

PRESS RELEASE

**BOARD OF DIRECTORS APPROVES
FIRST-HALF FINANCIAL STATEMENTS TO 30 JUNE 2016**

- **Net Asset Value (NAV) per share at EUR 1.98 at 30 June 2016 versus EUR 1.95 at 31 December 2015 (adjusted for the extraordinary dividend of EUR 0.12 paid in May 2016)**
- **Consolidated net financial position was EUR +98.5 million at 30 June 2016, after distribution of reserves of approximately EUR 31.6 million, versus EUR +133.8 million at 31 December 2015.**
- **Launch of important projects and investments in the “non performing” sector**

Analysis of Consolidated Results to 30 June 2016

Milan, 8 September 2016 - The Board of Directors of **DeA Capital S.p.A.** met today to examine and approve the first-half financial statements to 30 June 2016.

- **Net Asset Value.** At the end of the first half of 2016, NAV was **EUR 1.98 per share**, compared with EUR 1.96 per share at 31 March 2016 and EUR 1.95 at 31 December 2015; the latter were adjusted for the distribution of the share premium reserve of EUR 0.12 per share in May 2016. Treasury shares totalled 44,499,364 at 30 June 2016, equivalent to 14.5% of the share capital.
- **Group net profit.** The Group recorded net profit of EUR 1.9 million for the first half of 2016, compared with net profit of EUR 23.6 million in the same period of 2015, though the latter included effects of a disposal of a participation by one of the funds in portfolio (IPO Talgo).
- **Group comprehensive income – IAS 1.** The figure of EUR 6.7 million in the first half of 2016 (EUR 17.0 million in the same period of the previous year) includes – in addition to the Group’s consolidated profit of EUR 1.9 million – fair value adjustments of EUR 4.8 million to the investment portfolio booked directly to shareholders’ equity in accordance with IAS/IFRS, due mainly to the increase in fair value of IDeA EESS (EUR 3.5 million).
- **Investment portfolio.** This amounted to EUR 440.2 million, compared with EUR 451.9 million at 31 March 2016 and EUR 454.8 million at 31 December 2015. The portfolio comprises private equity investments (EUR 85.8 million), units in funds (EUR 191.8 million) and holdings in the Alternative Asset Management sector (EUR 162.6 million). During the first half, DeA Capital invested a total of EUR 5.7 million in funds and received capital reimbursements totalling EUR 11.3 million, resulting in a net positive balance of EUR 5.6 million. The main investments of DeA Capital in funds of funds managed by IDeA Capital Funds, IDeA I FoF (since the launch in January 2007) and ICF II (since the launch in February 2009) recorded an internal rate of return (IRR) of +5.8% and +13.1% respectively.
- **Asset Management.** Assets under management at 30 June 2016 amounted to EUR 7.8 billion for IDeA FIMIT SGR and EUR 1.9 billion for IDeA Capital Funds SGR. During the first six months, the DeA Capital Group completed the sale of 55% of the share capital of Innovation Real Estate S.p.A. for a price of about EUR 5.7 million, realising a capital gain of EUR 3.2 million.
- **Net financial position.** This amounted to EUR +98.5 million at 30 June 2016, compared with EUR +133.8 million at 31 December 2015. The change in the first half of 2016 was due to:
 - changes in own shares (EUR -2.2 million);
 - the distribution of extraordinary dividends totalling EUR 31.6 million.

The net financial position at holding company level was EUR 78.2 million at 30 June 2016, after the above-mentioned distribution of the share premium reserve to shareholders, compared with EUR 90.0 million at end-2015.

- **Significant events in the first half of 2016:**

Launch of the IDeA Corporate Credit Recovery I (IDeA CCR I) Fund

In June 2016, IDeA Capital Funds SGR launched the IDeA Corporate Credit Recovery I fund, which has total assets of EUR 262.8 million, of which EUR 177.6 million relates to the loans segment and EUR 85.2 million to the new finance segment.

As the first Italian debtor-in-possession financing fund, IDeA CCR I aims to help relaunch medium-sized Italian companies that are facing financial difficulties but have solid business fundamentals.

DeA Capital has subscribed total commitments of EUR 15.15 million (including units conferring rights to a percentage of the carried interest).

IDeA FIMIT launches "Trophy Value Added" and "IDeA NPL" funds

In the first half of the year, IDeA FIMIT provided a fresh impetus to the development of its managed assets by launching the following funds:

- "Trophy Value Added", a real estate alternative investment fund, restricted to professional investors, which launched its activities in April 2016 via the purchase/contribution of two trophy assets located in the heart of Rome's historic centre;
- IDeA NPL, a real estate closed-end mutual investment fund, restricted to professional investors, which launched its activities in May 2016. The Fund, which is set to reach a maximum of EUR 500 million over the next 12 months, will primarily invest in securities resulting from securitisations of non-performing bank mortgage loans, and in equity instruments of real estate companies created to participate, where the opportunity arises and with a defensive strategy, in judicial auctions in order to acquire property assets to serve as collateral for non-performing loans (real estate owned companies or REOCOs).

- **Significant events after the end of the period:**

Acquisition of an indirect stake in SPC

In July 2016, DeA Capital acquired, via its subsidiary DeA Capital Real Estate S.p.A., an indirect stake of 66.3% in SPC, a company that specialises in secured and unsecured debt recovery, with a focus on the leasing, banking and commercial sectors in Italy.

The transaction involved a total investment by DeA Capital of EUR 1 million as at today's date, which will be increased, according to signed shareholders' agreements, by a further EUR 0.6 million via capital increases to be carried out by 2017. On completion of the above-mentioned transactions, DeA Capital's investment in SPC will be 68.7%.

Paolo Ceretti, CEO of DeA Capital, commented:

"In the first six months of 2016, the DeA Capital Group has carried out a number of significant projects and investments in the non-performing sector, including the launch of the Corporate Credit Recovery Fund, managed by IDeA Capital Funds, the finalisation of the IDeA NPL and Trophy Value Added Funds, managed by IDeA FIMIT, and the acquisition of debt recovery company SPC. Specifically, the acquisition of SPC, which specialises in secured debt (mortgages and leasing) recovery, completes our real estate services offer, building on our sector expertise already developed on the Group's platform via IDeA FIMIT in asset management and IRE in property services.

DeA Capital will continue to devote managerial and financial resources to further develop its presence in this promising sector, including via the launch of new products, which are already at an advanced stage of development on the Group's platform."

Other events after the end of the period

- On 6 September 2016, IDeA Capital Funds SGR completed the third closing of the private equity fund "Taste of Italy" at EUR 188.5 million (the fund target is EUR 200 million).
- The DeA Capital Group increased its investments in private equity funds with payments totalling EUR 1.3 million. At the same time, it received capital reimbursements totalling EUR 6.5 million.

Amendments to the Share Performance Plan and Stock Option Plan

In light of the distribution of the extraordinary dividend of EUR 0.12 approved by the Shareholders' Meeting on 21 April and the resulting reduction in the DeA Capital share value, the Board of Directors of DeA Capital, as the competent body pursuant to the Plans' regulations, today approved amendments to the following incentive-based plans in order to keep the substance and financial content unchanged: (i) the Performance Share Plan 2014-2016 and the Stock Option Plan 2014-2016, approved by the Shareholders' Meeting held on 17 April 2014, (ii) the Performance Share Plan 2015-2017, approved by the Shareholders' Meeting held on 17 April 2015, and (iii) the Performance Share Plan 2016-2018, approved by the Shareholders' Meeting on 21 April 2016.

Performance share plans: the Board of Directors voted to compensate for the lower value of the Plans (calculated by multiplying the number of units allocated by the extraordinary dividend) in the event that the vesting conditions are met, by allocating new units, to be determined on the vesting date using the formula of lower value divided by share price on the vesting date; this will be subject to reaching the maximum number of units stipulated by the above-mentioned Plans. Where the lower value of the Plans cannot be compensated for by the allocation of new units, a one-off bonus will be paid as compensation in cash.

Stock option plan: the Board of Directors voted to compensate for the lower value of the Plans (calculated by multiplying the number of options assigned for the extraordinary dividend) by paying a one-off bonus in cash on the vesting date, given that it is not possible to reduce the strike price of the options any further as the current nominal value of the Company's shares is at its lower limit of EUR 1.00 per share.

For any information not expressly covered in this press release, please refer to the information documents relating to the Plans and to the tables at chart 7 (1) of Attachment 3A of the Issuer Regulations, which are available to the public at DeA Capital's registered office at Via Brera, 21, Milan, and on the Corporate Governance/Incentive Plans section of the Company's website www.deacapital.it.

The **First-Half Financial Statements to 30 June 2016** will be made available to the public by 9 September 2016 at the Company's headquarters, on the authorised storage system 1info (www.1info.it) and on <http://www.deacapital.it/IT/29/Bilanci%20e%20Relazioni.aspx>.

DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S ACCOUNTS

Manolo Santilli, Chief Financial Officer and the manager responsible for preparing the Company's accounts, hereby declares, pursuant to article 154-bis, para. 2, of the Consolidated Finance Law, that the financial information contained in this press release accurately represents the figures in the Company's accounting records.

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DeA Capital (www.deacapital.it). DeA Capital S.p.A., a De Agostini Group company, is one of Italy's largest alternative investment companies. The Company, which operates in both Private Equity Investment and Alternative Asset Management, has EUR 9.7 billion assets under management and is listed in the STAR segment of the Milan stock exchange.

The Group's operating performance and financial position at 30 June 2016, along with the financial results of the main direct and indirect investee companies, are summarised below.

Consolidated Statement of Financial Position

<i>(EUR thousand)</i>	June 30, 2016	December 31, 2015
ASSETS		
Non-current assets		
Intangible and tangible assets		
Goodwill	127,923	129,595
Intangible assets	34,973	37,539
Property, plant and equipment	2,477	3,119
Total intangible and tangible assets	165,373	170,253
Investments		
Investments valued at equity	15,971	11,467
Investments held by Funds	84,182	90,675
- available for sale investments	52,356	52,536
- invest. in associates and JV valued at FV through P&L	31,827	38,138
Other available-for-sale companies	74,357	76,464
Available-for-sale funds	185,848	173,730
Other available-for-sale financial assets	21	26
Total Investments	360,379	352,362
Other non-current assets		
Deferred tax assets	2,373	3,676
Tax receivables from Parent companies	1,184	0
Other non-current assets	31,528	31,795
Total other non-current assets	35,662	35,471
Total non-current assets	561,414	558,086
Current assets		
Trade receivables	5,934	17,818
Available-for-sale financial assets	5,228	7,532
Financial receivables	8,834	3,467
Tax receivables from Parent companies	2,599	2,667
Other tax receivables	2,948	4,567
Other receivables	4,247	2,876
Cash and cash equivalents	84,109	123,468
Total current assets	113,899	162,395
Total current assets	113,899	162,395
Held-for-sale assets	11,487	11,487
TOTAL ASSETS	686,800	731,968
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Net equity Group	519,954	546,988
Minority interests	133,765	138,172
Shareholders' equity	653,719	685,160
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	11,149	10,801
Provisions for employee termination benefits	3,720	4,713
Long term financial loans	0	0
Payables to staff	0	0
Total non-current liabilities	14,869	15,514
Current liabilities		
Trade payables	6,576	15,598
Payables to staff and social security organisations	3,557	7,341
Current tax	3,183	3,384
Other tax payables	919	1,571
Other payables	3,777	2,749
Short term financial loans	200	651
Total current liabilities	18,212	31,294
Held-for-sale liabilities	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	686,800	731,968

DeA Capital S.p.A., Registered Office in Milan, Via Brera 21, 20121 Milan - Italy, tel. +39 02 6249951, fax +39 02 62499599

Controlled and coordinated by De Agostini S.p.A., Registered Office in Novara, Via G. da Verrazano 15, 28100 Novara - Italy

Authorised share capital of EUR 306,612,100, fully paid up Tax Code, VAT reg. no. and Milan Register of Companies no. 07918170015, Milan REA (Administrative Economic Register) 1833926

Breakdown of the Consolidated Statement of Financial Position

	June 30, 2016			December 31, 2015		
	MC	% NIC	€/Sh.	MC	% NIC	€/Sh.
Private Equity Investment						
- Kenan Inv. / Migros	74.1	17%	0.28	76.3	17%	0.29
- Funds - Private Equity / Real Estate	191.8	43%	0.73	194.1	43%	0.74
- Other (Sigla, ..)	11.7	3%	0.04	11.7	3%	0.05
Total PEI (A)	277.6	63%	1.05	282.1	62%	1.08
Alternative Asset Management						
- IDeA FIMIT SGR	121.2	27%	0.46	121.7	27%	0.46
- IDeA Capital Funds SGR	36.7	8%	0.14	39.7	9%	0.15
- IRE / IRE Advisory	4.7	1%	0.02	11.3	3%	0.04
Total AAM (B)	162.6	37%	0.62	172.7	38%	0.65
Investment Portfolio (A+B)	440.2	100%	1.67	454.8	100%	1.73
Otehr net assets (liabilities)	1.6	0%	0.01	2.2	0%	0.00
NET INVESTED CAPITAL ("NIC")	441.8	100%	1.68	457.0	100%	1.73
Net Financial Position Holdings	78.2	18%	0.30	58.4	20%	0.22
NAV	520.0	118%	1.98	515.4	120%	1.95

Summary Consolidated Income Statement

<i>(EUR thousand)</i>	First Half 2016	First Half 2015
Alternative Asset Management fees	28,461	31,213
Income (loss) from equity investments	(103)	(227)
Other investment income/expense	(1,929)	35,377
Income from services	7,492	8,645
Other income	67	122
Other expenses	(32,308)	(35,230)
Financial income and expenses	(1,263)	2,853
PROFIT/(LOSS) BEFORE TAX	417	42,753
Income tax	(889)	983
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(472)	43,736
Profit (Loss) from discontinued operations/held-for-sale assets	0	170
PROFIT/(LOSS) FOR THE PERIOD	(472)	43,906
- Group share	1,904	23,644
- Non controlling interests	(2,376)	20,262
Earnings per share, basic (€)	0.007	0.089
Earnings per share, diluted (€)	0.007	0.089

Consolidated Statement of Comprehensive Income

<i>(EUR thousand)</i>	First Half 2016	First Half 2015
Profit/(loss) for the period (A)	(472)	43,906
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	8,029	(9,540)
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	(142)	(56)
Other comprehensive income, net of tax (B)	7,887	(9,596)
Total comprehensive income for the period (A)+(B)	7,415	34,310
Total comprehensive income attributable to:		
- Group Share	6,744	16,971
- Non Controlling Interests	671	17,339

Consolidated Cash Flow Statement

<i>(EUR thousand)</i>	First Half 2016	First Half 2015
CASH FLOW from operating activities		
Investments in funds and shareholdings	(14,882)	(19,657)
Capital reimbursements from funds	4,128	23,448
Proceeds from the sale of investments	8,694	37,858
Interest received	187	149
Interest paid	(4)	(134)
Cash distribution from investments	234	1,464
Realized gains (losses) on exchange rate derivatives	(1)	15
Taxes paid	(815)	(901)
Dividends received	0	0
Management and performance fees received	26,515	31,594
Revenues for services	10,798	14,263
Operating expenses	(33,208)	(42,114)
Net cash flow from operating activities	1,646	45,985
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(36)	(131)
Sale of property, plant and equipment	3	354
Purchase of licenses	(234)	(60)
Net cash flow from investing activities	(267)	163
CASH FLOW from financing activities		
Acquisition of financial assets	(1,939)	(4,008)
Sale of financial assets	3,506	701
Share capital issued	2,154	1,343
Own shares acquired	(2,804)	(9,870)
Dividends paid	(33,492)	(82,432)
Loan	(128)	(1,834)
Quasi-equity loan	0	0
Bank loan paid back	0	80,000
Net cash flow from financing activities	(32,703)	(16,100)
CHANGE IN CASH AND CASH EQUIVALENTS	(31,324)	30,048
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	123,468	55,583
Cash and cash equivalents relating to held-for-sale assets	0	0
Cash and cash equivalents at beginning of period	123,468	55,583
Effect of change in basis of consolidation: cash and cash equivalents	(8,035)	(97)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	84,109	85,534
Held-for-sale assets and minority interests	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	84,109	85,534

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Summary of the financial results (100%) of the investments in asset management companies

- IDeA Capital Funds SGR (wholly-owned)

IDeA Capital Funds SGR is one of Italy's leading asset management companies, specialising in Italian and global private equity direct funds and funds of funds. IDeA manages nine closed-end private equity funds, namely four funds of funds (IDeA I FoF, ICF II, ICF III and IDeA Crescita Globale), one fund that invests in minority interests in predominantly Italian SMEs (IDeA OF I), three theme funds ("Efficienza Energetica e Sviluppo Sostenibile", "Taste of Italy", and IDeA CCR I, Italy's first debtor-in-possession financing fund).

At 30 June 2016, IDeA Capital Funds SGR had assets under management of around EUR 1.9 billion.

IDeA Capital Funds SGR (in EUR million)	First half 2016	First half 2015
Assets under management (in EUR billion)	1.9	1.6
Management fees	9.0	7.6
EBITDA	2.3	3.2
Net profit (loss)	1.4	2.0



- IDeA FIMIT SGR (64.3%-owned through the wholly-owned subsidiary DeA Capital RE)

IDeA FIMIT SGR is the largest real estate asset management company in Italy, with around EUR 7.8 billion in assets under management and 38 managed funds (including five listed funds). This puts it among the major partners of Italian and international investors in promoting, creating and managing closed-end mutual real-estate investment funds.

IDeA FIMIT SGR undertakes three main lines of business:

- the development of mutual real estate investment funds designed for institutional clients and private investors;
- the promotion of innovative real estate financial instruments to satisfy investors' increasing demands;
- the professional management (technical, administrative and financial) of real estate funds with the assistance of our in-house experts as well as the best independent technical, legal and tax advisers on the market.

IDeA FIMIT SGR (in EUR million)	First half 2016	First half 2015
Assets under management (in EUR billion)	7.8	9.0
Management fees	20.4	24.8
EBITDA	7.6	10.6
Net profit (loss)	2.4	3.3
of which:		
- portion attributable to shareholders	2.7	3.3
- portion attributable to holders of financial equity instruments	-0.3	0.0

