYPE

	30 June 2009	31 December 2008
1. Current accounts	67	93
2. Repurchase agreements		
3. Loans	82,776,064	81,857,791
4. Credit cards, personal loans and loans repaid by automatic deductions from wages		
5. Finance leases		
6. Factoring		
7. Other	240,250	886,303
8. Debt securities	1,261,313	1,264,366
8.1 structured		
8.2 other debt securities	1,261,313	1,264,366
9. Impaired assets	32,831	52,753
10. Assets assigned but not derecognized		
Total (book value)	**84,310,525**	**84,061,306**

Loans also include €15,980 million, highlighted in the balance sheet, pledged as collateral for covered bonds issued by CDP.

Total writedowns of loans amount to €77.1 million. On the basis of the quality of the borrowers, the guarantees securing the loans and the regular payment of instalments, as well as the experience of the CDP in this area, it was not considered necessary to carry out a collective writedown of the loan portfolio.

"Other" includes the receivable in respect of the deferred purchase price held by CDP in respect of the securitised loan portfolios.

(thousands of euros)

ON-BALANCE-SHEET EXPOSURES TO CUSTOMERS: CHANGES IN GROSS IMPAIRED POSITIONS EXPOSED TO COUNTRY RISK

	Bad debts	Substandard loans	Restructured positions	Past due positions	Country risk
A. Opening gross exposure	**74,707**	**32,859**	**-**	**21,442**	**-**
- of which: exposures assigned but not derecognized					
B. Increases	**183**	**764**	**-**	**444**	**-**
B.1 from performing positions				311	
B.2 transfers from other categories of impaired positions					
B.3 other increases	183	764		133	
C. Decreases	**(1)**	**(1,762)**	**-**	**(18,686)**	**-**
C.1 to performing positions		(1,091)		(18,571)	
C.2 writeoffs					
C.3 collections	(1)	(671)		(115)	
C.4 assignments					
C.5 transfers to other categories of impaired positions					
C.6 other decreases					
D. Closing gross exposure	**74,889**	**31,861**	**-**	**3,199**	**-**
- of which: exposures assigned but not derecognized					

(thousands of euros)

ON-BALANCE-SHEET EXPOSURES: CHANGES IN TOTAL ADJUSTMENTS

	Bad debts	Substandard loans	Restructured positions	Past due positions	Country risk
A. Total opening adjustments	**50,577**	**25,678**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized					
B. Increases	**183**	**764**	**-**	**-**	**-**
B.1 writedowns	183	764			
B.2 transfers from other categories of impaired positions					
B.3 other increases					
C. Decreases	**(65)**	**(19)**	**-**	**-**	**-**
C.1 writebacks from valuations	(65)	(19)			
C. 2 writebacks from collection					
C.3 writeoffs					
C.4 transfers to other categories of impaired positions					
C.5 other decreases					
D. Total closing adjustments	**50,695**	**26,423**	**-**	**-**	**-**
- of which: exposures assigned but not derecognized					

HEDGING DERIVATIVES – ITEM 80

(thousands of euros)

HEDGING DERIVATIVES: COMPOSITION BY TYPE OF CONTRACT AND UNDERLYING

	Interest rates	Foreign currencies and gold	Equity securities	Loans	Other	Total
A) Listed						
1. Financial derivatives						
• with exchange of principal						
- purchased options						
- other derivatives						
• without exchange of principal						
- purchased options						
- other derivatives						
2. Credit derivatives						
• with exchange of principal						
• without exchange of principal						
Total A						
B) Unlisted						
1. Financial derivatives	**244,649**	**9,135**				**253,784**
• with exchange of principal		9,135				9,135
- purchased options						
- other derivatives		9,135				9,135
• without exchange of principal	244,649					244,649
- purchased options						
- other derivatives	244,649					244,649
2. Credit derivatives						
• with exchange of principal						
• without exchange of principal						
Total B	**244,649**	**9,135**				**253,784**
Total (A+B) 30/06/2009	**244,649**	**9,135**				**253,784**
Total (A+B) 31/12/2008	**85,365**	**15,255**				**100,620**

At the end of the period, the only open cash flow hedge regarded the issue of a fixed-rate covered bond in yen, which was hedged with a cross currency swap to counter the uncertainty concerning cash flows due to possible exchange rate variations. The hedge converts the original exposure into a fixed rate in euros.

EQUITY INVESTMENTS – ITEM 100

EQUITY INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND COMPANIES SUBJECT TO SIGNIFICANT INFLUENCE: INFORMATION ON INVESTMENTS

	Registered office	% holding	% of votes
A. Wholly-owned subsidiaries			
1. Terna S.p.A.	Rome	29.99%	29.99%
2. CDPI SGR S.p.A.	Rome	70.00%	70.00%
B. Joint ventures			
C. Companies under significant influence			
1. Poste italiane S.p.A.	Rome	35.00%	35.00%
2. ST Holding N.V.	Amsterdam	30.00%	30.00%
3. Galaxy S.àr.l.	Luxembourg	40.00%	40.00%
4. Europrogetti & Finanza S.p.A.	Rome	31.80%	31.80%
5. Tunnel di Genova	Genoa	33.33%	33.33%

PROPERTY, PLANT AND EQUIPMENT – ITEM 110

Property, plant and equipment includes all of the movable and immovable property of Cassa Depositi e Prestiti, net of depreciation, and at period-end break down as follows:

(thousands of euros)

PROPERTY, PLANT AND EQUIPMENT: COMPOSITION OF ASSETS RECOGNIZED AT COST

	30 June 2009	31 December 2008
A. Operating assets		
1.1 owned	**206,270**	**207,860**
a) land	117,406	117,406
b) buildings	71,056	72,172
c) movables	3,640	3,458
d) electrical plant	3,857	4,659
e) other	10,311	10,165
1.2 acquired under finance leases		
a) land		
b) buildings		
c) movables		
d) electrical plant		
Total A	**206,270**	**207,860**
B. Investment property		
2.1 owned		
a) land		
b) buildings		
2.2 acquired under finance leases		
a) land		
b) buildings		
Total B	**-**	**-**
Total (A+B)	**206,270**	**207,860**

INTANGIBLE ASSETS – ITEM 120

Intangible assets break down as follows:

(thousands of euros)

INTANGIBLE ASSETS: COMPOSITION BY CATEGORY

	30 June 2009		31 December 2008	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill				
A.2 Other intangible assets	5,626		6,379	
A.2.1 Assets carried at cost	5,626		6,379	
a) internally-generated intangible assets				
b) other assets	5,626		6,379	
A.2.2 Assets recognised at fair value:				
a) internally-generated intangible assets				
b) other assets				
Total	**5,626**		**6,379**	

With regard to the disclosures required under international accounting standards, it should be noted that:

a) intangible assets were not revalued;

b) no intangible assets acquired by way of government grants are held (IAS 38, paragraph 122, letter c);

c) no intangible assets are pledged as security for liabilities (IAS 38, paragraph 122, letter d);

d) there are no contractual commitments for the purchase of intangible assets (IAS 38, paragraph 122, letter e);

e) no intangible assets are the object of leasing transactions.

TAX ASSETS AND LIABILITIES – ITEM 130 OF ASSETS AND ITEM 80 OF LIABILITIES

Deferred tax assets: composition and changes

Deferred tax assets at 30 June 2009, equal to €102.39 million, arise in respect of temporary differences, which will become deductible in subsequent periods, that mainly regard the fair value measurement of derivatives hedging financial liabilities represented by debt securities issued by CDP, the fair value measurement of Enel shares and INPS securities, which are recognised under AFS financial assets, the writedown of the Lehman Brothers receivable, the fair value measurement of derivatives used as cash flow hedges for financial liabilities, the statutory depreciation/amortisation charges that exceed those permitted under tax regulations, the IAS items in respect of amounts due to banks and, in a residual amount, the fair value measurement of holdings of debt securities and investment fund units, provisions for liabilities and contingencies, unpaid remuneration of directors and entertainment expenses.

The increase in deferred tax assets of €10.1 million compared with 31 December 2008 is the essentially the net result of €17.01 million in respect of the fair value writedowns in equity of Enel shares, the INPS bond and CFH hedging derivatives, partially offset by the reduction of €6.91 million in deferred tax assets in respect of other temporary differences recognised in the income statement.

Deferred tax liabilities: composition and changes

Deferred tax liabilities, equal to €358.38 million, arise in respect of temporary differences, which will become taxable in subsequent periods regarding the fair value measurement of non-current AFS financial assets and the loan-loss provision recognised on an off-ledger basis in a specific section of the income tax return through the end of 2007.

The increase in the provision for deferred tax liabilities of €2.51 million compared with December 31, 2008, reflected the increase of €2.78 million in taxes in respect of the fair value measurement of the shareholding in Eni and the bond issued by the University of Trento, both recognised under AFS financial assets, and the elimination in the amount of €0.27 million of deferred taxes in respect of the fair writedown of CFH derivatives hedging financial liabilities, which were reclassified to temporary differences deductible in future years.

LIABILITIES

DUE TO BANKS – ITEM 10

(thousands of euros)

DUE TO BANKS: COMPOSITION BY TYPE

	30 June 2009	31 December 2008
1. Due to central banks	**9,093**	**19,449**
2. Due to banks	**795,756**	**674,155**
2.1 Current accounts and demand deposits	2,053	7,429
2.2 Fixed-term deposits	271,548	85,046
2.3 Borrowings	505,700	565,540
2.3.1 finance leases		
2.3.2 other	505,700	565,540
2.4 Liabilities in respect of commitments to repurchase own equity instruments		
2.5 Liabilities in respect of assets assigned but not derecognized		
2.5.1 repurchase agreements		
2.5.2 other		
2.6 Other payables	16,455	16,140
Total	**804,849**	**693,604**

Amounts due to other banks include the debt in respect of financial contracts with deferred settlement and cash collateral securing the credit risk on derivatives.

Other borrowings regard loans from the EIB and amounts to be transferred to banks in the loan monetization operation.

DUE TO CUSTOMERS – ITEM 20

(thousands of euros)

DUE TO CUSTOMERS: COMPOSITION BY TYPE

	30 June 2009	31 December 2008
1. Current accounts and demand deposits	86,423,731	81,805,836
2. Fixed-term deposits		
3. Third-party funds under administration		
4. Borrowings		
4.1 finance leases		
4.2 other		
5. Liabilities in respect of commitments to repurchase own equity instruments		
6. Liabilities in respect of assets assigned but not derecognized		
6.1 repurchase agreements		
6.2 other		
7. Other payables	11,617,374	10,475,257
Total	**98,041,105**	**92,281,093**

"Current accounts and demand deposits" regard the value at 30 June 2009 of postal passbooks issued by CDP.

Other payables mainly regard amounts to be disbursed on loans granted.

SECURITIES ISSUED – ITEM 30

(thousands of euros)

SECURITIES ISSUED: COMPOSITION BY TYPE

	30 June 2009	31 December 2008
A. Listed	**8,363,784**	**8,287,063**
1. bonds	8,363,784	8,287,063
1.1 structured		
1.2 other	8,363,784	8,287,063
2. other		
2.1 structured		
2.2 other		
B. Unlisted	**99,785,289**	**95,220,196**
1. bonds	2,408,340	1,905,204
1.1 structured		
1.2 other	2,408,340	1,905,204
2. other	97,376,949	93,314,992
2.1 structured	8,372,965	6,866,122
2.2 other	89,003,984	86,448,870
Total	**108,149,073**	**103,507,259**

The item includes covered bonds, bonds issued under the Euro Medium Term Notes programme and postal savings bonds.
Other structured securities report indexed postal savings bonds and the Premia bonds, for which the embedded derivative has been separated from the host contract.

FINANCIAL LIABILITIES HELD FOR TRADING – ITEM 40

(thousands of euros)

FINANCIAL LIABILITIES HELD FOR TRADING: COMPOSITION BY TYPE

	30 June 2009				31 December 2008			
	NV	FV		FV *	NV	FV		FV *
		L	UL			L	UL	
A. On-balance-sheet liabilities								
1. Due to banks								
2. Due to customers								
3. Debt securities								
3.1 Bonds								
3.1.1 structured								
3.1.2 other bonds								
3.2 Other securities								
3.2.1 structured								
3.2.2 other								
Total A								
B. Derivatives								
1. Financial derivatives			**518,028**				**382,377**	
1.1 trading								
1.2 associated with fair value option								
1.3 other			518,028				382,377	
2. Credit derivatives								
2.1 trading								
2.2 associated with fair value option								
2.3 other								
Total B			**518,028**				**382,377**	
Total (A+B)			**518,028**				**382,377**	

Key
FV = fair value
FV* = fair value calculated excluding changes in value due to changes in the issuer's creditworthiness since the issue date .
NV = nominal or notional value

The item includes the embedded option component of indexed bonds and Premia bonds that was separated from the host contract.

(thousands of euros)

FINANCIAL LIABILITIES HELD FOR TRADING: DERIVATIVES

	Interest rates	Foreign currencies and gold	Equity securities	Loans	Other	30 June 2009	31 December 2008
A) Listed							
1. Financial derivatives							
• with exchange of principal							
- options written							
- other derivatives							
• without exchange of principal							
- options written							
- other derivatives							
2. Credit derivatives							
• with exchange of principal							
• without exchange of principal							
Total A							
B) Unlisted							
1. Financial derivatives			**518,028**			**518,028**	**382,377**
• with exchange of principal							
- options written							
- other derivatives							
• without exchange of principal			518,028			518,028	382,377
- options written			518,028			518,028	382,377
- other derivatives							
2. Credit derivatives							
• with exchange of principal							
• without exchange of principal							
Total B			**518,028**			**518,028**	**382,377**
Total (A+B)			**518,028**			**518,028**	**382,377**

HEDGING DERIVATIVES – ITEM 60

(thousands of euros)

HEDGING DERIVATIVES: COMPOSITION BY TYPE OF CONTRACT AND UNDERLYINGS

	Interest rates	Foreign currencies and gold	Equity securities	Loans	Other	Total
A) Listed						
1. Financial derivatives						
• with exchange of principal						
- options written						
- other derivatives						
• without exchange of principal						
- options written						
- other derivatives						
2. Credit derivatives						
• with exchange of principal						
• without exchange of principal						
Total A						
B) Unlisted						
1. Financial derivatives	**843,498**					**843,498**
• with exchange of principal						
- options written						
- other derivatives						
• without exchange of principal	843,498					843,498
- options written						
- other derivatives	843,498					
2. Credit derivatives						
• with exchange of principal						
• without exchange of principal						
Total B	**843,498**					**843,498**
Total (A+B) 30/06/2009	**843,498**					**843,498**
Total (A+B) 31/12/2008	**1,271,551**					**1,271,551**

PROVISIONS – ITEM 120

Provisions declined by about €5.6 million following the use of accruals for staff costs.

EQUITY – ITEMS 130, 160, 180 AND 200

(thousands of euros)

EQUITY: COMPOSITION

	30 June 2009	31 December 2008
1. Share capital	3,500,000	3,500,000
2. Share premium reserve		
3. Reserves	4,809,203	3,664,760
4. (Treasury shares)		
5. Valuation reserves	885,461	1,162,184
6. Equity instruments		
7. Net income (loss) for the period	1,038,624	1,389,443
Total	**10,233,288**	**9,716,387**

The increase in "Reserves" is a consequence of the allocation of net income at 31 December 2008, which in the first half of 2009 saw the allocation of about €1,075 million to reserves.

The share capital of €3,500,000,000 is fully paid up and is composed of 245,000,000 ordinary shares and 105,000,000 preference shares with a par value of €10 each.

The company does not hold treasury shares.

Under the articles of association, the preference shares have the following main characteristics:

- the preference shareholder is entitled to a preferred dividend equal to the rate of inflation increase by 3 percentage points on the par value of the shares;
- in the event of no or partial payment of the preferred dividend, the entitlement to the dividend shall accumulate in subsequent years;
- until 31 December 2009, if the preferred dividend is not distributed, the preference shareholders, at any time until 31 December 2009, may withdraw, receiving in settlement an amount equal to the value of the fraction of share capital represented by the preference shares plus any positive or negative difference between the preferred dividend accrued and that actually received;

- preference shares shall be automatically converted into ordinary shares as from 1 January 2010, on the basis of a conversion ratio determined by the Board of Directors. Holders of preference shares who do not intend to avail themselves of the automatic conversion shall have the right to withdraw from the company, receiving in settlement an amount equal to the value of the fraction of share capital represented by the preference shares plus any positive or negative difference between the preferred dividend accrued and that actually received; the withdrawal option must be exercised between 1 October 2009 and 15 December 2009.

The value of share capital represented by the preference shares is recognised, together with that of the ordinary shares, under item "180. Share capital".

In the preparation of the financial statements for 2006, it was felt appropriate to treat the preference shares as ordinary shares under the terms of the agreement formalised between ACRI, the association of banking foundations and savings banks (signed in the name and on behalf of the foundations who are shareholders of the company), and the Ministry for the Economy and Finance on 4 April 2007, with which the foundations, the holders of the preference shares, and the MEF expressed their joint intention to convert the shares by the end of 2007, before the time limit specified in the articles of association.

However, the conversion process was delayed due to contingent circumstances regarding the possibility of restructuring the company. By the deadline for the approval of the 2007 financial statements by the Shareholders' Meeting, the MEF and the foundations (acting through ACRI) both confirmed their intention to convert the shares, setting a time limit of 31 December 2008 to complete the procedure.

Owing to market conditions and the risk of adversely impacting the public finances, the planned early conversion has not yet been carried out. Instead, it was decided to proceed with the conversion of the CDP preference shares into ordinary shares in the manner and with the timing envisaged in the articles of association, without prejudice to the amendments of the articles of association discussed in the report on operations, which in any event do not change the intention of the shareholders to maintain their investment in CDP S.p.A..

The MEF, as the majority shareholder, issued a note on 25 March 2009 reaffirming its intention to take all steps necessary – including drawing on reserves – to ensure that share capital does not fall below the amount established in Article 1, paragraph 1, of the MEF decree of 5 December 2003 even if preference share holders should exercise their right to withdraw rather than allow automatic conversion of their shares into ordinary shares.

INFORMATION ON THE INCOME STATEMENT

INTEREST – ITEMS 10 AND 20

(thousands of euros)

INTEREST INCOME AND SIMILAR REVENUES: COMPOSITION

	Performing financial assets		Impaired financial assets	Other assets	1st half 2009	1st half 2008
	Debt securities	Loans				
1 Financial assets held for trading						
2 Financial assets available for sale	3,036				**3,036**	**4,781**
3 Financial assets held to maturity	1,576				**1,576**	**1,335**
4 Loans to banks		9,988		32,015	**42,003**	**81,644**
5 Loans to customers	23,070	2,018,081	282		**2,041,433**	**1,909,932**
6 Financial assets recognised at fair value						
7 Hedging derivatives						
8 Financial assets assigned but not derecognized						
9 Other assets				2,143,777	**2,143,777**	**1,987,598**
Total	**27,682**	**2,028,069**	**282**	**2,175,792**	**4,231,825**	**3,985,290**

The item reports the remuneration of the activities of CDP with regard to:

- loans to customers: interest income on loans to customers, equal to about €2,028 million, represents the revenues on CDP lending activities;

- debt securities: interest income on debt securities, equal to about €28 million, mainly regards interest accrued on municipal and regional bonds subscribed by CDP;

- other interest income: this is primarily composed of interest income on treasury account no. 29814, equal to about €2,144 million.

(thousands of euros)

INTEREST EXPENSE AND SIMILAR CHARGES: COMPOSITION

	Debt	Securities	Other liabilities	1st half 2009	1st half 2008
1 Due to banks	6,623			**6,623**	**18,162**
2 Due to customers	966,238			**966,238**	**1,084,413**
3 Securities issued		1,816,032		**1,816,032**	**1,665,780**
4 Financial liabilities held for trading			314	**314**	
5 Financial liabilities at fair value					
6 Financial liabilities in respect of assets assigned but not derecognized					
7 Other liabilities			190	**190**	
8 Hedging derivatives			133,016	**133,016**	**47,655**
Total	**972,861**	**1,816,032**	**133,520**	**2,922,413**	**2,816,010**

Interest expense on amounts due to customers mainly regards interest on passbook savings accounts, totalling about 746 million, a decrease of 8.8% on the first half of 2008, and interest on loans being repaid but not yet disbursed by CDP, equal to about €218 million.

Interest on debt securities regarded bond issues for about €176 million and postal savings bonds for about €1,642 million.

The negative differences on hedges amounted to about €133 million.

COMMISSIONS - ITEMS 40 AND 50

During the period, CDP earned commission income on lending operations amounting to about €2.7 million and commission income of about €1.5 million relating to the agreement signed with the Ministry for the Economy and Finance in respect of assets and liabilities transferred to the MEF pursuant to Article 3 of the ministerial decree of 5 December 2003.

Commission expense mainly regards the charge for the period, equal to about €452 million, of the remuneration paid to Poste Italiane S.p.A. for managing and placing postal funding products.

DIVIDENDS AND SIMILAR REVENUES - ITEM 70

Dividends regard the accrued share attributable to CDP S.p.A. from its equity investments in Istituto per il Credito Sportivo (about €2.5 million), ENI S.p.A. (about €260 million), Enel S.p.A. (about €182 million), Poste Italiane (about €52.5 million), Terna (€59 million) and STH (about €9 million).

NET GAIN (LOSS) ON HEDGING ACTIVITIES - ITEM 90

This item showed a net loss of about €29 million at 30 June 2009, an increase of about €26 million compared with the first half of 2008.

GENERAL AND ADMINISTRATIVE EXPENSES – ITEM 150

Staff costs came to about €17 million, up on the first half of 2008 (when they came to about €16 million).
Other administrative expenses totalled some €12.3 million, a decrease of 2.5% on the first half of 2008.
In compliance with the Bank of Italy notice of 2 January 2009 and in order to ensure the comparability of the financial statements, the value of remuneration paid to the members of the Board of Auditors for the first half of 2008, equal to €53,500, has been reallocated to item "150.a Staff costs" of the income statement from item "150.b Other administrative expenses".

OPERATING SEGMENTS

A. PRIMARY BASIS OF REPORTING

CDP S.p.A. is subject to a system of organizational and accounting separation under Article 5.8 of Decree Law 269 of 30 September 2003, ratified with amendments by Law 326 of 24 November 2003.

In order to create an accounting separation system, the organisational structure of the company was therefore divided into three operating units called, respectively, Separate Account, Ordinary Account and Joint Services, within which CDP's existing organisational units have been re-grouped.

Separate Account
The role of the Separate Account is to pursue the mission of general economic interest entrusted to CDP by law.
The articles of association of CDP, in accordance with law, allocate the following activities to the Separate Account:

- financing in any form, including the acquisition of trade receivables, for the state, regional governments, local authorities, public bodies and public-law entities using repayable funds raised from postal savings bonds and passbook savings accounts that benefit from state guarantees and are distributed through Poste Italiane S.p.A. or its subsidiaries, and funds raised from the issue of securities, borrowing and other financial operations with state guarantees. As part of this activity, the Company may also carry out transactions in financial derivatives on own account in compliance with applicable law;
- financing in any form, including the acquisition of trade receivables, the issue of guarantees, the acquisition of equity capital or debt capital, the subscription of investment fund units. Each of the above financial transactions shall be entered into with the entities referred to in the previous point or used for operations promoted by the latter, in accordance with the criteria established in the decree of the Minister for the Economy and Finance adopted pursuant to Article 5, paragraph 11, letter e) of the Decree Law, or carried out in favour of small and medium-sized enterprises for the purpose of supporting the economy. The financial transactions shall be carried out using the funds referred to in the previous point and may be conducted either

directly or through the banking system, with the exception of operations in favour of small and medium-sized enterprises, which shall only be conducted through the banking system. Direct financial transactions must involve an amount equal to or greater than €25 million. Financial transactions carried out for operations promoted by the entities referred to in the previous point may be carried out in favour of public or private entities, with the exclusion of natural persons, having legal personality. For all such financial transactions, the economic and financial sustainability of each operation shall be assessed. As part of this activity, the Company may also carry out transactions in financial derivatives on own account in compliance with applicable law;

- the acquisition of equity investments transferred or contributed to CDP by one or more decrees of the Minister for the Economy and Finance pursuant to Article 5.3(b) of Decree Law 269, the management of which complies with the criteria provided for in the decree of the Minister for the Economy and Finance referred to in Article 5.11(d) of Decree Law 269;
- the management, where assigned by the Minister for the Economy and Finance, of the functions, assets and liabilities of CDP, prior to its transformation, transferred to the MEF pursuant to Article 5.3(a) of Decree Law 269, as well as the management of any other public function and activities of general interest assigned by act of law, administrative regulations or contract;
- the provision of assistance and consulting to the parties listed in the first point or to support the operations or parties indicated in the second point.

As regards the organisational structure of CDP, divisions falling under the Separate Account include the Public Investments division, the Development Policies & Management Support division, the Property division, the Postal Savings section of the Finance division, as well as the Parliamentary Supervisory Committee.

Ordinary Account

All CDP's other business activities that are not specifically attributed to the Separate Account are carried out by the Ordinary Account. Therefore, the Ordinary Account represents the range of activities carried out by CDP that are not assigned under statute to the Separate Account.

Specifically, CDP's Articles of association include among the activities designed to achieve its mission that are not assigned to the Separate Account:

- financing in any form, including the acquisition of trade payables, of works, plant, networks, and other resources intended for the delivery of public services and for reclamation projects using funds raised through the issue of securities, borrowing and other financial operations, without state guarantees and excluding demand funding and with funding exclusively from institutional investors. For this purpose, CDP may issue securities of any kind and may obtain financing from shareholders or third parties. CDP also obtains funding using grants provided in any form by the state, public or private entities or international bodies and any other of its own resources and financial revenues compatible with its mission;

- providing consulting services and conducting studies, research and analysis of economic and financial matters.

From an organisational standpoint, the activities of the Infrastructure and Strategic Projects division are included in the Ordinary Account.

Joint Services

Joint Services include the support departments, the corporate bodies and bodies provided for in the Articles of association (except for the Parliamentary Supervisory Committee, which regards the Separate Account), the offices of the Chairman, the Managing Director and the Director General, where envisaged, and the Finance division. The latter acts as an internal counterparty for all the other divisions and thus provides support for all CDP's activities. Accordingly, for the purposes of accounting separation, the costs and revenues of the Finance division allocable to the segments are broken down into Separate Account, Ordinary Account and Joint Services depending on the specific activity to which they refer (with the exception of the Postal Savings sector, which operates exclusively under the Separate Account, as noted above).

For more information on CDP's system of accounting separation, please refer to the report on operations.

A.1 DISTRIBUTION BY SECTOR: INCOME STATEMENT

(thousands of euros)

	Separate Account	Ordinary Account	Joint Services	Eliminations	Total CDP
Interest income and similar revenues	4,182,372	51,964	-	(2,511)	**4,231,825**
- of which in respect of internal transactions	*2,274*	*237*	-	*(2,511)*	**-**
Interest expense and similar charges	(2,871,451)	(53,473)	(0)	2,511	**(2,922,413)**
- of which in respect of internal transactions	*(237)*	*(2,274)*	-	*2,511*	**-**
Net interest income	1,310,921	(1,509)	(0)	-	**1,309,412**
Net commissions	(450,560)	2,695	(55)	-	**(447,920)**
Dividends and similar revenues	565,536	-	-	-	**565,536**
Net gain (loss) on trading activities	(6,367)	-	-	-	**(6,367)**
Net gain (loss) on hedging activities	(29,616)	202	-	-	**(29,414)**
Gains (losses) on disposal or repurchase of loans	5,139	-	-	-	**5,139**
Gross income	1,395,054	1,387	(55)	-	**1,396,387**
Net impairment adjustments of loans	-	-	-	-	**-**
Administrative expenses	(6,083)	(1,412)	(22,243)	-	**(29,738)**
Other operating income (costs)	100	256	214	-	**569**
OPERATING INCOME	1,389,071	231	(22,084)	-	**1,367,218**

A.2 DISTRIBUTION BY SEGMENT: BALANCE SHEET

(thousands of euros)

	Separate Account	Ordinary Account	Joint Services	Total CDP
Loans to customers	82,087,179	2,223,346	0	**84,310,525**
Due to customers	98,041,070	35	-	**98,041,105**
Securities issued	105,740,734	2,408,340	-	**108,149,073**
Cash and cash equivalents and net interbank position *	116,265,460	96,027	(53)	**116,361,434**

* Equal to the algebraic sum of the balance-sheet items Cash and cash equivalents, Loans to banks and Due to banks

TRANSACTIONS WITH RELATED PARTIES

1. Information on the compensation of directors and management

(thousands of euros)

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

	30 June 2009
a) Directors	551
b) Statutory auditors	54
Total	**604**

(thousands of euros)

REMUNERATION OF KEY MANAGEMENT

	30 June 2009
(a) short-term benefits	2,961
(b) post-employment benefits	38
(c) other long-term benefits	-
(d) severance benefits	97
(e) share-based payments	-
Total	**3,096**

(thousands of euros)

REMUNERATION PAID TO DIRECTORS AND STATUTORY AUDITORS

Name	Position	Period in office	End of term (*)	Compensation and bonuses
Board of Directors				
Franco Bassanini	Chairman	01/01/09-30/06/09	2009	100
Massimo Varazzani	Managing Director	01/01/09-30/06/09	2009	250
Vittorio Grilli	Director	01/01/09-30/06/09	2009	(**)
Nunzio Guglielmino	Director	01/01/09-30/06/09	2009	18
Luisa Torchia	Director	01/01/09-30/06/09	2009	18
Fiorenzo Tasso	Director	01/01/09-30/06/09	2009	18
Francesco Giovannucci	Director	01/01/09-30/06/09	2009	18
Gianfranco Imperatori	Director	01/01/09-23/04/09		11
Ettore Gotti Tedeschi	Director	29/04/09-30/06/09	2009	6
Gianfranco Viesti	Director	01/01/09-30/06/09	2009	18
Supplementary members for administration of Separate Account (Art. 5.8, Decree Law 269/2003)				
Edoardo Grisolia	Director (1)	01/01/08-31/12/08	2009	(**)
Maria Cannata	Director (2)	01/01/08-31/12/08	2009	(**)
Isaia Sales	Director	01/01/08-31/12/08	2009	18
Francesco Scalia	Director	01/01/08-31/12/08	2009	18
Giuseppe Pericu	Director	01/01/08-31/12/08	2009	18
Board of Auditors				
Alberto Sabatini	Chairman	01/01/08-31/12/08	2009	14
Mario Basili	Auditor	01/01/08-31/12/08	2009	(**)
Fabio Alberto Roversi Monaco	Auditor	01/01/08-31/12/08	2009	10
Antonello Arru	Auditor	01/01/08-31/12/08	2009	10
Biagio Mazzotta	Auditor	01/01/08-31/12/08	2009	(**)

(*) *Date of Shareholders' Meeting called to approve financial statements for the year*

(**) *The remuneration is paid to the Ministry for the Economy and Finance*

(1) *Delegate of State Accountant General*

(2) *Delegate of Director General of the Treasury*

2. Information on transactions with related parties

At 30 June 2009 CDP had the following transactions with the parent, subsidiaries and associates.

Transactions with the Ministry for the Economy and Finance

The main transactions conducted with the Ministry for the Economy and Finance regarded the treasury service performed by the MEF and lending transactions.

Specifically, CDP's liquidity is deposited on the interest-bearing account no. 29814 at the Central State Treasury and earns interest, as envisaged by Article 6.1 of the decree of the Minister for the Economy and Finance of 5 December 2003, at a floating 6-month rate equal to the simple arithmetic average of the gross yield on 6-month treasury bills and the level of the monthly Rendistato index.

As regards receivables in respect of loans, it should be noted that more than 40% of CDP's portfolio is repaid by the state.

CDP also manages loans and postal savings products owned by the MEF, for which it receives a fee established in a specific contract.

Outstanding transactions and the related financial effects at period-end were as follows:

(thousands of euros)

Transactions with Ministry for the Economy and Finance	30 June 2009
Cash and cash equivalents	115,814,953
Financial assets held to maturity	204,989
Loans to customers	33,407,376
Other assets	5,175
Due to customers	4,329,687
Other liabilities	55
Interest income and similar revenues	2,914,846
Commission income	1,524
Interest expense and similar charges	(87,490)

Transactions with subsidiaries

During the first half of 2009, Terna S.p.A. subscribed EMTN bonds issued by CDP in the nominal amount of €700 million, which were repaid in full by the end of April 2009. Also in the first half of the year, CDP approved financing of up to €500 million to Terna S.p.A., which had not been disbursed as of 30 June 2009.
The transactions outstanding at the end of the period and the related effects on the income statement are as follows:

(thousands of euros)

Transactions with subsidiaries	30 June 2009
Other assets	514
Commission income	1,014
Interest expense	(3,075)

Transactions with associates

Transactions with associates are entirely accounted for by relations with Poste Italiane S.p.A., including both the placement and management service for postal savings products and loans granted by CDP.
The service provided by Poste Italiane is remunerated with an annual commission set in a specific agreement between the parties.
Outstanding transactions and the related financial effects at period-end were as follows:

(thousands of euros)

Transactions with associates	30 June 2009
Loans to customers	840,235
Due to customers	592,190
Other liabilities	750,000
Interest income and similar revenues	16,356
Commission expense	(750,000)
of which: subject to amortisation	(297,750)

ANNEXES

ANNEX 1

LIST OF EQUITY INVESTMENTS

Annex 1

(thousands of euros)

LIST OF EQUITY INVESTMENTS

	Registered office	% holding	Book value
A. Listed companies			
1. Eni S.p.A.	Rome	9.99%	6,744,859
2. Enel S.p.A.	Rome	17.36%	5,665,206
3. Terna S.p.A.	Rome	29.99%	1,315,200
B. Unlisted companies			
1. Poste italiane S.p.A.	Rome	35.00%	2,518,744
2. ST Holding N.V.	Amsterdam	30.00%	446,787
3. Galaxy S.àr.l.	Luxembourg	40.00%	25,078
4. Sinloc S.p.A.	Padua	11.85%	5,507
5. F2i SGR S.p.A.	Milan	14.29%	2,143
6. Istituto per il Credito Sportivo	Rome	21.62%	2,066
7. CDP Investimenti SGR S.p.A.	Rome	70.00%	1,400
8. Europrogetti & Finanza S.p.A.	Rome	31.80%	-
9. Tunnel di Genova S.p.A.	Genoa	33.33%	-