

## Azimut Holding: 1H 2014 Results

- **Total Assets at €27.6 billion: exceeded the 2010-2014 plan six months ahead of schedule**
- **Consolidated total revenues: € 258 million (€ 227 million in 1H13)**
- **Consolidated net profit: € 82 million (€ 78 million in 1H13)**
  - **On track to overcome the record FY 2012 Net Profit**

**Milan, 24 July 2014**

Azimut Holding's Board of Directors approved today the 1H 2014 results, whose main figures are:

- **Consolidated total revenues** in 1H14 equal to € 258.4 million (was € 226.5 million in 1H13).
- **Consolidated PBT** in 1H14 equal to € 83.6 million (was € 86.3 million in 1H13), notwithstanding more than € 10mln non-recurring costs
- **Consolidated net profit** in 1H14 equal to € 81.8 million (was € 78.3 million in 1H13).

**Net Financial Position** at the end of June 2014 is positive for **€ 303.9 million**, (was € 245.6 million at the end of June 2013 and € 363.5 million at the end of December 2013). In the first half of 2014 cash flow from operating activities was ca. € 87 million, and the company paid around € 93 million ordinary dividends.

Total **managed assets** at the end of June 2014 was € 24.8 billion, and including assets under custody and third parties' funds reached € 27.6 billion, hitting and exceeding the 2010-2014 Business Plan target six months in advance. Net inflows for the first six months was ca. **€ 3.5 billion**, also thanks to the consolidation of Augustum Opus SIM which contributed for ca. € 800mln.

Lastly, recruitment of new financial advisors remains positive in 1H14 bringing the total number of financial advisors of the Azimut Group to 1,516; Azimut Consulenza, AZ Investimenti and Apogeo recorded 76 gross additions in the period.

Pietro Giuliani, Chairman and CEO of Azimut Holding, comments: *"The numbers of this first half confirm the growth trends we've seen and today projects the Group towards the best FY Net Profit of our history. In just six months we have recorded net inflows of 3.5 billion euro, overcoming the entire FY 2013 result, and exceeding our 27 billion euro Total Assets target that we gave ourselves 5 years ago with 6 months in advance. These results confirm the quality of our financial partners and wealth managers, the validity of our continuously evolving product offering and the excellence of our business model, that we are successfully exporting also outside of Italy in high growth areas. With the recent acquisition in Mexico of Màs Fondos, the largest independent distribution company in the asset management sector with ca. 10% share of its relative market, we have done a further step in reinforcing our presence in LatAm and in reaching our goal of having 10% of total assets outside Italy by the end of the year. The overseas strategy will continue and will leverage, for what regards the internationalization of our products, on our presence in Luxembourg, second largest financial hub in the world for mutual funds."*

*The Officer in charge of the preparation of Azimut Holding SpA accounting documents, Marco Malcontenti (CFO), declares according to art.154bis co.2 D.lgs. 58/98, that the financial information herein included, corresponds to the records in the company's books.*

**Azimut** is Italy's leading independent asset manager (active since 1989). The Parent Company Azimut Holding was listed on the Italian stock exchange on 7 July 2004 (AZM.MI) and, among others, is a member of the main Italian index FTSE MIB.

The shareholder structure includes over 1,300 managers, employees and financial advisors, bound by a shareholders' agreement that controls ca. 20% of the company. The remaining is free float. The Group comprises various companies active in the sale, management and distribution of financial and insurance products, with Registered Offices in Italy, Luxembourg, Ireland, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Brazil, Singapore, Turkey and Mexico\*. In Italy, Azimut Capital Management SGR sells and manages Italian mutual funds, Italian hedge funds, as well as being active in the discretionary management of individual investment portfolios. Azimut Consulenza SIM, AZ Investimenti SIM and Apogeo distribute Group and third party products in Italy via a network of financial advisors while Azimut Global Counseling provides consulting services. Overseas main operations are AZ Fund (founded in Luxembourg in 1999), which manages the multi strategy fund AZ FUND1 and AZ Multi Asset, the Irish AZ Life Ltd, which offers life insurance products, and AZ Capital Management Ltd (hedge fund).

Note\*: under regulatory approval

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## CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Data in €/000)	1H14	1H13	2013
Acquisition fees and commissions	4,861	4,577	9,055
Recurring fees	184,605	156,629	321,603
Variable management commissions	50,342	49,037	107,201
Other income	3,387	2,971	6,608
Insurance revenues	15,178	13,325	27,629
<b>Total revenues</b>	<b>258,373</b>	<b>226,539</b>	<b>472,096</b>
Commission expense	(122,344)	(102,387)	(208,049)
Commissions on No load products	(2,117)	(3,979)	(6,232)
General overheads/Administrative expenses	(41,751)	(35,549)	(69,440)
Depreciation, amortisation/provisions	(6,742)	(1,403)	(6,830)
<b>Total costs</b>	<b>(172,954)</b>	<b>(143,318)</b>	<b>(290,551)</b>
<b>Operating income</b>	<b>85,419</b>	<b>83,221</b>	<b>181,545</b>
Profits from financial operations	8,296	6,022	8,973
Net Non operating costs	(4,093)	(1,347)	(5,101)
Interest expense	(6,025)	(1,556)	(3,177)
<b>Profit Before Taxation</b>	<b>83,597</b>	<b>86,340</b>	<b>182,240</b>
Income taxation	(7,017)	(10,472)	(28,519)
Deferred taxation	5,325	2,687	2,158
<b>Net Profit</b>	<b>81,905</b>	<b>78,555</b>	<b>155,879</b>
Minorities	61	230	126
<b>Consolidated Net Profit</b>	<b>81,844</b>	<b>78,325</b>	<b>155,753</b>

## CONSOLIDATED NET FINANCIAL POSITION

Data in €/000	30/06/2014	31/12/2013	30/06/2013
Senior loan	(40,197)	(50,192)	(50,297)
Lease-back	(3,291)	(3,223)	(6,434)
Securities issued	(231,968)	(228,608)	(36,519)
<b>Totale debt</b>	<b>(275,456)</b>	<b>(282,023)</b>	<b>(93,250)</b>
Cash and cash equivalents	579,346	645,549	338,836
<b>Net Financial Position</b>	<b>303,890</b>	<b>363,526</b>	<b>245,586</b>

## CONSOLIDATED INCOME STATEMENT

(Data in €/000)	1H14	1H13	2013
Profit/losses from the sale of:	3,930	397	270
<i>a) financial assets available for sale</i>	3,930	397	556
<i>b) financial liabilities</i>	0	0	(286)
Net result of financial assets and liabilities at fair value	(1,212)	0	(353)
Commission income	247,455	216,808	451,555
Commission expenses	(105,863)	(92,300)	(190,097)
Interest income and equivalents	4,897	5,601	9,033
Interest expenses and equivalents	(6,807)	(1,704)	(3,069)
Dividends and equivalents	0	11	15
Insurance net premium income	1,494	1,900	3,645
Net income (loss) from financial assets at fair value entered on the profit and loss account	50,235	18,586	61,943
Change in technical provisions when the investment risk is borne by the insured parties	9,187	19,285	22,285
Surrenders and claims	(48,677)	(30,407)	(66,929)
<b>Net income on financial instruments</b>	<b>154,639</b>	<b>138,177</b>	<b>288,298</b>
Net value adjustment for deterioration of:	(1,500)	0	0
<i>a) financial assets</i>	(1,500)	0	0
Administrative expenses	(56,543)	(47,071)	(96,684)
<i>a) personnel expenses</i>	(24,100)	(21,177)	(37,685)
<i>b) other expenses</i>	(32,443)	(25,894)	(58,999)
Value net adjustments on tangible assets	(546)	(455)	(1,007)
Value net adjustments on intangible assets	(1,837)	(951)	(3,271)
Provisions for risks and charges	(10,202)	(1,800)	(2,383)
Other administrative income and expenses	(159)	(1,445)	(2,448)
<b>Gross operating profit</b>	<b>83,852</b>	<b>86,455</b>	<b>182,505</b>
Profit (loss) on equity investments	(255)	(116)	(265)
<b>Profit (Loss) before tax</b>	<b>83,597</b>	<b>86,339</b>	<b>182,240</b>
Income tax	(1,692)	(7,784)	(26,361)
<b>Profit (Loss) after tax</b>	<b>81,905</b>	<b>78,555</b>	<b>155,879</b>
<b>Net profit (Loss)</b>	<b>81,905</b>	<b>78,555</b>	<b>155,879</b>
Utile (Perdita) d'esercizio di pertinenza di terzi	61	230	126
<b>Utili (Perdita) d'esercizio di pertinenza della capogruppo</b>	<b>81,844</b>	<b>78,325</b>	<b>155,753</b>

## CONSOLIDATED BALANCE SHEET

ASSETS (data in €/000)	30/06/2014	31/12/2013	30/06/2013
Cash and cash equivalents	27	16	24
Financial assets at fair value	3,102,753	2,583,395	2,164,992
Financial assets available for sale	260,875	99,996	31,419
Financial assets kept until maturity	-	-	136
Credits	345,631	573,895	331,918
Equity investments	8,572	3,038	1,435
Tangible assets	3,300	2,960	2,525
Intangible assets	381,272	369,250	361,641
Tax assets	98,554	89,415	56,004
<i>a) current</i>	55,444	50,978	12,625
<i>b) prepaid</i>	43,110	38,437	43,379
<i>- of which l. 214/2011</i>	840	840	8,206
Non current assets and group of activities for sale	-	75	75
Other assets	63,581	64,419	56,577
<b>Total Assets</b>	<b>4,264,565</b>	<b>3,786,459</b>	<b>3,006,746</b>

LIABILITIES (Data in €/000)	30/06/2014	31/12/2013	30/06/2013
Debts	94,776	106,164	103,263
Bonds issued	231,968	228,608	36,519
Technical provisions when the investment risk is borne by the insured parties	301,808	310,994	313,994
Financial liabilities at fair value	2,846,573	2,305,428	1,871,176
Other technical provisions	350	350	350
Tax liabilities	81,842	83,537	57,653
<i>a) current</i>	31,217	33,903	10,466
<i>b) deferred</i>	50,625	49,634	47,187
Other liabilities	33,706	36,659	23,330
Employee severance indemnities	2,752	2,265	2,126
Provision for risks and charges	31,417	21,935	22,054
<i>b) other</i>	31,417	21,935	22,054
Capital	32,324	32,324	32,324
Treasury shares (-)	(81,986)	(82,224)	(92,485)
Capital instruments	72,078	72,521	39,231
Share premium reserve	173,987	173,987	173,987
Reserves	355,053	334,077	343,049
Valuation provisions	(760)	(771)	441
Profit (Loss) for the period	81,844	155,753	78,325
Equity attributable to minority interests	6,833	4,852	1,409
<b>Total liabilities and shareholders equity</b>	<b>4,264,565</b>	<b>3,786,459</b>	<b>3,006,746</b>

## CONSOLIDATED CASH FLOW STATEMENT

(Data in €/000)	1H14	1H13	2013
<b>A. OPERATING ACTIVITIES</b>			
<b>1. Operating activities</b>	<b>42,706</b>	<b>90,325</b>	<b>164,829</b>
- net income for the period (+/-)	81,905	78,555	155,879
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value (-/+)	(64,016)	0	(32,913)
- value net adjustments for deterioration (+/-)	1,500	0	0
- value net adjustments on tangible and intangible assets (+/-)	2,383	1,406	4,278
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	10,202	1,800	2,383
- taxes (+)	9,603	7,784	35,672
- other adjustments (+/-)	1,129	780	(470)
<b>2. Cash flow from financial assets</b>	<b>(456,961)</b>	<b>(623,439)</b>	<b>(1,052,063)</b>
- financial assets at fair value	(454,130)	(622,895)	(1,008,385)
- financial assets held for sale	0	0	(1)
- receivables from banks	(379)	(567)	(778)
- receivables from other financial institutions	(378)	(2,025)	(2,302)
- receivables from clients	(250)	487	(1,483)
- other assets	(1,824)	1,561	(39,114)
<b>3. Cash flow from financial liabilities</b>	<b>501,562</b>	<b>567,713</b>	<b>1,203,971</b>
- due to banks	(9,700)	(29,830)	(32,547)
- due to other financial institutions	(268)	(518)	441
- due to clients	(148)	453	361
- securities issued	2,559	160	193,247
- financial liabilities at fair value	539,933	642,580	1,076,832
- technical reserves	(9,186)	(19,285)	(22,285)
- other liabilities	(21,628)	(25,847)	(12,078)
<b>Total net operating cash flow generated/absorbed</b>	<b>87,307</b>	<b>34,599</b>	<b>316,737</b>
<b>B. INVESTMENT ACTIVITIES</b>			
<b>1. Cash flow generated by</b>	<b>75</b>	<b>271</b>	<b>411</b>
- sale of equity investments	0	186	186
- dividends received from subsidiaries	0	11	15
- sale of financial assets held to maturity	75	74	210
<b>2. Cash flow absorbed by</b>	<b>(20,534)</b>	<b>(3,539)</b>	<b>(16,041)</b>
- acquisition of equity investments	(5,789)	0	(1,586)
- acquisition of tangible assets	(886)	(534)	(1,521)
- acquisition of intangible assets	(4,966)	(3,005)	(6,832)
- acquisition of controlled entities	(8,893)	0	(6,102)
<b>Total net cash flow generated/absorbed from investment activities</b>	<b>(20,459)</b>	<b>(3,268)</b>	<b>(15,630)</b>
<b>C. FINANCING ACTIVITIES</b>			
- issue/sale of treasury shares	238	6,658	16,919
- other reserves	(17,918)	(3,333)	(13,620)
- capital and third party reserves	1,920	(30)	3,643
- issue/sale of capital instruments	(443)	(284)	33,006
- dividends paid and others	(116,848)	(95,972)	(95,972)
<b>Total net cash flow generated/absorbed from financing activities</b>	<b>(133,051)</b>	<b>(92,961)</b>	<b>(56,024)</b>
<b>Total net cash flow generated/absorbed during the period</b>	<b>(66,203)</b>	<b>(61,630)</b>	<b>245,083</b>
<b>RECONCILIATION</b>			
	<b>1H14</b>	<b>1H13</b>	<b>2013</b>
Opening cash and cash equivalents	645,549	400,466	400,466
Cash flow generated/absorbed during the period	(66,203)	245,083	(61,630)
Closing cash and cash equivalents	579,346	645,549	338,836