

PRESS RELEASE

AZIMUT AND BOSPHORUS CAPITAL BECOME THE LEADING INDEPENDENT PLAYER IN THE TURKISH ASSET MANAGEMENT INDUSTRY

Milan, 21st January 2015

Azimut, Italy's leading independent asset manager, and Bosphorus Capital Portfoy Yonetimi ("Bosphorus"), a Turkish independent asset management company, have signed today an investment and shareholders agreement to start a partnership in Turkey. Bosphorus as at December 2014 had AuM in excess of TL 1bn (equivalent to € 390mn*), of which almost 70% in Turkish domiciled mutual funds and 30% in discretionary portfolios.

Bosphorus was established in 2011 by 4 partners with an average 20 years investment experience. Currently Bosphorus is the largest independent asset management company in Turkey thanks to its consistent and positive track record in excess of the local risk-free rate, its direct funds raising capability and the implementation of a successful distribution model via the banking channel. Furthermore, 20% of Bosphorus' AuM are linked to institutional clients, mainly insurance companies. On the product side, the range of 10 managed funds span fixed income, equity and balanced strategies.

The Turkish asset management industry has €22bn in AuM as of December 2014 (of which more than 90% is invested in short term fixed income strategies) with around 40 asset management companies (of which 29 are independent) registered with the Turkish Capital Market Board. The industry AuM accounts for only 5% of the country's GDP making it one of the less penetrated markets in the world. Despite the dominance of banks time deposits absorbing more than 90% of the country's savings, Bosphorus track records shows the potential of an alternative business model to serve banks' clients financial needs.

At completion Azimut consolidated AuM in Turkey will be in excess of TL 2.0bn in AuM (equivalent to € 754mn), including TL 620mn of AuM (€ 230mn) invested in AZ Fund Global Sukuk, the world's largest UCITS and Shariah compliant fund investing in Islamic bonds, and AZ Fund Lira Plus, aiming to convert in Euro the level of local interest rates. The commercial and industrial integration of Azimut Portföy, AZ Notus Portföy and Azimut Bosphorus Capital Portföy creates Turkish largest independent player with a diversified product range and a distribution network with both proprietary financial advisors and third party distributors.

Subject to the regulatory approval by the competent authorities, Azimut, through AZ International Holdings S.A., will purchase 70% of Bosphorus equity capital. The purchase will entail an acquisition from the founding partners for a cash consideration of around € 7.4mn, which can be adjusted subject to the attainment of specific targets and in order to take into account the company's net financial position on closing. Bosphorus' strategy will focus on developing its product factory according to a 5-year business plan. To this end Azimut and Bosphorus partners have agreed to work together to grow the business in Turkey and beyond over the medium-long term.

Mustafa Doğan, Tanju Günel, Murat Salar and Hüseyin Yener, founders of Bosphorus comment that *"As the largest independent asset management company in Turkey we are proud to announce our partnership with Azimut, a leading independent asset management company in Europe. We believe Bosphorus Capital will be strengthened by Azimut strategic approach and industrial platform in Turkey and globally, thus adding to our track record and dimension. We remain fully committed on delivering performance to our clients, whilst look forward to extracting value from the growth potential of Turkey and the wider regional markets."*

Pietro Giuliani, Chairman and CEO of Azimut Holding, comments: *"We are starting Azimut new 5-year business plan with a strong commitment to develop our international presence. Turkey and the MENA region constitute a strong pillar of our growth and the JV with Bosphorus partners aims at strengthening our existing platform through which we want to provide professional and innovative financial solutions to clients, attract and aggregate the best competences and talents in the local industry and implement a successful business model. With this transaction **Azimut market share in Turkey reaches 2.5% of the total industry AuM, higher than our current market share in Italy, and consolidating our leadership among independent players with a market share of 43%.**"*

* Based on an exchange rate of 1 €/ 2.7 TL

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 1,200 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, 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 fund AZ FUND1 and AZ Multi Asset, the Irish AZ Life Ltd, which offers life insurance products, and AZ Capital Management Ltd (hedge fund).

Bosphorus is a Turkish-based asset management company founded in 2011 by four partners with a focus on Turkish capital markets, managing both hedge funds and segregated accounts with individual strategies with proven performances in all asset classes for retail and institutional clients. The company has 4 portfolio managers, 8 employees and is based in Istanbul. Bosphorus is regulated by the Capital Markets Board of Turkey and became operational in June 2011.

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