

AIFI

Italian Private Equity and Venture Capital Association

The Italian Macroeconomic Scenario

Innocenzo Cipolletta

AIFI Chairman

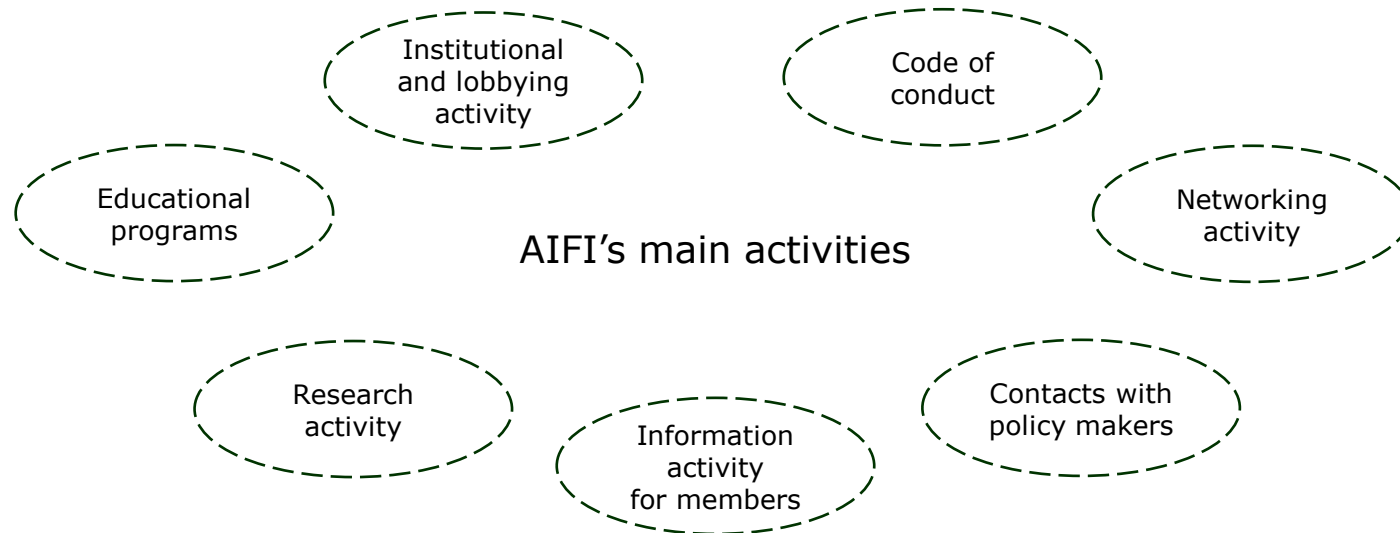
London, 28th May 2013

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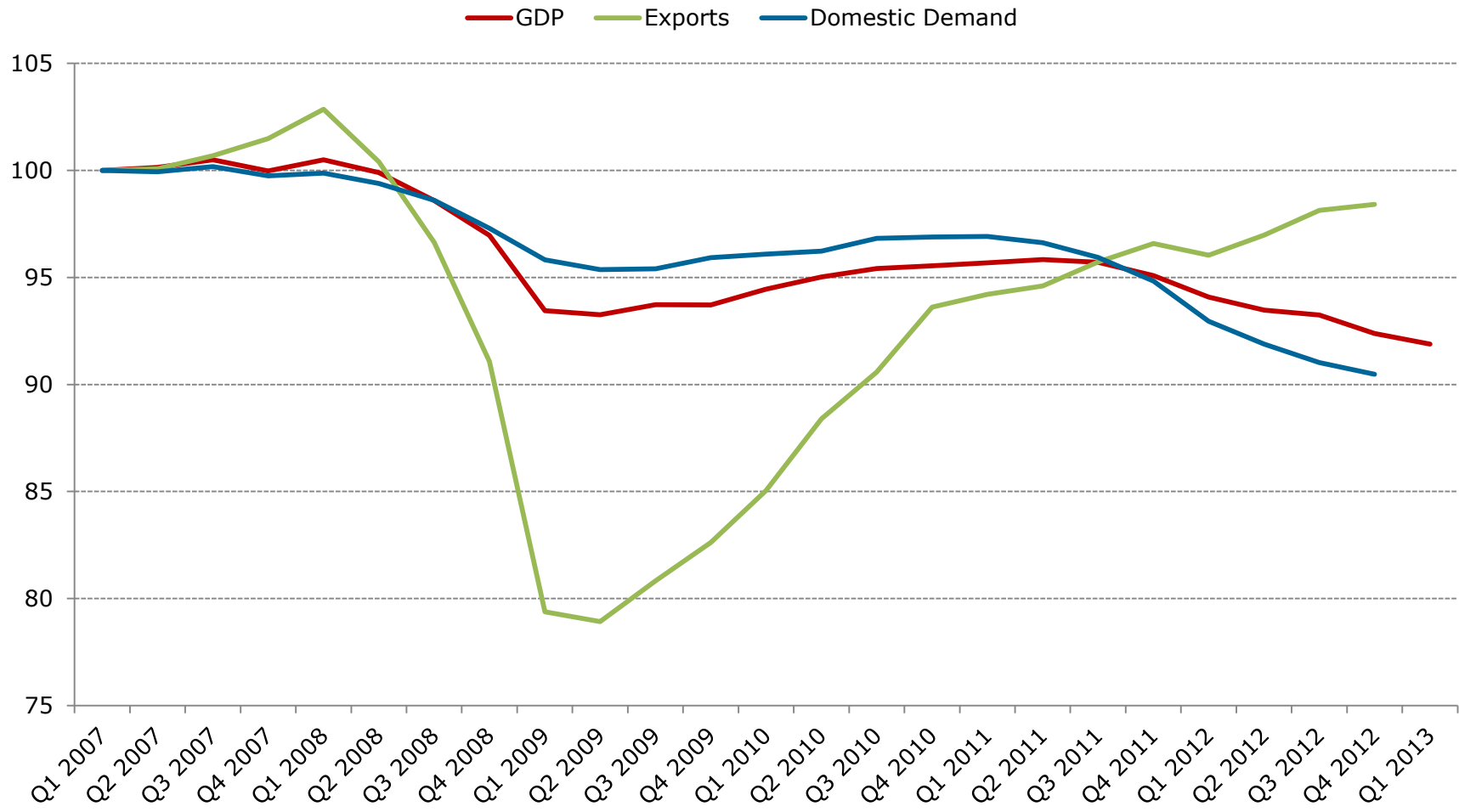
AIFI is the Italian Private Equity and Venture Capital Association, born in 1986 to promote, develop and institutionally represent the private equity and venture capital activity in Italy.

120 full members → Italian closed-end funds, investment companies, pan European players, public players

120 associate members → Accountancy firms, law firms, banks, consultancy groups, institutions, Italian and foreign associations

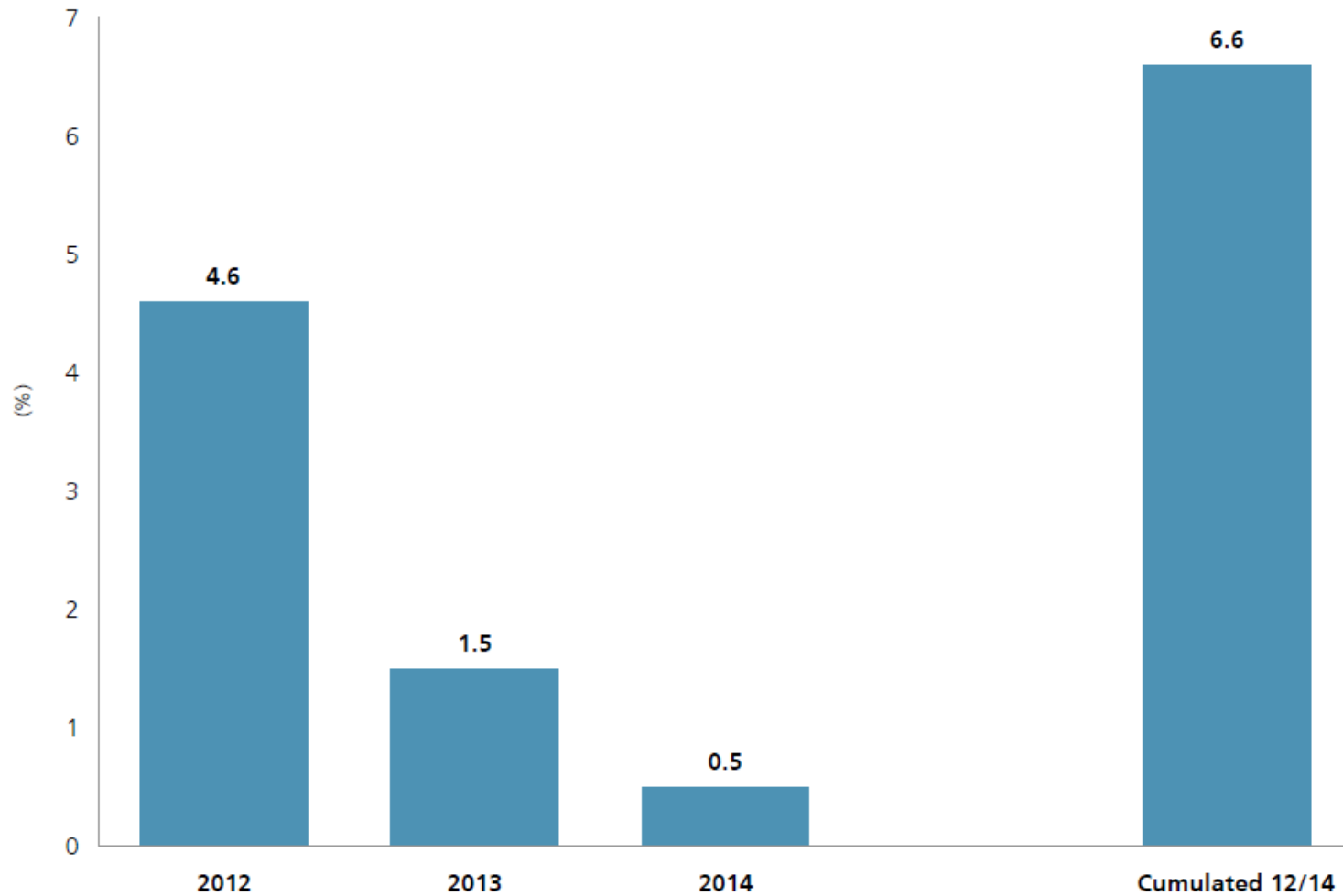


Some features of the Italian economy



Monti Government measures to reduce public deficit

Interventions on public deficit in % of GDP



Forecasts for the Italian economy

<i>In % GDP</i>	2012	2013	2014	2015	2016	2017
GDP (growth rate)	-2.4	-1.3	1.3	1.5	1.3	1.4
Public deficit	-3.0	-2.9	-1.8	-1.7	-1.3	-1.0
Structural public deficit	-1.2	0.0	0.4	-0.2	-0.4	-0.6
Primary deficit	2.5	2.4	3.8	4.1	4.7	5.1
Tax burden	44.0	44.4	44.3	44.1	43.9	43.8
Public debt	127.0	130.4	129.0	125.5	121.4	117.3
Public debt (net of support lending) ¹	124.3	126.9	125.2	121.8	117.8	113.8

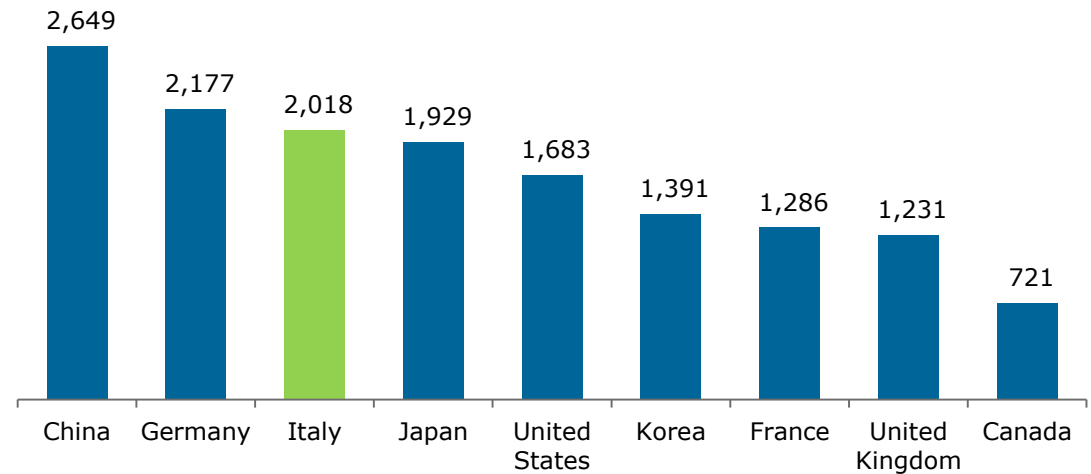
¹ Support lending towards Greece and Italian portion of ESF (European Social Fund) and ESM capital (European Stability Mechanism)
 Source: Italian Ministry of Economy and Finance, 2013

Italy in the international industrial scenario

Share % of the first 20 manufacturers on the global industrial production in 2011

1°	China	21.7
2°	USA	14.5
3°	Japan	9.4
4°	Germany	6.3
5°	South Korea	4.0
6°	Brasil	3.5
7°	India	3.3
8°	Italy	3.3
9°	France	2.9
10°	Russia	2.3
11°	UK	2.0
12°	Spain	1.7
13°	Mexico	1.6
14°	Indonesia	1.6
15°	Canada	1.6
16°	Taiwan	1.5
17°	Netherlands	1.1
18°	Australia	1.0
19°	Turkey	1.0
20°	Poland	0.9

Number of products in which each country shows a trade surplus



Index of competitive excellence of Italy in the world export market

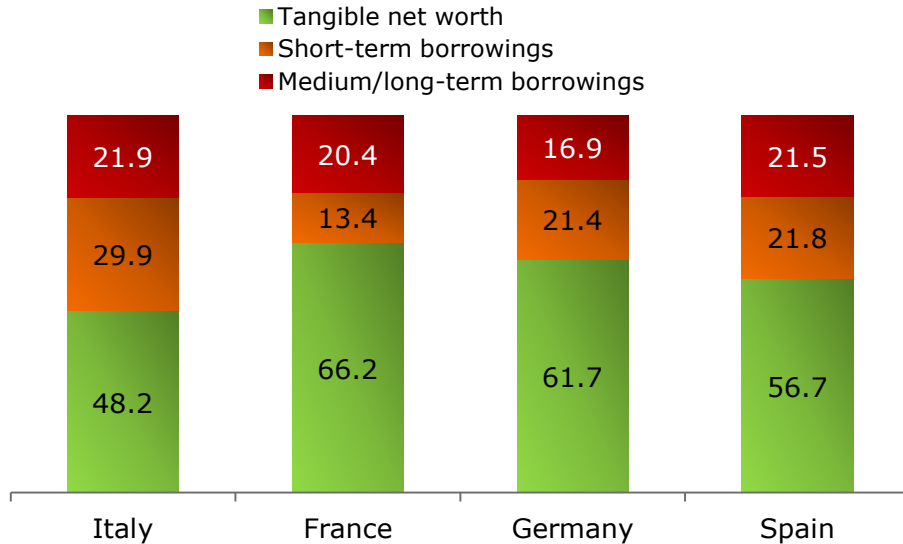
Italy positioning in the export world trade	Number of products	Value of products
First	249	71
Second	347	56
Third	387	48
Fourth	317	49
Fifth	293	29
Total	1,593	253

Note: net export, 2011

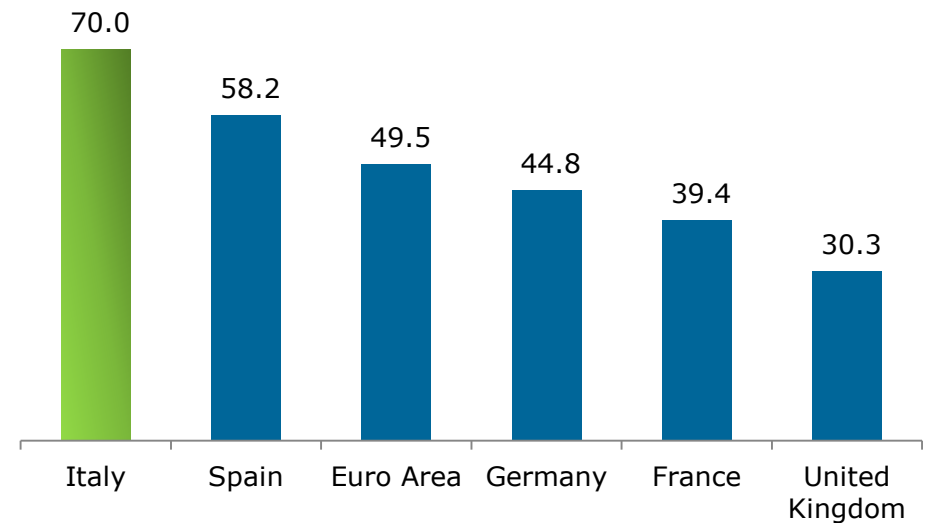
Source: World Bank, Fondazione Edison, Fortis - Corradini's Index

The financial structure of the Italian companies

Composition of tangible capital invested of medium-sized companies (2009)



Share of bank borrowings



Source: Bank of Italy, Mediobanca

Conclusions

- The Italian economy, although presently global suffering from a decrease in internal consumption, is composed by an healthy number of successful companies in the mid-market sector, historically the “bread and butter” of the private equity industry
- The current economic environment, coupled with historical characteristics of Italian companies, highlights that the need of private equity intervention is strong and higher than ever
- Private equity in Italy is still a relative underdeveloped industry, if compared with other developed countries, and the difficult fundraising environment in the last four years has decreased even further the level of competition



The time to invest in the Italian PE industry is NOW!

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