



PRESS RELEASE
Rome, 20 April 2006

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SACE GROUP: RESULTS AT 31 DECEMBER 2005

SACE Group results

- **Gross premiums: €197.7 million**
- **Income before taxes: €921.2 million**
- **Net income: €757.4 million**

SACE S.p.A. results

- **Gross premiums: €175.2 million (+41%)**
- **Income before taxes: €837 million (+44%)**
- **Net income: €701.2 million (+34%)**
- **Risks insured: €7,668 million (+45.8%)**
- **Proposed dividend of €624.7 million**

Rome, 20 April 2006. The Board of Directors of SACE S.p.A., chaired by Ignazio Angeloni, approved today the Group's 2005 consolidated financial statements and the Parent Company's results.¹

The results achieved in 2005 exceeded the targets set in the 2005-2007 Industrial Plan for risks insured and fully met that for premium income.

CONSOLIDATED FIGURES AT 31 DECEMBER 2005

SACE Group is formed by SACE S.p.A., SACE BT and Assicuratrice Edile (Assedile). The Parent Company, SACE S.p.A., supports Italian enterprises in their international operations by insuring and reinsuring against political and commercial risks. SACE Group was created in June 2004 with the creation of SACE BT, a specialized company in short-term credit insurance. On 30 September 2005, the Group expanded with SACE BT's acquisition of a majority stake in Assicuratrice Edile S.p.A. (Assedile), which operates in the surety bond market. Result for year end 2005:

- Income before taxes totaled €921.2 million, while **net income** came to **€757.4 million**
- **Shareholders' equity** rose to **€9,092 million**, up **9%**
- **Gross premiums** amounted to **€197.7 million**
- **Investments** totaled **€5,528 million**

SACE S.p.A. FIGURES AT 31 DECEMBER 2005

- 2005 closed with income before taxes of €837 million (+44%), while **net income reached €701.2 million** (+34%).

¹ The consolidated accounts have been prepared on the basis of international accounting standards (IAS/IFRS). The statutory accounts have been prepared on the basis of Italian GAAP.

- **The result on the technical account** (insurance operations) amounted to **€236.8 million** (in 2004 totaled €43 million).
 - **Gross premiums** totaled **€175.2 million**, an increase of more than 41%.
 - **Risks insured** came to **€7,668 million**, up 45.8% on 2004. The new guarantees underwritten were mainly concentrated in Asia (more than 30% of risks insured, primarily in the Middle East) and Europe (approximately 47% of risks insured, with the bulk in Eastern Europe). SACE is mainly involved in the oil & gas, petrochemicals, metallurgy, aeronautical and naval fields.
 - **Outstanding commitments** (i.e. total amount of guarantees underwritten by SACE and still in-force) amounted to more than **€19.7 billion**.
 - **Management of receivables** also benefited from the pre-payment of a portion of outstanding debts due from a number of countries, including Russia, Peru and Bulgaria. In addition to the substantial recoveries on receivables, the positive economic conditions in the Emerging Market Economies also allowed for a greater risk diversification, an improved average rating of the portfolio, and a reduced overall level of risk.
 - **Technical reserves** rose to **€1,938 million**(+4.4%).
- **The result on the non-technical account** amounted to **€600.1 million** (+11%). It includes the result on financial operations (€83.7 million), interest on receivables (€318 million), foreign exchange gains (€140.3 million) and extraordinary operations(€16.3 million).
- On the basis of the results achieved at 31 December 2005, the Board of Directors of SACE S.p.A. voted to propose that the Shareholders' Meeting approve the **distribution of a dividend** to the sole shareholder, the Ministry for the Economy and Finance, of **€624.7 million**, of which an interim dividend of €256.6 million was already paid in December 2005.

CONSOLIDATED FIGURES FOR SACE BT AND ASSEDILE

The consolidated financial statements² of the other two Group companies, prepared on the basis of IAS/IFRS, show **shareholders' equity of €107 million** up €1.4 million. Their **consolidated net income** amounted to **€40 thousand** exceeding the break-even target set out in the 2006 business plan.

SACE'S DEVELOPMENT STRATEGIES

The introduction last year of the new **organization of products by line of business** (Banks, Corporate, SMEs, Global, Short-Term Business and Bonds) improved the quality and competitiveness of the products offered to customers and boosted operating efficiency. The range of products offered by SACE and the Group evolved further and, in addition to strengthening the traditional insurance business, witnessed the development of innovative insurance-credit solutions to enhance support for Italian companies seeking to operate in the international market. In a further step, the closer attention paid to market demands led to the gradual **reinforcement of distribution channels through** the opening of direct offices in Italy and abroad. During the year, SACE also extended the scope of its business thanks to two changes in the regulatory framework (the resolution of the Interministerial Committee for Economic Planning of December 2004 and the Competitiveness Decree of March 2005), broadening the types of insurable risks and the products and services offered to firms.

In December 2005 SACE also received a **rating of Aa2** from Moody's, equal to that assigned to the Italian Republic. The rating was issued on the basis of SACE's strong capitalization, its niche market position and Italian government support.

² Assedile is incorporated in the consolidated financial statements for the final three months of the year.