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

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

<table>
<thead>
<tr>
<th>Committed (M€)</th>
<th>Drawn (M€)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>350</td>
<td>350</td>
<td>100%</td>
</tr>
<tr>
<td>68</td>
<td>68</td>
<td>100%</td>
</tr>
<tr>
<td>235</td>
<td>184</td>
<td>78%</td>
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<tr>
<td>90</td>
<td>68</td>
<td>75%</td>
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<tr>
<td>532</td>
<td>532</td>
<td>100%</td>
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<tr>
<td>116</td>
<td>63</td>
<td>55%</td>
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<tr>
<td>201</td>
<td>201</td>
<td>100%</td>
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<tr>
<td>18</td>
<td>18</td>
<td>100%</td>
</tr>
<tr>
<td>78</td>
<td>64</td>
<td>82%</td>
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<tr>
<td>56</td>
<td>54</td>
<td>96%</td>
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<tr>
<td>31</td>
<td>31</td>
<td>100%</td>
</tr>
<tr>
<td>122</td>
<td>0</td>
<td>0%</td>
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<tr>
<td>136</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

F2i I

GAS DISTRIBUTION

F2i Reti Italia (75%) 85.1% 100%
ENEL Rete Gas 100%
2i Gas 350 350 100%
G6 Rete Gas 68 68 100%

WATER DISTRIBUTION

F2i Rete Idrica Italiana (100%) 40.0%
Mediterranea delle Acque 235 184 78%
GESAC** (Naples) 90 68 75%

AIRPORTS

F2i Aeroporti (100%) 70.0%
44.3% (F2i Fund I: 35.7%; F2i Fund II: 8.6%)
SEA (Malpensa / Linate / Bergamo) 532 532 100%
SAGAT *** (Turin) 116 63 55%

TELECOMMUNICATIONS

Metroweb Italia (53.8%) 87.2%
Metroweb 201 201 100%
Saster Net 18 18 100%

RENEWABLE ENERGY

F2i Energie Rinnovabili (100%) 15.7%
Alerion Clean Power 78 64 82%
HFV 56 54 96%

TRANSPORT

F2i Ambienti (100%) 60.0%
Infracis 31 31 100%

F2i II

WASTE TO ENERGY

F2i Ambiente (100%) 49.0%
Iren Ambiente * 136 0 0%

* 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

June 2013
The F2i “Group”: Current Portfolio

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

<table>
<thead>
<tr>
<th>Company</th>
<th>ENEL Rete Gas</th>
<th>Metroweb Italia</th>
<th>GESAC</th>
<th>SAGAT</th>
<th>SEA</th>
<th>MdA</th>
<th>HFV</th>
<th>Alerion</th>
<th>TRM</th>
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<tbody>
<tr>
<td>Revenues 2012</td>
<td>689</td>
<td>63</td>
<td>71</td>
<td>63</td>
<td>621</td>
<td>131</td>
<td>41</td>
<td>79</td>
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<td>EBITDA 2012</td>
<td>360</td>
<td>52</td>
<td>23</td>
<td>14</td>
<td>141</td>
<td>51</td>
<td>32</td>
<td>49</td>
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<tr>
<td>Margin</td>
<td>52%</td>
<td>83%</td>
<td>32%</td>
<td>22%</td>
<td>23%</td>
<td>39%</td>
<td>78%</td>
<td>62%</td>
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<td>Cap-ex 2012</td>
<td>151</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>112</td>
<td>29</td>
<td>62</td>
<td>21</td>
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<tr>
<td>Personnel 2012</td>
<td>2043</td>
<td>43</td>
<td>311</td>
<td>403</td>
<td>5054</td>
<td>406</td>
<td>10</td>
<td>101</td>
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<td>* Second Fund F2i</td>
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<td>Aggregated</td>
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<td>41%</td>
<td>414</td>
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<td>8371</td>
</tr>
</tbody>
</table>

* 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.
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

Sponsors Investors

F2i Fund I

Sponsors Investors

F2i Fund II

Focused Portfolio of Infrastructure Investments

Gas distribution
Water
Airports
Telecoms
Renewables
WTE

Potential new sector
Under review if Core

Investment in Units of the Fund

Core Investor

Co - Investments / lending
**CO-INVESTMENT CASE STUDY: CREATION OF THE LARGEST INDEPENDENT PLAYER IN GAS DISTRIBUTION**

<table>
<thead>
<tr>
<th></th>
<th>ERG*</th>
<th>ERG + 2iGas*</th>
<th>ERG + 2iGas + G6*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients (M)</td>
<td>2,23</td>
<td>2,79 (+25%)</td>
<td>3,81 (+71%)</td>
</tr>
<tr>
<td>RAB (M€)</td>
<td>1,565</td>
<td>1,846 (+18%)</td>
<td>2,588 (+65%)</td>
</tr>
<tr>
<td>Revenues (M€)</td>
<td>386</td>
<td>471 (+22%)</td>
<td>639 (+66%)</td>
</tr>
<tr>
<td>EBITDA (M€)</td>
<td>231</td>
<td>278 (+20%)</td>
<td>370 (+60%)</td>
</tr>
</tbody>
</table>

* Management accounts

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* Enel Rete Gas
* Enel Rete Gas + 2iGas
* Enel Rete Gas + 2iGas + G6 Rete Gas
OWNERSHIP STRUCTURE OF ENEL RETE GAS

F2i Reti Italia

Enel Rete Gas

E.on Rete

G6 Rete Gas (1)
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

- **E2i** (Fondi italiani per le infrastrutture) 53.8%
- **Fondo Strategico Italiano** 46.2%

Root Node: **Metroweb Italia**
- **Municipality of Genoa** (15%) and **85%**
- **100%**
- **87.7%**
- **10.6%**
- **1.7%**

**Metroweb Genova Genoa Network**
- **Metroweb Genova Genoa Network**

**Metrobit**
- **Metrobit**

**Metroweb Milan Network**
- **Metroweb Milan Network**
CO-INVESTMENT OPPORTUNITY: AIRPORT NETWORK

Airport sector investments

Gesac (Naples)

Sea (Malpensa / Linate / Bergamo)

Sagat (Turin / Florence / Bologna)

- Total Pax total 2012 54 MM
- Traffic mkt share 37%
Classification of the main Italian airports

**Core Network Ten-T**
- Milan Malpensa
- Rome Fiumicino
- Venice
- Milan Linate
- Bergamo Orio al Serio

**Comprehensive Network**
- Traffic more than 1,000,000
  - Alghero
  - Bari
  - Brindisi
  - Cagliari
  - Catania
  - Florence
  - Lamezia Terme
  - Olbia
  - Pisa
  - Rome Ciampino
  - Trapani
  - Tender notice
  - Minority stake

**Other Airports**
- Rimini – upward trend traffic
- Salerno – used to relocate some traffic from Naples
- Turin
- Genoa
- Bologna
- Naples
- Palermo
- Traffic more than 500,000 with specific territorial features
  - Ancona
  - Pescara
  - Reggio Calabria
  - Trieste
  - Territorial continuity
  - Lampedusa
  - Pantelleria

**Airports directly held by F2i**

**Airports indirectly held by F2i**

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F2i presentation

June 2013
POTENTIAL OWNERSHIP STRUCTURE OF F2I AIRPORT NETWORK

Step I – Establishment of a single airport holding

- F2i Aeroporti
  - 100%
- F2i SAC
  - 50.78%
- F2i SAL
  - 100%
- 35.69% 8.62%

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

- F2i Aeroporti
  - 50.78%
- Fondo I + Fondo II
  - 54%
- Partner
  - 70%
- ≤49%

Eventuali altre partecipazioni

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