



A Guide to Enhancing SACE Business in Jordan and the Middle East

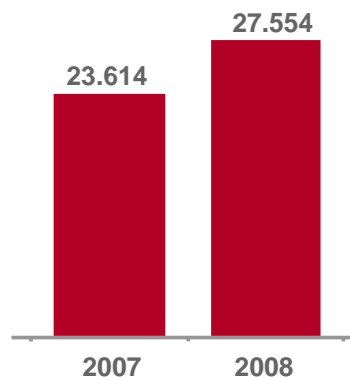
*Michal Ron – Head of International Relations and Network
Amman, 19th November 2009*



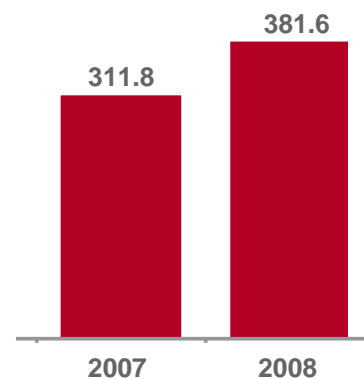
THE LEADING ITALIAN CREDIT MANAGEMENT COMPANY

We offer solutions for the
integrated management
of commercial and political risks

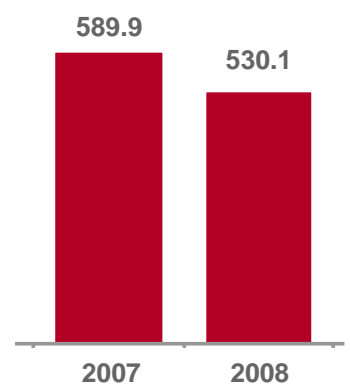
- Export credit and project finance
- Protection of foreign investments
- Financial guarantees
- Credit insurance
- Surety and construction risks



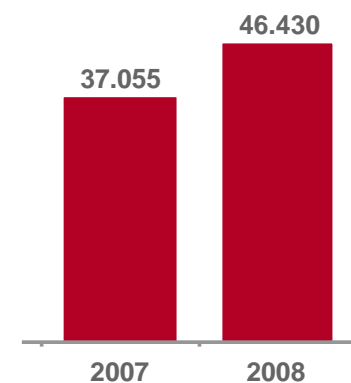
Insured business (€ Mn)



Gross premiums (€ Mn)



Gross profit (€ Mn)



Outstanding commitments (€ Mn)

2008 was another year of significant results

EXPERIENCE

- **Over 30 years** of providing risk management solutions to small and medium-sized businesses and large corporations

FINANCIAL SOUNDNESS

- **Aa2** credit rating (Moody's)

RELIABILITY

- Outstanding commitments for over **€ 46 Billion** to insure commercial and financial transactions in over 150 countries

Are you an **exporter** wanting to offer favourable payment terms?

Export credit and project finance

• *Over € 20 Bn of outstanding guarantees*

Looking to **invest** in high-risk countries?

Protection of foreign investments

• *From small joint-ventures to large-scale investments and acquisitions*

Difficulty getting **access to domestic credit**?

Financial guarantees

• *Loans for € 3.3 Bn guaranteed in 2008, serving over 1,300 SMEs*

Need to grant **extended payment terms**?

Credit insurance

• *€ 15 Bn of commercial credits insured*

Bidding for contracts in Italy and abroad?

Surety and construction risks

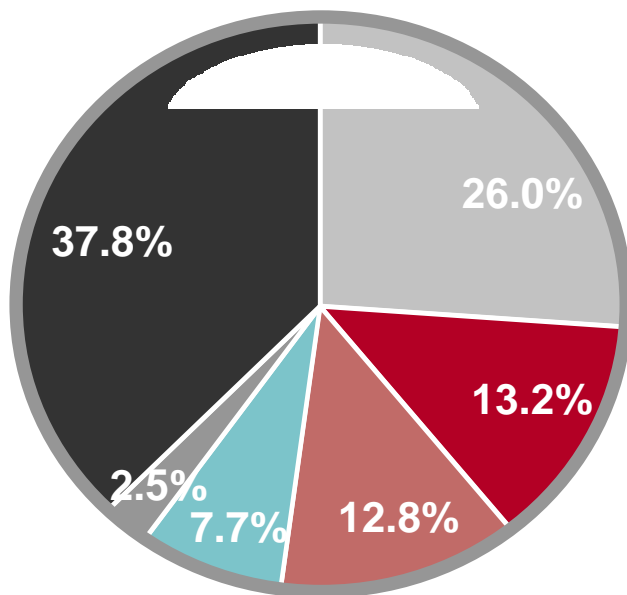
• *75,000 policies issued*



Overseas network

- 4 representative offices overseas
- Through agreements with specialist operators we are also represented in the Balkans and Turkey

We support enterprises seeking to reach far



- Middle East and North Africa
- EU27
- Americas
- Other European Countries and CIS
- East Asia and Oceania
- Sub-Saharan Africa

Total exposure¹ by geo-economic area as at 31.12.2008

¹ Exposure for activities of SACE excluding the credit insurance, surety and construction risk businesses

We cover political and commercial risk in over 150 countries

\$65 MILLION PREPAYMENT AGREEMENT WITH JORDAN

SACE has collected the entire Jordanian debt

In May 2008 SACE and the Government of Jordan signed the Bilateral Agreement for the early repayment of the debt, implementing the agreement between Jordan and the Paris Club creditor countries.

As per the Bilateral Agreement, SACE was prepaid around \$ 65 million, i.e. the entire Jordanian sovereign debt, including a portion previously allocated for a Debt Swap.

BILATERAL AGREEMENT WITH LEBANON FOR DEBT REPAYMENT

In November 2007 SACE and the Lebanese Government signed an agreement for the restructuring of the outstanding sovereign debt. Lebanon agreed to repay to Italy its entire debt by 2010.

The reaching and implementing of this bilateral agreement confirms the strong links that Lebanon maintains with its international creditors as well as facilitating new transactions in Lebanon with SACE's support.

AGREEMENT WITH EUROPE ARAB BANK

The partnership will allow SACE to provide Italian companies with a cost effective and competitive bonding service in 15 countries in the Middle East and North Africa region

In July 2009, SACE has finalized a partnership agreement with Europe Arab Bank, a wholly owned subsidiary of Arab Bank, to support Italian companies in the Middle East and North Africa.

Through this agreement, SACE could benefit from the Arab Bank's network for issuing security bonds on behalf of its clients.

Arab Bank runs its activities in 15 countries, including Algeria, Cyprus, Egypt, **Jordan**, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, UAE, Yemen.

FRAMEWORK AGREEMENT WITH TRADE BANK OF IRAQ

In February 2008, SACE signed an agreement with TBI, Trade Bank of Iraq, and the Ministry of Finance of Iraq.

The framework agreement between SACE, TBI and the Ministry of Finance of Iraq will ensure the financing of Italian products and services exported to Iraq by the issuance of short-term export credit insurance policies in connection with letters of credit issued by TBI.



US\$ 42,916
Documentary Credit Confirmation

Office and store furniture

2008 Jordan



US\$ 1.84 Mn
Export Credit

Packaging machineries

2008 Jordan



US\$ 91,964
Export Credit

High pressure fluid power components


2008 Jordan



US\$ 320,883
Documentary Credit Confirmation

Termo-acoustic insulation materials

2009 Jordan



US\$ 5.34 Mn
Export Credit

FEED services for a new oil refinery

2009 Jordan




US\$ 120,000
Documentary Credit Confirmation

Machinery and mechanical equipment

2008 Jordan



US\$ 31,725
Documentary Credit Confirmation

Cooling and ventilation equipments


2008 Jordan



US\$ 1.84 Mn
Export Credit

Low/Medium tension electric cables

2009 Jordan



US\$ 114,760
Documentary Credit Confirmation

Bridge cranes

2009 Jordan



US\$ 95,000
Export Credit

Fluid Power Connectors

2009 Jordan

- Due to its geographical position and stable economic and political conditions, Jordan is becoming an increasingly attractive place for investors in the Region. The best opportunities for Italian companies to be exploited in tourism, renewable energies sectors, IT and new technologies.
- According to a recent World Bank paper (Doing Business - 2009) Jordanian business environment has improved during the last few years; in particular, major progress was acknowledged with regards to simplified procedures required to obtain construction permits.
- With reference to Iraq, we foresee opportunities with the bidding for several greenfield projects on offer in the oil & gas sector.

The Shams Ma'an project: a major Mediterranean Solar Park



Solar Ventures, one of Italy's leading companies in the production of solar energy, formalized an agreement for the construction in Jordan of the largest Mediterranean solar power plant (100 MW). The agreement, fruit of the partnership with the Jordanian companies **Kawar Energy**, **First International for Investment and Trade** and **Ma'an Development Company (MDC)**, was executed in the presence of His Majesty King Abdullah II of Jordan, during an official visit to Italy.

The project will supply clean energy to over 60,000 families and contribute to the development of a technological hub in Jordan for training and research in innovative sectors.

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Annex 1 - Range of products

Offer competitive terms of payment

Export credit for supplies and projects using credit lines granted at competitive rates, also for project & structured finance transactions

Advantages for exporters

- Longer repayment schedules
- Credit is protected, even in emerging countries
- Help with finding the best financial structure

We insure against the risk of non-payment of loans

Invest abroad with confidence

Insurance cover for the value of the investment against loss or non-payment of amounts due in connection with the investment as a result of political events (war, civil unrest, currency restrictions, expropriation, etc.)

Advantages for companies investing overseas

- Possibility of expanding abroad in countries with a high growth potential but where there are political problems or an uncertain legal framework
- Flexible insurance cover (possibility of selecting the individual risks to be insured)
- Better credit terms, as policy rights can be transferred to the lending bank

We insure foreign investments against political risk

Easier access to credit

- For **SMEs**: insurance cover for funding of activities to promote growth in international markets granted under framework agreements with leading financial intermediaries
- For **Large Corporations**: insurance cover for loans earmarked for specific investments abroad or to cover requirements for working capital in connection with international contracts

Advantages for the company that receives the loan

- Availability of favourable credit terms
- Access to loans with longer payment schedules

We facilitate access to credit by guaranteeing bank loans to companies

Funding for investment projects

- Insurance cover for funding to develop **infrastructure** to expand the national transport system, improve telecommunications networks or promote the diversification of energy sources
- Insurance cover for funding of projects in each stage of the **renewable energy** chain: from research and development to the production of raw materials and machinery and building of power production plants

Advantages for the company that receives the loan

- Availability of favourable credit terms
- Access to loans with longer payment schedules

We foster the development of projects of strategic importance for the Italian economy

Insurance of turnover in Italy and abroad

- **Total** cover: insures the company's entire turnover with Italian and foreign buyers, or uniform segments of that turnover
- **Partial** cover: insures turnover relating to recurrent transactions with a particular foreign customer or group of selected customers

Advantages for the policyholder

- Improvement of overall credit management
- Prior assessment of customers' solvency
- Active risk management

We insure companies against the risk of non-payment

Peace of mind when executing large or small works

- **Surety:** guarantees to cover contractual obligations (bid bonds, performance bonds, advance payment bonds, etc.) and performance of legal obligations (tax bonds, custom bonds, etc.), in connection with contracts undertaken in Italy and abroad
- **Construction risk:** insurance against risks associated with the construction of plant and civil works for companies carrying out civil, industrial or infrastructure works in Italy or abroad under public or private contracts

Advantages for the policyholder

- More efficient financial management
- No need to use bank credit facilities

**We boost the competitiveness of companies bidding
for tenders in Italy and abroad**



Annex 2 – Major SACE transactions - 2008/2009

 <p>€ 255 mln Surety bond Al Jubail refinery conversion unit. 2009 Saudi Arabia</p>	  <p>€ 240 mln Guarantee Foreign assets acquisition 2009 Italy</p>	  <p>US\$ 218 mln Project & structured finance Offshore/onshore gas pipeline 2009 Qatar/United Arab Emirates</p>	 <p>US\$ 200 mln Guarantee Desalination plant 2009 United Arab Emirates</p>	 <p>€ 158 mln Guarantee Highway infrastructures 2009 Brasil</p>
  <p>€ 130 mln Project & structured finance Vehicles production plant. 2009 India</p>	 <p>€ 42 mln Guarantee 6 ATR 72-500 for Vietnam Airlines 2009 Vietnam</p>	  <p>€ 33 mln Project & structured finance Wind power plant 2009 Italy</p>	 <p>€ 27 mln Project & structured finance Solar power plant 2009 Italy</p>	 <p>€ 20 mln Performance bond Warsaw second underground line 2009 Poland</p>
 <p>€ 12 mln Surety bond New university campus 2009 Libya</p>	  <p>€ 3 mln Guarantee Fruit and vegetable processing machineries 2009 Egypt</p>	 <p>€ 2.5 mln Guarantee Textile machineries 2009 United States</p>	 <p>€ 2.5 mln Guarantee Rail tractors 2009 Algeria</p>	 <p>€ 2 mln Guarantee Grinding machines 2009 China</p>

 € 0.6 mln Guarantee Export containers 2009 Croatia	 € 0.3 mln Guarantee Epoxy resin line 2009 Turkey	 € 0.3 mln Guarantee Paper processing machineries 2009 Romania	 € 0.3 mln Confirmation of documentary credit policy Refrigerated counters 2009 Belarus	 € 0.1 mln Confirmation of documentary credit policy Bridge cranes 2009 Lebanon
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BEST DEALS/DEAL OF THE YEAR 2008

 € 72 mln Guarantee Industrial investments 2008 Italy	 € 227 mln Guarantee Rolling Mill by Danieli 2008 Russia	 US\$ 250 mln Project & structured finance Natural gas liquefaction plant by Saipem, Nuovo Pignone e Ilva 2008 Peru	 US\$ 300 mln Guarantee Oil & gas and refinery facilities 2008 India	 US\$ 300 mln Project & structured finance Ras Laffan C Thermo-electric power plant 2008 Qatar
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