

# First Italian renewable energy fund launched

## Fund

Atmos SpA, the first Italian vehicle to invest in clean energy and sustainable development, has been founded in Milan. Although not structured as a conventional fund, Atmos operates as a private equity investment entity. It has €9m to invest directly, but can invest up to €50m of equity through a co-investment mechanism. Atmos will take a minority stake in each investment and can invest up to 20% of its own capital. In addition, the fund will propose the selected opportunities to a group of potential investors, known as the 'investors club', whose members have a pre-emptive right to participate in the investments. If, in a certain transaction, the amount invested by the investors club is not enough to cover the necessary equity, Atmos will offer participation to third investors. A newco will be created to manage each investment and each newco will pay a management fee to Atmos Holding. In return, Atmos will supervise each investment initiative, manage the divestments of the newcos and distribute the returns to investors. The fund will operate for six years and the investment process will be completed by 2008.

## Investors

The promoters of the initiative are Fondamenta, the private equity fund-of-funds managed by State Street Global Investments and IGP Ambiente, an investment entity specializing in sustainable development, headed by Rolando Polli, former managing director of McKinsey in Spain and Italy. Among the co-investing partners of Atmos are Italmobiliare, the entrepreneurial families Bolla and Zamboni, and the family office Hermes Investimenti.

## Investments

Atmos is a holding company investing in renewable energy, energy efficiency, clean energy technology and sustainable development. Renewable energy will account for approximately 50% of investments, energy efficiency around 20%, while areas like new technology and carbon credits will account 20% and 10% respectively. Atmos' target markets are characterised by promising growth potential, minimal commercial risk, and the possibility of high financial leverage. The average investment will be between €3-15m of equity and the fund will make 10-15 investments overall.

The renewable energy market in Italy is expected to exceed €4bn in revenues by 2010, while the Italian energy efficiency market is likely to reach €2bn in revenues by 2006. The clean tech market, including clean energy, transportation, waste and water management, building efficiency, emission curbing and environment monitoring, is also attracting private equity investments worldwide and is expected to grow over the next few years.

## People

The board of directors comprises Rolando Polli (Atmos president), Giuseppe Campanella (Atmos managing director and State Street Global Investments managing director), Achille Colombo (Gruppo Falck board member), Erich Stock (director of State Street Global Advisory) and Piero Gavazzi (IGP Ambiente). Riccardo Cirillo, an expert in renewable energy and sustainable development, will coordinate Atmos's management team along with Aberto Argnani, investment manager for Fondamenta.

### Name

Atmos SpA

### Target

€50m

### Focus

Renewable energy

### Contact

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