

## Azimut Holding: 1H 2015 Results

Historical record for the Group reached in just 6 months. Pietro Giuliani: “I expect a FY Net Profit between € 220 – 300 million”

### In the 1H 2015:

- Consolidated net profit: € 180 million (+120% vs. 1H14)
- Consolidated total revenues: € 415 million (+61% vs. 1H14)

### In the 2Q 2015:

- Consolidated net profit: € 53 million (+16% vs. 1H14)
- Consolidated total revenues: € 176 million (+25% vs. 1H14)

Milan, 23 July 2015

Azimut Holding's Board of Directors approved today the 1H 2015 results, whose main figures are:

- Consolidated total revenues in the 1H15 equal to € 414.7 million (was € 258.4 million in 1H14).
- Consolidated PBT in 1H15 equal to € 206.7 million (was € 83.6 million in 1H14)
- Consolidated net profit in 1H15 equal to € 180.4 million (was € 81.8 million in 1H14).

**Net Financial Position** at the end of June 2015 is positive for **€ 339.6 million**, (was € 303.9 million at the end of June 2014 and € 312.4 million at the end of December 2014). In the first half of 2015 cash flow from operating activities was ca. € 218 million, and the company paid around € 103 million ordinary dividends.

Total **managed assets** at the end of June 2015 were € 30.2 billion, and including assets under custody and third parties' funds reached **€ 35.2 billion**. **Net inflows** for the first six months were ca. **€ 3.9 billion**, a historical record for the Group, also thanks to the consolidation of a number of foreign JVs contributing for ca. € 1.6 billion, bringing **the weight of assets managed abroad to 12% of total**.

Recruitment of **financial advisors and private bankers** remained positive: **in the first half of 2015** Azimut and its networks recorded **80 new hires**, bringing the total number of FAs to 1545.

Pietro Giuliani, Chairman and CEO of Azimut Holding, comments: *“What just approved will be remembered as the best first half result for the Group, both in terms of financials with a **Net Profit of 180 million euro**, as well as for AUM growth and **net inflows**, reaching almost **4 billion euro** since the beginning of the year. This confirms that our business model, based on a strong integration between production and distribution with an international vocation, is solid, flexible and highly attractive for clients, financial advisors and private bankers.”*

Furthermore: *“We find Consob's press release on safeguarding client's interest as correct and appropriate, in line with the principles on which Azimut always operated. Proof of this is that from 1992 til today, **“notwithstanding” our performance fees, the net weighted average performance to our customers is over 1% per year above the average of our competitors in the same period of over 20 years.** Furthermore it is useful to recall that our financial partners are not remunerated based on performance fees and hence there is no risk that clients are advised to invest in certain funds over others. Of course, there must be full transparency on costs, but who does this job and faces clients on a daily basis, knows very well that at the end of day what is recognized to them is the returns obtained and the quality of service. Two simple elements that **I myself, as client**, considered when **consequently to the changes on the Azimut shareholders pact and subsequent sale of part of my shares, I decided to invest 100% of the 40 million euros (net of taxes paid) in Luxembourg funds of the Group with no discount on performance fees.** If I would consider this as a burden I would have acted differently, perhaps hiding myself behind the concept of diversification, as would our 180,000 clients. If there will be a change in the framework I do not except any medium term impacts given that, **as already demonstrated in 2005 with a repricing on Italian funds following a regulatory change**, our model is flexible and capable to adapt in a proactive way. In any case I find the **attention on performance fees** and the impact on our P&L **has been excessive**, especially considering that our **net profit**, albeit of a decent size and growing, is **not “science-fiction”**.”*

*Other than all of these considerations, we believe that the value created for our customers expressed by a **6% net weighted average performance YtD, two percentage points above industry**, is the most exhaustive answer to the safeguard of their interests.”*

*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 and of the Eurostoxx 600. The shareholder structure includes over 1,400 managers, employees and financial advisors, bound by a shareholders' agreement that controls ca. 14% 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, Mexico, Australia and Turkey. 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, through its divisions, distributes 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 funds AZ Fund 1 and AZ Multi Asset and the Irish AZ Life Ltd, which offers life insurance products.

**AZIMUT HOLDING SpA – [www.azimut.it](http://www.azimut.it)**

**INVESTOR RELATIONS**

Vittorio Pracca tel +39.02.8898.5853 +39.342.0368994  
Gabriele Blei tel +39.02.8898.5849 +39.340.532.9911

**MEDIA RELATIONS**

Viviana Merotto tel +39.02.8898.5026 +39.338.7496248

## CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Data in €/000)	1H15	1H14	2014
Acquisition fees and commissions	5,876	4,861	9,213
Recurring fees	247,123	184,605	393,611
Variable management commissions	131,558	50,342	108,231
Other income	4,922	3,387	8,134
Insurance revenues	25,228	15,178	33,065
<b>Total revenues</b>	<b>414,707</b>	<b>258,373</b>	<b>552,254</b>
Commission expense	(149,425)	(122,344)	(256,326)
Commissions on No load products		(2,117)	(4,718)
General overheads/Administrative expenses	(62,561)	(41,751)	(87,309)
Depreciation, amortisation/provisions	(4,270)	(6,742)	(10,813)
<b>Total costs</b>	<b>(216,256)</b>	<b>(172,954)</b>	<b>(359,166)</b>
<b>Operating income</b>	<b>198,451</b>	<b>85,419</b>	<b>193,088</b>
Profits from financial operations	15,353	8,296	10,082
Net Non operating costs	(1,546)	(4,093)	(6,273)
Interest expense	(5,499)	(6,025)	(12,051)
<b>Profit Before Taxation</b>	<b>206,759</b>	<b>83,597</b>	<b>184,846</b>
Income taxation	(17,503)	(7,017)	(93,761)
Deferred taxation	(6,618)	5,325	2,156
<b>Net Profit</b>	<b>182,638</b>	<b>81,905</b>	<b>93,241</b>
Minorities	2,206	61	1,145
<b>Consolidated Net Profit</b>	<b>180,432</b>	<b>81,844</b>	<b>92,096</b>

## CONSOLIDATED NET FINANCIAL POSITION

Data in €/000	30/06/2015	31/12/2014	30/06/2014
Senior loan	(30,133)	(40,172)	(40,197)
Lease-back	(100)	(100)	(3,291)
Securities issued	(219,221)	(216,685)	(231,968)
<b>Totale debt</b>	<b>(249,454)</b>	<b>(256,957)</b>	<b>(275,456)</b>
Cash and cash equivalents	589,081	569,343	579,346
<b>Net Financial Position</b>	<b>339,627</b>	<b>312,386</b>	<b>303,890</b>

## CONSOLIDATED INCOME STATEMENT

(Data in €/000)	1H15	1H14	2014
Profit/losses from the sale of:	14,788	3,930	3,989
<i>a) financial assets available for sale</i>	14,788	3,930	4,547
<i>b) financial liabilities</i>	0	0	(558)
Net result of financial assets and liabilities at fair value	761	(1,212)	(199)
Commission income	394,767	247,455	525,936
Commission expenses	(134,112)	(105,863)	(227,821)
Interest income and equivalents	1,068	4,897	6,605
Interest expenses and equivalents	(5,605)	(6,807)	(12,561)
Dividends and equivalents	0	0	1
Insurance net premium income	2,629	1,494	3,321
Net income (loss) from financial assets at fair value entered on the profit and loss account	78,063	50,235	99,924
Change in technical provisions when the investment risk is borne by the insured parties	(3,105)	9,187	10,853
Surrenders and claims	(56,614)	(48,677)	(86,449)
<b>Net income on financial instruments</b>	<b>292,640</b>	<b>154,639</b>	<b>323,599</b>
Net value adjustment for deterioration of:	0	(1,500)	(2,941)
<i>a) financial assets</i>	0	(1,500)	(2,941)
Administrative expenses	(77,427)	(56,543)	(114,996)
<i>a) personnel expenses</i>	(34,819)	(24,100)	(48,008)
<i>b) other expenses</i>	(42,608)	(32,443)	(66,988)
Value net adjustments on tangible assets	(633)	(546)	(1,166)
Value net adjustments on intangible assets	(3,706)	(1,837)	(4,997)
Provisions for risks and charges	(1,148)	(10,202)	(5,651)
Other administrative income and expenses	(2,114)	(159)	(7,825)
<b>Gross operating profit</b>	<b>207,612</b>	<b>83,852</b>	<b>186,023</b>
Profit (loss) on equity investments	-853	-255	-1,177
<b>Profit (Loss) before tax</b>	<b>206,759</b>	<b>83,597</b>	<b>184,846</b>
Income tax	(24,121)	(1,692)	(91,605)
<b>Profit (Loss) after tax</b>	<b>182,638</b>	<b>81,905</b>	<b>93,241</b>
<b>Net profit (Loss)</b>	<b>182,638</b>	<b>81,905</b>	<b>93,241</b>
Minorities	2,206	61	1,145
<b>Consolidated net profit (loss)</b>	<b>180,432</b>	<b>81,844</b>	<b>92,096</b>

## CONSOLIDATED BALANCE SHEET

ASSETS (data in €/000)	30/06/2015	31/12/2014	30/06/2014
Cash and cash equivalents	65	33	27
Financial assets at fair value	5,216,793	3,991,910	3,102,753
Financial assets available for sale	398,728	262,570	260,875
Credits	229,770	341,453	345,631
Equity investments	8,022	7,538	8,572
Tangible assets	4,731	3,696	3,300
Intangible assets	425,554	394,940	381,272
Tax assets	73,092	80,811	98,554
<i>a) current</i>	51,643	54,947	55,444
<i>b) prepaid</i>	21,449	25,864	43,110
<i>- of which l. 214/2011</i>	-	-	840
Non current assets and group of activities for sale	-	734	-
Other assets	79,609	55,819	63,581
<b>Total Assets</b>	<b>6,436,364</b>	<b>5,139,504</b>	<b>4,264,565</b>

LIABILITIES (Data in €/000)	30/06/2015	31/12/2014	30/06/2014
Debts	96,111	99,010	94,776
Bonds issued	219,226	216,685	231,968
Technical provisions when the investment risk is borne by the insured parties	303,247	300,142	301,808
Financial liabilities at fair value	4,997,887	3,743,064	2,846,573
Other technical provisions	350	350	350
Tax liabilities	66,039	52,939	81,842
<i>a) current</i>	8,515	653	31,217
<i>b) deferred</i>	57,524	52,286	50,625
Other liabilities	59,531	54,787	33,706
Employee severance indemnities	2,939	3,030	2,752
Provision for risks and charges	25,927	25,580	31,417
<i>b) other</i>	25,927	25,580	31,417
Capital	32,324	32,324	32,324
Treasury shares (-)	(80,430)	(81,555)	(81,986)
Capital instruments	71,529	71,715	72,078
Share premium reserve	173,987	173,987	173,987
Reserves	279,670	349,059	355,053
Valuation provisions	(6,185)	(481)	(760)
Profit (Loss) for the period	180,432	92,096	81,844
Equity attributable to minority interests	13,780	6,772	6,833
<b>Total liabilities and shareholders equity</b>	<b>6,436,364</b>	<b>5,139,504</b>	<b>4,264,565</b>

## CONSOLIDATED CASH FLOW STATEMENT

(Data in €/000)	1H15	1H14	2014
<b>A. OPERATING ACTIVITIES</b>			
<b>1. Operating activities</b>	<b>54,744</b>	<b>42,706</b>	<b>23,059</b>
- net income for the period (+/-)	180,432	81,905	93,241
- gains/losses on financial assets held for trading and on financial assets/liabilities valued at fair value (-/+)	(112,989)	(64,016)	(101,669)
- value net adjustments for deterioration (+/-)	0	1,500	2,941
- value net adjustments on tangible and intangible assets (+/-)	4,339	2,383	6,163
- value net adjustments on provisions for risks and charges and other income/expenses (+/-)	1,148	10,202	5,651
- taxes (+)	(20,333)	9,603	15,480
- other adjustments (+/-)	2,147	1,129	1,252
<b>2. Cash flow from financial assets</b>	<b>(1,131,038)</b>	<b>(456,961)</b>	<b>(1,300,555)</b>
- financial assets at fair value	(1,111,894)	(454,130)	(1,306,846)
- financial assets held for sale	(2,289)	0	0
- receivables from banks	(1,606)	(379)	33
- receivables from other financial institutions	(1,335)	(378)	(3,528)
- receivables from clients	48	(250)	(407)
- other assets	(13,962)	(1,824)	10,193
<b>3. Cash flow from financial liabilities</b>	<b>1,293,952</b>	<b>501,562</b>	<b>1,382,119</b>
- due to banks	(8,810)	(9,700)	(13,545)
- due to other financial institutions	145	(268)	(3,059)
- due to clients	136	(148)	(521)
- securities issued	2,560	2,559	(12,041)
- financial liabilities at fair value	1,254,823	539,933	1,437,636
- technical reserves	3,105	(9,186)	(10,852)
- other liabilities	41,993	(21,628)	(15,499)
<b>Total net operating cash flow generated/absorbed</b>	<b>217,658</b>	<b>87,307</b>	<b>104,623</b>
<b>B. INVESTMENT ACTIVITIES</b>			
<b>1. Cash flow generated by</b>	<b>0</b>	<b>75</b>	<b>75</b>
- sale of financial assets held to maturity	0	75	75
<b>2. Cash flow absorbed by</b>	<b>(36,472)</b>	<b>(20,534)</b>	<b>(41,724)</b>
- acquisition of equity investments	(484)	(5,789)	(9,618)
- acquisition of tangible assets	(1,668)	(886)	(1,902)
- acquisition of intangible assets	(3,564)	(4,966)	(13,738)
- acquisition of controlled entities	(30,756)	(8,893)	(16,466)
<b>Total net cash flow generated/absorbed from investment activities</b>	<b>(36,472)</b>	<b>(20,459)</b>	<b>(41,649)</b>
<b>C. FINANCING ACTIVITIES</b>			
- issue/sale of treasury shares	1,125	238	669
- other reserves	(48,443)	(17,918)	(24,585)
- capital and third party reserves	4,802	1,920	2,390
- issue/sale of capital instruments	(186)	(443)	-806
- dividends paid and others	(118,746)	(116,848)	(116,848)
<b>Total net cash flow generated/absorbed from financing activities</b>	<b>(161,448)</b>	<b>(133,051)</b>	<b>(139,180)</b>
<b>Total net cash flow generated/absorbed during the period</b>	<b>19,738</b>	<b>(66,203)</b>	<b>(76,206)</b>
<b>RECONCILIATION</b>			
	<b>1H15</b>	<b>1H14</b>	<b>2014</b>
Opening cash and cash equivalents	569,343	645,549	645,549
Cash flow generated/absorbed during the period	19,738	(66,203)	(76,206)
Closing cash and cash equivalents	589,081	579,346	569,343