

1. Introduction

SACE S.p.A. (hereinafter “**SACE**”) was established – effective from January 1, 2004 – through the transformation into a joint stock company (*società per azioni*) of the former public economic entity denominated Istituto per i Servizi Assicurativi del Commercio Estero (SACE), pursuant to Art. 6 of Law Decree no. 269 of September 30, 2003, converted into Law no. 326 of November 24, 2003 (hereinafter the “**Transformation Decree**”). Pursuant to the Transformation Decree, SACE assumed all the assets and liabilities, together with all rights and obligations that the former entity had at the date of the transformation, in order to ensure the continuity of the activities previously performed.

Pursuant to the Transformation Decree, SACE is authorized to issue guarantees and insurance coverage for political, catastrophic, economic, commercial and exchange risks to which Italian entrepreneurs are exposed in their international activities. Furthermore, SACE is authorized to issue guarantees and insurance coverage for transactions that are of strategic importance to the Italian economy in terms of internationalization, economic safety and the establishment of productive and employment processes in Italy, as well as for non-payment risks relating to receivables owing to the public administrations.

SACE is required to prepare its balance sheet in compliance with the provisions set forth under the Private Insurance Code (Legislative Decree no. 209 of September 7, 2005), pursuant to Art. 95 and 345, second paragraph, of the aforementioned Code.

2. SACE and its subsidiaries

SACE currently controls SACE BT S.p.A (an insurance company under the supervision of ISVAP¹ operating in the classes of credit, bonds and “ADB”), SACE SRV S.r.l (belonging to the Insurance Group SACE BT, which - among others – also carries out protection and debt collecting activities for the companies controlled by SACE) and SACE Fct S.p.A (a financial intermediary under the supervision of the Bank of Italy, registered in the special list of intermediaries, and active in the factoring market).

SACE and its subsidiaries support the growth of more than 25,000 enterprises in more than 180 countries, to ensure more stable cash flows and to transform insolvency risks into development opportunities. During the 2011 fiscal year, SACE achieved, at a consolidated level, a turnover of approximately 447 million Euro and a gross profit of approximately 211 million Euro, with a net worth of approximately 6,202 million Euro and technical reserves of approximately 2,342 million Euro. To date, SACE and its subsidiaries have approximately 690 employees.

In the context of its activity, SACE also requested the assignment of a rating concerning its solvency. To date, SACE’s rating is A- with a negative outlook (source: *FitchRatings*, October 2012).

¹ In order to ensure the full integration of the supervision activity in the financial and insurance sectors, and a closer relationship with the banking supervision system, Law. no 135/2012 provides for the establishment of IVASS (the Institute for the supervision of the insurance), which will take on all the ISVAP’s functions, duties, and powers pursuant to the terms and timing set forth into the same Law and which will operate on the basis of organizational, functional and accounting autonomy.

3. Ownership of SACE

On November 9, 2012 Cassa Depositi e Prestiti S.p.A. (“**CDP**”) acquired SACE’s entire share capital from the Ministry of Economy and Finance,² having exercised its option to purchase, granted by Art. 23-*bis* of Law Decree no. 95 of July 6, 2012, converted into Law no. 135 of August 7, 2012. In connection with the transferring of SACE’s share capital to CDP, Law Decree no. 95 of July 6, 2012, abrogated paragraphs two and eighteen of Art. 6 of the Transformation Decree, which entitled the Ministry of Economy and Finance to appoint the members of the corporate bodies of SACE and which required that the dividends of the company be paid to the Italian State.

CDP is the company resulting from the transformation of “CDP – Amministrazione dello Stato” into a joint stock company, pursuant to Art. 5 of the Transformation Decree, which outlined the main activities of CDP. This was then followed by additional regulatory measures that have enabled CDP to broaden its institutional mission and related competences.

CDP is now a long-term operator in the financing of infrastructures and the Italian economy, external to the perimeter of the Public Administration. All activities performed by CDP must be carried out thorough the observance of a separate system for accounting and organizational purposes, in order to preserve a lasting economic and financial equilibrium while, at the same time, ensuring economic returns to its shareholders.

As far as the supervision of the company is concerned, the provisions of Title V of the Consolidated Law on Banking and Credit Intermediation, concerning the supervision of non-banking financial intermediaries, apply to CDP, taking into account the specific characteristics of the company and the special discipline applicable to the separate system for accounting and organizational purposes. Furthermore, CDP is under the supervision of the Parliamentary Supervisory Commission and of the Audit Court.

As of December 31, 2011, the consolidated financial statement of CDP shows a net profit attributable to CDP equal to 2,167 million Euro. Its total balance sheet assets totaled 287,143 million Euro, while the net assets attributable to the holding company are equal to 15,525 million Euro, with an increase of 12% over the previous year.

To date, CDP has an A-/F2 rating with a negative outlook assigned by Fitch Ratings, a Baa2/P-2 rating with a negative outlook assigned by Moody’s and a BBB+/A-2 rating with a negative outlook assigned by Standard and Poor’s (source: *FitchRatings*, February 2012; *Moody’s*, July 2012; *Standard and Poor’s*, November 2012).

4. Continuity of activities and State guarantee

In the context of the transfer of the share capital of SACE to CDP, Law Decree no. 95 of July 6, 2012, Art. 23-*bis*, paragraph 5, , expressly provides for the continuity in the management of SACE, establishing that the latter shall continue the performance of the activities already assigned to it by the legislation and regulations in force at the date of entry into force of the Decree. Consequently, the transfer to CDP implies no change whatsoever either to SACE’s corporate scope and actual activities, or to the specific functions assigned to it by special

² Following the transformation of the Istituto per i Servizi Assicurativi del Commercio Estero into a joint stock company, the shares representing the entire capital of SACE S.p.A. were, in fact, assigned to the Ministry of Economy and Finance pursuant to art. 6, paragraph 2, of the Transformation Decree.

legislation.

In particular, the commitments assumed by SACE in performing its duties, will continue to benefit from the State guarantee in compliance with the related regulation pursuant to Art. 6, paragraph 9, of the Transformation Decree (which continues to be in force since it was neither repealed nor amended by Law Decree no. 95 of July 6, 2012). The State guarantee continues to operate in compliance with the permitted ceilings established under the State Budget law, which distinguishes between guarantees of a duration less than twenty-four months and those lasting longer. Accordingly, the State guarantee operates on identical terms and conditions as those existing prior to the transfer of share capital to CDP, when SACE's share capital was wholly owned by the Ministry of Economy and Finance.

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Further information on SACE and its subsidiaries is available on SACE's website:
<http://www.sace.it>.