

## SIA: THE BOARD APPROVES THE 2014 FINANCIAL STATEMENT

*Net profit +27.5% at €59.6 million  
Operating margin +22.5% at €81.9 million  
Revenues +7% at €336.9 million*

*Proposed to the shareholders, distribution of an ordinary dividend with a total value of €35.68 million corresponding to €0.21 per share*

*Strong growth (+146%) in payment transactions processed in 2014, which reached 12 billion including 9.2 billion relating to credit transfers and collections (+316%) and 3 billion with cards (+9%)*

*Increase (+5%) also in trading and post-trading operations, rising to 30.2 billion*

*326 thousand billion bytes of data carried (+11%) on the 180,000 km of the SIA net network, with service levels of 100%*

*Launch of "Jiffy", the new "Person to Person" (P2P) payments service, an App permitting money transfer in real time by Smartphone to a user's contacts, associating the IBAN code of the account with the phone number*

Milan, 26 February 2015 – The Board of SIA, meeting under the chairmanship of Giuliano Asperti, has approved the Draft Financial Statement at 31 December 2014.

The results achieved by **SIA** show a **further improvement after that recorded in the previous financial year**, which had already shown an extremely positive trend.

All economic targets in terms of revenues and profitability in the 2014 Budget were amply surpassed. Another important goal reached was the consolidation of SIA's international growth strategy, also through the development of the most important pan-European technology infrastructure for retail payments in Euro, which processes SEPA credit transfers in Italy, Finland, Ireland, Luxemburg and recently Germany too, in addition to the cross-border payments of all the major European commercial banks.

*"In a context marked by the consolidation of payment systems in Europe, the results of 2014 have demonstrated how SIA has pursued the primary objective of overseas growth in a sector that is highly innovative and characterized by fierce competitive pressure. Our approach to the market has been rewarded thanks to the high level of reliability and security of the services provided to the customers", commented Massimo Arrighetti, CEO of SIA.*

### **The positioning of SIA Group**

During 2014, **SIA Group** confirmed its position as a **leading operator** in the supply of technology services of absolute reliability to 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 services provided by SIA Group currently extends to **over 40 countries in Europe, the Middle East, Africa and South America.**

In particular during 2014, the Group confirmed its leading role in the **Single Euro Payments Area** in the light of the **definitive migration of credit transfers and direct debits to the SEPA standards.**

In terms of innovation, after designing and creating an **interoperable hub for payments using mobile phones equipped with NFC technology** (excluding Apple which still today has not released its technical specifications) and contributing to the launch of **mobile payment initiatives** with Italian banks and telecom operators, SIA presented an **innovative service for "Person to Person" (P2P) payments, called "Jiffy"**, which through an App that works on all Smartphones, allows money to be sent and received in real time from the user's phone to their contacts.

Thanks to this new application based on SEPA credit transfer, **SIA is first in Europe to launch a service open to all the banks operating in the Single Euro Payments Area**, that can potentially be used by over 400 million European current account holders, and which combines the simplicity of a messaging system with the security of the interbank systems.

During the financial year, **the acquisition was finalized of 68.6%** of SIA by the consortium made up of **Fondo Strategico Italiano (FSI), F2i SGR and Orizzonte SGR.** Through their investment, FSI, F2i and Orizzonte have the goal of further reinforcing SIA's international positioning, fostering its growth organically and through M&A activities, and ensuring that the company plays a leading role in the **digitalization of Italy's Public Sector**, guarantees its presence in key services for financial intermediaries and central banks, strengthens the **strategic partnership with Borsa Italiana and London Stock Exchange** for the **MTS and Monte Titoli platforms**, and acts as **sector aggregator and promoter of the spread of electronic money in Italy.**

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

The results achieved by SIA in 2014 show an **improvement in net profit, operating margin and revenues** compared to the previous financial year.

In detail, the **net result for the financial year grew** with profits of **€59.6 million**, up by €12.9 million (+27.5%). **Operating margin** rose too, reaching **€81.9 million** with an increase of over €15 million (+22.5%). Total **revenues** went up to **€336.9 million** with a growth of €22.2 million (+7%) compared to 2013. **Value of production** reached **€346.2 million**, up by €19.3 million (+5.9%). **Production costs** stand at around **€264 million**, rising by approximately €4 million (+1.7%).

<b>SIA SpA</b>	<b>2014</b>	<b>2013</b>	<b>Variation</b>
Revenues	<b>336.9</b>	314.7	<b>7%</b>
Value of production	<b>346.2</b>	326.9	<b>5.9%</b>
Production costs	<b>264.3</b>	260.0	<b>1.7%</b>
EBIT (operating margin)	<b>81.9</b>	66.8	<b>22.5%</b>
Net profit	<b>59.6</b>	46.8	<b>27.5%</b>

*(million euros)*

At consolidated level, 2014 showed an increase in **operating margin** to **€95.2 million**, rising by €20.2 million (+26.9%). Also up are **net profit** at **€60.8 million**, with an increase of €12 million (+24.5%), and revenues which reached **€426.3 million** with an improvement of €46 million (+12.1%). Group EBITDA total €122.2 million compared to the €106.5 million of 2013 (+14.7%).

In addition, the performance of SIA Group shows an increase in **value of production** to **€436.4 million**, a rise of over €40 million compared to the previous financial year (+10.3%). **Production costs** are **€341.2 million**, €20.6 million higher (+6.4%) compared to 2013.

SIA Group	2014	2013	Variation
Revenues	<b>426.3</b>	380.3	<b>12.1%</b>
Value of production	<b>436.4</b>	395.6	<b>10.3%</b>
Production costs	<b>341.2</b>	320.6	<b>6.4%</b>
EBIT (operating margin)	<b>95.2</b>	75.0	<b>26.9%</b>
EBITDA	<b>122.2</b>	106.5	<b>14.7%</b>
Net profit	<b>60.8</b>	48.8	<b>24.5%</b>

(million euros)

### Distribution of dividends

Thanks to the results achieved in 2014 with profits for the financial year of €59.6 million and taking into account the objectives of growth and stabilization of profitability over time, the Board will propose to the shareholders the **distribution** of an **ordinary dividend equal to €35.68 million, corresponding to €0.21** for each of the 169,932,974 shares.

### Business trend

In 2014, the Group managed a total of **12.2 billion payments** (+146% over 2013), **9.2 billion of which related to credit transfers and collections** (+316%) and **3 billion made with cards** (+9%).

On the **financial markets**, the number of **trading and post-trading transactions** rose to **30.2 billion** from 28.6 billion in 2013, with an increase of over 5%.

SIA managed **network traffic of 326 terabytes of data on the 180,000 km of the SIANet network**, up 11.1% compared to 2013, with a total infrastructure availability and **service levels of 100% on an annual basis**.

SIA Group	2014	2013	Variation
Credit transfers and collections	<b>9.2 billion</b>	2.2 billion	<b>316%</b>
Card operations	<b>3 billion</b>	2.7 billion	<b>9%</b>
Data carried on the network	<b>326 terabytes</b>	293.3 terabytes	<b>11.1%</b>
Trading and post-trading transactions	<b>30.2 billion</b>	28.6 billion	<b>5%</b>

(1 terabyte = 1,000 billion bytes)

*FINANCIAL INSTITUTIONS*

During 2014, the **payment services** managed by the Group for Banks and Financial Institutions showed **significant increases** in the **number of transactions** and **total counter value exchanged**.

In terms of e-money services, SIA Group confirms its position as the only processor in Europe able to manage centrally on a single technology infrastructure **65 million payment cards** with domestic and international brands (up approximately 3%) and over **830,000 merchants**, providing issuing and acquiring services in **15 countries**.

SIA Group	2014
Payment cards managed	<b>65 million</b>
Merchant portfolio	<b>830,000</b>
Issuing and acquiring geographic coverage	<b>15 countries</b>

Due to the definitive migration to SEPA, the trend of **volumes on domestic collection and payment channels** highlighted a **decrease in transactions of 61.5%** in 2014, mainly caused by the **phasing out of credit transfers and commercial collections**. The **constant decrease in volumes of bank checks** continues (approximately -6.5% compared to 2013), confirming the trend of replacement seen in recent years in favor of electronic payments.

As far as cards are concerned, 2014 saw a significant **increase in operations with prepaid cards** (+21.1%) and with **credit cards** (+7.1%) compared to 2013. There was also a **rise** of 11.9% over 2013 in **purchase transactions at POS and withdrawals at ATMs** (respectively PagoBancomat and Bancomat debit cards) and of +5.8% in **international debit transactions** (Maestro and Visa Electron/Vpay), confirming the growth trend of this market.

In addition, the development and creation of **mobile payment** solutions continued: during 2014, three major Italian financial institutions with the two leading telecom operators **launched payment services via Smartphone with NFC technology** (Near Field Communication), through **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.

2014 was the year of "**Jiffy**", the SIA solution allowing users to transfer money via Smartphone in real time to a payee identified by their phone number and with **immediate availability of funds**: the debit and credit in fact take place directly on the current account through a "real time" credit transfer executed via the home banking service with absolute security. The launch was accompanied by an intensive marketing campaign, which led **10 Italian bank groups – representing a market share of over 60% of domestic current accounts – to subscribe to the service**.

*CENTRAL INSTITUTIONS*

During 2014, SIA Group pursued the objective of internationalization by consolidating its positioning with **central banks** and through the development of project and sales activities in new geographic areas.

In the area of Payment Systems, the partnership with EBA Clearing was strengthened further. SIA successfully completed the migration of credit transfers and direct debits to the new European standards provided for by the SEPA end-date. The volumes processed by the **pan-European technology platform STEP2** managed by SIA on behalf of EBA Clearing, to which over 4,800 financial institutions in 34 countries are connected, have grown exponentially, confirming both the significant improvement in the processing capacity to handle the domestic volumes of the various European communities, and the great reliability of the service.

Worthy of mention, in particular, in 2014 are the **9 billion-plus payments**, with an **increase** of over **500%** compared to 2013 and with a **maximum daily peak of 124 million operations** reached in July, **made up of over 96 million collections and 28 million credit transfers**.

In terms of e-payments, SIA has also contributed actively to the pan-European initiative **MyBank by Preta** (a subsidiary of EBA Clearing), which permits purchases to be made online via the user's own home banking service, by managing the **new centralized directory service**.

	2014
SEPA payments managed on STEP2, of which	<b>9 billion</b>
Credit Transfers (SCT)	<b>3.8 billion</b>
Collections (SDD)	<b>5.2 billion</b>

As far as projects for central banks and the solutions of subsidiary Perago are concerned, 2014 saw the completion of the projects for the Central Banks of Lebanon and Palestine relating to the implementation of the ACH system. After winning the tender, work also began on developing the project relating to the new CSD system in Kenya.

#### *CAPITAL MARKETS*

In the area of Capital Markets, SIA Group's international positioning was consolidated above all through the management and development of new functionalities for London Stock Exchange Group, for which SIA confirmed its role as one of the main technology partners for the **fixed income trading (MTS) and post-trading (Monte Titoli) service platforms**.

Last year, a total of over **30 billion transactions** were managed on **financial markets**, with **5% growth** compared to 2013. In detail, the platform for **MTS** reached total volumes of around 29.8 billion transactions, +5% compared to 2013, while the **Monte Titoli** platform processed around 0.4 billion transactions (+13%).

	2014
Trading and post-trading transactions	<b>30.2 billion</b>
Financial intermediaries using SIA's compliance and surveillance systems	<b>over 100</b>
Countries served	<b>18</b>

Design activities continued for TARGET2-Securities (T2S) to permit access to the new single European platform promoted by the European Central Bank for settlement of transactions in domestic and cross-border

securities, the go-live of which for central depositories that subscribed to the first “wave”, such as Monte Titoli, is planned for June 2015.

The evolution of the **compliance proprietary technology SIA-EAGLE Surveillance** (already in use in Brazil at CVM - *Comissão de Valores Mobiliários*) also continued with the aim of consolidating the positioning on the international market and addressing the emerging needs deriving from the new European and international regulations, with specific attention to the IOSCO guidelines.

Overall, **more than 100 financial intermediaries in 18 countries use SIA's compliance and surveillance systems.**

#### *CORPORATE*

During 2014, the Group focused mainly on the consolidation of Corporate clients and on interesting new lines of development in the utility sector, the insurance industry and for Payment Institutions.

In the area of **Payment Factory services** which permit the exchange of domestic and international collection and payment flows with all financial players, the **Multinetwork** infrastructure (centralized management of large companies' treasury relations) saw an **increase in revenues of 29.3%** over 2013.

Growth can also be seen in the volumes of the **multichannel Gateway** (+21.3%) that permits users to **pay bills and postal payment slips at around 190,000 points of contact** with the retail clientele, distributed among commercial networks and bank networks.

With regard to **e-money**, a significant increase was seen in **eCommerce services** (+52.7% on 2013) as well as a positive trend for **mobile payments**, thanks to the NFC payments platform made available to the major Italian telecom operators. There was also a 3.5% rise in the volumes of services for the **oil sector** (fuel cards and electronic fuel vouchers), while the car parking and mobility sector confirmed the growth of **Fastpay** volumes (+6.9%).

A 12% rise was seen in the number of POS terminals managed at year's end – more than 70,000 – in the telecom, oil and insurance sectors and in the segment of electronic meal vouchers.

**Revenues rose by 5% also for EasyBox**, the integrated platform developed by SIA to simplify the operations of electronic money institutions (ELMI) and Payment Institutions, thanks to the activation of new collection and payment services.

	<b>2014</b>
Payment services for businesses (Multinetwork)	<b>+29.3%</b>
Multichannel payments (Gateway)	<b>+21.3%</b>
eCommerce	<b>+52.7</b>
Fastpay (car parking and mobility)	<b>+6.9%</b>
POS terminals	<b>+12.2%</b>

## *PUBLIC SECTOR*

Last year, the **Public Sector Division** was set up with the aim of **overseeing the Italian Public Administration market** and contributing in an effective manner to the **process of digitalization of the country system**.

The initial activities were definition of the strategy and development of new solutions and services, with a **focus on the Local PA market**.

For this purpose, the first objective was to **address the needs of citizens and Bodies**, in terms of **simplifying and streamlining the collections and payments cycle**, including **electronic invoicing, dematerialization and digitalization of administrative documentation**.

The **EasyCity** platform was designed, the only one of its kind in Italy, which automates and integrates public sector accounts receivable and payable, while guaranteeing connection to the **AGID Payment Node** and to the **Sogei Inter-exchange System (SdI)**. As far as payments and electronic invoicing are concerned, the EasyCity solution guarantees timely accounting and reconciliation of information with the accounting systems of public sector bodies and the complete digitalization of processes from a "paperless" viewpoint (transfer of digital documents to a custodial system).

On this point, it should be noted that SIA was among the first companies to be **enrolled in the register of active accredited custodians at the Agency for Digital Italy (Agenzia per l'Italia Digitale)**, referring to parties qualified to perform the custody of electronic documents.

In the **healthcare** field, in addition to extending the services available to citizens, an innovative platform has been set up which will be launched shortly and which will permit the management of electronic payments at hospitals.

## *NETWORK SERVICES*

There is an **increase (+11%)** in the **total traffic of data carried on the 180,000 km of SIAnet**, the multi-services broadband technology infrastructure network, and a **more than doubling (121%) of the installed band availability**, from 84 to 185 Gbps.

This is mainly due to the strengthening of the "Financial-Ring" that permits financial intermediaries to gain access, through a high speed and low latency single network infrastructure, to international stock markets using the hubs in Milan, London, Budapest, Frankfurt and New York. At present, **23 trading venues operating in Europe and the United States** are connected.

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

The streamlining of some sites and the enhancement of the band capacity on the premises of the most important clients has led to a slight reduction in the number of **active nodes**, from 580 to **561** (of these, **411 are in Italy and 150 are in the rest of Europe**).

For the fifth 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.

	<b>2014</b>
Total increase in network traffic	<b>+ 11.1%</b>
Total band available	<b>185 Gbps</b>
Trading venues connected to the Financial Ring	<b>23</b>
Total active nodes	<b>561</b>
Nodes active in Europe	<b>160</b>
Network availability 24/7	<b>100%</b>

It should be noted that 2014 was the turning point for the **development of the offering related to Secure Messaging services in Europe**, boosted by the completion of the migration process to SEPA. The opening up of the market of European network services introduced by SEPA has promoted the spread of SIA's Secure Messaging, especially in those countries, like Germany, which have made a system choice in the sector of SEPA transaction processing by connecting to EBA Clearing's STEP2 platform, accessible from the beginning also through the SIAnet network.

The granting to SIA by the European Central Bank of one of the two licenses as Network Service Provider for access to the new TARGET2-Securities platform has driven the development of a series of ancillary services including a new product to integrate network solutions for T2S with the securities back-offices of CSDs and Global Custodians, plus a complete offering for the extension of T2S services to the customers of CSDs.

In the Transaction Collection Management sector, with the release of a monitoring and control via web solution, the **integrated technology platform for the collection of transactions via the POS of merchants using all the available connection channels** was completed. This new service offering is aimed at banks, terminal handlers and other acquirers who, by expanding their reference market at international level (also following the developments of SEPA in the cards sector), find in SIA a single technology partner able to manage the so-called "last mile of payments", regardless of the type of connectivity employed or the country in which the transaction originated.



**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 2014, SIA managed 9.2 billion credit transfers and collections and 3 billion card payments, 30.2 billion trading and post-trading transactions and carried 326 terabytes of data on the network.

The Group is made up of six companies: the parent **SIA**, the Italian companies **Emmecom** (innovative network applications for banks and businesses), **Pi4Pay** (services for Payment Institutions), and **TSP** (front-end services for companies and P.A.), **Perago** in South Africa and **SIA Central Europe** in Hungary.


The Group, which has approximately 1,500 employees, closed 2014 with revenues of €426.3 million.

For more information, go to: [www.sia.eu](http://www.sia.eu)

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