

AIFI

Italian Private Equity and Venture Capital Association

The Italian macroeconomic scenario

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AIFI Chairman

Zurich, 3rd April 2014

Some features of the Italian economy



Source: ISTAT

Forecasts for the next years

<i>In % GDP</i>		2012	2013	2014	2015	2016	2017
GDP (growth rate)	MEF	-2.4	-1.7	1.0	1.7	1.8	1.9
	Confindustria		-1.8	0.7	1.2		
	IMF		-1.8	0.7	1.1	1.4	1.4
Public deficit	MEF	-3.0	-3.1	-2.3	-1.8	-1.2	-0.7
	Confindustria		-3.0	-2.7	-2.4		
	IMF		-3.2	-2.1	-1.8	-1.1	-0.5
Structural public deficit	MEF	-1.3	-0.5	-0.1	-0.2	-0.5	-0.5
	Confindustria		-1.0	-0.9	-1.0		
	IMF		-0.2	-0.0	-0.0	-0.0	-0.0
Primary deficit	MEF	2.5	2.3	3.0	3.5	4.1	4.5
	Confindustria		2.4	2.7	3.1		
	IMF		2.0	3.1	3.5	4.4	5.0
Tax burden	MEF	44.0	44.3	44.2	44.0	43.7	43.3
	Confindustria		44.3	44.2	43.9		
Public debt	MEF	127.0	133.0	133.2	130.5	127.1	123.2
	Confindustria		132.6	133.7	132.0		
	IMF		132.3	133.1	131.8	129.3	126.2
Public debt (net of support lending) ¹	MEF	124.3	127.7	126.3	123.8	120.6	116.9
	Confindustria		129.0	129.8	128.2		

¹ Support lending towards Greece and Italian portion of ESF (European Social Fund) and ESM capital (European Stability Mechanism)
Source: Italian Ministry of Economy and Finance, Confindustria, IMF

Italy in the international industrial scenario

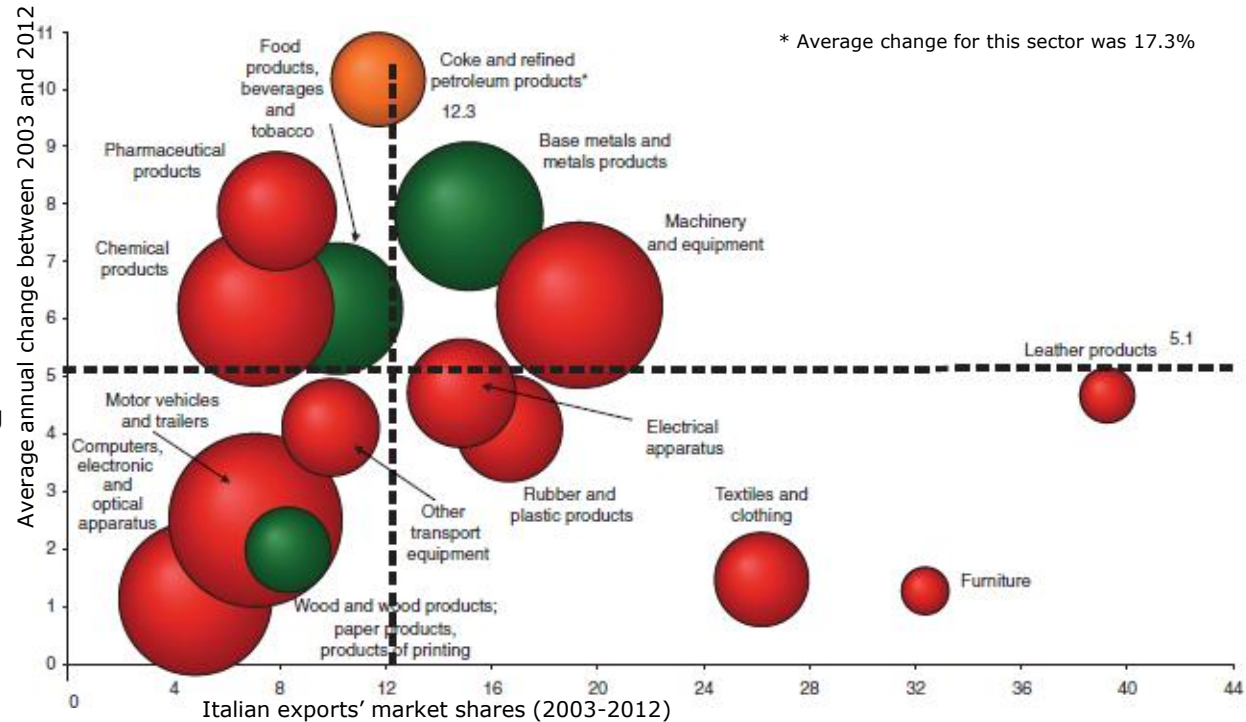
Share % of the first 10 manufacturers on the global industrial production in 2011-2012 (average)

1°	China	21.4
2°	USA	15.4
3°	Japan	9.6
4°	Germany	6.1
5°	South Korea	4.1
6°	India	3.3
7°	Italy	3.1
8°	Brasil	2.9
9°	France	2.9
10°	Russia	2.3

Share % of the first 10 manufacturing exporting countries (VA) on the total exports in 2009

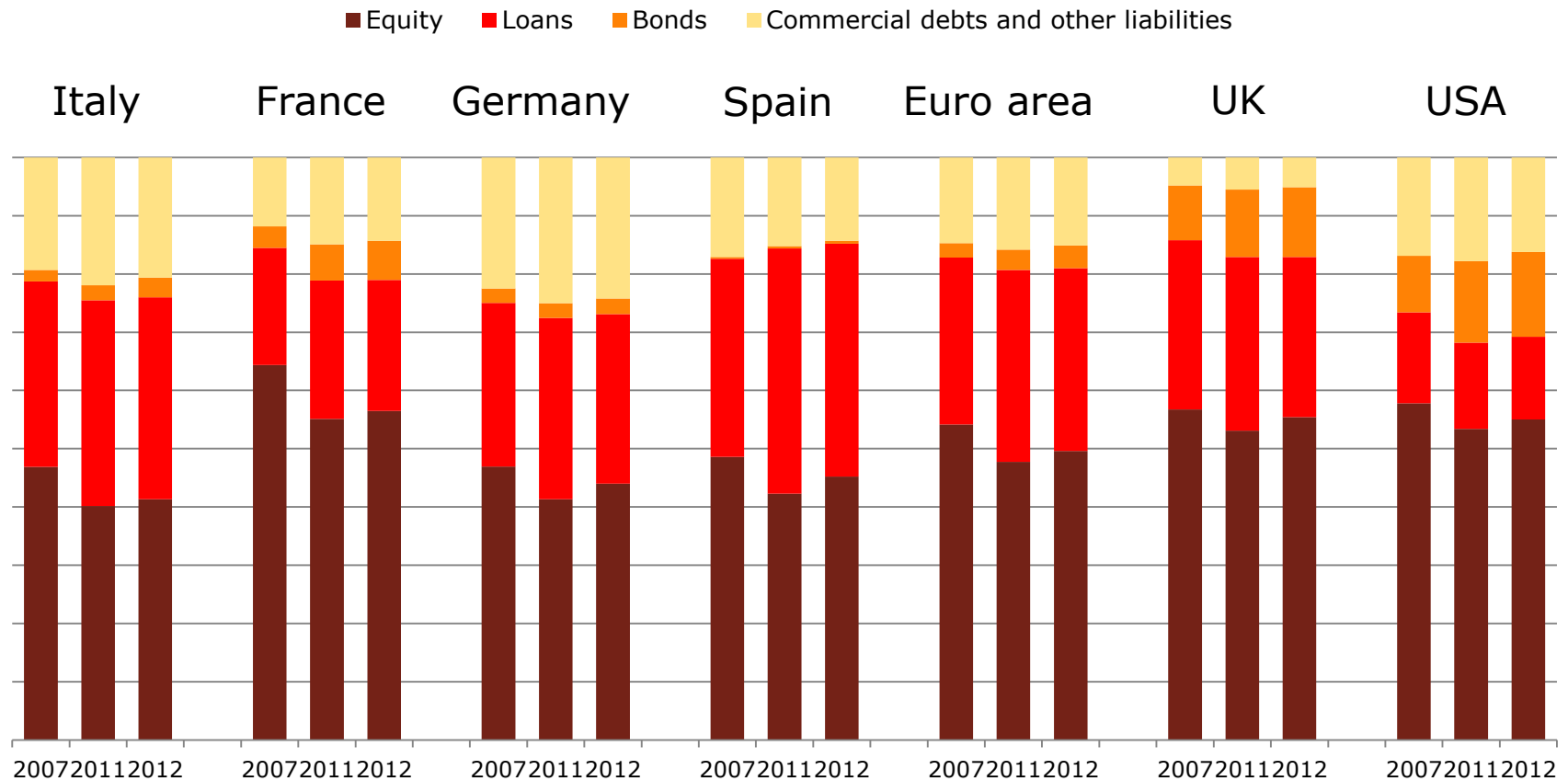
1°	China	18.3
2°	Germany	10.7
3°	USA	11.4
4°	Japan	7.8
5°	Italy	4.0
6°	France	3.6
7°	South Korea	3.6
8°	UK	3.1
9°	Canada	2.3
10°	Spain	2.0

Italy's market shares of Euro area exports of manufactures by sector



The size of the circles represents the sector's average share of Euro area exports in the period 2009-2012. Red (green) circles identify sectors in which Italy's share decreased (increased) between 2003 and 2012. Dotted lines indicate the averages of the variables showed in the axes.

The financial structure of the Italian companies



Source: Banca d'Italia, ISTAT, Banque de France, INSEE, Deutsche Bundesbank, Banco de España, BCE, Bank of England, Central Statistic Office, Federal Reserve System, Board of Governors and Bureau of Economic Analysis

Conclusions

- The Italian economy, although presently global suffering from a decrease in internal consumption, is composed by an healthy number of successful companies in the mid-market sector, historically the “bread and butter” of the private equity industry
- The current economic environment, coupled with historical characteristics of Italian companies, highlights that the need of private equity intervention is strong and higher than ever
- Private equity in Italy is still a relative underdeveloped industry, if compared with other developed countries, and the difficult fundraising environment in the last four years has decreased even further the level of competition



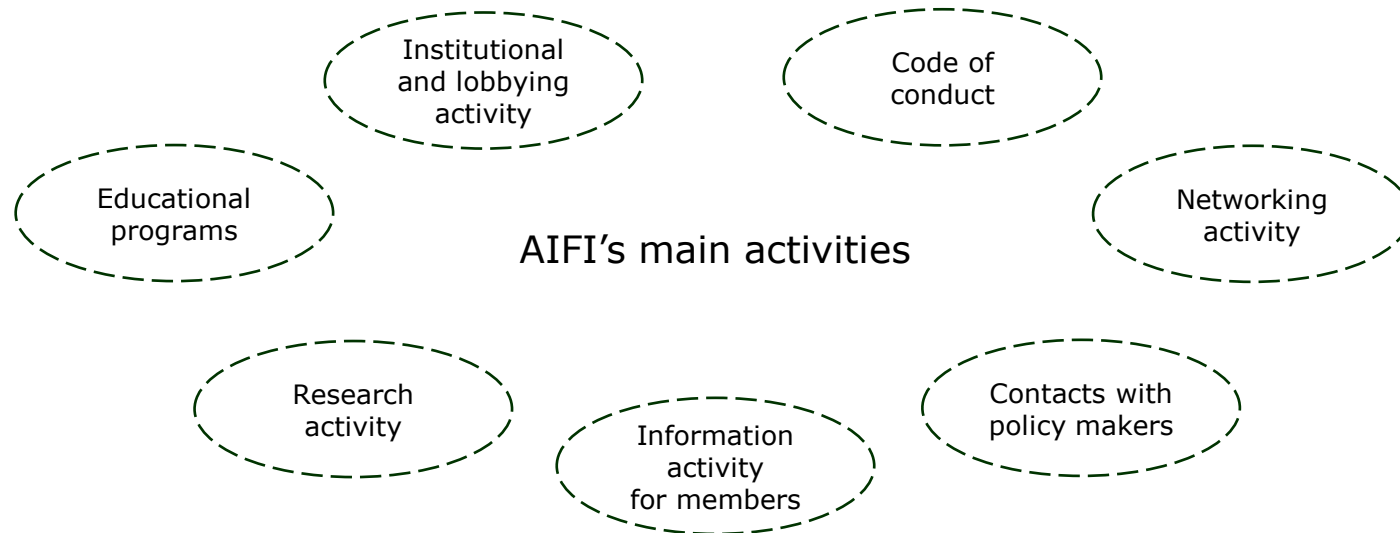
The time to invest in the Italian PE industry is NOW!

The Italian Private Equity and Venture Capital Association

AIFI is the Italian Private Equity and Venture Capital Association, born in 1986 to promote, develop and institutionally represent the private equity and venture capital activity in Italy.

107 full members → Italian closed-end funds, investment companies, pan European players, public players

118 associate members → Accountancy firms, law firms, banks, consultancy groups, institutions, Italian and foreign associations



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