



MENO RISCHI, PIÙ COMPETITIVITÀ

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Communications
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Consolidated results as at 31 December 2008

Net profit of €349 million

Results remained stable compared to the previous year, despite significant worsening of the economic and financial situation:

- **Profit before tax: €530.1 million**
- **Net profit: €349 million**
- **Gross written premiums: €381.6 million**

Rome, 1st April 2009 – Today the Board of Directors of SACE S.p.A approved the draft consolidated financial statements of the SACE group and the financial statements of the parent company, SACE S.p.A. as at 31st December 2008.

SACE GROUP: RESULTS

At a time marked by unfavourable international market conditions and as the full force of the economic and financial crisis began to be felt in the last quarter of 2008, the SACE group maintained its core business operating results on a par with the previous year.

SUMMARY STATEMENT			
(€million)	2008	2007	Change
Gross written premiums	381.6	311.8	+ 22.4
Claims	45.0	50.4	- 10.6
Technical provisions (gross)	2,022.1	1,952.9	+ 3.5
Profit before tax	530.1	589.8	-10.1
Net profit	348.9	377.3	- 7.5
Outstanding commitments	46,429.7	37,054.6	+ 25.3

In line with the industrial plan for the years 2008-2010, the main consolidated results for 2008 were stable compared to the previous year. These are summarised as follows:

- **profit before tax:** €530.1 million (€589.8 million in 2007, falling by 10.1%);
- **net profit:** €348.9 million (€377.3 million in 2007, down 7.5%), put down to the increase in claims in the credit insurance business (SACE BT), the area most exposed to the effects of the unfavourable business cycle;
- **gross written premiums** for the year: €381.6 million (€311.8 million the previous year, up 22.4%), mainly reflecting the €67 million increase in credit insurance (+ 27.5%);
- **claims:** €45 million, falling by 10.6%.

The Board of Directors stressed the SACE group's role in supporting the Italian economy. This role is of particular strategic importance in the current economic and financial situation, which is not merely a typical business cycle downturn. The Board is confident that the financial measures implemented by SACE and the group's expertise can make a major contribution to the recovery of the Italian economy.



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Alessandro Castellano, CEO of the SACE group explained: “As the global financial situation worsens and insolvency rates rise, SACE has renewed its commitment to make its customers, especially SMEs, more competitive and help them have access to loans. Given the bleak growth outlook for the world economy, general prudence will be essential in analysing the prospects for 2009: in the event of further significant worsening of the economic situation, we may have to revise our objectives for this year.”

SACE GROUP: STRATEGY

The industrial plan approved for the years 2009-2010 places the focus on traditional activities to support exports and foreign investments. It also envisages the consolidation of the new scope of operation (which covers guarantees for bank loans to SMEs, renewable energy sources and strategic infrastructure) and significant growth in the credit insurance and surety businesses. These objectives will be achieved using methods that combine support for the Italian economy, a prudent and well-balanced approach to financial management and improved risk diversification.

The number of Italian offices has been increased, to offer companies (especially small and medium enterprises) faster and more efficient services. The offices in Milan, Modena and Venice-Mestre have been upgraded to branches with their own legal and operational autonomy. **The foreign network has been extended** and offices have opened in Johannesburg and Sao Paulo, in addition to those in Moscow and Hong Kong.

In 2008 the following special activities were undertaken with a view to streamlining the group’s structure, focussing on core businesses, improving corporate efficiency and enhancing operational and administrative synergy:

- merger through incorporation of SACE Surety and SACE BT (credit insurance and surety business);
- sale of the life insurance business.

The following activities are planned in connection with the marketable business (credit insurance and surety):

- completion of the offering of products and services, by entering markets contiguous to credit insurance such as without-recourse discounting (*factoring*);
- adoption of measures aimed at limiting claims and improving the technical balance of the credit insurance business;
- focussing on the domestic market, consolidating and strengthening the existing sales network to improve coverage of the national territory and better meet the needs of SMEs.

THE PARENT COMPANY, SACE S.p.A.

The annual accounts of SACE S.p.A. as at 31 December 2008 posted a net profit of €337.9 million, about 5.5% up on the previous year (€320.4 million). Profits for the year before tax amounted to €510.8 million, essentially in line with 2007 (€507.2 million).

The main operating and financial data that contributed to the result for the year are shown in the table below.



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SUMMARY STATEMENT			
(€million)	2008	2007	Change
Gross written premiums	283.4	225.2	25.8
Claims	21.8	37.5	- 41.8
Technical provisions (gross)	2,163.2	2,176.1	- 0.6
Shareholder's equity	5,569.5	5,350.2	+ 3.9
Profit before tax	510.8	507.2	+ 0.7
Net profit	337.9	320.4	+ 5.5

Gross written premiums rose by 25.8%, from €225.2 million in 2007 to €283.4 million in 2008. Claims paid (€21.8 million) fell compared to the previous year (€37.5 million). However, starting from the second half defaults relating to supplier credit and guarantees in support of internationalisation of SMEs rose. Guarantees were approved for some €8.32 billion. These were mainly concentrated in Europe (27-member EU), other European countries and CIS, the Middle East and North Africa.

GUARANTEES APPROVED IN 2008 BY GEO-ECONOMIC AREA	
Europe (EU 27)	45.6%
Other European Countries and CIS	18.9%
Middle East and North Africa	14.7%
Americas	10.3%
East Asia and Oceania	6.1%
Sub-Saharan Africa	2.6%
Other Countries	1.8%

PERFORMANCE OF CREDIT INSURANCE AND SURETY BUSINESSES: RISE IN CLAIMS

In the **credit insurance business** the number of policyholders rose by 42% and the number of premiums by 45%. The poorer technical result of SACE BT reflected the rise in claims in connection with the ongoing crisis. This increase, which began at the end of 2007, is shown by the rate and average cost of claims. Steps have been taken to limit the losses and curtail this phenomenon.

The technical result posted by the **surety business** was up on 2007. Premiums written exceeded the average in a market feeling the effects of the slowdown in the public works sector.

The SACE group is Italy's leading provider of credit insurance, investment protection and contractual guarantees to cover political and commercial risk. The group assists customers in over 150 countries. SACE offers a complete range of insurance and financial products, to guarantee more stable cash flows and transform counterpart insolvency risks into development opportunities. SACE has been assigned an AA2 rating by Moody's.