

PRESS RELEASE

**BOARD OF DIRECTORS APPROVES
INTERIM MANAGEMENT REPORT TO 30 SEPTEMBER 2017**

- **Net Asset Value (NAV) per share at EUR 1.96 at 30 September 2017 compared with EUR 1.91 at 31 December 2016 (adjusted for the extraordinary dividend of EUR 0.12 per share paid in May 2017)**
- **Assets under Management at approximately EUR 11.6 billion, up by 9% on 31 December 2016**
- **The Net Financial Position of the Holding Companies was positive at EUR 67.7 million at 30 September 2017, an improvement on the EUR 48.5 million at 31 December 2016 (after distribution of reserves totalling around EUR 31.2 million)**

Milan, 8 November 2017 - The Board of Directors of DeA Capital S.p.A., chaired by Lorenzo Pelliccioli, met today to examine and approve the Interim Management Report to 30 September 2017.

Analysis of Consolidated Results to 30 September 2017

- At 30 September 2017, the **net asset value** was **EUR 1.96 per share**, compared with EUR 1.91 per share at 31 December 2016; the latter was adjusted for the distribution of the share premium reserve of EUR 0.12 per share in May 2017. The improvement in the NAV was due to revaluation of the investment portfolio, particularly the holding in Migros.
- **Assets under Management** totalled approximately EUR 11.6 billion, a rise of 9% on the figure of about EUR 10.6 billion at 31 December 2016 (excluding the Assets under Management of SPC), of which:
 - **EUR 1.9 billion related to Private Equity (DeA Capital Alternative Funds SGR, formerly IDeA Capital Funds SGR)**, broadly in line with the end-2016 figure;
 - **EUR 9.7 billion related to Real Estate (DeA Capital Real Estate SGR, formerly IDeA FIMIT SGR)**, representing growth of 11.5% on the EUR 8.7 billion at 31 December 2016.

Growth in the Real Estate segment was due to the launch of major new funds including the "Broggi" fund (Piazza Cordusio) and phase 2 of the "Trophy Value Added" fund.

- The **Net Financial Position** of the **Holding Companies** was positive at EUR 67.7 million at 30 September 2017, an improvement on the EUR 48.5 million at 31 December 2016 (after distribution of reserves totalling around EUR 31.2 million).
The consolidated Net Financial Position was EUR 97.3 million at 30 September 2017 (compared with EUR 103.1 million at 31 December 2016), thanks to the cash held by both DeA Capital Alternative Funds (EUR 10.3 million) and DeA Capital Real Estate (EUR 16.6 million).

Turning to the other key financials:

- **Investment Portfolio** at 30 September 2017 was valued at EUR 434.6 million. The Investment Portfolio comprises Private Equity investments (EUR 80.0 million), units in funds (EUR 188.9 million) and holdings in the Alternative Asset Management segment (EUR 165.7 million).
With regard to the main funds in which DeA Capital S.p.A. has invested and which are managed by DeA Capital Alternative Funds SGR, at 30 September 2017, IDeA I FoF (since its launch in

January 2007) and ICF II (since its launch in February 2009) recorded an Internal Rate of Return (IRR) of +5.6% and +12.9% respectively.

- **Comprehensive Income – IAS 1** – which reflects fair value adjustments to the investment portfolio, booked directly under shareholders' equity in accordance with IAS/IFRS – came in at EUR 9.7 million at 30 September 2017, compared with EUR 18.0 million in the year-earlier period.

Significant events after the end of the period

After the end of the third quarter of 2017, the funds in which DeA Capital S.p.A. holds an interest, namely IDeA I FoF, ICF II, IDeA OF I, IDeA EESS and IDeA CCR I, approved distributions totalling EUR 26.5 million (DeA Capital's share).

The two asset management companies controlled by DeA Capital S.p.A. changed their name with effect from early October 2017. IDeA Capital Funds SGR was renamed **DeA Capital Alternative Funds SGR** and IDeA Fimit SGR became **DeA Capital Real Estate SGR**.

This rebranding comes in tandem with the start of a new development phase for DeA Capital S.p.A.'s Alternative Asset Management platform; its aim is to focus on broadening its international reach and offering its own-brand investment products to the market, in line with the best practice of the major global managers.

Change to performance share plans

In light of the distribution of the extraordinary dividend of EUR 0.12 per share approved by the Shareholders' Meeting on 20 April 2017, the Board of Directors of DeA Capital S.p.A., as the competent body pursuant to the plans' regulations, today approved the criteria for amending the following plans in order to keep the substantive and financial content unchanged: (i) the Performance Share Plan 2015-2017 approved by the Shareholders' Meeting held on 17 April 2015, (ii) the Performance Share Plan 2016-2018, approved by the Shareholders' Meeting held on 21 April 2016, and (iii) the Performance Share Plan 2017-2019, approved by the Shareholders' Meeting on 20 April 2017.

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, until 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 cash bonus will be paid instead.

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 **Interim Management Report to 30 September 2017** will be made available to the public on 9 November 2017, at the Company's headquarters, on the authorised storage system [1info \(www.1info.it\)](http://www.1info.it) and on the website on page <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 art. 154-bis, para. 2 of the Consolidated Finance Law (TUF), that the financial information contained in this press release accurately represents the figures in the Company's accounting records.

For further information, please contact:

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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 about EUR 11.6 billion assets under management and is listed in the STAR segment of the Milan stock exchange.*

The Group's operating performance and financial position, along with a summary of the financial results of the asset management companies, are summarised below.

Net Asset Value

	30 September 2017		December 31, 2016 "adjusted" (*)	
	M€	€/Sh.	M€	€/Sh.
Private Equity Investment				
- Kenan Inv. / Migros	60.0	0.23	66.9	0.26
- Funds - Private Equity / Real Estate	188.9	0.74	202.9	0.78
- Other (Sigla, Crescita,...)	20.0	0.08	11.7	0.04
Total PEI (A)	268.9	1.05	281.5	1.08
Alternative Asset Management				
- IDEa FIMIT SGR	121.9	0.48	122.7	0.47
- IDEa Capital Funds SGR	38.2	0.15	37.7	0.14
- Other (IRE / SPC)	5.6	0.02	6.9	0.03
Total AAM (B)	165.7	0.65	167.3	0.64
Investment Portfolio (A+B)	434.6	1.70	448.8	1.72
Other net assets (liabilities)	0.0	0.00	0.7	0.00
Net Financial Position Holdings	67.7	0.26	48.5	0.19
NAV	502.3	1.96	498.0	1.91

(*) The "adjusted" results at 31.12.2016 take into account the extraordinary dividend distribution of 0,12 € / share, for a total 31,2 million Euro, which was completed in May 2017

Consolidated Statement of Financial Position

<i>(EUR thousand)</i>	30 September 2017	31 December 2016
ASSETS		
Non-current assets		
<i>Intangible and tangible assets</i>		
Goodwill	127,923	129,399
Intangible assets	23,832	27,184
Property, plant and equipment	1,621	2,145
Total intangible and tangible assets	153,376	158,728
<i>Investments</i>		
Investments valued at equity	34,638	33,449
Investments held by Funds	83,240	84,084
- available for sale investments	46,858	47,845
- invest. in associates and JV valued at FV through P&L	36,382	36,239
Other available-for-sale companies	68,558	67,166
Available-for-sale funds	167,761	182,787
Other available-for-sale financial assets	22	22
Total Investments	354,219	367,508
<i>Other non-current assets</i>		
Deferred tax assets	1,967	1,992
Loans and receivables	524	960
Tax receivables from Parent companies	-	-
Other non-current assets	23,286	30,147
Total other non-current assets	25,777	33,099
Total non-current assets	533,372	559,335
Current assets		
Trade receivables	15,451	11,191
Available-for-sale financial assets	4,252	4,242
Financial receivables	577	2,715
Tax receivables from Parent companies	782	2,282
Other tax receivables	10,339	9,190
Other receivables	2,368	3,976
Cash and cash equivalents	92,187	96,438
Total current assets	125,956	130,034
Total current assets	125,956	130,034
Held-for-sale assets	11,487	11,487
TOTAL ASSETS	670,815	700,856
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Net equity Group	502,284	529,203
Minority interests	128,229	131,844
Shareholders' equity	630,513	661,047
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	8,484	8,588
Provisions for employee termination benefits	4,000	4,016
Long term financial loans	0	19
Payables to staff	207	207
Total non-current liabilities	12,691	12,830
Current liabilities		
Trade payables	6,190	6,019
Payables to staff and social security organisations	6,558	7,033
Current tax	1,382	2,941
Other tax payables	395	1,429
Other payables	12,844	8,335
Short term financial loans	242	1,222
Total current liabilities	27,611	26,979
Held-for-sale liabilities	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	670,815	700,856

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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

Summary Consolidated Income Statement

<i>(EUR thousand)</i>	Third Quarter 2017	First nine months of 2017	Third Quarter 2016	First nine months of 2016
Alternative Asset Management fees	14,501	42,175	15,477	43,938
Income (loss) from equity investments	134	5,458	547	444
Other investment income/expense	(1,574)	5,640	8,077	6,148
Income from services	330	543	810	8,302
Other income	33	169	53	120
Other expenses (**)	(14,290)	(49,586)	(11,973)	(44,281)
Financial income and expenses	56	(70)	(329)	(1,592)
PROFIT/(LOSS) BEFORE TAX	(810)	4,329	12,662	13,079
Income tax	(1,741)	(1,301)	(222)	(1,111)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(2,552)	3,028	12,440	11,968
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(2,552)	3,028	12,440	11,968
- Group share	(1,289)	4,947	7,945	9,849
- Non controlling interests	(1,263)	(1,919)	4,495	2,119
Earnings per share, basic (€)		0.019		0.038
Earnings per share, diluted (€)		0.019		0.038

Consolidated Statement of Comprehensive Income

<i>(EUR thousand)</i>	First nine months of 2017	First nine months of 2016
Profit/(loss) for the period (A)	3,028	11,968
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	4,812	9,809
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	128	111
Other comprehensive income, net of tax (B)	4,940	9,920
Total comprehensive income for the period (A)+(B)	7,967	21,888
Total comprehensive income attributable to:		
- Group Share	9,737	18,015
- Non Controlling Interests	(1,770)	3,873

Consolidated Cash Flow Statement

<i>(EUR thousand)</i>	First nine months of 2017	First nine months of 2016
CASH FLOW from operating activities		
Investments in funds and shareholdings	(14,641)	(17,071)
Capital reimbursements from funds	23,031	11,496
Proceeds from the sale of investments	18,533	16,752
Interest received	93	229
Interest paid	(19)	(26)
Cash distribution from investments	1,580	49
Realized gains (losses) on exchange rate derivatives	(3)	(1)
Taxes paid	589	(161)
Dividends received	607	1,500
Management and performance fees received	36,532	41,280
Revenues for services	975	12,123
Operating expenses	(33,984)	(43,901)
Net cash flow from operating activities	33,294	22,269
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(19)	(46)
Sale of property, plant and equipment	1	70
Purchase of licenses	(459)	(228)
Net cash flow from investing activities	(477)	(204)
CASH FLOW from financing activities		
Acquisition of financial assets	(6)	(1,939)
Sale of financial assets	0	4,503
Share capital issued	500	2,369
Share capital issued: stock option plan	276	0
Own shares acquired	(6,971)	(3,327)
Dividends paid	(32,963)	(33,492)
Loan	2,096	938
Net cash flow from financing activities	(37,068)	(30,948)
CHANGE IN CASH AND CASH EQUIVALENTS	(4,251)	(8,883)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	96,438	123,468
Cash and cash equivalents relating to held-for-sale assets	0	0
Cash and cash equivalents at beginning of period	96,438	123,468
Effect of change in basis of consolidation: cash and cash equivalents	0	(8,520)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	92,187	106,065
Held-for-sale assets and minority interests	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	92,187	106,065

Summary of the financial results of the asset management companies

- DeA Capital Alternative Funds SGR

DeA Capital Alternative Funds SGR is one of Italy's leading alternative asset management companies, specialising in private equity direct funds and funds of funds. DeA Capital Alternative Funds manages nine closed-end private equity funds, namely four funds of funds (IDeA I FoF, ICF II, ICF III and IDeA Crescita Globale, the latter aimed at the retail segment), one fund that invests in minority interests in predominantly Italian SMEs (IDeA OF I) and three theme funds ("Efficienza Energetica e Sviluppo Sostenibile", "Taste of Italy" and IDeA CCR I, Italy's leading debtor-in-possession financing fund) and, since April 2015, Investitori Associati IV (in liquidation).

With regard to operating performance, the company recorded a year-on-year decrease in assets under management (approx. EUR -45 million) in the first nine months of 2017, due mainly to the reduced commitment in the Nuova Finanza sub-fund of IDeA CCR I (in view of the strong performance of the portfolio companies and the resulting lower requirement for the injection of "new finance" to relaunch said companies). In terms of economic performance, a comparison of all the main indicators is affected by one-off receipts recorded in 2016 to realign the management fees earned on additional closings of IDeA ToI and the lower fees recognised in 2017 on funds undergoing disposal.

DeA Capital Alternative Funds SGR (in EUR million)	First nine months of 2017	First nine months of 2016
Assets under management (in EUR billion)	1.9	1.9
Management fees	12.9	15.1
EBITDA (*)	3.1	4.6
Net profit (*)	2.0	2.8



(*) 2016 figure adjusted for allocation of variable component (MBO, management by objectives) at EBITDA and net profit level (EUR -1.3 million and EUR -0.9 million respectively)

- DeA Capital Real Estate SGR

DeA Capital Real Estate SGR is the largest independent real estate asset management company in Italy, with around EUR 9.7 billion in assets under management and 44 managed funds (including five listed funds). This makes it a benchmark operator for Italian and international institutional investors in the promotion, creation and management of closed-end mutual real-estate investment funds.

With regard to operating performance, in the first nine months of 2017, the Company continued along the path of asset growth started in the previous year, with the launch of four new funds (including the "Broggi" fund) and the second phase of the "Trophy Value Added" fund, with total receipts of EUR 1.1 billion. This growth enabled the Company to offset the concomitant squeeze in management fees and to keep the level of revenues achieved in the year-earlier period broadly unchanged.

Net profit attributable to shareholders (EUR 6.3 million, of which EUR 4.1 million is the DeA Capital Group's share) improved on the same period in 2016; this was due to the higher one-off costs that affected last year's figure. Note also that the total net result includes the write-downs of financial equity instruments (*strumenti finanziari partecipativi*, or SFP), which had a net effect of EUR -6.1 million (DeA Capital's share equal to EUR -2.1 million).

DeA Capital Real Estate SGR (in EUR million)	First nine months of 2017	First nine months of 2016
<i>Assets under management (in EUR billion)</i>	9.7	8.0
Management fees	30.7	30.3
EBITDA	11.5	11.5
Net profit	0.2	3.9
<i>of which:</i>		
- <i>attributable to shareholders</i>	6.3	4.2
- <i>attributable to holders of financial equity instruments</i>	-6.1	-0.3