



MENO RISCHI, PIÙ COMPETITIVITÀ

PRESS RELEASE
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Approval of consolidated accounts at December 31 2007

Net income of €377 million

Significant y/y improvement in core business operating result in relation to the previous year:

- *Net income of €377 million, + 44% in relation to adjusted 2006 data*
- *Gross income: + 43.6% to €589.9 million*
- *Gross premiums: + 29.6% to €311.7 million*

Rome April 1 2008 – Today, the Board of Directors of SACE S.p.A. approved the consolidated accounts of the SACE Group and the annual accounts of the SACE S.p.A. parent company at December 31 2007.

HIGHLIGHTS			
(euro m)	2007	2006	Change
Gross premiums	311.7	240.52	29.6%
Claims	50.36	44.30	14%
Technical provisions (gross)	1.952.92	2.001.15	-2.4%
Shareholders' equity	5.772.2	9.234.1	-37.5
Gross income	589.85	410.60	43.7%

THE SACE GROUP: STRATEGY AND RESULTS

In 2007, the SACE Group posted a significant y/y improvement in core business operating results in relation to the previous year, net of extraordinary items.

The main consolidated results, drawn up in accordance with IFRS principles, can be summed up as follows:

- **gross income** of €589.9 million (+ 43.7% in relation to €410.6 million in 2006);
- **net income** of €377 million, with an upswing of 44% over the €262.6 million reported in the previous year, adjusted to take into account the effect of the fiscal component;
- **consolidated gross premiums earned** of €311.7 million, 29.6% up on the previous year, driven mainly by the expansion of market activities;
- **claims** of €50.4 million, with an increase of 15%.

“The results achieved in 2007 – declared SACE Group Managing Director Alessandro Castellano – highlight the successful turn-around accomplished in recent years and can be considered particularly satisfactory as they reflect an upswing in core business, in line with the objectives of Group development plans”.

“These results confirm the effectiveness of the SACE’s strategy – added Chairman Ignazio Angeloni – channelled through a corporate restructuring process that comprises redefinition of the business model, gradual extension of the scope of business, active management of risks and improvement of corporate governance and of company processes”.



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In line with the reference market, the **Business Plan for the three-year period 2008-2010**, approved by the SACE Board of Directors on November 23 2007, envisages a significant acceleration of growth of market activities and, with regard to activities managed with State guarantee, consolidation of conventional operations and the development of new business, launched following recent modifications to regulations.

The market activity development plan – in Credit, Surety Bond and Other Property Damage business – is based on three strategic lines:

- expansion on the domestic market
- rationalisation of Group structure with identification of product companies
- international development.

In particular, the foreign business development strategy envisages the creation, in partnership with other financial operators and investors, of an international player specialised in insurance-financial services, with a full line of products and wide-scale geographical coverage, especially in countries characterised by high growth potential and low level penetration on the Credit and Surety Bond market. Moving in this direction, in 2007 a partnership was established with the Belgian Ducroire-Delcredere, also **acquiring 66% of KUP**, market leader in the Czech Republic.

THE SACE S.p.A. PARENT COMPANY: RESULTS

The annual accounts at December 31 2007 of SACE S.p.A. closed with a net income of €320.4 million, 3% up on the €311 million reported in the previous year, adjusted to take into account the effect of extraordinary items. Income before taxes, equal to €507.2 million, was 33% higher than in 2006.

The main operating and financial data that contributed to the result for the period are set forth below.

HIGHLIGHTS			
(Euro m)	2007	2006	Change
Gross premiums	225,2	175.4	28.4%
Claims	37,5	30.7	22.1%
Technical provisions (gross)	2,176.1	2,253.2	-3.4%
Shareholders' equity	5,350.2	8,868.8	-39.7%
Gross income	507.2	491.2	3.3%
Guarantees approved	10,084.9	8,233.5	22.5%

The 28.4% increase in gross premiums, which moved up from €175.4 million in 2006 to €225.2 million, is particularly worth noting. With regard to core business, in 2007, guarantees were approved for around €10.1 billion, concentrated mainly in the geo-economic areas of the Middle East and North Africa, the 27-member EU and other countries of Europe and the CSI.

GUARANTEES APPROVED IN 2007 BY GEO-ECONOMIC AREA	
Middle East and North Africa	30.5%
27-member EU	19.2%
Other European countries and CSI	17.3%
Americas	15.0%
East Asia and Oceania	14.5%
Sub-Saharan Africa	2.8%
Other countries	0.7%



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Lastly, it should be noted that the **shareholders' equity** of SACE S.p.A. was reduced to €5,350.2 million in 2007 due to reduction of the share capital by €3.500 million.

SUBSIDIARY COMPANIES: RESULTS

The indicators of other Group companies (SACE BT, Assedile and SACE Servizi), which engage mainly in Credit and Surety Bond business, recorded a noteworthy upswing. In particular, there was a 33% increase in consolidated gross premiums in relation to December 31 2006. The main actions taken during 2007 included requalification of the distribution network, improvement of territorial coverage, closing of less productive sales points and extension of the multi-channel distribution network through the acquisition of new specialised agencies.

The main results for 2007 can be summed up as follows:

- **net income** of €2.3 million (+133% over 2006) for both the mainbusiness lines, Surety Bonds and Credit;
- **gross premiums** of around €86.5 million (+33% over 2006), of which €30.5 million referring to Credit insurance, €31.6 to Surety Bonds and €24.4 to otherbusiness areas in which the Group is authorised to operate;
- **overall loss ratio** for the two companies of 56.9%; in particular, the Surety Bond business loss ratio was 26.5% (36.7% in 2005), below the market average, and 32.9% for Credit insurance business
- **overall combined ratio** of 95.2%.

2008 EVENTS

Major events in the opening months of 2008 included the acquisition by SACE BT of the 30% of Assedile not already owned, thus acquiring full control of the Italian company specialised in Surety Bond and construction risks business. With this acquisition, the SACE Group has reinforced its position on the Italian Credit and Surety Bond market where it is currently the fourth *player* with around €62 million of premiums in 2007 (+ 47% over 2006).

The SACE Group is Italian leader in credit insurance, protection of investments and in contractual guarantees through the coverage of political and commercial risks. The Group provides its customers with assistance in more than 150 countries. Offering a complete range of insurance and financial products, SACE guarantees more stable cash flows, transforming partner's insolvency risks into business development opportunities. SACE has been assigned an AA" rating by Moody's.