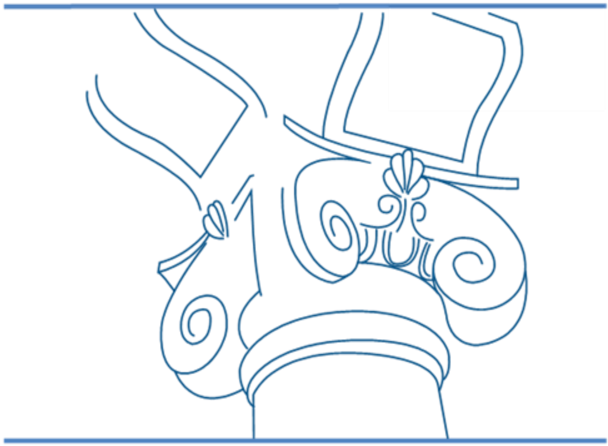


Cassa Depositi e Prestiti

MINDS Conference on Development Financial Institutions

July 28-29, 2014
Rio de Janeiro, Brazil

Cassa depositi e prestiti

Mission

A joint stock company under public control,
stake owned by a broad group of private banking Foundations

MISSION: SUPPORTING ITALY'S GROWTH

MEF — **80.1%**

63 PRIVATE FOUNDATIONS — **18.4%**

cdp S.p.A. — **(1.5% treasury shares)**

Leader in financing **Local Authorities** and **PA**

Catalyst in developing the country's **infrastructure**

Key player in supporting **economic development**

2013 key figures (vs 2012)

TOTAL ASSETS	€315 bln (+3%)
CASH	€147 bln (+6%)
LOANS	€103 bln (+3%)
POSTAL FUNDING	€242 bln (+4%)
SHAREHOLDER'S EQUITY	€18 bln (+8%)
NET INCOME	< €2.3 bln

2013 other key figures

LIABILITIES	Almost **24 million of clients**, about **14% of national household savings**
SME LOANS	**€18 bln** in 3 years for about **83.000 SMEs**
EXPORT FINANCE	**€6 bln** to support companies' **exports** and **international expansion**
ACQUISITIONS	30% **SNAM**, 100% **SACE**, 100% **FINTECNA**, 76% **SIMEST** **€ 500 mln invested in real estate assets**

Main equity investments and funds

LISTED COMPANIES
(CDP SHARE; BOOK VALUE)

- **ENI Spa** *(25.76%; € 15.3 bln)*
- **Terna Spa** *(29.9%; € 1.3 bln)*
- **Snam Spa – via CDP RETI** *(30%; € 3.5 bln)*

UNLISTED COMPANIES
(CDP SHARE)

- **TAG - via CDP GAS** *(89%)*
- **FINTECNA** *(100%)*
  - **FINCANTIERI** *(99.4%)*
- **SACE** *(100%)*
- **SIMEST** *(76%)*

PRIVATE EQUITY
(CDP COMMITMENT)

- **FSI – Fondo Strategico Italiano (€ 4 bln)**
- **FII - Fondo Italiano d'Investimento (€ 250 mln)**
- **F2i – Fondo Italiano per le Infrastrutture Fund I (€ 151 mln) and Fund II (€ 100 mln)**
- **Marguerite Fund (€ 100 mln)**
- **InfraMed Fund (€ 150 mln)**
- **Fondo Investimenti per l'Abitare (€ 1 bln)**
- **Fondo Investimenti per la Valorizzazione (€ 825 mln)**
- **European Energy Efficiency Fund (€ 60 mln)**

Corporate | Infrastructure | Other

SMEs: the Plafond

Since 2009 CDP has provided € 18 bln for SMEs

- **FIRST PLAFOND: € 8 BLN**
- interest rates at the lower range of the market
- wide maturity range: 3,5,7 and 10 years
- **53,000 SMEs received financing**
- **16% of the companies funding between 2009 and 2012**
- average amount of € 150,000
- > 40% of resources > 5 yrs redemption
- North-West 38%; North-East 30%; Central 16%; South 16%
- Manufacturing 42%, trade-transport-hotels 27%, construction 10%
- Participating banks: 76% of the total banking network, nearly 92% as of market share

- **SECOND PLAFOND: € 10 BLN**
  - 8 for debt and working capital
  - 2 for payment delays from the PA
- interest rates at the lower range of the market
- wide maturity range: 3,5,7 and 10 years (15 years for earthquake zones)
- **Up to 13,000 companies finanzed**

83,000 COMPANIES WHICH HAVE ALREADY RECEIVED FUNDING THROUGH CDP

Export finance

Resources available € 6 bln

Amount of deals closed: over € 3.3 bln
Pipeline: 28 projects; over € 11 bln

The acquisition of SACE and Simest will strengthen CDP Group as reference hub for export financing

Strategic Companies: FSI

Target: Acquisition of equity holdings (normally minority stakes) in companies of significant national interest, to support growth, improve operational efficiency and international competitiveness

"significant national interest"

SECTORS *alternatively* **SIZE**

Defense; Security; Infrastructure; Public Services; Telecommunication; Energy; Financial Services and Insurance; High Technology and Research; Tourism and Hospitality; Food and Food distribution; Management of cultural and artistic heritage

Annual turnover > € 300 mln

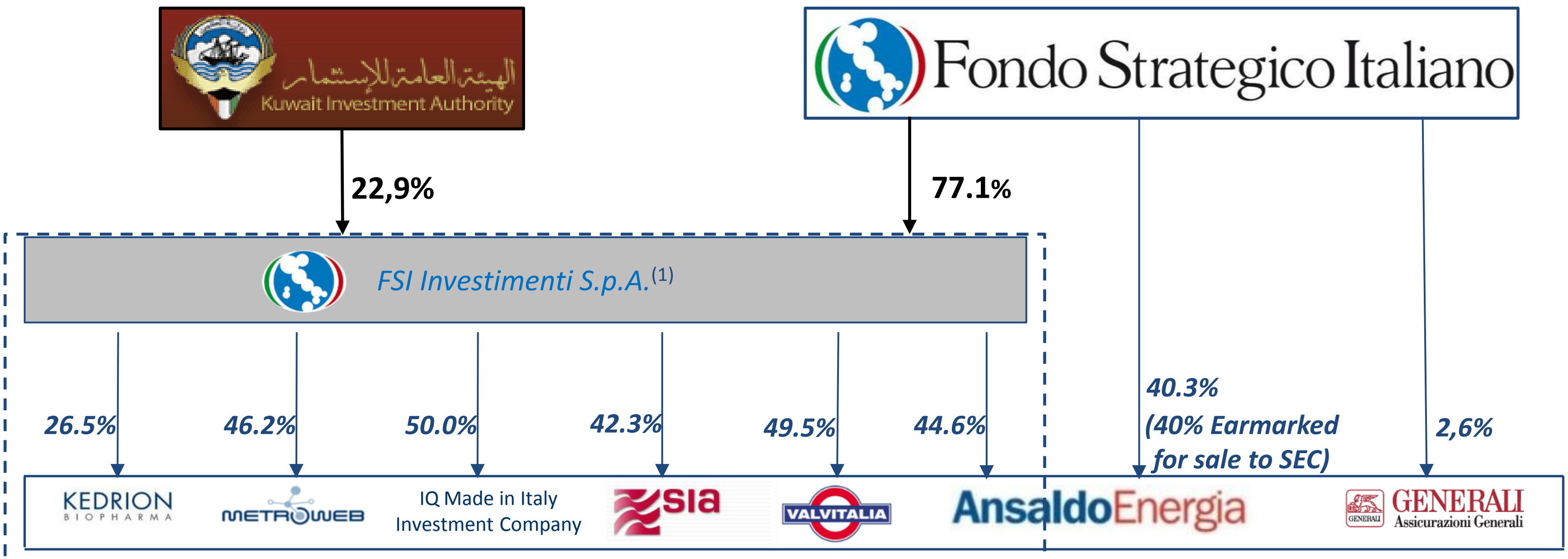
Average staffing > 250 employees

KEY REQUIREMENTS OF TARGET COMPANIES

- **FINANCIALLY, ECONOMICALLY STABLE**
- **ADEQUATE EXPECTED PROFITS**
- **SIGNIFICANT GROWTH PROSPECTS**

In March 2013 Bank of Italy acquired minority equity stake in FSI and will remain a stable minority shareholder

FSI structure



- **Same FSI investment perimeter**, excluding companies generating the majority of revenues in alcohol or gaming sectors
- **Each investment is funded 50/50 by FSI Investimenti and FSI**[2]

(1) FSI Investimenti is 77.12% owned by FSI -through contribution of equity interests - and 22.88% owned by KIA - through a cash contribution of €352mlm at closing out of € 500mln total committment

(2) % subject to changes as capital in FSI Investimenti can be increased through the entry of new investors

FSI – Co-investment agreement with KIA

- The Kuwait Investment Authority (**KIA**) and Fondo Strategico Italiano (**FSI**) have announced the incorporation of **FSI Investimenti**, an investment company with **€ 2.185 bn of assets and commitments**.
- FSI Investimenti is **77% owned by FSI** and **23% owned by KIA**. In the future, **the capital of the company could be increased through commitments of new co-investors**.
- KIA has identified FSI and its promising pipeline of investment opportunities as **the suitable investment vehicle to participate in the Italian growth equity investment market**. The new company will invest in the FSI perimeter, excluding gaming and alcohol, sectors in which KIA can not invest.

Kuwait Investment Authority

- The **Kuwait Investment Authority (KIA)** is a **US$ 410 bln** an autonomous government body responsible for the management and administration of the General Reserve Fund (GRF), and the assets of the Future Generations Fund (FGF), as well as any other funds entrusted to it by the Minister of Finance for and on behalf of the State of Kuwait
- **KIA invests in the Local, Arab and International Markets** with its main office located in Kuwait City, China Office and a branch office in London, UK

FSI – Joint-Venture with Qatar Holding

- *Joint-venture* agreement with Qatar Holding, created to invest in *"Made in Italy"* sectors **(IQ Made in Italy Company)**
- Starting with a €300 mln capital, the NewCo **total capital will reach up to € 2 bln**, to be equally paid by FSI and QH during the first 4 years
- Investment target: Italian companies operating in **sectors representing "*Made in Italy*"** excellence

Member contributions to the partnership

FSI

- Local market expertise
- Institutional profile and retail access to the market
- Pipeline expertise
- Medium – Long Term investment horizon

Qatar Holding

- Global coverage
- Knowledge of industrial sectors part of the agreement
- Familiarity with Italy: (i) 6 Italian members of the team; (ii) investment track record in Italy (iii) current pipeline
- Medium – Long Term investment horizon

FSI – Co-investment agreement with RDIF

- Memorandum of Understanding signed with the *Russian Direct Investment Fund* – RDIF – for a **joint investment platform up to € 1 bln**, € 500 mln each, **to be invested in Italy and Russia**
- The aim is to identify **investments of strategic interest** that, guaranteeing a good level of profitability, significantly **contribute to the cooperation, growth and economic development of Italy and Russia**
- Potential joint investments in sectors such as food, engineering, machinery and other technology-based industries

Russian Direct Investment Fund

- RDIF is a **$ 10 bn fund** established in June 2011 to make equity co-investments primarily in the Russian Federation alongside reputable foreign financial and strategic investors. Based in Moscow, RDIF's management company is a 100% subsidiary of Vnesheconombank.
- **Partnership with international partners**: *Abu Dhabi Department of Finance* (>$ 5 mln), *Mubadala Development Company* ($ 2 bln), *Kuwait Investment Auhtority* ($ 500 mln), *China Investment Corporation* ($ 2 bln), *Japan Bank for International Cooperation* ($ 1 bln), CDC ($ 1 bln)

FSI - strategic partnership with SEC

1

Acquisition by SEC of 40% of Ansaldo Energia announced on May 8, 2014

- Consideration for 40% stake: €400 mln (FSI capital gain: **+€90 mln**, excl. earnout)
- Equity value: €1,000 mln (vs. €777 mln for FSI acquisition of AEN interest in Dec-13, excl. earnout)
- Enterprise Value: €1,247 mln (vs. €1,030 mln)
- Enterprise Value / EBITDA: 8.3x (vs. 6.8x)

2

Establishment of 2 joint ventures in China between AEN and SEC for manufacturing of gas turbines (GT) for the Asian market

- 1st JV (60% AEN, 40% SEC) — Manufacturing of high-tech “hot” parts of GT
- 2nd JV (60% SEC, 40% AEN) — Assembly of GT and R&D center for H-class GT