

NET INCOME FOR 2010 WAS € 410 MILLION

- Significant contribution of operating income, with gross premiums up 24% to € 533 million
- Growth in the portfolio of transactions insured, especially in the emerging countries
- SACE Fct: factoring arrangements between suppliers and public sector customers generated a turnover of € 885 million in the first year of business

Rome, 4th April 2011 – Today the Board of Directors of SACE, chaired by Giovanni Castellaneta, approved the draft financial statements of the parent company SACE SpA and the consolidated financial statements of the SACE group as at 31st December 2010.

SACE: MAIN ECONOMIC-FINANCIAL DATA FOR 2010 (consolidated)			
€ million	2010	2009	Change
Gross premiums	532.8	430.5	+ 23.8%
Claims paid	181.5	162.0	+ 12.0%
Profit before tax	612.5	639.1	- 4.2%
Net income	409.8	459.9	-10.9%
Shareholders' equity	6,364.3	6,318	+ 0.7%
Technical provisions	2,214.8	2,316.9	-4.4%
Portfolio:			
- SACE SpA (outstanding commitments)	32,202.6	27,762.1	+ 16.0%
- SACE Bt (outstanding commitments)	36,950.4	32,483.8	+ 13.8%
- SACE Fct (outstanding credits)	804.0	-	n.a.

Volumes insured by the group in 2010 continued the buoyant trend seen in recent years, and there was a significant increase in the number of medium-value transactions in support of SMEs.

Gross premiums rose by 23.8% to € 532.8 million, while claims paid increased by 12% to € 181.5 million. **Net income** amounted to **€ 409.8 million** (-10.9% compared to 2009).

"Another extremely positive year for us, which confirms our counter-cyclic role and increasing support for the internationalisation of Italian companies, especially SMEs. This is borne out by the rise in insured risks in both the emerging and OECD markets. At a time of instability and with the ongoing crises in certain parts of the world, it has become even more important for us to strengthen our commitment to reducing risks and improving access to credit," explained Alessandro Castellano, CEO of Sace. "The results for 2010, which confirm the effectiveness of our strategies, can be mainly ascribed to operating income, given the reduced contribution of financial management and the absence of the extraordinary items characteristic of previous years."

At 31st December 2010 the portfolio of **outstanding commitments of the parent company SACE SpA** amounted to € 32.2 billion, up 16% on 2009. Russia, where SACE recently guaranteed loans for € 1 billion for the Nord Stream gas pipeline, continued to be the largest country in terms of exposure, which stood at more than € 4.7 billion (+56% compared to 2009). The second-largest was Turkey (€ 2.3

billion). Overall, non-EU European countries including the Commonwealth of Independent States accounted for 25.5% of the portfolio (21.3% at the end of 2009), followed by the Middle East with 17.2% (21.9% in 2009), where it mainly consisted of commitments in Saudi Arabia, Qatar, Arab Emirates and Oman. Reflecting the increasingly dynamic performance of Italian enterprises in the emerging economies, there was a significant acceleration in transactions in Latin America. These exceeded € 900 million in Brazil and soared by 234% (€ 674 million) in Mexico. Growth was recorded throughout Asia and was particularly brisk in Pakistan, India, South Korea, Malaysia and Vietnam.

Demand for insurance and financial products rose in 2010 and there was a 20.4% increase in the number of transactions. SACE was prepared for this upswing, having developed a new business model in recent years based on an upgraded distribution network and a broader offering of products for SMEs. In furthering its international presence, SACE opened new branches in Istanbul and Bucharest, the former a hub for the middle-eastern Mediterranean region, the latter for Central and Eastern Europe. SACE also entered into more new partnerships with international banks such as the EIB, sustaining major investment projects by Italian enterprises engaged in R&D and in strategic sectors such as infrastructure and renewable energy. Within the scope of one such partnership SACE guaranteed the first project bond in the PV sector.

Product companies

The results of **SACE BT**, which operates in the sector of credit insurance, surety bonds and construction risk, showed an appreciable improvement compared to the previous year as premium income held up and there was a drop in the claims rate (-55% compared to 2009). Commitments outstanding rose by 13.8% to some € 37 billion. Having adopted prudent policies in terms of risk assumption/return profiles and contract management, SACE BT expects to break even again in 2011 in line with market trends.

SACE Fct, the group's factoring company, started operations in April 2010. The need for liquidity on the one hand and the lack of standardised lending criteria on the other had a positive impact on the demand for factoring services, especially to finance sales to the public sector. The company posted a turnover of € 885 million, closing the year with a profit. At the end of 2010 the company's outstanding credits amounted to € 804 million. Business is expected to continue to do well in 2011 and the project for the company's inclusion in the Single Register of Financial Intermediaries held by Banca d'Italia will also be finalised.

SACE is an insurance and financial group that operates in the field of export credit, credit insurance, investment protection, financial guarantees, surety bonds and factoring. The group assists its clients in more than 180 countries, ensuring more stable cash flows and transforming companies' risks of insolvency into development opportunities.

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