

## 1H10 RESULTS: TWO-FOLD UPSWING IN VOLUMES INSURED TO € 5.7 BILLION NET PROFIT OF € 163.5 MILLION (- 51.8%)

- *Strong upsurge in core business with a 111% increase in volumes insured*
- *Noteworthy upswing in export credit and investments in emerging countries*
- *Improved technical result of credit insurance and surety business of SACE BT*

Rome, 9 September 2010 – Today, the Board Meeting of SACE SpA chaired by Giovanni Castellaneta examined the half-term results at 30 June 2010 which show a significant increase in core business with a more than twofold y/y upswing in volumes insured.

“We have confirmed our anti-cyclical role, continuing to bolster the growth of Italian companies abroad, addressing in particular export-oriented SMEs interested in direct investments and broadening our specific offer in this area, which is reflected in the increased geographical spread of insurance covers” declared CEO, Alessandro Castellano. “This increase was particularly evident in the BRIC countries (Brazil, Russia, India, China) and also in the new MINTS countries (Malaysia, Indonesia, Nigeria, Turkey, Saudi Arabia), which continue to maintain sustained dynamic growth of their economies. In a still extremely complex scenario, SACE’s half-term results reveal a strong acceleration of new business and a healthy technical account, thus confirming sustainability of the company’s development strategy. In the first six months of the year, credit insurance and surety business, considerably impacted by the crisis, showed signs of recovery with a considerable drop in the loss ratio compared to previous half-year results”.

The highlights of the results at 30 June 2010 are set forth below:

- at € 5.7 billion, **volumes insured** moved forward 111% in relation to the € 2.7 billion reported in 1H09. Major increases in insurance business were recorded in countries of the Community of Independent States and emerging Europe, the European Union, Latin America and North Africa
- a 154% upswing in **gross premiums** to € 262 million
- net charges for **claims** of € 87.4 million (€ 18.3 million in the first six months of the previous year) to be ascribed to the considerable increase in cases of default in 2H09
- **result of the technical account**, positive for € 170.3 million
- **net profit** of € 163.5 million, 51.8% down on the € 338.9 million posted in 1H09 due to the shortfall in the contribution of financial activities, in line with market trends, and continuing adoption of a prudent policy in managing technical provisions.

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*SACE is an insurance and financial group that operates in the field of export credit, credit insurance, investment protection, financial guarantees, sureties 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. SACE has been rated Aa2 by Moody’s.*

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## SACE SpA: MAIN HIGHLIGHTS

€ million	30/6/2010	30/6/2009	Change	31/12/2009
Volumes insured in the six-month period	5,714.4	2,702.7	>100%	11,077.1
Gross premiums	262	103.1	>100%	334.6
Net charges for claims	87.4	18.3	>100%	95.6
Result of the technical account	170.3	169.5	0.5%	107.6
Gross profit	236.9	533.5	-55.6%	570.2
Net profit	163.5	338.9	-51.8%	393.0
Shareholders' equity	5,627.7	5,773.4	-2.6%	5,872.5
Technical provisions	2,510.5	2,226.1	+12.8%	2,465.1

### PERFORMANCE OF PRODUCT COMPANIES

The 1H10 results of the **SACE BT** subsidiary, which operates in the sector of credit, surety bond and construction risk insurance, show a considerable year-over-year improvement. A modest shortfall in premiums, mainly forged by the reduction in the volume of business of policyholders, was accompanied by a reduction of more than 50% in claims, returning a loss ratio of 32%, significantly lower than the 178% recorded at 30 June 30 2009.

In the three months since it started operations in April, **SACE Fct** managed factoring arrangements for more than € 500 million. In June 2010, SACE Fct also signed a cooperation agreement with Federsanità-ANCI (Confederation of Local Health Units and Hospitals and Conferences of Mayors) with a view to developing and promoting SACE Fct products and services towards Federsanità member administrations.

### MAJOR EVENTS IN THE PERIOD UNDER REVIEW

Also in 1H10, particular attention was directed to reinforcing the **domestic commercial market** with the aim of working more closely with SMEs. The Bari office, reference point for companies operating in Apulia, Basilicata, Calabria, Molise, Sicily and Sardinia, was inaugurated in April.

The **international network** was also broadened, opening a new office in Istanbul, intended to be a regional hub for the Turkish and Near East markets, that will operate alongside the Sao Paolo, Moscow, Johannesburg and Hong Kong offices. The Bucharest office also started operations in July 2010 and will assist companies in planning expansion into countries of the Balkan area and emerging Europe. SACE's election to the Board of the African Trade Insurance Agency, following the investment made in 2009 in the African economic development agency, has reinforced support of Italian exporters and investments in Africa. With regard to international agreements, a cooperation agreement has been sealed with Inter-American Development Bank through which SACE will sustain major projects in the infrastructure, transport and energy sectors in Latin American and Caribbean countries.