

2010FY Results

Place your bets

Milan, March 10th 2011

2010FY Results

Summary



* 2010FY Highlights

* Asset Management

* Distribution

* 2010FY Financials

* Outlook



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2010 Highlights

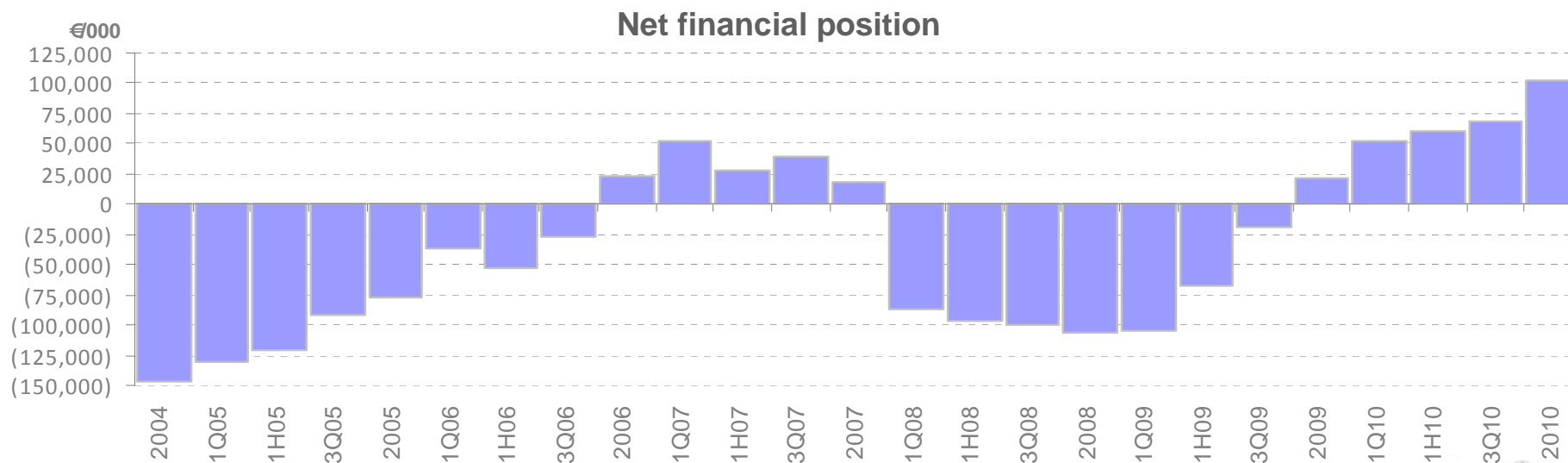
2010 Net profit €94.3 million vs. €118.2 million recorded in 2009FY

2010 Total revenues €358.4 million vs. €347.4 million in 2009FY

2010 Fixed management fees €274.0 million vs. €225.4 in 2009FY

2010 Dividend: €0.25 ps (€0.20 ps in 2009)

2010 Cash flow generation: €80.3m of cash



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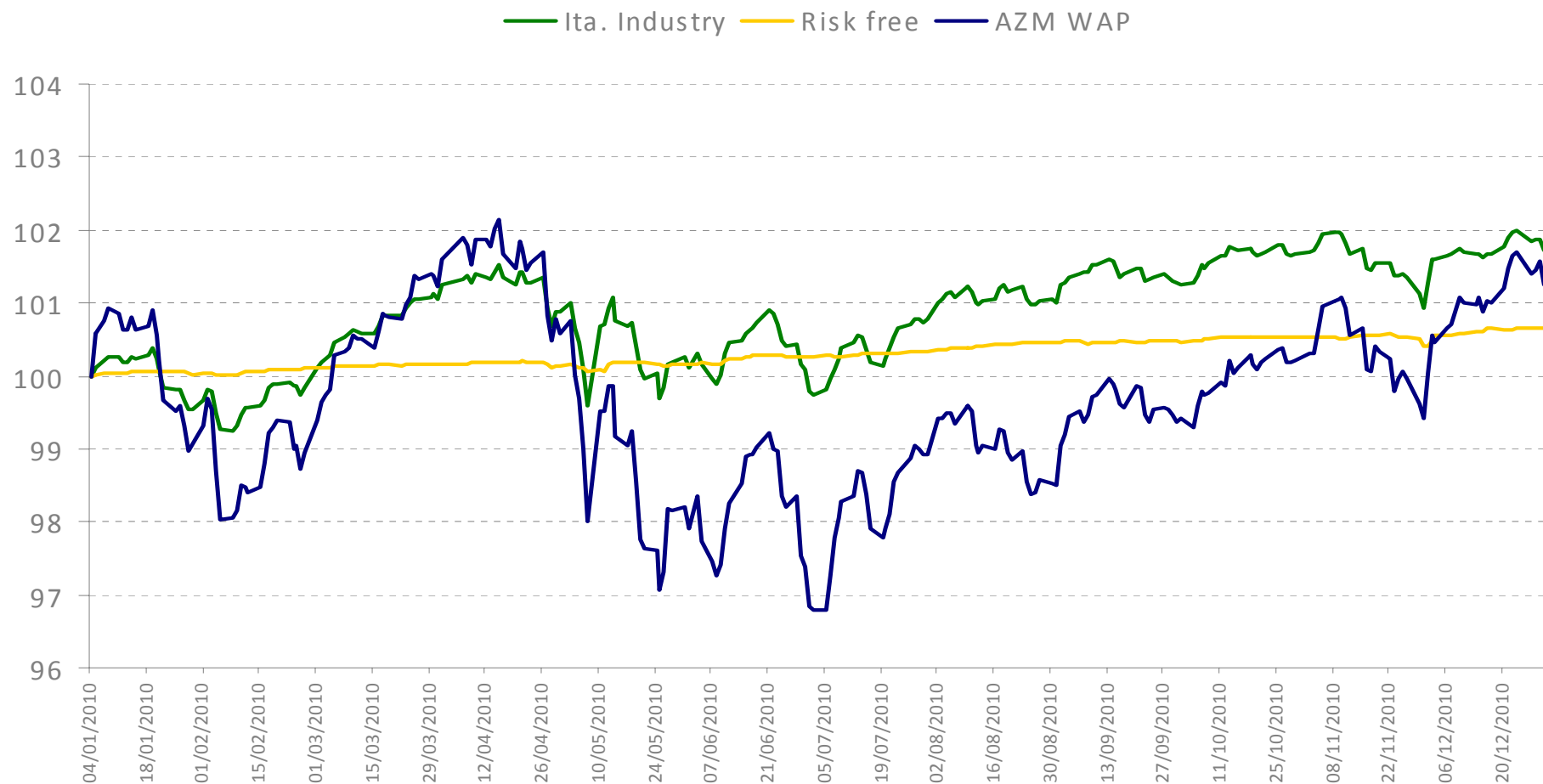
* Outlook



Short "termism" is institutionally banned

2010 Asset management

Tough year to deliver with usual asset classes (Italian/European equities and bonds)



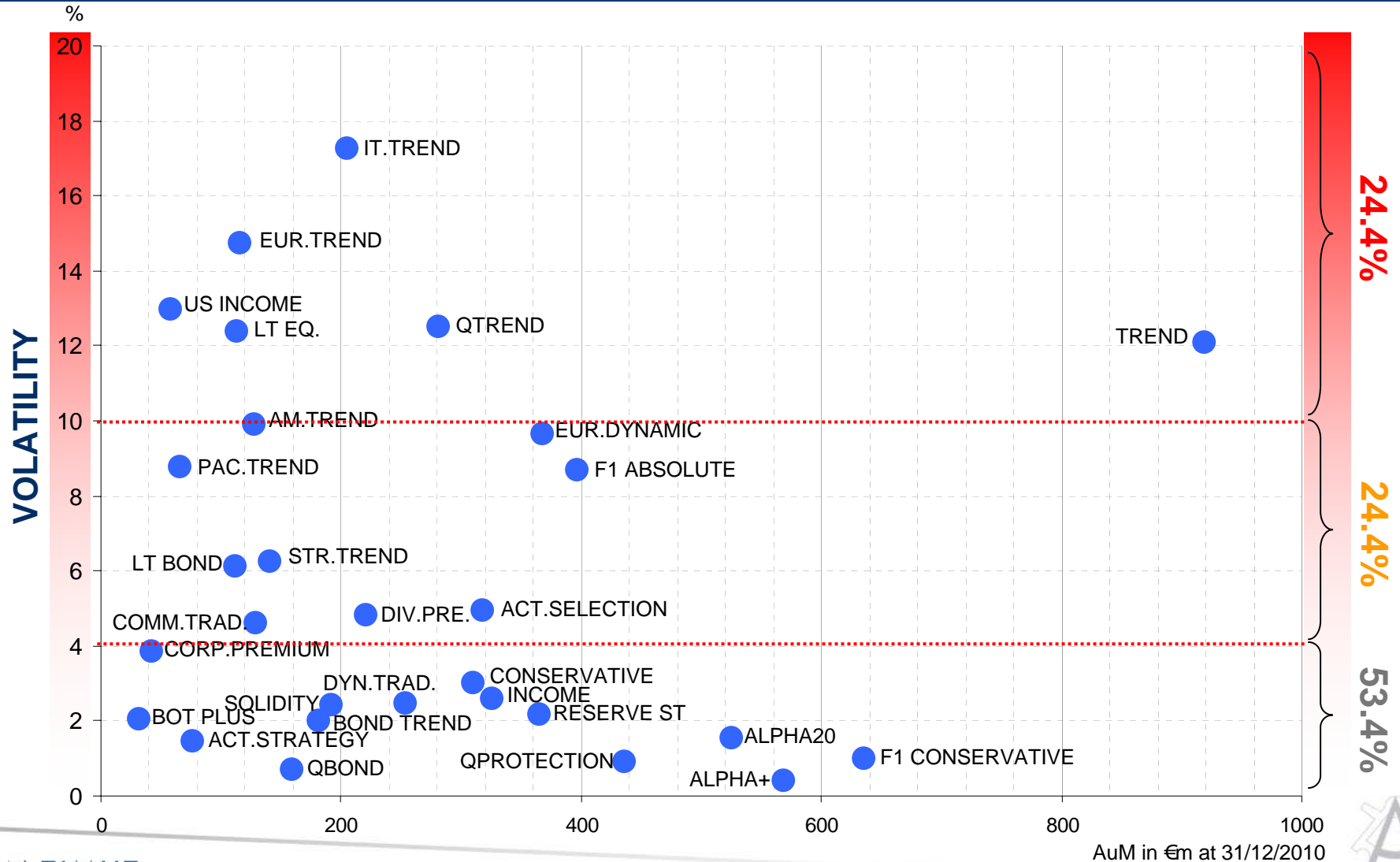
Source: Bloomberg Risk free in Eur: ITGCBOTG Index net of 12.5% withholding tax
It.fds: FIDMGEND Index



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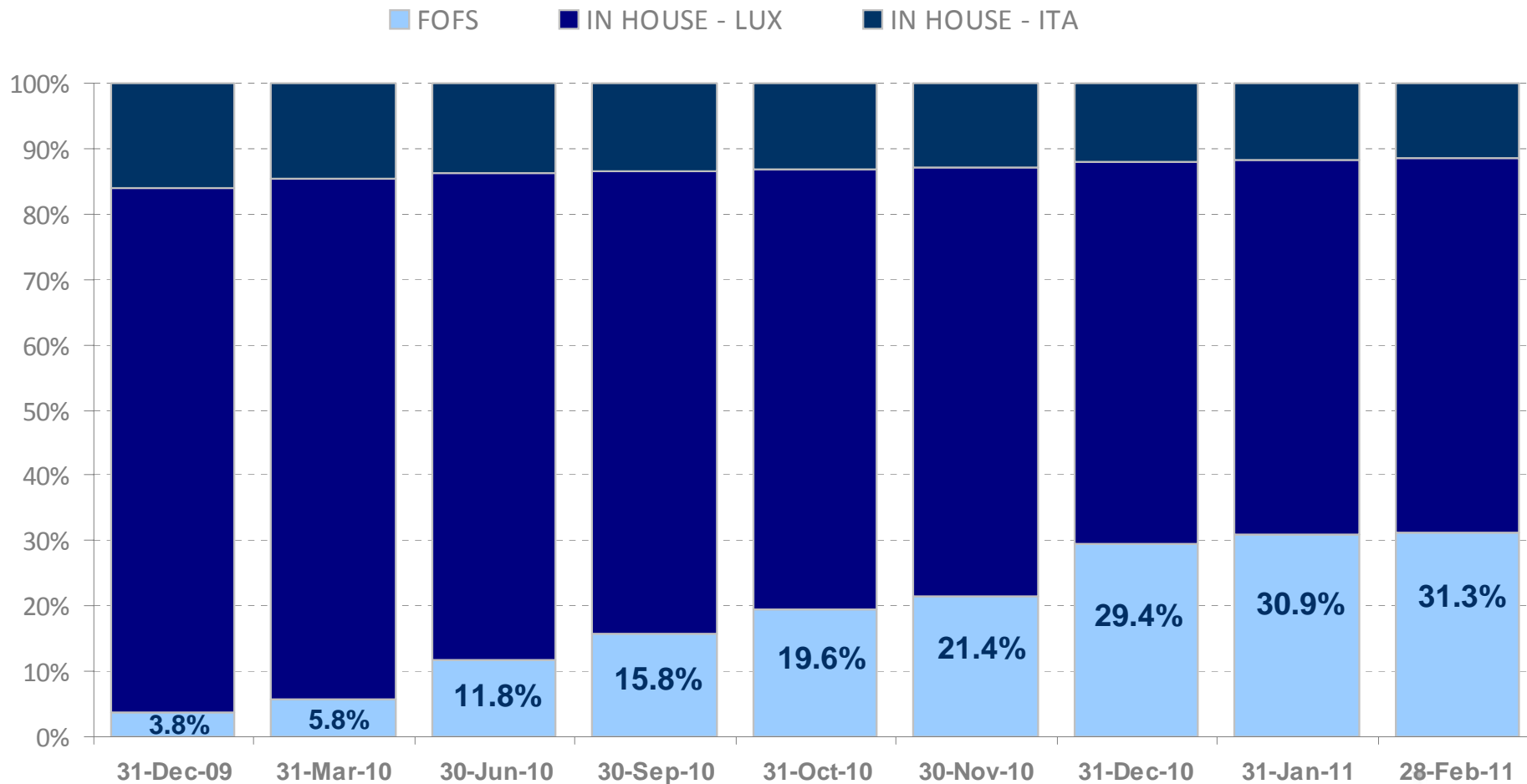
2010 Asset management

The in-house flexible funds focussed on volatility control



2010 Asset management

The switch towards more performing asset classes accelerated during the second half



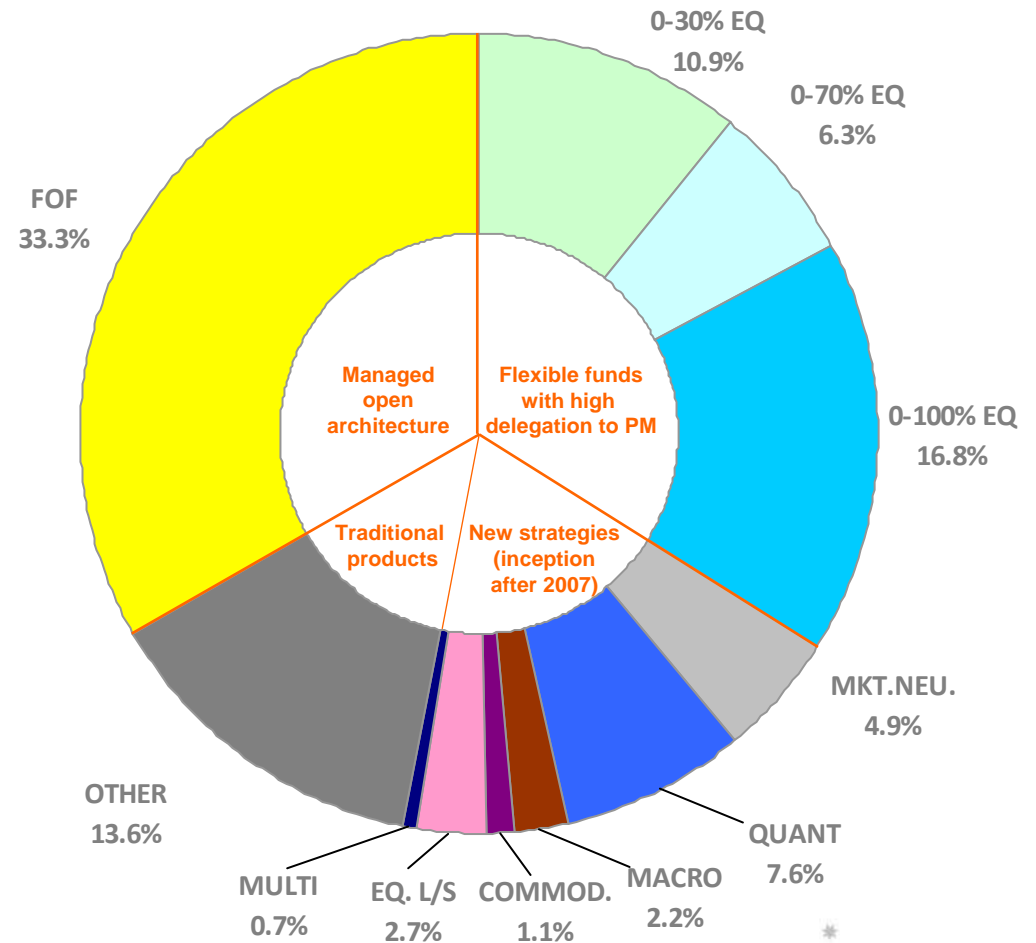
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Luxembourg funds at the end of 2010

Nearly €4 billion is in third parties' products with same margin as in house funds

0-30% EQUITY	F1 CONSERVATIVE F1 ALPHA 20 CORPORATE PREMIUM INSTITUTIONAL TARGET
0-70% EQUITY	EUROPEAN DYNAMIC DIVIDEND PREMIUM STRATEGIC TREND
0-100% EQUITY	F1 ABSOLUTE TREND ITALIAN TREND PACIFIC TREND AMERICAN TREND EUROPEAN TREND LONG TERM EQUITY
MARKET NEUTRAL	F1 ALPHA PLUS
QUANT	QBOND QPROTECTION QTREND
MACRO	F1 DYNAMIC TRADING
COMMODITIES	F1 COMMODITY TRADING
EQUITY LONG/SHORT	ACTIVE SELECTION
MULTI	ACTIVE STRATEGY
OTHER	OTHER SINGLE MANAGER
FOFs	MULTIMANAGER FOFs



Source: Company data at 31/12/2010

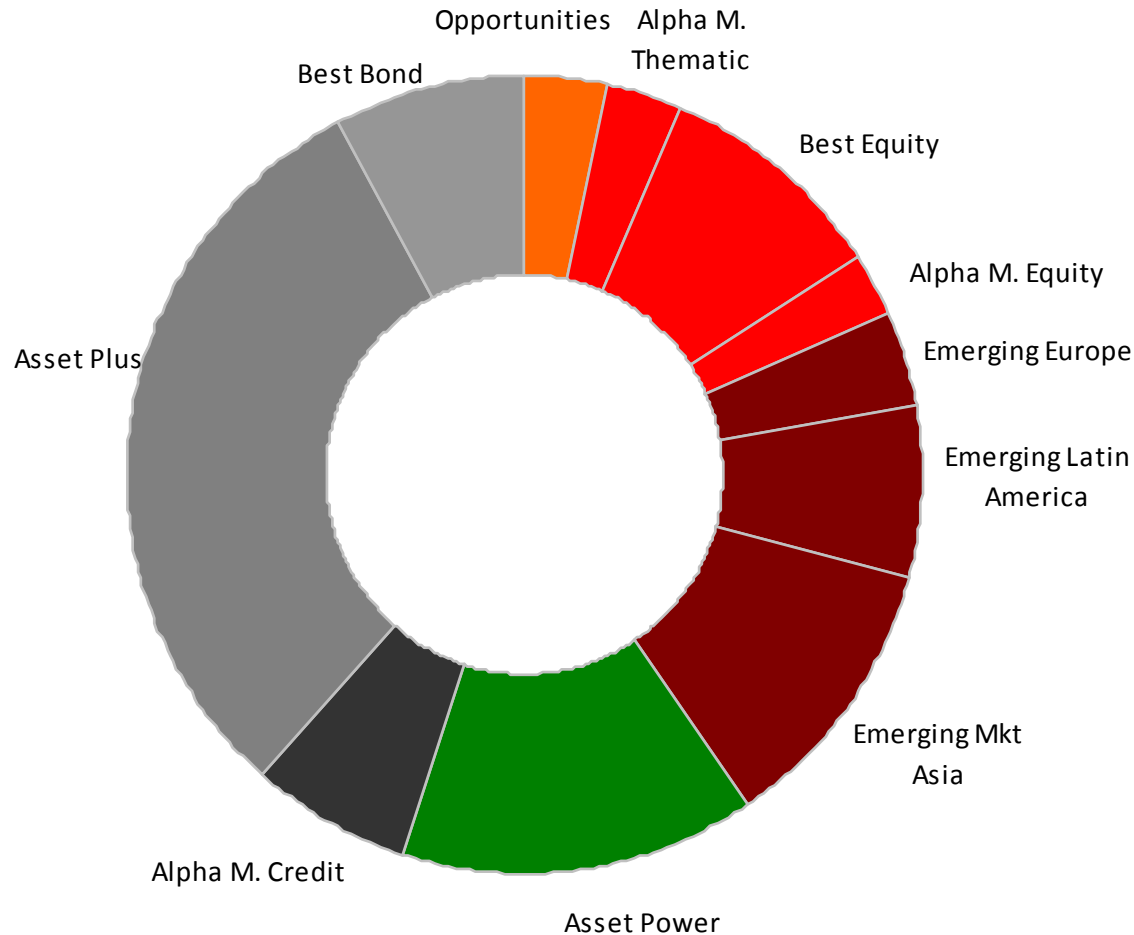


Funds of funds at the end of 2010

Active asset allocation also within our FoFs

% BY STRATEGY

- 30.6% Mixed fixed income
- 22.3% Emerging markets equities
- 14.4% Balanced portfolio
- 6.6% Corporate (IG,HY) and Em. debt
- 14.8% Global equities
- 7.9% Diversified fixed income
- 3.4% Small caps



Emerging markets equities' funds are 6.87% of total AuM in mutual funds

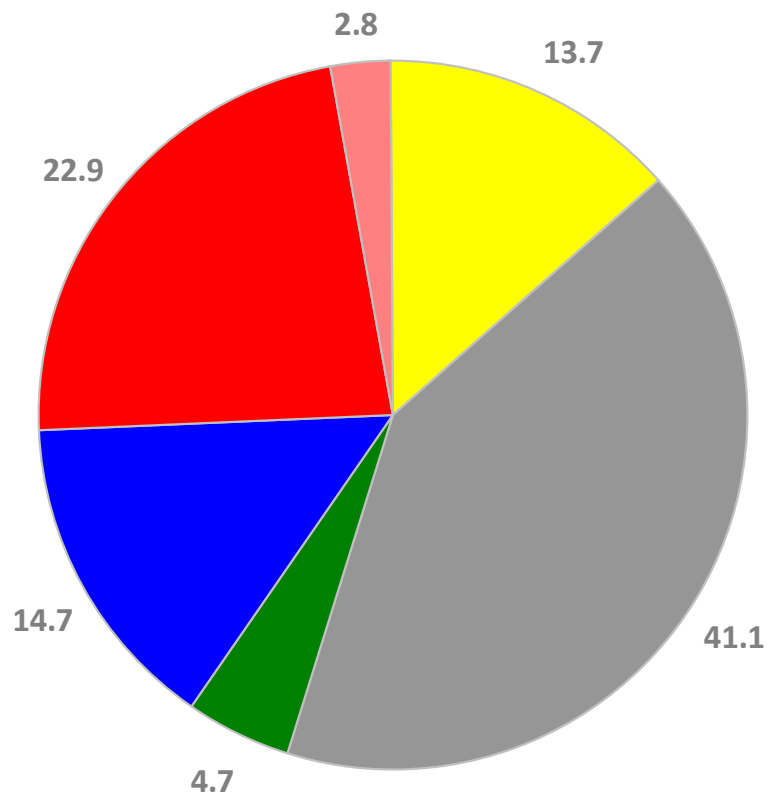
Source: Company data at 31/12/2010



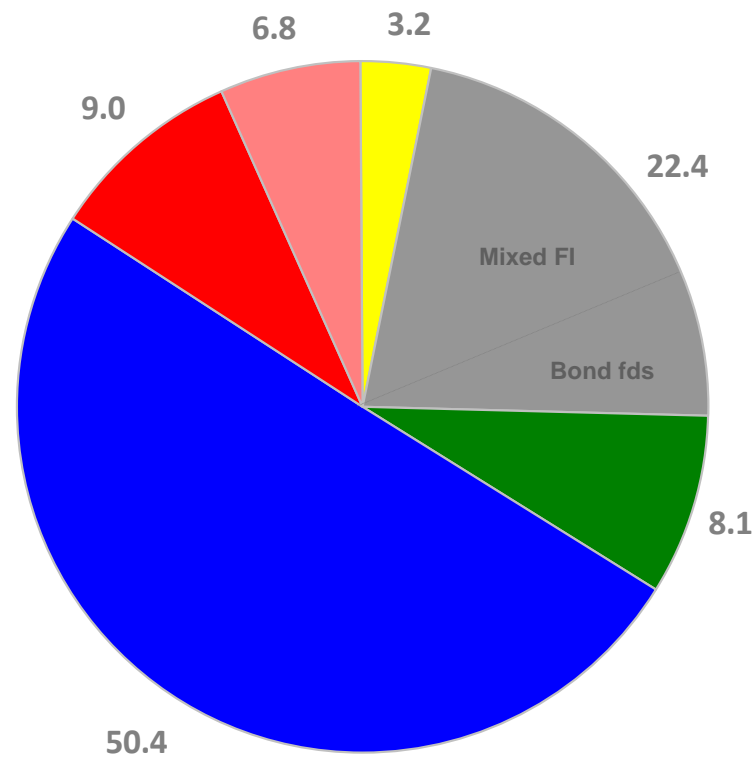
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Funds breakdown by category

Italian Industry (%)



Azimut (%)



■ Cash
 ■ Bond
 ■ Balanc.
 ■ Flexible
 ■ Equity
 ■ Hedge

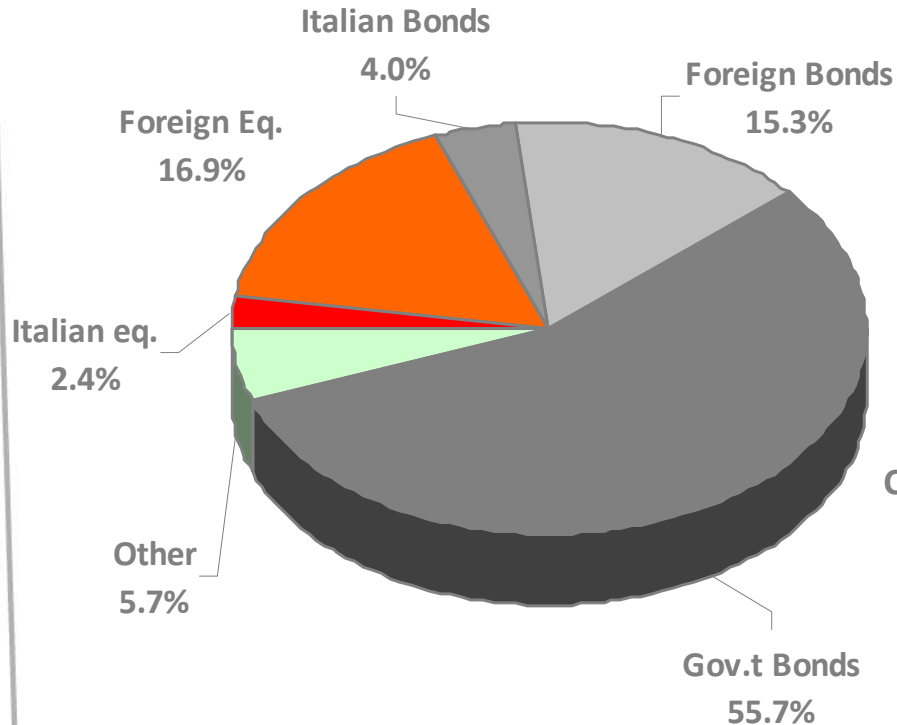
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Mutual fund breakdown by underlying assets

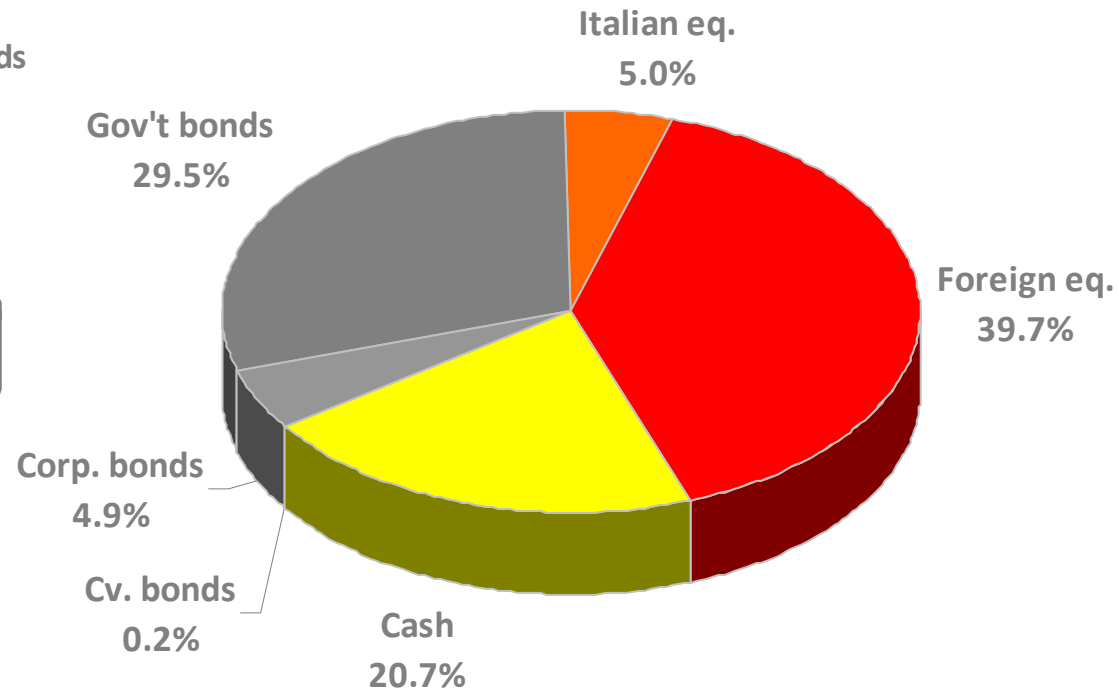
Italian Industry

Total Equity **19.3%**



Azimut

Total Equity **44.7%**



At the end of 2010 gross exposure to equities is only slightly higher than net exposure

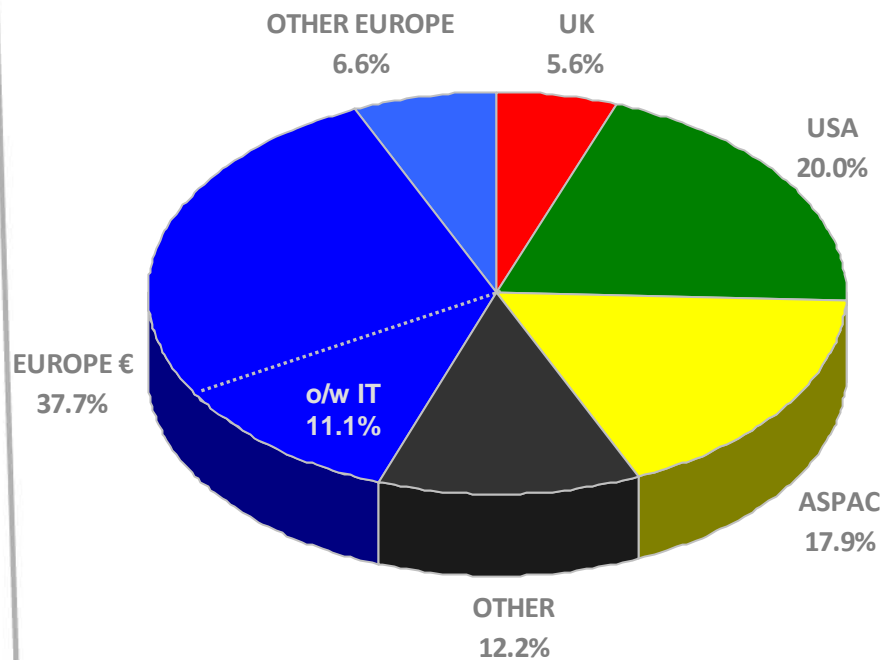
Source: Company data / Assogestioni / Il Sole 24 ore - data as at 31/12/2010



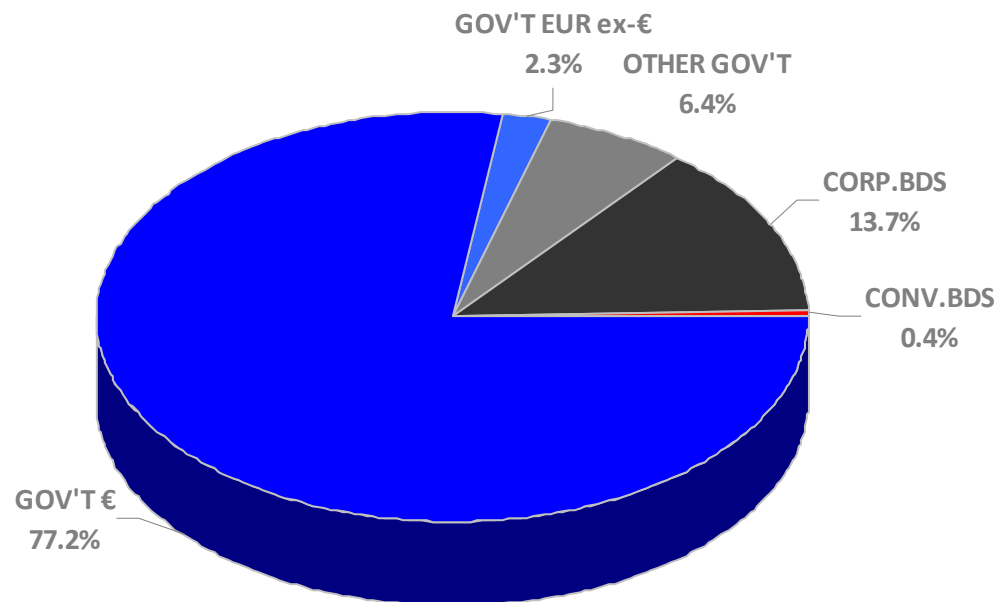
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Azimut funds' breakdown by underlying securities

Equities



Fixed Income



ADDITIONAL BREAKDOWN BY COUNTRY:

ASPAC: 5.3% Jap and Aus 12.6% Emerging Asia
OTHER EUROPE: 5.1% Ch 1.5% Dk, No, Se
OTHER: LAT.AM. and EM.Europe

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* **Distribution**

* 2010FY Financials

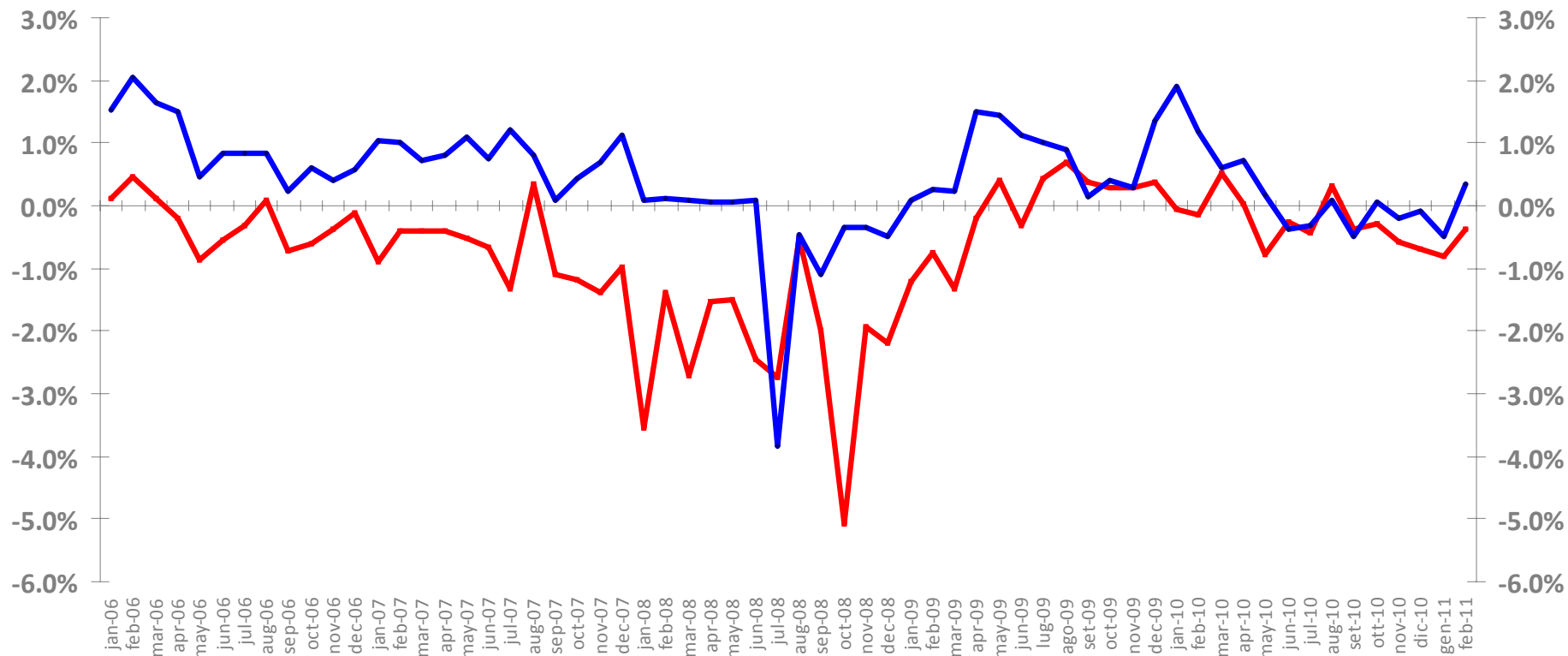
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Distribution - Funds

2006 – 10 Funds' net inflows as a % of total managed assets

● Azimut ● Italian Funds' Industry



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Consolidated reclassified income statement

IAS/IFRS compliant

Data in €/000	2010	2009
Entry commission income	6,370	6,166
Recurring fees	274,031	225,390
Variable management fees	58,119	99,338
Other income	8,314	6,226
Insurance revenues	11,609	10,274
Total Revenues	358,443	347,394
Distribution costs	-170,440	-152,432
Commissions on no load products	-16,457	-15,394
Personnel and SG&A	-50,587	-45,988
Depreciation, amort./provisions	-4,990	-3,762
<i>Operating Costs</i>	<i>-242,474</i>	<i>-217,576</i>
Operating Profit	115,969	129,818
Income from financial operations	2,145	1,696
Net non operating costs	-1,266	-1,279
Interest expenses	-6,612	-6,739
Profit Before Tax	110,236	123,496
Income tax	-10,370	-4,387
Deferred tax	-5,563	-872
Net Profit	94,303	118,237

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Consolidated net financial position

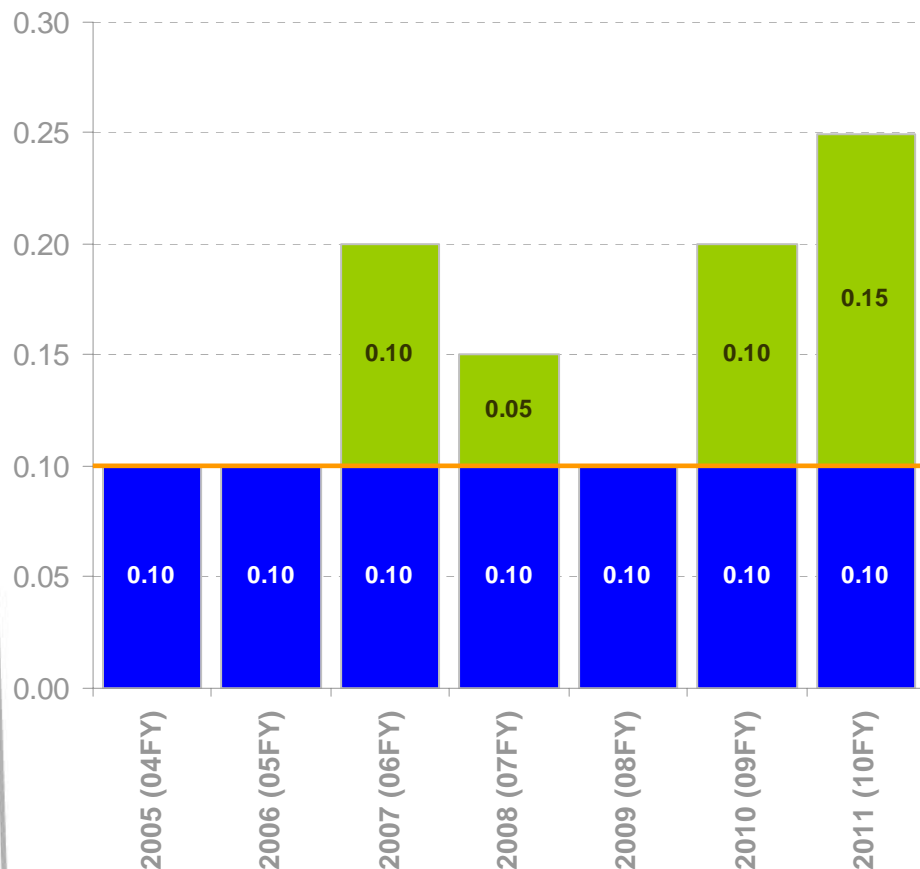
IAS/IFRS compliant

Data in €/000	31.12.10	30.06.10	31.12.09
Amounts due to banks:	(103,087)	(106,480)	(106,166)
<i>Senior Loan</i>	<i>(90,498)</i>	<i>(90,436)</i>	<i>(90,455)</i>
<i>Trademark lease-back</i>	<i>(12,589)</i>	<i>(16,044)</i>	<i>(15,711)</i>
Securities issued:	(69,038)	(87,755)	(85,684)
<i>Azimut '09-'16 subordinated bond</i>	<i>(69,038)</i>	<i>(87,755)</i>	<i>(85,684)</i>
TOTAL DEBT	(172,125)	(194,235)	(191,850)
Cash and cash equivalents	274,248	254,716	213,715
NET FINANCIAL POSITION	102,123	60,481	21,865

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Dividend



- ✂ Ordinary dividend confirmed: €0.10 ps*
- ✂ Additional payout of €0.15*
- ✂ As already stated, the ordinary dividend for the future will be kept at the current level (€0.10); extraordinary dividends (if any) could be instead heavily increased without M&A opportunities

		05FY	06FY	07FY	08FY	09FY	10FY
EPS	Listed on 7/7/04	0.340	0.583	0.726	0.318	0.906	0.718

*

* Subject to AGM approval



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 - * **Outlook**



2H10 outlook (from our H1 presentation)

- ⚓ The whole 2H10 will be devoted to an intense renewal and enhancement of our two business components:
 - ⚓ Asset management – the usual product innovation will be coupled to a deep reorganisation of the product range, also in terms of the PMs team and their individual expertise
 - ⚓ Distribution – increased effort in the organisational aspects, selection, training, support, in order to keep as usual the leading position among the PF networks in the Italian market
- ⚓ Which means... as of Jan 1st 2011 – ready to look at Azimut with new, confident eyes, able to go ahead full sail towards the goal of doubling the size of AuM



Actions undertaken: First Phase - People

Di

WHAT HAVE WE DONE IN OUR “BLACK BOX” PERIOD ?

- Organised after the summer a series of training courses for PFs, focussing on specific directions:
 - PAST: Get rid of the sense of guilty for 2008 negative returns, it was global crisis, not you, do not overestimate yourself... (or better misjudge your responsibilities)
 - PRESENT: The FoFs exist since 2006, can offer you access to asset classes curenly performing better than European equities and gov't bonds, use them...please enjoy them responsibly
 - FUTURE: We have a 3% market share, and have historically better returns than competitors, so focus on new clients' acquisitions, starting from the usual word of mouth with your existing client base.
- Implementing the generational change in the top management of the distribution networks so to re-energise the distribution

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Actions undertaken: Second Phase - Products

3D Product range: Diversification, Directionality, Distinction

AM

WHAT HAVE WE DONE IN OUR “BLACK BOX” PERIOD ?

- Worked on the restructuring of our single manager product range, to increase their flexibility especially in the **low risk profile** component, enabling them to perform better even if this current peculiar environment (namely interest rates in the government bonds narrowing the zero level) is going to last



- The control of volatility was very effective in 2009-2010, but starting from 2011 the **high risk profile** products need to come back to the beta, thus being again more “spicy”



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Actions undertaken: Second Phase - Products

Half of our single manager funds change with effect February 2011

		FLEXIBLE STRATEGIES		QUANT STRATEGIES	"HEDGE" STRATEGIES	MULTIMANAGER FOFs		
		DEFINED TIME HORIZON	FOCUS ON ALPHA	TRADITIONAL				
RISK	LOW	F1 Alpha Plus Corporate Premium	Bond Trend	Bot Plus Reserve S.T. Euro Institutional Target Solidity Income			13.7%	
	MED. LOW	F1 Conservative Formula Target 2014		Conservative Aggregate Bond Euro	QBond	Active Selection Active Strategy	Asset Plus Alpha Manager Credit	27.9%
	MED.			US Income European Dynamic	QProtection	F Macro Dyn.Trading F Commodity Trading Multistrategy HF Aliseo	Asset Power Best Bond	25.1%
	MED HIGH	F1 Absolute	Strategic Trend	Dividend Premium	QTrend			9.2%
	HIGH		Pacific Trend Italian Trend American Trend European Trend Trend Long Term Value				Opportunities Alpha Man. Thematic Alpha Man. Equity E. Market Asia E. Mkt Europe E. Mkt Latin A. Best Equity	24.1%
		20.5%	15.0%	15.9%	7.0%	10.4%	31.2%	

66.7%

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Actions undertaken: Third Phase – New remuneration

Focus on **net** new money – change only on a voluntary basis for agents

	OLD SYSTEM	VS.	NEW SYSTEM
CASH	40% rebate of the FMF <i>(base: Lux-fds fFMF)</i>		40% rebate of the FMF <i>(base: Lux-fds fFMF)</i>
CASH	60% rebate of the Entry Commissions		60% rebate of the Entry Commissions
CASH	<p>1% upfront payment for money collected on “no load products”</p> <p>No load products: no entry or exit fees provided the money remains invested for 36 months, otherwise declining exit fees</p>		<p>payment linked to net new money</p> <p>CAPITAL INSTRUMENTS</p>

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Actions undertaken: Third Phase – New remuneration

Focus on **net** new money – change only on a voluntary basis for agents

The amount currently expensed in the P&L as “No load commissions” will be substituted through dividends granted to capital instruments, thus with a “profit sharing”... which means for shareholders... **higher GOP, same net profit**

The new system will be in a “**stress-free**” test phase in 2011: nothing changes during the year also to enable in-deep analysis on a personal basis of the effects, also through a back-testing of individual results achieved so far

At the beginning of 2012 (and onwards) agents can check in a “**what if**” mode whether to stay with the old system or to switch to the new one

Nothing will change unless an agent decides to opt for the new regime, which in any case affects only the payment for inflows (gross or net). This decision is one-way only for existing agents, with the window for the change remaining open also in the future

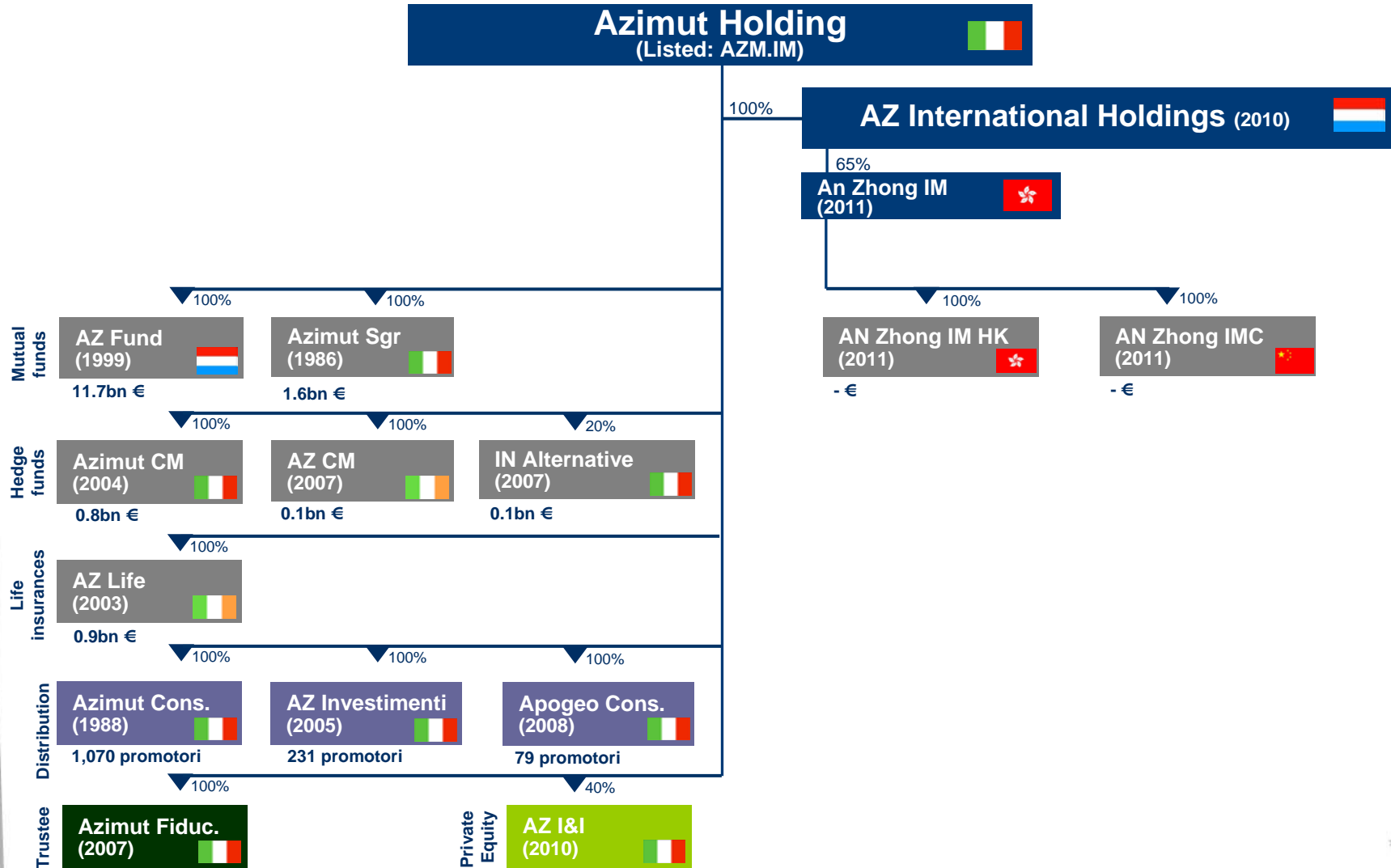
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Outlook

New organisational structure and companies chart



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Outlook

- ✦ Good 2011 ytd performance, thus variable fees already cashed in January and February
- ✦ Growth target for the period 2010-14: **2x the AuM – We reiterate this “simple” target**
- ✦ **10% of AuM will be outside of the domestic market**
- ✦ **2011 net inflows target in excess of €1 billion**

NOTHING MORE TO SAY... YET MANY ACES TO PLAY
...NEEDLESS TO SAY, AZIMUT !



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