



# FONDO ITALIANO D'INVESTIMENTO

**FONDO ITALIANO D'INVESTIMENTO SGR S.p.A.**

## **INTERIM REPORT FONDO ITALIANO DI INVESTIMENTO as at 30 JUNE 2014**

REGISTERED OFFICE IN MILAN  
VIA TURATI 16/18

SHARE CAPITAL EUR 4,000,000 fully paid up

Registered with the Business Register of Milan, Tax Identification No. and VAT No. 06968440963



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## TABLE OF CONTENTS

	page
Composition of Company Bodies .....	4
Directors' Report.....	5
<b>Interim Report</b>	
Assets and Liabilities Statement .....	23
Income Section .....	24
Valuation criteria .....	25

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## COMPOSITION OF COMPANY BODIES

### BOARD OF DIRECTORS\*

Dr Innocenzo Cipolletta	Chairman
Dr Gabriele Cappellini	Chief Executive Officer
Dr Ferruccio Carminati*	Board Member
Prof. Guido Giuseppe Maria Corbetta**	Board Member
Dr Cesare Buzzi Ferraris	Board Member
Prof. Anna Gervasoni**	Board Member
Dr Giovanni Gilli	Board Member
Dr Isabella Bruno Tolomei Frigerio*	Board Member
Dr Anna Molinotti	Board Member
Dr Rinaldo Ocleppo	Board Member
Dr Giovanni Sabatini	Board Member
Dr Domenico Santececca	Board Member

### BOARD OF AUDITORS\*

Dr Loredana Durano	Chairman
Dr Paolo Francesco Maria Lazzati*	Statutory Auditor
Dr Marco Tani	Statutory Auditor
Dr Silvana Micci	Alternate Auditor
Dr Francesca Monti*	Alternate Auditor

### INDEPENDENT AUDITOR

Reconta Ernst & Young S.p.A.

\* On 15 April 2014, the General Shareholder Meeting of Fondo Italiano d'Investimento SGR S.p.A. (hereinafter, the "SGR") (i) appointed two Directors to the Board, Dr Ferruccio Carminati and Dr Isabella Bruno Tolomei Frigerio; (ii) added Statutory Auditor Dr Paolo Francesco Maria Lazzati and Alternate Auditor Dr Francesca Monti to the Board of Auditors.

\*\* Independent Board members

The Company Bodies will remain in office until the approval of the Financial Statements of SGR for the year ended 31/12/2015.

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## FONDO ITALIANO DI INVESTIMENTO INTERIM REPORT ending 30 June 2014

Closed-type mutual fund reserved for qualified investors  
Management company: Fondo Italiano d'Investimento SGR S.p.A.

### Directors' Report

The company's activities exclusively consist of the management of the Fondo Italiano di Investimento (hereinafter, the Fund), a closed mutual fund reserved for qualified investors authorised by Banca d'Italia on 24 August 2010.

The net asset value as at 30 June 2014, the fourth operational year of the Fund, is equal to Euro **419,436,407** (as at 31 December 2013, Euro **382,572,995**), for a unit value of 4,800 units in circulation of Euro **87,382.585** (as at 31 December 2013, Euro **79,702.707**).

The positive result as at 30 June 2014 is equal to Euro **28,268,212**, resulting from the first disinvestments performed.

The Fund partially closed subscriptions for Euro **1,200,000,000**, corresponding to 4,800 units with a unit value of Euro 250,000 operational since 10 November 2010; since the deadline for subscriptions has passed, the definitive amount of the fund is equal to Euro 1,200,000,000. The Depository Bank is Société Générale Securities Services S.p.A..

As at 30 June 2014, the value of the amounts to be called up is equal to Euro **705,829,320**, having called up a total of Euro **494.170.680** (equal to **41.18%** of the subscriptions collected). As at the date of presentation of this Report, two additional calls have taken place for the amount of Euro **32,793,600**, bringing the total called up amount to Euro **526,964,280** (**43.91%** of the subscriptions collected; Euro **673,035,720** remain to be called).

On the date of approval of this Interim Report, the Fund has performed three partial early distributions against disinvestments as capital repayments for a total value of Euro 28,677,946, as described below:

- 1) On 24 December 2013, the Fund distributed Euro 4,920,614, equal to a Euro 1,025.13 per unit for each of the 4,800 issued units resulting from three disinvestment/unit redemption operations: (i) the Gradiente I fund, Euro 960,526; (ii) the Progressio II fund, Euro 710,088 and (iii) partial disinvestment of Farmol S.p.A., Euro 3,250,000;
- 2) On 13 June 2014, the Fund distributed Euro 16,000,000, equal to a Euro 3,333.33 per unit for each of the 4,800 units issues resulting from the sale on 9 June 2014 of Eco Eridania S.p.A.;
- 3) On 8 July 2014, the Fund distributed Euro 7,757,331.63, equal to a Euro 1,616.11 per unit for each of the 4,800 units issues resulting from the sale on 4 July 2014 of Arioli S.p.A.;

Following the resignation of the Chairman of the Meeting of Fund Participants, Dr Antonio Marino, the Board of Director convened a Meeting of Fund Participants on 15 April 2014, which appointed the new Chairman, Dr Sergio Vicinanza.

The Fund, created through a Ministry of the Economy and Finance project, was joined by the most important financial and business institutions of the country with the objective of supporting small and medium size companies in their process of development, operating through capitalisation

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interventions as a function of their growth on both the national and international levels. The Fund operates both through the acquisition of direct holdings, primarily minority shareholdings, in the share capital of Italian business and in co-investments with other specialised funds as well as a “fund of funds” by investing in other funds whose operations are in line with those of the Italian Fund. Its direct investment activities are focused on Italian companies in the development phase that have ambitious for growth and internationalisation with a turnover indicatively of between 10 - 250 million Euros. The objective of the Fund is to create a broader segment of “national middleweight champion” companies that possess an adequate financial and managerial structure and a functional governance system to compete at the international level, while maintaining all of the flexibility and innovation that is typical of SMCs. Therefore, the Fund acts as a partner with the ability to support businesses in dealing with the processes of development, aggregation, internationalisation, generational change and corporate restructuring.

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The initial indicators of the trends on the Italian private equity market in the first half of 2014 show significant signs of recovery in confirmation of the developments of the last few months of 2013.

In particular, according to the findings of the monitoring centre Private Equity Monitor – PEM® (the only data currently available for 2014), between January and June 2014, 44 new investment operations were announced (excluding start ups, reinvestments in investee companies and operations executed by public investment vehicles) equal to an increase of approximately 30% compared to the same period of the previous year.

In terms of operation type, most of the investments involved buy outs (24, equal to 55%), followed by expansions (14, equal to 31%) and turnarounds (6, equal to 14%).

In addition, the monitoring centre reported a significant decrease compared to all of 2013 in the number of “add-ons”, which represent less than 10% of the market (during the same period last year, the figure was 26%), evidence of the greater attention paid by operators to the search for new target companies in which to invest.

In terms of size and in comparison with the figures recorded for all of 2013, the analysis reveals an average turnover of growing companies of approximately 70 million Euros (in 2013, the average was 50 million Euros). More specifically, 10% of the target companies show revenues of more than 250 million Euros, 47% report turnover of between 50 and 250 million Euros, while the remaining 43% report turnover of less than 50 million Euros.

In terms of distribution according to sector, a significant and growing interest can be seen in the consumer goods segment, which, with a rate of 30%, is at the same level as the industry products segment.

Finally, in terms of geographic distribution, the market is highly concentrated between Lombardy and Emilia Romagna, which together hosted 64% of the target companies (36% and 27% respectively). Veneto can be attributed a share of 9%, while the involvement of companies from the south is much more limited (2%).

In this context, the Fondo Italiano di Investimento maintained its position as a point of reference for the entire market, a position it acquired from the start of its activities both through its direct investment activities and the creation of value within its investee companies and through indirect investments in other funds.

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As part of the context described above, and during the first half of 2014, the Fund continued to manage and develop the holdings in its portfolio as well as to seek out and evaluate new investment opportunities.

As at 30 June 2014, the Fund had direct investments in 29 companies (following an initial disinvestment during the month of June) and indirect investments in 20 funds or holding companies. To these, one must add a direct investment that is in the process of being signed and an indirect investment approved by the Board of Directors; the overall value of the direct investments approved as of today's date amounts to approximately 360 million Euros, while the total approved indirect investments (UCI units and Holding Companies) amounts to 425 million Euros. The amount of the aforesaid values brings the total figure for approved commitments to approximately 785 million Euros.

As at 30 June 2014, the workforce consisted of 45 individuals, plus the Chief Executive Officer.

#### Direct investments

All of the companies, including the add ons, involved in the direct investment activities through 30 June 2014 in total employ approximately 13,000 employees, for total revenues of approximately 2,300 million Euros.

The average export percentage compared to the turnover of these companies is equal to approximately 53%, a figure that, at the time of entry of the Italian Fund into the shareholding structure, was equal to 43%.

Considering the companies in the portfolio as at 30 June 2014, 7 (24%) operate in the machine tools and plant segment; 7 (24%) in industrial components; 5 (18%) in consumer goods; 3 (10%) in services (for individuals and industry); 2 (7%) in shipping and shipbuilding; 2 (7%) in biomedical and pharma; 2 (7%) in ICT; and 1 (3%) in automotive.

With regard to geographic location, 13 (45%) of the companies are located in the north east (including Lombardy); 11 (38%) in the centre; 5 (14%) in the north west; and 1 (3%) in the south.

The average size of the investments is approximately 10 million Euros.

As at 30 June 2014, the Fund had received approximately 1,450 reports for direct investments. In 1,275 cases, it was decided that it was not appropriate to proceed with an analysis because the proposals were not consistent with the Fund's objectives and strategy; for another 92 initiatives, the Fund is waiting for additional information from the companies or their advisers, while an analysis is being conducted for 45 of the reports and has reached an advanced stage in certain cases.

#### Indirect investments

As at 30 June 2014, the Board of Directors had approved investments in 21 funds and holding companies for a total amount of 425 million Euros. The average size of these investments is approximately 20 million Euros.

Considering only the 20 funds and companies with which a commitment was signed by 30 June 2014, 14 (70%) have as their geographic focus the entire national territory, 2 (10%) are on the European scale (although with a commitment to use a significant portion of the managed resources in the Italian territory), while the remaining 4 (20%) are territorial in nature. One of these is located in the south and proposes investments exclusively in small and medium-size companies in the south-central region of the country.

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Considering all of the analysis and selection activities regarding opportunities for indirect investments, approximately 200 proposals for investments in funds and holding companies were received as at 30 June 2014, on both the national and international level.

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#### Indirect investments in the portfolio

As at 30 June 2014, the Fund holds 29 Companies:

- 1) On 21 December 2010, the Fund made an advance payment for a future share capital increase equal to Euro 3,000,000 to **Arioli S.p.A.**, a company with its registered office in Gerenzano (VA) that operates in the production and marketing of textile machinery, which was converted into share capital on 3 May 2011; on the same date, the Fund subscribed to a capital increase of Euro 1,467,459, which was supplemented by an additional increase of Euro 1,259,700 on 15 March 2012. In total, the portion of the share capital subscribed to by the Fund amounted to Euro **5,727,159**, equal to **32.73%** of the share capital. On 4 July 2014, the Fund sold all of its interests in **Arioli S.p.A.** for a value of Euro 7,757,332 against a book value, corresponding to the purchase price, of Euro 5,727,159, resulting in capital gains of Euro 2,030,172, recorded 30 June 2014.
- 2) On 29 April 2011, the Fund subscribed to a capital increase in **GEICO Servizi Integrati di Manutenzione S.r.l.**, a company with its registered office in Montesilvano (PE) that operates in the “facility management” sector, for an amount of Euro 3,000,000 equal to **12.10%** of the share capital. The operation was performed as a co-investment with the fund Atlante Private Equity, managed by IMI Fondi Chiusi SGR S.p.A.. At the same time, the Abruzzo company Geico acquired full control of the Lender, a company operating in the same sector, assuming the name **Geico Lender S.p.A.** With regard to the loss recorded during financial year 2011 and delays in the implementation of the actions included in the industrial plan, first and foremost being the merger between Geico Lender S.p.A. and the subsidiary Lender S.p.A., on 31 December 2012 the Fund wrote down the book value of the subsidiary by Euro 750,000. On 31 December 2013, the Fund wrote down the book value of the subsidiary by an additional Euro 1,550,000, recording it at Euro **700,000**. As at 30 June 2014, the book value remains unchanged since the end of 2013.
- 3) On 9 May 2011, the Fund acquired a share equal to **21.60%** of the capital in **BAT S.p.A.**, a company with its registered office in Noventa di Piave (VE) and operating in the production and distribution of outdoor awnings. The investment was made through a share capital increase equal to Euro 5,053,960, the acquisition of shares for Euro 650,000 and the subscription of two convertible shareholder loans for a total of Euro 946,040 (Euro 500,000 has already been converted to shareholders’ equity). Subsequently, the Group acquired a French company (Goeland) and a business unit of the Swiss company Storatex, both of which operate in the same sector. The book value of BAT is Euro **6,203,960**, in addition to the shareholder loan of Euro **446,040**.
- 4) On 23 May 2011, the Fund had subscribed to a capital increase in **Comecer S.p.A.**, a company with its registered office in Castel Bolognese (RA) and operating in the nuclear medicine and isotechnology sector, for the amount of Euro **7,500,000**, equal to **32.90%** of the share capital. Comecer manufactures screening systems and equipment for special applications and carries out custom projects in the isotechnology sector for the production of insulators for treatment of toxic and hazardous substances. During 2012, the company acquired two businesses: Veenstra Instrumenten BV – Holland – and Vitrae Czech s.r.o. – Czech Republic..
- 5) On 13 June 2011, the Fund subscribed to a capital increase in Cartour S.r.l., a company with its registered office in Messina that is active in the ferrying of commercial vehicles between Sicily and the continent for Euro **17,500,000**, corresponding to 25.36% of the share capital. As a result

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of changes in the economic conditions, during the first few months of 2013, the Fund exercised its right to swap the holding in Cartour S.r.l. for a holding in the parent company Caronte & Tourist S.p.A. on the basis of predefined values. On 17 July 2013, the swap was executed, which involved the acquisition, for equal value, through the newco-vehicle **Ferry Investments S.r.l.**, of **10.11%** in **Caronte & Tourist S.p.A.** against the sale of the aforesaid holding in Cartour S.r.l..

- 6) On 3 October 2011, the Fund subscribed to a share capital increase in **Sanlorenzo S.p.A.**, a company with its registered office in Ameglia (SP), for Euro 14,464,080 and acquired treasury shares for Euro 535,920 (for a total investment of Euro **15,000,000**), thus holding a total of 19.00% of the share capital. At the same time, the majority shareholder subscribed to a share capital increase of Euro 15,000,000. The Sanlorenzo Group, which was founded in Viareggio in 1958, operates in the production of yachts and mega yachts in fibreglass and metal. During 2012, the Fund's share increased to **22.40%** of the share capital as a result of certain contractual clauses involving a price adjustment. During 2013 following a capital increase subscribed by a Chinese industrial investor and by the majority shareholder, the Fund's percentage of the share capital decreased to **15.96%** of the share capital.
- 7) On 7 October 2011, the Fund subscribed to a share capital increase in **Truestar Group S.p.A.**, a company with its registered office in Milan, for Euro 8,500,000 and purchased shares for Euro 1,700,000 (for a total investment of Euro **10,200,000**), acquiring **24.90%** of the company's share capital. TrueStar Group S.p.A. is a leader in Italy and worldwide in the airport baggage handling sector with associated assistance for passengers in case of damaged, stolen or lost bags. On 26 November and 19 December 2013, the Fund dispensed a partially convertible shareholder loan in two separate tranches backed by a pledge on shares for a total amount of Euro **3,000,000**. In light of the loss recorded at the end of 2013, the Fund decided to write down the purchase price of the investee company on a prudential basis by an amount of Euro 700,000, bringing the recorded value down to Euro **9,500,000**, in addition to the Euro 3,000,000 for the partially convertible shareholder loan.
- 8) On 14 December 2011, the Fund subscribed to a share capital increase for Euro 500,000 corresponding to 4.04% of the share capital of **DBA Group S.r.l.**, a company with its registered office in Villorba (TV) that operates in the engineering, project management and IC&T and dispensed a loan for a future share capital increase of Euro 3,500,000. On 30 July 2012, the aforesaid loan was converted to a capital increase, and the Fund's holding, equal to Euro **4,000,000**, increased to **22.80%** of the share capital. At the end of 2013, based on the outlook for the Italian market, which is the primary reference market of the company, the investee company was written down by Euro 2,150,000; while waiting to see how the market trends noted during the first few months of 2014 develop, it is considered prudent not to proceed with any write-back; currently, the book value remains equal to Euro **1,850,000**.
- 9) On 22 December 2011, the Fund subscribed to a capital increase in **Amut S.p.A.**, a company with its registered office in Novara, equal to Euro 7,000,000 and purchased shares from shareholders for Euro 3,000,000 (for a total investment of Euro **10,000,000**), corresponding to a total of 27.80% of the share capital. The company, which was founded in 1958, operates in the production of systems for the extrusion, recycling and thermoforming of thermoplastic materials. During 2012, the Fund's share increased to **39.80%** of the share capital as a result of certain contractual clauses involving a price adjustment.
- 10) On 30 December 2011, the fund subscribed to a share capital increase in **IMT S.p.A.**, a company with its registered office in Casalecchio di Reno (BO) and operating in the production and marketing of machine tools, for a value of Euro 4,999,994, corresponding to 27.80% of the share capital and a convertible bond for the amount of Euro 5,000,000. IMT S.p.A. is a group that was created a few years ago through the combination of four operators in the grinding machines sector and become the leader in Italy and one of the top actors in Europe and the globe in the reference sector. During 2012, the Fund's share, equal to a total of Euro **5,000,000**,

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increased to **30.30%** of the share capital as a result of certain contractual clauses involving a price adjustment. As at 31 December 2013, the bond, including capitalised interest, amounts to Euro **5,576,490**.

- 11) On 27 January 2012, the Fund subscribed to a capital increase in **ELCO Electronic Components Italiana S.p.A.**, a company head-quartered in Carsoli (AQ) and operating in the design and production of printed circuit boards for electronic systems, for an amount of Euro 4,250,000 and purchased shares for a total of Euro 750,000 (for a total investment of Euro **5,000,000**) and a total interest of **29.76%** of the share capital. During the month of February 2014, the company acquired a foreign correspondent.
- 12) On 30 January 2012, the Fund subscribed to a share capital increase in **Sira Industrie S.p.A.**, a company with its registered office in Pianoro (BO) and operating in the production of terminals for outsourced heating and die-casting in aluminium, for an amount of Euro **12,000,000**, which led to the acquisition of **40.35%** of the share capital in December of the same year following a price adjustment performed in accordance with certain contractual clauses. During the course of last financial year, Sira acquired Almec (outsourced die-casting), the Pasotti brand (radiators) and the business unit of Faral (radiators).
- 13) On 9 February 2012, the Fund subscribed to a share capital increase in **TBS Group S.p.A.**, a company listed on the AIM and head-quartered in the Area Science Park of Trieste, operating in the integrated broad-spectrum clinical engineering services sector, in the amount of Euro 10,000,001, equal to **13.17%** of the share capital, and a convertible bond of Euro 10,000,002. Therefore, the total investment amounts to Euro **20,000,003**.
- 14) On 15 February 2012, the Fund subscribed to a capital increase in **Rigoni di Asiago S.r.l.**, a company head-quartered in Asiago (VI) and operating in the production and distribution of organic food products, for Euro 500,000, equal to 2.81% of the share capital as well as a loan as an advance against a future share capital increase for Euro 9,500,000. On 25 July 2012, the aforesaid loan was allocated to the share capital increase, thus bringing the Fund's total portion of the capital to Euro **10,000,000**, corresponding to **35.56%** of the share capital. On 30 May 2013, the Fund dispensed Euro **4,000,000** as a convertible shareholder loan.
- 15) On 20 April 2012, the Fund subscribed to a capital increase in **La Patria S.r.l.**, a company with its registered office in Bologna and operating in the security services sector, for Euro 9,260,049. On 1 March 2012, the Fund paid Euro 60,000 in the form of share capital; thus, the total amount of capital subscribed amounts to Euro **9,320,049**, equal to **32.37%** of the share capital. The operation was performed as a co-investment with PM & Partners SGR S.p.A..
- 16) On 16 May 2012, the Fund had subscribed to a share capital increase of Euro **8,000,000**, equal to **35.00%** of the share capital, in **Angelantoni Test Technologies S.r.l.**, a company with its registered office in Massa Martana (PG) and operating in the design and production of equipment for materials and mechanical, electrical and electronic systems testing used in various industrial environments and in particular in the aeronautic, aerospace and automobile sectors. During 2013, the Fund's share decreased to **32.00%** of the share capital as a result of certain contractual clauses involving a price adjustment. On 15 July 2014, the Fund received a binding and irrevocable offer to purchase the company, which is expected to be completed next 29 July 2014.
- 17) On 23 May 2012, the Fund subscribed to a share capital increase in **Farmol S.p.A.**, a company with its registered office in Comun Nuovo (BG) and operating in the preparation of consumer products in aerosol containers or bottles, for Euro 5,250,000 and purchased shares for Euro 1,000,000, bringing the total portion of share capital held to 32.90%. On 25 January 2013, a new agreement was signed for the Fund's exit from the share capital as a result of changes in the macroeconomic conditions and the disappearance of certain growth opportunities. On 29 November 2013, the holding was sold for a value of Euro 4,493,855; on the same date, the Fund collected dividends equal to Euro 1,756,145 and paid a convertible bond equal to Euro

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3,000,000.

- 18) On 29 May 2012, the Fund subscribed to a share capital increase in **Zeis Excelsa S.p.A.**, a company with its registered office in Montegranaro (FM) and operating in the production and distribution of brand-name footwear and clothing of its own brands (Bikkembergs, Docksteps, etc.) and under license (Merrell, Samsonite, Sebago, etc.) for a total of Euro **12,000,000**, equal to **19.99%** of the share capital and a convertible bond equal to Euro **8,000,000**. On 11 June 2013, the company issued non-convertible bonds for Euro **448,000** as accrued interest on the convertible bond. On 12 June 2014, the company issued additional non-convertible bonds for the amount of Euro 448,000 as accrued interest on the convertible bond in addition to capitalised interest of Euro 25,088 associated with the ordinary bonds. Based on the current situation of the company, which is experiencing negative effects from the market trends, especially with reference to certain brands, the Fund decided to write down the purchase cost of the investee company on a prudential basis by Euro 2,400,000: accordingly, the book value of its share of the capital amounts to Euro **9,600,000**.
- 19) On 25 June 2012, the Fund subscribed to a capital increase in **General Medical Merate S.p.A.**, a company head-quartered in Seriate (BG) and operating in the production and marketing of radiological equipment, for Euro 10,225,000 and purchased shares for Euro 2,775,000 (for a total investment of Euro **13,000,000**), for a total holding of **28.85%**. As a result of the loss recorded at the end of 2013 resulting from the negative trends on certain reference markets, the Fund decided to write down the purchase price of the investee company on a prudential basis by the amount of Euro 1,200,000, with the value being now recorded at Euro **11,800,000**.
- 20) On 27 June 2012, the Fund subscribed to a capital increase in **Labomar S.r.l.**, a company with its registered office in Istrana (TV) and specialised in research & development and the production of food supplements and health and diet products, for Euro **3,000,000**, corresponding to **29.33%** of the share capital.
- 21) On 19 July 2012, the Fund subscribed to a share capital increase in **Antares Vision S.r.l.** (formerly Imago Technologies S.r.l.), a company with its registered office in Castel Mella (BS) and operating in the artificial vision technology sector for industrial quality control sector, for Euro 4,000,000 and purchased Euro 1,000,000 in units (for a total investment of Euro **5,000,000**), thereby acquiring **21.11%** of the share capital.
- 22) On 30 July 2012, the Fund subscribed to a capital increase in **E.M.A.R.C. S.p.A.**, a company head-quartered in Vinovo (TO) that for years has operated in the production of structural components for vehicles and the design and implementation of production equipment, for Euro **10,000,000**, corresponding to **31.00%** of the share capital.
- 23) On 26 September 2012, the Fund subscribed to a capital increase in **Megadyne S.p.A.**, a company head-quartered in Mathi (TO) and operating in the production and marketing of polyurethane and rubber belts, pulleys and other related products, for Euro **20,000,000**, equal to **13.60%** of the share capital. On 1 August 2013, the Fund purchased additional shares for a total of Euro **2,000,000** as part of a broader transaction that involved the entry into the shareholding structure of a Turkish entrepreneur through subscription of a share capital increase against the sale by the same of his company to Megadyne S.p.A. The Fund's current interest is equal to **14.13%** of the share capital. Following the signing of the sales agreement during June 2014, with an expected completion date of 31 July 2014, capital gains of Euro 26,000,000 were recorded on 30 June 2014: the net book value of the holding thus amounts to Euro 48,000,000. The Fund also approved a new investment of Euro 15,000,000 in the newco that will acquire 100% of the company, a transaction that is expected to be completed on 30 July 2014.

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- 24) On 18 October 2012, the Fund subscribed to a share capital increase in **Mape S.p.A.**, an internationally leading Bolognese company that operates in the manufacture of mechanical components for engine applications dedicated to the motorcycling, recreational, marine, automobile and industrial vehicle sectors, equal to Euro **4,000,000**, thereby acquiring **30.07%** of the share capital, and a convertible bond of Euro **6,000,000**. The problems associated with foreign investments that had not yet become fully operational in parallel with the crisis in the automotive sector and the request for a preventive agreement among creditors triggered a significant deterioration in economic and financial performance, which, along with the losses arising from write-downs, led to an economic result for financial year 2012 that was strongly negative. As early as 30 June 2013, the Fund has decided to write down its holding and the bond for a total of Euro 10,000,000. On 15 May 2014, the Court of Bologna declared the Company bankrupt.
- 25) On 28 January 2013, the Fund subscribed to a capital increase for a total of Euro **7,500,000** (equal to **15.25%** of the share capital) and a convertible bond of Euro **2,500,000** in **Turbocoating S.p.A.**. The latter is an operational company and the holding of the Unitedcoatings Group, with its registered office in Rubbiano di Solignano (PR), which operates in the application of thermal coating spray technologies (so-called coatings) for the energy and biomedical sectors. The operation was performed as a co-investment with Winch Italia S.p.A. and Winch Italy Holdings 2 S.A., which invested a total of 10.0 million Euros.
- 26) On 31 January 2013, the Fund subscribed to a capital increase in **Surgital S.p.A.**, a company head-quartered in Lavezzola (RV) and operating in the production and marketing of frozen pasta and frozen ready meals for the Ho.Re.Ca. (hotel, restaurant and catering) channel, for a total of Euro **10,600,000**, equal to 15.00% of the share capital. During 2013, the Fund's share increased to **16.0%** of the share capital as a result of certain contractual clauses involving a price adjustment.
- 27) On 18 April 2013, the Fund subscribed to a share capital increase in **Marsilli & Co. S.p.A.**, a company head-quartered in Castelleone (CR) that operates in the design and production of machines and automatic lines for winding and complex systems for the automation industry, for a total of Euro **10,000,000**, equal to **13.75%** of the share capital.
- 28) On 24 April 2013, the Fund subscribed to a capital increase in **Mesgo S.p.A.**, a company with its registered office in Gorlago (BG) and operating in the synthetic and natural rubber compound sector, for a total Euro **8,000,000**, equal to **32.00%** of the share capital.
- 29) On 27 December 2013, the Fund invested a total of Euro **30,000,000** in **Forgital Group S.p.A.**, a company with its registered office in Velo d'Astico (VI) and operating in the production and machining of rings and other large forged components, to include Euro 100,000 as a capital increase (equal to 0.10% of the share capital), Euro 9,900,000 as a convertible shareholder loan, Euro 5,000,000 as the first convertible bond and Euro 15,000,000 as the second convertible/converting bond. The loan is expected to be converted into share capital by 31 December 2014.

On 9 June 2014, Eco Eridania S.p.A. was sold for the amount of Euro 21,500,000, of which Euro 16,000,000 was ready cash and Euro 5,500,000 was to be collected by 31 December 2016.

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On 9 July 2014, the Fund sign an investment contract with Film Master Group – Italian Entertainment Network S.p.A. (“I.E.N.”), a company head-quartered in Rome and operating in cinematographic production and cinematographic, television and musical works, for a total amount of Euro 9,999,991, including Euro 3,333,331 as a share capital increase, equal to 15.33% of the company, and Euro 6,666,660 as a convertible bond. The operation is expected to be completed by the end of August.

#### Indirect investments

As at 30 June 2014, the Fund holds units in 14 UCIs (two of which were acquired during the first half of 2014) and shares in six holding companies (one of which was subscribed during the first half of 2014 and completed at the beginning of July):

- 1) On 10 May 2011, the Fund subscribed to a commitment of Euro 35,000,000 in **Wisequity III**, a private equity fund managed by the management company Wise SGR S.p.A.. The total commitment of Wisequity III is 181.5 million Euros.
- 2) On 10 June 2011, the Fund subscribed to a commitment of Euro 25,000,000 in **Progressio Investimenti II**, the second private equity fund launched by Progressio SGR S.p.A., an independent company created in 2004 at the initiative of the Mittel Group, Fondazione Cassa di Risparmio di Trento e Rovereto and Istituto Atesino di Sviluppo S.p.A., which is currently controlled by the management team. The total commitment of Progressio Investimenti II is 204.2 million Euros.
- 3) On 4 July 2011, the Fund subscribed to a commitment of Euro 20,000,000 in **Finanza e Sviluppo Impresa**, which is managed by Futurimpresa SGR S.p.A., a private equity operator created at the initiative of the Chambers of Commerce of Milan, Brescia, Bergamo and Como. The total commitment of Finanza e Sviluppo Impresa is 70.2 million Euros.
- 4) On 4 July 2011, the Fund subscribed to a commitment of Euro 20,000,000 in **Gradiente I**, managed by Gradiente SGR S.p.A., with a total commitment of 76.0 million Euros. Gradiente SGR is a management company created at the initiative of Fondazione Cassa di Risparmio di Padova e Rovigo and Sinloc S.p.A..
- 5) On 20 October 2011, the Fund subscribed to a commitment of Euro 15,000,000 in **Vertis Capital Parallel**, a co-investment fund operated in parallel to Vertis Capital, both of which are managed by the management company Vertis SGR S.p.A. The total commitment of Vertis Capital Parallel is 15.3 million Euros.
- 6) On 24 October 2011, the Fund subscribed to a commitment of Euro 20,500,000 in **Alto Capital III**, a fund managed by Alto Partners SGR S.p.A., which was founded in 2004 and is owned by the fund team. At the end of the collection period, the fund reached a size of 94 million Euros, and the total commitment subscribed by the Fund in Alto Capital III is equal to 25 million Euros.
- 7) On 29 November 2011, the Fund subscribed to a commitment of Euro 20,000,000 in **Arca Impresa Tre Parallel** (the total commitment of which is equal to 20.25 million Euros). The fund is a co-investment vehicle that operates in parallel with the fund Arca Impresa Tre (which has a commitment of 73 million Euros). Both funds were managed by Arca Impresa Gestioni SGR S.p.A. (“Arca SGR”), a management company owned by Banca Popolare dell’Emilia Romagna, until 100% of the capital of Arca SGR was sold by Banca Popolare dell’Emilia Romagna to Iniziativa Gestione Investimenti SGR S.p.A. (“IGI SGR”) on 21 March 2013. Following the merger by incorporation of Arca SGR into IGI SGR, which took place at the beginning of July 2013, the fund assumed the name **IGI Investimenti Cinque Parallel**.
- 8) On 21 December 2011, the Fund subscribed to a commitment of Euro 20,000,000 in **NEIP III S.p.A.**, a holding company with Finint & Partners S.r.l. as its exclusive adviser. NEIP III S.p.A. is

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the third investment vehicle promoted by Gruppo Finanziaria Internazionale ("Finint") and has a total envelope of 75.2 million Euros.

- 9) On 22 December 2011, the Fund subscribed to a commitment of Euro 25,000,000 in **Winch Italia S.p.A.**, a holding company with Mast Capital Partners S.r.l. as its exclusive adviser. Winch Italia S.p.A. was created as part of the co-investment agreement signed between the investment vehicle and Edmond de Rothschild Investment Partners, a leading French management company that manages the Winch II fund with which Winch Italia S.p.A. co-invests in transactions that it executes in Italy.
- 10) On 27 July 2012, the Fund subscribed to a commitment of Euro 11,000,000 in **Hat Holding All Together S.p.A. ("HAT")**, which was increased to Euro 15,000,000 after additional capital was raised by the company. HAT is a holding company that has Hat Private Equity S.r.l., an advisory company controlled by the management team, as its exclusive adviser. After the entry of other investors, the investment vehicle has now reached a commitment of Euro 39,000,000. Consequently, the Fund subscribed to an additional Euro 2,000,000 (Euro 500,000 on 30 September 2013 and Euro 1,500,000 on 30 November 2013), bringing the Fund's total commitment as of today to Euro 13,000,000.
- 11) On 1 August 2012, the Fund subscribed to a commitment of Euro 10,000,000 in **360 Capital 2011 FCPR**, a venture capital fund focused on investments in Italy and France, primarily in the Digital, ICT and Cleantech sectors. The fund is managed by 360 Capital Partners S.A.S., a company that was founded in 2005 by a team with a decade of experience in the venture capital sector. The total commitment of the Fund is currently equal to 71.83 million Euros.
- 12) On 2 August 2012, the Fund subscribed to a commitment of Euro 15,000,000 in **Star III – Private Equity Fund**, a fund managed by Star Capital SGR S.p.A., a company that was founded in 2001 and is currently entirely owned by the management team. The total commitment of the Fund is equal to 87.7 million Euros.
- 13) On 25 September 2012, the Fund subscribed to a commitment of Euro 15,000,000 in **Sofinnova Capital VII**, a venture capital fund managed by Sofinnova Partners S.A.S., a company that has been active on the European venture capital market since the 1970s. The fund concentrates on investments in venture capital in businesses operating in the biopharmaceutical, biotechnology, medical equipment and industrial chemistry segments. The total commitment of the Fund is equal to 240 million Euros.
- 14) On 17 January 2013, the Fund subscribed to a commitment of Euro 9,999,951 in **United Ventures One S.p.A.**, a holding company that has United Ventures S.r.l., an advisory company controlled by the management team, as its exclusive adviser. The vehicle seeks to execute venture capital investments in companies in the seed, early stage and late stage phases that operate in the digital and ICT sectors. The total envelope of the company as at 30 June 2014 amounts to 52.65 million Euros following the entry of new investors.
- 15) On 2 October 2013, the Fund subscribed to a commitment of Euro 30,000,000 in **Emisys Development**, a fund that is primarily focused on investments in small and medium size companies by subscribing to hybrid debt and equity capital instruments. The strategy of the fund is to provide companies with the capital needed for their growth, expansion and enhanced competitiveness. The fund is managed by Emisys Capital S.G.R.p.A, a management company owned by the team, Fineurop S.p.A. and IntesaSanpaolo. The total commitment is currently equal to Euro 131 million.
- 16) On 21 October 2013, the Fund subscribed to a commitment of Euro 30,000,000 in **Ambienta II**, a fund that seeks to invest in small and medium size companies focused on energy savings, energy efficiency, waste treatment and pollution management. The fund is managed by

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Ambienta S.G.R., a management company controlled by the management team that also includes among its shareholders a large number of Italian entrepreneurs as well as IntesaSanpaolo. The total commitment of the fund, along with the parallel fund Ambienta II LP, is currently equal to 248.3 million Euros.

- 17) On 19 December 2013, the Fund subscribed to a commitment of Euro 15,000,000 in **Programma 101 S.p.A.**, a holding company with P101 S.r.l., a company owned by the management team of the investment vehicle, as its exclusive adviser. The investment activity of Programma 101 S.p.A. will be focused on venture capital interventions in companies in the seed, early stage and late stage phases that primarily are active in the digital and ICT sectors. The company has structured sourcing agreements with a large number of incubators. The overall envelope of the company amounts to 32 million Euros.
- 18) On 7 February 2014, the Fund subscribed to a commitment of Euro 25,000,000 in **Consilium Private Equity Fund III**, managed by Consilium SGR p.A., a company entirely owned by the management team. The investment activity of Consilium III will be primarily focused on investments in small and medium size Italian companies with turnover of between 10 and 80 million Euros that are in leadership positions on their own reference market, often niche markets. The total envelope of the Fund amounts to 91.55 million Euros.
- 19) On 9 April 2014, the Fund subscribed to a commitment of Euro 20,000,000 in **AXA Expansion III Italia Parallel [sic]**, a co-investment vehicle with AXA Expansion Fund III (as primary fund), managed by Ardian France S.A.. The investment activities of AXA Expansion III Italia Parallel will be focused exclusively in small and medium size Italian companies alongside the primary fund, leveraging the Ardian P.E. team in Italy. The total envelope of the Fund amounts to 20.2 million Euros.
- 20) On 12 June 2014, the Fund subscribed to a commitment of 19 million Euros in **SI2 S.r.l.** (which was transformed at first closing into SI2 S.p.A.), a co-investment vehicle with small and mid cap funds managed by Sigefi Private Equity ("Sigefi PE"), a leading French private equity company focused on minority transactions and capital expansion. SI2 will invest exclusively in small and medium size Italian companies, primarily as a minority shareholder and through capital expansion and will be managed by Insec Equity Partner, which is owned by the Italian team. The total commitment of the Fund amounts to 27.6 million Euros.

The table below contains details on the holdings as at 30 June 2014, as well as the five holding companies that are part of the indirect investments (Neip III S.p.A., Winch Italia S.p.A., HAT Holding All Together S.p.A., United Ventures S.p.A. and Programma 101 S.p.A.). SI2 S.r.l. was not valued because the first closing occurred on 8 July 2014:

no.	Company name	Value as at 31/12/2013	Increases during financial year	Decreases/ write-downs during financial year	Value as at 30/06/2014	Ownership share (%)	Shareholder loan as at 30/06/2014	Ordinary/ Convertible Bonds as at 30/06/2014
<b>Direct investments</b>								
1	Geico Lender S.p.A.	700,000			700,000	12.10%		
2	Arioli S.p.A.	5,727,159	2,030,172		7,757,332	32.73%		
3	BAT S.p.A.	6,203,960			6,203,960	21.60%	446,040	
4	Comecer S.p.A.	7,500,000			7,500,000	32.90%		
5	Ferry Investments S.r.l. (formerly Cartour S.r.l.)	17,500,000			17,500,000	100.00%		
6	Eco Eridania S.p.A.	12,300,000		-12,300,000	0	32.16%		
7	Sanlorenzo S.p.A.	15,000,000			15,000,000	15.96%		
8	Truestar Group S.p.A.	10,200,000		-700,000	9,500,000	24.90%	3,000,000	
9	DBA Group S.r.l.	1,850,000			1,850,000	22.80%		
10	Amut S.p.A.	10,000,000			10,000,000	39.80%		
11	IMT S.p.A.	5,000,000			5,000,000	30.30%		5,576,490
12	Elco S.p.A.	5,000,000			5,000,000	29.76%		
13	Sira Group S.p.A.	12,000,000			12,000,000	40.35%		
14	TBS Group S.p.A.	10,000,001			10,000,001	13.17%		10,000,002
15	Rigoni di Asiago S.r.l.	10,000,000			10,000,000	35.56%	4,000,000	
16	La Patria S.r.l.	9,320,049			9,320,049	32.37%		
17	Angelantoni Test Technologies S.r.l.	8,000,000	3,810,000		11,810,000	32.00%		
18	Farmol S.p.A.	0			0	-		3,000,000
19	Zeis Excelsa S.p.A.	12,000,000		-2,400,000	9,600,000	19.99%		8,921,088
20	General Medical Merate S.p.A.	13,000,000		-1,200,000	11,800,000	28.85%		
21	Labomar S.r.l.	3,000,000			3,000,000	29.33%		
22	Antares Vision S.r.l.	5,000,000			5,000,000	21.11%		
23	E.M.A.R.C. S.p.A.	10,000,000			10,000,000	31.00%		
24	Megadyne S.p.A.	22,000,000	26,000,000		48,000,000	14.13%		
25	Mape S.p.A.	0			0	30.07%		0
26	Turbocoating S.p.A.	7,500,000			7,500,000	15.25%		2,500,000
27	Surgital S.p.A.	10,600,000			10,600,000	16.00%		
28	Marsilli & CO. S.p.A.	10,000,000			10,000,000	13.75%		
29	Mesgo S.p.A.	8,000,000			8,000,000	32.00%		
30	Forgital Group S.p.A.	100,000			100,000	0.10%	9,900,000	20,000,000
<b>Indirect investments/Holding companies</b>								
1	Winch Italia S.p.A.	7,186,157		-2,806,430	4,379,727	99.50%		
2	NEIP III S.p.A.	2,741,795	532,151	-426,124	2,847,822	26.61%		
3	HAT Holding All Together S.p.A.	5,389,234		-124,199	5,265,034	33.33%		
4	United Ventures S.p.A.	1,776,473		-80,609	1,695,864	18.99%		
5	Programma 101 S.p.A.	92,813	1,316,874		1,409,687	46.88%		
<b>Total</b>		<b>264,687,641</b>	<b>33,689,197</b>	<b>-20,037,361</b>	<b>278,339,477</b>		<b>17,346,040</b>	<b>49,997,580</b>

The table also shows the only controlling shareholding, represented by the vehicle Ferry Investments S.r.l., equal to Euro 17,500,000, which is shown in item A.1. in the assets and liabilities statement. All of the other holdings listed above are indicated in item A.2. of the aforesaid assets and liabilities statement.

As at 30 June 2014, the Fund prudentially wrote down the book value of Zeis Excelsa S.p.A., TruestarGroup S.p.A. and Genera Medical Merate S.p.A..

Details on the UCI units as at 30 June 2014 are presented in the table below:

no.	Name	Value as at 31/12/2013	Increases/decrease s during financial year	Capital gains/losses	Value as at 30/06/2014	Ownership interest (%)
1	Wisequity III	12,153,142	3,045,000	23,540	15,221,682	19.28%
2	Finanza e Sviluppo Impresa	4,252,356		-24,155	4,228,201	28.49%
3	Progressio Investimenti II	4,640,665		-466,953	4,173,713	12.24%
4	Gradiente I	4,117,087	2,421,053	-170,807	6,367,333	26.32%
5	Alto Capital III	2,120,764	2,108,763	728,317	4,957,844	26.60%
6	Vertis Capital Parallel	5,463,785		-17,335	5,446,450	98.36%
7	IGI Investment Cinque Parallel	2,934,667		144,202	3,078,869	98.77%
8	360 Capital 2011 FCPR	1,696,900	485,612	225,058	2,407,570	13.92%
9	Sofinnova Capital VII	3,191,678	1,338,750	131,348	4,661,775	6.25%
10	Star III Private Equity Fund	2,476,676		-5,378	2,471,298	17.10%
11	Emisys Development	0		20,783	20,783	22.90%
12	Ambienta II	0	4,037,934	287,417	4,325,351	17.26%
13	Consilium Private Equity Fund III	0		0	0	27.31%
14	AXA Expansion III Italia Parallel	0	3,960,000	0	3,960,000	99.00%
<b>Total</b>		<b>43,047,720</b>	<b>17,397,112</b>	<b>876,038</b>	<b>61,320,870</b>	

As at 30 June 2014, the Consilium Private Equity Fund III fund has issued a single call for management fees.

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#### Regulatory and compliance profiles

Pursuant to Articles 37-39 of the Joint Banca d'Italia – Consob Regulations of 29/10/2007, the Company has adopted a conflicts of interest policy to ensure that the assets of the Fund are not subject to charges that would otherwise be avoidable, that profits due are properly received and, in any event, that such conflicts do not cause harm to the managed Fund and its participants. In order to ensure that the management activities are performed in an independent manner in the exclusive interests of the investors, the SGR has adopted mechanisms to resolve potential conflicts of interest and has created the “Conflicts of Interest Committee” for this purpose. During the first half of 2014, the Conflicts of Interest Committee met five times.

On 21 January 2014, the SGR updated its anti-money laundering policy in compliance with the Banca d'Italia Order of 3 April 2013 regarding customer due diligence measures and the Archivio Unico Informatico [Centralised Computer Archive] (AUI). Personnel attended a special training course on 2 July 2014 in connection with these changes.

On 11 March 2014, the Board of Directors of SGR approved certain changes to the Regulations of the Fund, primarily regarding the investment policy, which were approved by the General Meeting of Fund Participants of 15 April 2014.

For the Fund's investee companies, SGR exercised its voting rights as follows:

#### DIRECT INVESTMENTS

Company	meeting date	Actions taken at general shareholder meetings
Forgital S.p.A.	20/01/2014	Favourable vote for the determination of compensation for the Board of Directors; abstained regarding delegation to participate in the shareholder meetings of the subsidiaries Forgital Italy SpA and Forgital USA Inc.. Abstained on various matters.
Geico Lender S.p.A.	07/02/2014	Favourable vote to change Articles 18, 29 and 32 and the Articles of Association, respectively (i) procedures for convening the General Shareholder Meeting; (ii) procedures for convening Board of Directors' meetings and (iii) powers of the Board of Directors.
Forgital S.p.A.	19/03/2014	Favourable vote for the appointment of the common representative of the bondholders and establishment of the associated compensation. Abstained on various matters.
Eco Eridania S.p.A.	25/03/2014	Extraordinary Meeting: Favourable vote for (i) the proposal to modify Articles 4, 5 and 7 of the Convertible Bond Regulations of Eco Eridania S.p.A. 2013- 2015 and (ii) proposal to modify Articles 19.2 (y) and 24.2 of the Articles of Association. Ordinary Meeting: Favourable vote for (i) the assignment of the industrial waste business unit, formerly Ghi.Be.Ca., to a newly-created company and (ii) the acquisition of 100% of the share capital in the company Sameco Srl. Abstained regarding the acquisition of the industrial waste business unit Peschiera Borromeo.
Arioli S.p.A.	31/03/2014	Favourable vote regarding the approval of the annual financial statements as at 31 December 2013.
Megadyne S.p.A.	11/04/2014	Favourable vote for the annual financial statements as at 31 December 2013. Acknowledgement of the Consolidated Financial Statements for the year ending 31 December 2013.
Mape S.p.A.	15/04/2014	Favourable vote (i) to put the Company into liquidation and (ii) appoint Dr Alessandro Gualtieri as liquidator of the Company.
Marsilli & Co. S.p.A.	17/04/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013; acknowledgement of the presentation of the consolidated financial statements for the year ended 31 December 2013.
Mesgo S.p.A.	23/04/2014	Favourable vote for the approval of the annual financial statements as at 31 December 2013 and distribution of a dividend of up to a maximum of Euro 2,100,000.
Forgital S.p.A.	29/04/2014	Favourable vote for the requirements of Article 2364 of the Italian Civil Code. Abstained on various matters.
Labomar S.r.l.	29/04/2014	Favourable vote for (i) the approval of the annual financial statements as at 31 December 2013 and (ii) determination of the fees to be paid to the members of the board of directors of the company for financial year 2014. Abstained on various matters.
ITAL TBS Group S.p.A.	29/04/2014	Ordinary meeting: Favourable vote for the approval of the annual financial statements as at 31 December 2013; acknowledgement of the consolidated financial statements for the year ended 31/12/2013. Favourable vote for allocation of compensation for the members of the Board of Directors Extraordinary Meeting: Favourable vote for the resolution for merger by incorporation of Tecnobiopromo Srl into TBS Group S.p.A..
General Medical Merate S.p.A.	29/04/2014	Favourable vote for (i) approval of the annual financial statements as at 31 December 2013 and the consolidated financial statements for the year ended 31 December 2013 and (ii) appointment of the Board of Directors of the company and their compensation. Abstained on various matters.
Comecer S.p.A.	06/05/2014	Favourable vote for (i) approval of the annual financial statements as at 31 December 2013; (ii) appointment of the Board of Directors due to expiry of term and determination of compensation; (iii) appointment of the board of auditors due to expiry of term and determination of compensation; (iv) appointment of the independent auditor due to expiry of term and determination of compensation.
Caronte & Tourist S.p.A.	07/05/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013 and the consolidated financial statements for the year ended 31 December 2013; favourable vote for appointment of the chairman of the board of auditors.
Mape S.p.A.	09/05/2014	Favourable vote for the application for bankruptcy pursuant to Art.6 of the Bankruptcy Act and filed by the debtor.
Ferry Investments S.r.l.	13/05/2014	Favourable vote for the annual financial statements as at 31 December 2013.
Rigoni di Asiago Srl	16/05/14	Extraordinary Meeting: Favourable vote for the proposal to modify the by-laws to expressly provide for the issue of debt securities. Ordinary Meeting: Favourable

		vote for the approval of the annual financial statements as at 31 December 2013 and acknowledgement of the consolidated financial statements for the year ended 31 December 2013. Favourable vote for (i) appointment of a director pursuant to the Articles of Association; (ii) modification of the total compensation of directors pursuant to the by-laws; (iii) presentation of the application for admission to trading of the debt securities of the company on the ExtraMOT market operated by Borsa Italiana S.p.A. and (iv) appointment of the independent auditor for the 2014-2016 three-year period and determination of compensation.
Forgital S.p.A.	20/05/2014	Favourable vote for the analysis of the consolidated financial statements for the year ended 31 December 2013.
Company	Shareholder meeting	Actions taken at general shareholder meetings
Angelantoni Test Technologies S.r.l.	28/05/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013 and allocation of the year's profits; presentation of the consolidated financial statements for the year ended 31 December 2013. Favourable vote for confirmation of the compensation of the Board of Directors and the Board of Auditors.
La Patria S.r.l.	29/05/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013; acknowledgement of the consolidated financial statements for the year ended 31 December 2013. Favourable vote for the (i) appointment of directors pursuant to Article 2383 of the Italian Civil Code and (ii) proposed compensation for the Board of Directors. Abstained on various matters.
Geico Lender S.p.A.	06/06/2014	Favourable vote for the appointment of the Board of Directors.
Surgital S.p.A.	10/06/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013 and acknowledgement of the presentation of the consolidated financial statements for the year ended 31 December 2013.
Geico Lender S.p.A.	20/06/2014	Favourable vote for (i) approval of the annual financial statement as at 31 December 2013; (ii) appointment of the independent auditor charged with performing the legal audit of the accounts pursuant to Articles 2409-bis et seq. of the Italian Civil Code for the 2014/16 three-year period and determination of the fees to be paid for this assignment. Acknowledgement of the consolidated financial statements for the year ended 31 December 2013. Favourable vote regarding the appointment of the board of auditors and its chairman and determination of their compensation.
Turbocoating S.p.A.	24/06/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013 and the consolidated financial statements for the year ended 31 December 2013. Abstained on various matters.
Amut S.p.A.	27/06/2014	Favourable vote regarding approval of the annual financial statements as at 31 December 2013 and the consolidated financial statements for the year ended 31 December 2013. Favourable vote regarding (i) the appointment of the directors and chairman of the Board of Directors, (ii) determination of the total amount of remuneration of the directors, (iii) appointment of the auditors and chairman of the board of auditors, (iv) determination of the compensation of the auditors and (v) appointment of the entity charged with conducting the regulatory audit of the accounts.
DBA Group S.p.A.	24/06/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013; favourable vote for the appointment/renewal of the Board of Directors and Board of Auditors and determination of compensation for the Board of Auditors; acknowledgement of the presentation of the consolidated financial statements for the year ended 31 December 2013.
IMT S.p.A.	28/06/2014	Favourable vote regarding (i) the measures pursuant to Article 2364, paragraph 1, of the Italian Civil Code; (ii) company offices; (iii) compensation for the Board of Directors. Abstained on various matters.
BAT S.p.A.	30/06/2014	Favourable vote for (i) the approval of the annual financial statements of Bat S.p.A. 31 December 2013; (ii) the appointment of the Board of Directors and Board of Auditors for the 2014/2016 three-year period and assignment of powers and appointment of the entity charged with performing the legal audit of the accounts for the 2014/2016 three-year period. Abstained on various matters.
Antares Vision S.r.l.	30/06/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013 and acknowledgement of the consolidated financial statements for the year ended 31 December 2013. Favourable vote for distribution of bonuses to the members of the Board of Directors.
Elco S.p.A.	03/07/2014	Favourable vote for approval of the annual financial statements as at 31 December 2013 and acknowledgement of the consolidated financial statements for the year ended 31 December 2013. Abstained on various matters.
SanLorenzo S.p.A.	08/07/2014	Extraordinary Meeting: Favourable vote for the free share capital increase from Euro 15,503,386.00 to Euro 30,000,000.00 using the share premium reserve and

		modification of Article 3 of the Articles of Association. Ordinary meeting: Favourable vote for the approval of the annual financial statements ended 31 December 2013; acknowledgement of the consolidated financial statements for the year ended 31 December 2013. Favourable vote for (i) the appointment of a director as a result of a resignation pursuant to Article 2364 paragraph 1, no. 2; (ii) renewal of the mandate for the legal audit of the accounts following expiry of the term pursuant to Article 2409-bis.
Zeis Excelsa S.p.A.	11/07/2014	Favourable vote for (i) the approval of the annual financial statements as at 31 December 2013 and (ii) the appointment of the entity charged with the regulatory audit of the accounts pursuant to Article 2409-bis of the Italian Civil Code and determination of the relevant compensation. Abstained on various matters.
E.M.A.R.C. S.p.A.	14/07/2014	Ordinary Meeting: acknowledgement (i) of the Chairman's communications and (ii) of the presentation of the consolidated financial statements for the year ended 31 December 2013. Favourable vote for (i) approval of the annual financial statements ended 31 December 2013 and (ii) appointment of the Board of Directors. Extraordinary Meeting: favourable vote for the proposal to cover the year's loss.
Sira S.p.A.	14/07/2014	Favourable vote for (i) approval of the annual financial statements as at 31 December 2013 and (ii) appointment of a board member. Abstained on various matters.
Angelantoni Test Technologies S.r.l	16/07/2014	Favourable vote for the change to the Articles of Association due to adoption of the optional shareholder register.
Forgital S.p.A.	17/07/2014	Favourable vote regarding the resignation of a board member and appointment of a new member of the Board of Directors.
<b>INDIRECT INVESTMENTS</b>		
<b>Company</b>	<b>meeting date</b>	<b>Actions taken during consultation procedure provided for by the Fund Regulations</b>
Fondo Finanza e Sviluppo Impresa	26/03/2014	Acknowledgement of the update of the portfolio situation of the Fund "Finanza e Sviluppo Impresa".
Fondo Ambienta II	16/04/2014	Acknowledgement of the presentation regarding the Fund's performance during financial year 2013; abstained on various matters.
<b>Holdings</b>	<b>Shareholder meeting</b>	<b>Actions taken at general shareholder meetings</b>
United Ventures One S.p.A.	15/01/2014	Favourable vote to revoke the unexecuted part of the share capital increase resolution of 26/02/2013; capital increase, in tranches, in cash, for a maximum nominal amount of Euro 164,226.00 through issue of a maximum of 164,226 category A shares, with shareholder option; modification of the Articles of Association regarding the rule on transfers of A and A bis shares.
HAT Holding All Together S.p.A.	19/03/2014	Favourable vote for the approval of the third-party buyer proposed by the selling shareholder in connection with the sale of the "A" shares owned by shareholder Acqua Marcia International S.A. to Ms Emanuela Foci, pursuant to and in accordance with Article 6.10 of the Articles of Association; abstained on various matters.
Programma 101 S.p.A.	27/03/2014	Favourable vote for approval of the Financial Statements as at 31/12/2013 and related resolutions; approval of the compensation of the Board of Directors; appointment of the independent auditor and related resolutions.
Neip III S.p.A.	30/04/2014	Favourable vote for approval of the Annual Financial Statements as at 31/12/2013; related resolutions; renewal of the Board of Directors; related resolutions; renewal of the Board of Directors; related resolutions; renewal of the legal audit assignment of the Independent Auditor for financial years 2014 - 2016; related resolutions; abstained on various matters.
HAT Holding All Together S.p.A.	09/07/2014	Favourable vote for (i) approval of the annual financial statements as at 31 December 2013 and (ii) appointment of the Board of Directors. Abstained on various matters.

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This Report is drafted in compliance with the Regulations of Banca d'Italia of 8 May 2012, as amended, in accordance with the principles of clarity and precision and is a true and faithful representation of the economic and financial situation and the trends of the Fund as at 30 June 2014.

The Interim Report is comprised of the Assets and Liabilities Statement, the Income Section and the valuation criteria and is accompanied by this Report of the Directors of Fondo Italiano d'Investimento SGR S.p.A. as the management company of Fondo Italiano di Investimento. The Interim Report is denominated in Euros.

This Report dated 30 June 2014 is subject to a limited audit by Reconta Ernst & Young S.p.A., which has been appointed to conduct the accounting control and audit of the AMC's Financial Statements as well as the Statement of Account of the Fund for financial years 2010 – 2018.

\* \* \*

During the half-year, five call-ups were performed for a total of Euro 24,593,000, which brought the called up total of the Fund to Euro 494,170,680 as at 30 June 2014.

\* \* \*

On 13 June 2014, the second early partial distribution following disinvestment was performed (capital repayment) as a result of the sale of Eco Eridania, as discussed above, for an amount of Euro 16,000,000.

\* \* \*

#### Assets and Liabilities Statement

As at 30 June 2014, the assets of the Fund are represented by the following items:

- 1) Euro 389,657,927 in financial instruments, comprised of the following:
  - Euro 17,500,000 associated with the only controlling shareholding represented by Ferry Investments S.r.l., a vehicle created on 11 July 2013 to facilitate the completion of the swap operation of Cartour S.r.l.;
  - Euro 260,839,477 associated with non-controlling shareholdings corresponding to the book value of the 27 direct investments and the five holding companies;
  - Euro 61,320,870 associated with the value of the indirect investments represented by the 14 UCIs in the portfolio;
  - Euro 49,997,580 associated with debt securities represented by bonds issued by the investee companies;
- 2) Euro 17,346,040 in shareholder loans to investee companies;
- 3) Euro 4,739,604 in connection with the net cash position;
- 4) Euro 7,916,514 associated with other assets including (i) Euro 5,500,000 in receivables from Roxe S.A. for the sale of Eco Eridania S.p.A., (ii) Euro 1,297,306 as accrued tax savings as at 30 June 2011 and (iii) Euro 1,119,208 primarily represented by accrued net interest income on the bonds and shareholder loans.

#### Income Section

30 June 2014 closes with a profit of Euro **28,268,212** (as at 31 December 2013, a loss of Euro 34,642,433 was recorded), comprised of the following:

- Euro 27,743,240 in capital gains as at 30 June 2014, including Euro 27,540,172 for capital gains earned on direct investments (including Euro 26,000,000 for the revaluation of Megadyne

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S.p.A., Euro 3,810,000 for the revaluation of Angelatoni Test Technologies S.r.l. and Euro 2,030,172 for the revaluation of Arioli S.p.A. net of the write downs to the book value of three investment companies of Euro (2,400,000) for Zeis Excelsa S.p.A., Euro (1,200,000) for General Medical Merate S.p.A. and Euro (700,000) for TruestarGroup S.p.A.) and Euro 203,068 in net capital gains on UCI units and shareholdings;

- Euro 9,180,000 in gains on the sale of Eco Eridania S.p.A. on 9 June 2014 (in addition to the Euro 20,000 collected at the end of 2013 as an advance on the sale of the investee company);
- Euro 1,737,421 in dividends distributed by two investee companies:
  - Euro 1,412,904 paid by Megadyne S.p.A.;
  - Euro 324,516 paid by Mesgo S.p.A..
- Euro 1,684,859 in net interest, including Euro 1,491,462 in interest income on bonds and Euro 193,397 in connection with current loans;
- Euro (6,960,000) in management fees accrued during the half-year equal to 1.16% of the total subscribed amounts and calculated in accordance with Article B.4, paragraph a1, of the Fund Regulations;
- Euro (5,073,913) in other operating expenses, including Euro (406,034) for transaction costs associated with the investments in the portfolio, Euro (4,596,530) in management fees and other expenses associated with UCI units/holdings in the portfolio, Euro (69,027) in the independent auditor's expenses, Euro (1,975) for the relevant portion of the CONSOB contribution;
- Euro (27,025) in fees for the depositary bank.
- Euro (16,370), including Euro (29,704) in contingent liabilities, Euro (1,010) in interest expenses on loan account, Euro 12,734 in other revenue, primarily from redemptions for equalisation and Euro 1,611 in interest income accrued on the current management account.

for the Board of Directors The  
Chairman  
*Dr Innocenzo Cipolletta*  
[Signature]

Milan, 22 July 2014

## ASSETS AND LIABILITIES STATEMENT

ASSETS	Situation as at 30/06/2014		Situation at end of previous financial year	
	Total value	As a percentage of the assets	Total value	As a percentage of the assets
<b>A. FINANCIAL INSTRUMENTS</b>	<b>389,657,927</b>	<b>92.84</b>	<b>357,259,852</b>	<b>93.19</b>
Unlisted financial instruments				
A1. Controlling shareholdings	17,500,000	4.17	17,500,000	4.56
A2. Non-controlling shareholdings	260,839,477	62.15	247,187,641	64.48
A4. Debt securities	49,997,580	11.91	49,524,492	12.92
A5. UCI units	61,320,870	14.61	43,047,719	11.23
<b>C. RECEIVABLES</b>	<b>17,346,040</b>	<b>4.13</b>	<b>17,346,040</b>	<b>4.52</b>
C2. Other	17,346,040	4.13	17,346,040	4.52
<b>F. NET CASH POSITION</b>	<b>4,739,604</b>	<b>1.13</b>	<b>6,781,330</b>	<b>1.77</b>
F1. Cash assets	4,585,423	1.09	6,781,330	1.77
F3. Cash assets committed to pending transactions	154,181	0.04	-	-
<b>G. OTHER ASSETS</b>	<b>7,916,513</b>	<b>1.90</b>	<b>1,972,739</b>	<b>0.51</b>
G2. Prepaid expenses and accrued income	1,119,207	0.27	600,606	0.16
G3. Tax savings	1,297,306	0.31	1,297,306	0.34
G4. Other	5,500,000	1.32	74,827	0.02
<b>TOTAL ASSETS</b>	<b>419,660,084</b>	<b>100.00</b>	<b>383,359,961</b>	<b>100.00</b>

LIABILITIES AND NET	Situation as at 30/06/2014	Situation at end of previous financial year
<b>M. OTHER LIABILITIES</b>	<b>223,677</b>	<b>786,966</b>
M1. Fees and expenses accrued and not yet paid	51,865	24,839
M4. Other	171,812	762,127
<b>TOTAL LIABILITIES</b>	<b>223,677</b>	<b>786,966</b>
<b>TOTAL NET VALUE OF THE FUND</b>	<b>419,436,407</b>	<b>382,572,995</b>
Number of units in circulation	4,800	4,800
Unit value of the units	87,382.585	79,702.707
Total value of amounts to be called up	705,829,320	730,424,520
Unit value of the units to be called up	147,047.775	152,171.775
Redemptions or income distributed	20,920,614	4,920,614
Unit value of the redeemed units	4,358.461	1,025.128

## INCOME SECTION

	Situation as at 30/06/2014		Statement for previous financial year (*)	
<b>A. FINANCIAL INSTRUMENTS</b>				
Unlisted financial instruments				
<b>A1. HOLDINGS</b>	<b>37,784,623</b>		<b>-6,601,585</b>	
A1.1 dividends and other income	1,737,421		2,368,520	
A1.2 profits/losses from encashments	9,180,000		-1,756,145	
A1.3 capital gains/losses	26,867,202		-7,213,960	
<b>A2. OTHER UNLISTED FINANCIAL INSTRUMENTS</b>	<b>2,367,500</b>		<b>-7,035,764</b>	
A2.1 interest, dividends and other income	1,491,462		2,141,213	
A2.3 capital gains/losses	876,038		-9,176,977	
<b>Operating profit financial instruments</b>		<b>40.152.123</b>		<b>-13,637,349</b>
<b>C. RECEIVABLES</b>				
C1. interest income and related income	193,397		151,150	
C2. increases/decreases in value			-576,000	
<b>Operating result receivables</b>		<b>193.397</b>		<b>-424,850</b>
<b>Operating result investments</b>		<b>40.345.520</b>		<b>-14,062,199</b>
<b>Gross operating profit</b>		<b>40.345.520</b>		<b>-14,062,199</b>
<b>H. FINANCIAL EXPENSES</b>	<b>-1,010</b>		<b>-1,846</b>	
H1. Interest expenses on loans received				
H1.2 on other loans	-1,010		-1,846	
<b>Net operating profit</b>		<b>40.344.510</b>		<b>-14,064,045</b>
<b>I. OPERATING EXPENSES</b>	<b>-12,060,938</b>		<b>-20,597,506</b>	
I1. SGR management fees	-6,960,000		-13,920,000	
I2. Depositary bank fees	-27,025		-46,194	
I5. Other operating expenses	-5,073,913		-6,631,312	
<b>L. OTHER INCOME AND EXPENSES</b>	<b>-15,360</b>		<b>19,118</b>	
L1. Interest income on liquid assets	1,611		415	
L2. Other income	12,733		286,026	
L3. Other expenses	-29,704		-267,323	
<b>Operating profit before taxes</b>		<b>28.268.212</b>		<b>-34,642,433</b>
<b>Total Profit/(Loss) for the financial year</b>		<b>28.268.212</b>		<b>-34,642,433</b>

(\*): The figures concerning the "Statement for previous financial year" are not comparable with the figures of 30 June 2014 because they refer to the entire 12-month financial year.

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## VALUATION CRITERIA

The valuation criteria applied for the purposes of determining the value of the Fund's assets are those established by the Banca d'Italia Regulations of 8 May 2012, which was issued pursuant to Article 6, paragraph 1, letter c), number 5 of D. Lgs. [Decreto Legislativo (Legislative Decree)] No. 58/98, as amended.

The purpose of valuing the Fund's assets is to correctly determine the asset situation of the Fund itself. For this reason, the Company has equipped itself with the necessary tools to ensure that the Fund's assets are fairly and correctly represented and that their total net value is equal to the current value on the reference date of the valuation of the assets that comprise it, net of any liabilities. The total net value takes into account the accrued income components directly attributable to the Fund and the effects from executed transactions that have not been settled.

The income and expenses are recorded on an accrual basis regardless of the date of collection and payment.

Therefore, when valuing the net assets of the Fund, the accruals portion of the relevant positive and negative income components are taken into account, among other factors.

The valuation criteria are indicated below:

### *Unlisted financial instruments*

Holdings in unlisted companies are recorded at the adjusted purchase price in case of reduction of the net equity and are written down in case of deterioration of the economic, equity or financial situation of the company or events that could permanently affect the prospects of the same company and the estimated realisable value of the associated securities. The holdings are written down when there are reductions in the shareholders' equity of the investee companies.

Any write-downs are typically equal to the percentage of reduction of the net equity of the investee company recorded in the last official statement of account (annual financial statements and/or interim report).

In exceptional cases, the Company may avoid performing the write-down on the basis of a justified resolution when specific circumstances are in place, such as when the reduction is temporary or irrelevant.

Holdings in unlisted companies can be revalued after a period typically of no less than one year from the investment date based on objective criteria identified through recent transactions or arising from the application of valuation methods based on economic and financial indicators or on a "price/earnings" ratio when dealing with businesses that produce significant revenue streams.

The costs associated with the due diligence activities and legal, fiscal, accounting and notarial services incurred in all phases of the management of the companies (from acquisition through disposal) are expensed during the reference period on an accrual basis and do not increase the carrying/book value of the investee company.

### *UCI units*

The UCI units held by the Fund are valued according to the last value made known to the public, as corrected and revalued, as necessary, to take into account:

- i. market prices, if the UCI units are traded on a regulated market;
- ii. potential objective valuation elements associated with events occurring after the determination of the last value made known to the public. The value made known to the public refers to the NAV (the net asset value of the fund), which is regularly approved by the Board of Directors of the Fund and published in accordance with the procedures established in the Management Regulations of the Fund undergoing valuation.

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The “objective valuation elements” are reported as necessary when they change the last value made known to the public, as defined above:

- redemptions of units occurring during the reference period;
- call ups during the reference period;
- sale of holdings with capital gains or losses;
- situations related to the valuation of the holdings of the UCI (for example, official communication regarding the bankruptcy of an investee company);
- distribution of income.

Costs associated with due diligence activities and legal, fiscal, accounting and notarial services incurred in all phases of the management of the fund (from acquisition through disposal) are expensed during the reference period on an accrual basis and do not increase the carrying/book value of the investee fund.

The commissions, fees and ancillary expenses incurred whenever the Fund subscribes to UCI units after the first closing period of the investee fund are expensed during the reference period. The UCI units subscribed during the financial year for which there is not yet an approved NAV after the entry of the Fund are recorded according to the book value corresponding to the invested capital of the UCI specified in the relevant draw down letter.

#### ***Listed financial instruments***

The value of listed financial instruments is determined according to the last available price recorded on the trading market as at 31 December or 30 June of each financial year (or any other reference date in the event of interim calculations of the Fund's units). For instruments traded on multiple markets, reference must be made to the market with the highest prices, keeping in mind the volumes traded on that market and the operations carried out by the fund. In order for a financial instrument to be attributed “listed” status, this financial instrument must be actively traded on a regulated market.

#### ***Receivables***

The acquired receivables are valued in accordance with their estimated realisable value.

This value is calculated taking into account the following:

- the market prices, where available;
- the characteristics of the receivables.

When calculating the estimated realisable value, negative economic trends impacting certain operating sectors as well as specific geographical areas may also be taken into account. The associated write-downs may also be determined on a flat-rate basis.

The receivables associated with the holdings are recorded in this item. In particular, if the receivables arise from loans granted by the Fund for financial instruments held in its portfolio, the valuation of these receivables must be consistent with the valuation process (revaluation/write-down) of the investee company, also taking into account any guarantees received as well as clauses received for protection of the investment made (such as the existence of exit, escrow or other clauses).

#### ***Repurchase agreement transactions***

For reverse repurchase agreement transactions and related transactions, the portfolio of the Fund's investments does not undergo changes; however, a credit (debit) position for the same amount is recorded in the assets and liabilities statement against the price paid (collected). The difference between the spot price and the forward price is distributed proportionately in time across the duration of the contract as a normal income component. In the case of regulated markets for operations of

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this type, the repurchase agreements and related transactions may be valued according to the prices recorded on the market.

***Other asset components***

Cash assets and on-demand bank deposits are valued according to their nominal value.  
For loans repayable by instalments, reference is made to the outstanding capital debt.

***Other information***

Items denominated in currencies other than the currency of the Fund are converted into Euros based on the current exchange rates on the reference date of the valuation using the reference exchange rates produced by the European Central Bank (ECB).

Forward currency transactions are converted at the current forward exchange rate for maturities corresponding to those of the transactions being valued.

Assets received as collateral are recorded in the memorandum accounts at their current value.

***Income and expenses***

Interest and other income and expenses are recorded on an accrual basis regardless of the date of collection and payment through the appropriate entries of accrued income and expenses.

***Substitute tax: taxation***

With reference to the taxation of Italian mutual funds, Law No. 10 of 26 February 2011 introduced significant modifications to the tax regime for mutual funds. In particular, for Italian and foreign mutual funds, the taxation regime on the results achieved through the management of the fund has been cancelled effective 1 July 2011, whereby the SGR directly charged a tax of 12.50% on the increase in value generated over the year. After this date, profits are taxed when they are actually earned at the time of disinvestment. The date of 1 July 2011, therefore, represented a starting point for the determination of the value according to which the tax must be calculated, using as reference the value of the unit determined by SGR as at 30 June 2011, which constitutes the new basis for calculating the tax. Effective 1 January 2012, the new tax rate used to calculate the tax is 20%. Effective 1 July 2014, the rate increased to 26%.

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