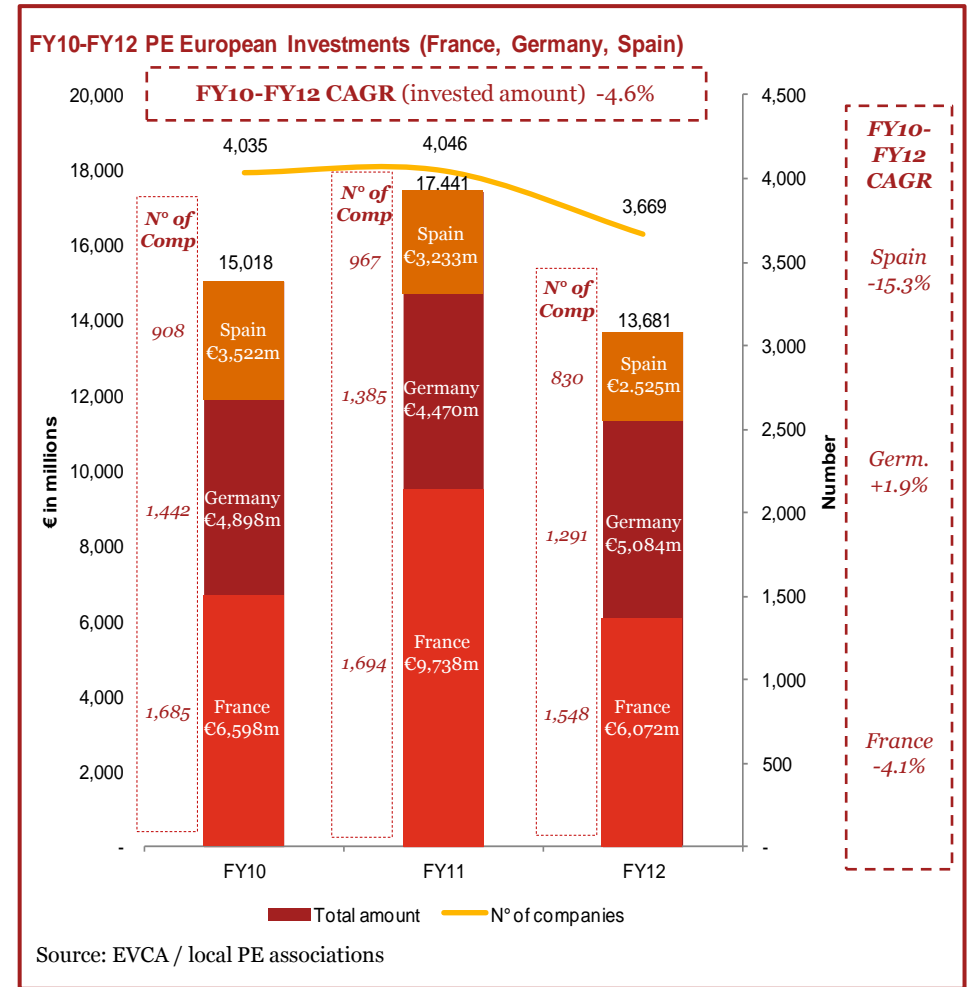
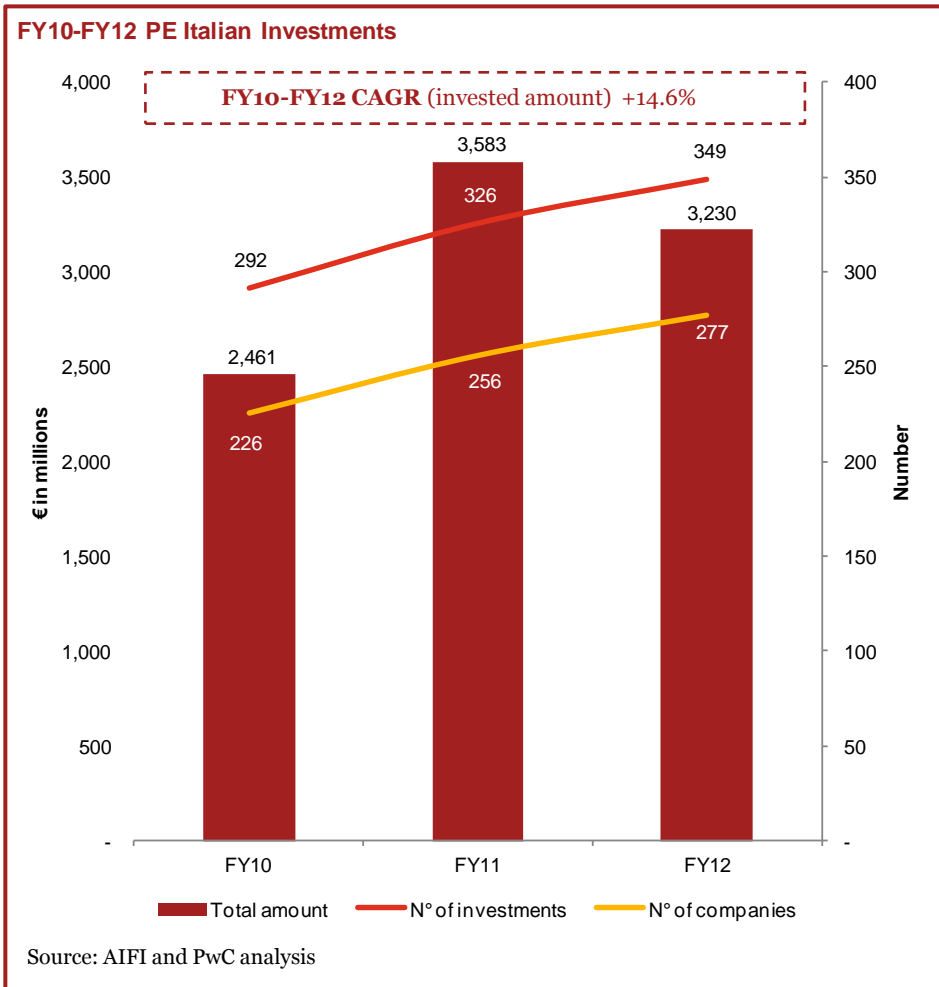


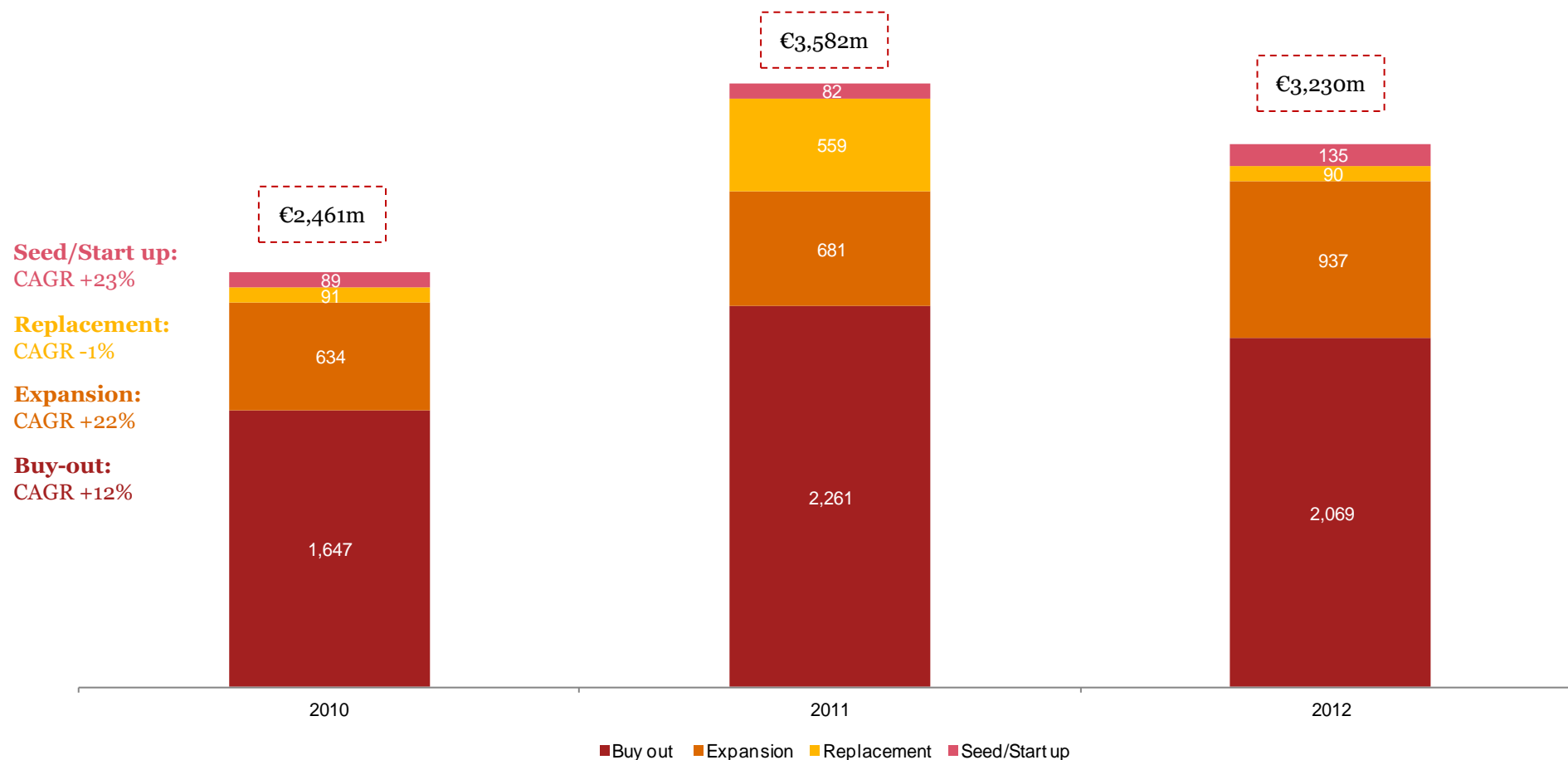
Investing in Italian Private Equity - Market trend

Francesco Giordano

Despite difficult European economic scenario, amount invested by PE and VC in Italy raised at a CAGR of 14.6% in the last 3 years vs a -4.6% CAGR registered by the other main continental European countries



Buy outs account for approximately 64% of total 2012 investments and show an increasing trend in the last 3 years (+12%)



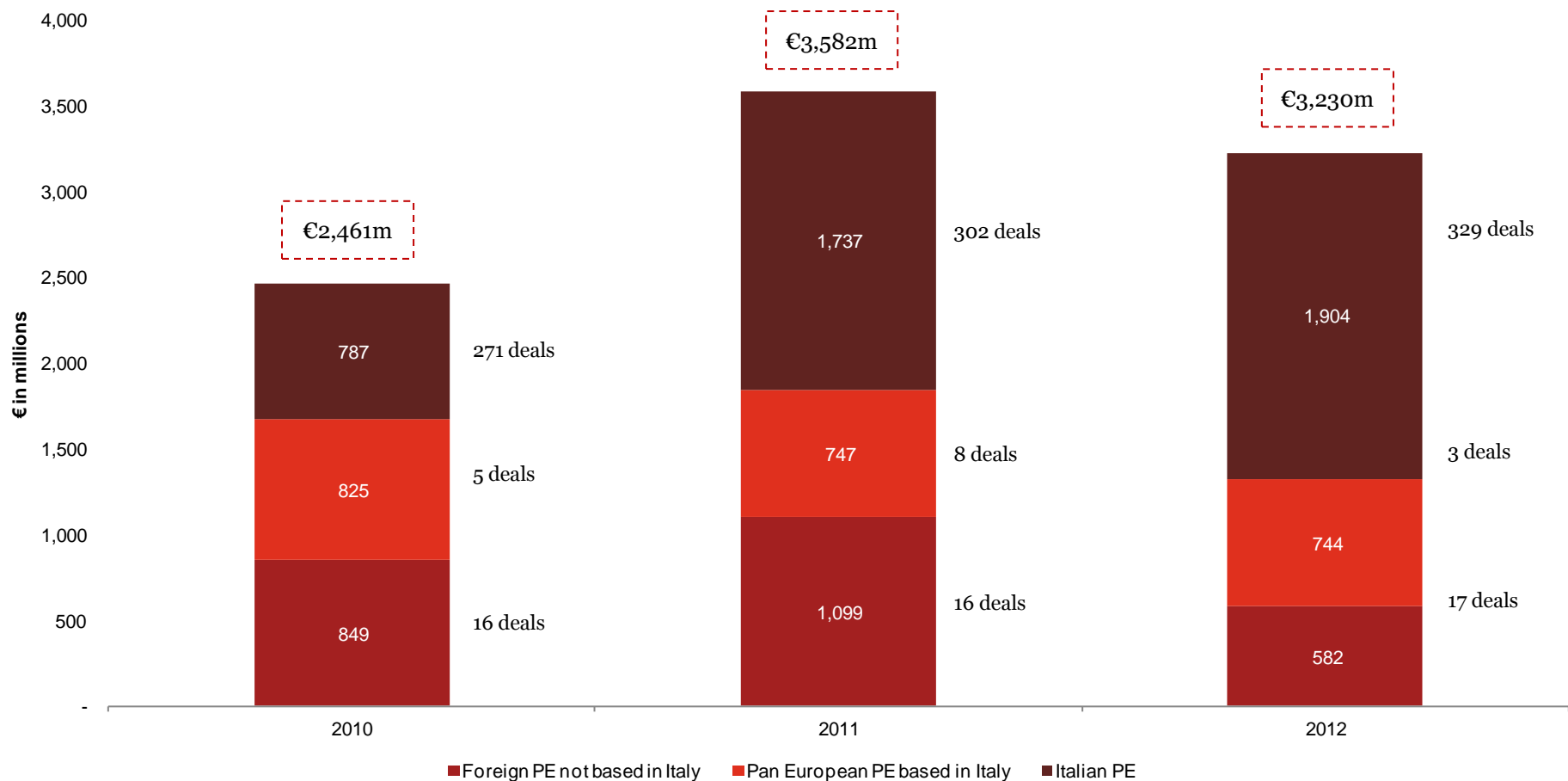
Source: AIFI and PwC analysis

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PwC

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The vast majority of 2012 investments (94% in terms of Number and 59% in value) were made by local PE, with a increasing trend in the last 3 years



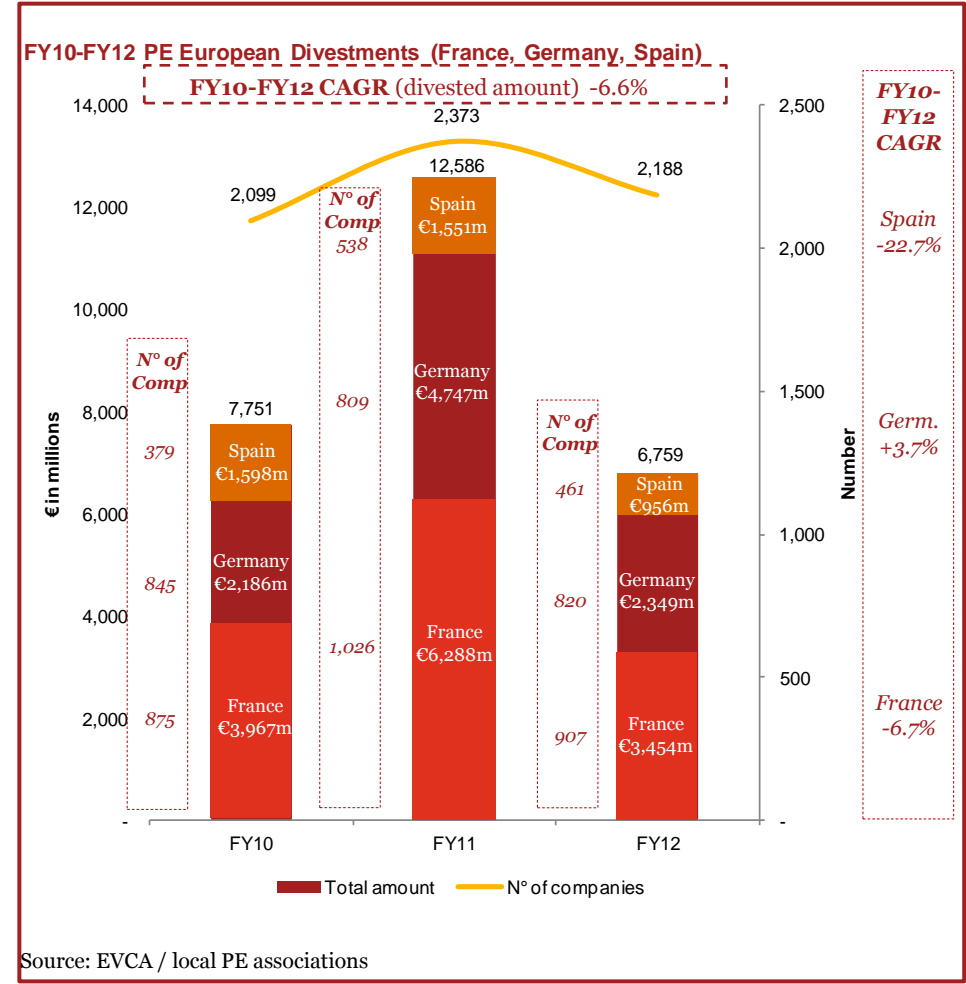
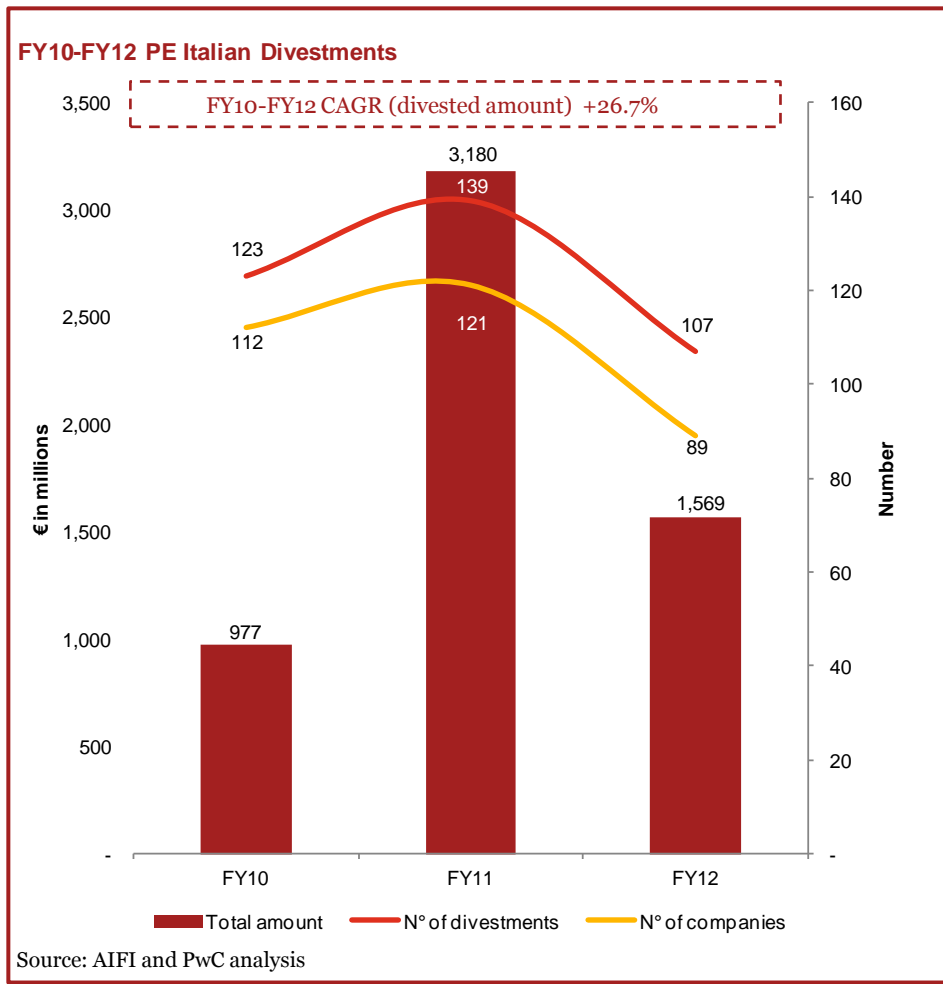
Source: AIFI and PwC analysis

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Italian divestments suffered in 2012, however last 3 years trend of amount divested is still very positive (CAGR +26.7%) compared to the main continental European markets (CAGR -6.6%)



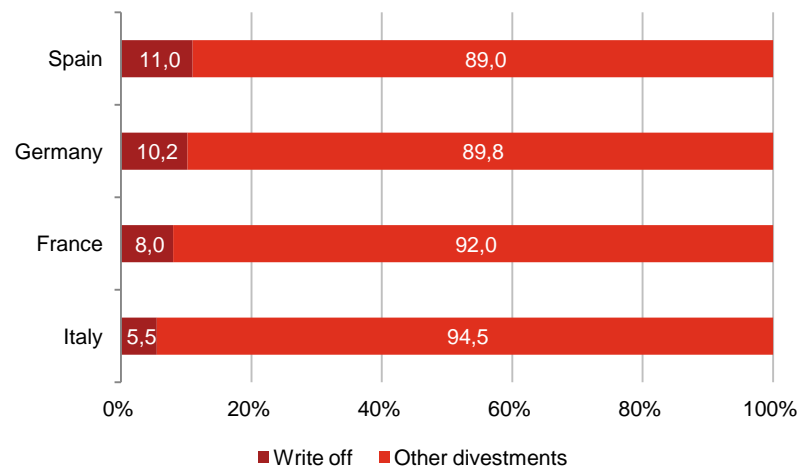
Main peculiarities of the Italian market



Personal relationships are still a key success factor to make deals in Italy. Although we see an increasing trend in auction processes, the percentage of proprietary deals is still higher than in other “mature” economies

Italy has a lower level of write-offs compared to other Continental European countries

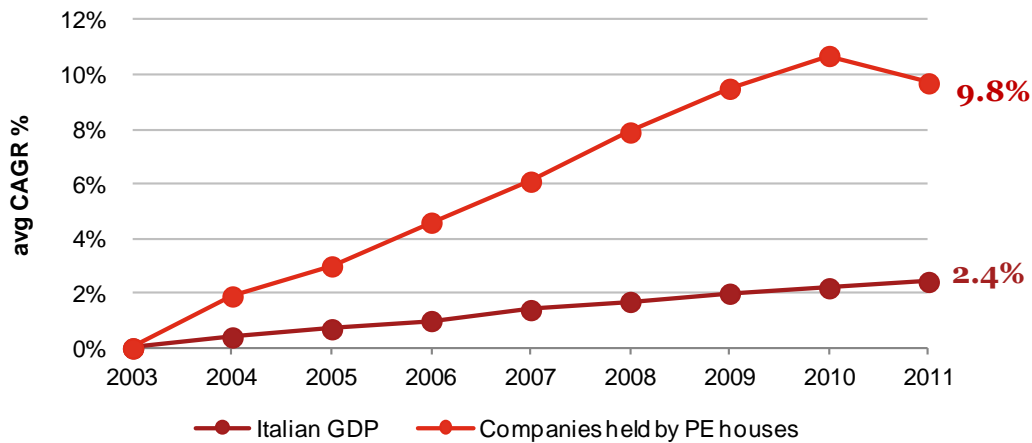
Avg write off on total divestments



Source: AIFI / EVCA / local PE associations

Our recent study shows that the PE / VC industry had a positive impact on the Italian economy by accelerating companies growth. The 360 PE backed companies analysed, generated c. 35k new jobs between 2003 - 2011

Italian GDP vs companies held by PE

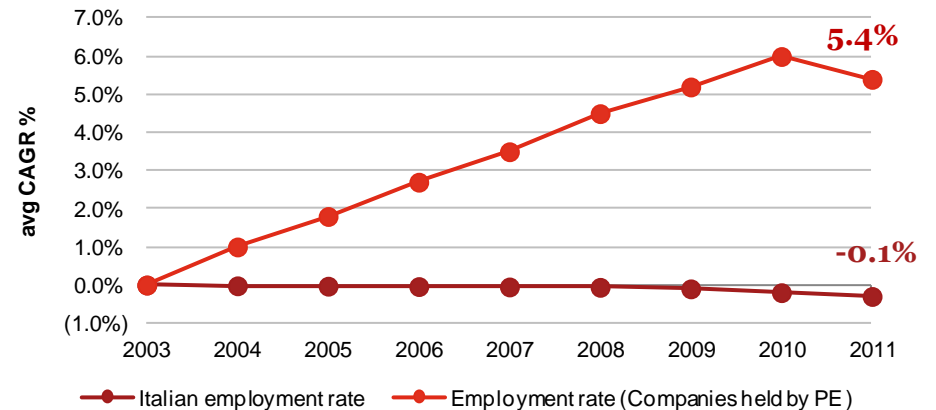


The Revenue growth of PE backed companies was significantly higher than Gross Domestic Product (GDP) growth.

Source: ISTAT, AIFI and PwC analysis

Over the period 2003-2011 the Employment growth rate in PE backed companies was higher compared to the Italian employment growth rate.

Italian employment rate vs companies held by PE



Source: ISTAT, AIFI and PwC analysis

In the period 2003-2011, PE and VC backed companies outperformed other similar sized companies both in terms of revenues and EBITDA growth

