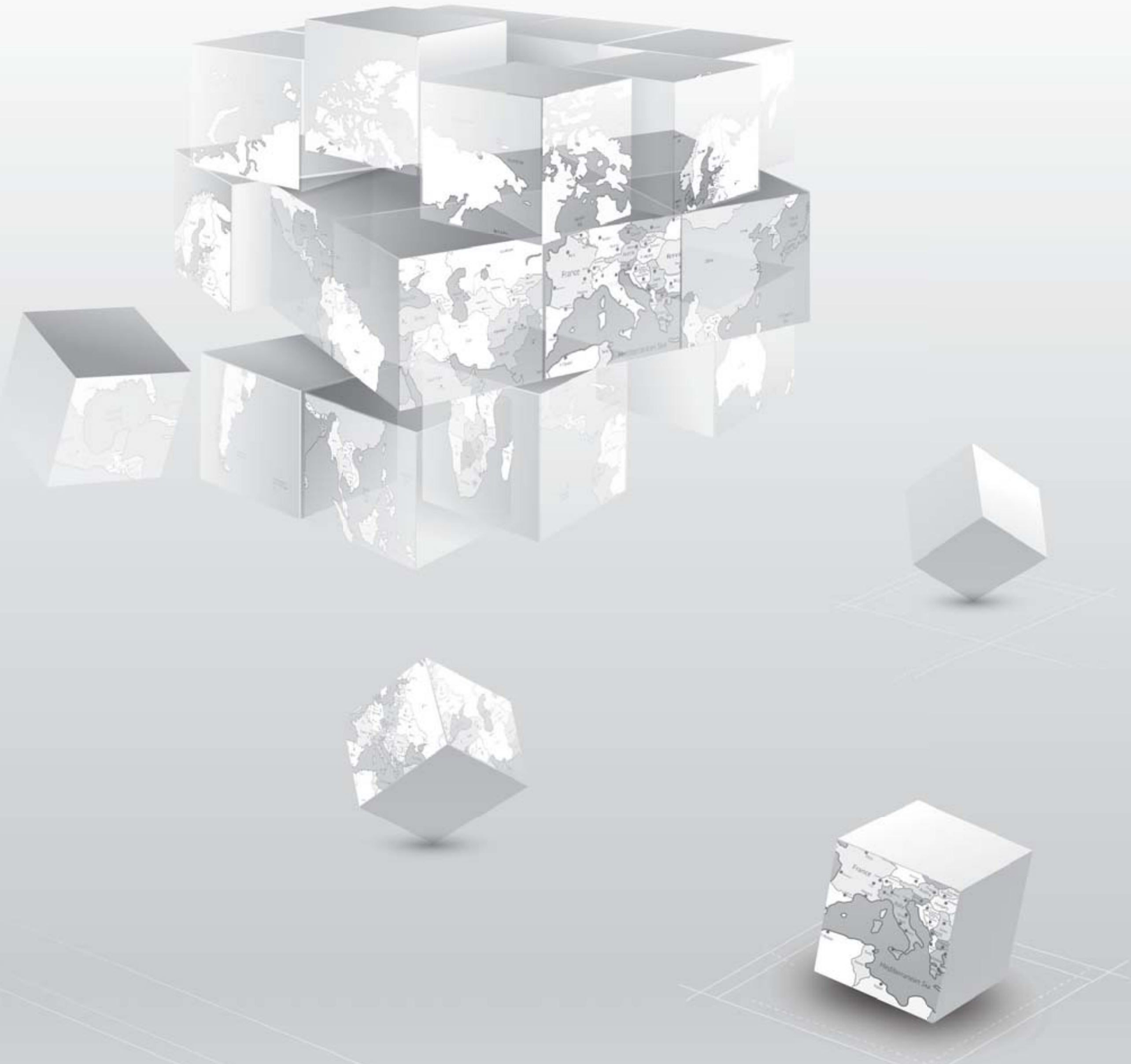
GRUPPO CASSA DEPOSITI E PRESTITI

SIMEST

Annual report 2014

North Sea
Germany
Poland
France
Spain
Black Sea
Mediterranean Sea



ANNUAL REPORT

2014

Società Italiana per le Imprese all'Estero
SIMEST S.p.A.
Corso Vittorio Emanuele II, 323 – 00186 Rome
Company subject to the management and coordination of Cassa Depositi e Prestiti S.p.A.

Paid-up share capital € 164,646,231.88
R.E.A. No. 730445
Rome Company Register No. 04102891001

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SIMEST IS THE DEVELOPMENT FINANCE INSTITUTION CHARGED WITH SUPPORTING AND PROMOTING ITALIAN COMPANIES' ACTIVITIES IN ITALY AND ABROAD

- SIMEST is controlled by Cassa Depositi e Prestiti, and has been subject to its management and coordination since 25 September 2013. Its private-sector shareholders include banks and trade associations.
  SIMEST was set up in 1991 to promote foreign investment by Italian companies and to provide technical and financial support for investment projects.
- Since 1999 it has administered various forms of public support for the international expansion of Italian firms.
- For firms it is a one-stop shop for assistance on every aspect of the development of business abroad and, since 2011, in Italy as well.

INVESTMENT IN EQUITY CAPITAL OF COMPANIES OUTSIDE THE EU

- SIMEST, working alongside Italian companies, can acquire up to 49% of the equity capital of foreign firms, both directly and through a Venture Capital Fund, to support foreign investment in countries outside the European Union. Its participation also gives the Italian company making the investment access to interest rate support for loans granted to finance its equity interest in the non-EU company.

INVESTMENT IN EQUITY CAPITAL OF COMPANIES IN ITALY AND WITHIN THE EU

- SIMEST can acquire stakes of up to 49% in Italian companies and/or their EU subsidiaries that develop investments in production and in innovation and research at market terms without support (bailouts are excluded).

AS REGARDS OTHER ACTIVITIES ABROAD, SIMEST

- supports export credits for investment goods produced in Italy;
- finances feasibility studies and technical assistance programmes connected with investment projects
- finances programmes for entering foreign markets
- finances first-time participation in trade shows in non-EU markets.

SIMEST also provides Italian companies seeking to internationalise their businesses with technical assistance and advisory services. Its broad range of activities in this field include:

- seeking out foreign partners and investment opportunities, as well as foreign commercial contracts;
- prefeasibility and feasibility studies;
- advice on financial, legal and corporate issues concerning investment projects abroad.

SIMEST is also the only Italian financial institution authorized by the EU to serve as a lead financial institution in its partnership programmes (Neighbourhood Investment Facility (NIF), Latin America Investment Facility (LAIF), EU-Africa Infrastructure Trust Fund Africa, Investment Facility for Central Asia (IFCA), etc.).

As a member of EDFI (European Development Finance Institutions), SIMEST can help Italian firms by activating a worldwide network of contacts and sources of information.

For more information and interactive aid: www.simest.it

HIGHLIGHTS

	2014		1991 - 2014	
		€ millions		€ millions
Profit for the year		4.2		185.3
Dividends and bonus shares		3.2		101.3

INVESTMENTS	2014		1991 - 2014	
SIMEST'S EQUITY INVESTMENTS	no.	€ millions	no.	€ millions
Projects approved				
New projects - EU and non-EU companies	53	124.9	1,332	1,546.6
Project supplements and revisions - EU and non-EU companies	9	4.7	261	175.3
Equity investments acquired				
New equity investments - EU and non-EU companies	35	72.0	738	768.0
Capital increases and revisions - EU and non-EU companies	13	8.1	284	154.4
Equity investments sold	33	42.1	481	430.5
Fully operational projects				
Non-current assets		677		29,171
Share capital		440		13,323

	2014		1991 - 2014	
VENTURE CAPITAL FUND INVESTMENTS	no.	€ millions	no.	€ millions
Equity investments acquired				
New equity investments in foreign companies	18	9.1	279	210.6
Capital increases and revisions	4	0.6	79	30.2

FINANCIAL SUPPORT TO FIRMS	Operations approved 2014		Operations approved 1999-2014	
	no.	€ millions	no.	€ millions
Support for exports (Legislative Decree 143/98, amending Law 227/77)	85	2,337.2	2,048	55,492.2
Support for direct investment abroad (Laws 100/90 and 19/91)	34	78.3	1,053	3,085.2
Programmes to break into foreign markets (Law 133/08, Art. 6(2)(a))	139	110.1	2,065	2,110.0
Capitalisation of exporter SMEs (Law 133/08, Art. 6(2)(c))	13	3.0	630	291.0
Subsidies for feasibility studies and technical assistance programmes (Law 133/08, Art. 6(2)(b))	15	1.4	602	131.4
Subsidies for first-time participation by SMEs in trade shows and/or exhibitions in non-EU markets (Law 133/08, Art. 6(2)(c))	5	0.2	5	0.2

BOARD OF DIRECTORS

Ferdinando Nelli Feroci (from 6 February 2014 to 1 July 2014; from 12 November 2014)	*Chairman*
Vincenzo Petrone (until 6 February 2014)	*Chairman*
Riccardo Monti	*Vice Chairman*
Massimo D'Aiuto	*Chief Executive Officer*
Sandro Ambrosanio	*Director*
Ludovica Rizzotti	*Director*
Giuseppe Scognamiglio	*Director*
Michele Tronconi	*Director*

BOARD OF AUDITORS

Ines Russo	*Chairman*
Maria Cristina Bianchi	*Auditor*
Giampietro Brunello	*Auditor*

DIRECTOR DESIGNATED BY THE STATE AUDIT COURT (LAW 259/1958)

Carlo Alberto Manfredi Selvaggi

GENERAL MANAGER

Massimo D'Aiuto

SUPERVISORY BODY

Roberto Tasca	*Chairman*
Ugo Lecis	*Member*
Vincenzo Malitesta (from 6 February 2014)	*Member*
Maurizio Di Marcotullio (until 6 February 2014)	*Member*

EXTERNAL AUDITOR

PricewaterhouseCoopers S.p.A

We would like to thank the following companies for graciously allowing us to use images of their operations established with the assistance of SIMEST

- **Ask Industries S.p.A., Brazil**
- **Brevini Wind S.r.l., U.S.A.**
- **Dentis S.r.l., Spain**
- **Euro Group S.p.A., U.S.A.**
- **I.M.F. Impianti Macchine Fonderia S.r.l., China**
- **Inglass S.p.A., Canada**
- **Meccanotecnica Umbra S.p.A., India**
- **Olsa S.p.A., China**
- **Saati S.p.A., South Korea**
- **Same Deutz-Fahr Italia S.p.A., Croatia**
- **Serioplast S.p.A., South Africa**
- **Società Chimica Larderello S.p.A., Argentina**

REPORT ON OPERATIONS


FA/FG/FP Test Area


THE ECONOMIC BACKGROUND

The international environment

In 2014, world GDP rose by 3.4%, in line with 2013. In the United States economy activity accelerated, mainly due to the increase in consumption. The emerging economies overall reported growth that was just marginally lower than in 2013; however, the average performance was the result of differing trends in the major emerging economies, confirming the diversity of this group, which lumps together countries that rely heavily on manufacturing with others whose economies are based on the extraction of raw materials. Although euro-area GDP rose by 0.9%, compared with a decline of 0.5% in 2013, performance remained lacklustre. Germany's GDP increased by 1.6%, evidence of satisfactory economic development. Spain also reported growth of 1.4%, which should be viewed in the light of the country's previous deep recession, however.

In Italy, GDP fell slightly (by 0.4%), compared with a larger decline of 1.7% in 2013. However, in the first few months of 2015, the combined effect of the introduction of unconventional monetary policies by the European Central Bank, the strengthening of the dollar and the decline in the prices of oil and other raw materials appeared to boost the prospects of an economic recovery in Europe.

In this environment, the role played by institutions and agencies that support international expansion remains important.

Developments in GDP and world trade in 2014

The expansion in the world economy in 2014 was achieved through the contributions of both the emerging economies and, to a lesser extent, the advanced countries, although the performance of the latter was dampened by weakness in the euro area and in Japan. According to the International Monetary Fund (IMF), world GDP rose by 3.4% in 2014, similar to performance in 2013. World trade expanded by 3.4% (+3.5% in 2013).

The considerable growth posted by the emerging economies (+4.6%, compared with +5.0% in 2013) is mainly due to the performance of China, which posted an increase in GDP of 7.4% (+7.8% in 2013), confirming that country's crucial role as a driver of global growth. India also reported significant GDP growth, with its economy expanding by 7.2% (+6.9% of 2013). By contrast, Brazil and Russia saw growth come to a halt: Brazil's GDP was stagnant, expanding by just 0.1% (+2.7% in 2013), while the Russian economy expanded by 0.6% (+1.3% in 2013).

Economic activity in the United States accelerated starting from the third quarter of 2014 as a result of increased consumption. GDP rose by 2.4% in 2014 (+2.2% in 2013), confirming that a recovery is under way, thanks to the flexibility of the labour market and, especially, to the Federal Reserve's unconventional monetary policy measures (quantitative easing).

By contrast, euro-area GDP experienced more moderate growth, with GDP expanding by 0.9% in 2014 (-0.5% in 2013). Germany

reported a satisfactory recovery, with GDP rising 1.6% in 2014 (+0.2% in 2013), and France showed modest growth (+0.4% in 2014 from +0.3% in 2013). It appears that a recovery has begun in Spain, where GDP expanded by 1.4%, following the severe recession of recent years, thanks to a wide range of reforms undertaken by the Spanish government.

Consumer price **inflation** in the developed countries remained at 1.4% in 2014, while in the emerging and developing countries it subsided from 5.9% in 2013 to 5.1% in 2014.

Direct investment

The latest figures released by UNCTAD show that **global flows of foreign direct investment (FDI)** in 2014 contracted by 8% compared with 2013, to $1,260 billion ($1,363 billion in 2013). This figure reflects the fragility of the world economy, political uncertainty and the risks associated with conflicts in certain areas.

FDI flows to mature economies fell by 14% compared with the previous year, from $594 billion in 2013 to $511 billion in 2014. This figure was sharply affected by major disinvestment in the United States. FDI flows towards emerging and transition economies went from $769 billion in 2013 to $749 billion in 2014. More specifically, FDI flows towards emerging economies hit a new record, accounting for 56% of total world FDI. However, at the regional level, only the Asian emerging economies posted an increase in FDI inflows, with flows to African emerging economies remaining stable and FDI flows to Latin America in decline (-19%).

The United States lost is position as the leading recipient of FDI flows, which UNCTAD estimates at $86 billion in 2014, overtaken by China (with estimated FDI inflows amounting to $128 billion, a 3% increase on 2013) and Hong Kong.

Conflict in the region and the imposition of economic sanctions had an adverse impact on the performance of Russia, with FDI flows dropping by 70%.

FDI flows to the European Union increased by 13%, rising from $235 billion in 2013 to $267 billion in 2014. Unlike the excellent performance of FDI inflows to the United Kingdom, Sweden, Portugal, the Netherlands and Luxembourg, direct investment in Germany and France fell, mainly attributable to the intercompany loans component.

FDI flows to **Italy** amounted to **€12.6 billion** in 2014, a decline of 17% from 2013 (source: Bank of Italy).

The outlook for 2015

Forecasts for 2015 suggest that the global expansion will continue, however economic and political uncertainties continue to affect various countries and major areas.

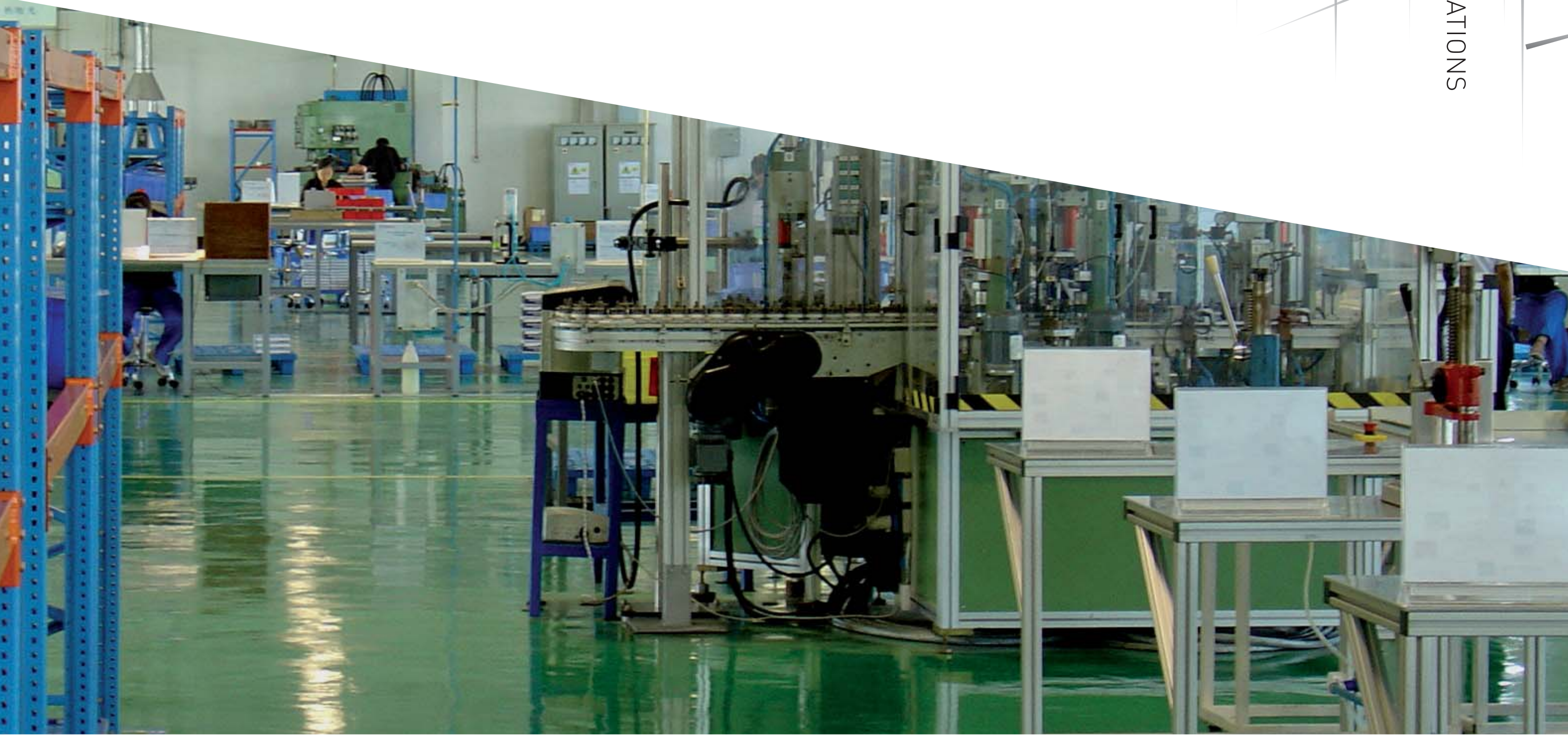
The International Monetary Fund's most recent forecasts point to a 3.5% expansion in world GDP in 2015. US GDP is expected to grow by a substantial 3.1%, while the GDP of the euro area is projected to show more modest growth (+1.5%). In this environment, the decline in the price of oil should boost consumption, while the appreciation of the dollar against the euro will have a positive impact on exports.

The GDPs of Germany and France are expected to rise by 1.6% and 1.2%, respectively, while Spain's output, mainly driven by exports, is projected to grow by 2.5%. Italy's GDP is expected to expand by 0.5% as it emerges from recession. These projections could underestimate Italy's recovery, even significantly, as a result of the expected effects of the quantitative easing initiated by the European Central Bank in 2015, which could stimulate exports (due to the weakening of the euro) and domestic consumption (with the savings from the reduction in interest on the public debt). The reforms undertaken and announced by the Government could also lead to greater flexibility and competition in the

economy, thereby making a positive contribution to the recovery.
As regards the most important emerging economies, China's GDP should increase by 6.8%, while India's output is expected to rise by 7.5%. Brazil's GDP should fall by 1.0% and that of Russia is expected to decline by 3.8% as a result of falling oil prices and geopolitical tensions.
World trade is forecast to expand by 3.7% in 2015.
Consumer prices are projected to rise by 0.4% in the mature economies and 5.4% in the emerging and developing countries in 2015.
UNCTAD has not yet published its projections for growth in global **FDI** flows for 2015, except to state that they are uncertain given the deterrent effect of the fragility of the recovery in the world economy, the weakness in global demand for consumer goods and the volatility of the financial markets, in addition to geopolitical instability in certain areas.

The Italian economy

In 2014, the Italian economy remained in recession as a result of the rigidity of the public finances due to stringent fiscal policies and the beginning of the reduction of the deficit undertaken in accordance with the international commitments associated with membership in the euro area. The restoration of fiscal health under way has allowed the country to maintain the trust of international investors. The reform process, begun in 2014, will contribute to improving international perceptions of Italy if pursued with determination until fully completed.
Accordingly, the disappointing results for 2014 – which did not yet reflect the positive effects of the quantitative easing pursued by the European Central Bank starting in 2015, of the improved competitiveness of the euro against the dollar, the decline in oil prices and the completion of the reform of the labour market – could be surpassed by new positive data in 2015, thanks to the start of the economic recovery.
To be more than fleeting, the recovery must be accompanied by the completion of the reform process and by policies to cut unproductive public spending and containing the fiscal burden, while complying with the constraints of membership of the euro area.
In the opaque macroeconomic environment of 2014, enterprises that focused more on international competition were able, thanks to the breadth of their markets, to react more effectively to the stagnation in domestic demand compared with companies that focus on the domestic market.
The relative financial fragility of enterprises contributed to their difficulties. The universe of Italian enterprises, typically small and medium-sized enterprises, relies heavily on bank loans. Seeking assistance from banks is generally preferred to more advanced forms of funding, such as, for example, raising funds on the capital market, even through specialized intermediaries. This characteristic is attributable to both size-related factors and a business culture averse to opening up to the markets and the potential loss of control. As a result, even enterprises that have the potential for growth but whose capital structure is weak and inefficient have suffered significantly, and in some cases fatally, from the crisis, since the measures that Italian banks have taken to strengthen their own capital have included restricting lending.
Accordingly, Italian enterprises must strengthen their equity capital, thereby countering undercapitalisation. In fact, only well-capitalised firms are capable of facing international competition.
In this environment, it is important to encourage business combinations, including through the creation of networks, to achieve stable and coordinated penetration of foreign markets and to facilitate direct access to the capital markets for SMEs (including through specialised intermediaries).
In 2014, Italy's **GDP** contracted by a 0.4% (-1.7% in 2013). This performance, which was appreciably weaker than that of the euro area as a whole (+0.9%), stands in contrast to the growth reported in the other main European countries such as Germany (1.6%), France (0.4%) and the United Kingdom (2.6%).
The decline in GDP was attenuated by the performance of exports, which rose 2.7% compared with 2013.
Inflation averaged 0.2% in 2014, down considerably from the 1.2% reported in 2013.



ISTAT figures show that in 2014 **employment**, which had been falling for two years, rose by 0.4% year-on-year (an increase of 88,000 units), for an overall employment rate of 55.7% (+0.2% on 2013). However, there was also a significant increase in the unemployment rate, which rose on average from 12.1% in 2013 to 12.7% in 2014.

Gross fixed investment fell by 3.3% in volume terms, following the drop of 5.8% in 2013. This decline was largely related to construction (-4.9%), while investment in machinery and equipment fell by 2.7% and investment in transport equipment dropped by 1.2%.

Final domestic consumption remained unchanged.

Exports of goods and services rose by 2.7% in volume terms, while **imports** increased by 1.8% in 2014.

The **trade balance** showed a surplus of €42.9 billion in 2014. Excluding energy products, the trade surplus was €86 million.

Industrial output fell by 0.8% on average in 2014 compared with 2013. A year-on-year comparison of the averages shows an increase of 0.2% in capital goods and decreases of 0.2% in intermediate goods, 0.2% in consumer goods (-0.2% for non-durables and -0.1% for durables), and a decline of 5.2% in energy.

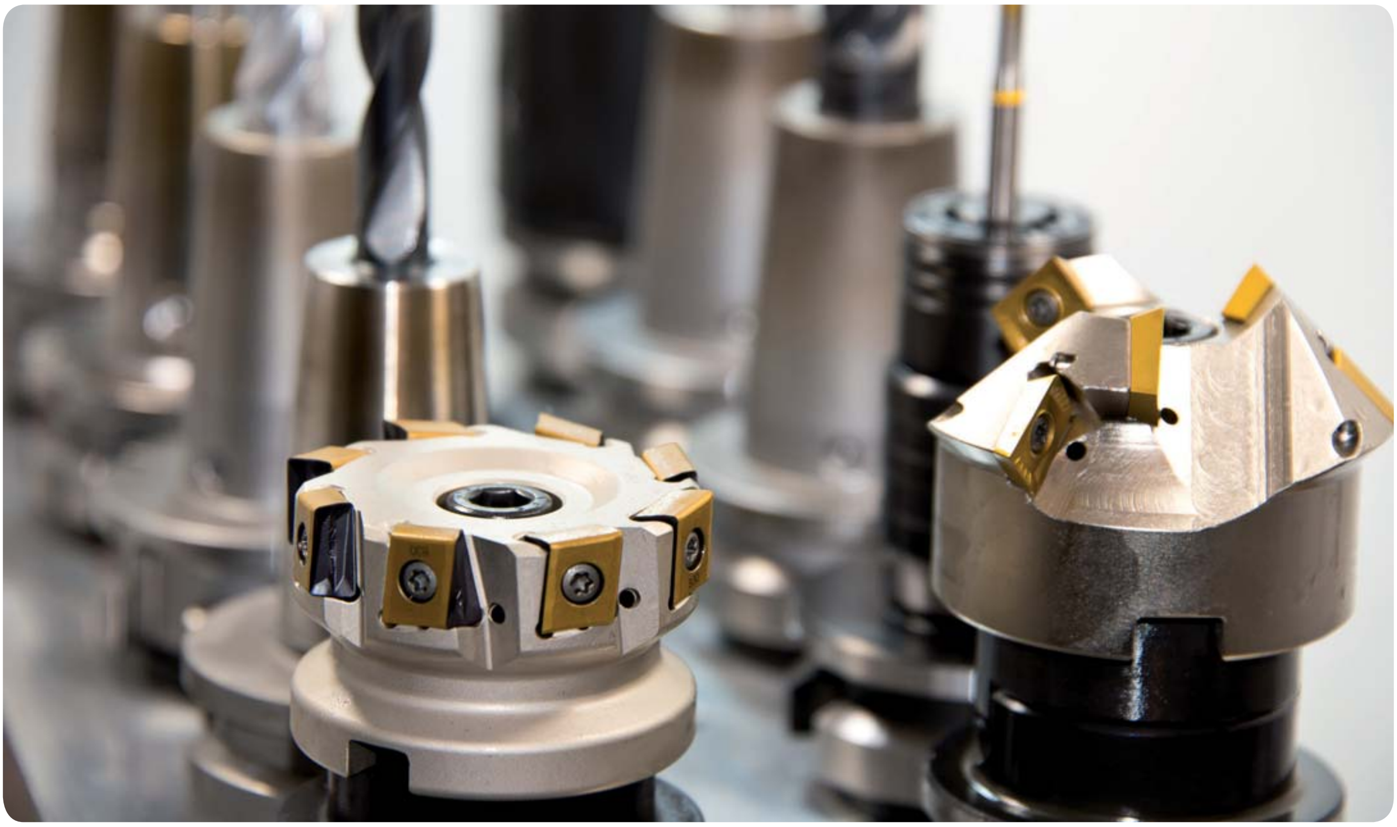
The Italian economy is also expected to recover in 2015. The International Monetary Fund's forecasts point to a rise of 0.5% in **Italian GDP**, compared with a more substantial increase of 1.5% for the euro area as a whole and with the leading European economies (1.6% for Germany, 1.2% for France and 2.7% for the United Kingdom).

However, there are a number of important factors that reinforce expectations of a more robust recovery than forecast: the European Central Bank's quantitative easing measures, with the consequent weakening of the euro against the dollar; the decline in oil prices; and the reform of the labour market. The implementation of other scheduled reforms, along with a spending review that frees up resources for labour and enterprises by reducing the tax and social security contribution wedge, could create a more favourable environment in Italy for investment and foster a recovery in competitiveness vis-à-vis the country's major global competitors.

According to recent Bank of Italy figures, in 2014 inward **FDI** flows amounted to around €12.6 billion (down from the €15.2 million registered in 2013), while outward FDI flows came to €17.5 billion, a decrease from the €19.5 billion posted the previous year.

The general picture for the Italian economy has confirmed that the presence of enterprises in international markets and Italian exports made a significant contribution to the health of the industrial system during the recession that now appears to be at an end. This underscores the need for manufacturers to expand their presence in international markets, particularly in those countries where demand is rising, in order to strengthen the nascent recovery.

Italian companies, typically small and medium-sized enterprises and, as a result, having greater flexibility and decision-making speed, in many cases require appropriate support for their financial and equity structures, as well as initiatives to promote the development of networks of enterprises and the creation of infrastructure and logistics platforms for stable penetration of



often distant markets whose economic and legislative systems require expert help to navigate, help that is often not available to individual SMEs at sustainable costs.

The direct presence of Italian companies abroad, with the establishment of manufacturing and commercial facilities, must be promoted with assistance and financial support for enterprises capable of competing. Focus must be placed on these companies, in particular, to ensure more **adequate capitalisation in Italy**, making it possible for them to expand their manufacturing base and innovate.

To achieve these goals, it will be necessary to support the development of SMEs in particular, and to guarantee the necessary public resources for the international expansion instruments managed by SIMEST and to consider **strengthening SIMEST itself**, in order to better support the competitive development of Italian firms abroad and exporting companies within Italy.

PROMOTIONAL AND DEVELOPMENT ACTIVITIES

In 2014, promotional and development activities focused on domestic programmes to disseminate information about SIMEST's products and services to Italian companies and on participation in foreign missions where the Company provided ample technical support to participating Italian companies.

Activities involving the business community and institutional missions abroad

SIMEST offered its assistance to the Italian firms attending the business forums and seminars held during the various foreign missions, during numerous BtoB meetings. The Company aided them in gaining further information on topics of interests and problems concerning investment opportunities in the various countries, with the goal of promoting meetings with local firms in order to establish partnerships.
In Italy SIMEST also played an active operational role in country presentations and meetings focusing on specific sectors held to offer information on investment opportunities and instruments that promote international expansion by providing assistance to the companies involved and by handling organisational matters and institutional relationships.
What follows is a description of the major foreign missions in which SIMEST participated through its support to Italian companies.

- **Saudi Arabia (Riyadh)** - SIMEST took part in the trade missions, organised by the Ministry of Foreign Affairs and the Ministry of Economic Development, ICE (National Foreign Trade Institute) and Confindustria. The mission focused on clean technologies and the medical sector, areas in which the company offers particularly attractive opportunities for Italian companies. The visit focused on business opportunities in these segments, conducting targeted meetings with the institutions responsible for developing the associated plans, as well as with local agencies and companies.

- **Mexico (Mexico City)** - The institutional and trade mission to Mexico City, led by the Deputy Minister of Economic Development and organised by Confindustria, ICE, the Ministry of Foreign Affairs and the Ministry of Economic Development in partnership with SIMEST, focused on sectors that currently present the best opportunities for bilateral collaboration: automotive, oil and gas, infrastructure and green technologies. Major banking groups and numerous enterprises, in addition to the representatives of associations and agencies, took part and attended more than 500 business meetings with their Mexican counterparts. During the in-depth technical sessions, the representatives of the major Mexican institutions and industrial associations outlined the partnership and investment opportunities offered by the industries taking part in the mission.

- **Tunisia (Tunis)** - During its official mission, the Minister of Economic Development, accompanied by a delegation of representatives from Confindustria, ICE, SIMEST, SACE and Assocamerestero, met with the members of the highest levels of the Tunisian government and the president of the local industry association.

- **Mozambique (Maputo)** - Around 80 companies, as well as industry associations and bank and financial institutions participated in the "system mission", led by the Deputy Minister of Economic Development and organised by Confindustria along with the partners of the Steering Committee on International Expansion. It was an important opportunity for strengthening institutional dialogue with the local authorities and to stimulate the presence of the Italian industrial system in that country's oil and gas, construction and agroindustry sectors. In addition to an institutional forum attended by Mozambique's Minister of Industry, in-depth seminars on financial support tools for investment in Mozambique and more than 400 bilateral meetings with Mozambique companies were held during the mission.

- **China (Shanghai, Beijing)** - SIMEST took part in the government mission, led by the Prime Minister and the Minister of Economic Development, during which the first Italy/China Business Forum was held with the goal of improving the quality of the economic and industrial partnership between the two countries. The Italian and Chinese entrepreneurs will have access to a permanent discussion "forum" to facilitate the exchange of industrial information, knowledge and proposals on investments.

- **Angola (Luanda), Congo (Brazzaville), Mozambique (Maputo)** - The Sub-Saharan Africa mission led the Prime Minister and attended by a business delegation along with the Deputy Minister of Economic Development made stops in these three countries. SIMEST took part in the mission, together with ICE, SACE, Confindustria and numerous Italian companies in an effort to strengthen economic ties and encourage trade with and investment in those countries, not just in the oil and gas sector, but also in agriculture/food products, infrastructure and tourism.

- **Mozambique (Maputo)** - This second trade mission to the country, led by the Deputy Minister of Economic Development, was held to coincide with the FACIM multi-sector trade fair. The Italian Pavilion, set up by ICE, hosted more than 90 Italian companies representing productive sectors for which Mozambique offers attractive opportunities, namely energy, oil and gas, infrastructure, construction and engineering.

- **Saudi Arabia (Riyadh)** - Various institutional meetings were held during the mission led by the Minister of Economic Development, accompanied by a large delegation from ICE, CDP, SIMEST, SACE, GSE and Fondo Strategico Italiano, with representatives of Confindustria, ANCE (National Builders' Association) and ANIE (National Federation of Electro-engineering and Electronics Firms). The Mixed Committee resumed work on strengthening the economic ties between Italy and Saudi Arabia and on stimulating investment in Italy. Furthermore, agreements for streamlining bureaucratic procedures

for investing in the country, for facilitating loans for orders in strategic sectors such as energy, transportation and defence and for enhancing the participation of Saudi Arabia in EXPO 2015 were formalised.

- **Morocco (Casablanca)** - The trade mission, headed by the Deputy Minister of Economic Development and organised by, among others, the Ministry of Foreign Affairs, Confindustria, ICE, ABI (Italian Banking Association) and Rete Imprese Italia, presented an opportunity to further investigate the business opportunities for Italian companies in the agroindustry, construction materials and equipment, automotive and healthcare sectors. SIMEST provided the usual technical support to the companies and took part in the work of the bilateral economic forum.
- **Kazakhstan (Astana)** – The "Italy in Kazakhstan 2014" trade mission, organized by Confindustria, ICE and ANCE and led by the Deputy Minister of Economic Development, which focused on the construction, infrastructure, clothing and agroindustry sectors, offered an opportunity to further strengthen relations between Italy and Kazakhstan. A bilateral economic forum was held during the mission, emphasising the importance of the upcoming EXPO 2017 and underscoring the advantages available under the recent law on attracting investment. SIMEST, along with SACE and CDP participated in a variety of sector-based panels and provide assistance to those companies that took part in the mission.
- **Vietnam (Hanoi and Ho Chi Min City)** - The trade mission, led by the Deputy Minister of Economic Development and organised by, among others, Confindustria, ICE, ABI and Unioncamere, offered an opportunity to showcase the excellent relations between Italy and Vietnam and the progress made in encouraging closer economic ties between the two countries. The multi-sector initiative focused specifically on the engineering/manufacturing engineering, renewable energy, medical and biomedical and infrastructure sectors, as well as the investment opportunities offered by the country's 119 industrial parks. SIMEST provided technical support to companies during meeting with local businesses and with representatives of the industrial parks.

Activities with business and institutions in Italy

In 2014 SIMEST undertook a comprehensive promotional programme involving the main entities and institutions active in promoting the international expansion of business.

Road show on international expansion by companies – For the first time ever, the road show brought together all the Italian system participants (public and private) to take part in a medium-term joint action conducted throughout the country. Planned by the Steering Committee on International Expansion, the road show was sponsored by the Ministry of Foreign Affairs and promoted and supported by the Ministry of Economic Development. SIMEST took part in the road show, along with ICE and SACE. In 2014, the first 12 stops were made in various Italian cities, with the involvement of sector experts who explained the opportunities and instruments available for accessing foreign markets. At the end of the plenary sessions, BtoB meetings were held during which SIMEST's experts met with the participating companies to study and develop international expansion plans.

Collaboration with Confindustria – The fruitful collaboration with Confindustria continued. Specifically, effort was put into developing relationships with local industry associations, with which the Company organised numerous meetings. In addition, SIMEST signed two memorandums of understanding with

Confindustria Padova and Associazione Industriale Bresciana in support of the international expansion of local enterprises through the circulation of financial instruments management by SIMEST.

Collaboration with Confimi - In 2014 SIMEST began a collaboration with Confimi Impresa. During the year, two meetings were held in the local area, the first in Bergamo and the second in Modena that served to bring SIMEST and the member SMEs into closer contact and to provide further information on and evaluate opportunities for growth related to international expansion processes.

Collaboration with Chambers of Commerce – Likewise, SIMEST continued its collaboration with various Italian Chambers of Commerce: Unioncamere, Provincial Chambers of Commerce, special agencies and Assocamerestero. In October, the 23rd World Convention of Italian Chambers of Commerce Abroad was held in Ancona, during which SIMEST participated in the seminar to provide more detailed information on the role of the local areas, the Chambers of Commerce and the Institutions in supporting businesses in international markets in an innovative way.

Collaboration with the Italian Banking Association (ABI) and the banking system - The collaboration with ABI continued, reinforcing existing relationships with the major banking groups. In August, a partnership agreement was signed between SIMEST and Banca UBAE (a specialized trade finance bank). The partnership seeks to develop and promote new initiatives in support of the international expansion of Italian companies in the foreign countries where both institutions operate, specifically in North and Sub-Saharan Africa, the Middle East, the Indian sub-continent and the Balkans. In addition, for several years SIMEST has participated in the "ABI Country Risk Forum – Observatory for tracking developments in the country risk of emerging economies", basing its contribution on its operations in these countries.

Collaboration with the National Foreign Trade Institute (ICE) – SIMEST also continued to be active, in collaboration with ICE, by participating in "country

seminars", workshops, economic forums and by contributing to the preparation of the "Italy in the International Economy 2013-14" Report.

Collaboration with the National Council of the Italian Accounting Profession (ODCEC) – The collaboration with the National Council of the Accounting Profession continued in 2014, taking the form of the conference on "Internationalisation: tools at the service of professionals and businesses", organized by ODCEC and Tor Vergata University, in collaboration with SIMEST, CDP, SACE and ICE.

Collaboration with Veronafiere – Veronafiere and SIMEST signed a partnership agreement to promote SIMEST's new financial instrument to encourage Italian companies to participate in trade shows held abroad. Under the partnership Veronafiere will promote the instrument among its exhibitors, while SIMEST will run a dedicated information desk during the major trade shows.

Expanding the network of economic institutional relationships

Based on a philosophy of combining various expertise and collaboration with a variety of partners involved in international expansion to help Italian enterprises succeed in international markets, SIMEST signed important collaboration agreements in 2014 with Italian and foreign entities, of which the following represent the main initiatives:

- **ABI, CDP, SACE** - SIMEST signed the extension of the agreement on the "Export Bank" system, confirming its commitment to support export by and the international expansion of Italian enterprises. Under the "Export Bank" system Italian companies can depend upon tangible support, thanks to the synergies between the loans granted by CDP and the banks, the guarantees provided by SACE and SIMEST's interest rate stabilization measures. Since its launch, the "Export Bank" has helped Italian businesses with exports and international expansion initiatives worth a total of €4.5 billion.
- **ITAZERCOM** - The Italy-Azerbaijan Trade Institute (ITAZERCOM) signed a partnership agreement with SIMEST to expand and promote economic and commercial ties between Italy and Azerbaijan. SIMEST and ITAZERCOM plan, through this agreement, to develop synergies between their respective areas of activity, strengthening the range of services to be made available to Italian companies expanding internationally into the Azerbaijan market.

Communications initiatives

In 2014, a variety of communications efforts were carried out with the goal of promoting SIMEST's activities to Italian companies, its target audience. In fact, numerous campaigns were undertaken with the major news agencies, newspapers and business newspapers and magazine to explain SIMEST's tools and the assistance it provides to Italian companies seeking to invest abroad. This activity was stepped up starting in September following the introduce of new support instruments.

During the SIMEST Shareholders' Meeting held to approve the 2013 financial statements (June 2014), a national advertising campaign for SIMEST was conducted via radio spots. Communication campaigns were conducted during the various foreign missions carried out during the year. The campaigns emphasised the work that SIMEST has performed alongside Italian companies. An intense communication effort was also conducted to mark investment agreements in Italy and abroad with Italian companies and the signing of collaboration agreements with industry associations and institutions.

Two events were held during the year, the first in Padua in July and the second in Brescia in December, in which local business associations took part. The purpose of these events was to let the Italian partner undertakings, as well as prominent experts on international expansion, "have their say" by recounting their direct experience with, and thereby emphasising the value of SIMEST support tools. During both events a good deal of time was dedicated to BtoB meetings with local businesses during which SIMEST's experts responded to a host of questions on international expansion processes.

SERVICES

SIMEST supplies specialist advisory services and assistance to Italian firms, especially SMEs, in all the phases involved in the planning, implementation and financial support of investment projects abroad. Assistance is also provided through an appropriate structure spanning the entire country.
The advisory activity, which is generally subsidiary and ancillary to its mission of promoting investment abroad, is therefore performed during major trade missions and in the implementation phase of specific investment projects.

Services supplied in 2014 therefore covered the following areas:
- identifying investment opportunities and potential local partners;
- seeking out Italian or foreign partners for possible integration of productive, operational and commercial processes;
- identifying appropriate sites for new facilities;
- carrying out economic and financial analyses of proposed investments and evaluating their profitability;
- advising on corporate and contractual issues.

Business scouting

In 2014 SIMEST continued to assist Italian companies in their search for foreign orders, investments and partners, offering the services of its professional staff, who have a comprehensive understanding of international markets. The search for partners and investment opportunities focused mainly on the international expansion of companies, particularly those in renewable energy, infrastructure, building/construction sectors, and on developing collaboration agreements with industry associations.

Activities eligible for EU funding

As part of its activities in multilateral finance and as an International Financial Institution (IFI) before the European Commission, throughout 2014 SIMEST, along with CDP, participated in the Group of Experts (GOE) platform for reviewing financial blending mechanisms in preparation for the new 2014-2020 programming cycle.
The Group, consisting of the Commission and European bilateral and multilateral financial institutions, provided technical support to the Policy Group (comprising the European Commission and the Member States), which presented the first document on the new blending mechanisms and improvements to be made to existing ones to the Commission in early 2014.
During technical group meetings, participants addressed existing problems with blending mechanisms and worked to improve the governance structure of instruments (NIF, IFCA, AIF, LAIF, etc.), making a closer examination of the private sector.

INVESTMENT PROJECTS APPROVED

In 2014, the Board of Directors of SIMEST approved **62 projects**:

- 53 new investment projects;
- 4 capital increases by companies in which SIMEST already had an equity interest;
- 5 revisions of previously approved projects.

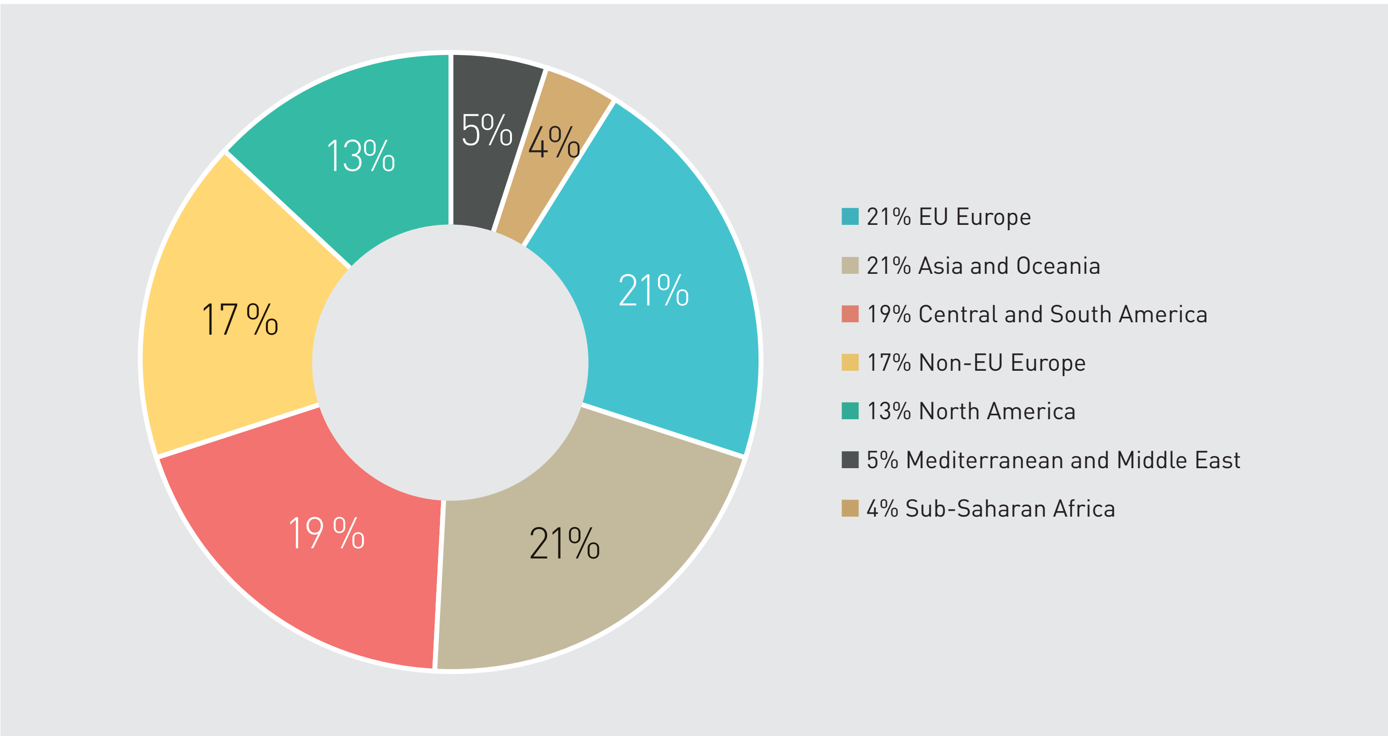
The companies in which SIMEST approved investment in 2014 involve:

- a **total investment** by SIMEST of **€129.6 million**;
- total share capital of €440.1 million;
- total investment of €677.5 million.

Once again in 2014, the projects approved were largely concentrated in limited number of countries, distributed within 4 major geographical areas.

Excluding the EU countries (discussed further on), the two prime destination areas for SIMEST investments were, as in the past, Asia and Central and South America, with the number of projects totalling 21 (around 40% of the total of new projects) and a financial commitment by SIMEST of €38.0 million (just under 30% of the total investments approved).

INVESTMENTS IN COMPANIES APPROVED IN 2014
Number of projects by geographical area



INVESTMENTS IN COMPANIES APPROVED IN 2014 - BY COUNTRY

COUNTRY	NUMBER OF PROJECTS	PLANNED CAPITAL SPENDING (€ millions)	PLANNED SHARE CAPITAL (€ millions)	SIMEST COMMITMENT (€ millions)
NEW PROJECTS				
ASIA AND OCEANIA				
China	7	94.1	106.8	10.7
India	3	27.9	13.5	4.8
Malaysia	1	9.7	7.0	1.6
	11	131.7	127.3	17.1
CENTRAL AND SOUTH AMERICA				
Argentina	1	5.4	5.4	1.5
Brazil	6	73.4	31.7	10.3
Mexico	3	49.3	34.3	9.1
	10	128.1	71.4	20.9
NORTH AMERICA				
Canada	2	4.0	3.8	2.0
United States	5	19.7	21.6	9.3
	7	23.7	25.4	11.3
AFRICA				
Ethiopia	1	0.5	0.6	0.1
South Africa	1	6.0	4.0	1.1
	2	6.5	4.6	1.2
MEDITERRANEAN AND MIDDLE EAST				
UAE	1	2.3	2.0	0.5
Israel	1	17.0	2.5	0.6
Turkey	1	1.9	1.9	0.3
	3	21.2	6.4	1.4
NON-EU EUROPE				
Kosovo	1	2.0	1.0	0.2
Macedonia	1	1.6	1.6	0.4
Republic of Moldova	2	20.1	22.3	3.4
Russia	4	28.0	28.5	13.0
Serbia	1	2.0	2.0	0.4
	9	53.7	55.4	17.4
EU				
Italy	10	277.2	126.1	52.8
Romania	1	6.3	6.8	2.8
Total	11	283.5	132.9	55.6
TOTAL NEW PROJECTS	53	648.4	423.4	124.9
Previously approved projects				
Capital increase/increase in amount appropriated	4	29.1	16.7	4.7
Plan revisions	5			
TOTAL	62	677.5	440.1	129.6

In this context, as with last year, Brazil and China represent 17% of the commitments approved, showing them to be the most attractive markets with 13 projects (7 of which in China and 6 in Brazil) for a total commitment of €21 million.

This dominance can be explained due to the overlap of a variety of factors, including, first of all, low production costs, significant opportunities offered by the market and domestic consumption (part of which is still only latent) and the extensive availability of natural resources.

Other factors also contributed, such as the existence of possible barriers to entry – taking the form in Brazil of local content requirements in order to promote the local development of certain sectors and industries – or the inertial effect of having locally-established customers.

These two areas were followed by other traditional destinations, such as Mexico (a low cost country, the second largest economy in Latin America after Brazil and an important base for serving the North American market) and Russia (4 projects for a SIMEST commitment of €13 million), although the economic crisis that emerged at the end of 2014 and international tensions linked to the conflict with Ukraine could weaken these ties.

Finally, interest in the United States remained significant, with 5 projects approved for a SIMEST commitment of €9.3 million, confirming that companies that want to effectively penetrate the local market cannot overlook the need for a direct presence, assuring adequate pre- and post-sales assistance services for customers, which are perceived as essential in a sophisticated and mature market such as the United States.

With regard to SIMEST's activities in the EU, where it began operating in 2011, there was a significant expansion in the level of activity in Italy in 2014, prompted by the growing perception of companies that invest in international markets of the advantages of strengthening their capital position by welcoming an institutional partner that can support them in penetrating new foreign markets.

In this environment, 11 new projects in EU countries were approved for an overall SIMEST commitment of €55.6 million, 10 of which involving direct investment in Italian companies, with a commitment of €52.8 million.

The distribution of projects by sector reflects the prevailing specialisation of the national productive system. In line with the trend reported in previous years, the new projects approved broke down as follows:

- engineering (with a total SIMEST commitment of €56.6 million, for 18 new projects and 2 capital increases in companies in which SIMEST already had an equity interest);
- agriculture/food products (with a SIMEST commitment of €23.6 million, for 8 new projects and 2 capital increases in companies in which SIMEST already had an equity interest);
- rubber/plastics (7 new projects for a SIMEST commitment of €20.3 million);
- building/construction (5 new projects for a SIMEST commitment of €18.0 million);
- energy (1 new project for a SIMEST commitment of €3.5 million);
- services (3 new projects for a SIMEST commitment of €1.7 million);
- wood/furniture (4 new projects for a SIMEST commitment of €1.2 million);
- other sectors (7 new projects for a SIMEST commitment of €4.9 million).

Overall, from the start of the Company's operations up to 31 December 2014, the Board of Directors has approved a total of:

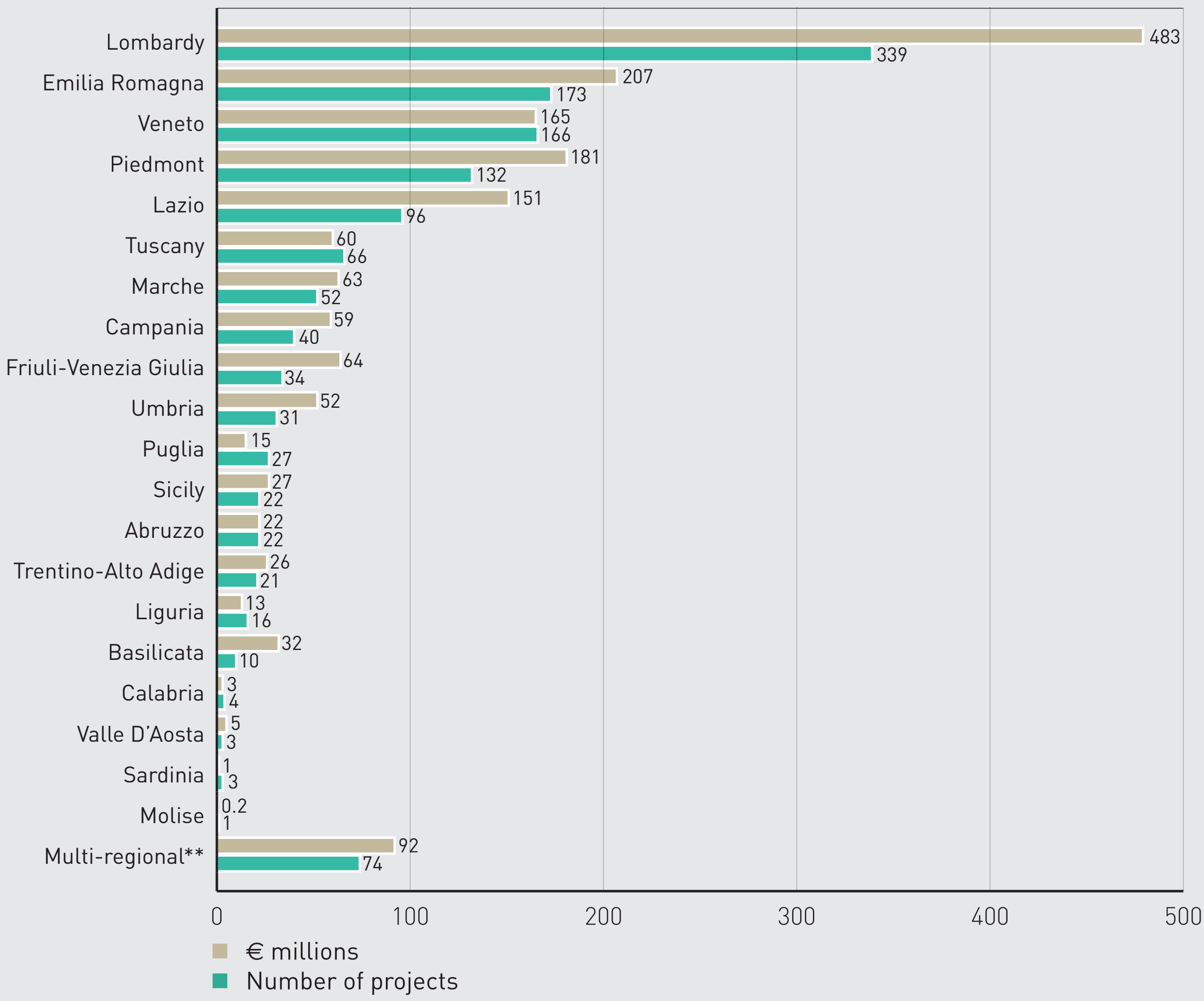
- 1,332 investments in new projects (43 of which for EU projects)
- 92 project revisions (8 of which for EU projects)
- 169 supplements at companies in which SIMEST already had an equity interest (4 of which for EU projects)

with a total SIMEST commitment of €1,721.9 million (€190.2 million of which for EU projects).

INVESTMENTS IN COMPANIES APPROVED IN 2014 - BY SECTOR

SECTORS	NUMBER OF PROJECTS	PLANNED CAPITAL SPENDING (€ millions)	PLANNED SHARE CAPITAL (€ millions)	SIMEST COMMITMENT (€ millions)
NEW PROJECTS				
Engineering	18	302.8	208.1	55.0
Agriculture/Food Products	8	130.9	50.0	20.4
Rubber/Plastics	7	113.3	94.2	20.3
Building/Construction	5	41.3	31.4	18.0
Wood/Furniture	4	3.6	4.8	1.2
Services	3	33.0	9.5	1.7
Textiles/Clothing	2	3.1	3.6	1.0
Other	1	1.8	1.0	0.1
Chemicals/Pharmaceuticals	1	5.4	5.4	1.5
Electronics/IT	1	1.3	2.2	1.2
Energy	1	7.2	7.2	3.5
TOTAL NEW PROJECTS	**53**	**648.4**	**423.4**	**124.9**
Previously approved projects				
Capital increase/increase in amount appropriated	4	29.1	16.7	4.7
Plan revisions	5			
TOTAL	**62**	**677.5**	**440.1**	**129.6**

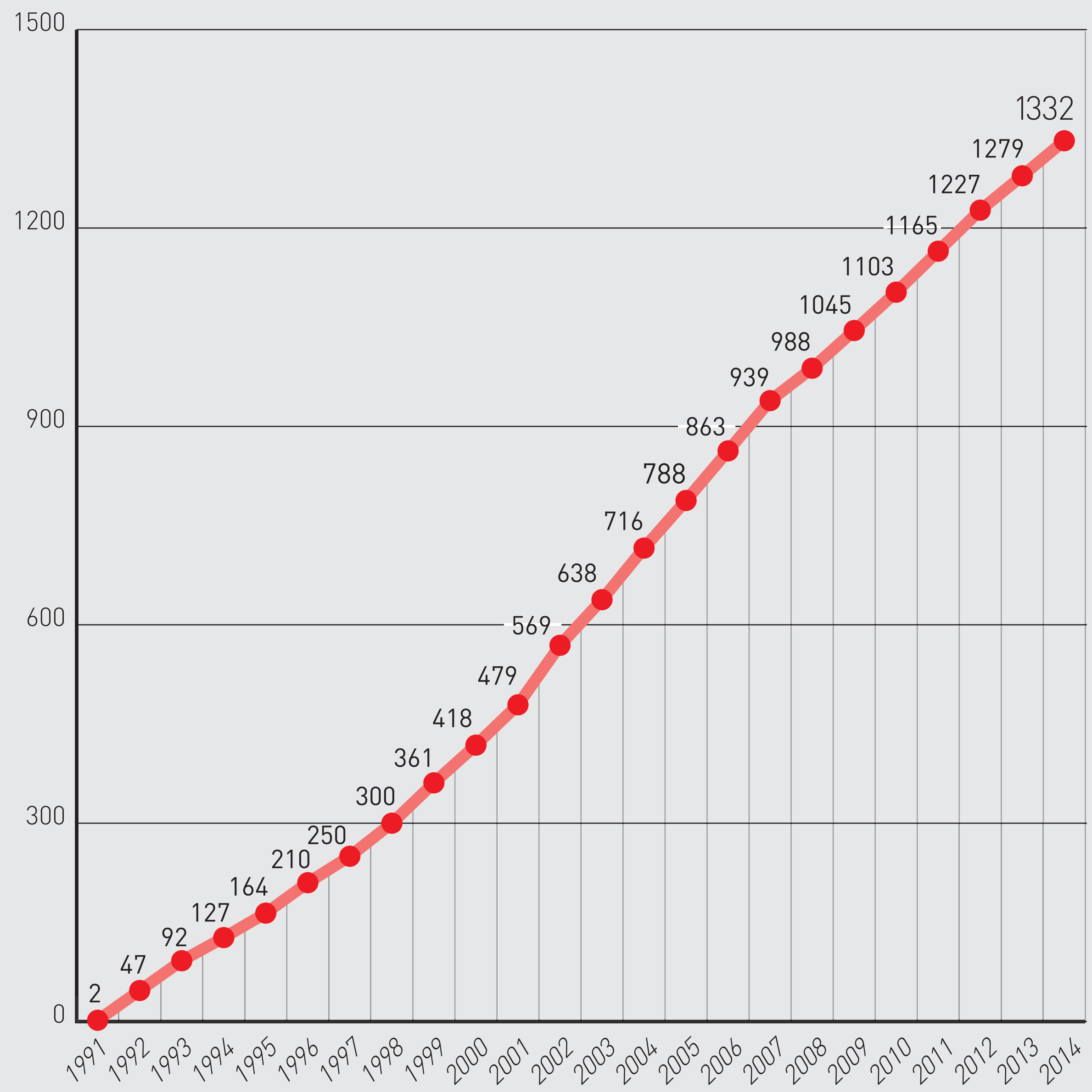
INVESTMENTS IN COMPANIES APPROVED
from start of operations through 31 December 2014 by region*



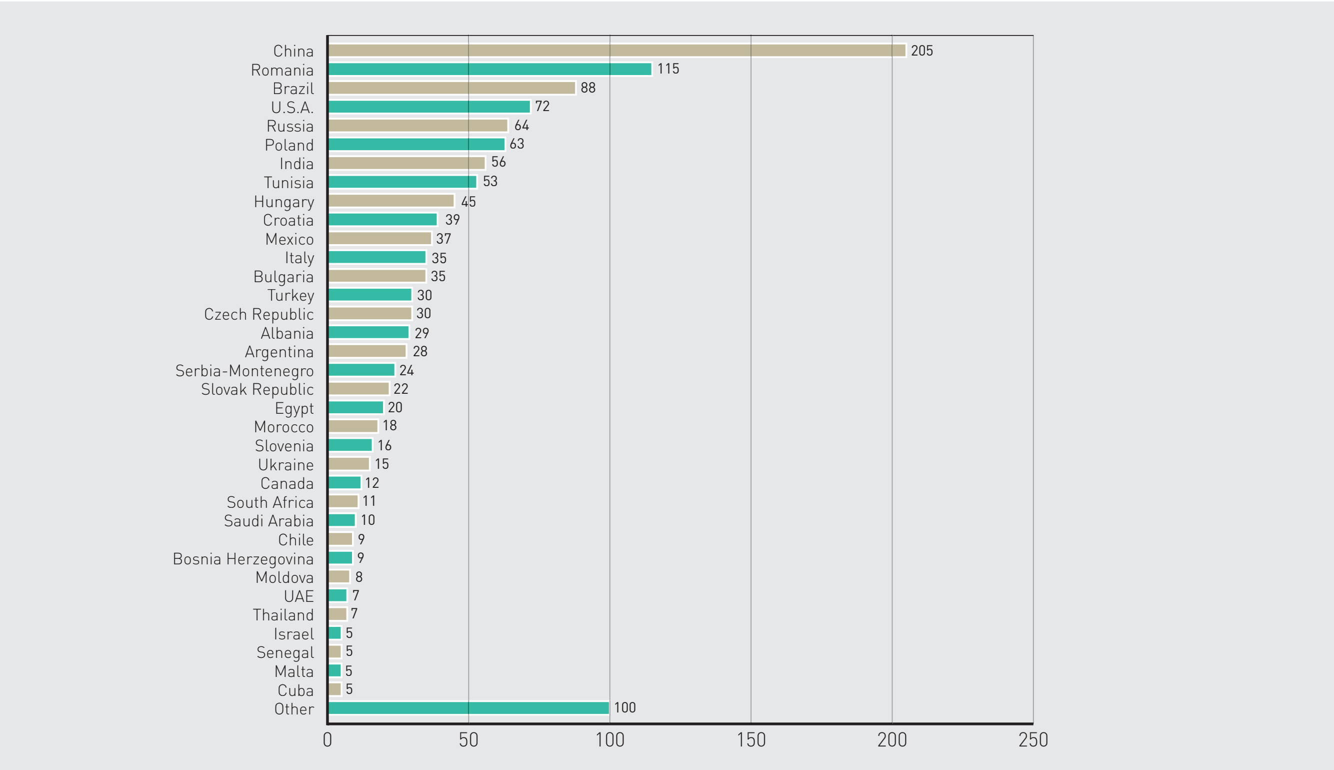
* Region in which the Italian company making the investment is located

** Projects carried out by Italian companies from more than one region

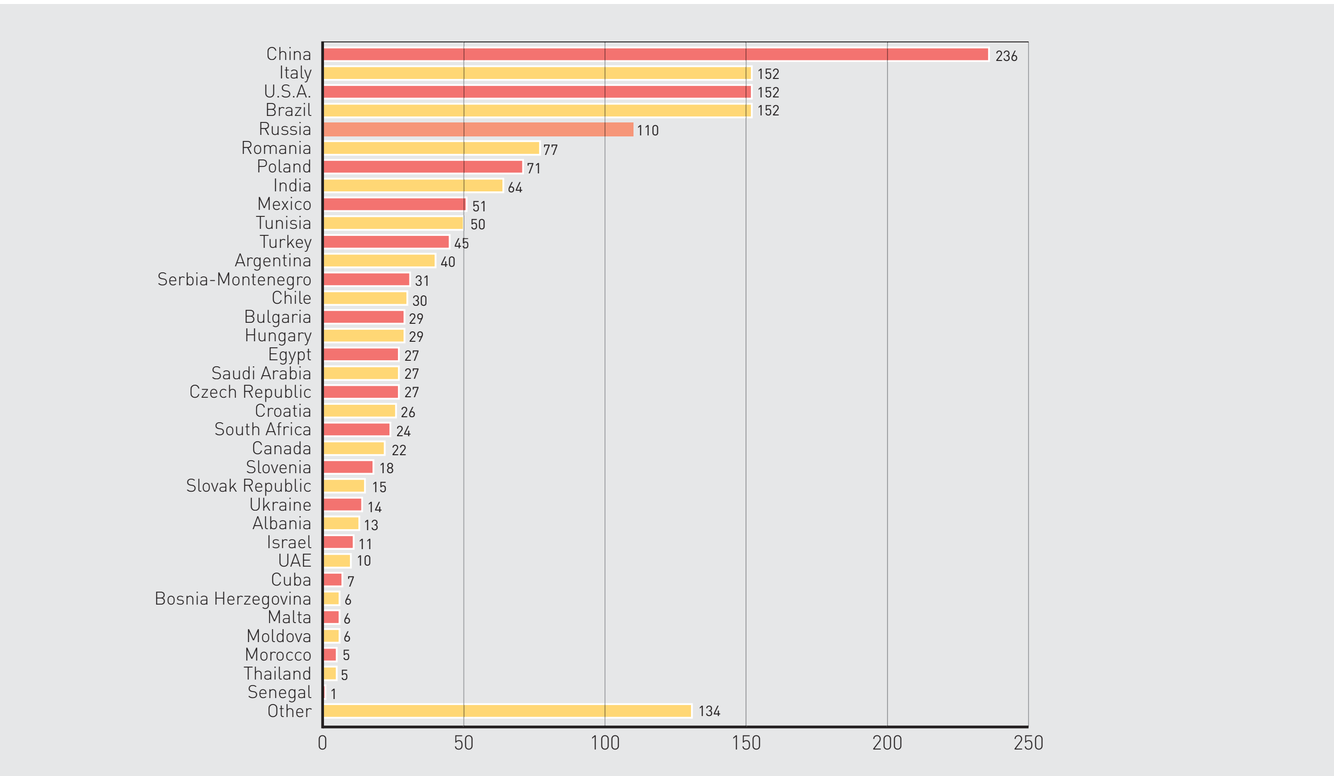
INVESTMENTS IN COMPANIES
Projects approved at 31 December



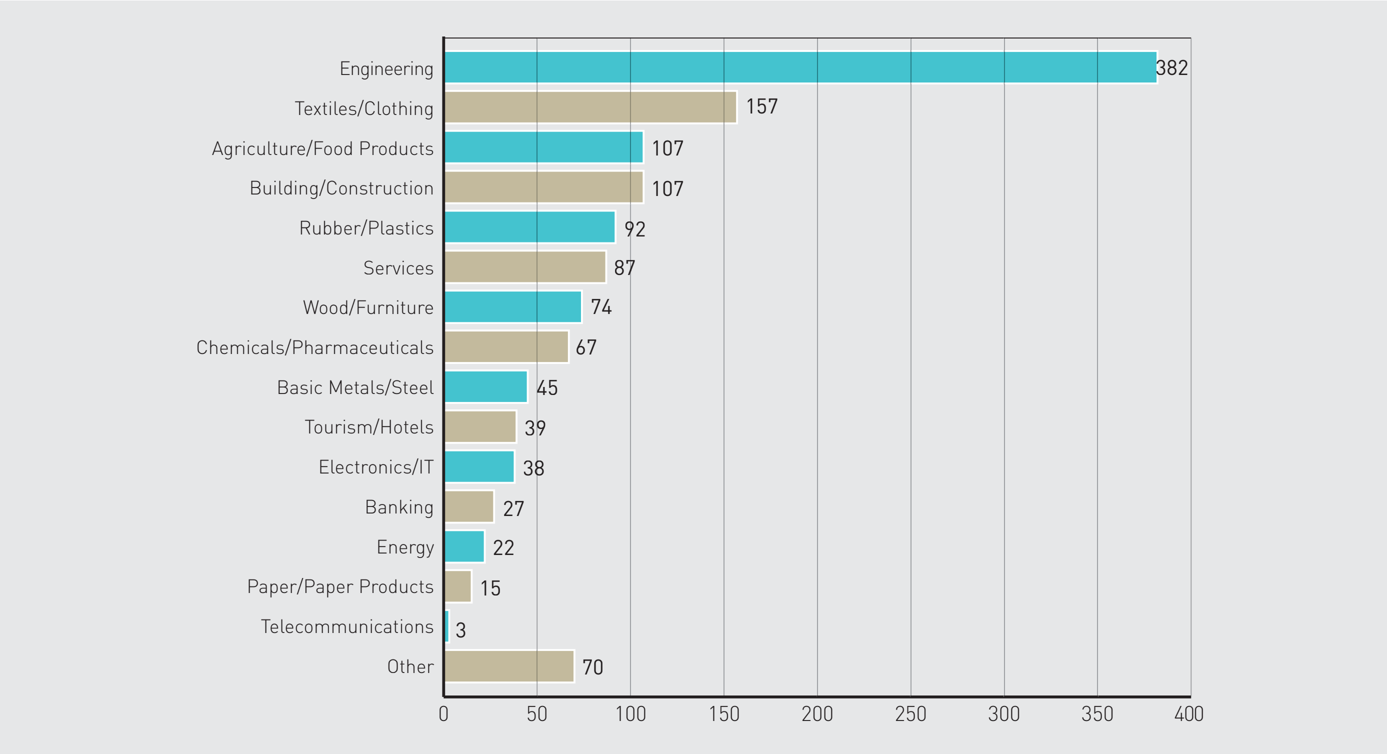
INVESTMENTS IN COMPANIES APPROVED FROM START OF OPERATIONS THROUGH 31 DECEMBER 2014
Number of projects by country



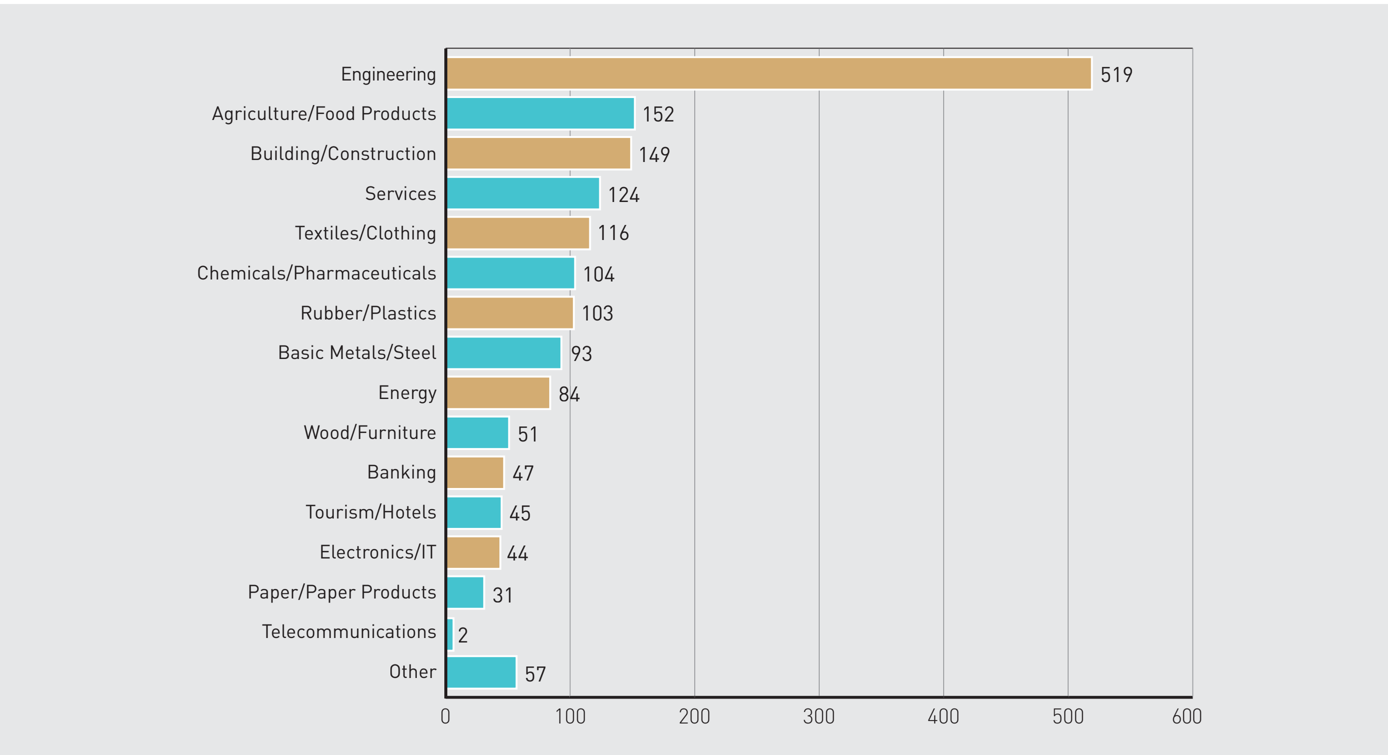
INVESTMENTS IN COMPANIES APPROVED FROM START OF OPERATIONS THROUGH 31 DECEMBER 2014
By country (€ millions)



INVESTMENTS IN COMPANIES APPROVED FROM START OF OPERATIONS THROUGH 31 DECEMBER 2014
Number of projects by sector



INVESTMENTS IN COMPANIES APPROVED FROM START OF OPERATIONS THROUGH 31 DECEMBER 2014
By sector (€ millions)



EQUITY INVESTMENTS ACQUIRED

Equity investments

In 2014 SIMEST acquired **40 equity investments** for a total of **€80.1 million**. More specifically:

- it acquired 27 new equity investments in non-EU companies under Law 100/1990 for about €31.8 million;
- it subscribed 3 capital increases and 8 revisions by non-EU companies in which it already held a stake at 31 December 2013 for €1.2 million;
- it acquired 8 new equity investments in Italian and EU companies for €40.2 million;
- it subscribed 2 capital increases by EU companies in which it already held a stake at 31 December 2013 for €6.9 million.

In 2014, the economic situation was challenging, with low liquidity and a further decline in domestic demand. Italian companies that began the international expansion of their commercial and manufacturing businesses were able to compensate for the decline in domestic demand by taking advantage of rapidly growing demand in foreign markets, particularly in the BRIC countries, Mexico, and Turkey.

During the year SIMEST provided more dynamic support to the companies, both through an EU company and by taking a direct stake in the capital of target non-EU companies. The Italian companies investing in foreign markets remained largely SMEs, despite new investments by major Italian groups.

Acquisitions were largely concentrated in the engineering sector (48.6%), followed by agriculture/food products (11.4%), and the rubber/plastics and the services sectors (about 8.6% each).

The new investments mainly regarded countries in the Americas and Asia (31%) and the EU countries (23%).

Non-EU countries

In 2014 China surpassed Brazil as the country of greatest interest to Italian companies, inverting the results of the previous year and restoring the status quo in place until 2012, with 7 new investments for a total SIMEST investment of €8.0 million. However, Brazil continues to attract interest, with 5 new investments for total fixed investments of €202.1 million once the projects are completed, with a total SIMEST investment of €10.3 million.

In China, the United States and India, there were 3 new projects in the agriculture/food products sector for a total of €11.3 million once the projects are completed and with a total SIMEST commitment of €6.2 million.

In 2014, in accordance with the contractual arrangements with partner companies, 32 investments were sold for a total of €33.7 million after writedowns.

The disposals of non-EU companies generated capital gains of €0.7 million.

Following the changes in the portfolio of investments, SIMEST held equity interests valued at €378.7 million (after writedowns) in 233 non-EU companies at the end of 2014.

EU countries

EU investment activity, begun in 2011 and undertaken in Italy or within the EU, continued to expand significantly in 2014. There were 8 new equity investments (7 in Italy and 1 in Croatia, in addition to 2 capital increases for a company in which SIMEST already held a stake) for a total SIMEST outlay of €47.1 million. These new investments were in the engineering sector (4 projects) and in the agriculture/food products, building/construction, energy and rubber/plastics sectors (1 project each).

In 2014, under agreements with partner companies, SIMEST sold 1 investment and recognised adjustments totalling €8.4 million. The disposal generated a gain of €0.3 million.

Following 8 acquisitions in 2014, 2 capital increases and the disposal of the equity stake due to the exercise of the call option by the partner, taking due account of writedowns, SIMEST holds stakes in 24 Italian and other EU companies worth €113.2 million.

Total activity from start of operations to 31 December 2014

From the start of operations up to the end of 2014 SIMEST has:

- acquired shareholdings in 738 companies and subscribed 284 capital increases and revisions for a total of €922.4 million;
- sold 481 shareholdings for a total of €430.5 million, after writedowns.

The geographical distribution of the 738 companies in which SIMEST had invested since the start of operations through 31 December 2014 did not change significantly on the previous year:

- 42% in non-EU Europe (with reference to the countries in the EU at the time the acquisition was made);
- 25% in Asia and Oceania;
- 22% in the Americas;
- 8% in Africa;
- 3% in EU Europe.

As a result of the significant expansion in the portfolio of non-EU and EU equity investments in 2014, totalling around €38.0 million (acquisitions of €80.1 million and disposals of €42.1 million), SIMEST had to draw further upon lines of credit.

At 31 December 2014 the commitments of SIMEST's Italian partners to purchase its investments in foreign companies not secured by bank or insurance guarantees amounted to €357.0 million (compared with €324.1 million at 31 December 2013). Of the total, €198.1 million (€204.2 million at 31 December 2013) regard commitments not secured by third-party guarantees, €152.9 million (€119.9 million at 31 December 2013) regard commitments backed by corporate guarantees and €6 million for unsecured guarantees comparable to corporate guarantees.

Commitments to repurchase investments secured by bank or insurance guarantees amounted to €91.6 million (€107.0 million at 31 December 2013), while those secured by collateral came to €15.9 million.

Italian partners' commitments to repurchase investments, taking account of the effective net financial exposure, break down as reported in the table below:

	31.12.2014		31.12.2013	
	%	€ millions	%	€ millions
Commitments not backed by guarantees	42.6 %	198.1	46.9 %	204.2
Commitments backed by corporate guarantees	32.9 %	152.9	27.5 %	119.9
Other unsecured guarantees	1.3 %	6.0		
Subtotal	76.8 %	357.0	74.4 %	324.1
Commitments guaranteed by financial institutions and insurance companies	**19.8 %**	**91.6**	**24.5 %**	**107.0**
divided as follows:				
- banks	19.6 %	90.9	24.3 %	105.9
- insurance companies	0.0 %	0.0	0.0 %	0.2
- loan guarantee consortia	0.2 %	0.7	0.2 %	0.9
Commitments secured by collateral	**3.4 %**	**15.9**	**1.1 %**	**4.8**
- collateral security	3.4 %	15.9	1.1 %	4.8

In 2014 SIMEST's portfolio of equity investments earned a return of €28.1 million, including dividends received from investee companies.

Investments in Italy

Under Law 19/1991 SIMEST holds an interest of €5.4 million (acquired at a cost of €5.2 million) in FINEST S.p.A. of Pordenone (a member of the Fruilia Group) corresponding to 3.9% of the company's paid-up share capital of €137.2 million at 30 June 2014.

In 2013 and 2014, FINEST paid out a total of €9.9 million in support of the business community in the Triveneto region, entirely concentrated on equity transactions with 6 new shareholdings and 2 capital increases for companies in which it had already invested (balance sheet date of 30 June 2014).

The portfolio at 30 June 2014 held 73 equity investments for a total of €71.6 million, with total outstanding loans of €26.6 million.

The investment in STILNOVO MANAGEMENT S.r.l., subscribed in the amount of €0.25 million, is deemed "instrumental" with respect to the contractual arrangement adopted and the purpose of the project (promoting "Made in Italy" in the fashion and agriculture/food products sectors by involving the respective industry associations).

Risk management

Pursuant to **Article 2428 of the Italian Civil Code**, with regard to the main risks and uncertainties to which the Company is exposed in its equity investments, SIMEST has implemented policies for managing financial risk, including exposure to price risk, credit risk, liquidity risk and market risk.

SIMEST's financial risk management policies mainly regard equity investment activities.

In order to manage the associated risks, before investment proposals are brought to the attention of the SIMEST Board for final approval, the Risk Management department of SIMEST conducts, as part of the first-level controls, a thorough assessment of the proposals with regard to the company proposing the investment and the investment itself, in order to reduce the financial/credit risk exposure involved.

Following the risk assessment and approval of the proposal, the specification and completion of the agreement with the partner may proceed, in accordance with the established guidelines and instructions.

At the acquisition stage, all related information, subordinated instruments and guarantees are verified.

Financial/credit risk of the partners and the investee company is constantly monitored, using periodic financial reporting and management information.

Price risk and foreign exchange risk in respect of equity investments are mitigated using contractual language guaranteeing that SIMEST will recoup its investment at the price paid in euros for the acquisition.

Liquidity risk and interest rate risk are monitored constantly using a cash flow analysis approach, especially for equity investments, taking due account of the possibility of regulating inward flows from equity investments with options and outward flows by regulating payments to the individual investees. This monitoring activity has enabled SIMEST to obtain on good terms and conditions (taking account of the rating assigned by financial institutions to SIMEST) credit lines needed to manage company cash flows.

In other matters concerning interest rate risk, the quantification of the return on equity investments is defined flexibly over time, taking account of market developments. The goal is to specify a return that is sufficient to absorb the impact of changes in borrowing rates over the short, medium and long term.

The continuing difficulties faced by most of the world's economies counsel a prudent approach in measuring general financial risks in considering the possible economic effects on those companies with the greatest exposure to investments in foreign markets.

Accordingly, compared with the methods used to determine provisions described below, specific attention has been focused on assessing possible interaction between the country risk associated with an investment and the emergence of financial risk in respect of the partner company.

The main policies adopted in assessing the financial risk to which SIMEST is exposed during its management of the financial instruments representing its equity investments are as follows:

I. no provisions are recognised where the investments are secured by guarantees issued by banks or insurance companies;

II. generic provisions are recognised for potential losses on investments guaranteed by partners or other guarantors listed on a stock exchange;

III. generic provisions are recognised for potential losses on investments guaranteed by partners or other guarantors that are not listed on a stock exchange;

IV. generic provisions are recognised for country risk;

V. provisions are recognised for potential losses on investments guaranteed by partners or other guarantors that, in the case of changes in the situation of the partner or guarantor, would expose SIMEST to larger financial risks.

Transactions with related parties

With regard to transactions with the controlling shareholder, Cassa Depositi e Prestiti S.p.A. (a company that exercises management and coordination over SIMEST), and the companies of the CDP Group, pursuant to Article 2428 of the Italian Civil Code, SIMEST, CDP and SACE signed the Export Bank Convention regarding the financing of international expansion and exports of Italian businesses, with CDP providing financial support and SACE offering the guarantee. These group synergies made it possible to achieve adequate operational levels for export credit transactions.

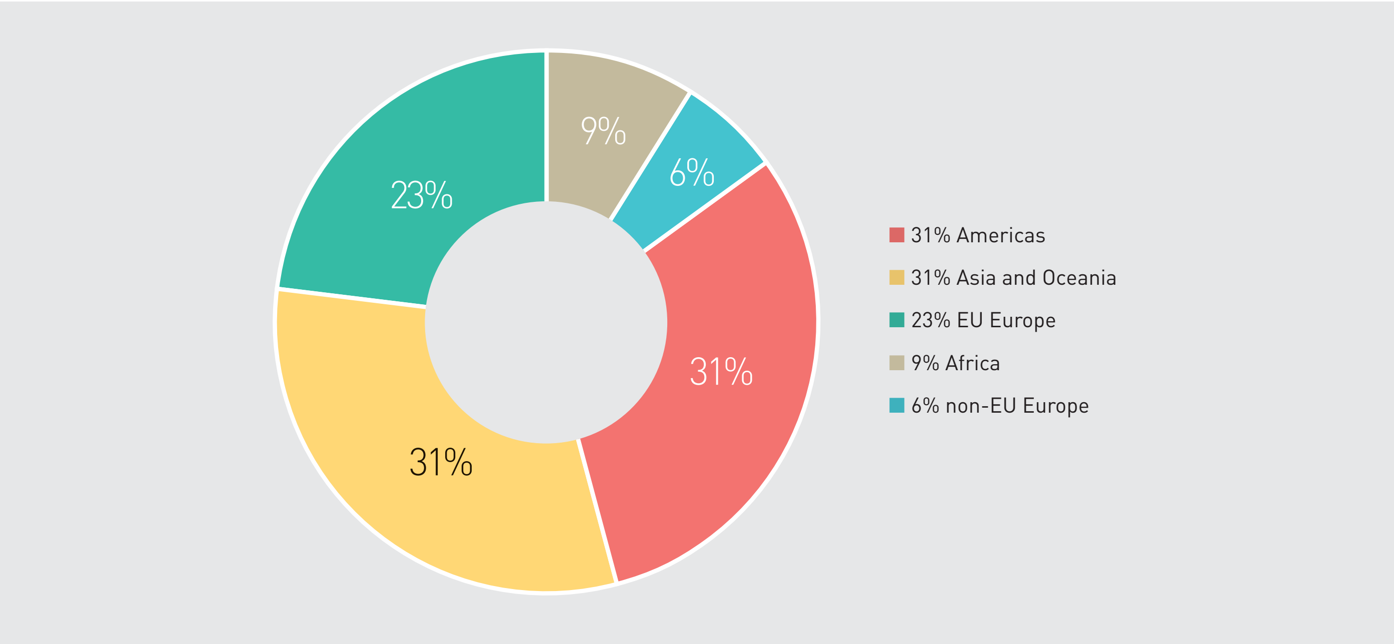
During the year, SIMEST obtained a line of credit from Intesa Sanpaolo in a pool with Cassa Depositi e Prestiti.

In addition, the compensation to be paid to the two executives on SIMEST's Board of Directors and to a member of the Supervisory Body, all representing CDP, was determined. A manager of CDP was transferred to SIMEST to head the Corporate Legal Affairs and Compliance Area and the Internal Audit and Risk Management functions were outsourced to the Parent Company.

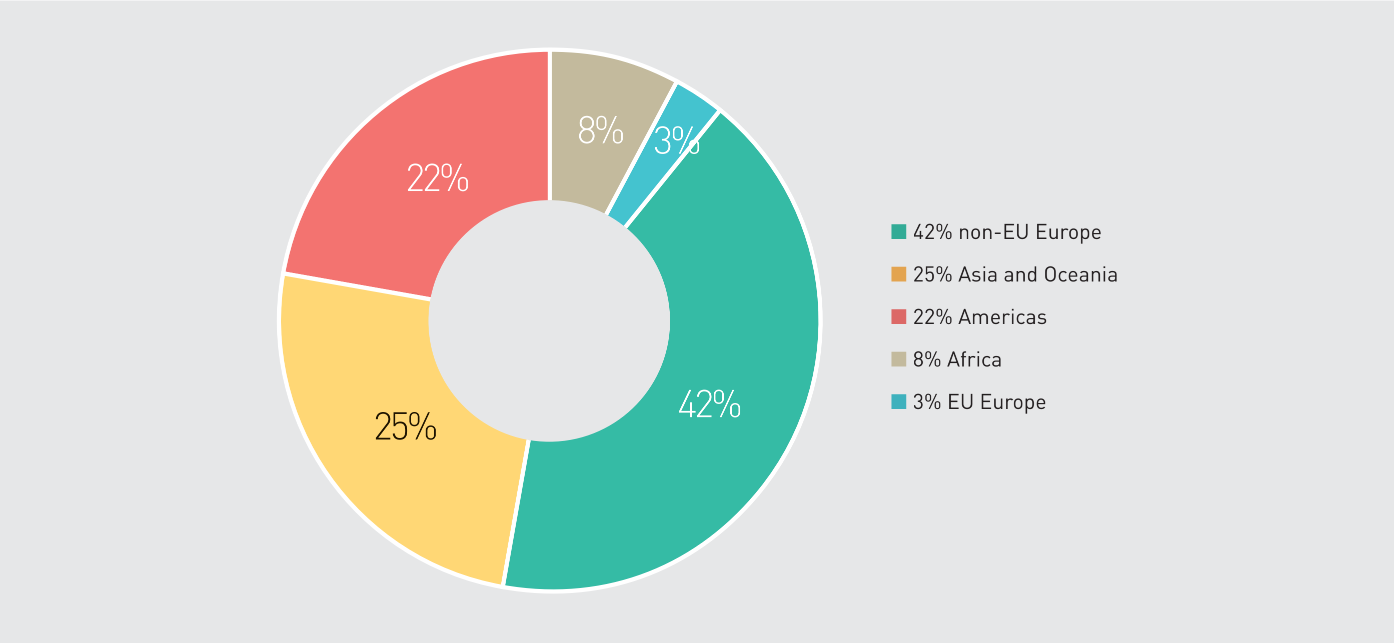
As to the other CDP Group companies, SIMEST entered into a project with Fincantieri S.p.A., taking a stake in the share capital of the joint foreign subsidiary Fincantieri USA INC., as well as receiving professional services from SACE S.p.A. under a contract to review the environmental assessment parameters (OECD parameters) for export credit support transactions.

These transactions with related parties were entered into on market terms and conditions.

EQUITY INVESTMENTS ACQUIRED IN 2014
Number of projects by geographical area



EQUITY INVESTMENTS ACQUIRED FROM START OF OPERATIONS THROUGH 31 DECEMBER 2014
Number of projects by geographical area



EQUITY INVESTMENTS ACQUIRED IN 2014
New equity investments in non-EU companies acquired in 2014

	Company	Italian Partner	Country
1	STOLA DO BRASIL LTDA	STOLA S.p.A.	BRAZIL
2	JIAXING OLSA MURAKAMI CORPORATION	OLSA S.p.A.	CHINA
3	ASK DO BRASIL	ASK INDUSTRIES S.p.A.	BRAZIL
4	AMW MGM FORGINGS PVT. LTD.	SIDERFORGEROSSI GROUP S.p.A.	INDIA
5	SIHL AG	DIATEC HOLDING S.p.A.	SWITZERLAND
6	FERRARINI PACIFIC LTD	FERRARINI S.p.A.	CHINA
7	GUALINI AFRIQUE SARL	GUALINI S.p.A.	TUNISIA
8	SIGIT MAROC FZK SARL	SIGIT S.p.A.	MOROCCO
9	GIGLIO TV HK LIMITED	GIGLIO GROUP S.p.A.	CHINA
10	FAGIOLI ASIA PVT LTD	FAGIOLI S.p.A.	SINGAPORE
11	BOMI DE CHILE SPA	BOMI ITALIA S.p.A.	CHILE
12	EUROTRANCIATURA MEXICO SA DE CV	EUROTRANCIATURA S.p.A.	MEXICO
13	FABI ASIA	FABI S.p.A.	CHINA
14	ASK NINGBO LTD.	ASK INDUSTRIES SPA	CHINA
15	SAIRA AMERICAS INC.	SAIRA ELECTRONICS S.r.l./SAIRA EUROPE S.p.A. - GRUPPO IND.LE TOSONI S.p.A.	USA
16	CORGHI DO BRASIL	CORGHI S.p.A.	BRAZIL
17	BELLELLI EMIRATES ENGINEERING GENERAL CONTRACTING LLC	BELLELLI ENGINEERING S.p.A.	UAE
18	CANALETTO WINES INC.	CASA GIRELLI S.p.A.	USA
18	MAGNETTO AUTOMOTIVE DO BRASIL LTDA	MA S.r.l.	BRAZIL
20	MOVING ELECTRONICS SHENZHEN CO. LTD.	MOTION S.r.l.	CHINA
21	D'ORSOGNA SWEET INGREDIENTS LTD.	D'ORSOGNA DOLCIARIA S.r.l.	INDIA
22	TIBERINA AUTOMOTIVE PE COMPONENTS METALICOS PARA INDUSTRIA AUTOMOTIVA LTDA	TIBERINA HOLDING S.r.l.	BRAZIL
23	INGLASS USA INC.	INGLASS S.p.A.	USA
24	GRUPO ECONOMICO SCL AUSTRAL S.A.	SOCIETA' CHIMICA LARDERELLO S.p.A.	ARGENTINA
25	SITI B&T CERAMIC TECHNOLOGY Ltd.	SITI - B&T GROUP S.p.A.	CHINA
26	SERIOPLAST SOUTH AFRICA	SERIOPLAST S.p.A.	SOUTH AFRICA
27	TRE ZETA MACEDONIA	TRE ZETA GROUP Sr.l.	MACEDONIA

	Sector	Share Capital		SIMEST's holding		SIMEST's holding (at € cost)	Date acquired
		Currency	Amount	%	in local currency		
	Engineering	BRL	55,850,825	17.90%	10,000,000	4,000,000.00	29-Jan-14
	Engineering	USD	6,700,000	5.07%	340,000	246,723.14	21-Feb-14
	Engineering	BRL	21,851,461	4.32%	943,750	312,500.00	24-Mar-14
	Engineering	INR	76,220,000	2.99%	2,276,200	800,000.00	12-May-14
	Paper/Paper Products	CHF	10,980,000	22.95%	2,520,000	2,071,686.95	17-Jun-14
	Agriculture/Food Products	HKD	106,800,000	49.06%	52,400,000	4,970,377.57	24-Jun-14
	Building/Construction	TND	610,000	23.90%	145,790	65,410.00	30-Jun-14
	Rubber/Plastics	EUR	1,600,000	25.00%	400,000	400,000.00	02-Jul-14
	Services	EUR	30,000,001	24.50%	7,350,000	735,000.00	04-Jul-14
	Services	SGD	5,299,019	18.88%	1,000,387	600,000.00	21-Jul-14
	Services	CLP	975,000,000	24.50%	238,875,000	318,500.00	31-Jul-14
	Engineering	MXN	274,996,620	16.36%	45,000,000	2,541,181.25	07-Aug-14
	Textiles/Clothing	HK$	21,190,000	25.01%	5,300,000	500,000.00	08-Aug-14
	Engineering	EUR	2,250,000	14.44%	325,000	325,000.00	08-Aug-14
	Electronics/It	USD	3,000,000	46.67%	1,400,000	1,082,669.55	11-Sep-14
	Engineering	BRL	2,969,226	14.00%	415,692	140,000.00	12-Sep-14
	Engineering	AED	9,219,000	20.00%	1,843,500	410,000.00	09-Oct-14
	Agriculture/Food Products	USD	7,158,252	17.10%	1,224,000	960,000.00	17-Oct-14
	Engineering	BRL	91,741,757	15.00%	13,761,263	4,389,607.58	29-Oct-14
	Engineering	CYN	7,000,000	17.86%	1,250,000	163,000.00	05-Nov-14
	Agriculture/Food Products	INR	79,190,000	24.00%	19,005,000	250,000.00	11-Nov-14
	Engineering	BRL	20,062,870	23.49%	4,713,000	1,500,000.00	17-Nov-14
	Engineering	USD	3,000,000	49.00%	1,470,000	1,174,684.35	19-Nov-14
	Chemicals/Pharmaceuticals	ARS	52,872,400	27.90%	14,751,400	1,384,478.20	21-Nov-14
	Engineering	USD	6,800,000	20.00%	1,360,000	1,013,488.00	24-Nov-14
	Rubber/Plastics	ZAR	55,072,000	25.00%	13,768,000	1,000,000.00	28-Nov-14
	Textiles/Clothing	EUR	1,605,000	24.92%	400,000	400,000.00	16-Dec-14
				Total new non-EU equity investments	**No. 27**	**31,754,306.59**	

CAPITAL INCREASES/EXPANSIONS AT NON-EU COMPANIES ACQUIRED IN 2014

	Company	Italian Partner	Country
1	MECCANOTECNICA INDIA PRIVATE LTD	MECCANOTECNICA UMBRA S.p.A.	INDIA
2	SAIRA ASIA INTERIORS PRIVATE	SAIRA EUROPE Sp.A. - GRUPPO IND.LE TOSONI S.p.A.	INDIA
3	SAME DEUTZ-FAHR SAHSUVAROGLU TRAKTOR SANAYI VE TICARET ANONIM SIKETI	SAME DEUTZ - FAHR ITALIA S.p.A.	TURKEY

NEW EQUITY INVESTMENTS IN EU COMPANIES ACQUIRED IN 2014

	Company	Italian Partner	Country
1	BDF SERVIS DOO	BDF INDUSTRIES S.p.A.	CROATIA
2	MA SPA	CLN S.p.A.	ITALY
3	PIETRO CORICELLI SPA	G.A. CORICELLI S.p.A.	ITALY
4	PMP INDUSTRIES SPA	LUIGINO POZZO	ITALY
5	SOLE COMPONENTS SRL	SOLE S.p.A.	ITALY
6	PROGER SPA	PROGER INGEGNERIA S.r.l.	ITALY
7	GREEN NETWORK HOLDING RINNOVABILI SRL	GREEN NETWORK S.p.A.	ITALY
8	CASTELLINI OFFICINE MECCANICHE SPA	BRESCIA FINIMMOBILIARE S.r.l.	ITALY

CAPITAL INCREASES/EXPANSIONS IN EU COMPANIES ACQUIRED IN 2014

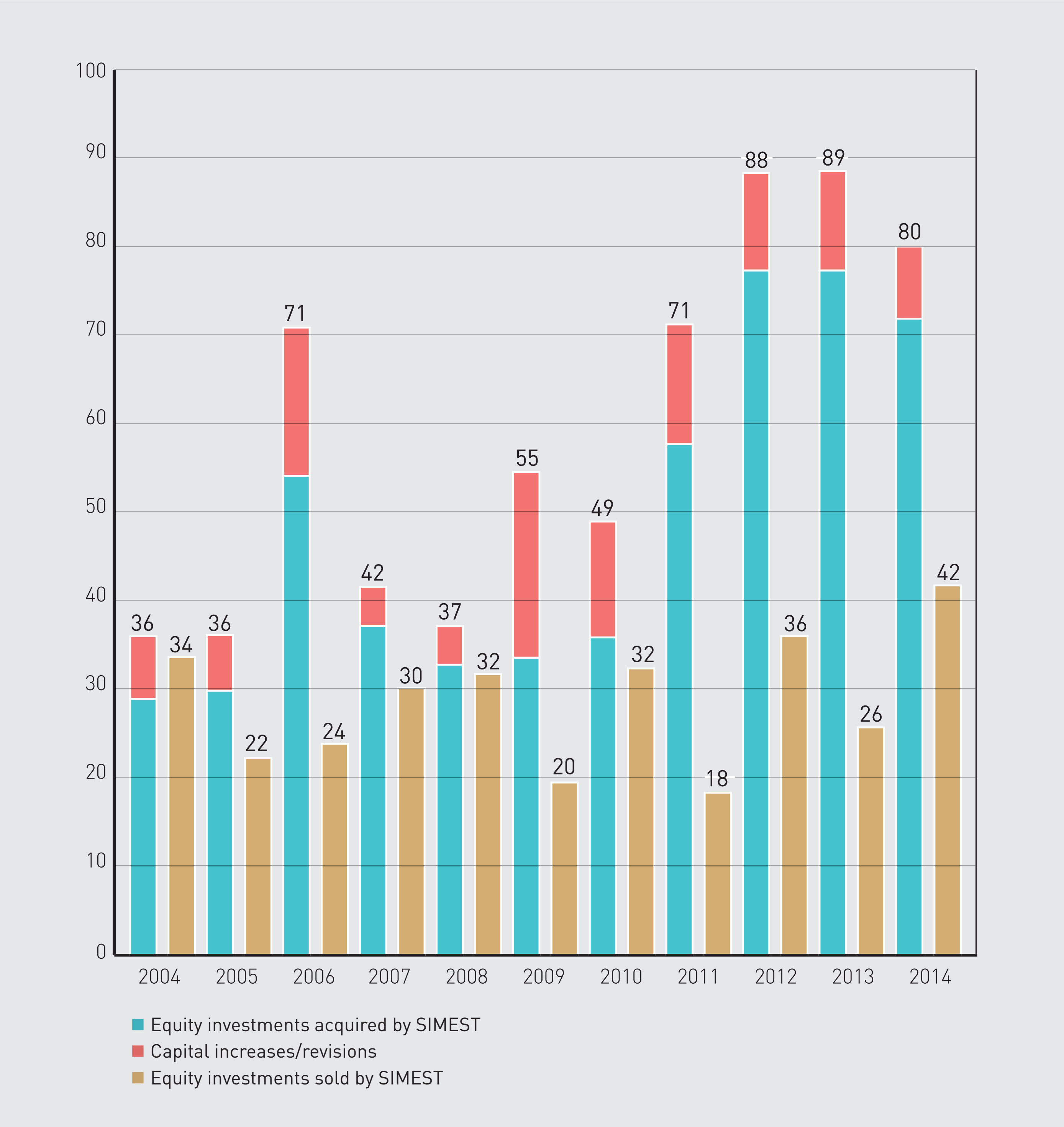
	Company	Italian Partner	Country
1	ADLER GROUP S.P.A.	ADLER PLASTIC S.p.A.	ITALY
2	PASTA ZARA SPA	FFAUF SA	ITALY

Sector	Share Capital		SIMEST's holding		SIMEST's holding (at € cost)	Date acquired
	Currency	Amount	%	in local currency		
Engineering	INR	155,000,000	11.10%	17,200,000	206,358.73	19-Mar-14
Engineering	INR	338,000,000	10.06%	34,000,000	418,719.21	08-Aug-14
Engineering	TRL	51,043,075	3.51%	1,794,000	600,000.00	24-Nov-14
Total capital increases/expansions - Non-EU				no. 3	1,225,077.94	
Total new equity investments 2014 - Non-EU				no. 30	32,979,384.53	

Sector	Share Capital		SIMEST's holding		SIMEST's holding (at € cost)	Date acquired
	Currency	Amount	%	in local currency		
Engineering	HRK	20,700,000	25.36%	5,250,000	689,135.42	23-Apr-14
Engineering	EUR	102,249,000	2.20%	2,249,000	5,000,000.00	09-May-14
Agriculture/Food Products	EUR	22,667,000	11.77%	2,667,000	4,000,000.00	27-Jun-14
Engineering	EUR	12,000,000	18.79%	2,255,000	5,000,000.00	08-Aug-14
Rubber/Plastics	EUR	66,800,000	16.47%	11,000,000	11,000,000.00	05-Dec-14
Building/Construction	EUR	8,000,000	27.40%	2,192,000	6,000,000.00	11-Dec-14
Energy	EUR	100,000	45.45%	45,454	3,500,000.00	16-Dec-14
Engineering	EUR	634,000	29.02%	184,000	5,000,000.00	18-Dec-14
Total new equity investments in EU				no. 8	40,189,135.42	

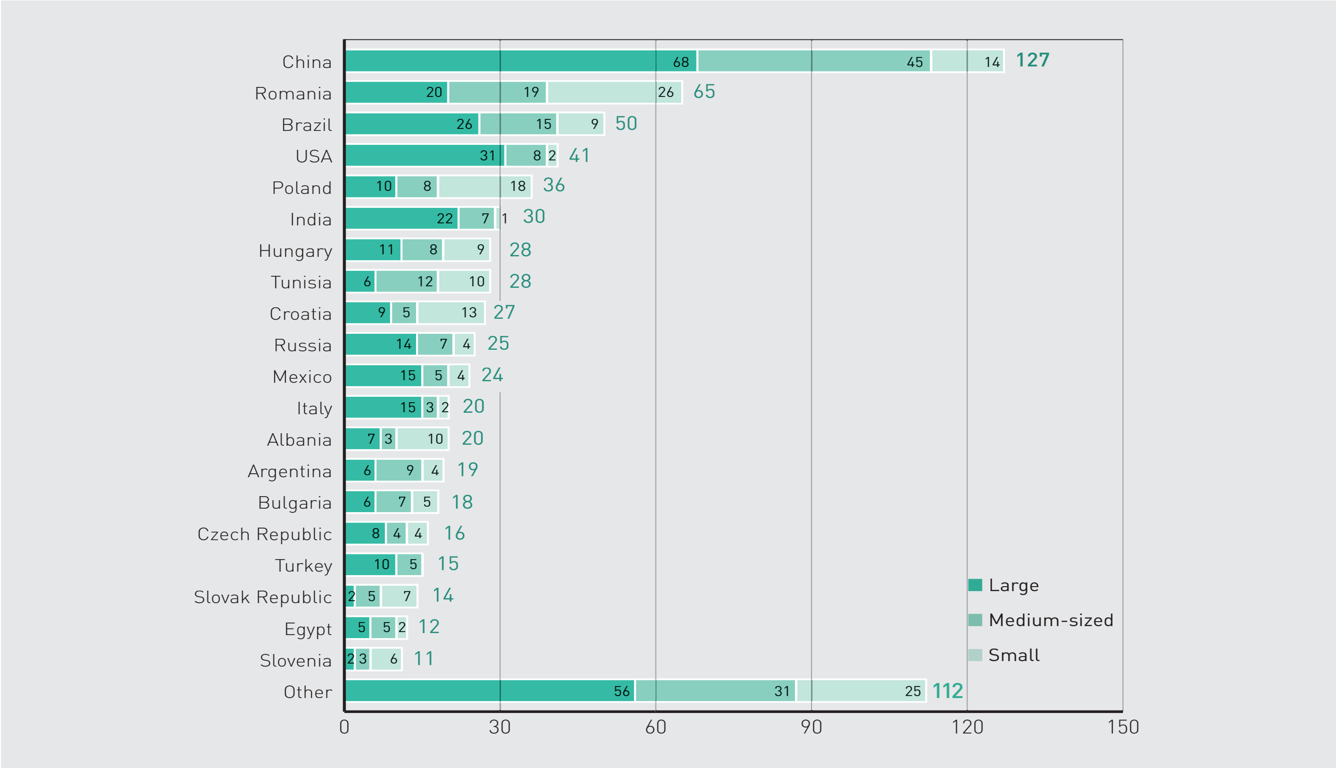
Sector	Share Capital		SIMEST's holding		SIMEST's holding (at € cost)	Date acquired
	Currency	Amount	%	in local currency		
Engineering	EUR	28,100,000	13.88%	3,900,000	3,900,000.00	06-Feb-14
Agriculture/Food Products	EUR	74,000,000	4.05%	3,000,000	3,000,000.00	17-Dec-14
Total capital increases/expansions - EU				no. 2	6,900,000.00	
Total new equity investments 2014 - EU				no. 10	47,089,135.42	
Revisions				no. 8		
TOTAL NEW EQUITY INVESTMENTS/ REVISIONS				no. 48	80,068,519.95	

EQUITY INVESTMENTS ACQUIRED
by year (€ millions)



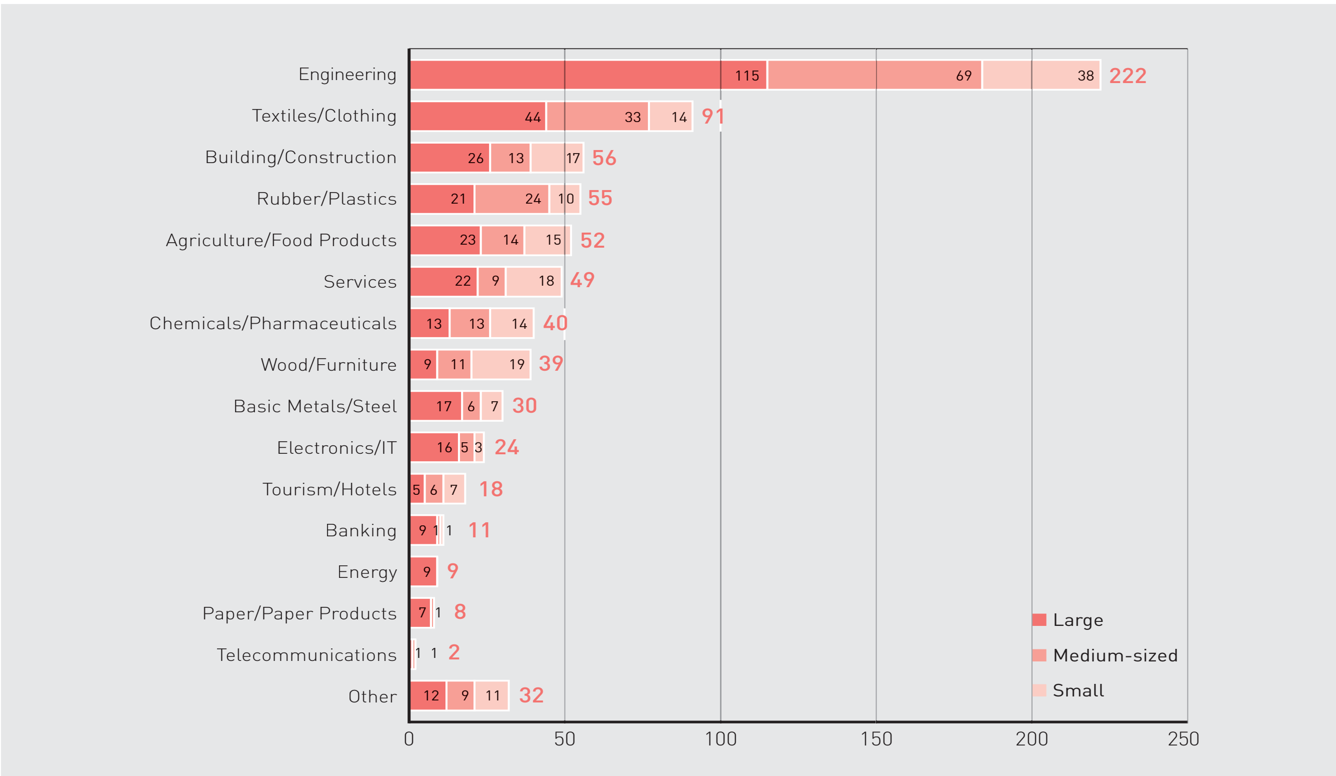
EQUITY INVESTMENTS ACQUIRED FROM START OF OPERATIONS THROUGH 31 DECEMBER 2014

number of projects by country/size



EQUITY INVESTMENTS ACQUIRED FROM START OF OPERATIONS THROUGH 31 DECEMBER 2014

number of projects by sector/size



THE UNIFIED VENTURE CAPITAL FUND MANAGED BY **SIMEST** ON BEHALF OF THE MINISTRY OF ECONOMIC DEVELOPMENT

Last year was the tenth year of operation for the Venture Capital Fund, an instrument launched in 2004 by the Ministry of Economic Development in an effort to offer financial support, but even more so institutional support, to Italian companies seeking to expand their business internationally.
The Fund operates by taking a non-controlling interest (in addition to the direct stake held by SIMEST and/or FINEST) in the share capital of foreign companies formed by Italian companies (in emerging countries and areas, as well as those of interest to the Italian entrepreneurs) to make production and/or commercial investments in order to penetrate local markets.

In this environment, special focus has been placed on supporting small and medium-sized enterprises, due to the greater degree of complexity they encounter in implementing international expansion strategies and due to the fact that they have more limited access to suitable financial instruments (their resources tend to be used in ordinary operations and, therefore, they have limited funds available to support their foreign expansion policies).

While the important role played by the Venture Capital Fund in this area has been stressed, it should, however, be noted that, although operators have shown increasing interest in the Fund, the lack of resources allocated to the Fund in recent years has in fact limited its scope, particularly as to the size of the investments made, which have been smaller on average than the enabling decrees effectively allow.

Given the ongoing competitive difficulties currently plaguing Italian companies, we hope that the degree of employment of an instrument that has proven to be effective and responsive to companies' needs does not contract further and that it will be used more extensively in the future, supported by adequate funding.

Projects approved

In 2014, 67 investments were approved by resolution of the Guidance and Oversight Committee, of which 33 involving new investments, 3 regarding capital increases in companies in which the Fund has already invested (for implementation of expansion and/or development plans) and 31 revisions to projects previously approved.
In addition to the new investments and capital increases, there were 31 updates and revisions to plans previously approved. More specifically, the resolutions envisage:

- a total commitment under the Unified Venture Capital Fund of €23.7 million;
- a total cumulative investment by the foreign companies of €214 million, funded by share capital of €172.4 million.

In 2014, the total commitment for projects approved (€23.7 million) represented an increase over 2013 (€17.0 million) of almost 40%. This change is the result of the combination of an increase in the average amount of the Fund's commitment per project approved by the Guidance and Oversight Committee in 2014 and an increase in the total volume of activity (36 new projects approved in 2014 compared with 30 in 2013), which was partly affected in 2013 by the issues of the renewal of the Management Agreement and the composition of the decision-making body (the Guidance and Oversight Committee).

The geographical breakdown of the projects approved reveals a marked concentration in areas and countries that have been traditional targets in the international expansion strategies of the companies.

More specifically, Asia accounts for 13 projects, divided entirely between China (7 new projects) and India (5 projects, of which 3 new projects and 2 capital increases), with one project in Malaysia, for a Fund commitment of €7.6 million.
It is followed by Central and South America – with 9 projects approved (Fund commitment of €7.5 million), mainly concentrated in Brazil (6 projects for a total commitment of €4.9 million), along with Argentina, Mexico and Venezuela (1 project each) – and Eastern Europe – 10 projects for a commitment of €6.2 million, with Russia leading the list (4 projects for a total commitment of €2.9 million) followed by Serbia (2 projects for €1.5 million) and Moldova (2 projects for €1.2 million).

In terms of the breakdown of the commitments approved by sector of investment, they were considerably concentrated in a number of sectors typical of the domestic productive system, specifically:

- engineering (11 projects for a Fund commitment of €8.4 million);
- rubber/plastics (5 projects for a Fund commitment of €3.5 million);
- wood/furniture (5 projects for a Fund commitment of €2.1 million);
- building/construction (4 projects for a Fund commitment of €2.6 million);
- agriculture/food products (3 projects for a Fund commitment of €2.5 million).

Equity investments acquired

In 2014 acquisitions of equity investments through the Unified Venture Capital Fund totalled €9.7 million and involved:

- 18 new equity investments in companies abroad – in addition to the stakes acquired directly by SIMEST and/or FINEST – for €9.1 million;
- 2 capital increases and 2 plan revisions in companies in which the Unified Fund had already invested at 31 December 2013 in the amount of €0.6 million.

The geographical distribution of new investments by the Fund showed China (6 equity investments) overtaking Brazil as the preferred country, for a total of €2.9 million. However, Brazil continued to attract a great deal of interest, with 4 new equity investments for a total of €2.4 million.

Acquisitions were made in various countries, including Argentina, Chile, India, Macedonia, Morocco, South Africa and Tunisia.

In 2014, under agreements with partner companies, SIMEST divested 12 equity investments for a total of €16.2 million.

Following these changes, at the end of 2014 SIMEST held equity investments through the Venture Capital Fund in 199 companies abroad (193 in 2013) totalling €168.3 million (€174.8 million 2013).

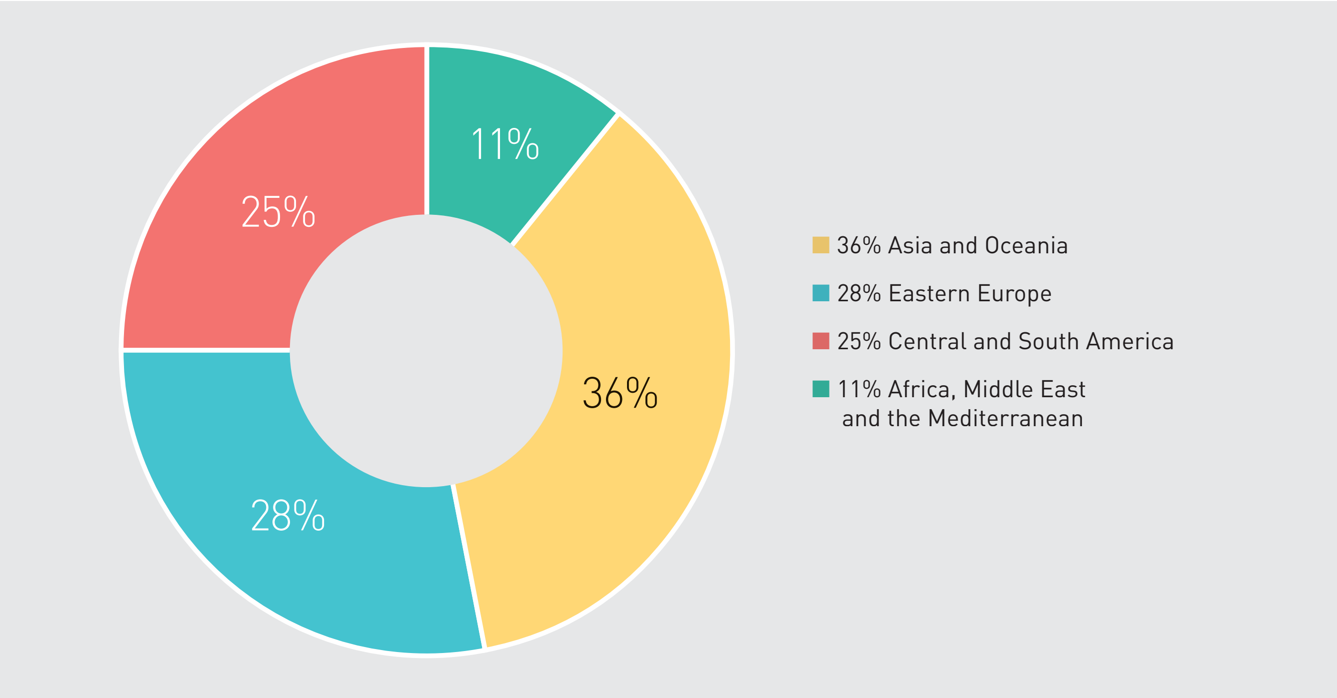
The equity investments at the end of 2014 show a geographical distribution somewhat different from that for 2013, concentrated in the following countries:

- China (65 companies with a total commitment for the Fund of €55.7 million);
- Brazil (20 companies with a total commitment for the Fund of €13.6 million)
- India (17 companies with a total commitment for the Fund of €12.4 million).

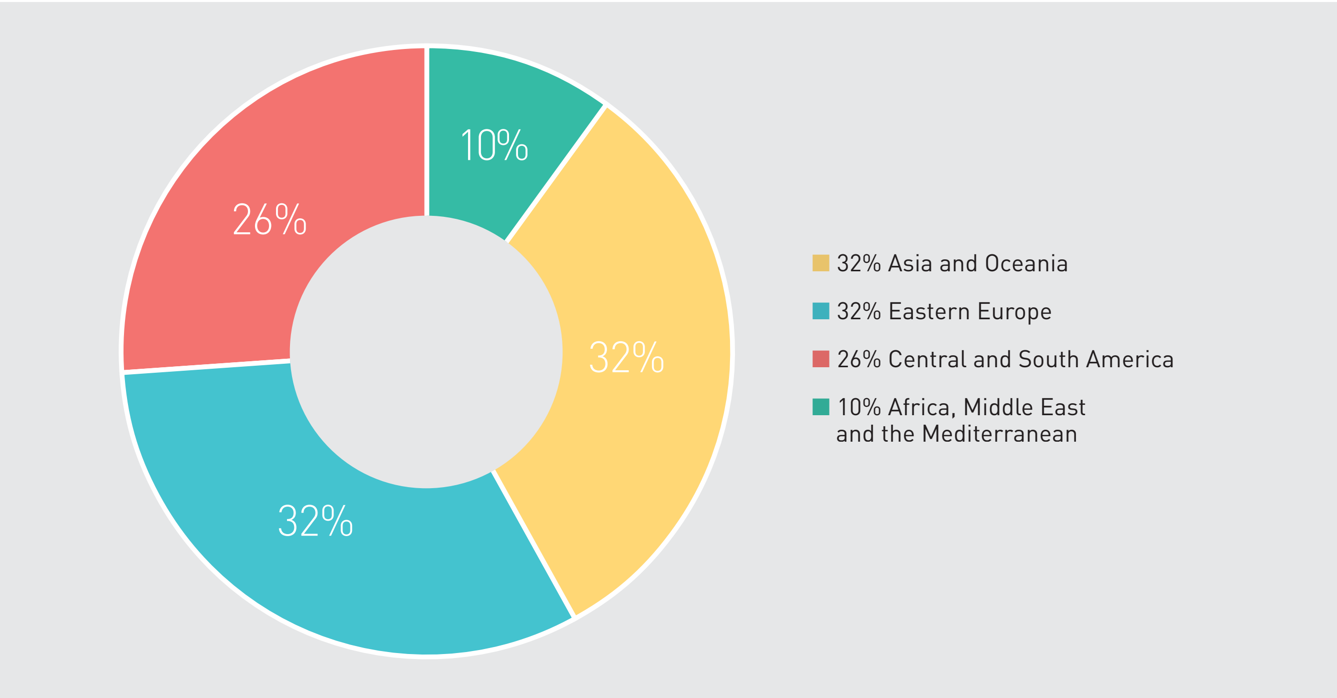
VENTURE CAPITAL FUND
Equity investments approved in 2014 - by area/country

	Number of projects	Planned investments (€ millions)	Share capital (€ millions)	Fund investment (€ millions)
New projects	**33**	**209.5**	**160.9**	**22.0**
broken down as follows:				
ASIA AND OCEANIA	11	56.1	46.6	6.9
China	7	18.5	26.1	4.3
India	3	27.9	13.5	1.5
Malaysia	1	9.7	7.0	1.1
AFRICA, MIDDLE EAST AND THE MEDITERRANEAN	3	8.4	6.5	1.4
Ethiopia	1	0.5	0.6	0.1
South Africa	1	6.0	4.0	1.0
Turkey	1	1.9	1.9	0.3
CENTRAL AND SOUTH AMERICA	9	83.2	47.5	7.5
Argentina	1	5.4	5.4	1.1
Brazil	6	67.1	31.1	4.9
Mexico	1	1.7	2.0	0.4
Venezuela	1	9.0	9.0	1.1
EASTERN EUROPE	10	61.8	60.3	6.2
Kosovo	1	2.0	1.0	0.2
Macedonia	1	1.6	1.6	0.4
Moldova	2	20.1	22.4	1.2
Russia	4	28.0	28.5	2.9
Serbia	2	10.1	6.8	1.5
Capital increase/increase in appropriation	**3**	**4.5**	**11.5**	**1.6**
broken down as follows:				
ASIA AND OCEANIA	2	1.3	1.6	0.7
India	2	1.3	1.6	0.7
AFRICA, MIDDLE EAST AND THE MEDITERRANEAN	1	3.2	9.9	1.0
Turkey	1	3.2	9.9	1.0
Updates / Plan revisions	**31**			
Total	**67**	**214.0**	**172.4**	**23.7**

VENTURE CAPITAL FUND
Equity investments approved in 2014 - by area (number)



VENTURE CAPITAL FUND
Equity investments approved in 2014 - by area (amount)



VENTURE CAPITAL FUND
Equity investments approved in 2014 - by country

	Number of projects	Planned investments (€ millions)	Share capital (€ millions)	Fund investment (€ millions)
New projects	**33**	**209.5**	**160.9**	**22.0**
broken down as follows:				
Argentina	1	5.4	5.4	1.1
Brazil	6	67.1	31.1	4.9
China	7	18.5	26.1	4.3
Ethiopia	1	0.5	0.6	0.1
India	3	27.9	13.5	1.5
Kosovo	1	2.0	1.0	0.2
Macedonia	1	1.6	1.6	0.4
Malaysia	1	9.7	7.0	1.1
Mexico	1	1.7	2.0	0.4
Moldova	2	20.1	22.4	1.2
Russia	4	28.0	28.5	2.9
Serbia	2	10.1	6.8	1.5
South Africa	1	6.0	4.0	1.0
Turkey	1	1.9	1.9	0.3
Venezuela	1	9.0	9.0	1.1
Capital increase/increase in appropriation	**3**	**4.5**	**11.5**	**1.6**
broken down as follows:				
India	2	1.3	1.6	0.7
Turkey	1	3.2	9.9	1.0
Updates / Plan revisions	**31**			
TOTAL	**67**	**214.0**	**172.4**	**23.7**

VENTURE CAPITAL FUND
Equity investments approved from start of operations up to 31 December 2014 - by area

	Number of projects	Planned investments (€ millions)	Share capital (€ millions)	Fund investment* (€ millions)
Africa, Middle East and the Mediterranean	90	1,013.9	663.3	71.3
Central and South America	75	1,300.6	665.7	55.8
Asia and Oceania	198	1,522.3	1,114.8	162.5
Eastern Europe	162	1,358.2	936.9	126.2
TOTALE	**525**	**5,195.0**	**3,380.7**	**415.8**

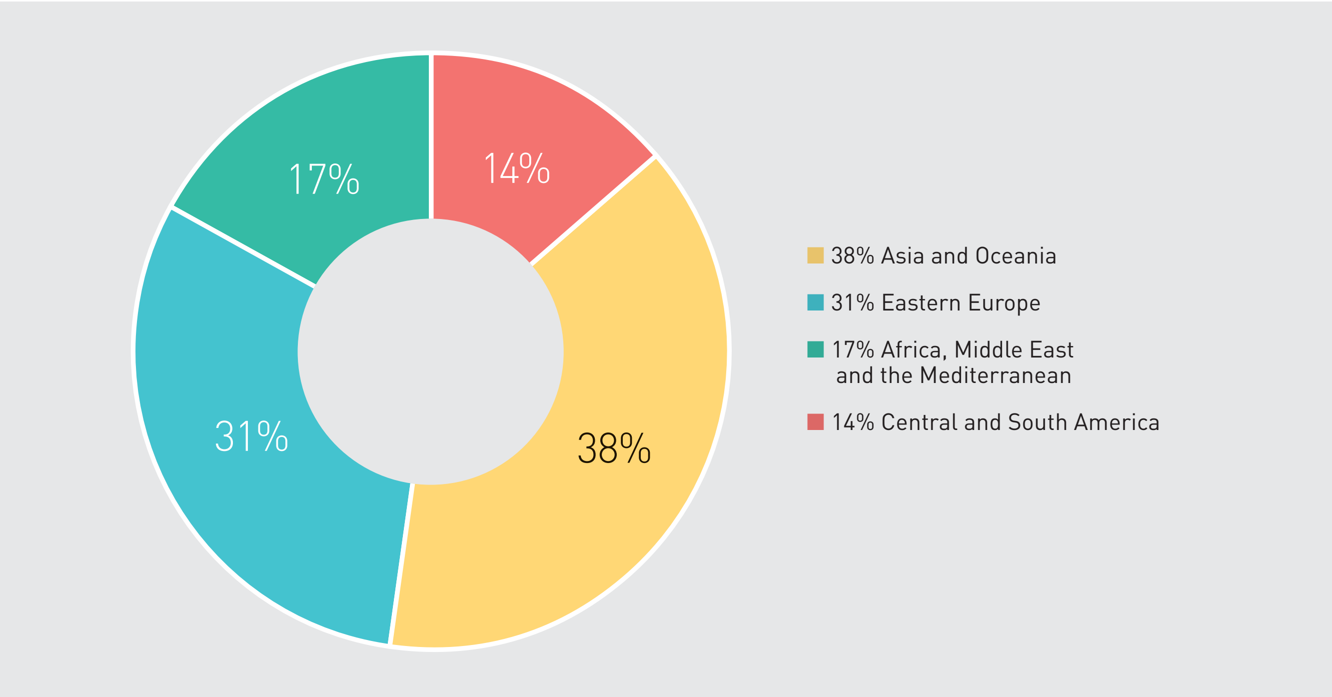
* Gross of waivers/cancellations and contractual reimbursements

VENTURE CAPITAL FUND
Equity investments approved from start of operations through 31 December 2014 - by country

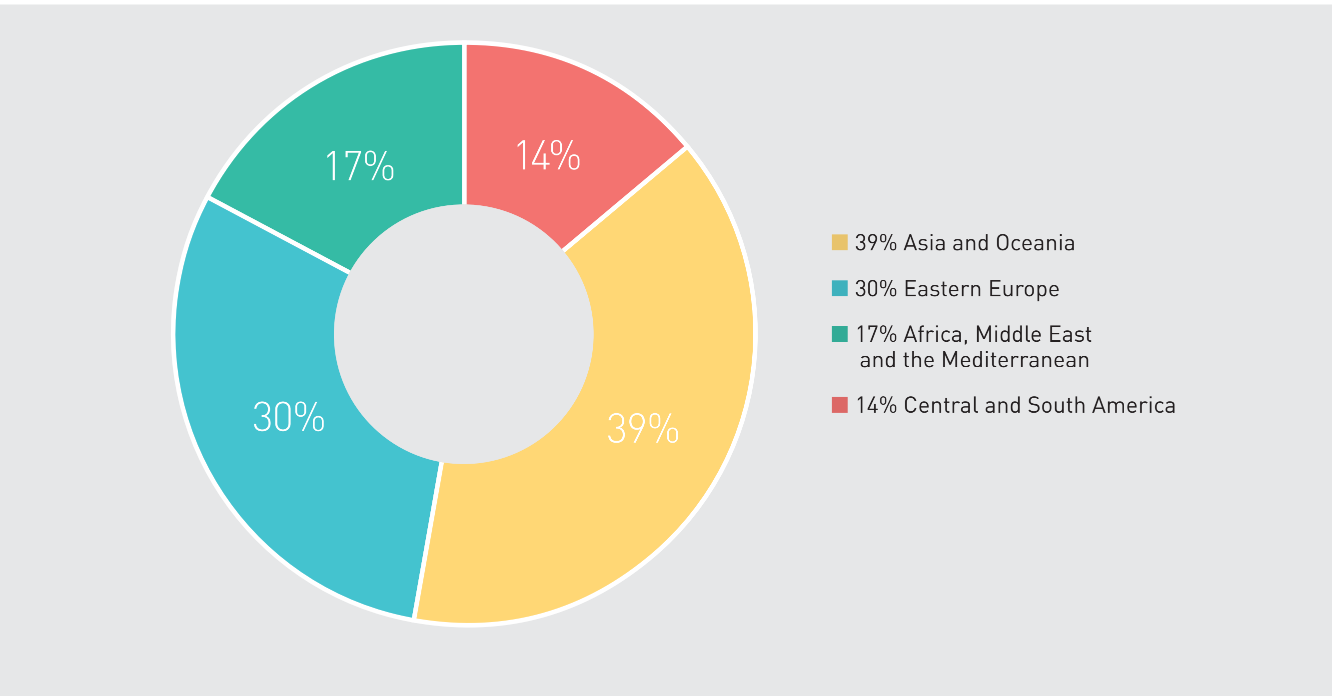
	Number of projects	Planned investments (€ millions)	Share capital (€ millions)	Fund investment* (€ millions)
Albania	5	102.4	49.6	5.8
Algeria	1	0.8	1.0	0.1
Angola	2	26.2	10.3	2.7
Saudi Arabia	1	382.5	156.9	4.2
Argentina	3	9.3	11.3	1.4
Bosnia	5	41.5	24.9	3.4
Brazil	45	617.7	394.7	31.0
Bulgaria	11	137.2	62.3	8.3
Chile	5	344.8	59.2	5.2
China	153	1,226.0	884.1	132.4
Croatia	12	107.1	60.6	5.7
Egypt	13	93.7	55.4	8.5
Eritrea	2	5.1	5.8	1.8
Ethiopia	1	0.5	0.6	0.1
Guatemala	1	180.6	86.4	4.2
India	40	238.1	189.9	25.7
Cape Verde	1	28.0	22.0	6.6
Israel	2	14.7	9.9	2.8
Kosovo	2	8.0	6.0	1.3
Kuwait	1	0.6	0.8	0.1
Lybia	3	34.7	17.1	1.6
Macedonia	3	17.9	17.8	3.0
Malaysia	2	18.9	15.7	1.9
Morocco	7	20.0	13.8	3.2
Mauritius	1	0.5	0.7	0.2
Mexico	19	134.9	99.4	11.5
Nigeria	1	4.7	5.5	0.4
Moldova	5	27.7	28.6	2.1
Romania	48	231.4	153.3	29.9
Russia	41	532.9	392.4	51.0
S. Vincent & The Grenadines	1	4.1	5.6	1.6
Senegal	3	3.4	3.1	0.8
Serbia-Montenegro	23	125.7	127.7	12.7
South Africa	7	125.3	111.3	7.1
Thailand	3	39.2	25.2	2.5
Tunisia	30	164.2	145.9	21.3
Turkey	14	109.2	103.1	9.7
Ukraine	7	26.5	13.7	2.9
Venezuela	1	9.0	9.0	1.1
TOTAL	**525**	**5,195.0**	**3,380.7**	**415.8**

* Gross of waivers/cancellations and contractual reimbursements

VENTURE CAPITAL FUND
Equity investments approved from start of operations through 31 December 2014 - by area (number)



VENTURE CAPITAL FUND
Equity Investments approved from start of operations through 31 December 2014 - by area (amount)



START-UP FUND MANAGED BY **SIMEST** ON BEHALF OF THE MINISTRY OF ECONOMIC DEVELOPMENT

The Start-Up Fund, established with Decree 102 of 4 March 2011 and managed by SIMEST, continued operations in 2014, albeit to a limited extent, in expectation of the issuance of new guidelines by the Ministry on its operation.

Under the provisions of the decree, the Fund's purpose is to carry out initiatives – on market terms and conditions – to support the start-up phase of projects by individual Italian SMEs or groups of SMEs to expand internationally into countries outside of the European Union.

The Fund operates by acquiring a non-controlling interest (up to 49%) in the share capital of the newly formed company (headquartered in Italy or in another EU country) that is responsible for pursuing the international expansion project.

Based upon the initial operational results since the launch of the Fund and in consideration of a number of concerns that have arisen, the Ministry of Economic Development has launched a review of operating procedures, which could result in their modification, or in the worst case, the suspension of Fund operations.

The Fund Guidance and Oversight Committee (the body that makes the decision on whether to grant funding to the projects submitted), held 2 meetings in 2014, approving 3 new projects and 1 update to a project approved in 2013. The resolutions approving the equity investments acquired call for:

- a total commitment for the Fund of €0.6 million;
- investments by companies totalling €1.4 million;
- share capital covering of planned investments equal to €1.4 million.

The projects approved in 2014 all show a strong institutional character, being promoted by bodies and organizations representing certain sectors of the national productive system to the benefit of their shareholders, in full compliance with for the ultimate aims of the Fund in promoting business combinations in order to achieve international expansion.

Equity investments acquired

During the year, 2 new equity investments were acquired through the Start-Up Fund totalling €0.4 million, bringing the total to €0.8 million when added to the 2 equity investments acquired in 2013.

THE FINANCIAL SUPPORT FUNDS

International expansion gives companies access to a wider customer base, a larger number of suppliers or a greater impetus to use new technologies. In general, international expansion opens up opportunities for increasing profits, provides a path to long-term survival and makes firms more competitive, all of which are the main advantages of this type of strategy.

There are a number of tools available to Italian companies to help them pursue international expansion. Among these tools, SIMEST has been entrusted with administering the financial facilities for the public support of exports and other forms of international expansion of the Italian economy. The activity regards:

- the **Fund established by Article 3 of Law 295/1973;** the activity consists in:
    - stabilising interest rates, in accordance with the OECD rules for public support for export credit (Legislative Decree 143/1998, Chapter II);
    - providing interest rate support for loans for direct investment in foreign firms (Law 100/1990, Article 4, and Law 317/1991, Article 14);
- the **revolving Fund established by Article 2 of Law 394/1981** which, pursuant to Law 133 of 6 August 2008 as amended and the Ministerial Decree of 21 December 2012, is allocated to granting loans at below-market rates for:
    - undertaking foreign market penetration programmes (Law 133/2008, Article 6, paragraph 2, letter a – Ministerial Decree of 21 December 2012, Article 3, paragraph 1, letter a);
    - pre-feasibility and feasibility studies and technical assistance programmes connected with Italian investment abroad (Law 133/2008, Article 6, paragraph 2, letter b – Ministerial Decree of 21 December 2012, Article 3, paragraph 1, letter b);
    - improving and preserving the financial stability of exporter SMEs (Law 133/2008, Article 6, paragraph 2, letter c) – Ministerial Decree of 21 December 2012, Article 3, paragraph 1, letter c1);
    - promotional initiatives by SMEs related to first-time participation in a trade show and/or exhibition in non-EU markets (Law 133/2008, Article 6, paragraph 2, letter c – Ministerial Decree of 21 December 2012, Article 3, paragraph 1, letter c2).

Under the terms of an agreement with FINEST and on the latter's behalf, the Company also manages the preliminary proceedings and disbursement of contributions drawing on the Fund set up by Law 295/1973 for operations pursuant to Law 19/1991.

Until the first quarter of 2014, the management of the support programmes, transferred to SIMEST as from 1 January 1999, was governed by agreements between SIMEST and the then Ministry of Foreign Trade (Fund established by Law 394/81 and Fund established by Law 295/1973). New agreements for the management of the above two Funds were signed on 28 March 2014 with the Ministry of Economic Development (formerly Ministry of Foreign Trade). Among other things, the new agreements set out a different methodology than that used in the past for calculating the fees owed to SIMEST. They introduce the concept of "cost reimbursement", as well as bonuses for reaching certain targets.
On the basis of SIMEST analyses, in **2014** the Committee approved **291** operations totalling **€2,530.2 million**, of which:

- **119** with a value of €2,415.5 million involving interest rate support drawing on the Fund established by Law 295/1973;
- **172** with a value of €114.7 million involving facilitated loans drawing on the Fund established by Law 394/1981.

Law 295/1973 Fund

A) Export credit (Legislative Decree 143/1998, Chapter II).

This programme is aimed at supporting sectors involved in the production of capital goods (plants, machinery, infrastructure, public transportation, telecommunications, etc.) that offer deferrals of payment on medium/long-term orders to foreign customers located, to a large extent, in emerging countries.

The public support programme uses methods that counter the effects that the systems employed by the Export Credit Agencies (ECAs) of other countries have on the competitiveness of Italian exports. SIMEST's programmes are designed to protect the foreign customer from the risk of changes in the interest rate, allowing foreign customers to obtain medium/long-term financing at the fixed rate set by the OECD based on the CIRR (Commercial Interest Reference Rate), through the buyer and supplier credit mechanisms. The support programmes – supplier credit and buyer credit– are designed to meet the needs of different industrial sectors.

- The **supplier credit programme** identifies cases in which the exporter directly extends deferred payment to the foreign customer, setting the terms and conditions (medium/long-term at the CIRR rate) of payment in the contract. SIMEST's programme makes it possible for the exporter to assign on a non-recourse basis the instruments issued by the foreign debtor in exchange for deferred payment (with or without SACE insurance coverage), enabling them to discount the receivable at a cost as comparable as possible with that of the products typical of other ECAs (insurance policies, guarantees, direct financing). The programme is a substantial source of funding for the export of machinery and small plant, utilised especially by medium-sized undertakings.

- The **buyer credit programme** applies where a financial institution grants a loan to a foreign customer to pay the purchase price to an Italian supplier. Unlike the supplier credit system, the customer pays the exporter in cash drawing on the funding granted by the bank at the CIRR fixed rate. The SIMEST programme, through so-called "interest rate stabilisation policies" or "interest make-up" (IMU), makes it possible for the bank to raise funds at floating rates while charging the CIRR fixed rate to the foreign buyer. The exchange of cash flows arising from interest rate differentials generated by this practice may result in income to Fund 295/73 (a revolving fund).

The programme is normally used for large-value transactions (more than €10 million) with an average maturity of more than 7 years, for the supply of plant, infrastructure and transport equipment. These operations generally require insurance coverage from SACE.

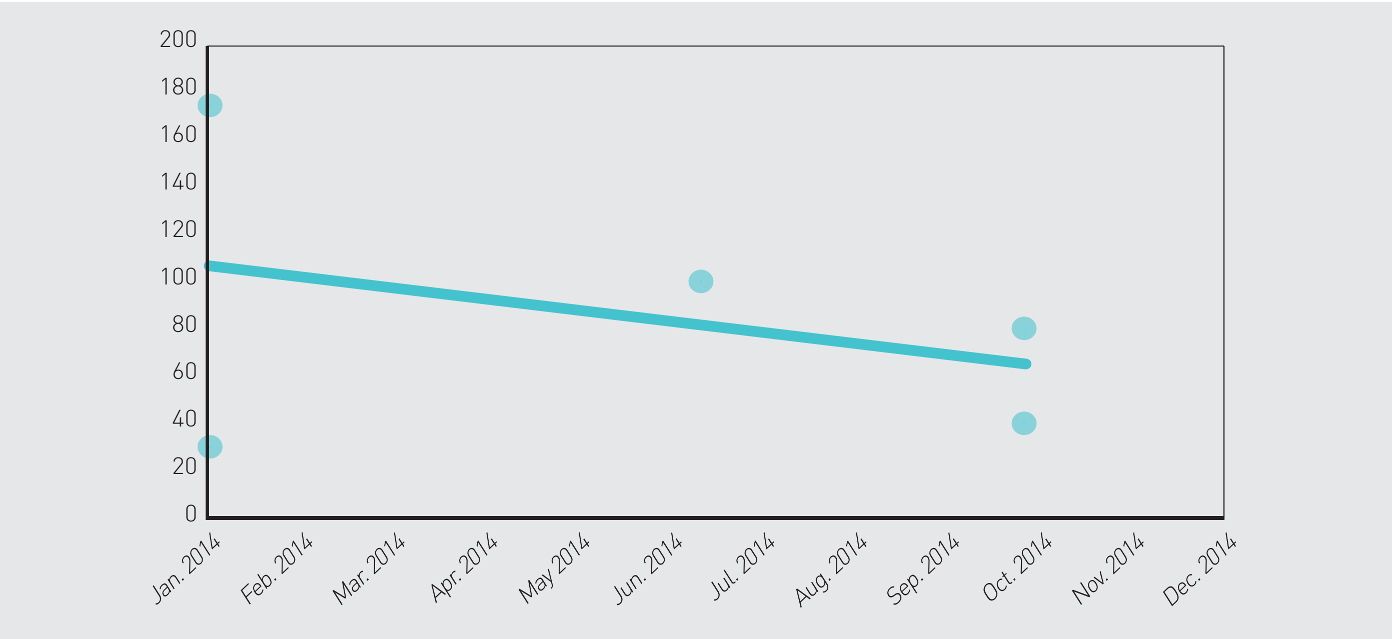
The year 2014 saw the full manifestation of the persistent sovereign debt crisis, a crisis that has made it difficult to access financing and therefore has reduced the volume of operations for the two programmes (€2,337.2 million in 2014) compared with 2013.

In addition to the more general crisis, the decline in volumes was also the result of the postponement of large-value transactions until 2015. Furthermore, the revamping of the rules for the supplier credit programme led to a slowdown in the flow of applications.

Under SIMEST's interest rate support programmes, which are intended to mitigate to the greatest extent possible the adverse effects of the crisis on the ability of Italian companies to compete, the banks' spread on transactions covered by IMU agreements was between 100 and 150 basis points already in 2013. Nevertheless, the spreads demanded by banks were partially absorbed by borrowers/customers, through the surcharge on the CIRR rate, which averaged 85 basis points during the year, although this still represented a considerable reduction compared with the 175 basis points reported for 2013.

Despite these restrictions, exporters have generally affirmed the importance of having the SIMEST programmes available in

CIRR surcharges 2014 - average: 85 basis points



permitting them to maintain a volume of turnover that would otherwise have been reduced further.

In 2014, out of the €2,337.2 million in total deferred principal amount approved, of which €1.206.0 million (51.6%) related to the supplier credit programme for medium-sized plant, machinery and parts, 30.2% of which for SMEs. The remaining €1,131.2 million (48.4%) allocated to the buyer credit programme was used for transactions involving large companies under major supply contracts (99.1%) involving large orders. Specifically, the shipbuilding industry represented 90.9% of the total, followed by plant (6.6%) and aircraft (around 2.5%).

These percentages relate to suppliers who have signed export agreements. It is normal for all suppliers of capital goods to involve various smaller firms as sub-contractors.

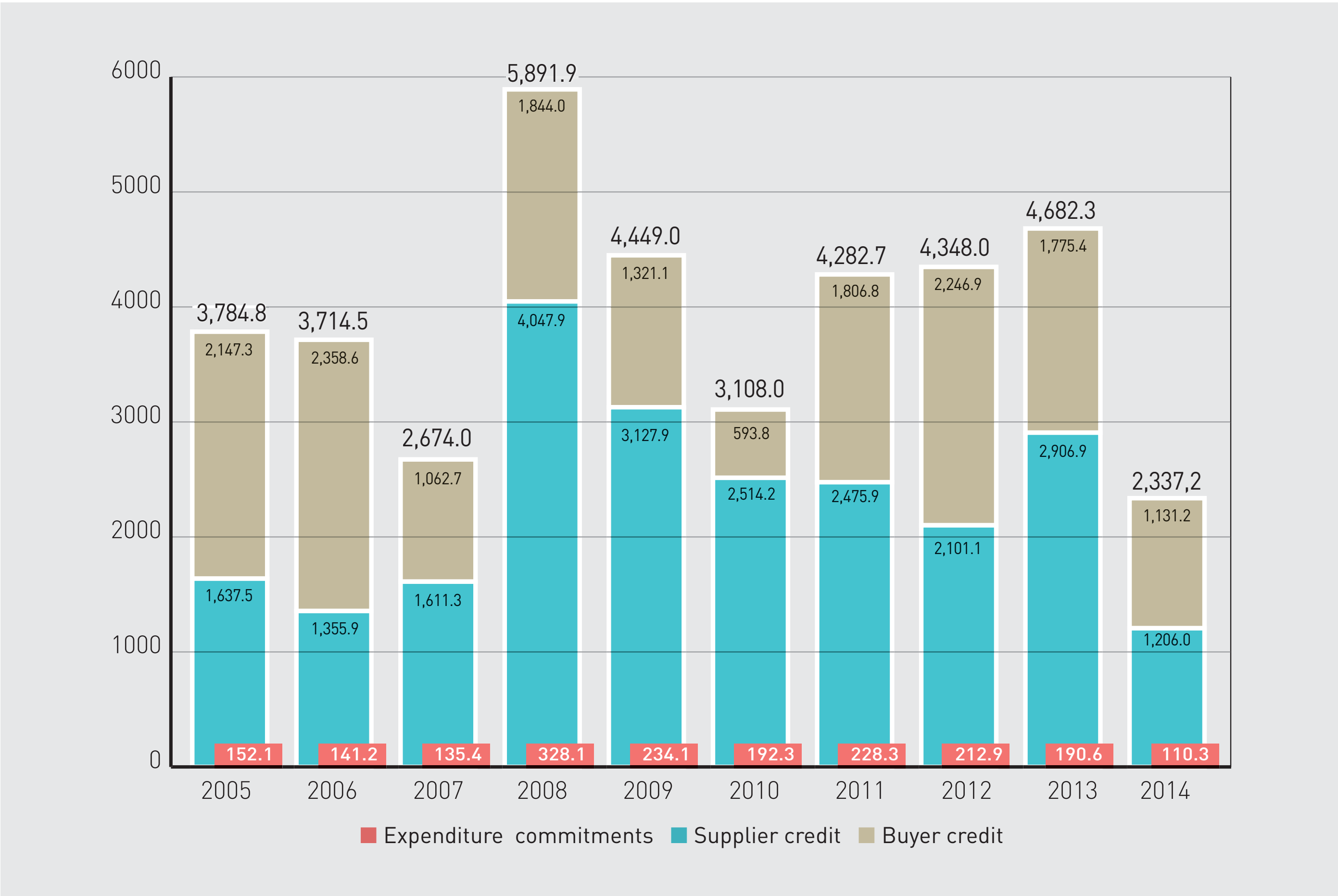
As regards the geographical distribution of operations by approved deferred principal amount, 40% is classified as "other countries", essentially reflecting the multi-delivery contracts that make use of distributors active on the international market and for which individual deliveries are established after the conclusion of the contract. For the remainder, which regards exports to individual countries, the largest shares regarded Latin America (37.9%) and the European Union (8.6%).

B) Support for investment in foreign companies (Article 4 of Law 100/1990 and Article 2 of Law 19/1991)

The mechanisms envisaged under Article 4 of Law 100/1990 provide for Italian firms to receive interest rate support for loans taken out to finance part of their equity investments in

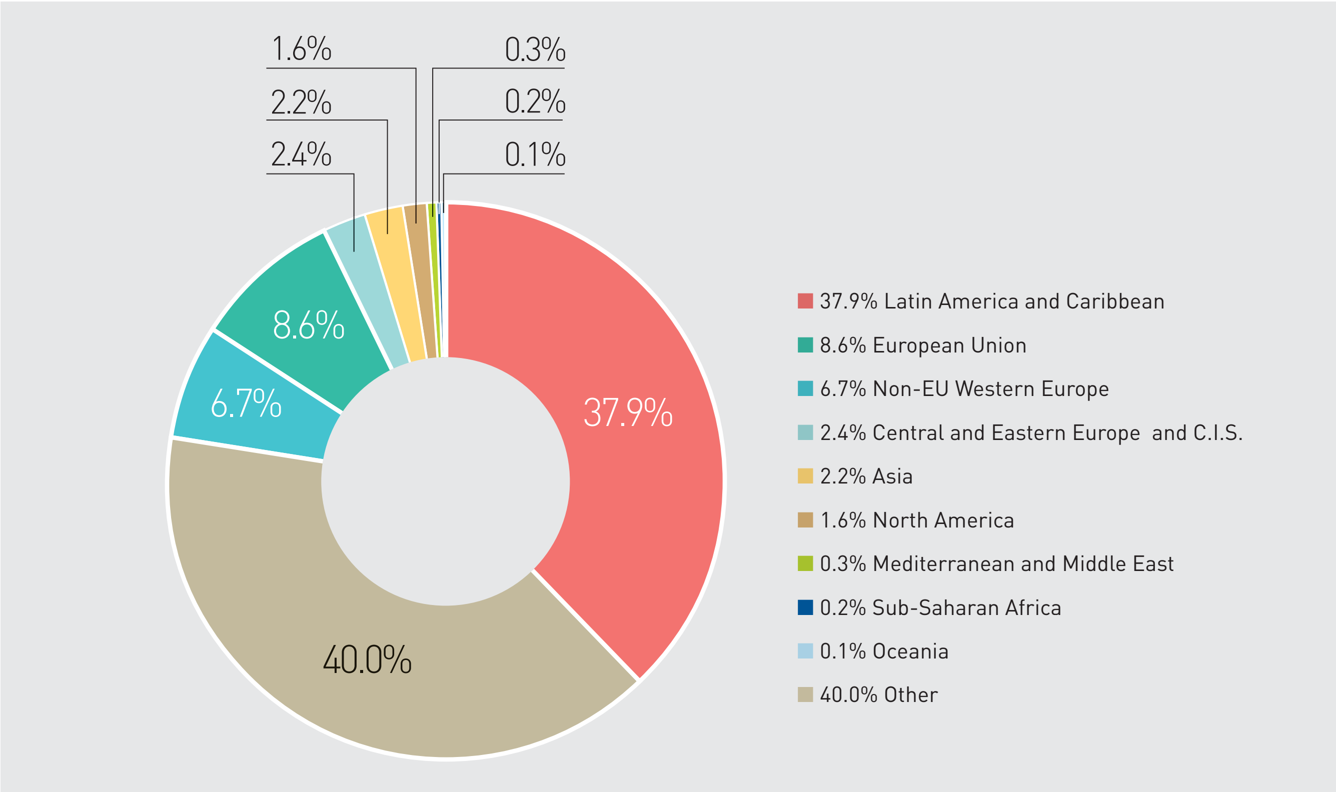
SIMEST EXPORT CREDIT PROGRAMMES

Deferred principal amount and expenditure commitment in € millions (2005 - 2014)



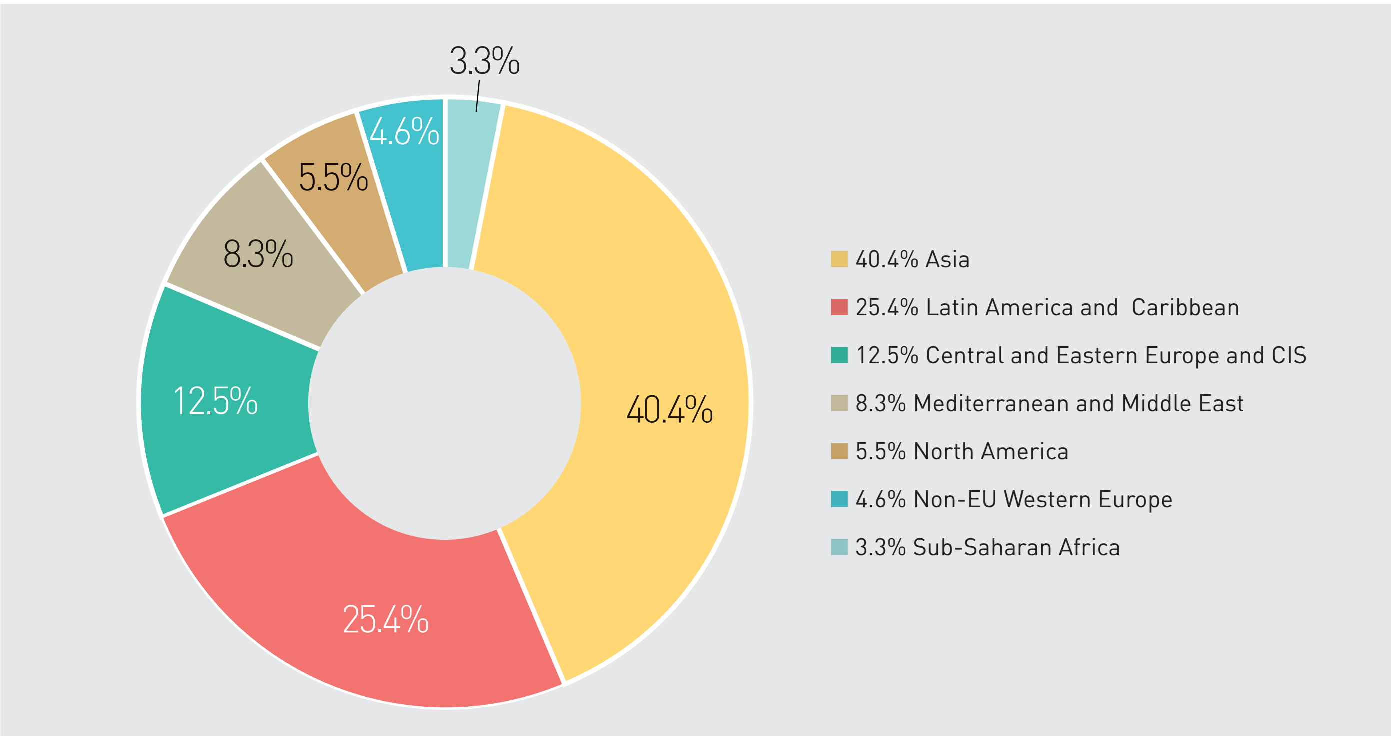
EXPORT CREDIT SUPPORT - SUPPLIER CREDIT AND BUYER CREDIT

Geographical distribution of Deferred Principal Amount approved in 2014



SUPPORT FOR INVESTMENTS IN FOREIGN COMPANIES

Geographical distribution of Deferred Principal Amount approved in 2014



foreign companies in non-EU countries in which SIMEST has acquired an interest.

A similar mechanism is in place for investments in foreign companies in which FINEST has acquired an interest under Article 2, paragraph 7 of Law 19/1991, with respect to companies located in the Triveneto area for loans taken out to finance part of their equity investments in Central and Eastern Europe and the C.I.S. countries.

The support is granted, for a loan from a bank authorised to operate in Italy, for a maximum of 8 years, in an amount up to 50% of the reference rate for the industrial sector (in 2014, the average reference rate and the average support rate were 3.267% and 1.6335% respectively). The operation covers 90% of the equity investment of the applicant Italian company, up to 51% of the share capital of the foreign company.

In 2014, 34 operations were approved with a value of €78.3 million.

In this case also, the persistent crisis has an impact, along with the introduction, in 2013, of a limit of €10 million on the amount financed, down from the previous limit of €40 million per project.

The geographical distribution of projects approved in 2014 shows Asia in first place followed by Latin America and the Caribbean countries, accounting for 40.4% and 25.4%, respectively, of the projects financed.

As for Italian companies making investments, the most notable regions are Lombardy, accounting for 20.6% of projects approved, and Veneto, with 29.2% of the amount financed.

The breakdown by industry confirms that engineering remains on top both in terms of the amount financed (54.7%) and the number of operations (38.2%).

As to the size of the Italian companies receiving support, large companies accounted for an even larger portion of total programmes compared with 2013, going from 74.4% to 87.5% of the total amount approved, while the share for SMEs of the number of projects approved rose from 25.6% to 35.3%.

Law 394/1981 Revolving Fund

The system of support under the Revolving Fund established under Article 2 of Law 394/1981 was reformed by Law 133/2008 of 6 August 2008, as amended.

Article 42 of Law 134/2012 (the 2013 Stability Act) made slight changes to Law 133/2008 by indicating that the terms, procedures and conditions for the support programmes, the activities and responsibilities of the operator, the control functions, as well as the composition and duties of the Support Committee, are to be established by a decree of a non-regulatory nature issued by the Ministry of Economic Development, rather than by way of CIPE resolutions.

In application of this law, the Ministry of Economic Development issued Ministerial Decree of 21 December 2012 (published in the *Gazzetta Ufficiale*, issue no. 85 of 11 April 2013).

This decree made significant changes to initiatives already identified, particularly capitalisation support for exporter SMEs, and introduced a new programme (marketing and/or promotion of the Italian brand) for financing first-time participation by SMEs in trade shows and exhibitions in non-EU markets. The decree also required that 50% of Fund 394's resources available at 31 December of each year be allocated to capitalisation transactions and the new Italian brand marketing and/or promotion programme.

In 2014, the Support Committee approved the implementing resolutions, issuing the associated circulars, which entered force on 21 July 2014, the date they were published on SIMEST's website.

During the year the number of applications for funding for foreign market penetration programmes declined, while that for feasibility studies remained steady. The relaunch of the capitalisation support programme for exporter SMEs (which had been suspended in December 2011) and the launch of the new funding for participation in trade shows and/or exhibitions had to await the publication of the Support Committee's implementing resolutions concerning the changes and additions made by the Ministerial Decree of 21 December 2012.

In this regard, despite the ongoing crisis Italian companies continued to pursue international expansion, which had been a path followed almost exclusively by large companies. The strength of this trend led Italian SMEs, in particular, to engage more extensively in international expansion and, in fact, in 2014, SMEs as recipients of support under Fund 394/1981 amounted to around 90%.

A) Support for foreign market penetration programmes (Law 133/2008, Article 6, paragraph 2, letter a – Ministerial Decree of 21 December 2012, Article 3, paragraph 1, letter a)

The Ministerial Decree of 21 December 2012 set out the main features of the foreign market penetration programmes, which are generally those contained in CIPE Resolution no. 113/2009, and at the same time introduced certain changes, delegating the Support Committee with the task of issuing the specific implementing resolutions.

In implementation of the legislation, the Committee approved

Circular no. 5/2013 on 2 December 2013, and most recently on 9 June 2014, containing the regulations applicable to this type of loan, which entered into force on 22 July 2014.

The loans have a maximum term of six years, compared with the seven years provided for under the previous circular (no. 2/2010), including a two-year grace period.

As to the volume of loans, in 2014 transactions approved numbered 139 with a value of €110.1 million.

A breakdown of loans approved by geographical area in 2014 shows the main area of interest are North America (30% of applications approved), followed by the Mediterranean and the Middle East (18%), Asia (17%) and Central and South America (16%). This result is a reverse of the previous year, when Asia held the top position, followed by North America, Central and South America, Central and Eastern Europe and the CIS.

At the country level, in 2014 as in 2013, the United States remains the main destination country, with 37 transactions approved, followed by China and Brazil (15 loans approved each).

Finally, a breakdown by size of the firms that carry out foreign market penetration programmes shows that SMEs represented about 86% in 2014, up from around 80% the previous year.

B) Support for pre-feasibility and feasibility studies and technical assistance programmes (Legislative Decree 133/2008, Article 6, paragraph 5, letter b - Ministerial Decree of 21 December 2012, Article 3, paragraph 1, letter b)

The Ministerial Decree of 21 December 2012 established the main characteristics for pre-feasibility and feasibility studies and technical assistance programmes related to investments, following those set out in CIPE Resolution no. 113/2009. It also made a number of changes, leaving it to the Support Committee to issue the specific implementing resolutions. As a result, the Committee approved Circular no. 6/2013 on 2 December 2013, and most recently on 9 June 2014, containing the regulations applicable to this type of loan, which entered into force on 22 July 2014.

The loans have a maximum term of up to three years (studies) and three and a half years (technical assistance programmes), compared with five years including a two-year grace period under the previous circular (no. 3/2010).

The maximum loan amount is:

- €100,000.00 for studies related to commercial investments;
- €200,000.00 for studies related to productive investments;
- €300,000.00 for technical assistance programmes.

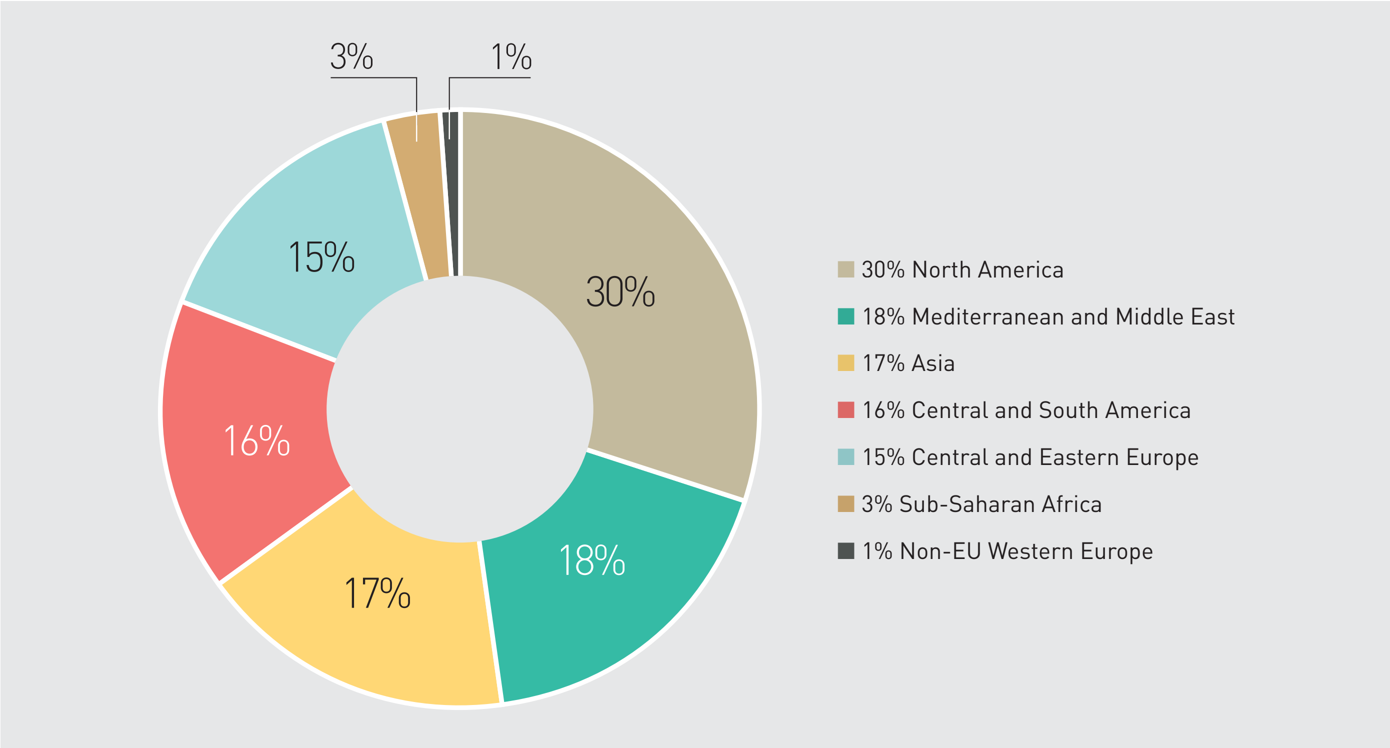
In 2014 the Committee approved a total of 15 projects (14 studies and 1 technical assistance programme) for around €1.4 million.

A breakdown of loans by geographical area shows the largest number of investment projects were concentrated in Central and Eastern Europe and the CIS and in Asia, with 4 loans approved each. They were followed by Central and South America and North America (3 approved each) and, finally, by the Mediterranean and the Middle East.

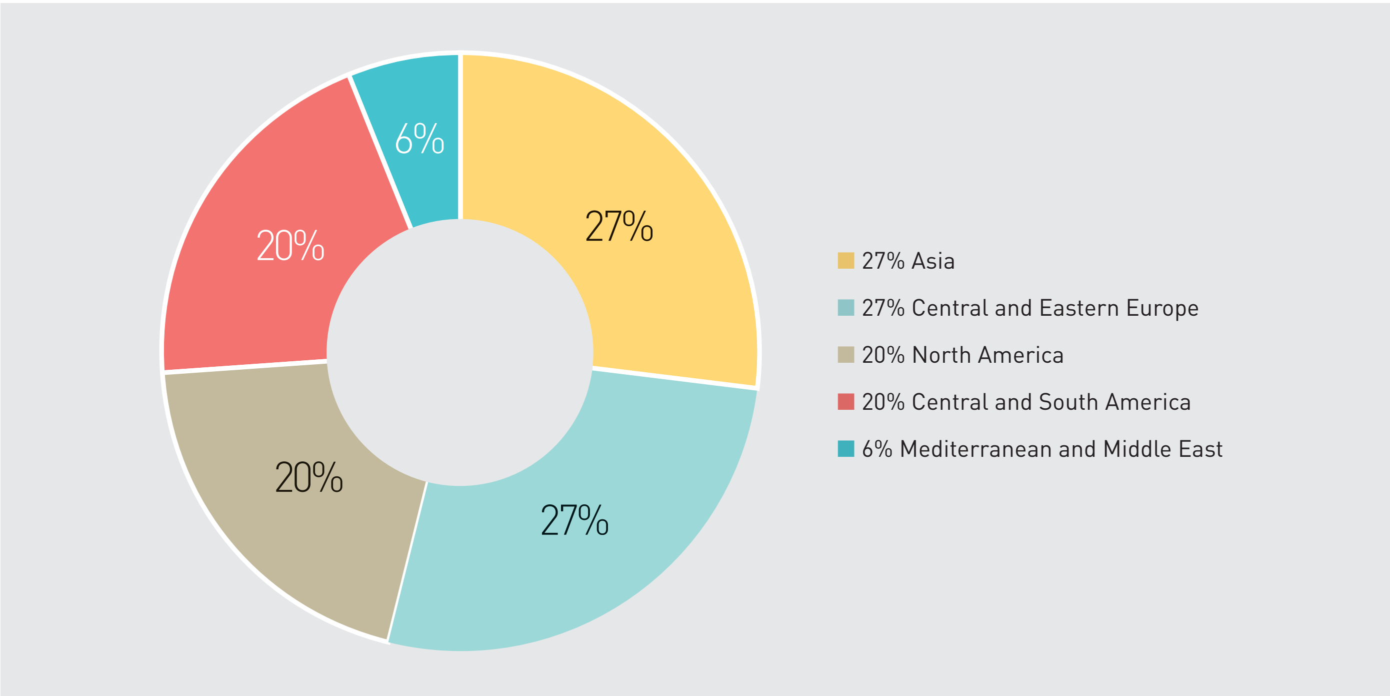
Among the countries attracting investment in 2014, Albania, the United States and Brazil were the only nations for which 2 loans were approved.

Finally, in terms of size of companies that carried out feasibility studies and technical assistance programmes, SMEs accounted for 100% of the projects approved in 2014, compared with 82% in 2013.

PROGRAMMES TO BREAK INTO FOREIGN MARKETS
Geographical distribution of the number of loans granted in 2014



PRE-FEASIBILITY AND FEASIBILITY STUDIES
Geographical distribution of the number of loans granted in 2014



C) Support to improve and preserve the financial stability of exporter SMEs (Law 133/2008, Article 6, paragraph 2, letter c - Ministerial Decree of 21 December 2012, Article 3, paragraph 1, letter c1)

The main changes introduced with the Ministerial Decree of 21 December 2012 to the rules established by CIPE Resolution no. 112/2009 were incorporated into the implementing resolution approved by the Committee and published on the SIMEST website on 21 July 2014 (Circular no. 7/2013).
The purpose of the measure by the Support Committee in December 2011 to suspend the instruments, in order to contain the decrease in unused available funding under Fund 394/1981 and to modify the terms and conditions of the support programme, was achieved with the new provisions of the Ministerial Decree of 21 December 2012.
The decree also requires that 50% of the Fund's resources available at 31 December of each year be allocated to capitalisation transactions and the new Italian brand marketing and/or promotion programme.
Loan applications were only allowed to be received starting from 22 July 2014: 27 applications were submitted in the amount of €7.9 million. The Support Committee approved 13 loans for €3.0 million, while the preparations for the review of the second phase of projects approved in prior years were particularly significant over the course of the entire year. Indeed, the capitalization procedure involves an inspection of the financial statements filed for the second year following the date of disbursement of the loan to determine the repayment terms (subsidised rate with an instalment payment plan or repayment in a lump sum at the reference rate).
The new capitalisation support programme underwent an especially stringent review process and, in addition to the new requirements for gaining access to funding and establishing a limit for such loans to €300,000.00 (previously €500,000.00), the Support Committee, as provided for under Article 7 of the Ministerial Decree, set two different limits (€300,000.00 and €200,000.00), based on the size of the applicant's capital and financial assets. In addition, with regard to guarantees, under Article 7 of the decree, the Support Committee decided that even companies with capital resources equal to or above the threshold, based upon the assessment of the amount of their capital and financial assets, can be required to produce a guarantee for up to 80% of the amount (not required under previous regulations).
In 2014, 197 loans (45 in 2013) were subject to checks and controls for the second phase.

D) Support to SMEs for promotional initiatives related to first-time participation in a trade show and/or exhibition in non-EU markets and/or promoting the Italian brand (Law 133/2008, Article 6, paragraph 2, letter c – Ministerial Decree of 21 December 2012, Article 3, paragraph 1, letter c2)

Finally, the Ministerial Decree of 21 December 2012 established a new support programme for SMEs that plan to participate in a trade show/exhibition in one or more non-EU markets, ordering the Support Committee to issue the necessary implementing resolution. The Committee therefore approved Circular no. 8/2013 on 2 December 2013, and most recently on 9 June 2014, setting out the applicable rules for this type of loan that entered force on 22 July 2014.
As to the volume of activity in 2014, considering that the circular took effect in the second half of the year, 6 applications for financing were received for an amount of €0.3 million. During the same period, 5 were approved for €0.2 million.

FINANCIAL SUPPORT ACTIVITIES FOR FIRMS ON BEHALF OF THE STATE
(€ millions)

		Operations approved in 2014	Operations outstanding at 31 December 2014
Export credit (Legislative Decree 143/1998, Chapter II)	*Buyer credit*	1,131.2	4,878.9
	Supplier credit	1,206.0	1,863.4
Financing direct investment abroad (Laws 100/1990 and 19/1991)		78.3	563.9
Financing market penetration projects (Laws 394/1981 and 133/2008-Ministerial Decree of 21 December 2012)		110.1	162.6
Financing pre-feasibility and feasibility studies and technical assistance programmes (Legislative Decree 143/1998 Article 22.5 – Law 133/2008-Ministerial Decree of 21 December 2012)		1.4	6.8
Financing capitalisation support* (Law 133/2008-Ministerial Decree of 21 December 2012)		3.0	224.8
Financing first-time participation in trade shows and/or exhibitions in non-EU markets (Law 133/2008-Ministerial Decree of 21 December 2012)		0.2	//

(*) Number of reviews (2nd phase) of capitalisation funding transactions (Law 133/2008-Ministerial Decree of 21 December 2012)	197	

HEDGING TRANSACTIONS FOR THE FINANCIAL SUPPORT FUNDS

As the manager of the Fund set up under Law 295/1973 for interest stabilisation purposes, SIMEST is authorised by the Ministry of the Economy and Finance to hedge the Fund's interest rate and foreign exchange risk in order to optimise the management of the cost of such risks to the State.

At 31 December 2014 there were 70 interest rate swaps outstanding with 10 leading international banks within the framework of the Directive issued by the Ministry.
The year-end portfolio of transactions for which support had been disbursed was as follows:

Deferred principal amount (€ millions)

Currency	Total	Unhedged	Hedged	% hedged
USD	2,756.0	1,254.5	1,501.5	54.48 %
EUR	826.9	390.8	436.1	52.74 %

ORGANISATIONAL STRUCTURE

In 2014, the organisational structure was modified in order to strengthen coverage of certain activities of growing importance for the Company.
Internal Audit and Risk Management functions have been outsourced to the Parent Company, Cassa Depositi e Prestiti, thereby allowing SIMEST to take advantage of the Parent Company's expertise, thus optimizing the associated costs and benefitting from the sharing of internal structures within the Group. These functions report to the Board of Directors of SIMEST. Their unit heads, both employees of the Parent Company, report directly to the Board of Directors.
In order to improve legal, corporate and compliance oversight, the Legal, Corporate Affairs and Compliance Area was established, reporting directly to the corporate headquarters. The Area is responsible for providing assistance and general legal advice in coordination with the Parent Company, examining and assessing the implications of new regulations affecting the Company, handling corporate affairs and managing the duties of the Compliance unit, which was also established during the year.
Ordinary staff turnover has been addressed by rotating personnel to cover unfilled positions, thereby providing employees with growth opportunities.
The Company's "organisational chart", which describes the areas of responsibility for the various structures, is a certified Quality System document and is updated on an ongoing basis.
Training continued to be tailored to developing the Company's professional skill base and providing specialised skill upgrading (specialised technical courses to improve business process management, in line with national and international regulations). Other training activities focused on enhancing organisational skills (courses focusing on developing technical skills that can improve performance) and providing courses to develop IT skills and language training.
In April 2014, the yearly renewal inspections were performed for ISO Quality Certification 9001:2008, and the certification of the Occupational Health and Safety Management System under OHSAS 18001:2007 was successfully completed.
SIMEST adopted the compliance model pursuant to Legislative Decree 231/01 (most recently updated in 2013). The Supervisory Body, formed to ensure the updating of and compliance with the model, is composed of three members, two of whom are external to the Company and one of whom is the head of the Parent Company's Internal Auditing unit, who was appointed in February as the third member of the Supervisory Body.
At the end of 2014 the Company had 155 employees (including one senior manager seconded to SIMEST from Cassa Depositi e Prestiti), a decrease of two from the previous year, the result of the exit of four employees and the hiring of one employee on a fixed-term contract and the seconding of another. The composition of staff for 2014 once again shows a large number of middle managers possessing the technical expertise required for SIMEST's business.

Employees		
	Personnel at 31 December 2014	Personnel at 31 December 2013
Senior management	11	10
Middle management	76	78
Other employees	68	69
Total	155	157

The workforce figures include part-time personnel: 26 staff at 31 December 2014
(an increase of 1 from 31 December 2013)

Average payroll in 2014		
	Average 2014	Average 2013
Senior management	10.58	10.00
Middle management	73.66	73.15
Other employees	62.01	63.72
Total	146.25	146.87

Like the workforce numbers, the average payroll figures also include one senior manager seconded to SIMEST

DEVELOPMENTS IN THE MAIN ITEMS OF THE BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET

At 31 December 2014, the Company's **balance sheet** showed **assets** of €551.7 million, an increase of €39.6 million compared with the previous year (€512.1 million at 31 December 2013).

The change in **assets** primarily involved the substantial rise in the value of the portfolio of **equity investments**, which went from €459.0 million at 31 December 2013 to €497.0 million at the end of 2014, the net outcome of new acquisitions amounting to €80.1 million and disposals totalling €42.1 million.

At 31 December 2014, **receivables** (which comprise receivables from customers, other assets and accrued income and prepaid expenses) came to €54.4 million, an increase of €1.7 million on the previous year, due primarily to the increase in receivables from equity investments (+€2.8 million).

Expenditure on **property, plant and equipment and intangible assets** amounted to about €0.3 million, mainly for the upgrading of the software used to manage SIMEST's operating activities. Amortisation and depreciation totalled €0.3 million.

On the **liabilities** side, at 31 December 2014 **payables** (comprising other liabilities with the exception of financial liabilities, accrued expenses and deferred income, provisions for staff severance benefit and the tax provision) totalled €51.3 million, an increase of €11.9 million compared with €39.4 million at 31 December 2013, mainly attributable to the considerable increase in payables in respect of equity investments.

Financial liabilities held for trading under the item "Other liabilities", which fell by around €0.1 million in 2014, represent the fair value of two financial instruments held. They are similar in nature to the provisions for risk and, therefore, for the purposes of this analysis, are included in the total for these provisions.

Developments in financial items in 2014, resulting mainly from flows in respect of investments and disposals in equity investments and the considerable expansion in the portfolio once again required increased use of lines of credit, leaving **financial payables** in the total amount of €172.1 million at 31 December 2014.

At 31 December 2014, **provisions for liabilities and contingencies and financial liabilities** amounted to about €77.0 million, of which €5.4 million in respect of the increase in 2014 that was prompted by the need to take account of any risks associated with our business, bearing in mind the impact of the international financial and economic crisis on SIMEST's activities and providing further proof of SIMEST's financial stability. These provisions were increased significantly to cover possible financial risks, insolvencies and unrecoverable assets also attributable to the current economic environment.

More specifically, the **provision for general financial risks** amounted to €65.0 million, an increase of €5.2 million with respect to the previous year to provide both for the generic risk of losses on equity investments - taking account of the size of the portfolio at the end of the year, the mix of guarantees on repurchase commitments from partners or guarantors and country risk - and the risk borne by SIMEST as manager of the financial support funds under Laws 295/1973 and 394/1981 and the Venture Capital Fund.

The **provision for potential losses on receivables** at 31 December 2014 was increased by €0.3 million to €5.7 million to cover potential future losses on receivables due to insolvency or uncollectibility, while the **provision for other liabilities and contingencies** amounted to €4.9 million to take account of any charges that the Company could incur in the future.

Shareholders' equity at 31 December 2014 amounted to €251.3 million (€253.4 million at 31 December 2013), invested entirely in foreign equity investments, which at the balance-sheet date were equal to 198% of shareholders' equity. The change for the year is explained in Part D of the notes to the financial statements.

Financial commitments at 31 December 2014 included €191.5 million for purchases of SIMEST's share of equity interests in projects that have been approved, an increase of €7.4 million on the previous year).

The cash flow statement for 2014, with comparative figures for 2013, is reported in Part D of the notes to the financial statements.

At 31 December 2014, current liabilities (€48.5 million) exceeded current assets (€43.2 million) as a result of the positive management of net working capital in 2014.

INCOME STATEMENT

The year 2014 closed with a **net profit of €4.2 million** (€13.3 million in 2013), after provisions of €7.9 million for current and deferred income tax (€8.9 million in 2013) and the extraordinary tax (corporate income surtax) assessed in 2014 amounting to €2.0 million.

This result is evidence of the achievement of positive margins due mainly to the ongoing development of business activities associated with efficient business management, despite the numerous external factors that affected the results for 2014.

More specifically, there was a sharp decline in fees for administering the public funds as compared with the previous year

RECLASSIFIED BALANCE SHEET FOR THE LAST FIVE YEARS at 31 December (€ millions)

	2014	2013	2012	2011	2010
Assets					
Equity investments	497.0	459.0	396.2	343.8	292.2
Liquid assets	---	---	---	---	1.0
Receivables	54.4	52.7	50.2	49.7	46.8
Property, plant and equipment and intangibles	0.3	0.4	0.5	0.4	0.5
Total assets	551.7	512.1	446.9	393.9	340.5
Liabilities and provisions					
Payables and tax provisions	51.3	39.4	42.8	42.5	34.0
Financial debt	172.1	147.7	89.7	49.4	17.5
Provisions for liabilities and contingencies and financial liabilities	77.0	71.6	68.0	62.2	55.1
Total liabilities	300.4	258.7	200.5	154.1	106.6
Shareholders' equity					
Share capital	164.6	164.6	164.6	164.6	164.6
Reserves and share premium account	82.5	75.5	68.8	63.0	58.2
Net profit for the year	4.2	13.3	13.0	12.2	11.1
Total shareholders' equity	251.3	253.4	246.4	239.8	233.9
Total liabilities and shareholders' equity	551.7	512.1	446.9	393.9	340.5
Guarantees issued	---	---	---	---	---
Commitments for equity investments to be completed	191.5	184.1	166.1	210.7	158.0
ROE	2.6%	8.1%	7.9%	7.4%	6.7%

as a result of new methods for calculating the fees (under the new administration agreements signed on 28 March 2014 with the Ministry of Economic Development) as they affect the costs incurred by SIMEST in administering the funds and the bonuses based upon reaching certain targets during the year. Furthermore, in 2014, an appropriate policy for writing down equity investments and receivables arising from commitments for equity investments was implemented, which led to a considerable increase in these writedowns as compared with the previous year.

In addition, an amount was allocated to "extraordinary taxes" in 2014 (around €2.0 million) in association with the corporate income surtax, which further squeezed the net profit.

While in fees for administering the public funds (Law 295/1973 and Law 394/1981 Funds and the Venture Capital Fund) were reduced by €3.4 million, **revenues from ordinary operations** only slipped from €49.5 million in 2013 to **€48.7 million in 2014.**

Revenues from equity investments came to €28.1 million, an increase of **€3.7 million** due to positive developments in new acquisitions and disposals of equity investments, which generated fees from equity investments of **€28.0 million**, the highest level since the start of business and an increase of €3.7 million on 2013, and €0.1 million in dividends.

Revenues from professional services came to €4.6 million in 2014 and they include income from the management of the Venture Capital Fund and the Start-Up Fund and from specialised consulting and assistance services for foreign investment projects. The decrease as compared with

2013 was caused by the reduction in fees for administering the Venture Capital Fund (-€0.7 million), connected with the renewal of the agreement, and the failure to allocate funding appropriated for the ministerial programmes managed by SIMEST.

The fees received for the **management of the financial support funds (Law 295/1973 and Law 394/1981 Funds) amounted to €15.9 million**. The sharp decline in fees for administering these public funds as compared with the previous year (-€2.7 million) was the result, as indicated above, of new methods for calculating the fees.

Net expenses in respect of liquid assets came to €2.9 million in 2014 (compared with net expenses of €1.8 million in 2013) as a result of expenses relating to the increased use of lines of credit to cover the cash flow requirements in respect of equity investments and expenses relating to the writedown of current receivables.

Net revenues from ordinary operations including administration of liquid assets amounted to **€45.8 million** (€47.7 million in 2013).

The Company's **direct costs** (€21.4 million) fell significantly compared with the previous year (€22.0 million in 2013), despite the significant increase in business volumes in 2014. Administrative and operating costs (€21.4 million) were in line with 2013, in spite of the continuous qualitative and quantitative expansion of corporate processes. In 2014 SIMEST did not incur costs in respect of external professional services due to the failure to allocate funding appropriated for the administration of ministerial programmes.

Operating profit amounted to €24.4 million and is a further indicator of our positive margins, although the amount is lower than that reported for 2013 due to the external factors described above.

Provisions and writedowns for the year amounted to €6.9 million. The provisions for liabilities add up to a significant total amount with the aim of protecting the Company from any risks associated with its business operations, taking account of the continuing domestic and international recession, in line with a prudent assessment of business activities and risks.

Extraordinary operations reported a net negative balance of €3.8 million, mainly the result of the writedown of certain equity investments, net of the capital gains (€1.0 million in 2014) and a positive balance in other net extraordinary revenues of €0.4 million.

With regard to revenues and charges on the measurement of equity investments, appropriately reclassified to underscore the extraordinary nature of this item, a prudent provision policy was followed in quantifying writedowns of equity investments. The capital gains on the disposal of equity investments amounted to a considerable €1.0 million once again in 2014. Despite their non-recurring nature, they reflect the care devoted to targeted disposals, as well as the generally high quality of internal processes, from the assessment of projects to the acquisition of equity investments. Extraordinary revenues also include the positive impact on the income statement of €0.1 million recognised under "Gains on financial transactions" associated with the reduction in the provision for the fair value of two financial instruments entered into in 2012.

Accordingly, after the provisions and gains and losses reported above, **profit before tax came to €14.1 million.**

Current and deferred taxes for 2014 amounted to €7.9 million. The net profit for the period was also reduced by the provision for the corporate income surtax amounting to €2.0 million. As a result, **net profit came to €4.2 million.** Thus, the increase in the volume of business activity and the containment of operating costs in 2014 led to the achievement of profitability growth, despite the various negative external factors that affected profitability.

RECLASSIFIED INCOME STATEMENT FOR THE LAST FIVE YEARS (€ millions)

	2014	2013	2012	2011	2010
Ordinary operations					
Income from equity investments	28.1	24.4	20.4	18.1	16.9
Revenues from services	4.6	6.2	8.1	8.2	10.4
Other operating revenue	0.1	0.3	0.3	0.2	0.2
Fees for administering financial support programmes (Laws 295/1973 and 394/1981)	15.9	18.6	18.6	18.9	18.6
Revenues from ordinary operations	48.7	49.5	47.4	45.4	46.1
Revenue in respect of liquid assets	1.3	0.5	0.5	0.2	0.4
Expense in respect of liquid assets	-4.2	-2.3	-1.4	-0.6	-0.9
Net revenues from ordinary operations (incl. admin. of liquid assets)	45.8	47.7	46.5	45.0	45.6
Operating costs	-21.4	-21.4	-21.4	-21.4	-21.8
Additional costs for external professional services	---	-0.6	-1.5	-1.2	-2.8
Direct costs	-21.4	-22.0	-22.9	-22.6	-24.6
Operating profit	24.4	25.7	23.6	22.4	21.0
Allocations to provisions for general financial risks	-5.2	-4.0	-3.7	-6.2	-8.8
Allocations to provisions and writedowns for potential losses on receivables	-1.6	-0.8	-0.8	-0.5	-1.1
Allocations to provisions for liabilities and contingencies and financial liabilities	-0.1	-0.4	-2.3	-0.5	-0.1
Allocations to provisions and net writedowns	-6.9	-5.2	-6.8	-7.2	-10.0
Capital gains (losses) on equity investments	-3.8	0.7	2.5	3.3	5.1
Extraordinary revenue/expense (-)	0.4	1.0	1.0	0.3	1.1
Profit before tax	14.1	22.2	20.3	18.8	17.2
Income taxes	-7.9	-8.9	-7.3	-6.6	-6.1
Extraordinary taxes	-2.0	---	---	---	---
Net profit for the year	4.2	13.3	13.0	12.2	11.1

SUBSEQUENT EVENTS

In accordance with Article 2364 of the Civil Code and Article 12 of the Bylaws, the Board of Directors sets out its reasons in the Report on Operations for the decision to invoke the **time limit of 180 days** (rather than the ordinary 120-day limit) from the end of the fiscal year for the annual meeting of shareholders. Specifically, in valuing the equity investments recognised in the balance sheet and their profitability and determining the amount of the provision for risks, it is necessary to obtain up-to-date information regarding the performance and financial statements both of the issuers of the guarantees to ensure that SIMEST recovers the cost of its equity investments and of the foreign companies that are its partners, so as to be able to provide a true and fair view of its own situation.
This need has been a feature of the closure of SIMEST's financial statements since its establishment in 1991.

In the first four months of 2015, the SIMEST Board of Directors **approved 15 new projects**, of which 10 new investment projects and 5 capital increases/project revisions, involving a total investment on the part of the companies of **€111.2 million**, with a planned SIMEST investment of **€26.4 million**.
The geographical distribution of projects approved essentially confirmed the traditional pattern of interest in certain countries (China and India with 2 projects) and the emergence of new countries connected with specific individual projects (including France and Pakistan).
Overall, **4 new projects** (for a SIMEST financial commitment of **€18.6 million)** and 1 project revision were approved in the **EU area**.
In the first four months of 2015, SIMEST acquired **12 new equity investments** (including 1 capital increase for **€1.6 million**) for a total of **€27.4 million**, of which 3 EU-area equity investments.
SIMEST is also working on the imminent acquisition of **10 additional equity investments for €13.1 million**, of which 2 EU-area equity investments.
As regards the **Venture Capital Fund**, during the first four months of 2015 the Guidance and Oversight Committee approved participation in **5 projects**, of which **3 new investment projects** and 2 capital increases/project revisions, with a total appropriation of **€3.6 million**.
Also during this period, SIMEST, acting on behalf of the **Venture Capital Fund**, subscribed **8 new equity investments** for a total of **€3.1 million**.

As regards SIMEST's **management of financial support facilities**, during the first four months of 2015 the Support Committee approved **66 new operations** for **€746.0 million**, reflecting the continued interest by Italian companies in the support instruments managed by SIMEST.
For the subsidies under the Law 394/1981 Fund, performance in terms of the number and value of operations indicates continuing interest, particularly regarding approvals for foreign market penetration programmes.
For export credit transactions and with regard to buyer credit operations under the Law 295/1973 Fund, in the first four months of 2015 these figures confirm the substantial stability of Italian exports of capital goods and plant. However, the same is not true for supplier credit subsidies in the form of fixed-rate discounting. The new rules (Circular no. 1/2015) approved by the Support Committee on 20 February 2015 caused operators to adopt a wait-and-see approach, leading to only one operation being approved in the first four months of 2015.

Activity is detailed below:

- export credit: 10 transactions were approved for a total of €703.8 million, of which €673.5 million for buyer credit operations ("stabilisation intervention") and €30.3 million for a supplier credit operation in the form of fixed-rate discounting;
- support for investments in foreign companies: 9 applications were approved for a total of €17.7 million;
- foreign market penetration programmes: 26 new subsidised loans were granted for a total of about €20.6 million;
- prefeasibility and feasibility studies and technical assistance programmes: 4 new loans were approved for about €0.3 million;
- capitalisation of exporter SMEs: 16 new loans for around €3.6 million;
- participation in fairs and trade shows: 1 new loan was approved for about €0.01 million.

Promotional and development activity

Among the activity conducted following the close of the year, SIMEST took part in the following government trade missions abroad:

- **Congo-Brazzaville** - SIMEST took part in the institutional mission, led by the Deputy Minister of Economic Development, aimed at the agriculture and fishing, transportation and infrastructure, and energy and electronic devices sectors, during which numerous institutional meetings were held with local authorities.

- **Saudi Arabia** – during the institutional mission led by the Minister of Economic Development, SIMEST participated in meetings with the ministers for economic fields, with whom more extensive discussions were held concerning the opportunities for investment by Italian companies.
- **Egypt** – the trade mission, sponsored by the Ministry of Foreign Affairs and the Ministry of Economic Development and attended by SIMEST, ICE, ABI, Unioncamere and Confindustria, among others, focused on the engineering, infrastructure and renewable energy sectors.
- **China** – the Deputy Minister of Economic Development, visiting China in connection with the work of the Mixed Committee, was accompanied by SIMEST, Confindustria, ICE and a delegation of businesspersons representing the pharmaceutical, medical, energy, environmental, urban planning and agriculture/food products sectors. SIMEST provided support to Italian companies during numerous BtoB meetings.
- **Canada** – the trade mission, sponsored by the Ministry of Foreign Affairs, the Ministry of Economic Development and the Ministry of Agricultural Policy, focused on the agriculture/food products and vitiviniculture sectors. SIMEST provided support to numerous companies during meetings with local counterparts.
- **Azerbaijan** – numerous representatives of companies and associations, along with SIMEST, ICE and SACE, participated in the institutional mission, led by the Minister of Economic Development. The aim was to strengthen bilateral economic relations, to intensify trade and expand the presence of Italian companies, especially in the infrastructure, energy and petrochemical sectors and in technologies for the healthcare industry and the environment.
- **Chile and Colombia** – during the mission led by the Deputy Minister of Economic Development, focusing on engineering and agroindustry, the medical sector, green technologies and infrastructure, SIMEST provided support to Italian companies during the numerous BtoB meetings held with local counterparts.
- **China** - SIMEST took part in the 6th meeting of the China-Italy Government Committee held in Beijing. The Committee, formed as a result of the joint agreement signed by the President of the People's Republic of China and the Prime Minister of Italy, aimed to effectively implement a "strategic partnership" between Italy and China, strengthening and facilitating bilateral relations across all fields.

Other subsequent events include:

- SIMEST's participation in all the stops of the SME international expansion roadshow (Genoa, Monza, Vicenza and L'Aquila), providing its own experts to offer those companies attending the know-how needed to initiate international expansion projects;
- signing an agreement with CONFIMI IMPRESA to provide support for international expansion of its member businesses;
- on 19 and 20 March 2015, the annual inspection for ISO Quality Certification 9001:2008 concerning the management of all corporate activities was performed;
- on 19 and 20 March 2015, the annual inspection of the Occupational Health and Safety Management System under OHSAS 18001:2007 was performed.

OUTLOOK FOR OPERATIONS

The global economy continued to recover at a gradual pace in 2014, with further improvement expected in 2015. Indeed, forecasts point to 3.5% growth in world GDP, with expansion in international trade (+3.7%), despite ongoing economic and geopolitical uncertainty in certain areas.

In 2015, the economy is expected to expand by 3.1% in the United States, compared with a more modest increase in the euro area (+1.5%), although it too is expected to improve due to the drop in oil prices and the depreciation of the euro.

GDP growth in the emerging economies should remain fairly stable compared with 2014, with projected growth of 4.3%, as a result of the slowing expansion of the Chinese economy (+6.8% in 2015), a negative outlook for Russia (-3.8%) and forecasts for growth by the economies dependent upon oil and commodity exports, the prices for which are expected to fall steeply.

Italy is struggling on its path towards recovery. Since the start of 2015, the Italian economy has shown signs of a possible recovery in domestic demand, while production and foreign orders for certain sectors seem to be pointing in a favourable direction and household and business confidence is improving. Forecasts for 2015 point to a slight recovery (+0.5% according to the most recent International Monetary Fund projections).

Movements in exchange rates will also have to be assessed carefully to determine their impact on exports and investments.

Given the slight expansion forecast for the Italian economy, still largely driven by exports, and for domestic demand, particularly for consumption, which is improving but remains weak, the outlook for small companies and those that produce for the domestic market remains fragile. By contrast, companies that have expanded internationally or are more focused on the export market have performed positively in terms of both productivity and results.

In 2015 SIMEST will continue to pursue actions that support businesses in expanding into international markets and in adjusting its approach towards those countries, both emerging and mature economies, that present the greatest business opportunities.

SIMEST will continue to be active in those geographical areas in which it has traditionally assisted Italian companies and has achieved significant results, such as the NAFTA area, China, India and Turkey, and in areas that offer significant opportunities for Italian firms (ASEAN and a number of southern African countries), in addition to countries within the European Union, where SIMEST has been gradually developing its operations since 2011.

With regard to the United States, where the recovery seems to have taken root, the recent expansion in investment by Italian companies, particularly in greenfield projects and acquisitions of firms active in local markets, is expected to continue. Furthermore, direct industrial investment in that country could also drive production in Italy, thereby promoting exports.

SIMEST's strategic approach in Italy in 2015 will continue to focus on identifying qualified Italian industrial partners (specifically those that display a better than average level of competitiveness for their sectors) with whom to develop and support their overall growth and the strengthening of their position in international markets, including by acquiring control of companies in EU countries and their associated market shares.

The sectors that will be most affected are those that are expected to have the greatest investment and profitability potential (engineering, agriculture/food products, rubber/plastics, textiles/clothing and wood/furniture), taking account of natural resources and local markets, as well as the classic areas of specialisation of Italian companies, especially SMEs.

In this scenario, the most competitive Italian enterprises (of which SMEs constitute a growing portion) are supported by SIMEST through equity investment operations and support instruments combined with effective assistance.

Therefore, in 2015 SIMEST expects to expand its activity, mainly in the business area and in support instruments, in addition to strengthening certain services to businesses and to focus on further reducing the time needed to evaluate and disburse loans and on improving profitability thanks in part to keeping a tight rein on the costs associated with a variety of activities.

for the BOARD OF DIRECTORS
Chief Executive Officer
(Ing. Massimo D'Aiuto)

M. D'Aiuto

FINANCIAL STATEMENTS AT 31 DECEMBER 2014

The Company's financial statements have been prepared, as were those for the previous year, in accordance with the provisions of Legislative Decree 87 of 27 January 1992, the regulations issued by the Bank of Italy in Circular no. 103 of 31 July 1992 and other laws, interpreted and supplemented pursuant to the recommendations of the Accounting Standards Committee of the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Council of the Italian accounting profession).

Consideration was also given to the need to ensure that the financial statements provided a true and fair view of the Company's assets and liabilities, financial position and profit for the year.

The annual report includes the following documents:

- the report on the Company's operations and performance;
- the balance sheet and the income statement;
- the notes to the financial statements, comprising:
  part A – accounting policies;
  part B – information on the balance sheet;
  part C – information on the income statement;
  part D – other information.

The balance sheet and the income statement also show the figures for the previous year.

In addition, in order to provide fuller disclosure, the usual supplementary schedules have also been prepared, comprising the cash flow statement and the statement of changes in shareholders' equity, which are presented in the generally accepted formats recommended by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili.

These schedules are contained in part D ("Other information") and constitute an integral part of the annual report.

Pursuant to Article 13 of Legislative Decree 39/2010, the Shareholders' Meeting of 5 July 2012 appointed PricewaterhouseCoopers S.p.A. to perform the statutory audit of the Company's financial statements until the approval of the financial statements for 2014.

SIMEST's finance operations are subject to the oversight of the State Audit Court pursuant to Article 12 of Law 259/1958.

FINANCIAL STATEMENTS AT 31 DECEMBER 2014

BALANCE SHEET

(amounts in euros)

ASSETS		31/12/14	31/12/13	Change
10.	Cash on hand	10,001	9,065	936
20.	Receivables from banks:	36,190	30,044	6,146
	(a) demand	36,190	30,044	6,146
	(b) other	-	-	-
40.	Receivables from customers	32,299,208	33,931,168	(1,631,960)
50.	Bonds and other debt securities	-	-	-
70.	Equity investments	497,046,888	459,047,212	37,999,676
90.	Intangible assets:	191,136	286,272	(95,136)
	- start-up and expansion costs	-	-	-
	- other costs with long-term benefits	191,136	286,272	(95,136)
100.	Property, plant and equipment	145,816	97,651	48,165
130.	Other assets	21,751,350	18,516,481	3,234,869
140.	Accrued income and prepaid expenses:	267,090	231,178	35,912
	(a) accrued income	1,325	3,092	(1,767)
	(b) prepaid expenses	265,765	228,086	37,679
TOTAL ASSETS		551,747,679	512,149,071	39,598,608

FINANCIAL STATEMENTS AT 31 DECEMBER 2014

BALANCE SHEET

(amounts in euros)

LIABILITIES AND SHAREHOLDERS' EQUITY		31/12/14	31/12/13	Change
10.	Payables to credit institutions	147,355,493	147,715,829	(360,336)
	(a) demand	121,647,858	147,715,829	(26,067,971)
	(b) fixed-term or with notice	25,707,635	-	25,707,635
20.	Payables to financial institutions	24,699,901	-	24,699,901
	(a) demand	-	-	-
	(b) fixed-term or with notice	24,699,901	-	24,699,901
50.	Other liabilities	49,195,852	37,258,432	11,937,420
70.	Staff severance benefit	3,590,732	3,604,703	(13,971)
80.	Provisions for liabilities and contingencies:	4,885,484	4,896,484	(11,000)
	(b) provision for taxes and duties	-	-	-
	(c) other provisions	4,885,484	4,896,484	(11,000)
90.	Provision for potential losses on receivables	5,714,809	5,414,809	300,000
100.	Provision for general financial risks	65,036,728	59,836,728	5,200,000
120.	Share capital	164,646,232	164,646,232	-
130.	Share premium account	1,735,551	1,735,551	-
140.	Reserves:	80,707,756	73,719,842	6,987,914
	(a) legal reserve	21,366,420	20,700,397	666,023
	(d) other reserves	59,341,336	53,019,445	6,321,891
170.	Net profit (loss) for the year	4,179,141	13,320,461	(9,141,320)
TOTAL SHAREHOLDERS' EQUITY		251,268,680	253,422,086	(2,153,406)
TOTAL LIABILITIES		551,747,679	512,149,071	39,598,608
Guarantees and commitments				
10.	Guarantees	-	-	-
20.	Commitments:	191,506,000	184,083,000	7,423,000
	(equity investments in non-EU and EU companies)	191,506,000	184,083,000	7,423,000
TOTAL GUARANTEES AND COMMITMENTS		191,506,000	184,083,000	7,423,000

FINANCIAL STATEMENTS AT 31 DECEMBER 2014

INCOME STATEMENT
(amounts in euros)

EXPENSES		2014	2013	Change
10.	Interest expense and similar charges	3,204,802	1,796,984	1,407,818
30.	Losses on financial transactions	-	-	-
40.	Administrative expenses	21,077,221	21,672,782	(595,561)
	(a) staff costs	13,969,064	13,934,160	34,904
	- wages and salaries	10,040,146	10,080,895	(40,749)
	- social security contributions	3,035,324	2,949,913	85,411
	- staff severance benefit	621,880	592,258	29,622
	- business travel	271,714	311,094	(39,380)
	(b) other administrative expenses	7,108,157	7,738,622	(630,465)
50.	Amortisation and depreciation	317,786	327,668	(9,882)
70.	Allocations to provisions for liabilities and contingencies	100,000	360,000	(260,000)
80.	Allocations to provisions for potential losses on receivables	300,000	300,000	-
90.	Writedowns of bad debts	2,245,523	1,072,358	1,173,165
100.	Writedowns of financial assets	4,838,042	1,317,487	3,520,555
110.	Extraordinary expenses	2,113,959	57,944	2,056,015
120.	Increases for the provision for general financial risks	5,200,000	4,000,000	1,200,000
130.	Income taxes for the year	7,923,195	8,876,387	(953,192)
TOTAL EXPENSES		47,320,528	39,781,610	7,538,918
140.	Net profit for the year	4,179,141	13,320,461	(9,141,320)

FINANCIAL STATEMENTS AT 31 DECEMBER 2014

INCOME STATEMENT

(amounts in euros)

REVENUES		2014	2013	Change
10.	Interest income and similar revenues:	1,252,419	528,903	723,516
	(a) on securities	-	-	-
	(b) on bank deposits	204	5	199
	(c) on other receivables	1,252,215	528,898	723,317
20.	Dividends and other revenues:			
	(b) on equity investments	28,148,793	24,418,168	3,730,625
25.	Revenues for services	20,485,148	24,902,917	(4,417,769)
40.	Gains on financial transactions	77,907	530,331	(452,424)
50.	Writebacks of bad debts and provisions for guarantees and commitments	22,330	5,776	16,554
70.	Other operating revenues	88,469	226,627	(138,158)
80.	Extraordinary income	1,424,603	2,489,349	(1,064,746)
TOTAL REVENUES		51,499,669	53,102,071	(1,602,402)

NOTES TO THE FINANCIAL STATEMENTS

PART A. ACCOUNTING POLICIES

The general accounting policies comply with current Civil Code regulations and the provisions of Legislative Decree 87 of 27 January 1992.

Cash and cash equivalents

Cash on hand are recognized at nominal value. Funds in foreign currencies are translated into euros at the end of the year using the exchange rate prevailing at the balance-sheet date.

Receivables and provisions for receivables

Receivables from banks regard balances on bank current accounts recognized at nominal value and the investment of liquidity for treasury purposes in repurchase operations involving the forward resale of the securities issued in the transactions, in any. The carrying amount is equal to the spot price.

For transactions maturing in the following year, interest and revenues accrued between the start of the operation (spot) and the balance-sheet date are recognized under accrued income.

Receivables from customers are carried at their estimated realisable value, adjusting their nominal value on the basis of estimates of losses expected as of the date the financial statements are approved. The estimated realisable value is calculated specifically for individual positions, taking account of the solvency of the debtor.
A prudent assessment of generic risk is also performed, in determining the provision for potential losses on receivables, in order to take account of merely potential risk of losses on receivables; the related provisions are not intended to adjust the value of the receivables.

Bonds and other debt securities

All of the debt securities held by the company are classified as current assets and are therefore recognized at market price. Since the securities are listed, market price is the arithmetic mean of prices in the final month of the year.

Equity investments

Equity investments, including those listed on regulated markets, are classified as non-current assets and are recognized at purchase or subscription cost, including incidental costs. The cost value is written down in the event of lasting impairment losses where the investee has incurred losses that cannot be rectified in the short term and there are no repurchase commitments that would ensure recovery of the cost of the investment, taking account of any guarantees.

Intangible assets and amortization

Intangible assets are recognized at cost, including any directly attributable incidental expenses, less amortization, which is calculated on the basis of the estimated future utility of the assets.

Property, plant and equipment and depreciation

Intangible assets are recognized at cost, including any directly attributable incidental expenses, less amortization, which is calculated on the basis of the estimated useful life of the assets.

Other assets

Other assets are recognized at their estimated realisable value.

Accruals and deferrals

These items are calculated on an accruals basis.

Payables to banks

These refer to current bank account overdrafts for covering cash flow requirements in respect of equity investments. The carrying amount is equal to the nominal value.

Other liabilities

Other liabilities are recognized at nominal value. This item also includes financial liabilities held for trading at fair value.

Staff severance benefit

The liability is calculated on the basis of the provisions of Article 2120 of the Civil Code and current national collective bargaining agreements.

Provisions for liabilities and contingencies

These include provisions for income taxes accrued for the year, provisions for the charge in relation to the mechanism provided for in the agreements with the Ministry of Economic Development for the management of the financial support programmes as well as provisions for charges whose amount or timing are uncertain as of the balance-sheet date.

Provisions for general financial risks

Allocations are made to this provision for prudential reasons to cover general business risk. Accordingly, the provision can be treated as an equity reserve.

Commitments

Commitments in respect of equity investments in foreign companies are recognized in the amount of the equity interest the company intends to acquire. Repurchase transactions are recognized at the forward price agreed with the counterparty.

Foreign currency transactions

Assets and liabilities denominated in foreign currencies, if any, are translated at the spot exchange rate prevailing on the balance-sheet date, with the exception of equity investments, which are carried at purchase or subscription cost in the presence of commitments to repurchase the interest that ensure the recovery of the cost of the investment.

Expenses and revenues

These are recognized on an accrual basis.

PART B. INFORMATION ON THE BALANCE SHEET

(amounts in thousands of euros)

The following section comments the content of the balance sheet accounts and the most significant changes with respect to the previous year.

ASSETS

	AT		CHANGE
ITEM 10	31 December 2014	31 December 2013	2014-2013
Cash on hand	10	9	1

This item reports cash on hand at 31 December in euros and foreign currencies.

	AT		CHANGE
ITEM 20 (A)	31 December 2014	31 December 2013	2014-2013
Receivables from banks: repayable on demand	36	30	6

This item reports balances on bank deposits at 31 December 2014 and includes interest income credited by the banks.

	AT		CHANGE
ITEM 40	31 December 2014	31 December 2013	2014-2013
Receivables from customers	32,299	33,931	(1,632)

BREAKDOWN OF RECEIVABLES AT ESTIMATED REALISABLE VALUE:		
ITEMS	at 31 December 2014	at 31 December 2013
• receivables in respect of equity investments	19,686	17,625
• receivables for contributions financed by dividends	815	2,035
• receivables for fees for management of public funds under agreements with the Ministry of Economic Development	11,798	13,579
• other receivables	-	692
	32,299	33,931

BREAKDOWN BY AVERAGE MATURITY OF RECEIVABLES:		
RESIDUAL PERIOD (nominal values)	at 31 December 2014	at 31 December 2013
• up to 3 months	2,351	9,282
• from more than 3 months up to 1 year	23,724	18,889
• unspecified (1)	11,959	9,732
• less writedowns (net of revaluations)	(5,735)	(3,972)
Value of receivables recognized	32,299	33,931

Of total writedowns (€5,735 thousand), €2,245 thousand pertained to 2014.
Writeoffs of fully written-down receivables at 31 December 2014 totalled €1,767 thousand.

(1) Breakdown of receivables with "unspecified maturity": (nominal values)

	at 31 December 2014	at 31 December 2013
• past due receivables	11,959	9,732
of which		
- receivables from the Ministry of Economic Development	*4,296*	*4,296*
- receivables in respect of bankruptcy proceedings or bad debts	*7,088*	*4,972*
- receivables for default interest	*575*	*464*

Receivables from the Ministry of the Economic Development are reported gross of the allocation to the provision for liabilities and contingencies in the amount of €4,296 thousand for the mechanism in the agreements with the Ministry of the management of financial support programmes.

Pursuant to Article 2427 of the Civil Code, the company reports that there are no receivables or payables with a residual maturity of more than five years. All receivables and payables are with counterparties in Italy, with the exception of a receivable of €272 thousand in respect of a Venezuelan counterparty and €397 thousand in respect of a Luxembourg counterparty for fees relating to equity investments.

	AT		CHANGE
ITEM 70	31 December 2014	31 December 2013	2014-2013
Equity investments			
• in non-EU companies	378,720	379,395	(675)
• in EU companies	113,163	74,488	38,675
• in Italian companies (Instrumental)	5,164	5,164	-
	497,047	459,047	38,000

The equity investments shown on the balance sheet are recognized at purchase or subscription cost, including incidental costs. The cost is reduced in the event of lasting impairment if the investee companies incurred losses that cannot be rectified in the short term and the absence of commitments to repurchase the investment ensuring recovery of the cost of the investment, which may be secured by guarantees.

Using this criteria, in 2014, in the face of impairments in value, writedowns of equity investments were recognized in the total amount of €4,838 thousand.

At 31 December 2014, the overall value of equity investments reported under assets regarded 257 non-EU and EU companies with a cost of €491,882 thousand, of which €464,548 thousand paid up, and the equity investment in FINEST S.p.A. of Pordenone subscribed pursuant to Law 19/1991 in the amount of €5,164 thousand.

COMPOSITION AND CHANGES IN THE YEAR:				
	2014		2013	
ITEMS	NO.	€	NO.	€
Equity investments at the start of the year	255	453,883	247	391,025
Increases *of which:*	35	80,068	36	88,565
• acquisition of new equity investments	35	71,943	36	77,414
• capital increases	5	8,125	5	11,151
Decreases *of which:*	(33)	(41,703)	(28)	25,740
• sales of equity investment to partner (total)	(25)	(28,801)	(22)	19,564
• sales and transfers of share of equity investment	(8)	(12,902)	(6)	6,176
Writedowns/increased (reduced) commitments due to exchange rate differences		(366)		33
Net change in the year	2	38,000	8	62,858
Equity investments at the end of the year	257	491,882	255	453,883

At 31 December 2014, the commitments of Italian partners for the purchase and forward payment of shares of equity investments subscribed and paid up by SIMEST were secured in the total amount of €266,427 thousand by third-party guarantees.
The breakdown of equity investments acquired in 2014 is reported in the report on operations in the table "Equity investments in foreign companies".

	AT		CHANGE
ITEM 90	31 December 2014	31 December 2013	2014-2013
Intangible assets	191	286	(95)

COMPOSITION AND CHANGES IN THE YEAR:				
ITEMS	OPENING BALANCE	PURCHASES	AMORTIZATION	CLOSING BALANCE
Other costs with long-term utility	286	180	(275)	191
Total	286	180	(275)	191

Other costs with long-term utility essentially include expenditure for the purchase of software. The item includes expenses for updating IT procedures used to manage company operations.
Software costs and the costs incurred in respect of the business development plan are amortised on a straight-line basis over three years.

ITEM 100	AT 31 December 2014	AT 31 December 2013	CHANGE 2014-2013
Property, plant and equipment	146	98	48

COMPOSITION AND CHANGES IN THE YEAR:					
ITEMS	OPENING BALANCE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING BALANCE
Electromechanical and electronic plant and machinery	46	85	-	(30)	101
Commercial equipment	52	6	-	(13)	45
Other assets	-	-	-	-	-
Total	98	91	-	(43)	146

Depreciation is calculated on a straight-line basis in relation to the use of the assets and their residual useful lives.
Purchases during the year mainly regard hardware for the information system.

ITEM 130	AT 31 December 2014	AT 31 December 2013	CHANGE 2014-2013
Other assets	21,751	18,516	3,235

BREAKDOWN OF THE ITEM:	2014	2013
• Receivables in respect of transfer of equity investments	12,253	9,458
• Loans to employees	4,535	4,185
• Deposits and advances for supplies and business travel	923	1,184
• Receivables for tax advances	759	790
• Receivables in respect of the request for the reimbursement of IRAP (regional tax on business activities)	511	511
• Receivables for prepaid IRES (corporate income tax)	2,411	2,131
• Receivables for prepaid IRAP	359	257

"Receivables in respect of transfer of equity investments" regard receivables from partners for transfers of equity investments in the process of being completed.
"Loans to employees" comprises €4,078 thousand in mortgage loans to customers for which the residual maturity of more than 5 years amounts to €2,533 thousand.
"Receivables in respect of the request for the reimbursement of IRAP" refers to the receivable for the allowance of the deductibility of IRAP pertaining to labour costs for the years from 2007 to 2011.
The composition of "receivables for prepaid IRES and IRAP" is described under "Taxes" in the income statement.

ITEM 140	AT 31 December 2014	AT 31 December 2013	CHANGE 2014-2013
Accrued income and prepaid expenses			
(a) accrued income	1	3	(2)
(b) prepaid expenses	266	228	38
	267	231	36

Prepaid expenses regard operating costs accruing in the following year.

COMPOSITION OF ACCRUED INCOME:		
ITEM 140 (A)	at 31 December 2014	at 31 December 2013
• other	1	3
	1	3

COMPOSITION AND CHANGES IN THE YEAR:	2014	2013
Accrued income at start of the year	3	4
Changes in the year:		
• collection of interest on security deposits accruing in previous years	(3)	(4)
• interest on security deposits accruing in the year	1	3
Accrued income at end of the year	1	3

LIABILITIES AND SHAREHOLDERS' EQUITY

	AT		CHANGE
ITEM 10 (a)	31 December 2014	31 December 2013	2014-2013
Payables to banks: repayable on demand	121,648	147,716	(26,068)

This item refers to current account overdrafts at the end of the year, mainly used for covering cash flow requirements in respect of equity investments, The carrying amount is equal to the nominal value and includes accrued fees.

	AT		CHANGE
ITEM 10 (b)	31 December 2014	31 December 2013	2014-2013
Payables to credit institutions: fixed term or with notice	25,708	-	25,708

This item refers to the payable outstanding at the end of the year in respect of a 6-year committed credit line entered into with another financial institution.

	AT		CHANGE
ITEM 20 (b)	31 December 2014	31 December 2013	2014-2013
Payables to financial institutions: fixed term or with notice	24,700	-	24,700

This item refers to the payable outstanding at the end of the year relating to a 6-year committed credit line entered into with another credit institution.

	AT		CHANGE
ITEM 50	31 December 2014	31 December 2013	2014-2013
Other liabilities	49,196	37,258	11,937

COMPOSITION:		
	at 31 December 2014	at 31 December 2013
• creditors for equity investments to be paid	595	1,073
• payables to suppliers and employees	3,684	3,662
• advances received for disposal of equity investments	39,872	27,367
• EU financial support for foreign company projects to be transferred to beneficiary companies	43	43
• social security contributions	1,103	1,082
• withholding tax for employees and self-employed workers and VAT	430	370
• dividends to shareholders	1,973	2,076
• financial liabilities held for trading	1,365	1,443
• other payables	131	142
	49,196	37,258

	AT		CHANGE
ITEM 70	31 December 2014	31 December 2013	2014-2013
Staff severance benefit	3,591	3,605	(14)

The item represents the severance liability with respect to employees in service at the end of the year, under the terms of current national collective bargaining agreements and the changes to social security regulations introduced as from 2007. Changes regarded allocations for the period of €622 thousand, less benefits paid to employees who left service, contributions paid on behalf of employees to the supplemental pension fund pursuant to Law 297/1982 and benefits transferred pursuant to Legislative Decree 124/1993, as amended, totalling €635 thousand.
Pursuant to the provisions of the 2007 Finance Act and the related implementing rules and circulars, contributions for severance benefits accruing as from 1 January 2007 are paid into supplementary pension schemes. As a result, the liability to employees in respect of severance benefits does not increase.

	AT		CHANGE
ITEM 80	31 December 2014	31 December 2013	2014-2013
Provisions for liabilities and contingencies	4,885	4,896	(11)
This includes:			
(c) other provisions	4,885	4,896	(11)

"Other provisions" includes €4,296 thousand in allocations for the potential total charge associated with the mechanism provided for in the agreements with the Ministry of Economic Development for the management of the financial support programme and €589 thousand in allocation for potential charges that the Company could incur.

	AT		CHANGE
ITEM 90	31 December 2014	31 December 2013	2014-2013
Provision for potential losses on receivables	5,715	5,415	300

The provision for potential losses on receivables was raised to €5,715 thousand in 2014 as a result of the allocation of €300 thousand. The provision is intended to cover potential future losses on receivables due to insolvency or uncollectibility.

	AT		CHANGE
ITEM 100	31 December 2014	31 December 2013	2014-2013
Provision for general financial risks	65,037	59,837	5,200

The provision was increased by €5,200 thousand in 2014 to cover general business risk. It can be considered an equity reserve. The adjustment was made to protect the Company against the potential risks associated with its business activities, taking account of the impact of the actions taken by SIMEST to face any financial risks connected with the current international economic and political environment.

ITEM 120	AT 31 December 2014	31 December 2013	CHANGE 2014-2013
Share capital	164,646	164,646	-

At 31 December 2014, share capital amounted to €164,646 thousand, fully subscribed and paid up. It is represented by 316,627,369 shares with a par value of €0.52 each.

ITEM 130	AT 31 December 2014	31 December 2013	CHANGE 2014-2013
Share premium account	1,736	1,736	-

The share premium account regarded a total of 22,403,298 shares.

ITEM 140	AT 31 December 2014	31 December 2013	CHANGE 2014-2013
Reserves of which:	80,708	73,719	6,988
(a) legal reserve	21,366	20,700	666
(b) other reserves of which:	59,341	53,019	6,322
• pursuant to Article 88.4 of Presidential Decree 917/86.	5,165	5,165	-
• extraordinary reserve	54,177	47,854	6,322

The legal reserve increased by €666 thousand, corresponding to 5% of net profit for 2013 pursuant to the resolution of the Shareholders' Meeting of 19 June 2014.
The reserve pursuant to Article 88.4 of Presidential Decree 917/1986 regards the capital contribution received from the Ministry of Economic Development to subscribe the equity investment in FINEST S.p.A. of Pordenone, as established by Law 19 of 9 January 1991.
The extraordinary reserve increased by €6,322 thousand following the allocation of part of net profit for 2013 (including the reversal of €2,056 thousand from the reserve to cover the corporate income surtax pursuant to Legislative Decree 133/2013 following payment of the associated tax).

ITEM 170	AT 31 December 2014	31 December 2013	CHANGE 2014-2013
Net profit for the year	4,179	13,320	(9,141)

During 2014 the shareholders were paid dividends totalling €6,332 thousand. The remainder of the profit for 2013 in the amount of €6,989 thousand was allocated to reserves as reported above.

At 31 December 2014 shareholders' equity totalled €251,269 thousand.

Pursuant to the accounting standards governing shareholders' equity, the following additional information is provided.
Reserves or other provisions that in the event of their distribution do not form part of the Company's taxable income, regardless of the period over which they were established:

(amounts in thousands of euros)

RESERVES	VALUE
Share premium account	1,736
Reserve pursuant to Article 88.4 of Presidential Decree 917/1986	5,165
Extraordinary reserve	54,177
Total	61,078

The following schedule details shareholders' equity:

(amounts in euros)

	Amount	Possible uses (*)	Amount available	Uses in the last three years to cover losses	Uses in the last three years for other reasons
Share capital	164,646,232	B	164,646,232	-	-
Share premium account	1,735,551	A, B, C (**)	1,735,551	-	-
Legal reserve	21,366,420	B	21,366,420	-	-
Reserve pursuant to Article 88.4 of Presidential Decree 917/86	5,164,569	A, B, C	5,164,569	-	-
Extraordinary reserve	54,176,767	A, B, C	54,176,767	-	-
Total	247,089,539		247,089,539	-	-

(*) A: for capital increase; B: for coverage of losses; C: for distribution to shareholders
(**) The distribution of the share premium account is subject to the legal reserve reaching an amount equal to 20% of share capital

GUARANTEES AND COMMITMENTS

	AT		CHANGE
ITEM 10	31 December 2014	31 December 2013	2014-2013
Guarantees			
- issued for promotional projects	-	-	-

At 31 December 2014 SIMEST had issued no guarantees in favour of third parties.

	AT		CHANGE
ITEM 20	31 December 2014	31 December 2013	2014-2013
Commitments of which:	191,506	184,083	7,423
- equity investments in non-EU and EU companies	191,506	184,083	7,423

The item comprises commitments to purchase equity interests in non-EU and EU companies.

COMPOSITION AND CHANGES IN THE YEAR:	
ITEMS	
Commitments to purchase equity interests in foreign companies at 31 December 2013	184,083
Operations in 2014:	
+ commitments approved for equity investments in non-EU and EU companies	129,640
- commitments implemented with acquisition of equity investments	80,069
- excess commitments for equity investments acquired and cancellation of projects	42,148
= Commitments to purchase equity interests in foreign companies at 31 December 2014	191,506

PART C. INFORMATION ON THE INCOME STATEMENT

EXPENSES

ITEM 10	2014	2013	CHANGE
Interest expense and similar charges	3,205	1,797	1,408

The item reports interest expense and similar charges (€2,579 thousand) accrued on bank current account overdrafts and on the 6-year committed credit line and differences accrued on financial instruments held for trading (€626 thousand) opened, with a view to matching funding and lending, to meet cash flow requirements in respect of equity investments.

ITEM 40	2014	2013	CHANGE
Administrative expenses	21,077	21,673	(596)

Includes staff costs:

ITEM 40 (a)	2014	2013	CHANGE
- wages and salaries	10,040	10,081	(41)
- social security contributions	3,035	2,950	85
- staff severance benefit	622	592	30
- business travel	272	311	(39)
	13,969	13,934	35

other administrative expenses:

ITEM 40 (b)	2014	2013	CHANGE
operating costs	3,690	4,075	(385)
taxes and duties and non-deductible VAT	1,044	982	62
insurance and other staff expenses	1,019	860	159
fees and expenses for corporate bodies	486	610	(124)
fees and expenses for statutory auditing of the accounts	89	113	(24)
subtotal	*6,328*	*6,640*	*(312)*
fees and expenses for outsourced professional service	780	601	179
	7,108	7,241	(133)

and external costs incurred for programmes:

programmes on behalf of the Ministry of Economic Development	-	498	(498)
Total other administrative expenses	7,108	7,739	(631)

ITEM 50	2014	2013	CHANGE
Amortisation and depreciation	318	328	(10)

Includes the amortisation and depreciation detailed in "Property, plant and equipment and intangible assets" under assets on the balance sheet.

ITEM 70	2014	2013	CHANGE
Allocations to provisions for liabilities and contingencies	100	360	(260)

An allocation was made to the provisions for liabilities and contingencies to cover any possible charges that the Company may incur in the future.

ITEM 80	2014	2013	CHANGE
Allocations to provision for potential losses on receivables	300	300	-

It was found necessary to adjust the provision to cover the potential risk of insolvency or uncollectibility.

ITEM 90	2014	2013	CHANGE
Writedowns of bad debts	2,246	1,072	1,174

This mainly comprises the writedowns reported under item 40 of assets on the balance sheet.

ITEM 100	2014	2013	CHANGE
Writedowns of financial assets	4,838	1,317	3,521

This item refers to the writedowns of the interests in the equity investments held by the Company performed during the year in accordance with the applicable valuation polices.

ITEM 110	2014	2013	CHANGE
Extraordinary expenses	2,114	58	2,056

This item essentially refers to the extraordinary corporate income surtax paid pursuant to Decree Law 133/2013 in the amount of €2,023 thousand, as well as the out-of-period expenses recognised during the year.

ITEM 120	2014	2013	CHANGE
Increases in the provision for general financial risks	5,200	4,000	1,200

The allocation reflects the need to cover potential general business risks in respect of both the generic risk of losses on equity investments and the generic risk borne by SIMEST as manager of the financial support funds under Laws 295/1973 and 394/1981 and the Venture Capital Fund.

ITEM 130	2014	2013	CHANGE
Income taxes for the year:	7,923	8,876	(953)
(+) Current taxes, of which:	8,305	8,896	(591)
IRES	6,192	6,653	(461)
IRAP	2,113	2,243	(130)
(+) Deferred tax liabilities, of which:	-	-	-
IRES	-	-	-
IRAP	-	-	-
(-) Deferred tax assets, of which:	382	20	362
IRES	280	21	259
IRAP	102	(1)	103

In 2014 allocations for current and deferred tax liabilities amounted to €5,912 thousand in respect of IRES and €2,011 thousand in respect of IRAP.

For deferred tax items, on the basis of the calculation of deferred tax assets and liabilities at 31 December 2014, a receivable of €2,770 thousand was recognised.

The following table details the calculation of deferred tax items:

RECOGNITION OF DEFERRED TAX LIABILITIES AND ASSETS

(amounts in euros)

	2014			2013		
	Amount of temporary differences	Tax rate %	Tax effect	Amount of temporary differences	Tax rate %	Tax effect
Deferred tax assets:						
• Employee bonuses and renewal of collective bargaining agreement	1,305,000	27.50	358,875	1,326,296	27.50	364,731
• INPS contributions on employee bonuses and renewal of collective bargaining agreement	351,154	33.07	116,127	319,098	33.07	105,526
• Provision for indemnity for management of financial support programmes	4,131,655	33.07	1,366,338	4,131,655	33.07	1,366,338
• Provision for interest on indemnity for management of financial support programmes	164,839	33.07	54,512	164,839	33.07	54,512
• Provision for fees and expenses accruing in other financial years	66,969	27.50	18,416	86,969	27.50	23,916
• Provision for sundry liabilities	19,000	27.50	5,225	130,000	27.50	35,750
• Writedowns of bad debts	930,999	27.50	256,025	1,589,700	27.50	437,168
• Writedowns of bad debts (2014)	1,796,418	33.07	594,075	-		-
TOTAL	8,766,034		2,769,593	7,748,557		2,387,941
Deferred tax liabilities (decrease):						
Net deferred tax assets (liabilities) of which:			2,769,593			2,387,941
IRES			2,410,659			2,130,853
IRAP			358,934			257,088

In accordance with the principle of prudence, deferred tax assets in respect of allocations to the provision for general financial risks and the provision for potential losses on receivables are not recognised since, partly in view of the nature of the items, which can be treated as equity reserves, it is not reasonably certain that such items would be reversed.

REVENUES

ITEM 10	2014	2013	CHANGE
Interest income and similar revenues of which:	1,252	529	723
(a) on securities	-	-	-
(b) on bank deposits	-	-	-
(c) on other receivables	1,252	529	723

COMPOSITION OF INTEREST INCOME AND SIMILAR REVENUES ON OTHER RECEIVABLES:

	2014	2013	CHANGE
Other interest income and revenues on receivables	1,252	529	723
	1,252	529	723

ITEM 20	2014	2013	CHANGE
Dividends and other revenues:			
(b) on equity investments	28,149	24,418	3,731

This item comprises fees received for technical assistance provided to partner companies in the amount of €28,046 thousand (€24,302 thousand in 2013), dividends of €103 thousand (€116 thousand in 2013) net of €1,030 thousand in dividends transferred to partners in performance of contractual obligations,

ITEM 25	2014	2013	CHANGE
Revenues for services of which:	**20,485**	**24,903**	**(4,418)**
• fees for administering financial support programmes	15,933	18,645	(2,712)
• revenues for cost defrayment fees and professional services	4,552	6,258	(1,706)

COMPOSITION:

	2014	2013	CHANGE
• fees for administering financial support programmes provided for in Laws 295/1973 and 394/1981 under agreements with the Ministry of Economic Development	15,933	18,645	(2,712)
• fees for administering the Venture Capital Fund and the Start-up Fund	4,479	5,216	(737)
• cost defrayment payments for costs of Ministry of Economic Development programmes	-	797	(797)
• fees for technical assistance to companies for foreign projects	73	245	(172)
	20,485	24,903	(4,418)

Fees totalled €20,412 thousand (€23,861 thousand in 2013) and comprise fees received for administering the Venture Capital Fund, the Law 394/81 programme, the Law 295/73 programme and the Start-up Fund. The sharp reduction in fees for administering the public funds as compared with the previous year is the result of new methods for calculating the fees under the new administration agreements signed on 28 March 2014 with the Ministry of Economic Development, which introduced the concept of "cost reimbursement", as well as a bonuses based upon reaching certain targets.

ITEM 40	2014	2013	CHANGE
Gains on financial transactions	78	530	(452)

This item refers to the period-end measurement of the fair value of two financial instruments held for trading obtained to ensure greater matching of funding and lending, taking account of the need to achieve financial balance in the cycle of acquiring and disposing of equity investments.

ITEM 50	2014	2013	CHANGE
Writebacks of bad debts and provisions for guarantees and commitments	22	6	17

ITEM 70	2014	2013	CHANGE
Other operating revenues	88	227	(138)

This mainly includes the payments to defray costs for services associated with the administration of financial support programmes and the Venture Capital Fund and the reimbursement of business travel to investee companies.

ITEM 80	2014	2013	CHANGE
Extraordinary income	1,425	2,489	(1,065)

Extraordinary income regards gains on the sale of equity investments in companies in the amount of €1,036 thousand (€2,017 thousand in 2013) and out-of-period revenues of €389 thousand (€472 thousand in 2013).

PART D. OTHER INFORMATION

1. EMPLOYEES

At 31 December 2014 the company had 155 employees (including one senior manager seconded to SIMEST from Cassa Depositi e Prestiti), of which 11 senior managers, 76 middle managers and 68 office employees. In 2014, the average payroll was 146.3 employees.

	EMPLOYEES AT 31 DECEMBER 2013	CHANGE IN 2014			EMPLOYEES AT 31 DECEMBER 2014
		Terminations	Hires/seconded	Promotions	
Senior managers	10	-	1	-	11
Middle managers	78	3	-	1	76
Other employees	69	1	1	(1)	68
TOTAL	157	4	2	-	155

Promotions are reported as the net change in the categories.

2. COMPENSATION OF BOARD OF DIRECTORS AND BOARD OF AUDITORS

In 2014 compensation paid to members of the boards of directors and auditors amounted to €405,477, broken down as follows:

- €325,072 to directors;
- €80,405 to auditors.

3. CASH FLOW STATEMENT FOR 2014 WITH COMPARATIVE FIGURES FOR 2013

thousands of euros

	2014	2013
I. Cash and cash equivalents - Opening balance	**(147,677)**	**(89,685)**
Liquidity generated by operations		
Net profit	4,179	13,320
Amortisation and depreciation for the year	318	327
Change in provisions for liabilities and contingencies/staff severance benefit	5,475	3,319
(a)	9,972	16,966
Change in working capital		
Receivables, accrued income and prepaid expenses	(1,638)	(2,507)
Payables and accrued expenses	11,937	(3,046)
(b)	10,299	(5,553)
Outflows for investments		
Capital goods	271	214
Equity investments acquired	80,068	88,598
Dividends	6,333	6,333
(c)	86,672	95,145
Inflows for investments		
Equity investments sold	42,069	25,740
(d)	42,069	25,740
II. Change in cash and cash equivalents = (a + b - c + d)	**(24,332)**	**(57,992)**
III. Cash and cash equivalents/(financial debt) - Closing balance = (I + II)	**(172,009)**	**(147,677)**

4. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY IN THE YEARS ENDING AT 31 DECEMBER 2014 AND 2013

(thousands of euros)

	Share capital	Share premium account	Legal reserve	Other reserves		Net profit for the year	Total
				Art. 88, Para. 4 Pres. Decree 917/86	Extraordinary reserve		
Shareholders' equity at 31 December 2012	164,646	1,736	20,050	5,165	41,834	13,003	246,434
Allocation of net profit for 2012			650		6,020	(6,670)	-
Dividends						(6,333)	(6,333)
Net profit for 2013						13,321	13,321
Shareholders' equity at 31 December 2013	164,646	1,736	20,700	5,165	47,854	13,321	253,422
Allocation of net profit for 2013			666		6,323	(6,989)	-
Dividends						(6,332)	(6,332)
Net profit for 2014						4,179	4,179
Shareholders' equity at 31 December 2014	164,646	1,736	21,366	5,165	54,177	4,179	251,269

5. HIGHLIGHTS OF THE COMPANY THAT EXERCISES MANAGEMENT AND COORDINATION

In accordance with Article 2497-bis, paragraph 4, of the Italian Civil Code, the following tables report highlights from the most recent financial statements of the parent company, **Cassa Depositi e Prestiti società per azioni**.

Cassa depositi e prestiti società per azioni
Registered office in Rome, Via Goito no. 4, Tax ID no. 80199230584

BALANCE SHEET (euros)

Assets	31 December 2013	31 December 2012
10. Cash and cash equivalents	3,530	4,061
20. Financial assets held for trading	472,679,479	640,480,778
40. Financial assets available for sale	4,939,291,611	4,975,191,408
50. Financial assets held to maturity	18,327,082,721	16,730,803,183
60. Loans to banks	14,851,354,609	13,178,302,664
of which securing covered bonds	-	*575,161,865*
70. Loans to customers	242,136,225,003	238,305,758,261
of which securing covered bonds	-	*2,102,395,438*
80. Hedging derivatives	325,064,442	371,592,827
100. Equity investments	31,769,037,804	30,267,806,038
110. Property, plant and equipment	217,930,399	206,844,583
120. Intangible assets	6,252,398	7,142,943
130. Tax assets	1,233,688,891	508,263,385
a) current	1,065,965,451	359,110,010
b) deferred	167,723,440	149,153,375
150. Other assets	406,692,190	239,289,471
TOTAL ASSETS	314,685,303,077	305,431,479,602

Cassa depositi e prestiti società per azioni
Registered office in Rome, Via Goito no. 4, Tax ID no. 80199230584

BALANCE SHEET (euros)

Liabilities and equity		31 December 2013	31 December 2012
10.	Due to banks	24,008,645,722	34,055,028,612
20.	Due to customers	261,520,355,925	242,303,149,301
30.	Securities issued	6,907,470,302	6,672,411,389
	of which covered bonds	-	*2,639,474,757*
40.	Financial liabilities held for trading	444,815,354	477,087,678
60.	Hedging derivatives	1,449,143,501	2,575,862,638
70.	Adjustment of financial liabilities hedged generically (+/-)	52,258,202	56,412,601
80.	Tax liabilities	669,026,281	915,731,204
	a) current	565,597,478	818,196,453
	b) deferred	103,428,803	97,534,751
100.	Other liabilities	1,479,946,192	1,527,970,453
110.	Staff severance pay	756,139	750,996
120.	Provisions	14,928,023	11,789,925
	b) other provisions	14,928,023	11,789,925
130.	Valuation reserves	975,182,823	965,418,317
160.	Reserves	11,371,230,455	9,517,249,132
180.	Share capital	3,500,000,000	3,500,000,000
190.	Treasury shares (-)	(57,220,116)	-
200.	Income (loss) for the period (+/-)	2,348,764,274	2,852,617,356
	TOTAL LIABILITIES AND EQUITY	314,685,303,077	305,431,479,602

Cassa depositi e prestiti società per azioni
Registered office in Rome, Via Goito no. 4, Tax ID no. 80199230584

INCOME STATEMENT (euros)

Items		31 December 2013	31 December 2012
10.	Interest income and similar revenues	8,734,350,209	10,590,682,908
20.	Interest expense and similar charges	(6,194,954,542)	(7,068,867,902)
30.	**Net interest income**	**2,539,395,667**	**3,521,815,006**
40.	Commission income	40,300,483	38,348,222
50.	Commission expense	(1,623,148,314)	(1,650,123,072)
60.	**Net commission income**	**(1,582,847,831)**	**(1,611,774,850)**
70.	Dividends and similar revenues	3,088,977,849	1,206,749,144
80.	Net gain (loss) on trading activities	76,056,378	156,407,006
90.	Net gain (loss) on hedging activities	(14,833,356)	(10,120,204)
100.	Gains (losses) on disposal or repurchase of:	15,736,734	389,563,961
	a) loans	9,219,840	19,469,378
	b) financial assets available for sale	6,477,522	366,189,473
	c) financial assets held to maturity	39,372	145,310
	d) financial liabilities	-	3,759,800
120.	**Gross income**	**4,122,485,441**	**3,652,640,063**
130.	Net impairment adjustments of:	(45,290,748)	(22,884,956)
	a) loans	(42,802,267)	(22,097,331)
	d) other financial transactions	(2,488,481)	(787,625)
140.	**Financial income (expense), net**	**4,077,194,693**	**3,629,755,107**
150.	Administrative expenses:	(119,717,268)	(103,285,487)
	a) staff costs	(62,335,374)	(54,205,757)
	b) other administrative expenses	(57,381,894)	(49,079,730)
160.	Net provisions	(395,528)	(2,058,191)
170.	Net adjustments of property, plant and equipment	(5,147,912)	(5,225,787)
180.	Net adjustments of intangible assets	(2,345,796)	(2,464,066)
190.	Other operating income (costs)	4,758,168	3,504,759
200.	**Operating costs**	**(122,848,336)**	**(109,528,772)**
210.	Gains (losses) on equity investments	(1,008,947,000)	147,334,875
240.	Gains (losses) on the disposal of investments	91	(107,901)
250.	**Income (loss) before tax from continuing operations**	**2,945,399,448**	**3,667,453,309**
260.	Income tax for the period on continuing operations	(596,635,174)	(814,835,953)
270.	**Income (loss) after tax on continuing operations**	**2,348,764,274**	**2,852,617,356**
290.	Income (loss) for the period	2,348,764,274	2,852,617,356

Cassa depositi e prestiti società per azioni
Registered office in Rome, Via Goito no. 4, Tax ID no. 80199230584

STATEMENT OF CHANGES IN EQUITY

(euros)

	Balance at 31.12.12	Changes in opening balance	Balance at 1.1.13	Allocation of net income for previous year		Changes for the period							Equity at 31.12.13
							Operazioni sul patrimonio netto						
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Special dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options	Comprehensive income for 2013	
Share capital: a) ordinary shares b) preference shares	 2,450,000,000 1,050,000,000		 2,450,000,000 1,050,000,000			 1,050,000,000 (1,050,000,000)								 3,500,000,000 -
Share premium reserve														
Reserves: a) income b) other	9,517,249,132		9,517,249,132	1,853,981,323										11,371,230,455
Valuation reserves: a) available for sale b) cash flow hedges c) other reserves - revaluation of property	 777,034,074 20,812,241 167,572,002		 777,034,074 20,812,241 167,572,002										 11,145,386 (1,380,880)	 788,179,460 19,431,361 167,572,002
Equity instruments														
Treasury shares								(57,220,116)						(57,220,116)
Income (loss) for the period	2,852,617,356		2,852,617,356	(1,853,981,323)	(998,636,033)								2,348,764,274	2,348,764,274
Equity	**16,835,284,805**		**16,835,284,805**	**-**	**(998,636,033)**	**-**		**(57,220,116)**					**2,358,528,780**	**18,137,957,436**

STATEMENT OF COMPREHENSIVE INCOME

(euros)

	Items	31 December 2013	31 December 2012
10.	Net income (loss) for the period	2,348,764,274	2,852,617,136
	Other comprehensive income net of taxes recyclable to profit or loss		
90.	Cash flow hedges	(1,380,880)	24,212,441
100.	Financial assets available for sale	11,145,386	(139,907,692)
130.	Total other comprehensive income net of taxes	9,764,506	(115,695,251)
140.	Comprehensive income (items 10+130)	2,358,528,780	2,736,922,105

Cassa depositi e prestiti società per azioni

Registered office in Rome, Via Goito no. 4, Tax ID no. 80199230584

CASH FLOW STATEMENT (INDIRECT METHOD) (euros)

A. OPERATING ACTIVITIES	31 December 2013	31 December 2012
1. Operations	6,556,718,122	(1,268,664,051)
- net income for the year (+/-)	2,348,764,274	2,852,617,356
- gains (losses) on financial assets held for trading and on financial assets/liabilities at fair value (-/+)	(61,608,965)	(137,571,535)
- gains (losses) on hedging activities (-/+)	9,085,774	(200,183,695)
- net impairment adjustments (+/-)	45,290,748	22,884,956
- net value adjustments to property, plant and equipment and intangible assets (+/-)	7,493,709	7,689,853
- net provisions and other costs/revenues (+/-)	9,965,112	7,428,900
- unpaid taxes, duties and tax credits (+/-)	596,635,174	814,835,953
- net impairment adjustments of disposal groups held for sale net of tax effect (+/-)	-	-
- writedowns/writebacks of equity investments (+/-)	1,008,947,000	-
- other adjustments (+/-)	2,592,145,296	(4,636,365,839)
2. Cash generated by/used in financial assets	(8,252,843,730)	(1,358,378,980)
- financial assets held for trading	229,410,265	78,171,539
- financial assets at fair value	-	-
- financial assets available for sale	78,249,706	(2,030,319,043)
- loans to banks: on demand	-	-
- loans to banks: other	(1,347,809,928)	6,948,868,710
- loans to customers	(6,360,054,751)	(6,374,480,471)
- other assets	(852,639,022)	19,380,285
3. Cash generated by/used in financial liabilities	5,145,738,562	34,558,471,140
- due to banks: on demand	-	-
- due to banks: other	(10,076,287,893)	14,456,286,818
- due to customers	16,500,048,145	20,235,839,912
- securities issued	284,771,714	(1,720,450,110)
- financial liabilities held for trading	(32,272,324)	5,272,444
- financial liabilities at fair value	-	-
- other liabilities	(1,530,521,079)	1,581,522,076
Cash generated by/used in operating activities	**3,449,612,954**	**31,931,428,109**

B. INVESTING ACTIVITIES	31 December 2013	31 December 2012
1. Cash generated by	11,106,483,000	24,715,175,635
- sale of equity investments	-	2,034,309,999
- dividends from equity investments	-	-
- sale of financial instruments held to maturity	11,106,483,000	22,680,756,000
- sale of property, plant and equipment	-	109,636
2. Cash used in	(15,095,313,300)	(42,581,105,251)
- purchase of equity investments	(2,519,511,610)	(12,660,567,850)
- purchase of financial assets held to maturity	(12,561,075,775)	(29,903,053,001)
- purchase of property, plant and equipment	(13,270,664)	(12,452,043)
- purchase of intangible assets	(1,455,251)	(5,032,357)
Cash generated by/used in investing activities	**(3,988,830,300)**	**(17,865,929,616)**

C. FINANCING ACTIVITIES		
- issues/purchases of own shares	(57,220,116)	-
- dividend distribution and other allocations	(998,636,033)	(371,000,000)
Cash generated by/used in financing activities	**(1,055,856,149)**	**(371,000,000)**
CASH GENERATED/USED DURING THE YEAR	**(1,595,073,495)**	**13,694,498,493**

RECONCILIATION (*)		
ITEMS (*)		
Cash and cash equivalents at beginning of year	137,729,681,156	124,035,182,663
Total cash generated/used during the year	(1,595,073,495)	13,694,498,493
Cash and cash equivalents: effects of changes in exchange rates	-	-
Cash and cash equivalents at end of year	136,134,607,662	137,729,681,156

(*) The cash and cash equivalents reported in the cash flow statement comprise the balance of item 10 "Cash and cash equivalents" of the balance sheet, the balance on the current account held with the Central State Treasury reported under item 70 "Loans to customers" and the positive balance on bank accounts reported under item 60 "Loans to banks" net of current accounts with a negative balance reported under item 10 "Due to banks" of liabilities.

The financial highlights of the parent company, Cassa Depositi e Prestiti S.p.A., shown in the summary statement required by Article 2497-bis of the Italian Civil Code, are drawn from the financial statements for the year ended 31 December 2013. For a more thorough discussion of the income statement, balance sheet and cash flow statement of Cassa Depositi e Prestiti S.p.A. at 31 December 2013, please refer to that company's financial statements, which, along with the auditor's report, are available as prescribed by law.

for the BOARD OF DIRECTORS
Chief Executive Officer
(Ing. Massimo D'Aiuto)

PROPOSED ALLOCATION OF NET PROFIT FOR THE YEAR

(amounts in euros)

Net profit	4,179,141
• 5% to legal reserve	208,957
• dividend of 1.0 cent per share	3,166,274
• to extraordinary reserve	803,910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REPORT OF THE BOARD OF AUDITORS

Società Italiana per le Imprese all'Estero – SIMEST S.p.A.
Registered office: Corso Vittorio Emanuele II, 323 - Rome
Paid-up share capital €164,646,231.88
Tax ID and Rome Company Register No. 04102891001 – R.E.A. No. 730445
A company subject to the management and coordination of Cassa Depositi e Prestiti S.p.A

***

REPORT OF THE BOARD OF AUDITORS TO THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 2429 OF THE CIVIL CODE

***

FINANCIAL STATEMENTS AT 31 DECEMBER 2014

Shareholders,
The Board would first like to note that the bylaws of Società Italiana per le Imprese all'Estero – SIMEST S.p.A., amended in compliance with Legislative Decree 6/2003, adopt the so-called "traditional" system referred to in Articles 2380 et seq. of the Italian Civil Code in the administration and control area. PricewaterhouseCoopers has been engaged, with the resolution of the Shareholders' Meeting of 5 July 2012, to perform the statutory audit of the accounts until the approval of the financial statements for 2014. The Company has been subject to the management and coordination of Cassa Depositi e Prestiti S.p.A. since September 2013.

Oversight activity

During the year ended at 31 December 2014, the Board's activity was carried out in compliance with the rules of conduct for boards of auditors recommended by the National Council of the Italian accounting profession.
The Board monitored compliance with the law and the articles of incorporation and with the principles of sound administration.
The Board participated in the Ordinary and Extraordinary Shareholders' Meeting of 12 March 2014 and the Ordinary Shareholders' Meeting of 19 June 2014. The Board also participated in meetings of the Board of Directors (10), which were conducted in compliance with the provisions of the bylaws and applicable legislation. You can reasonably be assured that the actions resolved comply with the law and the bylaws and were not manifestly imprudent or otherwise prejudicial to the integrity of the Company's assets.
During the year, at the intervals established by Article 2381.5 of the Civil Code, the Board of Directors provided us information on the general performance of operations and expected future developments, as well as on transactions of particular significance, either owing to their size and/or features, and you can reasonably be assured that the actions taken comply with the law and the bylaws. Based on the information obtained from the directors and through meetings with the independent auditors responsible for the statutory audit we found no atypical and/or unusual transactions during 2014. Transactions with related parties carried out with the controlling shareholder, Cassa Depositi e Prestiti S.p.A, and the members of the CDP Group appear to have been carried out in the interests of the Company and on market terms.
The Board examined and monitored, within the scope of our responsibilities, the organisational structure of the Company and the administrative and accounting system, as well as the reliability of the latter in correctly representing operational events, by obtaining information from individual department heads and the independent auditors responsible for the statutory audit and by examining corporate documentation.
The Board received no complaints pursuant to Article 2408 of the Civil Code.
The Board monitored the work of the Supervisory Body by virtue of the Company's adoption of the compliance model envisaged under Legislative Decree 231/01.
In addition, SIMEST's finance operations are subject to the oversight of the State Audit Court pursuant to Article 12 of Law 259/1958.
During the course of our oversight activity, no significant facts emerged that would require special mention in this report.
The Board of Auditors held 8 meetings during the year, to which the Director designated by the State Audit Court was always invited, including 3 periodic meetings with the external auditors responsible for the statutory audit, during which no significant information emerged that would require special mention in this report.

Financial statements and report on operations

The Board has examined the draft financial statements for the year ended 31 December 2014, provided to us after the time limit established in Article 2429 of the Civil Code and which the Board waived in performing its duties. The draft financial statements report a net profit of €4,179,141 on which we offer the following comments.
As this body is not responsible for performing the statutory audit of the financial statements, we monitored the general approach to their preparation and their general compliance with the provisions of law concerning their formation and structure.
In examining matters regarding the process of their preparation, we agreed to the recognition of intangible assets in the balance sheet, in accordance with Article 2426.5 of the Civil Code, more information about which is provided in the notes to the financial statements.
The Board has ascertained that the financial statements correspond to the information at our disposal, following the performance of our duties, and we have no special comments in this regard.
The Board has also verified compliance with the provisions of law governing the preparation of the report on operations and has no comments that would require special mention here. In their audit report, the external auditors certified that the report on operations is consistent with the Company's financial statements.
To the best of our knowledge, in preparing the financial statements the Board of Directors did not have recourse to the departures admitted pursuant to Article 2423.4 of the Civil Code.

In view of the foregoing and taking account of the findings of the external auditors responsible for the statutory audit, which are contained in their report accompanying the financial statements issued on 13 May 2015, we recommend that you approve the financial statements for the year ended 31 December 2014, noting that the proposed allocation of net profit for the year does not conflict with the provisions of law or the bylaws.

Rome, 13 May 2015

The Board of Auditors

Ines Russo	(Chairman)
Maria Cristina Bianchi	(Auditor)
Giampietro Brunello	(Auditor)


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REPORT OF THE AUDIT FIRM

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RELAZIONE DELLA SOCIETÀ DI REVISIONE AI SENSI DELL'ARTICOLO 14 DEL DLGS 27 GENNAIO 2010, N° 39

Agli azionisti della
Società Italiana per le Imprese all'Estero - SIMEST SpA

1 Abbiamo svolto la revisione contabile del bilancio d'esercizio della Società Italiana per le Imprese all'Estero - SIMEST SpA chiuso al 31 dicembre 2014. La responsabilità della redazione del bilancio in conformità alle norme che ne disciplinano i criteri di redazione compete agli amministratori della Società Italiana per le Imprese all'Estero - SIMEST SpA. È nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.

2 Il nostro esame è stato condotto secondo i principi di revisione emanati dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandati dalla Consob. In conformità ai predetti principi, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio d'esercizio sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

Per il giudizio relativo al bilancio dell'esercizio precedente, i cui dati sono presentati ai fini comparativi secondo quanto richiesto dalla legge, si fa riferimento alla relazione da noi emessa in data 27 maggio 2014.

3 A nostro giudizio, il bilancio d'esercizio della Società Italiana per le Imprese all'Estero - SIMEST SpA al 31 dicembre 2014 è conforme alle norme che ne disciplinano i criteri di redazione; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria e il risultato economico della società.

4 La responsabilità della redazione della relazione sulla gestione in conformità a quanto previsto dalle norme di legge compete agli amministratori della Società Italiana per le Imprese all'Estero - SIMEST SpA. È di nostra competenza l'espressione del giudizio sulla coerenza della relazione sulla gestione con il bilancio, come richiesto dalla legge. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n° 001 emanato dal Consiglio Nazionale dei

PricewaterhouseCoopers SpA

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Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla Consob. A nostro giudizio la relazione sulla gestione è coerente con il bilancio d'esercizio della Società Italiana per le Imprese all'Estero - SIMEST SpA al 31 dicembre 2014.

Roma, 13 maggio 2015

PricewaterhouseCoopers SpA

Gian Paolo Di Lorenzo
(Revisore legale)


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APPROVAL OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2014

On 12 June 2015 the Ordinary Shareholders' Meeting, representing 94.17% of the share capital, unanimously approved the fin statements for the year ended 31 December 2014 and the allocation of the net profit for the year of €4,179,141 as follows:

- 5% or €208,957 to the legal reserve;
- €3,166,274 to the shareholders in the amount of 1.0 cent per share;
- the remainder of €803,910 to the extraordinary reserve.

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