Fondi italiani per le infrastrutture SGR

PRESS STATEMENT

F2i distributes more than €50 million to investors

Rome, 24 July 2013.

<u>Fund report at 30 June 2013</u>

F2i's Board of Directors has approved the Report as of 30 June 2013 for the first F2i Fund and has approved the distribution of €52.2 million to investors.

The €52.2 million distribution, of which €42.2 million in the form of dividends and approximately €10 million as capital reimbursement represents the greatest distribution of proceeds to investors that has been made since the Fund was set up.

This level of remuneration was possible thanks to the Fund's half-year profit of €47.3 million, deriving from €54.9 million of revenues, mostly from the receipt of dividends from companies in which the Fund holds stakes, and in particular from: Enel Rete Gas, Metroweb Italia and Gesac (the management company of Naples airport). Costs amounted to €7.6 million, principally as management fees for the SGR.

For the entire 2013 financial year the overall forecasted revenue is €77.2 million - a record in the history of the Fund - thanks to dividends from companies in which the Fund holds stakes. This equates to a gross annual yield of 5.1% for the Fund (4.1% in the first half-year period) and an annual remuneration of 4% for investors, after accounting for costs.

In the half-year period the first Fund had an equity disbursement of €214.3 million, with 3 operations on portfolio companies and the acquisition of 22.79% of SAGAT (the management company of Turin airport); this brought the total equity disbursement of the Fund for acquisitions to €1,542.2 million as of 30 June 2013.

The Fund's NAV at 30 June 2013 is equal to €1,597.5 million, calculated on the basis of the historical purchase cost.

Exclusively for investor information purposes, F2i also estimated the Fair Value of the first Fund's shareholdings (with a DCF methodology). The overall value of the portfolio was estimated at circa €1,914 million, which represents a potential value creation of €475 million vis-à-vis historical cost, implying an IRR for investors of more than 10%.

The Fund has reached total commitments of €1,771 million - 95,6% of the capital subscribed by investors (€1,852 million) - including future commitments that have been agreed contractually and ongoing development projects.
In terms of asset allocation, the portfolio presents a prevalence in the airport sector with 37.4% of the total invested, followed by gas distribution (27,1%), fibre optic networks for TLC (14.2%), the water sector (11.9%) and renewable energies (7.4%).
The Board has also approved the report of the second F2i Fund, which is still in a start-up phase, but which has already raised €610 million, or 50.8% of its target (€1,200 million). Moreover, as of 30 June 2013 the Fund has committed €225 million for two investments (including development costs) in the environmental and airport sectors (SEA, in joint investment with the First Fund, and TRM, Turin's waste-to-energy plant).

SGR half-year report and reduction of management fees

The Board has also approved the SGR's half-year report and has revised the 2013 Budget and the 2014–2017 Plan. In particular, the new Business Plan that was presented to the Board includes a proposal for the reduction of the annual management fees - from 0.9% to 0.8% of the invested total -– paid by the first Fund to the SGR. With this step F2i SGR, that was already a «best in class» in terms of management fees, confirms its positioning at the minimum levels charged by private equity Funds (that are on average between 1% and 2%), reiterates its focus on costs for investors and, through this reduction, makes more resources available for the Fund and its investors.
The Board has acknowledged the possibility of making a similar reduction for the fees of the Second Fund in due course.
The Board has approved the commencement of the authorisation process for the management fee reduction proposal via an amendment of the Fund's Regulations.
This variation of the fee, which should apply as of 2013, will not affect the economic and financial solidity of the SGR, that ended the first 6 months of 2013 with profits of €670,000, cash and equivalents of €27.8 million and supervisory capital of €15.8 million.

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