



MENO RISCHI, PIÙ COMPETITIVITÀ

PRESS RELEASE

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BOARD APPROVES 2008-2010 INDUSTRIAL PLAN RESULTS AS AT 30 SEPTEMBER 2007 ON AN UPWARD TREND: € 330.3 MILLION ADJUSTED GROSS PROFIT

- *Industrial plan growth target: 51.8% increase in consolidated gross premia by 2010*
- *Lines of development include expansion overseas in finance and insurance*
- *Development of the Credit and Guarantee branches and consolidation of activities managed with State guarantees*
- *Adjusted gross profit for the first nine months of 2007: € 330.3 million (+35.4% compared to the same period of 2006)*

Rome, 23 November 2007 – The SACE SpA Board of Directors approved today the new Industrial Plan for 2008-2010, whose aim is to create value by boosting development of the Credit and Guarantee branches and of new operations in activities managed with State guarantees, pursuing profitability and sustaining the general growth of businesses and banks. In this three-year period, SACE specifically aims to attain € 463 million in **consolidated gross premia** in 2010, up 51.8% over the € 305 million expected by end 2007 in absolute terms and at an average annual growth rate (CAGR) of 15%.

LINES OF DEVELOPMENT OF THE INDUSTRIAL PLAN

For activities managed under State guarantee, the new business model branches out into 4 lines:

- **Export credit:** the traditional activity carried out at non-market conditions;
- **Political Risk Insurance:** guarantees concerning overseas investment operations;
- **Internationalisation:** financial guarantees issued at market conditions to support the expansion of Italian companies into foreign markets;
- **Market Window:** financial guarantees for operations having a strategic interest for Italy.

With the development of these four lines of activity, the Industrial Plan aims to **consolidate traditional operations** on export credit, to **develop new operations** ensuring profitability and support to the general growth of the business and banking community, and to **rationalise territorial coverage**, also by developing the overseas network in areas of importance for Italian exports and investment. Overall, the new guarantees expected in this segment in 2010 amount to € 9.1 billion.

For activities relating to the “market” branches (Credit and Guarantees), the Plan considers:

- the **setting up of an international player** specialised in insurance and financial services, with a widespread geographical presence. The focus will be chiefly on Eastern European countries, including Turkey, on the BRIC countries (Brazil, Russia, India and China) and on South Africa, as they are characterised by high rates of growth. In the Czech Republic, a more than 50% stake in KUP, a market leader, has already been acquired in 2007. In Russia, consolidation is planned of the current partnership with Ingosstrack, an insurance concern;
- **growth in the domestic market**, aiming at a **15% market share**, to be achieved by developing the distribution and widening the range of products with complementing services;



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- **rationalising the Group's structure**, by creating a company-product business model and re-defining corporate identity.

SACE SpA RESULTS AS AT 30 SEPTEMBER 2007

The SACE SpA Board of Directors also approved today the results for the first nine months of 2007. Results grossed by the company are on an upward trend compared to the same period of 2006, as adjusted for extraordinary items and taking into account the € 3.5 billion capital refund to the Ministry of Economy and Finance.

Considering the above, SACE's **gross profits** for the first nine months were € 330.3 million, with growth at 35.4% compared to the adjusted result for the same period of 2006; net profits as at 30 September 2007 were € 212 million

Technical area management contributed to the overall result:

- **Gross premia** due for the first nine months of 2007 amounted to € 165.8 million, up by 20% over the same period of the previous year.
- **losses** in the period amounted to € 16.7 million, down by 37% compared to the same period of the previous year, thus confirming the downturn in the overall loss rate.

The SACE Group offers credit insurance, investment protection and contractual guarantees through the coverage of political and commercial risks. SACE SpA obtained an AA2 rating from Moody's.