

SIA: 2013 FINANCIAL STATEMENT APPROVED

In the third year of implementation of the Strategic Plan:

revenues +6.7%

net profit +8.5%

operating margin +18.2%

ROE at 22%

Proposed to the shareholders, distribution of ordinary and extraordinary dividends with a total value of €100.26 million corresponding to €0.59 per share

*Growth during 2013 in operations carried out with cards (+8.9%)
and in payment and collection operations (+62%)*

*Increase (+24.8%) in the number of transactions on financial markets
which reached 28.6 billion*

*Sale of the majority stake (59.3%) of SIA
by the main shareholder banks to a consortium made up of
Fondo Strategico Italiano (FSI), F2i SGR and Orizzonte SGR has been initiated*

Milan, 6th March 2014 – The Board of SIA, meeting under the chairmanship of Carlo Tresoldi, has approved the Draft Financial Statement at 31 December 2013.

The results achieved by **SIA** have seen a **further improvement over those of the preceding financial year**, which had already shown a more than positive trend.

All economic targets in terms of earnings and profitability in the 2011-2013 Strategic Plan were amply surpassed. Other important goals reached included the increase of market shares in Italy and Europe and the reduction of operating costs.

"The 2013 results confirm that we are moving in the right direction and the three-year plan closes with figures that bear witness to SIA's increased ability to compete also at international level. The 2014-2016 Industrial Plan will see our commitment to growth in an advanced technology sector that is ever more complex and delicate, where development is based on the reliability and security of the services provided", commented **Massimo Arrighetti**, CEO of SIA.

The positioning of SIA Group

During 2013, **SIA Group** confirmed its position as a **leading operator** in technology services of absolute reliability for Banks, Businesses, Public Administration Bodies, Central Institutions and Financial Intermediaries, in the areas of **payments, e-money, connectivity** and **capital markets**. The geographic coverage of the SIA Group services currently extends across around **40 countries in Europe, the Middle East, Africa and South America**.

In 2013, the Group took on a leading role in the **Single European Payments Area**, coinciding with **the migration to the SEPA standards**.

In terms of innovation, SIA has designed and created, for the first time in Europe, **an interoperable hub** for payments **using phones equipped with NFC technology** and has started up a number of **mobile payment** pilot projects with Italian telecom operators and banks.

During the financial year, a **contract** was entered into **for the sale of the majority stake** in SIA by the main shareholder banks to a consortium made up of **Fondo Strategico Italiano (FSI)**, **F2i SGR** and **Orizzonte SGR**.

In total, the consortium will acquire **59.3% of the corporate capital** from **Intesa San Paolo, Unicredit, Monte dei Paschi di Siena** and **Banca Nazionale del Lavoro**, with the former two banks still owning an overall stake of 8%. The agreement will be closed in the first half of 2014 after having attained the necessary authorizations from Banca d'Italia and the Antitrust Authority.

This operation, fully in line with SIA's development strategy, guarantees to the company the necessary resources to be able to exploit all future growth opportunities.

Main economic-financial figures for the Parent Company and consolidated figures

The results achieved by SIA SpA in 2013 highlight a **considerable improvement** in **operating margin**, **net profit** and **revenues** compared to the previous financial year.

In detail, the **operating margin** has grown reaching **€66.8 million**, up over €10 million (+18.2%). **Net profit** also showed growth reaching **€46.8 million** with an increase of €3.7 million (+8.5%) compared to 2012. Total **Revenues** reached **€314.7 million** with a rise of almost €20 million (+ 6.7%). **Production costs** stood at around **€260 million**, with an increase of around €12 million (+5.2%) compared to the preceding year.

SIA SpA	2013	2012	Variation
Revenues	314.7	295.1	6.7%
Value of production	326.8	303.8	7.6%
Production costs	260.0	247.2	5.2%
EBIT (operating margin)	66.8	56.6	18.2%
Net profit	46.8	43.1	8.5%

(million euros)

At consolidated level, 2013 showed a considerable increase in **net profit**, which went up to **€48.9 million**, rising by €7.5 million (+18.3%). **Operating margin** also grew to **€75 million** with an increase of €10.3 million (+15.9%). EBITDA at Group level now stands at €106.5 million compared to €94.4 million in 2012 (+12.8%).

The performance of the SIA Group also highlighted the increase in **value of production** – equal to **€395.6 million**, up €36.3 million compared to the previous financial year (+10.1%) – and in **revenues**, which reached **€380.3 million**, with a rise of €32 million (+9.2%). **Production costs** were **€320.6 million**, €26 million higher (+8.8%) compared to 2012.

SIA Group	2013	2012	Variation
Revenues	380.3	348.3	9.2%
Value of production	395.6	359.3	10.1%
Production costs	320.6	294.6	8.8%
EBIT (operating margin)	75.0	64.7	15.9%
EBITDA	106.5	94.4	12.8%
Net profit	48.8	41.3	18.3%

(million euros)

Distribution of dividends

Thanks to the results achieved in 2013 with net profit of €46.8 million and using the profits carried forward, the Board will propose to the shareholders the **distribution of an ordinary dividend equal to €27.19 million, corresponding to €0.16 per share** and of **an extraordinary dividend equal to €73.07 million, corresponding to €0.43 per share**.

The distribution of extraordinary dividends is subject to the closing of the contracts concerning the sale of the SIA majority stake by the four main shareholder bank groups to Fondo Strategico Italiano (FSI), F2i SGR and Orizzonte SGR.

Business trend

In 2013, the Group managed a total of **4.9 billion payments** (+28% over 2012), **2.7 billion of which were carried out on cards** (+8.9%) and **2.2 billion relating to credit transfers and collections** (+62%).

On the **financial markets**, the number of **trading and post-trading transactions** rose to **28.6 billion** from 22.9 billion in 2012, with an increase of 24.8%.

SIA managed **network traffic of 293.3 terabytes**, up 36.3% compared to 2012, with a total infrastructure availability and **service levels of 100% on an annual basis**.

SIA Group	2013	2012	Variation
Card operations	2.7 billion	2.5 billion	8.9%
Credit transfers and collections	2.2 billion	1.4 billion	62%
Data carried on the network	293.3 terabytes	215.1 terabytes	36.3%
Trading and post-trading transactions	28.6 billion	22.9 billion	24.8%

(1 terabyte = 1,000 billion bytes)

FINANCIAL INSTITUTIONS

During 2013, the **payment services** managed by the Group for Banks and Financial Institutions showed **significant increases** in the **number of transactions and overall counter value exchanged**.

In terms of e-money services, the SIA Group confirms its position as the only processor in Europe able to manage centrally on a single technology infrastructure **63 million payment cards** with international and

domestic brands and almost **960,000 merchants** (up **7.5%**), providing issuing and acquiring services in **15 countries**.

SIA Group	2013
Payment cards managed	63 million
Merchant portfolio	960,000
Geographical coverage - issuing and acquiring	15 countries

Due to the migration to SEPA, in 2013 the trend of domestic **collection and payment volumes** highlighted a significant **decrease in credit transfers** (-13.4% compared to 2012) and a **rise in retail collections** (+2% compared to 2012). The constant **decrease in the volumes relating to checks** continues (-10% over 2012), confirming the trend of the replacement of this payment instrument with electronic payments.

In 2013, SIA launched several experiments in the field of **mobile payments through NFC technology** (Near Field Communication) that saw the involvement of five financial institutions and three national telecom operators. The pilot projects were started up on **SIA's hub, an 'open' technology platform** that permits the virtualization of a payment card onto a mobile phone SIM card – with full interoperability between banks and Telco's – and represents a unique innovation in the European scenario. The **rollout of the service in Italy is planned for the first half of 2014**.

With regard to **remote mobile payments**, SIA is creating a **wallet for the payment of e-commerce and m-commerce transactions** that also includes "person-to-person" and self-service payments (mobile phones and prepaid card top-ups, bills, etc.).

In the area of e-payments, SIA actively contributed to the launch at pan-European level of **EBA Clearing's** initiative **MyBank** which permits online purchases using one's own home-banking service. SIA has also enriched its MyBank access suite for banks and merchants thanks to **E-Mandate**, the new online authorization service of SEPA direct debit mandates that will be launched by EBA Clearing in the first half of 2014. A new **centralized directory** service has also been put into production.

CENTRAL PAYMENT INSTITUTIONS

In 2013, SIA Group pursued the objective of internationalization by consolidating its positioning with **central banks** and **ACHs (Automated Clearing Houses)**, also through the start up of project and sales activities in new geographical areas.

More specifically, the **STEP2 pan-European technology platform** managed by SIA on behalf of EBA Clearing, to which more than 4,700 financial institutions are connected, recorded significant growth in terms of volumes processed due to the fact that the deadline for the completion of the SEPA migration is getting closer.

Worthy of mention in 2013 are the **1.6 billion-plus payments**, with an **increase of 113%** compared to 2012 and with a **maximum daily peak of more than 67 million operations - over 50 million collections and 17 million credit transfers - reached at the end of December**.

In order to guarantee the maximum reliability and business continuity of the pan-European platform, a **third Disaster Recovery hub** has been set up, located more than 400km from the primary and secondary sites

managed by SIA, thus making EBA Clearing's STEP2 platform compliant with CPSS-IOSCO principles (Principles for Financial Market Infrastructures).

	2013
SEPA transactions managed on STEP2	1.6 billion
SEPA Credit Transfers (SCT)	1.1 billion
SEPA Direct Debits (SDD)	0.5 billion

As far as projects for central banks and the solutions of subsidiary Perago are concerned, 2013 saw the completion of the project for the Central Bank of South Sudan relating to the implementation of a securities management system, while work continued on the project for the implementation of clearing and government payments systems for Banque du Liban.

CAPITAL MARKETS

In the area of Capital Markets, SIA Group's international positioning was further consolidated through the realization of new development activities and projects for the London Stock Exchange Group, for which SIA confirmed its role as one of the main technology partners, with specific reference to the **fixed income trading (MTS) and post-trading (Monte Titoli) platforms**.

Last year, a total of **28.6 billion transactions** were managed on **financial markets**, with **24.8% growth** compared to 2012. In detail, the platform for MTS reached total volumes of around 28.3 billion transactions, +25% compared to 2012, while the Monte Titoli platform processed around 0.3 billion transactions (+3%).

	2013
Trading and post-trading transactions	28.6 billion
Financial intermediaries using SIA's compliance and surveillance systems	More than 100
Countries served	18

The evolution of the **compliance proprietary technology SIA-EAGLE Surveillance** (already in use in Brazil at CVM - *Comissão de Valores Mobiliários*) also continued with new real-time monitoring modules for the Supervisory Authorities, aimed at addressing the emerging needs deriving from the new European and international regulations, with specific attention to the monitoring of high-frequency trading. Overall, **more than 100 financial intermediaries in 18 countries use SIA's compliance and surveillance systems**.

During 2013, SIA continued in its strategy of international growth in the **post-trading field** through a middleware to access the technology infrastructure Target2-Securities (T2S) for central depositaries and global custodians, known as "T2S Smart Integrator Advanced" – selected by Monte Titoli as the solution to connect to the new single European platform for settlement of transactions in domestic and cross-border securities, which will be operative as of June 2015 – as well as a **collateral management** service, "SIA-CMS", aimed specifically at central banks and central depositaries.

CORPORATE & PUBLIC ADMINISTRATION

In 2013, SIA Group developed new services for **Corporates and Public Administration bodies** which have helped it to acquire important new customers in the utilities, insurance and automotive sectors as well as among Payment Institutions.

Payment services for Corporates recorded an **overall increase of 18.4%** thanks to the success of the infrastructure **Multinetwork** (+62.4%), which permits large companies to manage treasury relations centrally.

The constant growth of the **Fastpay service** (+10%) and of the **electronic direct debit services** for utilities and telecom operators (+4.3%) are worthy of note as well.

Growth can also be seen in the volumes of **multi-channel** payments (+10.6%) that permit users to pay **utility bills, postal slips and taxes and purchase public transport passes at around 190,000 merchants, retail chains, ATM terminals and home-banking sites**. The number of POS terminals managed has grown by 16.3%, reaching **around 50,000**, in the telecommunications, oil and insurance sectors and in the segment of electronic lunch vouchers.

New marketing tools, such as **electronic fuel vouchers and loyalty systems** have been developed for the **oil** sector.

	2013
Multi-channel payments	+ 10.6%
Fastpay Corporate	+ 10%
Electronic direct debits for utilities and Telco's	+ 4.3%
Increase in POS terminals	+ 16.3%

As part of the solutions for Public Administration, SIA and Telecom Italia signed an agreement with the public transport companies TPER Trasporto Passeggeri Emilia-Romagna, ANM Napoli and START Romagna for the development and trial of a **mobile ticketing platform** that permits travelers to purchase and validate tickets using their Smartphone.

This project stems from the indications contained in the Digital Agenda, which provide for the spread of interoperable ticketing systems at domestic level. The technology infrastructure realized by SIA Group and Telecom Italia is open to participation by other local public transport companies and mobile operators.

As far as **Central PA** is concerned, SIA has won two new tenders from the Ministry of the Interior for projects relating to the dematerialization of administrative deeds under the responsibility of Prefectures.

NETWORK SERVICES

SIAnet, the multi-service, broadband technology infrastructure network has seen a significant **increase** (+36%) in the **data carried** while **doubling the band availability** (from 42 to 84 Gbps).

There has been further consolidation of the "Financial Ring" that permits financial intermediaries to gain access to international stock markets through a single network infrastructure by making use of the hubs in Milan and London, to which two nodes in Frankfurt and New York were added in 2013. At present, **20 trading venues operating in Europe and the United States** are connected.

The Financial Ring has also confirmed its role as the international network of reference for **Fixed Income markets**, since it permits access with optimum levels of security and performance to all financial marketplaces through a single network connection.

The number of **active nodes at European level** has gone up from 142 to **160**, an increase of **12.7%**, representing 28% of the high capacity, low latency equipment set up (at the end of the year there were 580 active nodes in total).

For the fourth consecutive year, the service level of network services **was 100%**, thus ensuring **full availability of the infrastructure** 24/7, 365 days per year, supporting the provision of SIA services.

	2013
Total increase in network traffic	+36%
Total band available	84 Gbps
Trading venues connected to the Financial Ring	20
Total active nodes	580
Nodes active in Europe	160
Network availability 24/7	100%

Special mention should be made of the awarding during 2013 to SIA, in partnership with Colt, of the tender called by Deutsche Bundesbank, also operating on behalf of Banca d'Italia, Banque de France and Banco de España, to create **4-CentralBank-Network** (4CBNet). This is the network infrastructure which will link the four central banks charged with managing the single platform of the Eurosystem for the settlement of payments of significant amounts (TARGET2) and transactions in securities (TARGET2-Securities - T2S). This high-speed backbone guarantees the continuity of the data flows of the four central banks while safeguarding their integrity and confidentiality.

SIA has further consolidated its role as primary provider at international level of high reliability network services for the bank and finance sector also thanks to its success in the tender with Colt to link **Monte Titoli** to **T2S**, the new single European platform for the settlement of transactions in domestic and cross-border securities, the launch of which is planned for June 2015.

To **support the growth and expansion of cards markets** and **new, high added value connectivity services**, SIA has also acquired 51% of the capital of **Emmecom**, an Italian company operating in the sector of fixed, mobile and satellite telecommunications networks.

Thanks to Emmecom, SIA has consolidated the Group offering in the field of cards and will create **a single integrated technology infrastructure to manage POS payments in multi-channel mode** (dial up, GPRS, IP, NFC), thereby simplifying the link between merchants and banks.

In addition, SIA will launch **new network solutions for remote monitoring based on M2M technology** (machine-to-machine) which enables a variety of devices – sensors, probes, cameras, etc. – to be controlled remotely and to send status data automatically to information collection and management centers.

SIA is European leader in the design, creation and management of technology infrastructures and services for Financial and Central Institutions, Corporates and Public Administration bodies, in the areas of payments, e-money, network services and capital markets. SIA Group provides its services in around 40 countries, and also operates through its subsidiaries in Hungary and South Africa. The company has offices in Milan and Brussels.

In 2013, SIA managed 2.7 billion card payments and 2.2 billion credit transfers and collections, 28.6 billion trading and post-trading transactions and carried 293.3 terabytes of data on the network.

The Group is made up of seven companies: the parent **SIA**, the Italian companies **Emmecom** (innovative network applications for banks and businesses), **Pi4Pay** (services for Payment Institutions), **RA Computer** (treasury solutions for banks, businesses and P.A.), and **TSP** (payment collection services for companies and P.A.), **Perago** (infrastructures for central banks) in South Africa and **SIA Central Europe** in Hungary.

For more information, go to: www.sia.eu

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