

US\$ 1 BN OF NEW TRANSACTIONS IN PIPELINE IN BRAZIL FOR 2010

- *SACE's US\$ 2 billion portfolio in Brazil to be expanded thanks to a strong project pipeline*
- *SACE to assess direct investment opportunities in the Country to fully exploit market potential*

São Paulo – August 5th, 2010 – SACE, Italy's export credit agency and largest credit insurance provider, announced today a US\$ 1 billion pipeline of new transactions in Brazil and anticipated possible direct investments in the Country. The announcement was made yesterday during a financial workshop organized by SACE to discuss with key Brazilian companies and banks new business development opportunities, beside the well established export credit.

“After two years of direct presence in São Paulo, we are eager to see a further growth of our US\$ 2 billion portfolio in Brazil – commented Raoul Ascari, SACE's Chief Operating Officer –. We are extremely confident in the opportunities offered by this market, which has shown an impressive resilience to the crisis, reaching a 7% expected GDP growth rate for this year and high growth expectations also in the near–medium future. We are keen to expand our guarantee business and assess new investment opportunities, including direct investments in local vehicles in Brazil to maximize the underlying business potential for Italian economic operators.”

“Our new guarantee commitments in Brazil increased by 50% in the first half of 2010 to US\$ 640 million, compared to the same period last year. We are currently evaluating new transactions for US\$ 1 billion, mainly in the sectors of infrastructure, mining, construction and machinery, but also in consumer goods – explained Michal Ron, SACE's Head of International Relations and Network –. A number of leading Italian corporations operate in Brazil, as well as more than 500 small and medium enterprises which drive Italian exports into the Country and the wider Latin American region. According to SACE forecast Italian exports in Brazil will grow by over 20% in 2010-2011”.

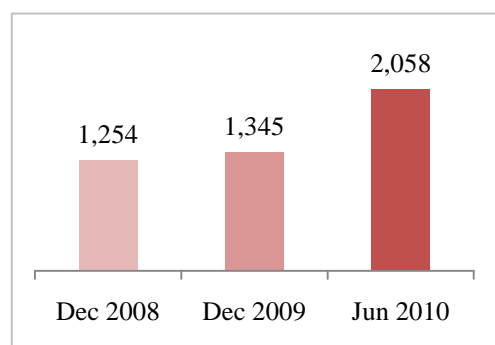
SACE's exposure in Brazil and key transactions

SACE has an overall exposure in Brazil of more than US\$ 2 billion (+50% compared to December 2009). The banking sector, telecommunications and oil & gas represent the largest exposure on SACE's portfolio. Among key transactions:

Vale: SACE is negotiating a US\$ 450 million transaction to promote and intensify Vale's purchase of Italian equipment and services.

Petrobras: SACE issued a US\$ 500 million guarantee to support the finance of Italian products and services. The transaction will assist Petrobras in its investment plan to develop pre-salt field exploitation.

Ghella: SACE guaranteed a R\$ 25 million (i.e. US\$ 14 million) funding granted by Banco ItaúBBA to local companies controlled by the Ghella Group, one of the largest Italian players in the civil construction industry, thus supporting the construction of the Caraguatubá-Taubaté (Gastau) gas pipeline. This is the first R\$ denominated transaction ever concluded by SACE in Brazil.



SACE: exposure in Brazil (USD million)

SACE is an insurance and financial group that operates in the field of credit insurance, export credit, 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 was assigned Aa2 rating by Moody's.

Banco Nacional do Desenvolvimento Economico Social (BNDES): SACE finalized a framework agreement to promote business ties between Italian and Brazilian companies. Under the agreement SACE will guarantee up to US\$1.14 billion of local currency loans granted by BNDES to Italian companies (or their subsidiaries) operating in Brazil, or to Brazilian companies importing goods from Italy.

Interamerican Development Bank (IADB): SACE signed a co-operation agreement to explore common initiatives to mitigate the impact of the international financial crisis and the global economic contraction in Latin America and the Caribbean, by providing long-term funding for infrastructure and other investment projects that are critical for the sustainability of the region's economic and social development.

Highlights of the financial workshop “Access to credit and business development”

At a time of heightened risk aversion and financial turmoil, world exports were particularly affected by the shortage of trade finance. Export Credit Agencies have gained an increasingly important role in facilitating funding of exports, providing risk insurance cover to limit the risks and in certain cases direct financing. Nowadays, tools like credit insurance and financial guarantees are crucial for mitigating cyclical downturns, enhancing liquidity and providing efficient financial solutions.

These topics were addressed today during the workshop “Access to credit and business development”. Speakers included: Maria Carolina Camargo, Banco Itaú BBA's International Area Head, Marcela Drehmer, Braskem Finance Vice President, Regis Marcais, BNP Paribas' Export Credit Officer, Raoul Ascari, SACE's Chief Operating Officer, Michal Ron, SACE's Head of International Relations and Network, and Flávio Bertolossi, Head of SACE Latin America.

Michal Ron presented an array of products available to clients, from the traditional export credit to financial guarantees, from political risk insurance to bonding. Closing the event, Flávio Bertolossi illustrated several recent operations completed in Brazil.

SACE headquarters in São Paulo manages the Latin American market, providing support to Italian companies operating in the Region:

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