

F2i – Fondo Italiano per le Infrastrutture

Sovereign Wealth Funds, Long Term Investment and Growth

The Art and Science of Co-Investing

June 2013

F2i position in the Italian infrastructure market

F2i was created in 2007 by the main Italian public and private financial institutions to facilitate local privatisation and infrastructure spin-offs from the largest Italian groups



- With an amount equal to **€ 2,5 billion**, F2i is the largest Italian infrastructure asset manager and one of the most important in Europe
- Its portfolio includes some of the major Italian infrastructure (such as the Milan airports, the broadband Milan network, the second largest Italian gas distribution company)
- Its Sponsors include: State-owned bank Cassa Depositi e Prestiti; the two largest Italian Banks (Banca Intesa San Paolo and Unicredit); some of the largest Banking Foundations; two Italian Pension Funds
- Management team with decades of experience in infrastructure, led by Vito Gamberale (40 years of experience in the sector)



F2i has launched its Second Fund, with total Fund target size € 1,2 bn

F2i I Sponsors and Investors by type

Investors	Number of entities	Amounts (€ mln)	% of the Fund
Banks	7	593	32,02%
Pension Funds	13	487	26,30%
Banking Foundations	25	439	23,70%
Insurance Companies	4	175	9,45%
Sovereign Financial Institutions (CDP)	1	150	8,10%
Sponsor & Management	n.a.	8	0,43%
Total		1.852	100%

Summary of Key Terms



Fund Characteristics

- Size: €1.85bn
- Duration: Up to 15 (+3) years (expected average life 7,5y)
- Investment Period: 4 (+2) year
- Legal Structure: Limited liability partnership
- Management Company: F2i SGR

Diversification Rules

- Greenfield limited to <20% of the fund
- Single assets limited to <20% of the fund (25% with Advisory Board); 25% (30% with advisory Board) for regulated assets

Investment Focus

- Italian infrastructure opportunities
 - Power and gas infrastructure
 - Airports
 - Telecom infrastructure
 - Transportation
 - Environmental services (water, WTE, ...)
- Equity or quasi-equity
- Majority or influencing minority stakes, playing an active investor role

Co-investment Rights

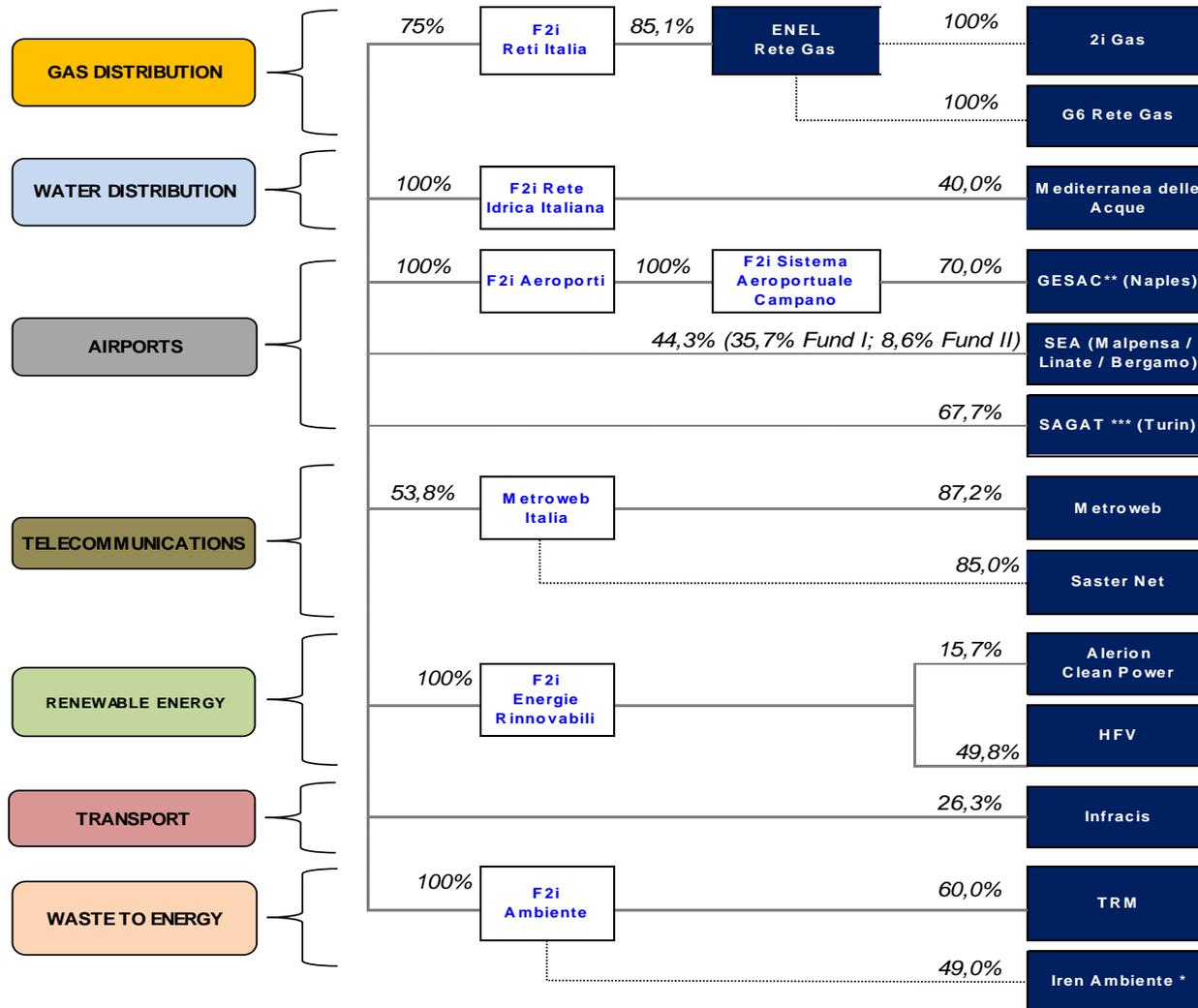
- Sponsors and Core Investors (>=60mln) have co-investment rights

Solid Target Returns

- Minimum Target Return (“hurdle rate”): IRR = 8% gross per year (on average)
- Target gross returns: 12-15%
- Annual cash distribution of 4-6% of invested capital

F2i I and F2i II Investment Portfolio

F2i I



	Committed (M€)	Drawn (M€)	%
2i Gas	350	350	100%
G6 Rete Gas	68	68	100%
Mediterranea delle Acque	235	184	78%
GESAC** (Naples)	90	68	75%
SEA (Malpensa / Linate / Bergamo)	532	532	100%
SAGAT *** (Turin)	116	63	55%
Metroweb	201	201	100%
Saster Net	18	18	100%
Alerion Clean Power	78	64	82%
HFV	56	54	96%
Infracis	31	31	100%
TRM	122	0	0%
Iren Ambiente *	136	0	0%
Total	2.033	1.633	80%

* Projects already approved by F2i's Board of Directors, now ongoing

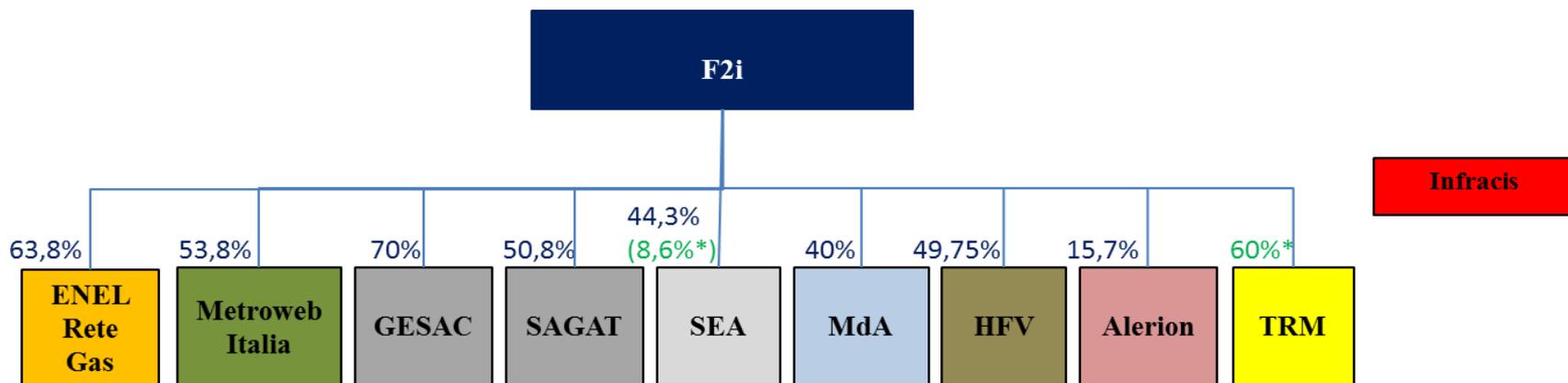
** Including the participation in Software Design

*** Including shares of Equiter (put & call 2014), SAB (put 2014) and Aviapartners



The F2i “Group”: Current Portfolio

The current F2i portfolio is performing overall in line or better than expectations.



	ENEL Rete Gas	Metroweb Italia	GESAC	SAGAT	SEA	MdA	HFV	Alerion	TRM	<u>Aggregated</u>
Revenues 2012	689	63	71	63	621	131	41	79		1758
EBITDA 2012	360	52	23	14	141	51	32	49		722
Margin	52%	83%	32%	22%	23%	39%	78%	62%	Under construction	41%
Cap-ex 2012	151	12	14	13	112	29	62	21		414
Personnel 2012	2043	43	311	403	5054	406	10	101		8371

* Second Fund F2i

F2i's Partners

- During its first years of activity, F2i has built strong relationships and partnerships with Italian Institutions and Italian and international operators and financial investors

F2i's Partners

Enel Rete Gas



 Financial Co-Investors

MdA



SEA



Gesac



Sagat



Metroweb



TRM

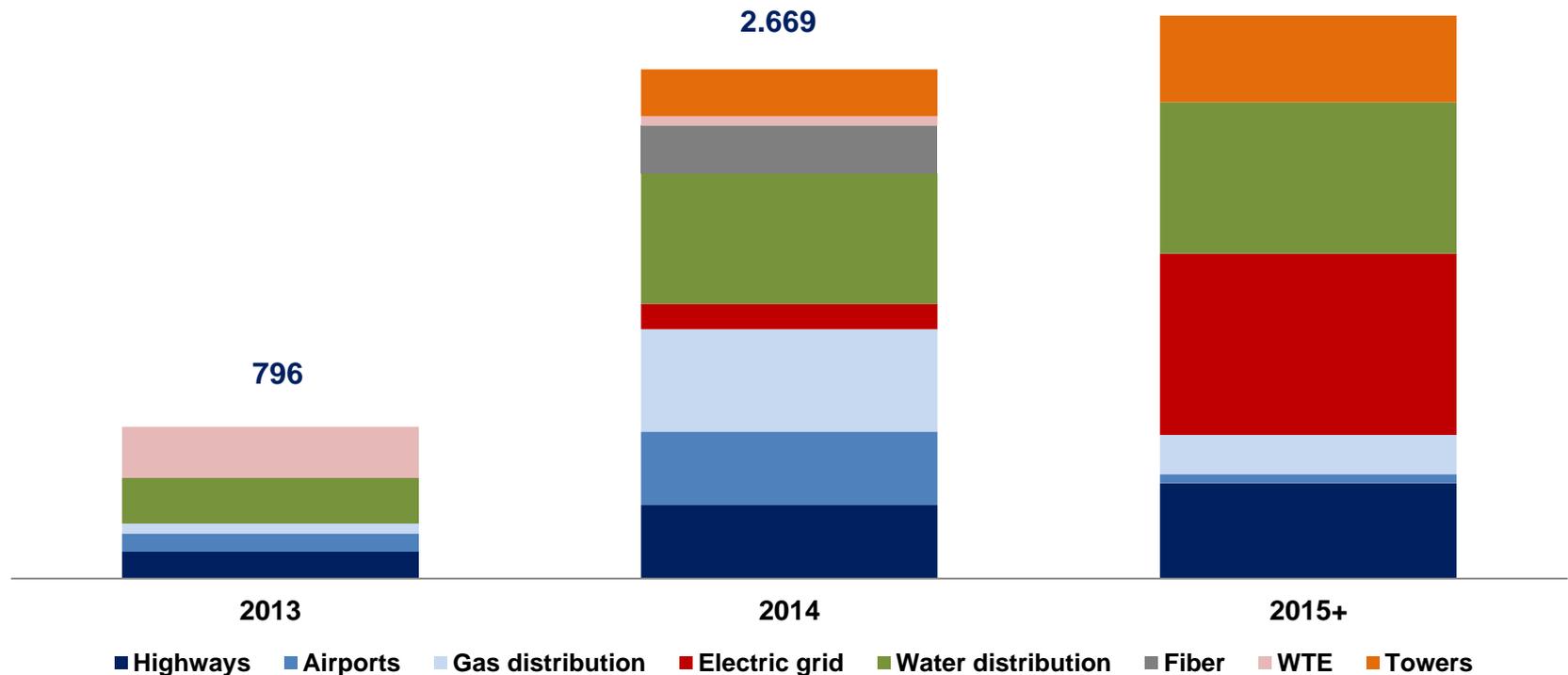


Pipeline and Investment Opportunities

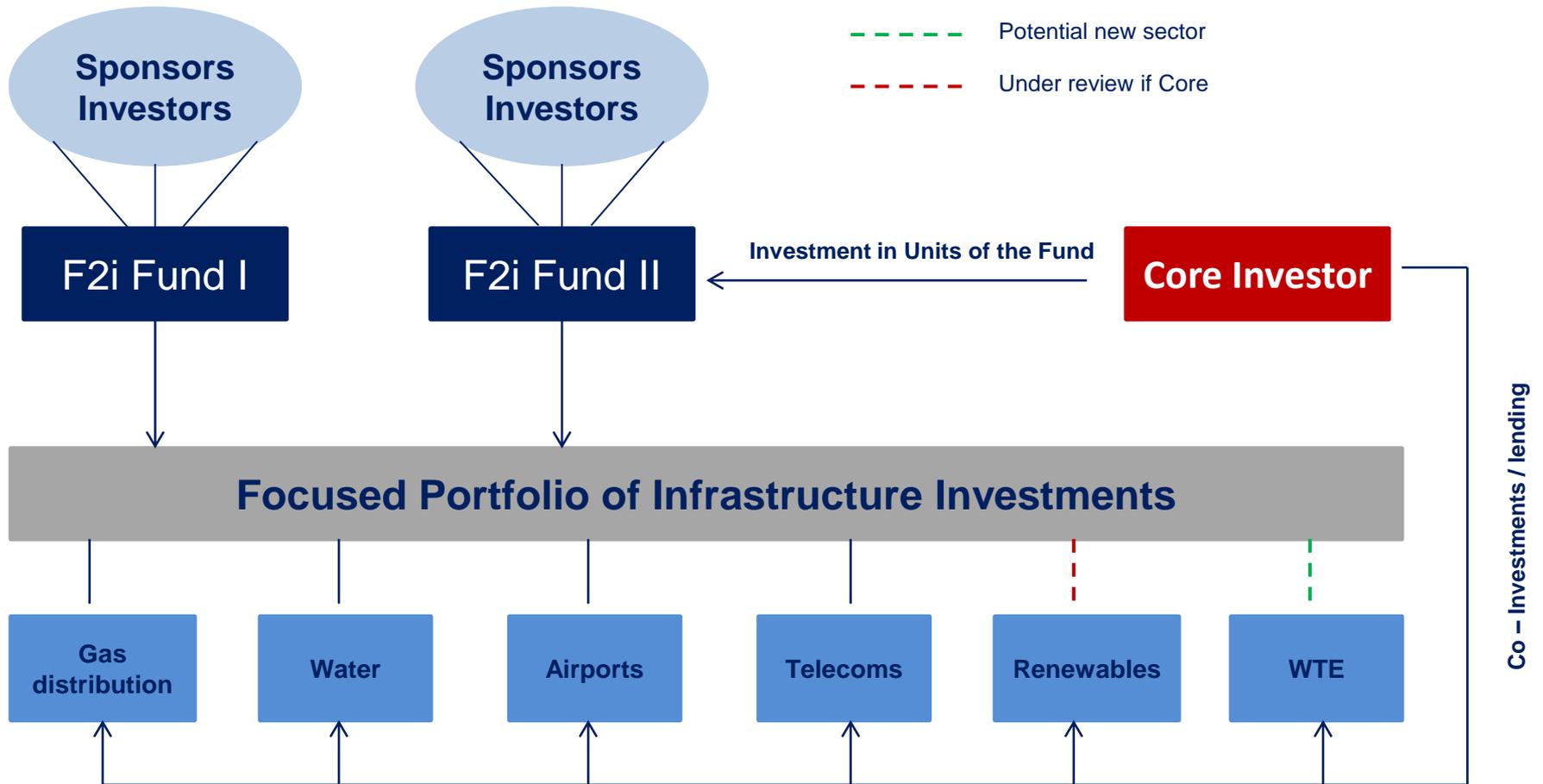
F2i has conducted together with Boston Consulting Group an in-depth market study of Italian infrastructures. The study, based on a bottom-up analysis of infrastructure players in the country, has identified an equity investment opportunity in excess of € 6.4 bn in the next three years, focusing on brownfield only within the infrastructure sectors identified as targets by F2i.

Investment opportunities for F2i (data in € mln)

Total 2013 - 2015: € 6.417 mln

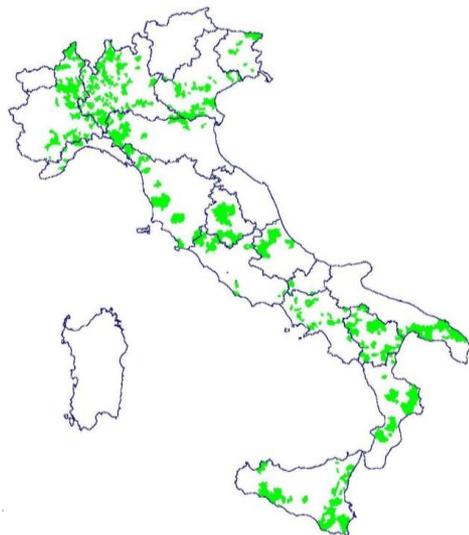


Role of Core Investors (> €40MM) in F2i's Strategy

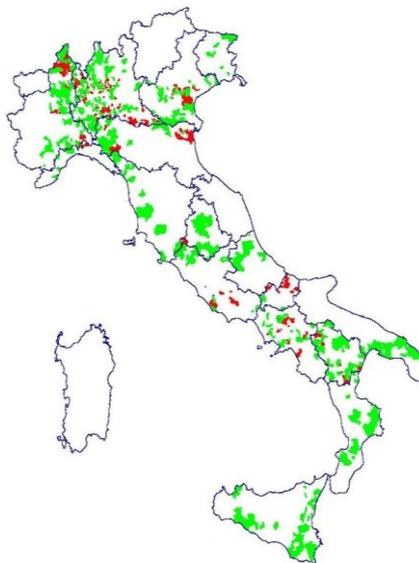


CO-INVESTMENT CASE STUDY: CREATION OF THE LARGEST INDEPENDENT PLAYER IN GAS DISTRIBUTION

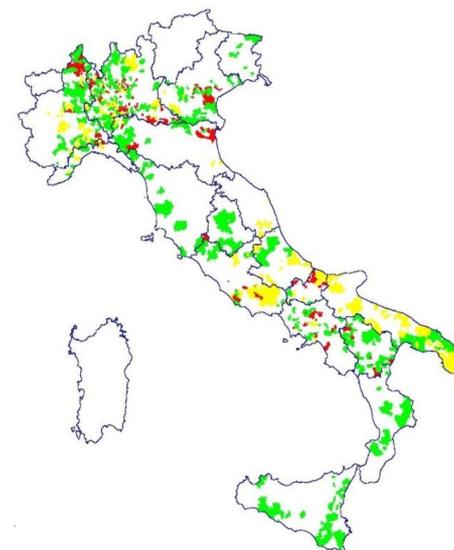
Enel Rete Gas



Enel Rete Gas + 2iGas



Enel Rete Gas + 2iGas + G6 Rete Gas

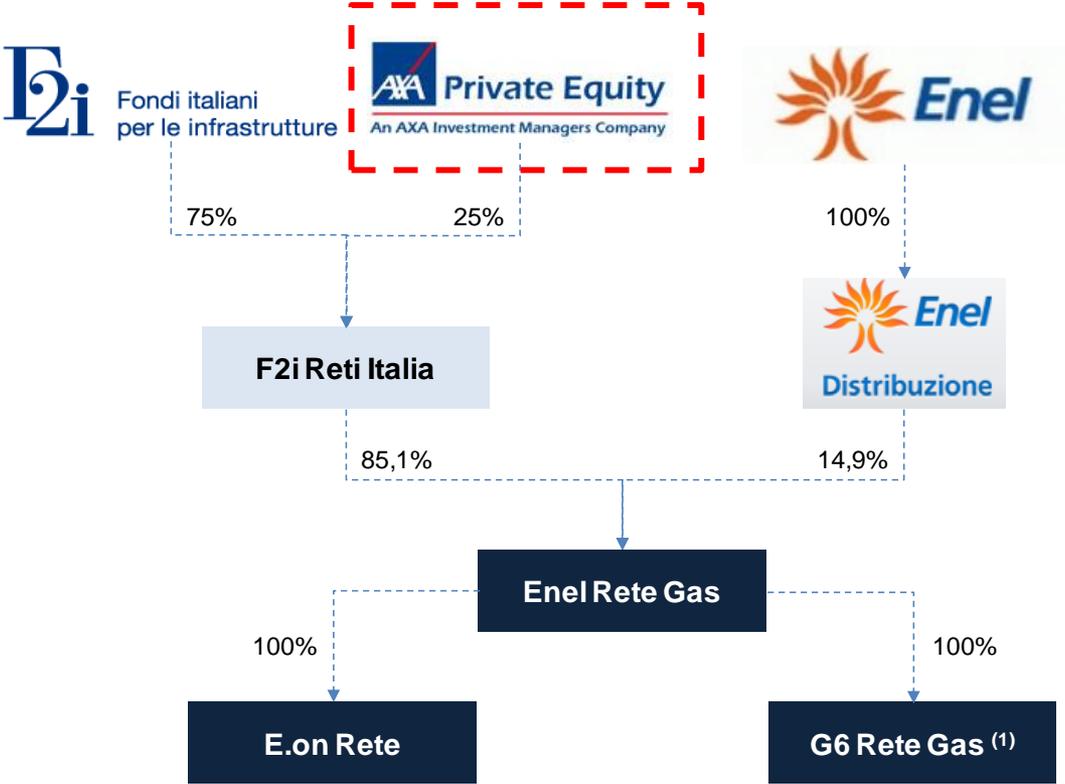


	ERG*
Clients (M)	2,23
RAB (M€)	1.565
Revenues (M€)	386
EBITDA (M€)	231

	ERG + 2iGas*	
Clients (M)	2,79	+25%
RAB (M€)	1.846	+18%
Revenues (M€)	471	+22%
EBITDA (M€)	278	+20%

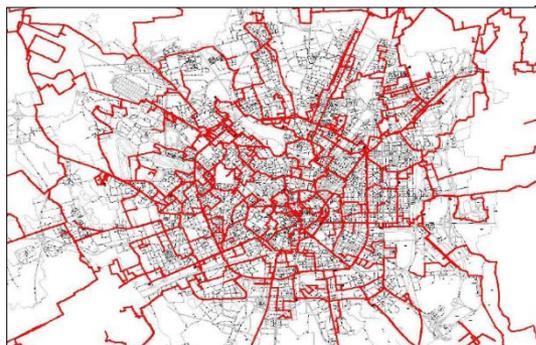
	ERG + 2iGas + G6*	
Clients (M)	3,81	+71%
RAB (M€)	2.588	+65%
Revenues (M€)	639	+66%
EBITDA (M€)	370	+60%

OWNERSHIP STRUCTURE OF ENEL RETE GAS



CO-INVESTMENT CASE STUDY: THE LARGEST FIBRE OPTIC NETWORK IN EUROPE

F2i's Fibre Optic Infrastructures



- ✓ 3.350 km ducts
- ✓ 9.300 km cables
- ✓ oltre 400.000 km fibre optic

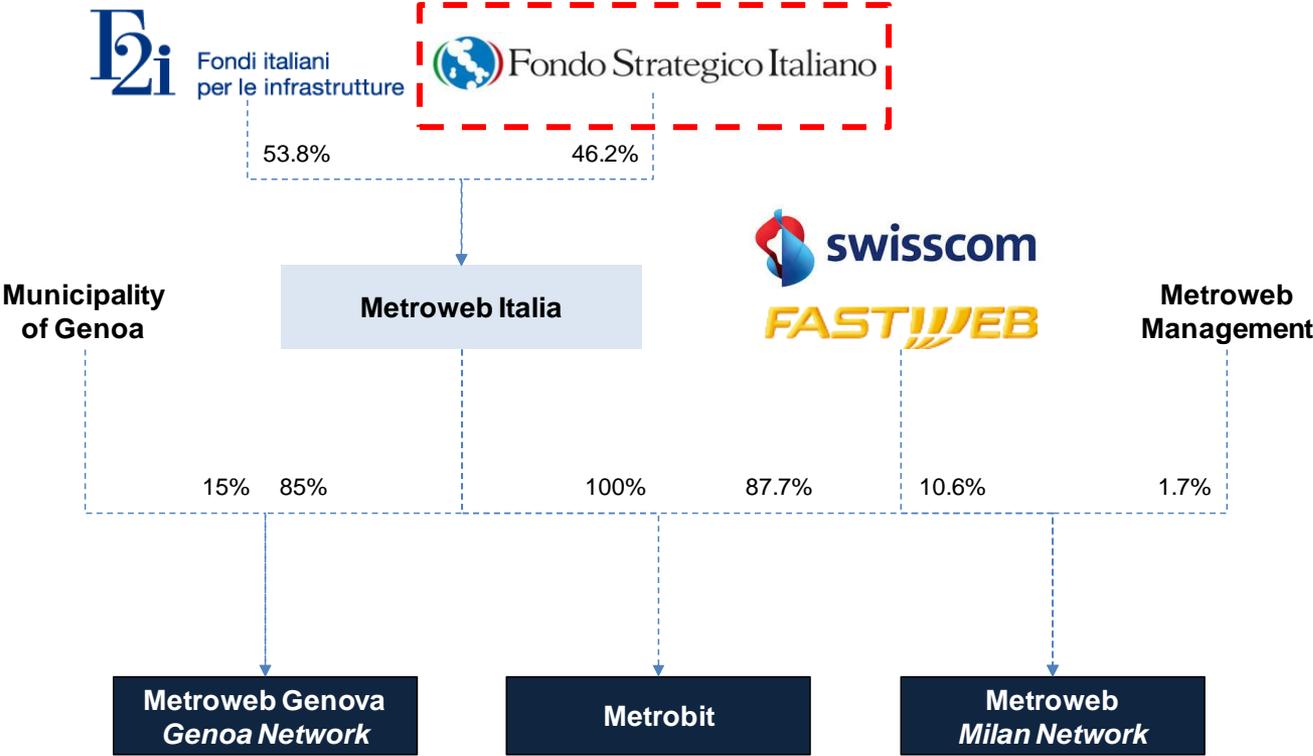
**The largest urban fibre optic network
in Europe**



- ✓ 233 km ducts
- ✓ 390 km cables
- ✓ 22.800 km fibre optic

- Reti già acquisite
- Trattative in corso

OWNERSHIP STRUCTURE OF METROWEB ITALIA



CO-INVESTMENT OPPORTUNITY: AIRPORT NETWORK

Airport sector investments



Gesac (Naples)

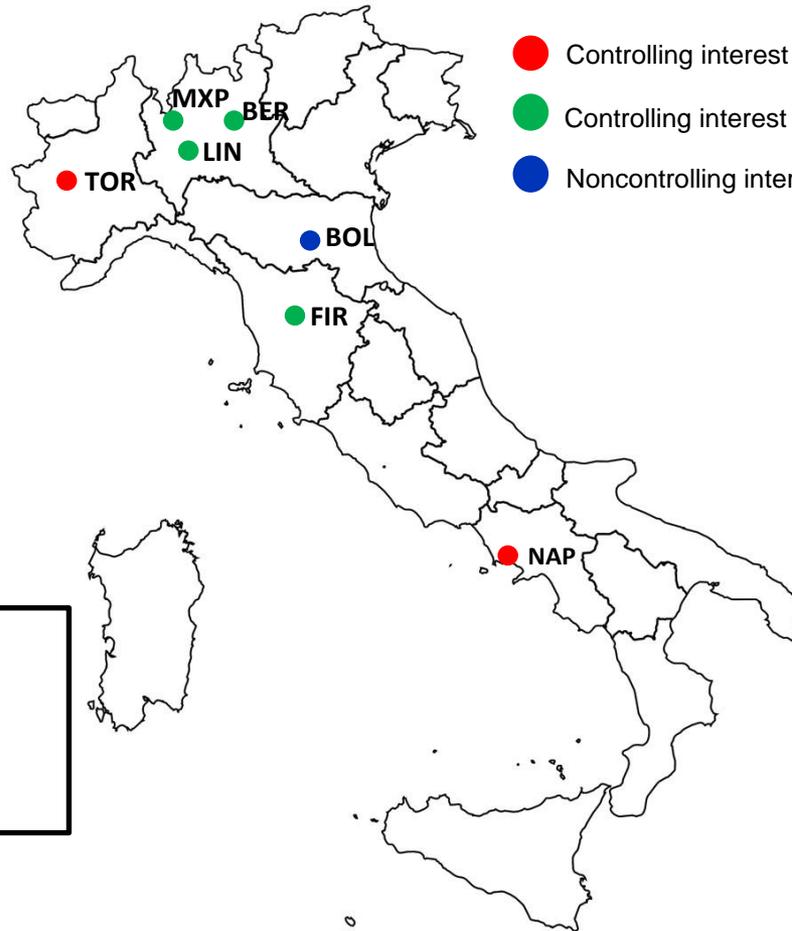


Sea (Malpensa / Linate / Bergamo)



Sagat (Turin / Florence / Bologna)

SAGAT
TURIN AIRPORT



– Total Pax total 2012 54 MM
– Traffic mkt share 37%

NATIONAL AIRPORT PLAN

Classification of the main Italian airports



 Airports directly held by F2i

 Airports indirectly held by F2i

Core Network Ten-T

- Milan Malpensa
- Rome Fiumicino
- Venice
- Milan Linate
- Bergamo Orio al Serio

- Turin → Tender notice
- Genoa → Tender notice
- Bologna → Minority stake
- Naples
- Palermo

Comprehensive Network

- Traffic more than 1.000.000
- Alghero
- Bari
- Brindisi
- Cagliari → Tender notice
- Catania
- Florence → Minority stake
- Lamezia Terme
- Olbia
- Pisa
- Rome Ciampino
- Trapani

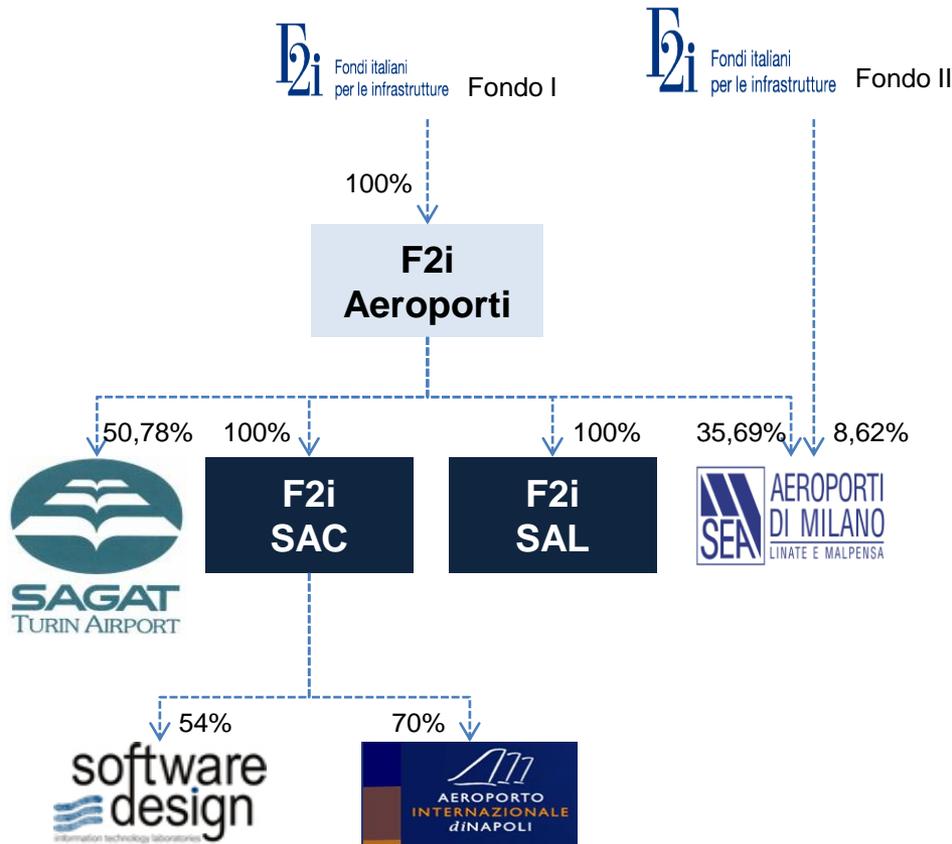
- Treviso → Open discussions
- Verona → Open discussions
- Traffic more than 500.000 with specific territorial features
- Ancona
- Pescara
- Reggio Calabria
- Trieste
- Territorial continuity
- Lampedusa
- Pantelleria

Other Airports

- Rimini – upward trend traffic
- Salerno – used to relocate some traffic from Naples

POTENTIAL OWNERSHIP STRUCTURE OF F2I AIRPORT NETWORK

Step I – Establishment of a single airport holding



Step II – Entrance of a partner in a F2i airport network

