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SOCIETÀ DI GESTIONE DEL RISPARMIO

**ZENIT
FUND 1**

1. Disclaimer

IMPORTANT NOTICE

This document – which is strictly confidential – is intended to provide a concise and preliminary presentation, subject to possible revision, updating and completion, of the main credentials, track records and expertise of the people involved in the initiative at hand, of their investment strategy and of the main terms and conditions of the envisaged project, as well as a brief description of the relevant market scenario.

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Presentation number: _____

Addressee: _____

2. The opportunity

“YARPA Sgr has endorsed the initiative of a team of CEO-level turnaround industrialists and Private Equity professionals focused on turning the growing number of underperforming companies into high yield investments”

3. Investment Criteria

- ❑ Mid market companies from € 30 to 250m sales (depending on sectors)
 - Average investment ticket from € 10 to 20m over the life of the investment
- ❑ Targets :
 - Underperforming companies with negative equity
 - Underperforming companies with positive equity but significant operational upside or a distressed seller
- ❑ Avoid paying premiums and financial engineering as means of value creation
- ❑ Sectors where we have an operational knowledge (ex-CEO coinvestment)
 - which benefit from positive macroeconomic trends or in need of consolidation
- ❑ Focus on a limited number of deals to ensure maximum team involvement in restructuring and value creation

3. Investment Criteria

The past...

- ❑ Large amounts raised by PE funds
- ❑ Relatively undifferentiated investment strategies
- ❑ “Proprietary deals” rare
- ❑ Limited of industrial approach
- ❑ Significant use of leverage



*Excessive valuations
Investment returns have come under
pressure*

Our future...

- ❑ The team: successful combination of private equity and restructuring skills
- ❑ Increasing supply of underperforming companies in need of a turnaround
- ❑ Limited competition
- ❑ Strong exit possibilities : “buy complexity sell clarity” principle
- ❑ Reduced dependence on leverage
- ❑ Ideal time in the economic cycle to invest
- ❑ New, more “investor friendly”, bankruptcy law in Italy



Perfect ingredients for superior returns

4. Investment Committee Key Members



Francesco Di Giovanni (53) Managing Director

- Aeroporti di Roma: CEO – Turnaround Project, appointed by Macquarie
- Acegas (multiutility): General Manager – Turnaround Project
- Moplefan (chemical industry): MD - Turnaround Project
- Appointed by Shell to restructure €2b of Montell debt (JV of Montedison and Shell)
- Montedison: M&A and Executive VP USA
- Bocconi



Federico Pastura (39) Managing Director

- Prior to co-founding Zenit, 8 years in PE with Electra Partners Europe (London / Milan)
- Previously with Merrill Lynch Leveraged Finance (London)
- FSA Certified
- Member of the Ambrosetti network
- Bocconi (cum laude)



Antony Acciarri (47)

20 years experience in Private Equity:

- Founder of Alma Partners, a PE firm focused on French «Special Situations»
- Seats on the investments committee and acts as a link between Alma and Zenit.
- Electra Partners Europe (10 years)
- Bridgepoint (5 years)
- INSEAD MBA



Alessandro Minelli (37)

12 years industrial experience:

- Aprimatic SpA (home automation): CEO and Turnaround Officer
- Urmet Group M&A Manager
- Entrepreneur in FMCG family business
- Italian Chartered Accountant
- INSEAD MBA



Hans Udo Wenzel (59)

- Currently President of Azelis
- Founder and until 2009 CEO of Azelis Group (1.1 bn€ specialty chemical distributor), company backed by Permira, Electra and then 3i
- Executive Vice-President Marketing & Sales of Alitalia
- CEO of Hoechst Italy (pharmaceuticals and industrial chemicals)
- Economics Degree and PhD from University of Zurich

5. Advisory Board

Exclusive advisors will help assessing investments, co-invest, and become board members of portfolio companies



Massimo Guarini (62)

- ❑ Current CEO of the Italian Power Exchange
- ❑ CEO of R. Bosch Italy
- ❑ Restructured Italian Allied Signal activities purchased by Bosch
- ❑ FIAT Group: delocalization of manufacturing in Eastern Europe
- ❑ Engineering Degree and Ambrosetti Club



Antonio Spagnolo (59)

- ❑ Currently Board Member of ING Direct Italy
- ❑ President for South Europe of Leaf (CVC buyout)
- ❑ Vice President for South Europe and CEO of Heinz Italy
- ❑ CEO of Danone Italy and Executive Vice President of Danone USA
- ❑ Experiences in Unilever, Johnson Wax and Bestfood



Marco Jesi (60)

- ❑ Current President of Argenta (Electra) and Board Member of Safilo and Parmalat
- ❑ President of Limoni (Bridgepoint)
- ❑ CEO of Galbani (BC Partners buyout)
- ❑ President of Pepsico Europe (Geneva)
- ❑ President for South Europe of Seagram and Frito Lay (based in Barcelona, Milan and New York)
- ❑ Law degree



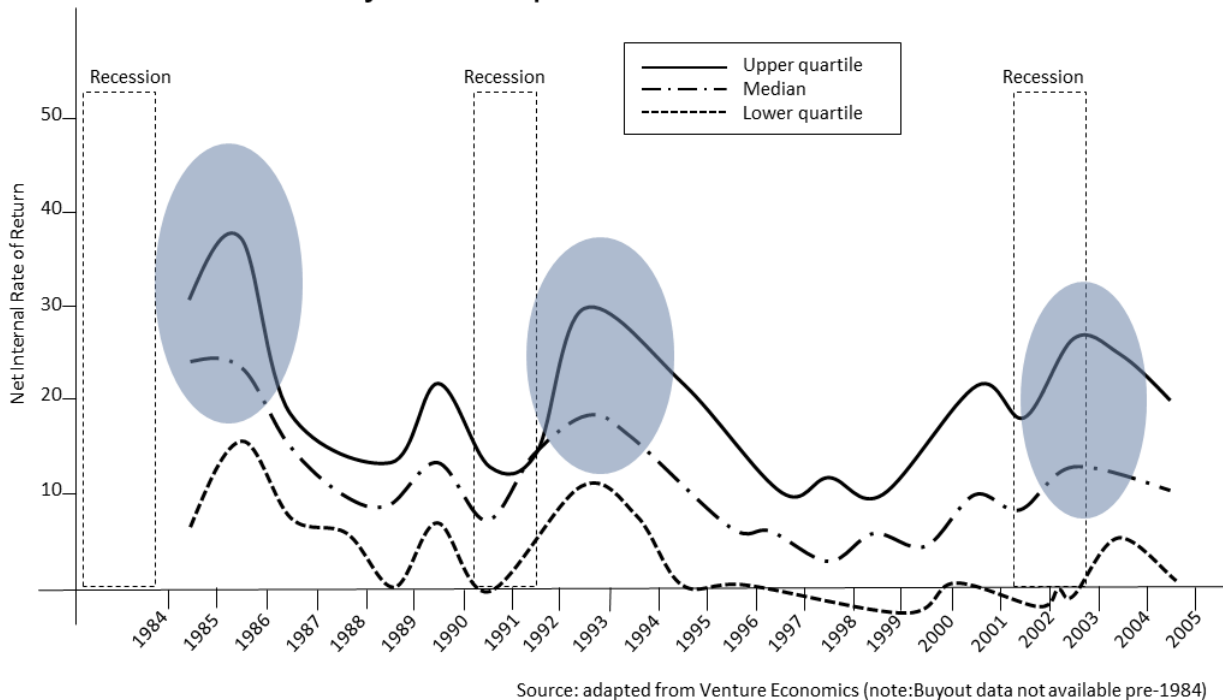
Giandomenico Lico (58)

- ❑ Entrepreneur: acquired and become CEO of Invicta and Diadora then sold in 2001 after a relevant performance improvement
- ❑ Direct experience in leisure, healthcare and real estate industries
- ❑ Previously managerial positions at IBM (USA & other countries)
- ❑ World Economic Forum & Ambrosetti Club
- ❑ Engineering Degree and executive programs at Bocconi, MIT, INSEAD



6. Seizing the opportunity: *Great timing!*

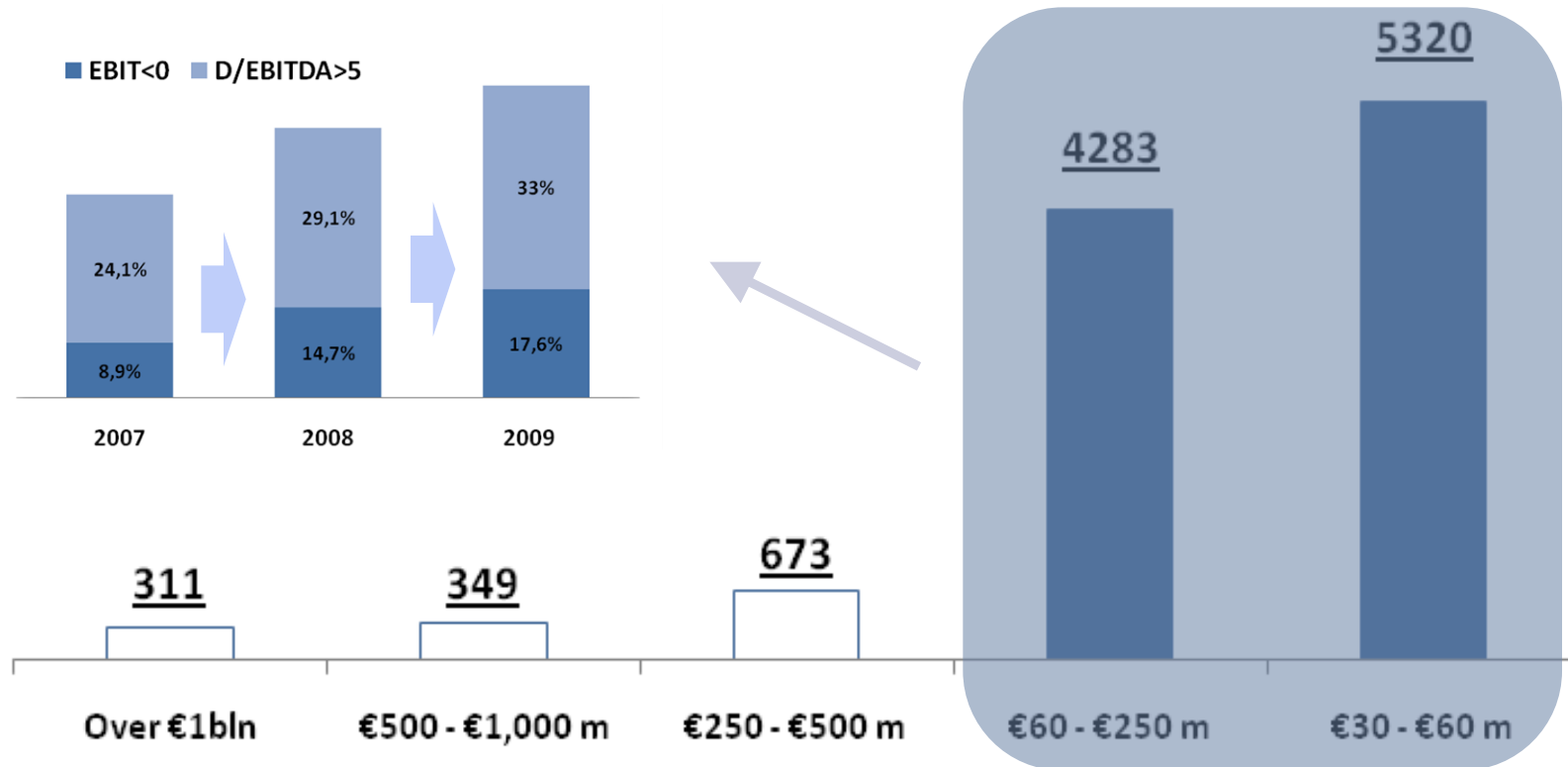
US buyout net quartile vs US recessions



- Numerous capital constrained companies with urgent need for refinancing
- Several underperforming companies that need to restructure
- Reasonable valuations due to lack of liquidity and pressure on margins
- Potential margins improvement after recession

6. Seizing the opportunity: *A growing target*

In 2009 18% of italian SMEs had negative EBIT and 33% had D/EBITDA over 5x



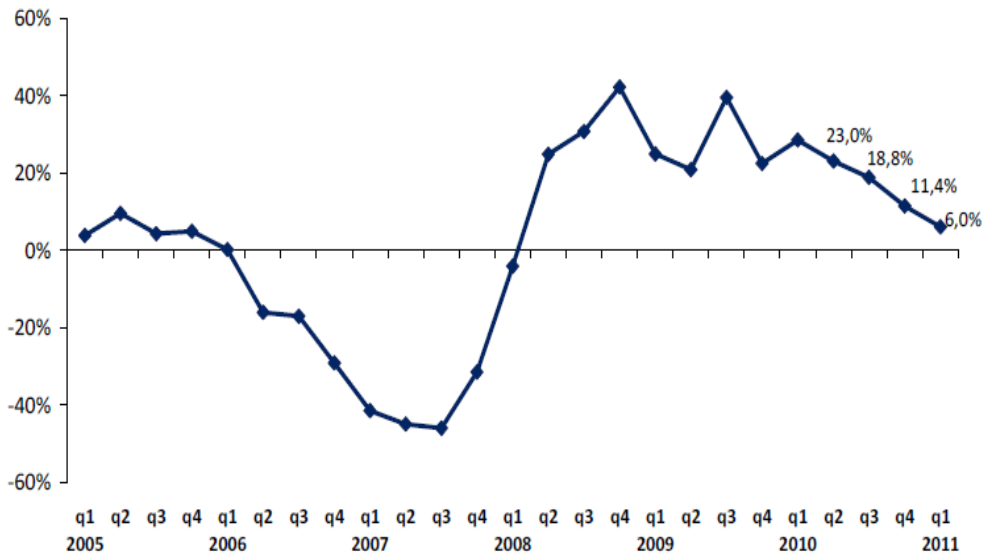
Number of italian companies by turnover

Source: Aida Bureau Van Dick database

Basel III coming into effect will not help!!

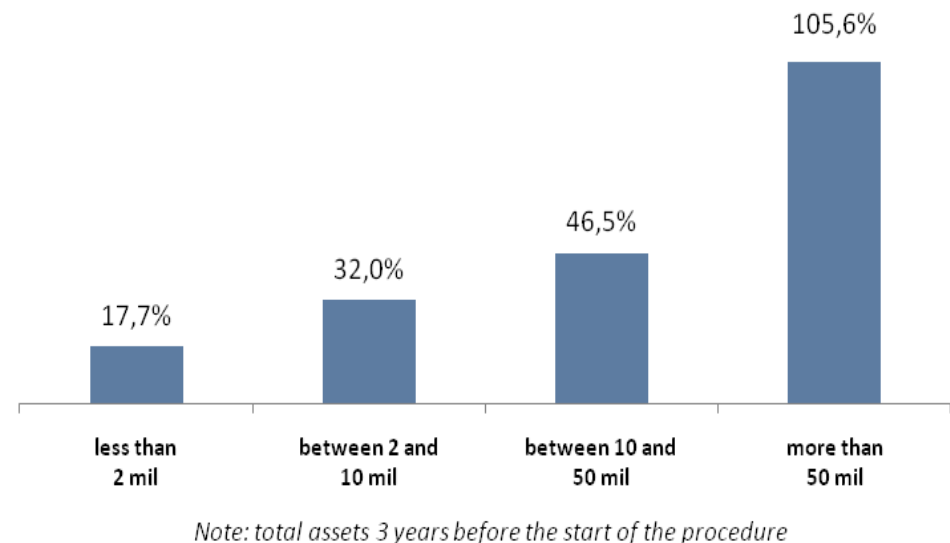
6. Seizing the opportunity: *A growing target*

Trend of bankruptcy filings
(Rates of change on previous year's quarter)



Source: Cerved Group

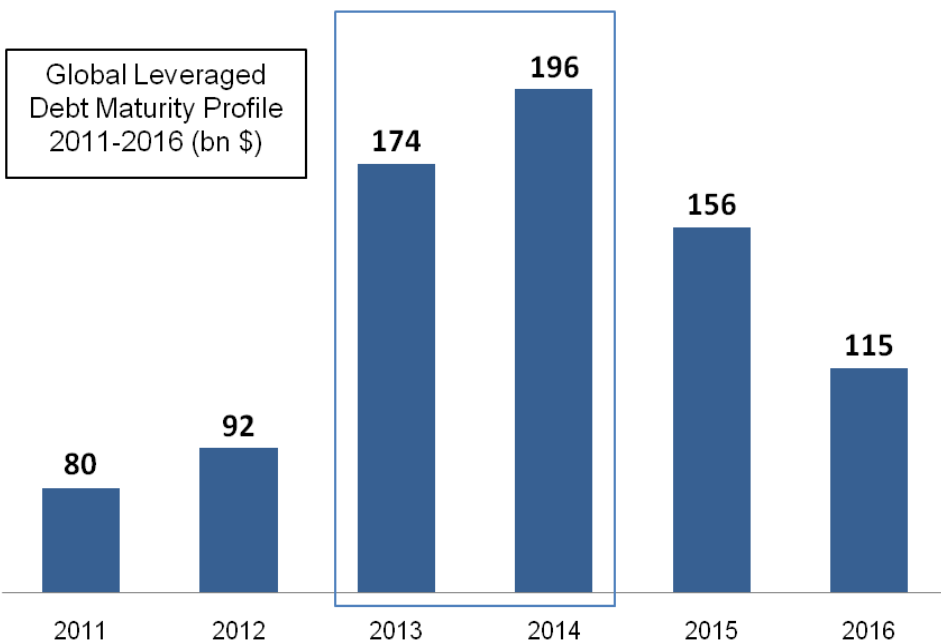
Increase of bankruptcy filings by dimension
(2009 vs 2010)



Source: Cerved Group

6. Seizing the opportunity: *A growing target*

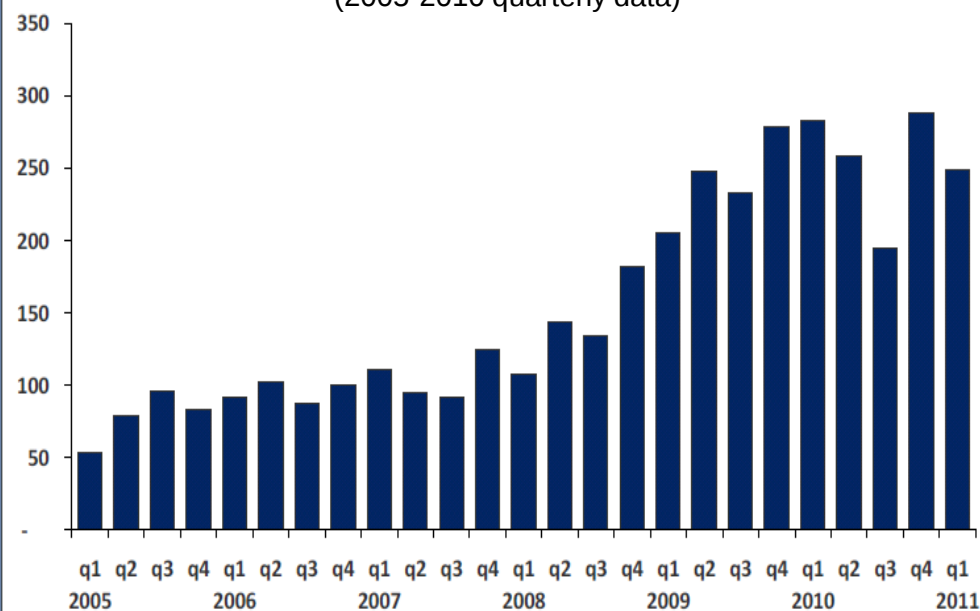
A maturity wall is at the horizon for 2013-2014



Source: Freshfields Brukhaus Deringer

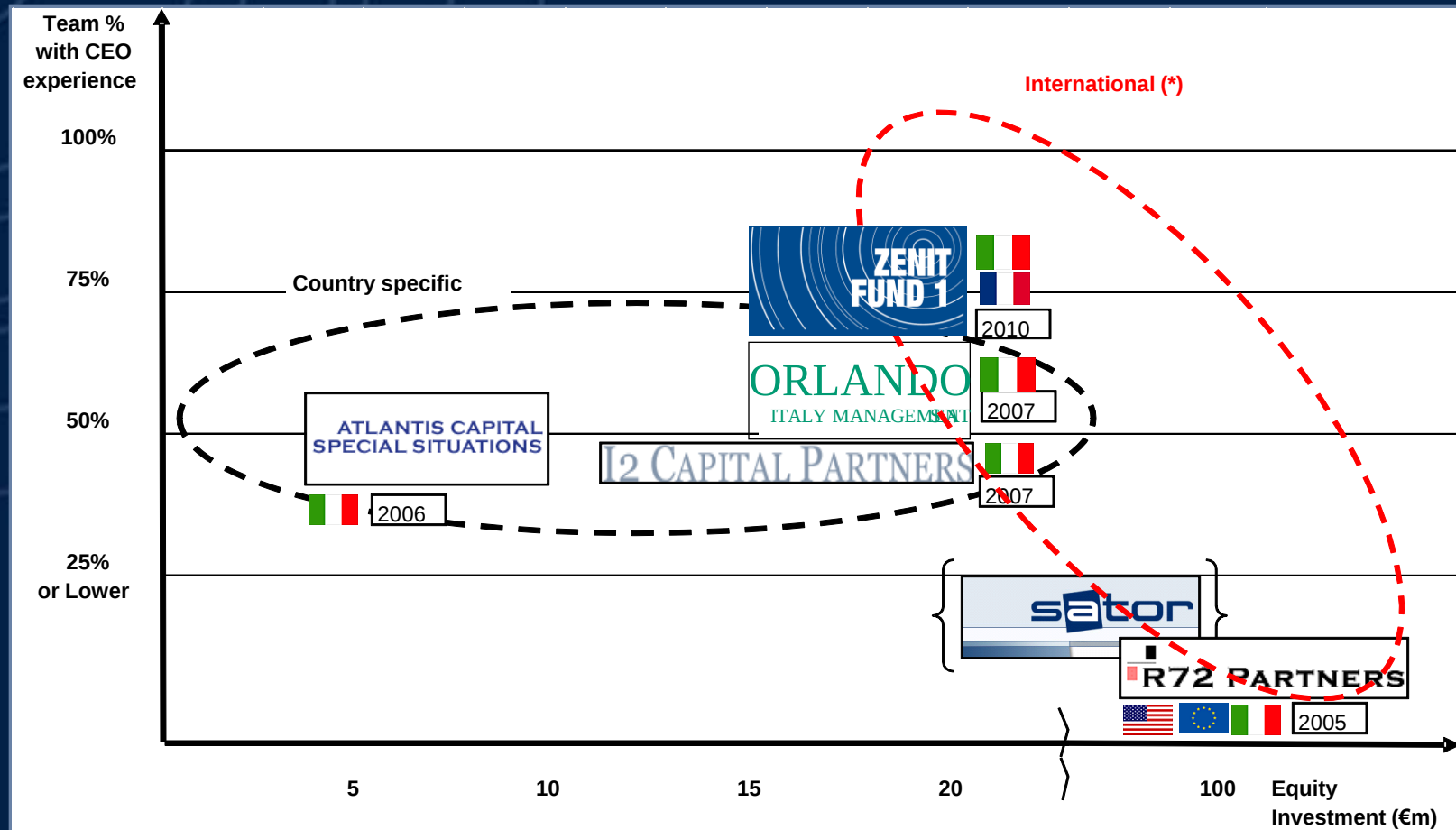
Pre-bankruptcy arrangement (chapter 11)

(2005-2010 quarterly data)



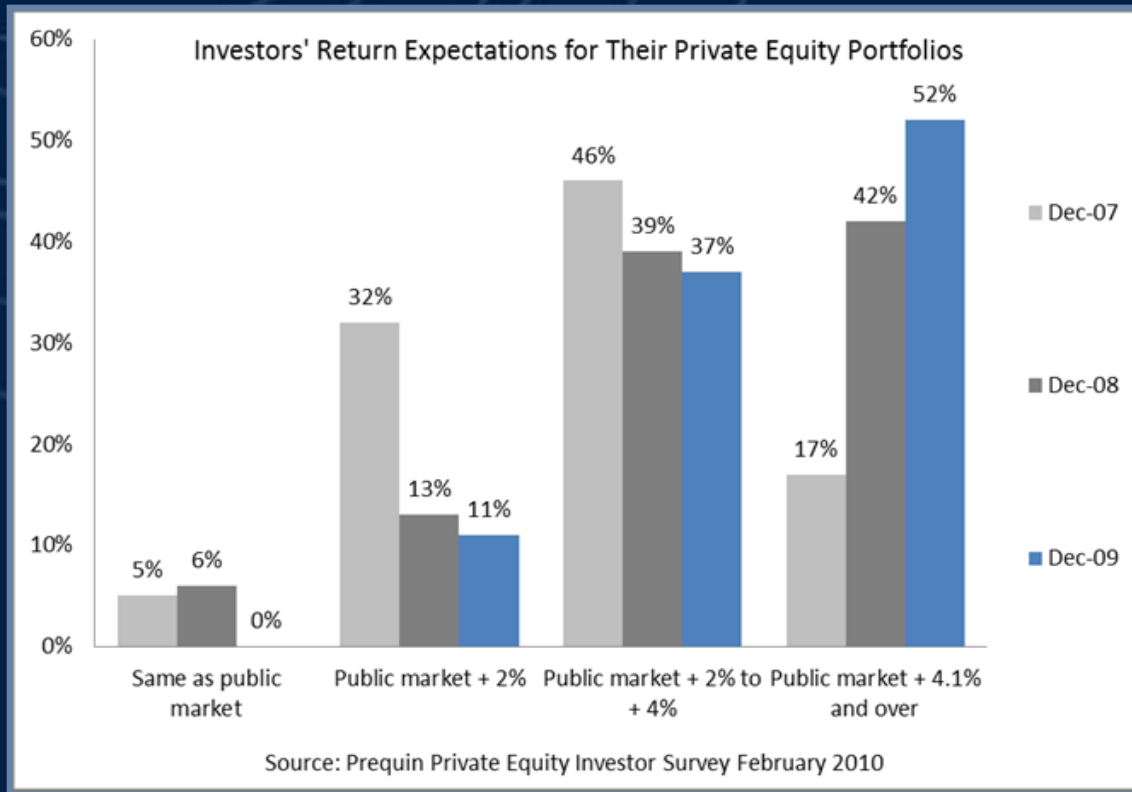
Source: Cerved Group

6. Seizing the opportunity: *Limited competition*



Out of the 70 Italian funds active in the traditional buyout market, Zenit competes with only 4/5 players

7. Why Invest in PE?



- Outperforms equity markets
- Safeguard against inflationary risk (acquisition of real assets)
- Alignment of interests (managers are owners) and active ownership
- Focus on financial gain with a medium to long term strategy

8. OICR-Income from Capital Tax Treatment

The SGR (*Società di Gestione del Risparmio*) is an investment vehicle under the jurisdiction of Italy. The activity of an SGR is regulated and monitored by Bank of Italy.

The tax treatment, modified by the Italian law n°148 issued on 14/09/2011 provides that, as from 01/01/2012:

a) The fund will not be subject to income tax in Italy

b) A 20% withholding tax will be levied on:

- i. the distributions of the fund's proceeds;
- ii. the positive difference between the value of the units upon redemption, liquidation or sale and the average subscription or purchase cost of the same units, as resulting from the periodical prospectus to be drafted by the SGR according to the regulatory law.

The 20% withholding tax:

- shall qualify as a final withholding tax in case of private Italian resident investors (i.e. reference is made to individuals not holding the investment in the capacity of entrepreneur) or Italian resident non commercial entities;
- shall qualify as an advance withholding tax to be offset against the final tax liability (to be calculated at the applicable marginal rate provided for individuals and at the ordinary corporate tax rate for enterprises) if received by Italian resident entrepreneurs and by Italian resident corporate entities (or Italian permanent establishments of foreign investors).

Regarding foreign investors:

- i. no withholding tax shall be levied (i.e. full tax exemption in Italy) on both beneficial owners of the proceeds and institutional investors resident in “white-listed countries”;
- ii. 20% final withholding tax shall be levied on foreign investors not resident in “white-listed countries”. The tax rate might be reduced through the application of treaties against the double taxation.

9. Why Zenit Team?

- Successful and highly motivated individuals with extensive international experience
- A team with around 100 years of “CEO level” restructuring experience and 40 years of direct investments
- Wide range of sectors covered

10. Further Information?



11. Legal Terms

Zenit Fund 1 is a closed-end private equity fund fully compliant with the Italian laws and regulations of private equity funds, including the guidelines for portfolio valuation. The Fund is managed in accordance with terms and conditions documented in the “Regolamento del Fondo” (Fund term-sheet).

The closed-end fund “Fondo Zenit 1” is reserved to investors who are qualified both as:

- “Qualified Investors” under article 1, (h), of the Decree of the (Italian) Ministry of the Treasury No 228/1999, and
- “Professional Clients” under MiFiD (Directive 2004/39/EC, Annex II).

Zenit Fund 1 is a closed-end collective investment scheme established and regulated under Italian law (Italian Consolidated Financial Act – Legislative Decree 58/1998) and is not an authorized UCITS under the UCITS Directive (Directive 2009/65/CE).

At present the Fund is marketed, commercialized and promoted exclusively in Italy.

The Management Company will start the distribution in other UE Member States, after evaluating the potential interest of foreign investors, upon fulfillment of any relevant notification/authorization procedure in the relevant Countries.



Appendix A.

Extended CVs

Investment Committee Key Members



Francesco di Giovanni (53 years). Graduated at Bocconi, he started his career as a commercial and investment banker in Milan. In 1985 he moved to Montedison, one of the largest Italian conglomerates, that time NYSE listed, as International Financial Controller. He was involved in all M&A activities of the Group until he moved to New York as Executive VP of Montedison USA for seven years, arranging, among others, several tender offers on the NYSE (Himont, Ausimont, Erbamont etc..). Subsequently he moved to London and Amsterdam, where he was appointed group treasurer of Montell, a €4b JV between Montedison and Shell, where he restructured over €2b of debt facilities under the Mediobanca restructuring plan. He was then appointed MD of Moplefan, the then European largest PP Film producer, where he successfully lead a long due turnaround and its subsequent successful disposal. In 2003 he became MD of Acegas, a Milan listed utility company. He improved its profitability and merged it with a competitor, increasing its share price almost 3x. More recently he was appointed Chairman and MD of Aeroporti di Roma, Europe's 6th largest airport with €600m of turnover. There he turned around the retail operations and launched a successful cost reduction which translated in record results for the company in years. Francesco is also Chairman of Industria & Sviluppo, a M&A and restructuring advisory firm.



Federico Pastura (39 years). He graduated cum laude from Bocconi. Prior to co-founding Zenit Partners, he spent 8 years with Electra Partners, a pan European mid market buyout firm with €2,3 billion under management, where he was based in London. There he became a FSA approved person. With Electra he cooperated in the start up of the Italian operations, which culminated in the opening of the Milan office at the end of 2007. Prior to that Federico worked for Merrill Lynch Leveraged Finance UK, where was involved in arranging several European LBO financings (e.g. HY bond of Grohe AG, at that time a BC Partners LBO, winning the "bond of the year award" in 2000 or a €4b facility for Mobilcom AG). He is also part of the Ambrosetti network.



Antony Acciarri (47 years). He has an electronic engineering degree from Durham University and a MBA from INSEAD. Antony has 20 years of experience in private equity investing in turnarounds and LBO situations. Before founding Alma Partners, a Paris based investment company focused on French « Special Situations », he spent 10 years with Electra, latterly as Partner where he was involved in a number of investments and where he played a key role in the development of Electra's European network. Previously, he worked 5 years at Bridgepoint. Antony will act as link between Zenit Partners and Alma Partners, which will remain his prevailing occupation.



Alessandro Minelli (37 years). He graduated with honours in business and economics from Turin University, has an MBA from INSEAD and a qualification as Italian Chartered Accountant. He has a 12 years operating experience in industry spent mainly at Urmet Group, a global manufacturer of building automation devices. In the first part of his career he was controller of their Spanish subsidiary, then group's M&A and corporate development manager carrying out takeovers and start-ups in Poland, Germany, China, Norway, Brazil and other countries. In the past 6 years he was Chief Restructuring Officer and CEO of one of their largest subsidiary, driving a successful turnaround which led to a 51% increase in revenues and 198% increase in EBITDA. He also has entrepreneurial experiences having supported the development of his FMCG family business. He speaks Italian, English, French, Spanish and Dutch.



Hans Udo Wenzel (59 years). He graduated in business and economics and achieved a PhD at Zurich University. He took several managerial positions at Hoechst Group (chemicals and pharmaceuticals) till becoming CEO of its Italian subsidiary. From 1994 to 1996 he was Executive Vice-President Marketing & Sales of Alitalia. In 1997 he founded and became CEO of Azelis which, after a buy-and-build strategy (25 international acquisitions, some of which turnarounds), became the third largest European company in the chemical distribution industry and leader in the distribution of Specialty Chemicals, with €1.1 billion revenues. Today he serves as President and Deputy Chairman of the Board. Azelis was first backed by Permira, then Electra Partner Europe and now is a 3i portfolio company.

Advisory Board



Marco Jesi (60 years). He has a background in law. He acted as president for South Europe of Seagram (based in Milan and New York), president of Frito Lay Western Europe (based in Barcelona) and subsequently president of Pepsico Europe (based in Geneva). In 2006 he was appointed CEO of Galbani, a BC Partners backed food company which was successfully exited. He served as President of Limoni a leading retailer owned by Bridgepoint. He is currently President of Argenta (a Cognetas LBO) and a Board Member of Safilo and Parmalat.



Antonio Spagnolo (59 years). He achieved a degree in Political and Social Sciences from Milan University. After experiences in Unilever, Johnson Wax and Bestfoods in Italy, he became in 1993 President and Ceo of Danone Italy: then, from 1997 he was appointed Executive Vice-President of Danone Inc. USA and subsequently of the whole North America. From 2000 to 2004 he became Vice President South-Europe of Heinz, with direct responsibility as CEO of Heinz Italy: in addition he was in charge of the Global Infant Feeding Category. Subsequently he entered the Private Equity world and he was appointed by CVC Capital Partners as President South Europe of Leaf International, the Confectionary Company they acquired by CSM, with a direct responsibility till March 2010 of Leaf Italy and Leaf France. Since 2005 he sits on the Advisory Board of ING Direct Italy.



Massimo Guarini (62 years). After achieving a degree in engineering, he started his career at FIAT, in charge of the delocalization of the manufacturing of some of its models in Eastern Europe . After a period with Rieter in Zurich, in 1991 he was hired by R. Bosch. He managed the acquisition of common rail technology from FIAT (a revolutionary cost saving technology) and the restructuring of the Italian Allied Signal activities acquired by Bosch. In 2004 he was appointed CEO of R. Bosch Italy. Under his responsibility, turnover grew from €0,5b to €2,0b. At the beginning of 2010, he was appointed CEO of the Italian Power Exchange, consisting of spot and forward electricity trading, as well as the exchange of energy efficiency certificates. He is a member of the Ambrosetti Club.



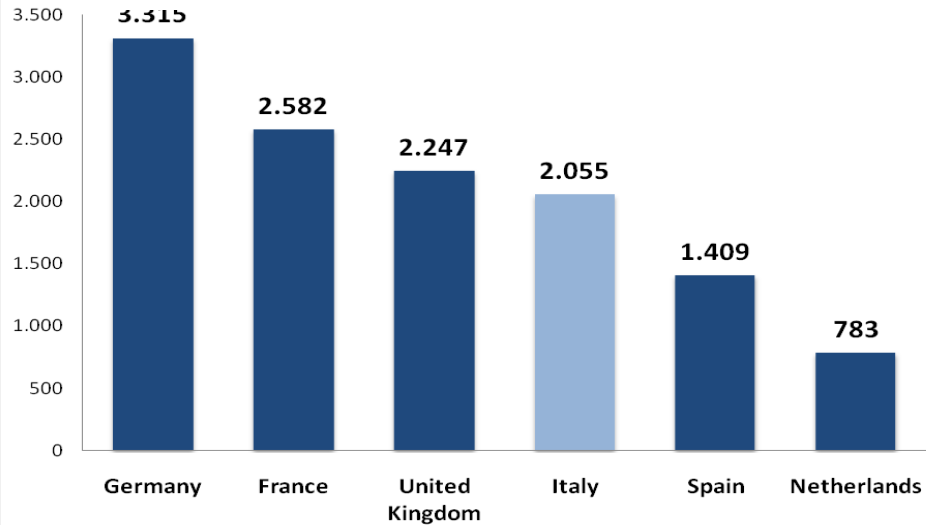
Giandomenico Lico (58 years). He graduated cum laude in engineering at Bologna University (Europe's oldest university). He attended executive programs at Bocconi, MIT and INSEAD. He is member of the World Economic Forum and Ambrosetti Club. After managerial positions at IBM USA and other countries, he became an entrepreneur acquiring in the 90's Invicta and Diadora, two well regarded Italian sportswear groups. He acted as Chairman and CEO of the two organizations driving a deep performance improvement till 2001, when he successfully sold the companies. Afterwards he had other experiences in leisure, healthcare and real estate industries.



Appendix B.

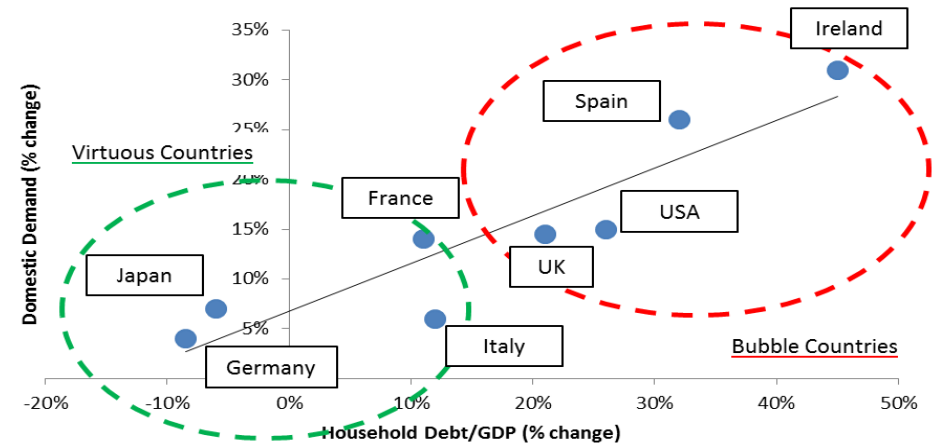
Italy Snapshot

EU 2009 Gross Domestic Product (Billions \$)



Source: International Monetary Fund, World Economic Outlook Database, April 2010

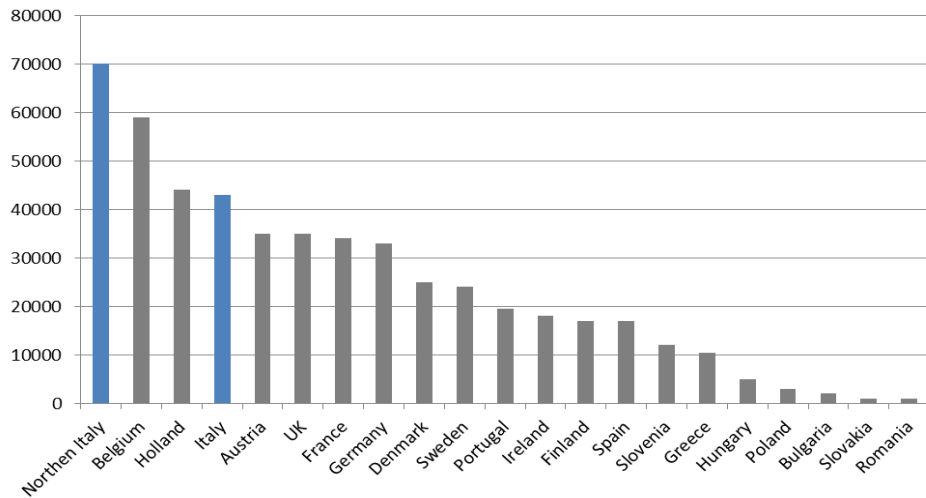
Between 2002-2007 domestic demand has been driven by household debt



Source: Edison foundation

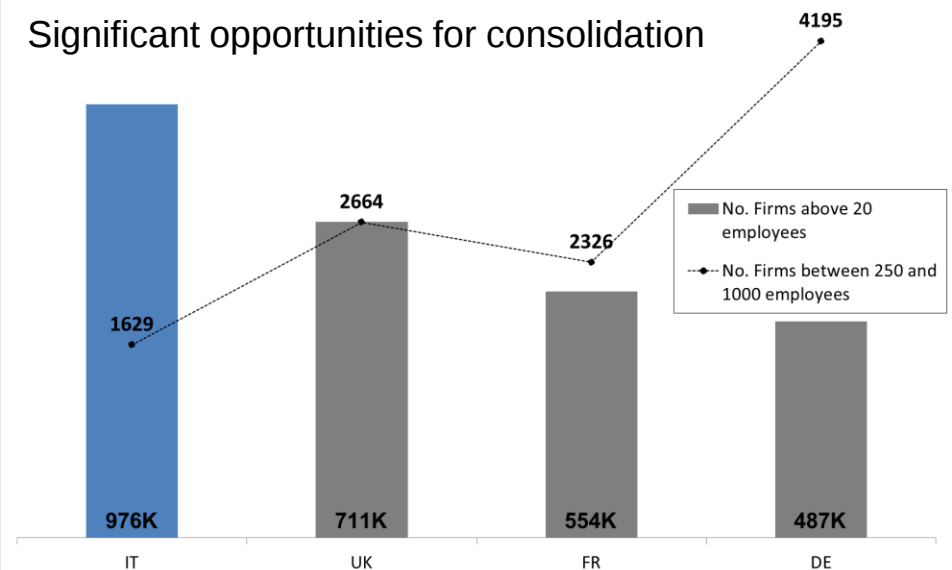
Italian wealth is among the highest of Europe

Net financial wealth per capita year 2008 (€)



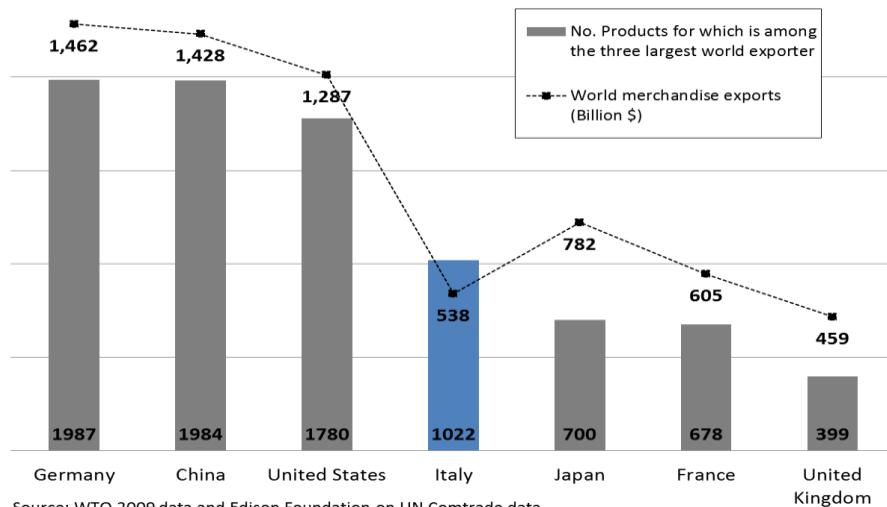
Source: Edison foundation on Eurostat and Bank of Italy data.

Significant opportunities for consolidation

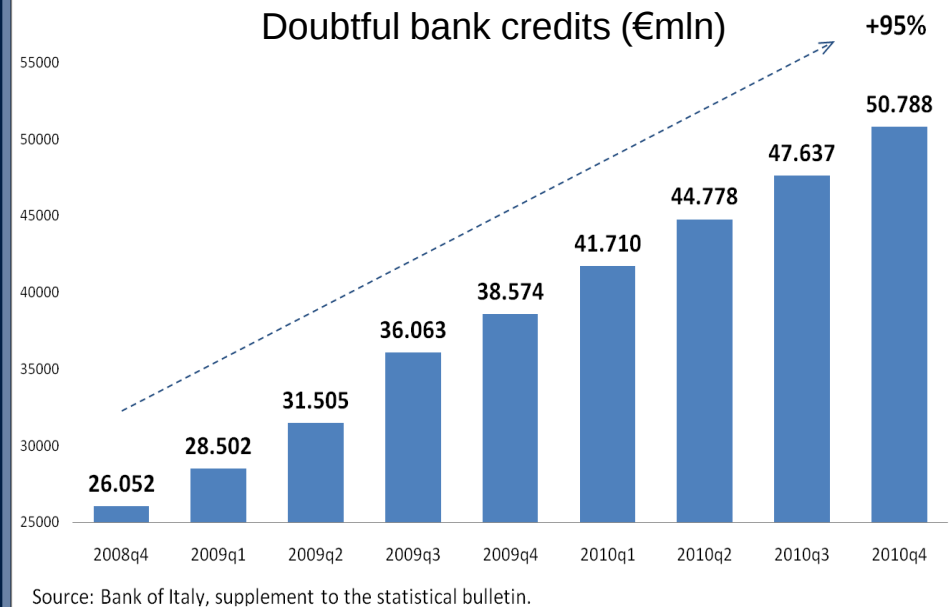


Source: Eurostat SBS data (2001). Construction, real estate and retail are excluded. Average turnover for Italian firms between 250 and 1000 employees is 103.5 €mln.

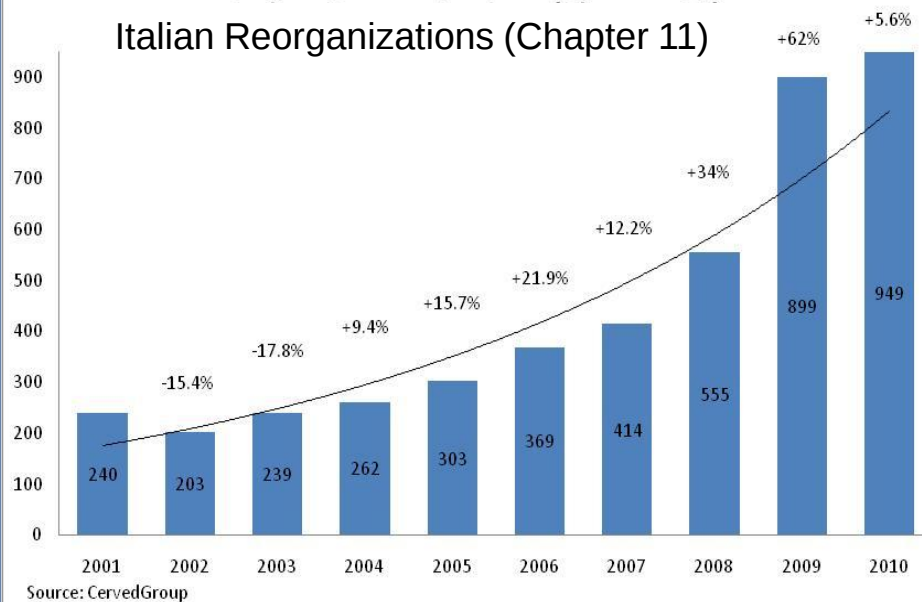
Italy has a lot of SMEs world leader in their market niches



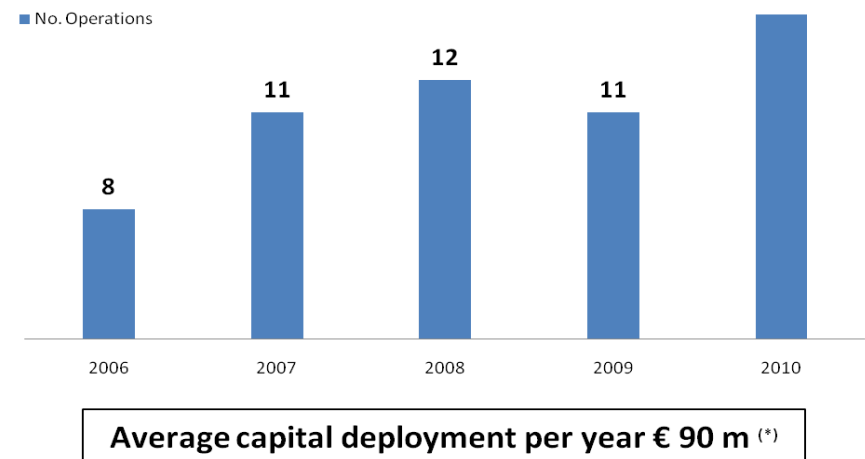
Doubtful bank credits (€mln)



Italian Reorganizations (Chapter 11)



Turnaround operations by Italian PE funds



Note: (*) Safilo acquisition in 2009 has been excluded due to its atypical large size

Source: AIFI