

PRESS RELEASE

**BOARD OF DIRECTORS APPROVES
INTERIM MANAGEMENT REPORT AS AT 30 SEPTEMBER 2018**

- **Assets under management totalling more than EUR 11,400 million, with fee income of EUR 45.1 million, up by 3.4% compared with Q3 2017**
- **Strong cash generation deriving in particular from net distributions of Private Equity funds, with the Net Financial Position of the Holding Companies rising to EUR +140.3 million as at 30 September 2018 (compared with EUR +61.8 million as at 31 December 2017)**
- **Proposal for the cancellation of 40,000,000 treasury shares, to be approved by an Extraordinary Shareholders' Meeting to be called concurrently with the approval of the Financial Statements as at 31 December 2018**

Milan, 8 November 2018 - The Board of Directors of **DeA Capital S.p.A.**, chaired by Lorenzo Pelliccioli, met today to examine and approve the Interim Management Report as at 30 September 2018.

Analysis of the Consolidated Results as at 30 September 2018

- As at 30 September 2018, assets under management came to more than EUR 11,400 million, with fee income of EUR 45.1 million, up by 3.4% compared with Q3 2017, due in particular to the contribution of the CCR II Fund.
- The Net Financial Position of the Holding Companies was positive at EUR 140.3 million as at 30 September 2018, compared with EUR 61.8 million as at 31 December 2017 (restated due to the distribution of the extraordinary dividend of around EUR 30.5 million). The change of EUR +78.5 million was primarily caused by the liquidity generated by net distributions of the Private Equity funds, which amounted to in excess of EUR 76 million in the first nine months of 2018.
- The Net Asset Value (NAV) per share was EUR 1.83, compared with EUR 1.80 as at 31 December 2017 (restated in accordance with the provisions of the new IFRS 15, in force as of 1 January 2018, and due to the distribution of the above-mentioned extraordinary dividend). The total NAV (group shareholders' equity) was EUR 463.4 million, compared with EUR 459.4 million at the end of 2017 (the latter also restated in accordance with the provisions of the new IFRS 15, in force as of 1 January 2018 and due to the distribution of the above-mentioned extraordinary dividend).

Turning to the other key financials:

- **Investment portfolio.** The investment portfolio totalled EUR 322.4 million as at 30 September 2018 comprising Private Equity investments (EUR 51.3 million), units in funds (EUR 126.4 million) and holdings in the Alternative Asset Management segment (EUR 144.7 million).
- **Group Net Profit.** As at 30 September 2018, the Group net profit was EUR +6.9 million, compared with EUR +4.9 million as at 30 September 2017. It should be noted that the Group Net Profit is basically aligned with the IAS 1 Comprehensive Income as a result of the application of IFRS 9 as of 1 January 2018. Please note that following the introduction of IFRS 9 as of 1 January 2018, all changes in the fair value of financial investments are recognised in the income statement, while in 2017 part were recognised under shareholders' equity; therefore, in the consolidated income

statement trends in Other investment income/expenses in the first nine months of 2018 and in the same period of 2017 are not comparable.

Significant events after the end of the period

On 28 October 2018, the Boards of Directors of IDEaMI SPAC (of which DeA Capital holds 9.7% of the total shares issued) and A. Agrati S.p.A. ("**Agrati**") approved the business combination. Agrati is one of the top global manufacturers of fastening systems in the automotive industry components sector. If the business combination is approved by the shareholders' meetings of the two companies, expected to take place on 30 November 2018, Agrati will merge into IDEaMI, which will in turn change its corporate name to Agrati. It is expected that the combined entity will remain listed on the Milan stock exchange's AIM Italia market, with a view to transitioning to the Milan stock exchange's Mercato Telematico Azionario market, preferably in the STAR segment, and that, as a result of the merger, Agrati will benefit from new financial resources, up to EUR 175 million, for its development plans, which also call for external development.

Proposal for the cancellation of 40,000,000 treasury shares

DeA Capital S.p.A. announces that, following the purchases of treasury shares undertaken and the vesting of the double voting rights in the shares held by the parent company De Agostini S.p.A., the free float has fallen beneath the minimum level set in the Instructions for the Regulations for Markets Organised and Managed by Borsa Italiana for the company to remain in the STAR Segment of the Mercato Telematico Azionario.

In order to restore compliance with the above level, a solution structured as follows has been approved by the Company's Board of Directors: **(i) waiver by the majority shareholder De Agostini S.p.A. of 50% of the double voting rights on the owned shares and (ii) reduction of share capital through the cancellation of 40,000,000 treasury shares.** This latter action will also be taken in view of eliminating treasury shares no longer functional to the Company's needs.

The proposal for the cancellation of the 40,000,000 treasury shares in portfolio is to be approved by an Extraordinary Shareholders' Meeting to be called concurrently with the approval of the Financial Statements as at 31 December 2018 (planned for April 2019).

In the light of the above, it is announced that the parent company, De Agostini S.p.A., has already waived, by notice received today, 50% of the double voting rights held by the said company and has undertaken to vote in favour of the proposal for the cancellation of 40,000,000 treasury shares.

It should be noted that the above cancellation has no effect on the income statement or balance sheet at the level of the company's net profit or loss, total NAV, and NAV per share.

Outlook

With respect to **Private Equity Investment** and **Alternative Asset Management** activities, the work of increasing the value of the investments in the portfolio and developing activities relating to the asset management companies continues, in line with what has already been announced.

In terms of its capital position, DeA Capital S.p.A. will continue to maintain a solid financial structure, ensuring that shareholders receive attractive cash returns, primarily dividends, based on the available liquidity.

The **Interim Management Report as at 30 September 2018** will be made available to the public on 9 November 2018, at the company's registered office, on the authorised storage system 1info (www.1info.it) and on the page [Annual and Quarterly Reports](#) of the website.

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*, paragraph 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.

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DeA Capital (www.deacapital.com). 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 11,400 million in 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 2018		1 January 2018 "adjusted"	
	MC	€/Sh.	MC	€/Sh.
Private Equity Investment				
- Kenan Inv. / Migros	19.7	0.08	45.6	0.18
- Funds - Private Equity / Real Estate	126.4	0.50	170.9	0.67
- Other (IDeaMI, Cellularline,...)	31.6	0.12	33.4	0.13
Total PEI (A)	177.7	0.70	249.9	0.98
Alternative Asset Management				
- DeA Capital Real Estate SGR	97.9	0.39	101.2	0.40
- DeA Capital Alternative Funds SGR	40.0	0.16	39.9	0.16
- Other (YARD / SPC,...)	6.8	0.03	6.0	0.02
Total AAM (B)	144.7	0.58	147.1	0.58
Investment Portfolio (A+B)	322.4	1.28	397.0	1.56
Other net assets (liabilities)	0.7	0.00	0.6	0.00
Net Financial Position Holdings	140.3	0.55	61.8	0.24
NAV	463.4	1.83	459.4	1.80

Consolidated Statement of Financial Position

(EUR thousand)	30.9.2018	1.1.2018 (*)	31.12.2017
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	93,745	93,745	93,745
Intangible assets	22,275	23,488	23,488
Property, plant and equipment	932	1,458	1,458
Total intangible and tangible assets	116,952	118,691	118,691
Investments			
Investments valued at equity	24,475	29,293	29,293
Investments held by Funds	21,017	48,583	48,583
- Investments available for sale			13,683
- Related companies and JV recognised in P&L			34,900
- Other investments at Fair Value through P&L	21,017	48,583	
Other Investments available for sale			78,953
Other Investments at Fair Value through P&L	51,263	78,953	
Funds available for sale			169,776
Funds at Fair Value through P&L	155,678	169,776	
Other financial assets available for sale			13
Other financial assets at Fair Value through P&L	7	13	
Total financial Investments	252,440	326,618	326,618
Other non-current assets			
Deferred tax assets	2,380	2,173	2,173
Loans and receivables	242	684	684
Receivables for deferment of placement costs	509	587	0
Other non-current assets	4,302	5,403	5,403
Total other non-current assets	7,433	8,847	8,260
Total non-current assets	376,825	454,156	453,569
Current assets			
Trade receivables	11,670	16,069	16,069
Financial assets measured at Fair Value	6,252	4,385	4,385
Financial receivables	0	578	578
Tax receivables from parent companies	213	1,055	1,055
Other tax receivables	5,077	11,272	11,272
Other receivables	8,313	16,886	16,886
Cash and cash equivalents	180,993	127,916	127,916
Total current assets	212,518	178,161	178,161
Total current assets	212,518	178,161	178,161
TOTAL ASSETS	589,343	632,317	631,730
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Net equity Group	463,353	489,877	489,431
Minority interests	80,580	95,182	95,182
Shareholders' equity	543,933	585,059	584,613
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	6,451	8,190	8,049
Provisions for employee termination benefits	4,517	4,204	4,204
Payables to staff	82	81	81
Total non-current liabilities	11,050	12,475	12,334
Current liabilities			
Trade payables	5,767	6,594	6,594
Payables to staff and social security organisations	6,306	8,330	8,330
Current tax	6,059	1,998	1,998
Other tax payables	7,922	5,564	5,564
Other payables	8,106	12,097	12,097
Short term financial loans	200	200	200
Total current liabilities	34,360	34,783	34,783
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	589,343	632,317	631,730

(*) Data at 31.12.2017 reclassified / restated for the application of IFRS 9 and IFRS 15

Summary Consolidated Income Statement

(EUR thousand)	Third Quarter 2018	First nine months of 2018	Third Quarter 2017	First nine months of 2017
Alternative Asset Management fees	14,405	44,370	14,501	42,175
Income (loss) from equity investments	(573)	927	134	5,458
Other investment income/expense	(10,062)	36,756	(1,574)	5,640
Income from services	675	1,794	330	543
Other income	29	62	33	169
Other expenses (*)	(15,412)	(43,530)	(14,290)	(49,586)
Financial income and expenses	124	419	56	(70)
PROFIT/(LOSS) BEFORE TAX	(10,814)	40,798	(810)	4,329
Income tax	(434)	(4,175)	(1,741)	(1,301)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(11,248)	36,623	(2,552)	3,028
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	(11,248)	36,623	(2,552)	3,028
- Group share	(10,255)	6,863	(1,289)	4,947
- Non controlling interests	(993)	29,760	(1,263)	(1,919)
Earnings per share, basic (€)		0.027	0.000	0.019
Earnings per share, diluted (€)		0.027	0.000	0.019

(*) Includes items "personnel costs", "service costs", "depreciation, amortization and impairment" and "other expenses"

Performance by business in the first nine months of 2018

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	45,103	(733)	44,370
Income (loss) from equity investments	108	819	0	927
Other investment income/expense	38,031	(1,275)	0	36,756
Other Income	0	1,328	528	1,856
Other expenses	(2,516)	(36,813)	(4,201)	(43,530)
Financial income and expenses	430	(16)	5	419
PROFIT/(LOSS) BEFORE TAXES	36,053	9,146	(4,401)	40,798
Income tax	0	(3,020)	(1,155)	(4,175)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	36,053	6,126	(5,556)	36,623
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	36,053	6,126	(5,556)	36,623
- Group share	7,201	5,218	(5,556)	6,863
- Non controlling interests	28,852	908	0	29,760

Performance by business in the first nine months of 2017

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	43,586	(1,411)	42,175
Income (loss) from equity investments	4,998	460	0	5,458
Other investment income/expense	5,758	(118)	0	5,640
Other Income	0	374	338	712
Other expenses	(1,700)	(43,789)	(4,097)	(49,586)
Financial income and expenses	(156)	21	65	(70)
PROFIT/(LOSS) BEFORE TAXES	8,900	534	(5,105)	4,329
Income tax	0	(1,157)	(144)	(1,301)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	8,900	(623)	(5,249)	3,028
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	8,900	(623)	(5,249)	3,028
- Group share	8,944	1,252	(5,249)	4,947
- Non controlling interests	(44)	(1,875)	0	(1,919)

Consolidated Statement of Comprehensive Income

<i>(EUR thousand)</i>	First nine months of 2018	First nine months of 2017
Profit/(loss) for the period (A)	36,623	3,028
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period ^(*)	(213)	4,812
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	(8)	128
Other comprehensive income, net of tax (B)	(221)	4,940
Total comprehensive income for the period (A)+(B)	36,402	7,967
Total comprehensive income attributable to:		
- Group Share	6,645	9,737
- Non Controlling Interests	29,757	(1,770)

(*) For 2017 the item mainly refers to available for sale assets, whose change in fair value, in accordance with the IFRS 9 accounting standard, is recognised as from 1 January 2018 directly in the income statement

Consolidated Cash Flow Statement

<i>(EUR thousand)</i>	First nine months of 2018	First nine months of 2017
CASH FLOW from operating activities		
Investments in funds and companies	(25,887)	(14,641)
Capital reimbursements from funds	53,061	23,031
Proceeds from the sale of investments	81,261	18,533
Interest received	335	93
Interest paid	(28)	(19)
Cash distribution from investments	428	1,580
Realized gains (losses) on derivatives and foreign exchange rat	1	(3)
Taxes paid	(1,451)	589
Dividends received	183	607
Management and performance fees received	59,837	36,532
Revenues for services	1,486	976
Operating expenses	(36,342)	(33,984)
Net cash flow from operating activities	132,884	33,294
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(79)	(19)
Sale of property, plant and equipment	34	1
Purchase of licenses and intangible assests	(11)	(459)
Net cash flow from investing activities	(56)	(477)
CASH FLOW from financing activities		
Acquisition of financial assets	(2,465)	(6)
Sale of financial assets	200	0
Share capital issued	766	776
Own shares acquired	(3,186)	(6,971)
Dividends paid	(75,508)	(32,963)
Loan received/reimbursed	442	2,096
Net cash flow from financing activities	(79,751)	(37,068)
CHANGE IN CASH AND CASH EQUIVALENTS	53,077	(4,251)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	127,916	96,438
Effect of change in basis of consolidation: cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	180,993	92,187

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the Notes to the Financial Statements.

Summary of the financial results of the asset management companies

DeA Capital Alternative Funds SGR

DeA Capital Alternative Funds SGR operates in the management of private equity funds (funds of funds, co-investment funds and theme funds). As at 30 September 2018, the asset management company managed eleven closed-end private equity funds, including four funds of funds (IDeA I FoF, ICF II, ICF III and IDeA Crescita Globale), a "direct" co-investment fund (IDeA OF I), five theme funds (IDeA EESS, IDeA ToI, IDeA Agro, IDeA CCR I and II, the latter debtor-in-possession financing funds) and the Investitori Associati IV fund (in liquidation).

As regards operating performance, in the first nine months of 2018 the company posted an increase of nearly EUR 400 million in assets under management compared with the same period of the previous year. This was broadly due to the launch of the IDeA CCR II fund at the end of 2017 and the launch of IDeA Agro in 2018, which had a favourable impact on all the financial performance indicators compared with the year-earlier figures.

DeA Capital Alternative Funds SGR (EUR million)	First nine months of 2018	First nine months of 2017
AUM	2,263 ^(*)	1,894
Management fees	14.7	12.9
EBITDA	4.2	3.1
Net profit	2.8	2.0

() The figure refers to Asset Under Management calculated as the sum of total commitments.*

The reference amount for the calculation of commissions, on the other hand, is Eur 1,589 million



DeA Capital Real Estate SGR

DeA Capital Real Estate SGR is the largest independent real estate asset management company in Italy, with around EUR 9.141 million in assets under management and 45 managed funds (including three listed funds). This makes it a benchmark operator for Italian and international institutional investors in the promotion, creation and management of mutual real estate investment funds.

As regards operating performance, in the first nine months of 2018 assets under management totalled resulted down by approximately EUR 500 million compared with the same period of the previous year, mostly due to the liquidation of several expiring funds. In terms of management fees, the company posted a slight decline compared with the same period of the previous year, due to the trend described in assets under management, for the most part offset by the contribution of variable fees on sales of assets in the portfolio by several managed funds.

The net profit was negatively affected by the extraordinary impact of the fair market value measurement of the units held in the funds (by EUR -4.4 million relating).

DeA Capital Real Estate SGR (EUR million)	First nine months of 2018	First nine months of 2017
AUM	9,141 ^(*)	9,652
Management fees	30.4	30.7
Ordinary Net Profit ^(#)	7.4	7.7
Net profit	2.3	0.2
-of which:		
- Shareholders	2.3	6.3
- Owners of financial equity instruments	0.0	(6.1)

() The figure refers to Asset Under Management calculated as the sum of the funds managed assets.*

The reference amount for the calculation of commissions, on the other hand, is Eur 8,328 million

(#) Before the impact of Purchase Price Allocation ("PPA"), impairment, other non-recurring items

