DeA Capital S.p.A.

Financial Statements to 2013

DeA Capital

DeA Capital S.p.A.
Registered Office at Via Brera, 21 - 20121 Milan
Share Capital of Euro 306,612,100 fully paid up
Tax Code, VAT reg. no. and Milan Register of Companies no. 07918170015

Notice of Shareholders' Meeting

DeA Capital S.p.A.

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Registered Office at Via Brera 21, 20121 Milan
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
Company subject to the management and co-ordination of De Agostini S.p.A.

NOTICE OF SHAREHOLDERS' MEETING

All eligible persons are invited to attend the Ordinary and Extraordinary Shareholders' Meetings to be held at Spazio Chiossetto, Via Chiossetto 20, Milan:

- at 11 a.m. on Thursday, 17 April 2014, on first call;

- at 11 a.m. on Friday, 18 April 2014, on second call:

to discuss and resolve upon the following.

AGENDA

Ordinary shareholders' meeting

1. **Approval of the financial statements for the year ended 31 December 2013. Related and consequent resolutions. Presentation of the consolidated financial statements of the Group headed by DeA Capital S.p.A. for the year ended 31 December 2013.**
2. **Authorisation to acquire and dispose of treasury shares. Related and consequent resolutions.**
3. **Approval of a performance share plan for certain employees, and/or directors with specific duties, of DeA Capital S.p.A., the companies it controls and its parent company, as well as a stock option plan reserved for certain employees of DeA Capital S.p.A., the companies it controls and its parent company. Related and consequent resolutions.**
4. **Presentation of the DeA Capital S.p.A. Remuneration Report and advisory vote by the shareholders' meeting on the Remuneration Policy of DeA Capital S.p.A. (section I of the Remuneration Report), in accordance with Art. 123-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.**

Extraordinary shareholders' meeting

1. **A share capital increase, against payment, in tranches and without option rights, pursuant to Art. 2441, paragraph 8, of the Italian Civil Code for a total amount of EUR 2,000,000 by issuing a maximum of 2,000,000 shares, reserved solely and irrevocably for subscription by the beneficiaries of the 2014-2016 Stock Option Plan. Consequent amendment to Art. 5 of the articles of association. Related and consequent resolutions.**

* * *

Presentation of proposals for deliberation/incorporation into the agenda

Members representing, including jointly, at least 2.5% of the share capital may submit a request, within ten days of this notice being published (i.e. by 28 March 2014), for items to be incorporated into the meeting agenda, indicating on the request the topics suggested, and may also submit proposals for deliberation regarding items already on the agenda.

The request, together with the share ownership certificate issued, pursuant to the regulations in force, by the authorised intermediaries holding the ledgers in which the shareholders' shares are registered, must be submitted in writing, by hand or by recorded-delivery and by the above deadline, to the company's registered office, for the attention of the Investor Relations department, or sent by electronic mail to the address deacapital@legalmail.it, together with information confirming the identity of the shareholders submitting the request (a contact telephone number should also be provided). Shareholders submitting such requests must also provide, by the same deadline and by the same means, a report setting out the reasons for the proposed deliberation of new items or further proposals for deliberation of items already on the agenda. The company is responsible for notifying shareholders of the incorporation into the meeting agenda of any new items or proposals for deliberations on existing items, in the same form as for the publication of this notice convening shareholders' meetings, at least fifteen days before the scheduled first-call meeting date. At the same time as publication of the notice confirming incorporation into the agenda of new items or proposals for deliberations on existing items, the proposals for incorporation/deliberation, together with the corresponding reports submitted by the members concerned and any opinion of the Board of Directors, must be made public pursuant to Art. 125-*ter*, paragraph 1, of Legislative Decree no. 58/1998. With the exception of proposals relating to the subject areas listed in Art. 125-*ter*, paragraph 1, of Legislative Decree no. 58/1998, no additions may be made to the agenda if they relate to matters which, by law, must be decided by the shareholders' meeting at the proposal of the Board of Directors or on the basis of a plan or report prepared by the same.

Right to ask questions about items on the agenda

All holders of voting rights may raise questions about items on the agenda, including in advance of the meeting. Any questions, together with the share ownership certificate issued, pursuant to the regulations in force, by the authorised intermediaries holding the ledgers in which shareholders' shares are registered, must be sent to the company's registered office for the attention of the Investor Relations department, by recorded-delivery letter, by fax to the number +39 02 62499599 or by email to the address ir@deacapital.it. Questions must be received by the company before close of business on the third day before the scheduled meeting date (i.e. by **14 April 2014**). Provided that questions are received before the meeting and by the requisite deadline, a response will be provided, at the latest, during the meeting itself; a response is deemed to have been provided at a meeting if it is made available, on paper, to each of those entitled to vote at the start of the meeting. The company may provide a single response to questions with the same content. The company also reserves the right to provide the information requested by any questions received prior to the shareholders' meeting by displaying it on a dedicated "Questions and answers" page which can be accessed through the company's website www.deacapital.it (Corporate Governance/Shareholders' Meetings). Where this is the case, no response needs be given at the meeting.

Right to take part in meetings

Shareholders are eligible to take part in shareholders' meetings if they are registered as holding voting rights on the record date - i.e. by the close of business on the seventh trading day before the date scheduled for the first-call meeting (**8 April 2014**) - and if the requisite statement has been received from the authorised intermediary by the company. Individuals who only become shareholders after that date will not be entitled to take part or vote in the shareholders' meeting.
The statement by the authorised intermediary referred to above must be received by the company before close of business on the third trading day prior to the date scheduled for the first-call meeting. If the statement is received by the company after this date, shareholders will, however, still be entitled to take part in the meeting and vote provided the statement is received before the start of the first-call meeting. It should be remembered that the statement is communicated to the company by the authorised intermediary at the request of the individual holding the voting right.

Representation in meetings

All those entitled to take part in a meeting may appoint a representative by issuing a written proxy in accordance with the statutory and regulatory provisions in force. In this regard, note that a proxy may be granted by means of a digital document in electronic form, as defined in Art. 135-*novies*, paragraph 6, of Legislative Decree no. 58/1998, and that the proxy-letter template provided at www.deacapital.it may be used for this purpose. The company may be notified of the proxy via recorded-delivery letter, sent to the company's registered office or via email to the company's certified email address at deacapital@pecserviziotitoli.it.
If the proxy holder provides or sends a copy of the proxy to the company instead of the original, he/she must certify, on his/her own responsibility, that it is a true copy and confirm the proxy- giver's identity. Any advance notification does not release the proxy holder from the obligation to certify that the proxy is a true copy and to attest to the identity of the proxy-giver when he/she confirms his/her eligibility to take part in the shareholders' meeting.

Designated proxy holder

Proxies, with voting instructions for the items on the agenda, may be granted to Computershare S.p.A., which has its registered office at Via Lorenzo Mascheroni 19, Milan 20145, duly designated by the company for this purpose, in accordance with Art. 135-*undecies* of Legislative Decree 58/1998; a printable version of the relevant form to be signed may be downloaded from the website www.deacapital.it (under the section Corporate Governance/Shareholders' Meetings) or obtained from the company's registered office or from the registered office of Computershare S.p.A. The original of the proxy, with voting instructions, must be received by Computershare S.p.A., Via Lorenzo Mascheroni 19, Milan 20145, by close of business on the penultimate trading day before the date scheduled for the first-call meeting or for any second-call meeting (i.e. by **15 April 2014** for the first-call meeting or by **16 April 2014** for the second-call meeting). A copy of the proxy, accompanied by a statement confirming that it is a true copy of the original, may be provided to the designated proxy holder by the above-mentioned deadlines by fax to +39 (0)2 46776850, or appended to an email sent to the address ufficiomilano@pecserviziotitoli.it. The proxy is valid solely in respect of those items for which voting instructions are given. Proxies and voting instructions may be revoked by the deadlines specified above. Note that the statement to be communicated to the company by the authorised intermediary, confirming the shareholder's eligibility to take part and exercise his voting rights in the shareholders' meeting, is also required if a proxy is granted to the designated proxy holder. By law, shares for which a proxy is granted, whether in full or in part, are taken into account in determining whether the shareholders' meeting is duly constituted, although proxies without voting instructions do not count for the purposes of calculating the majority and quorum required to pass resolutions. Details of the proxies granted to Computershare S.p.A. (who can be contacted for any queries by telephone on +39 (0)2 46776811) are also available on the relevant delegation form mentioned above.

Share capital and voting shares

The share capital is EUR 306,612,100 divided into 306,612,100 ordinary shares each with a par value of EUR 1.00. Each ordinary share carries voting rights at the shareholders' meeting (except ordinary treasury shares, which currently total 32,637,004, on which voting rights are suspended in accordance with the law).

Documentation and information

Please note that documentation relating to the items on the agenda that is required by law or under regulatory provisions will be made available to the public at the company's registered office and published on the company's website at www.deacapital.it (section Corporate Governance/Shareholders' Meetings) as well as by the means and under the terms and conditions laid down in the regulations in force; shareholders and other parties entitled to take part in shareholders' meetings may obtain copies of this documentation.

The following, in particular, will be made available to the public:

- at the same time as the publication of this notice, the Directors' Report on point 3 of the ordinary part and the detailed documentation required pursuant to Art. 84-*bis* of the Issuer Regulations
- the financial report and other documents referred to in Art. 154-*ter* of the TUF, together with the directors' reports on the other items on the agenda, to be made available at least 21 days before the scheduled meeting date (i.e. **27 March 2014**).

All eligible persons have the right to read and, on request, obtain a copy thereof.

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Milan, 18 March 2014

For the Board of Directors.

The Chairman

(Lorenzo Pellicioli)

"An abstract of the above Notice was published on MF on 18 March 2014"

Corporate Boards and Controlling Structure

Corporate information

DeA Capital S.p.A. is subject to the management and co-ordination of De Agostini S.p.A.
Registered office: Via Brera 21, Milan 20121, Italy.

Share capital: EUR 306,612,100 (fully paid-up) comprising 306,612,100 shares with a nominal value of EUR 1 each (including 32,637,004 own shares at 31 December 2013).

Tax code, VAT code and recorded in the Milan Register of Companies under no. 07918170015.

Board of Directors (*)

Chairman
Lorenzo Pellicioli

Chief Executive Officer
Paolo Ceretti

Directors
Lino Benassi
Rosario Bifulco (1 / 4 / 5)
Marco Boroli
Stefania Boroli
Marco Drago
Roberto Drago
Francesca Golfetto (1 / 3 / 5)
Severino Salvemini (2 / 3 / 5)

Board of Statutory Auditors (*)

Chairman
Angelo Gaviani

Regular Auditors
Gian Piero Balducci
Annalisa Raffaella Donesana

Alternate Auditors
Annamaria Esposito Abate
Maurizio Ferrero
Giulio Gasloli

Secretariat of the Board of Directors
Diana Allegretti

Manager responsible for preparing the Company's accounts
Manolo Santilli

Independent Auditors
KPMG S.p.A.

(*) In office until the approval of the financial statements to 31 December 2015
(1) Member of the Control and Risk Committee
(2) Member and Chairman of the Control and Risk Committee
(3) Member of the Remuneration and Appointments Committee
(4) Member and Chairman of the Remuneration and Appointments Committee
(5) Independent director

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"Overall, the Alternative Asset Management asset portfolio generated returns of around EUR 95 million, with dividends of EUR 16.6 million (compared with EUR 15.0 million in 2012) distributed to DeA Capital and to the intermediate holding companies."

"… in Private Equity Investments DeA Capital will continue to seek opportunities for enhancing the value of its holdings."

to the Shareholders

Dear shareholders,

in Europe, the year **2013** was marked by persistently restrained economic growth, with all countries adhering to policies aimed at maintaining balanced budgets. At the same time, spreads generally fell among both government and corporate securities, while the stock markets’ performance was highly positively, in Italy as in other countries of the European Union.

Against this backdrop, the value of DeA Capital's investment portfolio, which is significantly concentrated in the economies of countries other than Italy and had for that reason better withstood, over recent years, the economic/financial crisis that hit our country, has almost returned to its level as of the end of 2011: its NAV closed at EUR 2.30 on 31 December 2013, compared with the EUR 2.63 per share at the end of 2012, a movement largely attributable to the stock market performance of the investment in Migros and the devaluation of the Turkish lira.

Migros, which continues to achieve excellent results compared with the rest of the industry, was hit by unexpected political instability in Turkey from May 2013 onwards; this instability prompted many international institutional investors to move their capital elsewhere, reflecting the more generally reduced exposure to emerging economies.

Apart from realigning the value of its investment in Migros, DeA Capital has also revised the development projections and hence the goodwill, of IDeA FIMIT SGR using more prudential criteria; the situation in the real estate sector remains complex, in that, despite a number of timid signs of recovery in transaction volumes – buoyed up by renewed interest from foreign investors in particular – there is a significant concentration of funds due to mature in the next couple of years, with the need to sell off assets potentially putting sale prices under pressure. With this prospect in view, it is to be hoped that solutions facilitating the orderly disposal of assets may be found, including by means of legislation and regulation.

During the year that has just ended, DeA Capital has continued to focus on developing its operations in the Alternative Asset Management sector and on enhancing the value of its Private Equity investments.

With reference to the latter, the subsidiary Générale de Santé, completed the sale of its psychiatric division at the end of December, which enabled it to further concentrate on its core business of medical, surgical and obstetric clinics and also to significantly reduce its debt.

On the Alternative Asset Management front, DeA Capital has strengthened Innovation Real Estate, a primary independent operator in property, facility & project management, with an acquisition that has made possible an extraordinary increase in turnover, and has continued to develop IDeA Capital Funds SGR through the launch of a number of rather innovative major initiatives in the offering of private equity funds.

Overall, the Alternative Asset Management asset portfolio generated returns of around EUR 95 million, with dividends of EUR 16.6 million (compared with EUR 15.0 million in 2012) distributed to DeA Capital and to the intermediate holding companies.

There was continued positive performance on the financial markets as **2014** began, although macroeconomic prospects remain uncertain, especially in Italy.

The prospect, then, is of a year in which Alternative Asset Management will continue to find fundraising on the domestic market slow and difficult, while in Private Equity Investments DeA Capital will continue to seek opportunities for enhancing the value of its holdings.

Lorenzo Pellicioli
Chairman

Paolo Ceretti
Chief Executive Officer

Report on Operations

Profile of

With an investment portfolio of over EUR 760 million and assets under management of EUR 10,500 million, DeA Capital S.p.A. is one of Italy's largest alternative investment operators.

The Company, which operates in both the Private Equity Investment and Alternative Asset Management businesses, is listed on the FTSE Italia STAR section of the Milan stock exchange, and heads the De Agostini Group in the area of financial investments.

In the Private Equity Investment business, DeA Capital S.p.A. has "permanent" capital, and therefore has the advantage - compared with traditional private equity funds, which are normally restricted to a pre-determined duration - of greater flexibility in optimising the timing of entry to and exit from investments. In terms of investment policy, this flexibility allows it to adopt an approach based on value creation over the medium to long term.

In the Alternative Asset Management business, DeA Capital S.p.A. – through its subsidiaries IDeA FIMIT SGR and IDeA Capital Funds SGR – is Italy's leading operator in real estate fund management and private equity funds of funds programmes, respectively. The two companies are active in the promotion, management and value enhancement of investment funds, using approaches based on sector experience and the ability to identify opportunities for achieving the best returns.

As Alternative Asset Management focuses on managing funds with a medium-term to long-term duration, it generates cash flows that are relatively stable over time for DeA Capital S.p.A. This, in turn, enables the Company to cover the typical investment cycle of the private equity investment sector.

DeA Capital S.p.A.

PRIVATE EQUITY INVESTMENT

Direct investments
In the services sector, in Europe and Emerging Europe.

Indirect investments
In private equity funds of funds, co-investment funds and theme funds.

ALTERNATIVE ASSET MANAGEMENT

1.3 Mld €

IDeA Capital Funds SGR,
which manages private equity funds (funds of funds, co-investment funds and theme funds)

Assets under management: EUR 1.3 billion

9.2 Mld €

IDeA FIMIT SGR,
which manages real estate funds.

Asset Under Management: EUR 9,2 billion

IRE / IRE Advisory,
which operates in project, property and facility management, as well as real estate brokerage

For further info:
www.deacapital.it
section: *Portfolio*

At 31 December 2013, DeA Capital S.p.A. reported Group consolidated shareholders' equity of EUR 629.5 million (EUR 723.1 million at 31 December 2012), corresponding to a **net asset value (NAV) of EUR 2.30 per share** (EUR 2.63 per share at 31 December 2012), with an investment portfolio of EUR 762.0 million (EUR 873.1 million at 31 December 2012).

More specifically, the investment portfolio, which consists of private equity investments of EUR 367.2 million, private equity investment funds of EUR 191.3 million and net assets relating to the Alternative Asset Management business of EUR 203.5 million.

Investment portfolio

	December 31, 2013	
	n.	Eur/mln.
Equity investments	8	367.2
Funds	12	191.3
Private Equity Investment	**20**	**558.5**
Alternative Asset Management (*)	**4**	**203.5**
Investment portfolio	***24***	***762.0***

(*) Equity investments in subsidiaries relating to Alternative Asset Management are valued using the equity method in this table.

PRIVATE EQUITY INVESTMENT

- **Main investments**

- **strategic shareholding in Générale de Santé (GDS),** France's leading private healthcare provider, whose shares are listed on the Eurolist market in Paris (with around 5% in outstanding shares and low trading volumes). The investment is held through the Luxembourg-registered company Santé S.A., an associate of the DeA Capital Group (with a stake of 42.89%).

- **minority shareholding in Migros,** Turkey's biggest food retail chain, whose shares are listed on the Istanbul Stock Exchange. The investment is held through the Luxembourg-registered company Kenan Investments S.A., an investment recorded in the AFS portfolio of the DeA Capital Group (with a stake of 17.03%).

- **strategic shareholding in Sigla,** which provides consumer credit for non-specific purposes (salary-backed loans and personal loans) and services non-performing loans in Italy. The investment is held through the Luxembourg-registered company Sigla Luxembourg S.A., an associate of the DeA Capital Group (with a stake of 41.39%).

- **Funds**

- units in four funds managed by the subsidiary IDeA Capital Funds SGR i.e. in the funds of funds **IDeA I Fund of Funds (IDeA I FoF)** and **ICF II**, in the co-investment fund **IDeA Opportunity Fund I (IDeA OF I)** and in the theme fund **IDeA Efficienza Energetica e Sviluppo Sostenibile (Energy Efficiency and Sustainable Development - IDeA EESS);**

- a unit in the real estate fund **Atlantic Value Added (AVA)** managed by IDeA FIMIT SGR;

- units in seven venture capital funds.

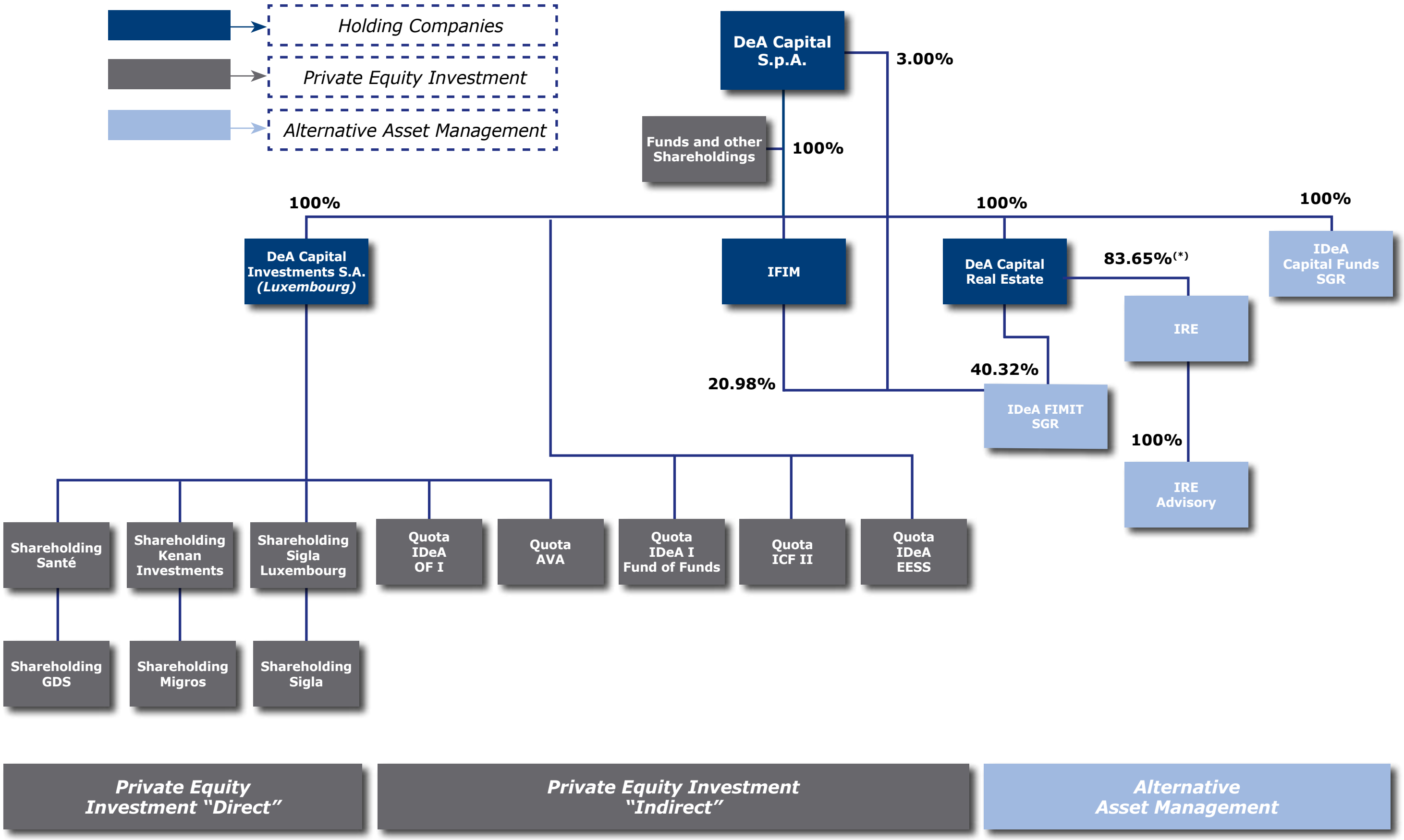
ALTERNATIVE ASSET MANAGEMENT

- **controlling interest in IDeA Capital Funds SGR (100%),** which manages private equity funds (funds of funds, co-investment funds and theme funds) with about EUR 1.3 billion in assets under management and five managed funds;

- **controlling interest in IDeA FIMIT SGR (64.30% at 31 December 2013)**, Italy's largest independent real estate asset management company with **about EUR 9.2 billion in assets under management and 32 managed funds (including five listed funds);**

- **controlling stake (83.65%) in IRE/IRE Advisory,** which operate in project, property and facility management, as well as real estate brokerage.

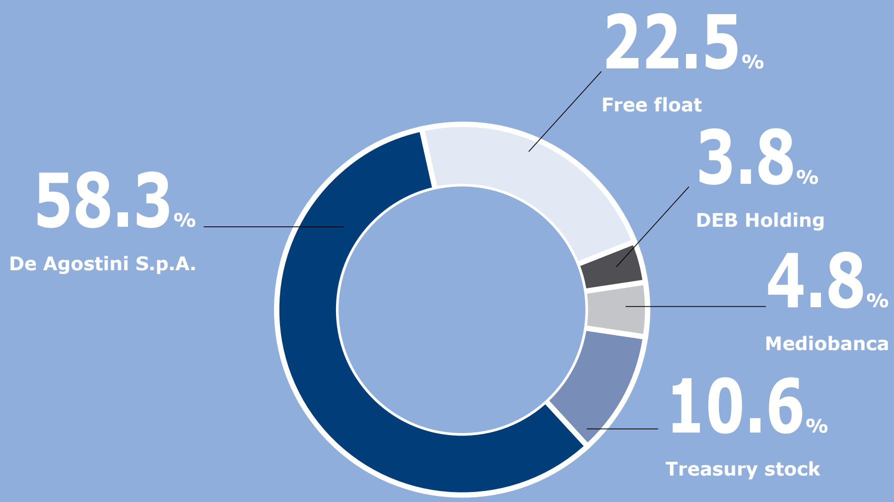
At the end of 2013, the corporate structure of the Group headed by DeA Capital S.p.A. (DeA Capital Group, or the Group) was as summarised below:



(*) Considering special shares, with limited economic rights, for approximately 10% of the company.

Information for

SHAREHOLDER STRUCTURE - DEA CAPITAL S.P.A. (#)

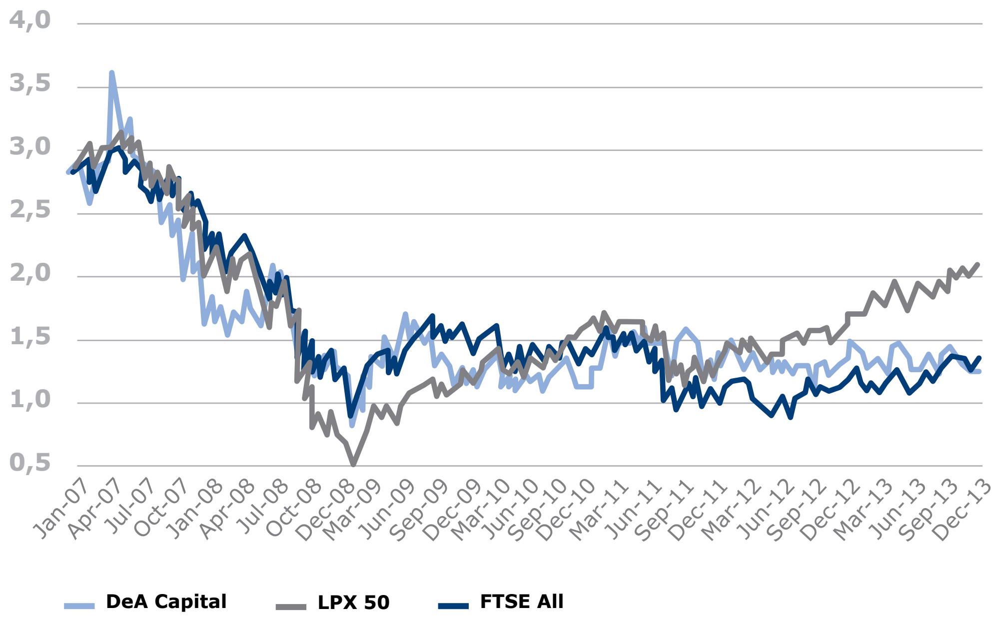


(#) Figures to 31 December 2013.

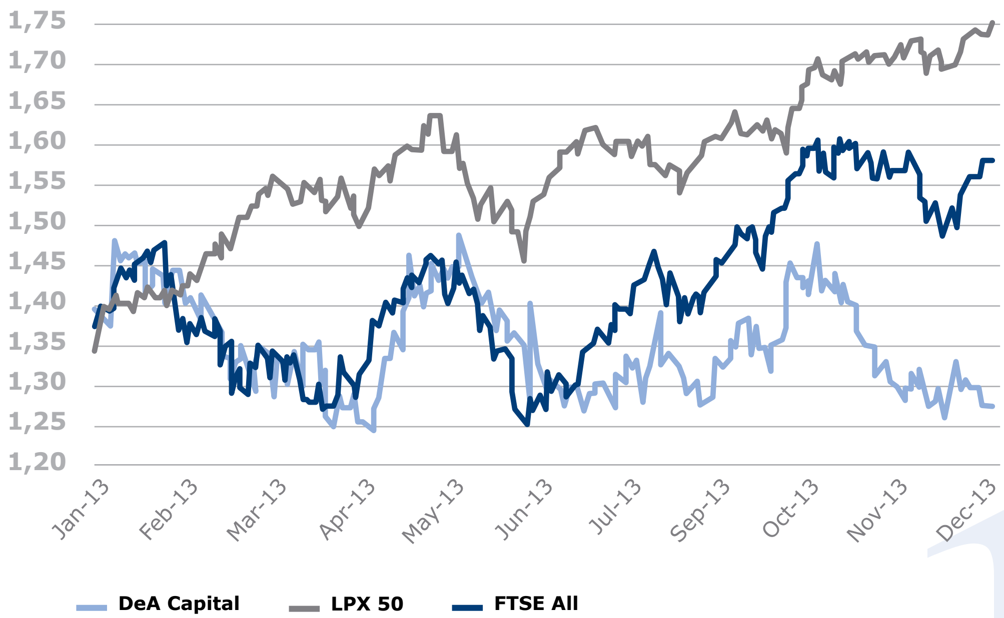
shareholders

SHARE PERFORMANCE **

Period from 11 January 2007, when DeA Capital S.p.A. began operations, to 31 December 2013.



Period from 1 January 2013 to 31 December 2013



(**) Source: Bloomberg.

For further info:
www.deacapital.it
section: Investor Relations

The performance of the DeA Capital share

The Company's share price declined by 55.2% between 11 January 2007, when DeA Capital S.p.A. began operations, and 31 December 2013. In the same period, the FTSE All-Share® and LPX50® fell by 52.2% and 26.7% respectively.

The DeA Capital share fell by 5.2% in 2013, while the Italian market index FTSE All-Share® rose by 17.6%, and the LPX50® gained 30.3%. In 2013, the share's liquidity was higher than in 2012, with average daily trading volumes of around 120,000 shares.

The share prices recorded in 2013 are shown below.

(in EUR per share)	2013
Maximum price	1.48
Minimum price	1.24
Average price	1.35
Price at 31 December 2013	**1.27**

(EUR million)	31 December 2013
Market capitalisation*	389

(*) capitalisation net of own shares: EUR 348 million.

Investor Relations

DeA Capital S.p.A. maintains stable and structured relationships with institutional and individual investors. In 2013, as in previous years, the Company has continued with its communication activities, including attendance at the STAR Conference, held in Milan in March 2013. In addition to one-to-one meetings with institutional investors, a presentation was also held on this occasion, to illustrate in detail new developments relating to the subsidiary IDeA FIMIT SGR. In September, the Company met with institutional investors in Paris and in October attended the STAR Conference in London. During the year the Company also held meetings and conference calls with institutional investors, portfolio managers and financial analysts from Italy and abroad.

Coverage of the DeA Capital stock is currently carried out by Equita SIM and Intermonte SIM, the two main intermediaries on the Italian market, with Intermonte SIM acting as a specialist. The research prepared by these intermediaries is available in the Investor Relations section of the website www.deacapital.it.

In December 2008, the DeA Capital share joined the LPX50® and LPX Europe® indices.
The LPX® indices measure the performance of the major listed companies operating in private equity (Listed Private Equity or LPE). Due to its high degree of diversification by region and type of LPE investment, the LPX50® index has become one of the most popular benchmarks for the LPE asset class. The method used to constitute the index is published in the LPX Equity Index Guide. For further information please visit the website: www.lpx.ch. The DeA Capital share is also listed on the GLPE Global Listed Private Equity Index, the index created by Red Rocks Capital, a US asset management company specialising in listed private equity companies. The index was created to monitor the performance of listed private equity companies around the world and is composed of 40 to 75 stocks.
For more information: www.redrockscapital.com (GLPE Index).

The website is the primary mode of contact for investors, who may choose to subscribe to a

For further info:
www.deacapital.it
section: *Investor Relations*

mailing list and send questions or requests for information and documents to the Company's Investor Relations area, which is committed to answering queries promptly, as stated in the Investor Relations Policy published on the site. A quarterly newsletter is also published for investors to keep them updated on the main items of news on the Group, and analyse the Group's quarterly results and share performance. The mobile site, www.deacapital.mobi, is also available, and offers stakeholders a further tool with which to access key information about the DeA Capital Group via their mobile phone or smartphone.

Since July 2013, DeA Capital has strengthened its presence on social networks: it has a profile on *Linkedin*, appears on *Slideshare* with the most recent of its key presentations to institutional investors, and has an entry in *Wikipedia*. DeA Capital is therefore continuing with its intention to strengthen its presence on the web and to make information for stakeholders available through many channels.

3. The DeA Capital Group's key Statement of Financial Position and Income Statement figures

The DeA Capital Group's key income statement and statement of financial position figures to 31 December 2013 are shown below, compared with the corresponding figure to 31 December 2012.

(EUR million)	December 31,2013	December 31,2012
NAV/share (EUR)	**2.30**	2.60
Group NAV	**629.5**	723.1
Investment portfolio	**762.0**	873.1
Net financial position - Holding Companies	**(138.7)**	(141.6)
Net financial position consolidated	**(127.7)**	(123.6)

(EUR million)	Year 2013	Year 2012
Parent Company net profit/(loss)	**62.9**	2.3
Group net profit/(loss)	**(31.1)**	(26.3)
Comprehensive income (Group share) (*Statement of Performance* - IAS 1)	**(94.3)**	62.5

The table below shows the change in the NAV during 2013.

Change in Group NAV	Total value (EUR m)	No. Shares (m)	Value per share (€)
Group NAV at 31.12.12	**723.1**	**274.6**	**2.63**
Purchase of own shares	(0.9)	(0.6)	1.40*
Other comprehensive income - Statement of Performance – IAS 1	(94.3)		
Other movements of NAV	1.6		
Group NAV at 31.12.13	**629.5**	**274.0**	**2.30**

(*) Average price of purchases in 2013.

The table below provides details of the Group's Net Asset Value at 31 December 2013.

	December 31,2013			December 31,2012		
	M€	**% NIC**	**€/Share**	**M€**	**% NIC**	**€/Share**
Private Equity Investment						
- Santè / GDS	**221.2**	29%	0.81	**226.1**	26%	0.82
- Kenan Inv. / Migros	**132.4**	17%	0.48	**223.6**	26%	0.81
- Funds- Private Equity / Real Estate	**191.3**	25%	0.70	**180.8**	21%	0.66
- Other (Sigla,..)	**13.6**	2%	0.05	**15.0**	2%	0.05
Total PEI (A)	**558.5**	**73%**	**2.04**	**645.5**	**75%**	**2.34**
Alternative Asset Management						
- IDeA FIMIT SGR	**145.5**	19%	0.53	**168.5**	19%	0.61
- IDeA Capital Funds SGR	**51.8**	7%	0.19	**53.8**	6%	0.20
- IRE / IRE Advisory	**6.2**	1%	0.02	**5.3**	1%	0.02
Total AAM (B)	**203.5**	**26%**	**0.74**	**227.6**	**26%**	**0.83**
Investment Portfolio (A+B)	**762.0**	**99%**	**2.78**	**873.1**	**101%**	**3.17**
Otehr net assets (liabilities)	**6.2**	1%	0.02	**(8.4)**	-1%	(0.02)
NET INVESTED CAPITAL ("NIC")	**768.2**	**100%**	**2.80**	**864.7**	**100%**	**3.15**
Net Financial Debt Holdings	**(138.7)**	-18%	(0.50)	**(141.6)**	-16%	(0.52)
NAV	**629.5**	**82%**	**2.30**	**723.1**	**84%**	**2.63**

4. Significant events during the year

The significant events that occurred in 2013 are reported below.

Private equity funds - paid calls/ distributions

In 2013, the DeA Capital Group increased its investment in the IDeA I FoF, ICF II, IDeA OF I and IDeA EESS funds following total payments of EUR 24.5 million (EUR 5.9 million, EUR 8.0 million, EUR 7.8 million and EUR 2.8 million respectively).

At the same time, the DeA Capital Group received capital distributions totalling EUR 22.9 million from the IDeA I FoF, ICF II, IDeA OF I funds (EUR 20.3 million, EUR 2.1 million and EUR 0.5 million respectively) to be used in full to reduce the carrying value of the units.

In terms of net cash outlay, the IDeA EESS completed the fourth and final closing on **12 April 2013**, reaching the stated commitment target of EUR 100 million, with the DeA Capital Group subscribing to a further commitment of EUR 2.5 million, taking its total commitment in the fund to EUR 15.3 million.

Loan agreement with Mediobanca - use of the revolving line

In 2013, DeA Capital S.p.A. made net use of a further EUR 20 million of its revolving credit line with Mediobanca – Banca di Credito Finanziario S.p.A., bringing its overall exposure to EUR 120 million as of 31 December 2013.

Note that the above-mentioned lines are due to be repaid via a single payment on 16 December 2015, although DeA Capital S.p.A. has the option to make full or partial early repayment.

Purchase of 30% of IDeA SIM shares and subsequent liquidation of the company

On **25 February 2013**, in compliance with the provisions of various agreements reached with the former CEO of IDeA SIM, DeA Capital S.p.A. acquired the shares he held in IDeA SIM, equal to 30% of the company's capital, bringing its stake to 95%.

Subsequently, on **11 April 2013**, the shareholders' meeting of IDeA SIM voted to convert the company and rename it IDeA Consulenza S.r.l., and at the same time put it into liquidation. The shareholders' meeting that approved the liquidation was held on **3 September 2013**.

February

Purchase of a further shareholding in IDeA FIMIT SGR

On **27 February 2013**, DeA Capital S.p.A. signed an agreement with Inarcassa to acquire shares from the latter representing 2.98% of the capital of IDeA FIMIT SGR; financial equity instruments issued by IDeA FIMIT SGR and held by Inarcassa are excluded from the sale.

The transaction was closed on 29 April 2013, once the pre-emptive rights had expired. As a result of this, together with other purchases, the DeA Capital Group's total stake in IDeA FIMIT SGR rose to 64.30%.

IRE capital increase

On **19 March 2013** and **17 July 2013,** the shareholders' meetings of IRE approved, respectively:

- a capital increase reserved for the company's CEO, for a stake of 3.75% in the company, against a payment of approximately EUR 151 thousand, equal to a pro-rata portion of the shareholders' equity;
- the issue of special shares, with limited economic rights, reserved for the company's CEO, for 10% of the company.

Dividends from Alternative Asset Management

On **27 March 2013**, the shareholders' meeting of IRE approved the company's financial statements to 31 December 2012 and voted to pay out dividends (paid on 10 May 2013) totalling EUR 2.3 million, including EUR 2.2 million to the DeA Capital Group.

On **16 April 2013**, the shareholders' meeting of IDeA Capital Funds SGR approved the company's financial statements to 31 December 2012 and voted to pay dividends totalling EUR 4.4 million entirely to DeA Capital S.p.A. The dividend was paid on 22 April 2013.

On **17 April 2013,** the shareholders' meeting of IDeA FIMIT SGR S.p.A. approved the company's financial statements to 31 December 2012 and voted to pay out dividends totalling EUR 15.6 million (paid on 9 May 2013), including around EUR 10.0 million to the DeA Capital Group (taking account of the stake actually held on the dividend payment date).

In summary, dividends paid during 2013 by the Alternative Asset Management business to the DeA Capital Group's holding companies totalled EUR 16.6 million (EUR 15.0 million in 2012).

Appointment of new Corporate Bodies

On **19 April 2013**, the shareholders' meeting of DeA Capital S.p.A. appointed the Company's new Board of Directors and the new Board of Statutory Auditors, which will remain in office for the three-year period until the approval of the financial statements to 31 December 2015.

At the end of the shareholders' meeting, the new Board of Directors met to appoint Paolo Ceretti as the Chief Executive Officer, and to vest the Chairman (Lorenzo Pellicoli) and the Chief Executive Officer with the necessary powers.

The Board of Directors also adopted resolutions relating to corporate governance, and appointed independent director Rosario Bifulco as Lead Independent Director. Furthermore, it decided not to create a specific appointments committee, but to attribute its functions to the Remuneration and Appointments Committee, for which the related operating regulations have been approved. The Board appointed directors Severino Salvemini, Francesca Golfetto and Rosario Bifulco to the Remuneration and Appointments Committee, with Rosario Bifulco as chairman, and appointed Rosario Bifulco, Francesca Golfetto and Severino Salvemini to the Control and Risks Committee, with Severino Salvemini as chairman.

Lastly, the Board of Directors confirmed the appointment of Lorenzo Pellicioli, the Chairman of the Board of Directors, as the executive director responsible for monitoring the effectiveness of the internal control and risk management system, and appointed Gian Piero Balducci (Chairman), Davide Bossi (Internal Audit) and Severino Salvemini to the Supervisory Body pursuant to Legislative Decree 231/2001 for the period 2013–2015.

Share buy-back plan

On **19 April 2013**, the shareholders' meeting authorised the Board of Directors to buy and sell, on one or more occasions, on a rotating basis, a maximum number of ordinary shares in the Company representing a stake of up to 20% of share capital.

The plan replaced its predecessor approved by the shareholders' meeting on 17 April 2012 (which was scheduled to expire on 17 October 2013) and will pursue the same objectives as the previous plan, including the purchase of own shares to be used for extraordinary transactions and share incentive schemes, to offer shareholders a means of monetising their investment, to stabilise the share price and to regulate trading within the limits of current legislation.

The authorisation specifies that purchases may be carried out up to the date of the shareholders' meeting to approve the financial statements to 31 December 2013, and in any case not beyond the maximum duration allowed by law, in accordance with all the procedures allowed by current regulations, and that DeA Capital may also sell the shares purchased for the purposes of trading, without time limits. The unit price for the purchase of the shares will be set on a case-by-case basis by the Board of Directors, but must not be more than 20% above or below the share's reference price on the trading day prior to each purchase. In contrast, the authorisation to sell own shares already held in the Company's portfolio, and any shares bought in the future, was granted for an unlimited period, to be implemented using the methods considered most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to each individual sale (apart from in certain exceptional cases specified in the plan).

On the same date, the Board of Directors voted to launch the plan to buy and sell own shares authorised by the shareholders' meeting, and to this end vested the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation.

In 2013, DeA Capital S.p.A. purchased around 0.6 million shares valued at about EUR 0.9 million (at an average price of EUR 1.40 per share).

Taking into account purchases made in previous years for plans in place at the time, and uses of own shares to service purchases relating to the alternative asset management business, at 31 December 2013 the Company owned 32,637,004 own shares (equal to about 10.6% of the share capital).

Stock option and performance share plans

On **19 April 2013**, the shareholders' meeting approved the DeA Capital S.p.A. Stock Option Plan 2013–2015. To implement the resolution of the shareholders' meeting, the Board of Directors voted (i) to implement the DeA Capital S.p.A. Stock Option Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised jointly or severally and with full power of delegation; and (ii) to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital S.p.A. Stock Option Plan for 2013-2015, the Board of Directors also set the exercise price for the options allocated at EUR 1.289, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 19 March 2013 and 18 April 2013.

The shareholders' meeting of 19 April 2013 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital S.p.A. Stock Option Plan for 2013-2015.

The shareholders' meeting also approved the adoption of the Performance Share Plan for 2013-2015. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to implement the DeA Capital S.p.A. Performance Share Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, of its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the own shares already held by the Company so that the allocation will not have a nominally dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the *Testo Unico della Finanza law*.

July

Sale of the stake held in Alkimis SGR

On **11 July 2013**, after obtaining the necessary authorisation, DeA Capital S.p.A. sold its entire stake (10%) in Alkimis SGR for around EUR 0.1 million (in line with its carrying value at 30 June 2013).

"Milano Santa Giulia" initiative

On 31 July 2013, the Board of Directors of Risanamento S.p.A. voted to accept the proposal formulated by IDeA FIMIT SGR, containing guidelines for the operation relating to the "Milano Santa Giulia" initiative, which provides for the creation of a fund managed by IDeA FIMIT SGR.

The completion of the above transaction depends on the conditions precedent set out in the agreement being met, including, in particular, the finalisation of the necessary agreements relating to the contribution, IDeA FIMIT SGR obtaining the necessary financing on the Fund's behalf, and the absence of impediments associated with the seizure order currently in place for part of the real estate area.

On **23 December 2013**, IDeA FIMIT SGR exercised its right to extend the deadline for the binding offer until 31 March 2014. On this date, should one or more of the conditions precedent not be met, the parties will be free of all obligations arising from the acceptance of the new binding offer.

October

Purchase of Colliers business division

On **16 October 2013**, the subsidiary Innovation Real Estate S.p.A. (IRE) purchased the business division of Colliers Real Estate Services Italia S.r.l. (Colliers) relating to its property, facility, project management and technical property services activities (e.g. due diligence, regularisation etc.) against payment in newly-issued IRE shares and the entry of Colliers into the share capital of IRE in various phases.

Specifically, Colliers was granted a 3% stake in the share capital of IRE in exchange for the transfer of the business division.

Once two years from the date of the transfer have elapsed, and subject to the achievement of the results set out in the business plan of the division in question, Colliers will be granted a further 3% stake in IRE.

The parties also agreed that should the business division post a considerable overperformance, Colliers will be granted a further 2% stake in IRE via the placement of another tranche of the capital increase in cash (at nominal value).

November

First closing of the IDeA Crescita Globale (global growth) fund

On **5 November 2013**, the Board of Directors of IDeA Capital Funds SGR authorised the first closing of the newly-created IDeA Crescita Globale fund, for a commitment of around EUR 55 million, raised with the support of a leading Italian bank's network of financial advisors.

The objective of the IDeA Crescita Globale fund is to invest in both private equity funds managed by operators with a proven track record of returns and solidity – focusing mainly on the buy-out, capital growth and emerging markets sectors – and directly in operating companies, by jointly investing with other funds.

December

Sale by subsidiary Générale de Santé of its psychiatric activities

On **18 December 2013**, Générale de Santé finalised the sale of its psychiatric division (Medipsy), which has a turnover of around EUR 150 million and 29 clinics in France, to the Australian group, Ramsay Health Care.

Following this transfer and the sale of four rehabilitation centres, Générale de Santé has completed its plan to focus once again on medicine, surgery, obstetrics and the rehabilitation clinics included in the geographical centres in which the Group is organised.

The combined operations had a beneficial effect of around EUR 200 million on the subsidiary's net financial position.

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5. The results of the DeA Capital Group

Consolidated results for the period relate to the operations of the DeA Capital Group in the following businesses:

- Private Equity Investment, which includes the reporting units involved in private equity investment, broken down into equity investments (Direct Investments) and investments in funds (Indirect Investments).

- Alternative Asset Management, which includes reporting units involved in asset management activities and related services, with a current focus on the management of private equity and real estate funds.

Private Equity

Global economic growth accelerated in the second half of 2013, and a further improvement is expected in 2014 and 2015, mainly on the back of the recovery in the advanced economies. However, there are still downside risks associated with the fragile situation in some countries.

In the US, the huge injections of liquidity by the Fed – together with low interest rates – have proved effective in bolstering the economy. In Japan, too, expansionary monetary policy combined with fiscal policy stimulus packages has generated positive effects on growth; the devaluation of the yen triggered by such measures has also helped. In China, despite the restrictive measures implemented by the government and central bank to prevent the development of property bubbles, total loans increased substantially on the back of interest rates that are lower than the historical average. In the eurozone, however, the ECB did not introduce new monetary stimuli, and lending fell for the fifth year running in most EU countries. This hampered economic growth and hence made it difficult for employment levels to rise.

The IMF's latest estimates forecast growth of 3.7% in the global economy in 2014. Specifically the advanced economies are expected to experience growth of 2.2% (2.8% for the US and 1% for the eurozone) and emerging economies growth of 5.1%. In the US, domestic demand is expected to drive growth, supported partly by the reduction in the tax burden. In the eurozone, the recession is giving way to recovery, albeit at different speeds in the various countries, thanks especially to exports rather than public and consumer spending, which is hampered by high levels of public and private debt.

In China, the improvement recorded in the second half of 2013, mainly on the back of investment, will remain temporary to some extent, as a result of the measures to restrict the credit market and increase the cost of capital. In most of the emerging economies, domestic demand proved to be weaker than forecast, in contrast to foreign demand from the advanced economies and China.

The financial markets were significantly influenced by the quantity of liquidity injected into the global "system". Volatility in the US and Europe abated slightly, and the main international equities markets recorded positive returns (in local currency): in 2013, indices were therefore positive in the US (29.6% for the S&P 500 and 38.3% for the NASDAQ) and in Japan (56.7% for the NIKKEI 225). In Europe, the gap between the peripheral countries, such as Italy (16.6% for the FTSE MIB) and Spain (21.4% for the IBEX), and the central countries, such as Germany (25.5% for the DAX 30) and France (18% for the CAC 40) narrowed significantly.

In the emerging countries, returns in local currency varied widely in 2013: +2% in Russia, +9% in India, - 5.5% in Brazil and -6.7% in China.
In terms of global indices, bond markets recorded a marginally negative return in 2013, due mainly to the contribution of the US, which accounts for around 50% of the total. In Italy, however, the bond market recorded a positive return across all maturities, due to the reduction in the country risk; the yield spread on ten-year treasury certificates fell in comparison with their German bund counterparts, as did the default risk measured by the five-year credit default swap (CDS), which closed at 219 and 168 bps respectively.

In general terms, the risks threatening the outlook for global economic recovery have not changed; these include the high unemployment level and the instability that could affect the financial and currency markets, especially in the emerging countries, following the end of expansionary monetary policy in the US. Added to these factors, there is the risk associated with the effects of very low inflation, especially in the eurozone, which increases the burden of public debt in real terms. In Europe, more sustained growth will be necessary to rebalance the public accounts; the ECB will therefore have to adopt further longer-term expansionary monetary policy measures to stimulate lending and hence domestic demand. Moreover, it is essential that the banks are recapitalised and banking union is achieved through the centralisation of both the supervisory and crisis management functions.

However, signs of improvement in the macroeconomic environment continue to materialise. As an example, a recent update to the Composite Leading Indicator, the super-index developed by the OECD to assess growth prospects, showed an improvement in most of the advanced economies, including the entire eurozone, especially Italy and France.
In addition, rating agency Moody's recently confirmed Italy's creditworthiness at Baa2, while upgrading its outlook from negative to stable.

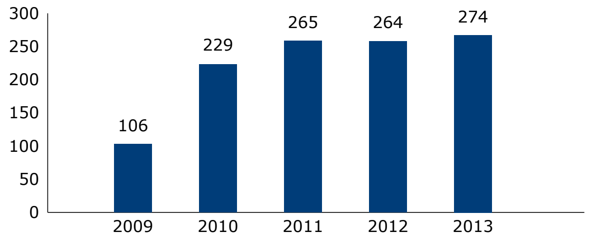
Investment prospects and the outlook for the European and global private equity markets

Expectations that 2013 would be a positive year for the private equity industry, expressed at the outset of the year, were borne out by an increase in distribution flows, funds raised and allocations to the asset class. Continuing low interest rates increasingly drove investors to pursue returns. This is reflected in a particularly healthy high-yield debt market, in which it was possible to finance new transactions and refinance the capital structure, with the resulting distributions to investors. Disposals of the best companies in the funds' portfolios were also supported by a general increase in the level of exit multiples.

There have been a number of important new developments in the relevant regulatory framework and in the industry's public profile in the US and Europe. In the US, as a result of the Jobs Act, the SEC has eased some of the restrictions on the offer of private equity funds to the public. This will probably result in greater efforts to market retail products by the large management companies with consolidated structures that are better suited to responding to the demands of a large database of limited partners. In Europe, the Alternative Investment Fund Managers Directive (AIFMD), which imposes limits on fundraising from European investors by non-European managers, came into force in July 2013. The effects of this legislation further restrict European investors' ability to access the best non-EU private equity managers, who will have fewer opportunities to market their funds in Europe.

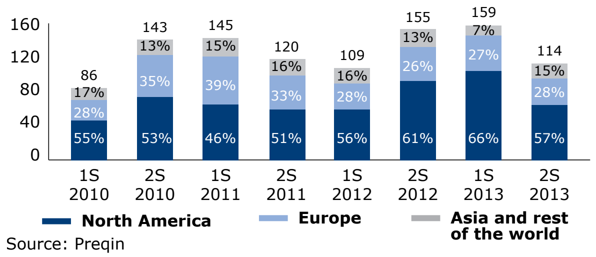
The relationships between fund managers (FMs) and investors (LPs) have continued – albeit with a few exceptions – to move in favour of LPs. The level of sophistication of investors has paved the way for some necessary changes in the industry. The search for better returns is reflected in the desire to minimise fees as a proportion of the fund's performance. Most FMs have noticed that LPs are very keen to enter into joint investments, which are usually offered without management and performance fees. Moreover, the trend to reduce management fees, driven by the collection of larger funds or funds with more economies of scale, is continuing.

Global value of investments in buy-outs (USD billion)



Source: Preqin

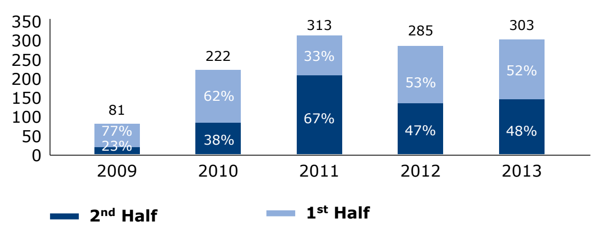
Global value of investments in buy-outs, by region
(USD billion)



Source: Preqin

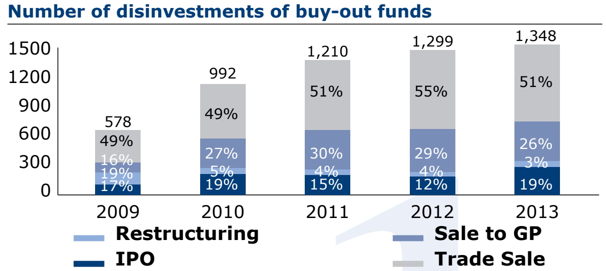
Investment increased compared with 2012 (+4%). However, the trend is the exact opposite of that seen in 2012: the second half of 2013 saw a reduction in investment levels. It is possible that activity has declined due to a more cautious approach by managers in response to higher prices. In geographical terms, investment growth has been driven by activity in the US, supported mainly by the availability of low-cost credit with covenant-lite or covenant-free structures. The situation in Europe is broadly stable compared with 2012.

Volume of disinvestments of buy-out funds
(USD billion)



Source: Preqin

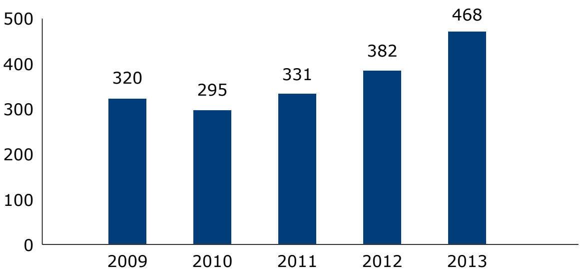
Number of disinvestments of buy-out funds



Source: Preqin

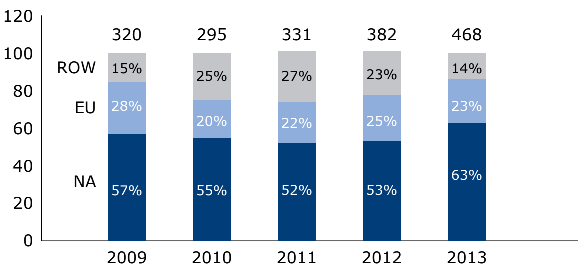
Disposals also showed an upward trend, increasing by 6% from 2012 to 2013. This trend accelerated in the second half of 2013, which gives rise to positive expectations for the current year. The positive performance of the financial markets re-opened a window for IPOs, which represented nearly 20% of exits by number in 2013. Secondary buy-out activity decreased, and was probably hampered by high prices.

Global PE fundraising (USD billion)



Source: Preqin

Global PE fundraising by region (USD billion)

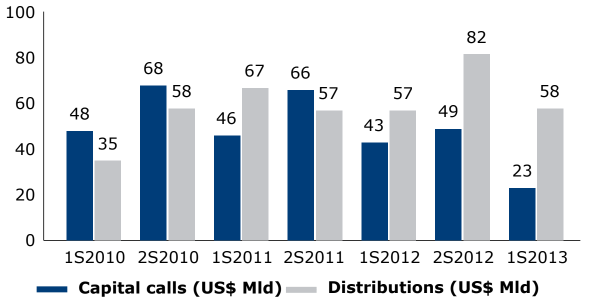


Source: Preqin

2013 was a good year for fundraising. Higher inflows, associated with a reduction in the number of funds collected, signify an increase in the average size of funds compared with 2013. The increase in inflows was mainly due to two factors: (i) the rising level of distributions, which implies a reduction in investors' exposure, and (ii) an increase in allocations to private equity resulting from the higher value of public equity (the “denominator effect”) generated by the financial markets’ good performances. Conversely, fundraising in emerging countries, which fell by 25%, lost out to the more developed markets. The lower inflows associated with a reasonable level of valuations leads us to believe that there are good prospects for investment in the next few quarters in those geographical areas.

The increase in global inflows involves a general rise in dry powder (liquidity to be invested), which, in tandem with the availability of debt, helps keep prices high. All of this augurs well for the continuation of the sell-offs of the more mature portfolios in 2014.

Global capital calls and distributions of PE funds (USD billion)



Source: Thomson Venture Economics

As shown in figure 7, in the first half of 2013 and the whole of 2012, distributions considerably exceeded capital calls at global level. In view of the exit figures, we expect the same performance in the second half of 2013 and for 2014, as the markets are relatively stable.

It is also possible to detect a number of investment themes associated with the current uncertain situation:

- in Europe, investment opportunities are concentrated in transactions involving SMEs in peripheral countries (Italy and Spain), which are at a discount compared with prices in other markets. Moreover, the regulatory and deleveraging processes of the credit institutions will constitute a significant opportunity for private credit and distressed debt funds;
- in the US, the traditional activities of buying medium-sized to large companies using loans, and restructuring company processes or balance sheets, are continuing. Managers with strong operating and company turnaround skills are in an advantageous position. In addition, managers able to offer loan capital to middle-market companies that are not financed by traditional sources are operating in a particularly favourable environment;
- lastly, emerging markets are likely to continue to be the main driver of global growth, albeit at a slower pace than in recent years. The recent fall in public market valuations, along with the depreciation of the respective currencies and the continuation of the growth trend in domestic consumables, will enable managers focusing on these markets to obtain particularly attractive buying conditions.

Private equity in Italy

Statistics provided by the Italian Association of Private Equity and Venture Capital (AIFI), and currently updated to the first half of 2013, show an increase in inflows compared with the same period in 2012. Capital raised by independent operators on the market totalled EUR 162 million (a fall of 40% on the first half of 2012).

The number of new investments increased to 161, with a total value of EUR 1,407 million, i.e. a rise of 10% on the same

period in 2012. In value terms, the bulk of the resources invested, in line with previous years, went into buy-out transactions, which attracted EUR 923 million, equivalent to an 80% rise on the same half in the previous year.
Looking at the number of transactions, early stage, with 65 investments, was in first place, having overtaken expansion (+18%).

Turning to disinvestments, 65 investments were sold in the first half of 2013, an increase of 48% on the same period in 2012. The amount disinvested, calculated at historical acquisition cost, totalled EUR 1,106 million, compared with EUR 141 million in the first half of 2012 (+683%).

Real Estate

Real Estate in Europe

Direct institutional investment in non-residential European real estate in the fourth quarter of 2013 was EUR 53.4 billion, up 46% quarter-on-quarter and 19% year-on-year. For the full year 2013, investment came to EUR 153.9 billion, up 21% compared with 2012[1].

Although the main core countries in Europe, such as the UK, Germany and France, continued to record good results, the peripheral countries achieved the highest investment growth in 2013. The positive signs were mainly apparent in commercial sales and purchases in Italy and Spain, which more than doubled their volume of investment compared with 2012. In 2013, Italy and Spain combined represented 6.7% of European investment activity, compared with 3.4% in the previous year.

In 2013, net investment in Europe by investors outside the region increased, especially in the peripheral countries. 70% of investment in these countries was made by cross-border investors in 2013, compared with 46% in 2009, with a substantial proportion of investors coming from North America[2].

With reference to **office use**, a comparison of the Milan market with the major European cities is encouraging. With the exception of Brussels, where there was a 186% increase in investment compared with 2012, Milan, at 84%, outperformed many of Europe's main cities, with London up 38%, Hamburg 30%, Frankfurt 16%, Munich 4% and Paris 2%. Conversely, Berlin and Madrid recorded falls of 14% and 32% respectively.

Property for retail use, on the other hand, recorded excellent performances in Europe in 2013, with considerable investment growth in the main peripheral countries, such as Madrid (up 165% on 2012) and Milan (up 123% on 2012), while in the main markets of the core countries, investment remained more or less stable with good performances reported by London (up 94%) and Munich (up 86%)[3].

Real Estate in Italy

After a poor year in 2012, the worst year for property investment since the introduction of the euro, in 2013 institutional investors rediscovered an interest in the area, especially in retail property.

Institutional non-residential investment, including purchase transactions completed via the transfer of units in property funds, totalled around EUR 4.7 billion in 2013 (approximately EUR 2.6 billion in 2012); of this, some EUR 2 billion constituted investment in the retail sector, with the bulk of this concentrated in the fourth quarter of the year.

In 2013, foreign investors, which are looking with increasing interest at Italy thanks to the better returns offered, represented 72% of the total, and showed a keen interest, in particular, in purchases of large-scale retail products: shopping centres, retail parks and factory outlet centres[4]. This positive trend is likely to continue in 2014, thanks to the adjustment to the prices recorded, especially secondary assets.

The geographical distribution of investments continued to be concentrated in Milan and Rome. The volume of investment in commercial real estate in Milan and Rome grew significantly in 2013, to EUR 2.3 billion from EUR 1.1 billion in 2012, beating the average for the last five years[5].

In the **Italian market as a whole**, i.e. including non-institutional sales and purchases, prices continue to erode, and have fallen significantly since 2008. With specific reference to the 13 main markets, prices have fallen by 16.7% for new builds, 17.3% for offices and 14.1% for shops[6]. In the second half of 2013, prices fell 2% for new builds, 2.3% for offices and 1.9% for stores. The process of repricing, which started with a slight lag behind the fall in sales and purchases, will continue for the next two years, albeit at a slower pace, before reversing in 2016.

Returns in the prime segment were largely unchanged with regard both to office use (6% in Milano and 6.25% in Rome) and retail (5.5% for high street, a slight fall on the third quarter of 2013, and 7% for shopping centres, in both cities).

The latest figures provided by the *Osservatorio sul Mercato Immobiliare* (OMI) of the Italian Land Agency (which include non-institutional operations) show that the fall in the volume

1. CBRE, European Investment Quarterly Q4 2013.
2 .BNP Real Estate, performance of real estate market in 10 European Tier 2 markets.
3. BNP Real Estate, Main Investment Markets in Western Europe, Q4 2013.
4. CBRE, Italy Investment Market View Q4 2013.
5. BNP Real Estate, Investments in Italy Q3 2013.
6. Nomisma, 3rd Report on Property Market

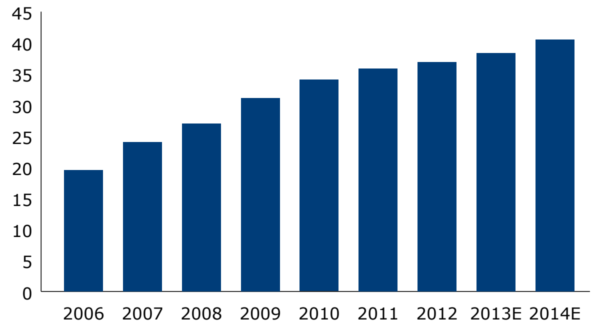
of sales and purchases of real estate is slowing. In the first three quarters of 2013, the number of transactions fell by 13.8%, 7.7% and 6.6% respectively compared with the first three quarters of the previous year[7].

Non-residential sectors also recorded significantly lower volumes in the first three quarters of 2013. The biggest falls were in the office sector, which reported a decrease of 11.7% in the volume of sales and purchases in the third quarter, while the commercial sector and production sector declined by 8.2% and 9.4% respectively.

Real estate funds in Italy

Estimated to total about EUR 38.3 billion, Italian real estate funds represent about 10.4% of European real estate funds in terms of net assets, and in 2014 this percentage is projected to increase to about 10.8%[8]. Real estate assets consisting of 372 property funds operating in Italy increased to EUR 49.2 billion, from approximately EUR 47.3 billion in December 2012. The assets of all funds are forecast to exceed EUR 50 billion in 2014[9].

NAV of real estate funds in Italy (EUR billion)

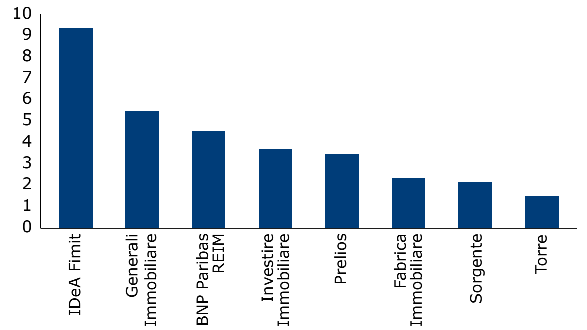


Source: Scenari Immobiliari

The first-half 2013 report on real estate funds prepared by Assogestioni and IPD indicates the countercyclical properties of the Italian real estate fund market, which continues to expand despite the adverse macroeconomic situation. Inflow in the first half of 2013 was EUR 701 billion, while total assets were around EUR 42 billion, an increase of 0.4% on the previous half year (-0.5% year-on-year). The net assets of the 209 real estate funds reviewed remained stable at about EUR 26 billion, compared with December 2012[10].

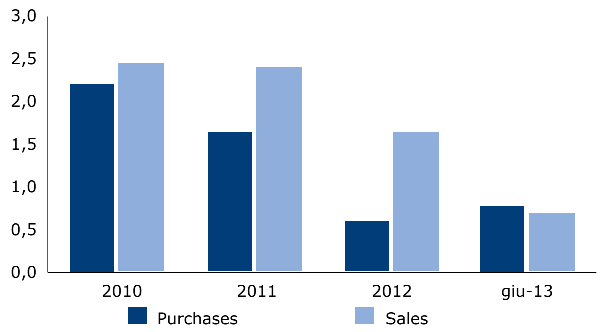
7. Italian Land Agency, OMI – 3rd Quarter 2013
8. Real Estate Scenarios, Real Estate Funds in Italy and Abroad, November 2013
9. Real Estate Scenarios, Real Estate Funds in Italy and Abroad, November 2013
10. Amount refers only to Italian real estate funds surveyed by Assogestioni.

AUM of the eight largest real estate asset managers (EUR billion)



Source: Assogestioni - June 2013

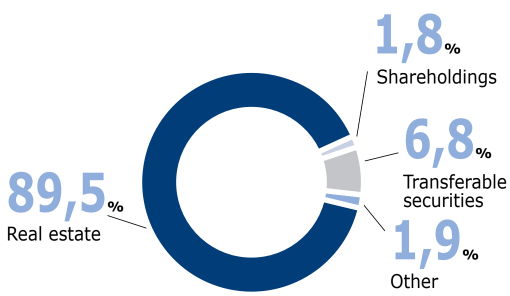
Purchases and sales (EUR billion)



During the first half of 2013, nine new funds were launched, one of which was speculative and all of which targeted qualified or institutional investors and were created from contributions.

At the end of the first half of 2013, properties and real property rights made up 89.5% of the assets of the property funds surveyed by Assogestioni. The percentage by intended use remained unchanged with 53.8% of investments concentrated in the office space sector. Retail properties accounted for 14.6%, while residential made up 10.1% and other investments (barracks, telephone exchanges and land) 9.5%.

Allocation of assets



Source: Assogestioni

In the first six months of 2013, property worth EUR 675 million was purchased, reflecting a significant increase on the previous year's volumes. Purchases in the first half of 2013 alone exceeded total property purchases for the whole of 2012 (EUR 498 million, of which EUR 217 million were in the first half). Disposals were in line with the previous year. In the first half of 2013, disposals totalled EUR 673 million, compared with EUR 609 million in the first six months of 2012. In the whole of 2012, the figure was EUR 1,633 million[11].

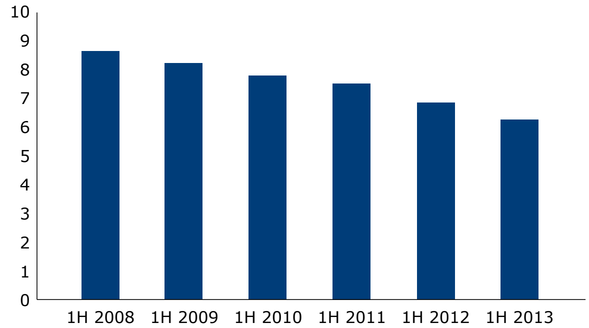
At the end of the first half of 2013, 90% of supply in the sector consisted of reserved funds holding assets of about EUR 21 billion. Retail funds, however, represented 10% of supply, with net assets of around EUR 4.6 billion (EUR 5 billion including funds not surveyed by Assogestioni).

In terms of retail funds, direct property assets, net of portfolio movements, fell by around 2.35% in value in the first half of 2013 compared with the second half of 2012 and around 4.4%

11. Assogestioni - Half-year report on Italian real estate funds, 1H 2013.

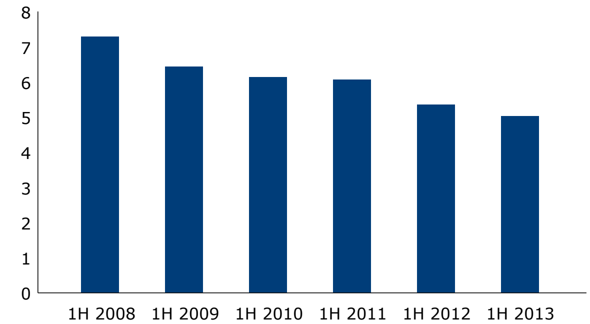
versus the first half of 2012 . In June 2013, retail property fund assets totalled around EUR 6.7 billion (EUR 7.3 billion including those not surveyed by Assogestioni).

Real estate assets of retail funds (EUR billion)



Source: Scenari Immobiliari

NAV of retail funds (EUR billion)



Source: Scenari Immobiliari

60% of existing retail property funds are due to expire by 2016, generating an excess of supply that the market will struggle to absorb. The Finance Ministry is examining a decree that will allow for a further two-year extension for property funds with expiry dates of 31 December 2014 at the latest. It will only be possible to use this period, if granted, for the purposes of completing the liquidation of investments.

12. Nomisma, 3rd Report on 2013 Property Market

The DeA Capital Group’s investment portfolio

The composition of the DeA Capital Group's investment portfolio in the Private Equity Investment and Alternative Asset Management businesses, as defined above, are summarised in the table below.

Investment portfolio

	December 31, 2013	
	n.	Euro/Mln.
Equity investments	8	367.2
Funds	12	191.3
Private Equity Investment	**20**	**558.5**
Alternative Asset Management(*)	**4**	**203.5**
Investment portfolio	***24***	***762.0***

(*) Equity investments in subsidiaries relating to Alternative Asset Management are valued using the equity method in this table.

Details of portfolio asset movements in 2013 are provided in the sections on Private Equity Investment and Alternative Asset Management below.

Private Equity Investment

In terms of equity investments, at 31 December 2013, the DeA Capital Group was a shareholder of:

- Santé, the indirect parent company of Générale de Santé (valued at EUR 221.2 million);
- Kenan Investments, the indirect Parent Company of Migros (valued at EUR 132.4 million);
- Sigla Luxembourg, the parent company of Sigla (valued at EUR 12.1 million).

The DeA Capital Group is also a shareholder in five companies (Elixir Pharmaceuticals Inc., Kovio Inc., Stepstone, Harvip Investimenti and Soprarno SGR – whose total value at 31 December 2013 was EUR 1.5 million).

With regard to funds, at 31 December 2013, the DeA Capital Group held units in:

- IDeA I FoF (valued at EUR 94.7 million);
- IDeA OF I (valued at EUR 56.9 million);
- ICF II (valued at EUR 23.8 million);
- IDeA EESS (valued at EUR 3.0 million);
- AVA (valued at EUR 2.2 million);
- seven venture capital funds (with a total value of approximately EUR 10.7 million).

Valuations of equity investments and funds in the portfolio reflect estimates made using the information available on the date this document was prepared.

Equity investments in associates

SANTÉ (PARENT COMPANY OF GDS)

HEADQUARTERS:
France

SECTOR:
Healthcare

WEBSITE:
www.generale-de-sante.fr

Leading player in the private healthcare sector in France

INVESTMENT DETAILS:

On 3 July 2007, DeA Capital S.p.A. finalised the purchase, through its wholly-owned subsidiary DeA Capital Investments S.A., of a 43.01% stake in Santé S.A., the parent company of Générale de Santé S.A. both directly and through Santé Dévéloppement Europe S.A.S. At 31 December 2013, the DeA Capital Group's stake was 42.89% (i.e. 42.99% in economic terms).

BRIEF DESCRIPTION:

Founded in 1987 and listed on the Eurolist market in Paris since 2001, Générale de Santé is a leading player in the private healthcare sector in France with revenues of about EUR 1,900 million at end-2013.

France is the second largest country in Europe in terms of annual healthcare expenditure after Germany. Its healthcare system is one of the most advanced in the world, is still heavily fragmented and contains numerous independent hospitals.

The company has approximately 19,000 employees and a total of around 75 clinics. In addition, it is the main independent association of doctors in France (almost 4,500 doctors).

Its activities include medicine, surgery, obstetrics, oncology and radiotherapy, subacute pathologies and rehabilitation.

The company operates under the following names: Générale de Santé Cliniques (acute care), Dynamis (rehabilitation) and Généridis (radiotherapy).

Générale de Santé (mln €)	**2013**	**2012**	**Change %**
Revenues	**1,870**	1,929	-3.1%
EBITDA	**226**	240	-5.8%
EBIT	**104**	115	-9.4%
Group net profit	**111**	56	99.8%
Net financial debt	**(610)**	(769)	+159 mln €

In the consolidated financial statements to 31 December 2013, the investment in Santé, which is recorded under "Investments in associates", is valued at EUR 221.2 million (EUR 226.1 million at 31 December 2012). The change compared with the figure reported at 31 December 2012 is attributable to the combined effect of the increase in shareholders' equity of EUR 2.7 million (largely due to the positive change in fair value of the interest rate swaps taken out to hedge interest rate risk on debt exposure) and the impact on the income statement (EUR -7.6 million), including the effect of aligning the value of the holding.

Despite operating in an environment of constant pressure on prices (tariffs in the medicine, surgery and obstetrics sector fell by 0.21%) and strong competition from the public sector (supported, in an environment of excess supply, by government policies), GDS' operating performance confirmed the company's ability to develop through service volume growth and a resilient operating result based on close attention to improving operating efficiency.

At the same time, following the completion of the sale of Medipsy (psychiatric sector), related rehabilitation clinics and some other non-strategic clinics in the medicine, surgery and obstetrics sector, GDS achieved a considerable reduction in net debt, creating the ideal conditions in which to tackle the expiring refinancing operations this year (October 2014).

More specifically, in terms of operating performance, revenues in 2013 declined compared with the previous year (-3.1% as reported), but rose (+1.3%) on a same-structure basis, despite the unfavourable effect of there being two fewer working days than in 2012 and the trend in tariffs noted above.

This revenues performance translated into a lower EBITDA figure, although the decline was minimal thanks to the prudent management of operating costs. The significant improvement in net profit compared with 2012 is attributable to the net capital gains from the disposals mentioned above.

Net financial debt at the end of December 2013 (EUR -610 million) was a huge improvement on the end-2012 figure (EUR -769 million), due to positive operating cash flow and a significant positive contribution from clinic sales.

Going forward, the completion of the Medipsy sale allows the Group to focus more on its core business of medicine, surgery and obstetrics and to continue with its reorganisation into "hubs" (chains of clinics that optimise provision of a service by tailoring it to the requirements of the relevant geographical area). The aim of the reorganisation is to develop the increasingly integrated and customised provision of medical care, which will support revenues growth and operating efficiency improvements.

The company is ideally placed to take advantage of the gradual market transition from full hospitalisation services to outpatient provision (which is subject to less price pressure in relative terms). Outpatient provision has now exceeded 50% of total services provided by GDS, placing the company in a clear leadership position vis-a-vis its public- and private-sector competitors.

SIGLA LUXEMBOURG (PARENT COMPANY OF SIGLA)

HEADQUARTERS:
Italy

SECTOR:
Consumer credit

WEBSITE:
www.siglacredit.it

Innovative operator of non-performing loans

INVESTMENT DETAILS:

On 5 October 2007, DeA Capital Investments finalised the acquisition of a stake (currently 41.39%) in Sigla Luxembourg, the holding company that controls Sigla, which operates in Italy and provides consumer credit for non-specific purposes.

BRIEF DESCRIPTION:

Sigla, which is recorded in the special list pursuant to art. 107 of the T.U.B. (Italian consolidated banking law) with effect from 31 March 2011, specialises in personal loans and "salary-backed loans". It is a benchmark operator in the provision of financial services to households throughout Italy, chiefly through a network of agents.

The company's product range of salary-backed loans and personal loans was expanded in 2011 to include the servicing of portfolios of unsecured non-performing loans (personal loans and credit cards).

The investment in Sigla Luxembourg, which is recorded under "Investments in associates", is worth around EUR 12.1 million in the consolidated financial statements to 31 December 2013 (EUR 12.3 million at 31 December 2012). The decrease compared with 31 December 2012 is largely due to the loss made in the period.

In terms of operating performance, Sigla recorded a net loss in 2013, although it was an improvement on the figure for the same period of the previous year, thanks to the positive impact of the rise in revenues from salary-backed loans and measures to make the company's structure more efficient, which offset the reduction in revenues from personal loans.

Sigla (mln €)	**2013**	**2012**	**Change %**
Loans to customers*	**74.5**	81.7	-8.9%
Revenues from loans to customers	**1.9**	3.6	-48.5%
CQS granted	**90.8**	78.2	16.2%
Revenues from CQS	**5.3**	3.6	46.5%
Group net profit	**(0.4)**	(1.7)	75.2%

** Net receivables exclude salary-backed loans (CQS)*

With specific reference to salary-backed loans, the reversal of the trend of monthly declines that had dogged this sector throughout the whole of the 2012 financial year continued in 2013; this was due to the increasing effectiveness of the legal measures relating to the restructuring of the distribution chain for loans (inter alia, the obligation for agents to stipulate one-firm agreements, with the resulting concentration of loans in a limited number of larger partners such as Sigla).

In an environment where the difficulties associated with both the ongoing effects of the economic crisis on the propensity to spend and the consequences of the deleveraging by lending banks continue to be felt, Sigla - one of the few remaining operators in the sector that is independent from banks - is gradually focusing its business model on its role as a link in the distribution chain for salary-backed loans. In this way, it aims to supplement the direct distribution channel provided by the banks and to act as a hub for agents in the territory, the size of which is not consistent with the management needs of an increasingly complex regulatory framework.

At the same time, pending a stronger recovery in lending volumes, the company is maintaining its focus on gradually reducing operating risks (specifically, it has recently started to arrange personal loans on behalf of banks, in contrast to its original direct lending approach, and has created a without-recourse salary-backed product) and on continuously improving the efficiency of the structure.

KENAN INVESTMENTS (INDIRECT PARENT COMPANY OF MIGROS) >>

MiGROS

INVESTMENT DETAILS:

In 2008, the DeA Capital Group acquired about 17% of the capital of Kenan Investments, the company heading the structure to acquire the controlling interest in Migros.

BRIEF DESCRIPTION:

Migros was established in 1954, and is the leading company in the food retail sector in Turkey.

Growth in the food retail sector in Turkey is a relatively recent phenomenon, brought about by the transition from traditional systems such as bakkals (small stores typically run by families) to an increasingly widespread organised distribution model driven by expansion and the modernisation process under way in Turkey.

The company has a total of 995 outlets (at 30 September 2013) with a total net sales area of approximately 883,000 square metres.

Migros is present in all seven regions of Turkey, and has a marginal presence in Kazakhstan and Macedonia.

The company operates under the following names: Migros, Tansas and Macrocenter (supermarkets), 5M (hypermarkets), Ramstore (supermarkets abroad) and Kangurum (online store).

The investment in Kenan Investments is recorded in the consolidated financial statements to 31 December 2013 at EUR 132.4 million (compared with EUR 223.6 million at 31 December 2012). The decrease of EUR 91.2 million was due to the fall in the value of Migros shares (TRY 16.00 per share at 31 December 2013, compared with approximately TRY 21.5 per share at 31 December 2012, and the depreciation of the Turkish lira against the euro (2.97 TRY/EUR at 31 December 2013 versus 2.36 TRY/EUR at 31 December 2012). The effect on the DeA Capital Group's NAV of this change in fair value was partially offset by the reduction in estimated carried interest to be paid, based on the total capital gain. This has also fallen compared with the figure at 31 December 2012 (positive effect of EUR 12.8 million).

2013 was a year of mixed fortunes for the Turkish economy. While the country experienced more sustained growth than in the previous year (an estimated 3.9% at December 2013 compared with 2.2% in 2012), the economy's extreme volatility to foreign investment flows associated with the current account deficit (7.5% of GDP in 2013)

Migros (mln YTL)	**2013**	**2012**	**Chenge %**
Revenues	**7,127**	6,482	9.9%
EBITDA	**469**	430	9.1%
EBIT	**230**	194	18.4%
Group net profit	**(463)**	88	n.a.
Net financial debt	**(1,883)**	(1,465)	-418 mln YTL

HEADQUARTERS:

Turkey

SECTOR:

Food retail

WEBSITE:

www.migros.com.tr

Leading company in the food retail sector in Turkey translated into a strong devaluation of the currency (-26% against the euro in 2013), given the country's wait-and-see monetary policy. In turn, this currency depreciation, driven by internal socio-political unrest and the outflow of foreign investment associated with the withdrawal in the expansionary monetary policy in the US, contributed to the rise in inflation (+7.4% in December 2013 compared with +6.2% in 2012).

The greater stability in the TRY/EUR exchange rate seen in February 2014 occasioned by a decisive move in interest rates by the Turkish central bank, can only be assessed in light of political developments in the near future, depending on which party wins the imminent round of political elections (local elections at end-March, presidential elections in summer 2014 and political elections in summer 2015).

The food retail sector in Turkey remained buoyant in the first nine months of 2013, with sustained growth in commercial space (8.4%) and the supermarket sector (2.9% y/y), which maintained its dominant position. Note too that in 2013, the Sabanci Group acquired a controlling stake in Carrefour Turkey, a joint venture between Sabanci and Carrefour (which now holds a minority interest). During the same period, the new owners of the discount chain ok completed the acquisition of DiaSa, Turkey's fourth-largest discount chain.

In terms of operating performance, Migros recorded revenues growth of 9.9% from 2012 to 2013, driven by the expansion of the sales network (122 new supermarkets in 12 months), accompanied by parallel growth in EBITDA.

Net profit fell in 2013 versus 2012, due to the effect of the performance of the Turkish lira on the debt component in euro (in 2013 it weakened from 2.36 TRY/EUR to 2.97 TRY/EUR, while in 2012 it had strengthened from 2.44 TRY/EUR to 2.36 TRY/EUR).

Note that Migros has confirmed its intention, for the medium term, to maintain a sustained rate of expansion of its network, by opening 100-150 new supermarkets a year, with a focus on areas of 150-350 square metres (with a particular emphasis on fresh products, a growing proportion of private label products and a much broader choice than that offered by discount stores), as well as two to three hypermarkets each year. At the same time, the company confirmed double-digit revenue growth guidance and an EBITDA margin in the 6% to 6.5% range.

Other investments

OTHER INVESTMENTS

Other equity investments, managed opportunistically with a view to increasing their value, were valued at approximately EUR 1.5 million in the consolidated financial statements to 31 December 2013, due mainly to the investment in Soprarno SGR (EUR 1.3 million).

Company	Registered office	Business sector	% holding
Elixir Pharmaceuticals Inc.	USA	Biotech	1.30
Harvip Investimenti S.p.A.	Italy	Distressed real estate and other investments	19.18
Kovio Inc.	USA	Printed circuitry	0.42
Soprarno SGR	Italy	Asset management company	20.00
Stepstone Acquisition Sàrl	Luxembourg	Special Opportunities	36.72

Funds

At 31 December 2013, the DeA Capital Group's Private Equity Investment business included investments (other than the investment in the IDeA OF I fund and in the AVA real estate fund, which are classified under "Investments in associates", based on the units held) in two funds of funds (IDeA I FoF and ICF II), one theme fund (IDeA EESS) and another seven venture capital funds, totalling approximately EUR 191.3 million (corresponding to the estimated fair value calculated using the information available on the date this document was prepared).

Residual commitments for all the funds in the portfolio were approximately EUR 104.8 million.

IDEA OPPORTUNITY FUND I >>

IDeA Capital Funds Sgr

HEADQUARTERS:
Italy

SECTOR:
Private equity

WEBSITE:
www.ideasgr.com

Fund size:
217 million Euro

INVESTMENT DETAILS:

IDeA OF I is a closed-end fund under Italian law for qualified investors, which began operations on 9 May 2008, and is managed by IDeA Capital Funds SGR.

At its meeting on 20 July 2011, the Board of Directors of IDeA Capital Funds SGR approved a number of regulatory changes. These included changing the name of the IDeA Co-Investment Fund I to IDeA Opportunity Fund I (IDeA OF I) and extending investment opportunities to qualified minority interests, independently or via syndicates.

The DeA Capital Group has a total commitment of up to EUR 101.8 million in the fund.

BRIEF DESCRIPTION:

IDeA OF I has total assets of approximately EUR 217 million. Its objective is to invest via syndicates with a lead investor, independently, or by purchasing qualified minority interests.

At 31 December 2013, **IDeA OF I** had called up 76.6% of the total commitment and distributed 1.0% of that commitment, after making nine investments:

- on 8 October 2008, it acquired a 5% stake in Giochi Preziosi S.p.A., a company active in the production, marketing and sale of children's games with a product line covering childhood to early adolescence;

- on 22 December 2008, it acquired a 4% stake in Manutencoop Facility Management S.p.A. by subscribing to a reserved capital increase. This company is Italy's leading integrated facility management company, providing and managing a wide range of property management services and other services for individuals and government agencies;

- on 31 March 2009, it acquired a 17.43% stake in Grandi Navi Veloci S.p.A., an Italian shipping company that transports passengers and goods on various routes around the Mediterranean Sea. On 2 May 2011, with the finalisation of Marinvest's entry into the shareholder structure of Grandi Navi Veloci S.p.A. through the subscription of a reserved capital increase, the stake held by IDeA OF I was diluted to 9.21%. Subsequently, IDeA OF I's decision not to subscribe, on a pro-rata basis, to two further capital increases (August 2012, January 2014) led to a dilution in its holding to 3.12%;

- on 10 February 2011, it invested in bonds convertible into shares of Euticals S.p.A., Italian leader in the production of active ingredients for pharmaceutical companies that operate in the generics sector. As part of the extraordinary operation that led to the transfer of the controlling share in Euticals S.p.A., on 3 April 2012 these bonds were transferred into the acquisition vehicle, Lauro 57, which now owns 100% of Euticals S.p.A.; in exchange, a stake of 7.77% was acquired in the same acquisition vehicle;

- on 25 February 2011, it purchased a 9.29% stake in Telit Communications PLC, the third-largest producer of machine-to-machine communications systems in the world. The stake held by IDeA OF I was subsequently diluted to 8.53% due to the exercise of stock options by the company's management;

- on 11 September 2012, an agreement was signed with the main shareholder Filocapital S.r.l. for an investment in Iacobucci HF Electronics S.p.A. (Iacobucci), a company that manufactures trolleys for aeroplanes and trains, and specialises in the design, production and marketing of components for aircraft fittings and furnishings. At the date of this document, the investment in Iacobucci consists of (i) a stake of 12.4%, subscribed following the reserved capital increase on 7 August 2013 (EUR 3 million) and (ii) a bond that is convertible into shares of Iacobucci, of EUR 6 million, subscribed at the closing date. Under the signed agreement, IDeA OF I may invest a maximum of EUR 12 million in Iacobucci; in addition to the foregoing, the fund may subscribe to a further capital increase of EUR 3 million following the approval of the financial statements to 31 December 2013, subject to the achievement of specific levels of EBITDA and Net Financial Debt. If the above-mentioned convertible bond were converted and the conditions for a capital increase materialised, IDeA OF I would acquire an overall stake of 34.9% in Iacobucci;

- on 9 October 2012, IDeA OF I acquired an indirect stake of 4.6% in Patentes Talgo S.A. (Talgo), a Spanish company that designs and produces solutions for the rail sector, chiefly sold on the international market (high-speed trains, and maintenance vehicles and systems);

- on 12 December 2012, IDeA OF I acquired a stake of 29.34% in 2IL Orthopaedics, a Luxembourg-registered vehicle which, through an initial purchase offer and subsequent delisting of previously listed shares, obtained full control (on 15 February 2013) of English company Corin Group PLC (Corin) Corin is active in the production and marketing of orthopaedic devices, especially for hips and knees;

- on 27 February 2013, the fund acquired a stake of 10% in Elemaster S.p.A. (Elemaster), the leading operator in ODM (original design manufacturing) and EMS (electronic manufacturing service) i.e. the design and construction of electronic equipment. At the same time, the IDeA Efficienza Energetica e Sviluppo Sostenibile Fund, also managed by IDeA Capital Funds SGR, invested an equal amount.

The units held in **IDeA OF I** were reported in the consolidated financial statements to 31 December 2013 at around EUR 56.9 million, versus EUR 48.1 million at 31 December 2012. The change is attributable to capital calls of EUR +7.8 million, capital distributions of EUR -0.5 million and an increase of EUR 6.2 million in the fair value, and pro-rata net loss for the period of EUR 4.7 million.

The table below shows the key figures for IDeA OF I at 31 December 2013.

Fondo IDeA OF I (€)	**Registered office**	**Year of commitment**	**Fund Size**	**Subscribed commitment**	**% DeA Capital in fund**
IDeA Opportunity Fund I	Italy	2008	216,550,000	101,750,000	46.99
Residual Commitments					
Total residual commitment in:		**Eur**		**23,829,850**	

IDEA I FUND OF FUNDS >>

Capital Funds Sgr

INVESTMENT DETAILS:

IDeA I FoF is a closed-end fund under Italian law for qualified investors, which began operations on 30 January 2007 and is managed by IDeA Capital Funds SGR.

The DeA Capital Group has a total commitment of up to EUR 173.5 million in the fund.

BRIEF DESCRIPTION:

IDeA I FoF, which has total assets of approximately EUR 681 million, invests its assets in units of unlisted closed-end funds that are mainly active in the local private equity sector in various countries. It optimises the risk-return profile through careful diversification of assets among managers with a proven track record of returns and solidity, different investment approaches, geographical areas and maturities.

At the date of the latest report available, the IDeA I FOF portfolio was invested in 42 funds with different investment strategies; these funds in turn hold 438 positions, with varying maturities, in companies active in geographical regions with different growth rates.

The funds are diversified in the buy-out (control) and expansion (minorities) categories, with overweighting towards medium- and small-scale transactions and special situations (distressed debt/equity and turnaround).

At 31 December 2013, IDeA I FoF had called up 78.5% of its total commitment and had made distributions totalling approximately 34.5% of that commitment.

HEADQUARTERS:

Italy

SECTOR:

Private equity

WEBSITE:

www.ideasgr.com

Fund size:

681 million Euro

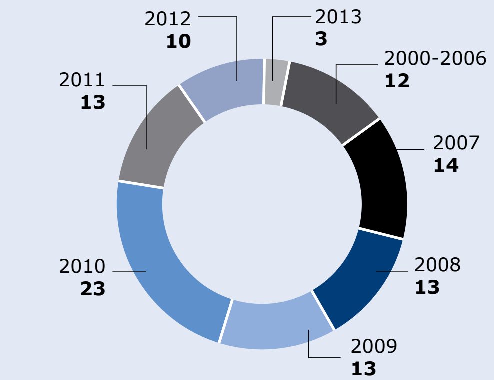
13

IDEA I FOF

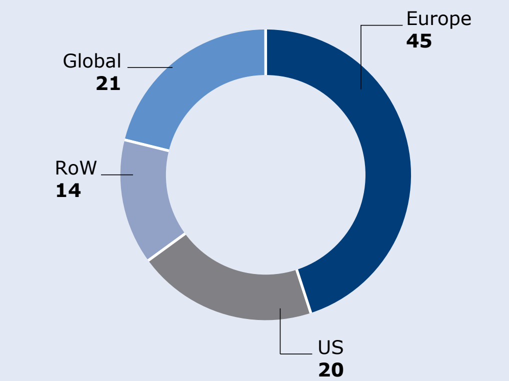
OTHER IMPORTANT INFORMATION:

Below is an analysis of the portfolio, updated to the date of the latest report available, broken down by year of investment, geographical area, sector and type.

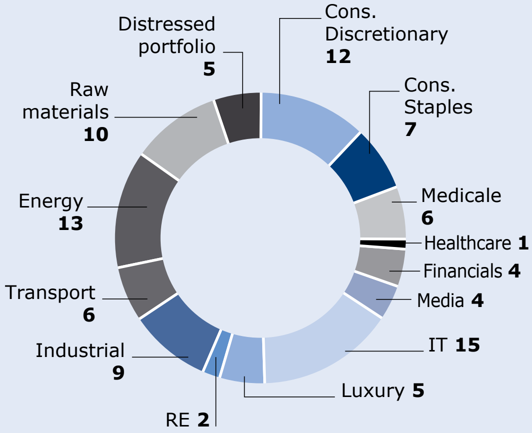
Breakdown by vintage[1] (%)



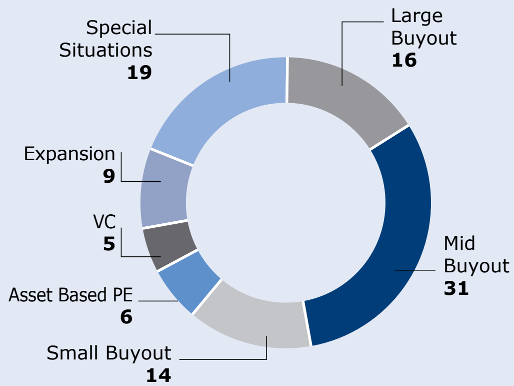
Breakdown by geography[2] (%)



Breakdown by industry[1] (%)



Breakdown by type[2] (%)



Notes:
1. % of the FMV of the investment at 31 December 2013.
2. % of fund size based on paid-in exposure (capital invested + residual commitments) at 31 December 2013.

The units in IDeA I FoF had a value of approximately EUR 94.7 million in the consolidated financial statements to 31 December 2013 (EUR 103.1 million at 31 December 2012). The decrease was due to capital calls of EUR 5.9 million, capital distributions of EUR 20.3 million and an increase in fair value of EUR 6.0 million.

The table below shows the key figures for IDeA I FOF at 31 December 2013:

IDeA I FoF (€)	**Registered office**	**Year of commitment**	***Fund Size***	**Subscribed commitment**	**% DeA Capital in fund**
IDeA I Fund of Funds	Italy	2007	681,050,000	173,500,000	25.48
Residual Commitments					
Total residual commitment in:		**Eur**		**37,354,542**	

ICF II

HEADQUARTERS:
Italy

SECTOR:
Private equity

WEBSITE:
www.ideasgr.com

Fund size:
281 million
Euro

INVESTMENT DETAILS:

ICF II is a closed-end fund for qualified investors under Italian law, which began operations on 24 February 2009 and is managed by IDeA Capital Funds SGR.

The DeA Capital Group has a total commitment of up to EUR 51 million in the fund.

BRIEF DESCRIPTION:

ICF II, with total assets of EUR 281 million, invests in units of unlisted closed-end funds that are mainly active in the local private equity sector of various countries. It optimises the risk-return profile through careful diversification of assets among managers with a proven track record of returns and solidity, different investment approaches, geographical areas and maturities.

The fund started building its portfolio by focusing on funds in the area of mid-market buy-outs, distressed and special situations, loans, turnarounds and funds with a specific sector slant, targeting in particular opportunities offered in the secondary market.

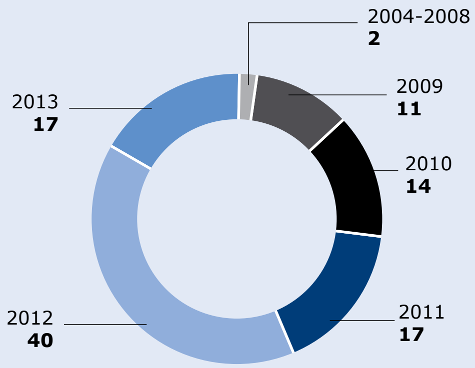
At the date of the latest report available, the ICF II portfolio was invested in 27 funds with different investment strategies; these funds in turn hold positions in around 254 companies with varying maturities that are active in geographical areas with different growth rates.

At 31 December 2013, ICF II had called up 49.7% of its total commitment and had made distributions totalling approximately 6.7% of that commitment.

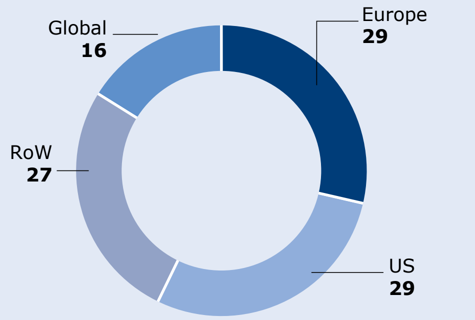
OTHER IMPORTANT INFORMATION:

Below is an analysis of the portfolio, updated to the date of the latest report available, broken down by year of investment, geographical area, sector and type.

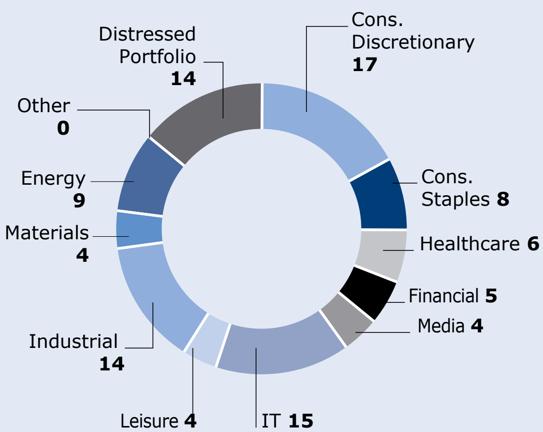
Breakdown by vintage[1] (%)



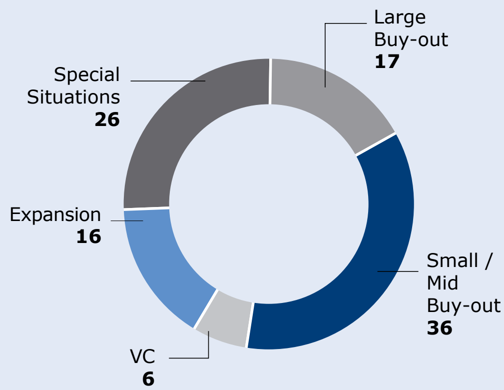
Breakdown by geography[2] (%)



Breakdown by industry[1] (%)



Breakdown by type[2] (%)



1. % of the FMV of the investment at 31 December 2013.
2. % of the commitment based on paid-in exposure (capital invested + residual commitments) at 31 December 2013.

The units in ICF II had a value of approximately EUR 23.8 million in the consolidated financial statements to 31 December 2013 (EUR 16.5 million at 31 December 2012). The increase was due to net investments of EUR 8.0 million, capital distributions of EUR 2.1 million and an increase in fair value of EUR 1.4 million.

The table below shows the key figures for ICF II at 31 December 2013:

ICF II (€)	Registered office	Year of commitment	Fund Size	Subscribed commitment	% DeA Capital in fund
ICF II	Italy	2009	281,000,000	51,000,000	18.15

IDeA EESS

IDEA - EFFICIENZA ENERGETICA E SVILUPPO SOSTENIBILE

HEADQUARTERS:
Italy

SECTOR:
Private equity

WEBSITE:
www.ideasgr.com

Fund size:

100 million Euro

INVESTMENT DETAILS:

IDeA EESS is a closed-end fund under Italian law for qualified investors, which began operating on 1 August 2011 and is managed by IDeA Capital Funds SGR.

The DeA Capital Group has a total commitment in the fund of EUR 15.3 million (increased since 31 March 2013 at the time of the fourth and final closing on 12 April 2013).

BRIEF DESCRIPTION:

IDeA EESS is a closed-end mutual fund under Italian law for qualified investors, which seeks to acquire minority and controlling interests in unlisted companies in Italy and abroad, by investing jointly with local partners.

The fund is dedicated to investing in small and medium-sized manufacturing and service companies operating in the field of energy savings and the efficient use of natural resources. It focuses on the development of faster and cheaper solutions in the use of renewable energy sources while continuing to reduce CO2 emissions effectively, against a backdrop of sustained growth in global energy demand.

On 8 May 2012, the fund made its first investment, acquiring 48% of Domotecnica Italiana S.r.l. (independent Italian franchising of thermo-hydraulic installers) for approximately EUR 2.6 million, as well as a commitment to subscribe, within the next 18 months, to capital increases totalling approximately EUR 1.0 million (IDeA EESS pro-rata share, of which EUR 0.3 million was paid on 7 December 2012).

On 27 February 2013, the fund invested EUR 8.5 million to acquire a stake of 10% in Elemaster S.p.A. (Elemaster), the leading operator in ODM (original design manufacturing) and EMS (electronic manufacturing service) i.e. the design and construction of electronic equipment. At the same time, the IDeA OF I fund, also managed by IDeA Capital Funds SGR, invested an equal amount.

On 23 April 2013, the fund invested EUR 3.5 million to acquire a 29.9% stake in SMRE, which specialises in the design and construction of industrial systems to cut and process fabric, and also has know-how in electrical drives with particularly innovative technology in integrated electric transmission. The acquisition was conducted via subscription to a reserved capital increase in SMRE.

On 27 December 2013, the fund invested EUR 3.9 million in the special purpose acquisition company (SPAC) GreenItaly 1, of which EUR 3.5 million was in ordinary shares, which entitle it to 10% of the company, and EUR 0.4 million, in its capacity as promoter of the vehicle, in special shares without voting rights. The aim of GreenItaly 1, a themed SPAC, is to acquire a non-listed medium-sized Italian company operating in the efficient use of resources, efficient energy or environmental sector within 24 months of the IPO (completed on 27 December 2013).

After the end of the financial year, on 13 February 2014, the fund invested EUR 7.8 million relating to a first tranche in Meta System S.p.A. and in one of its affiliates. Under the terms of the agreement, the fund can invest up to a total of EUR 12.5 million, for a stake of 17%, by 30 May 2014. Meta

System is active in the production of transmission equipment, electronic antennas, alarm systems for the automotive sector, as well as home telematics systems and battery chargers for electric vehicles.

At 31 December 2013, IDeA EESS had called up about 26.0% of the total commitment.

The units in **IDeA EESS** had a value of approximately EUR 3.0 million in the consolidated financial statements to 31 December 2013 (EUR 0.6 million at 31 December 2012). The increase was the combined effect of net investments of EUR 2.8 million and the decrease in fair value of EUR 0.4 million.

The table below shows the key figures for **IDeA EESS** at 31 December 2013:

IDeA EESS (€)	**Registered office**	**Year of commitment**	**Fund Size**	**Subscribed commitment**	**% DeA Capital in fund**
IDeA Efficienza Energetica e Sviluppo Sostenibile	Italy	2011	100,000,000	15,300,000	15.30
Residual Commitments					
Total residual commitment in:		**Eur**		**11,329,645**	

AVA

AVA - ATLANTIC VALUE ADDED

HEADQUARTERS:
Italy

SECTOR:
Private equity - Real Estate

WEBSITE:
www.ideafimit.it

Fund size:
55 million
Euro

INVESTMENT DETAILS:

Atlantic Value Added - Closed-End Speculative Real Estate Mutual Fund is a mixed-contribution fund for qualified investors that began operations on 23 December 2011.

DeA Capital Investments subscribed to a commitment in the fund of up to EUR 5 million (corresponding to 9.1% of the total commitment), with payments of EUR 2.6 million already made at 31 December 2013.

BRIEF DESCRIPTION:

The Atlantic Value Added fund began its operations with a primary focus on real estate investments in the office and residential markets. The duration of the fund is eight years.

The fund, which is managed by the subsidiary IDeA FIMIT SGR, has a commitment of around EUR 55 million.

On 29 December 2011, the fund made its first investment totalling EUR 41.5 million through the purchase/subscription of units in the Venere Fund, a closed-end speculative reserved real estate fund managed by IDeA FIMIT SGR. The Venere Fund's real estate portfolio consists of 16 properties primarily for residential use located in northern Italy.

The units in the AVA fund had a value of approximately EUR 2.2 million in the consolidated financial statements at 31 December 2013 (compared with EUR 2.4 million at 31 December 2012). The decrease was mainly due to the result for the period.

The table below shows the key figures for the AVA fund at 31 December 2013.

AVA (€)	**Registered office**	**Year of commitment**	***Fund Size***	**Subscribed commitment**	**% DeA Capital in fund**
Atlantic Value Added	Italy	2011	55,000,000	5,000,000	9.08
Residual Commitments					
Total residual commitment in:		**Eur**		**2,370,000**	

UNITS IN VENTURE CAPITAL FUNDS

Units in venture capital funds are all concentrated in the Parent Company DeA Capital S.p.A., and are valued at approximately EUR 10.7 million in the financial statements to 31 December 2013 (EUR 10.1 million at end-2012).

The table below shows the key figures for venture capital funds in the portfolio at 31 December 2013.

Venture Capital Funds Dollars (USD)	**Registered office**	**Year of commitment**	***Fund Size***	**Subscribed commitment**	**% DeA Capital in fund**
Doughty Hanson & Co Technology	UK EU	2004	271,534,000	1,925,000	0.71
GIZA GE Venture Fund III	Delaware U.S.A.	2003	211,680,000	10.000.000	4.72
Israel Seed IV	Cayman Islands	2003	200,000,000	5,000,000	2.50
Pitango Venture Capital II	Delaware U.S.A.	2003	125,000,000	5,000,000	4.00
Pitango Venture Capital III	Delaware U.S.A.	2003	417,172,000	5,000,000	1.20
Total Dollars				**26,925,000**	
Eur (€)					
Nexit Infocom 2000	Guernsey	2000	66,325,790	3,819,167	5.76
Sterlings (GBP)					
Amadeus Capital II	UK EU	2000	235,000,000	13,500,000	5.74
Residual Commitments					
Total residual commitment in:		**Eur**		**4,228,169**	

Alternative Asset Management

At 31 December 2013, DeA Capital S.p.A. was the owner of:

- 100% of **IDeA Capital Funds SGR**;
- 64.30% of **IDeA FIMIT SGR** (including 40.32% held through DeA Capital Real Estate, 20.98% through IFIM and the remaining 3% directly);
- 83.65%(*) of **IRE/IRE Advisory** (which operates in project, property and facility management and real estate brokerage).

(*) Taking into account the B shares, of approximately 10% of share capital, with limited economic rights.

IDEA CAPITAL FUNDS SGR

IDeA Capital Funds Sgr

HEADQUARTERS:
Italy

SECTOR:
Alternative Asset Management - Private Equity

WEBSITE:
www.ideasgr.com

Assets under management: 1.3 billion Euro

INVESTMENT DETAILS:

IDeA Capital Funds SGR operates in the management of private equity funds (funds of funds, co-investment funds and theme funds). The asset management company manages five closed-end private equity funds, including three funds of funds (IDeA I FoF and ICF II, and IDeA Crescita Globale which targets the retail market), a "direct" co-investment fund (IDeA OF I) and a sector fund dedicated to energy efficiency (IDeA EESS).

The investment programmes of IDeA Capital Funds SGR, which are regulated by the Bank of Italy and Consob, leverage the management team's wealth of experience in the sector.

The investment strategies of **funds of funds** focus on building a diversified portfolio in private equity funds in the top quartile or that are next-generation leaders with balanced asset allocation through diversification by:

- Industrial sector;
- Investment strategy and stage (buy-outs, venture capital, special situations, etc.);
- Geographical area (Europe, US and the Rest of the World);
- Maturity (commitments with investment periods diluted over time).

The investment strategies of the **"direct" co-investment fund** focus on minority interests in businesses that primarily concentrate on Europe, and diversification as a function of the appeal of individual sectors by limiting investments during the early stage and excluding purely real estate investments.

The investment philosophy of the EESS sector fund focuses on growth capital and buyout private equity to support the growth of small and medium-sized enterprises with excellent products/ services in the energy efficiency and sustainable development arena. Investments in infrastructure for the generation of energy from renewable sources or early stage investments can be made in compliance with regulatory restrictions.

The table below summarises the value of assets under management and management fees for IDeA Capital Funds SGR at 31 December 2013:

(EUR million)	Assets Under Management at 31.12.2013	Management fees at 31.12.2013
Breakdown of funds		
IDeA I FoF	681	5.1
IDeA OF I	216	2.5
ICF II	281	2.8
IDeA EESS	100	3.5
IDeA Crescita Globale	55	0.4
Total IDeA Capital Funds SGR	**1,333**	**14.2**

With regard to operating performance, the company launched a new fund of funds, IDeA Crescita Globale, in November 2013. The fund, which is intended for retail investors, entailed a total commitment of EUR 55 million. Note that the company's net result was hit by the unfavourable one-off effect of the increase in the IRES tax rate to 36% (compared with 27.5% ordinary tax). This effectively cancelled out the increase in revenues recorded.

IDeA Capital Funds SGR (EUR million)	2013	2012
AUM	1,333	1,238
Management fees	14.2	13.5
EBT	7.2	6.9
Net profit	4.0	4.5

IDEA FIMIT SGR

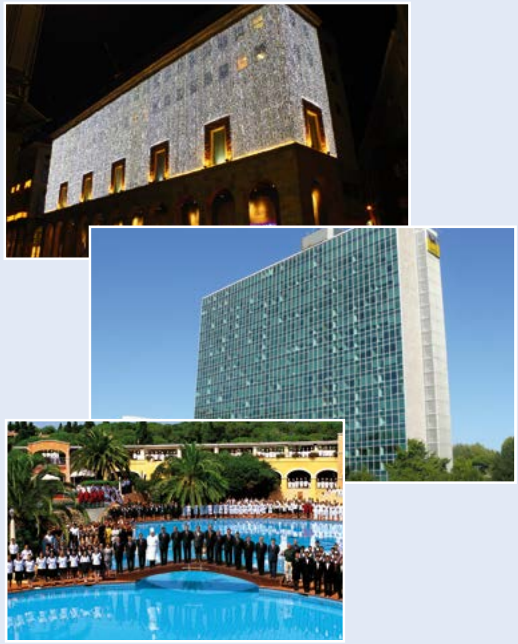
IDeA FIMIT sgr

HEADQUARTERS:
Italy

SECTOR:
Alternative Asset Management - Real Estate

WEBSITE:
www.ideafimit.it

Assets under management: 9.2 billion Euro



INVESTMENT DETAILS:

IDeA FIMIT SGR is the biggest independent real estate asset management company in Italy, with around EUR 9.2 billion in assets under management and 32 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 in-house experts as well as the best independent technical, legal and tax advisors on the market.

The company has concentrated its investments in transactions with low risk, stable returns, low volatility, simple financial structures and, most importantly, an emphasis on real estate value. In particular, the asset management company specialises in "core" and "core plus" properties, but its major investments also include major "value added" transactions.

Due in part to successful transactions concluded in recent years, the asset management company is able to rely on a panel of prominent unit-holders consisting of Italian and international investors with a high standing such as pension funds, bank and insurance groups, capital companies and sovereign funds.

The table below summarises the value of assets under management and management fees for IDeA FIMIT SGR at 31 December 2013:

(EUR million)	Assets Under Management at 31.12.2013	Management fees at 31.12.2013
Breakdown of funds		
Atlantic 1	637	5.6
Atlantic 2 Berenice	399	2.3
Alpha	449	4.1
Beta	203	2.6
Delta	334	2.7
Listed funds	**2,022**	**17.3**
Reserved funds	**7,157**	**47.3**
Total IDeA FIMIT SGR	**9,179**	**64.6**

Some of the key financials of the listed funds (Atlantic 1, Atlantic 2, Alpha, Beta and Delta – figures in EUR) in the asset management portfolio are also provided below, with an analysis of the real estate portfolio at the date of the latest report available, broken down by geographical area and by intended use.

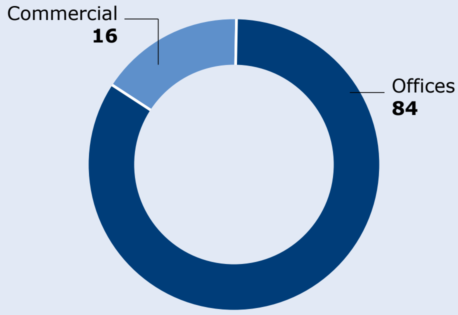
Atlantic 1	31.12.2013
Market value of properties	608,170,000
Historical cost and capitalised charges	622,150,590
Financing	355,596,609
Net Asset Value (NAV)	263,447,963
NAV/unit (EUR)	505.2
Market price/unit (EUR)	252.9
Dividend yield from investment*	5.08%

* Ratio between income per unit and average annual nominal value per unit.

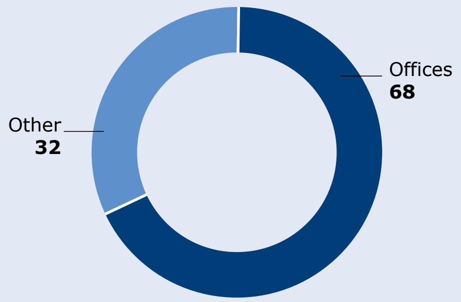
Atlantic 2 - Berenice	31.12.2013
Market value of properties	385,580,000
Historical cost and capitalised charges	408,254,622
Financing	181,641,936
Net Asset Value (NAV)	206,556,333
NAV/unit (EUR)	344.3
Market price/unit (EUR)	187.5
Dividend yield from investment*	10.48%

* Ratio between income per unit and average annual nominal value per unit.

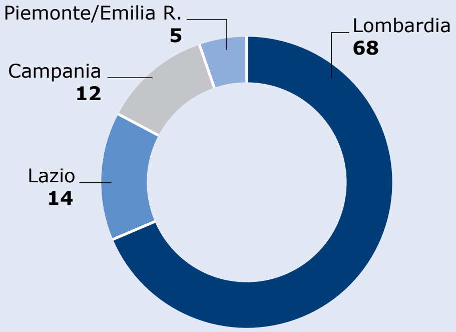
Atlantic 1: Diversification by intended use (%)



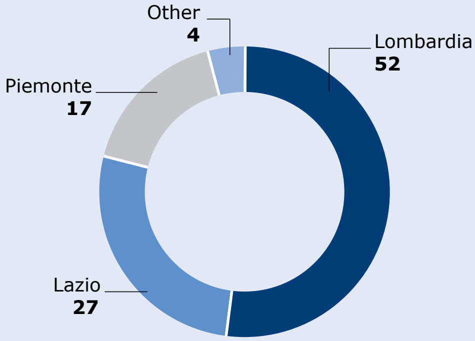
Atlantic 2: Diversification by intended use (%)



Atlantic 1: Diversification by geographical area (%)



Atlantic 2: Diversification by geographical area (%)



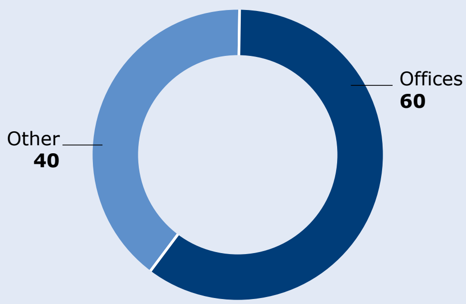
Alpha	**31.12.2013**
Market value of properties	400,610,000
Historical cost and capitalised charges	323,701,076
Financing	50,344,623
Net Asset Value (NAV)	386,784,050
NAV/unit (EUR)	3,723.6
Market price/unit (EUR)	952.0
Dividend yield from investment*	5.88%

* Ratio between income per unit and average annual nominal value per unit.

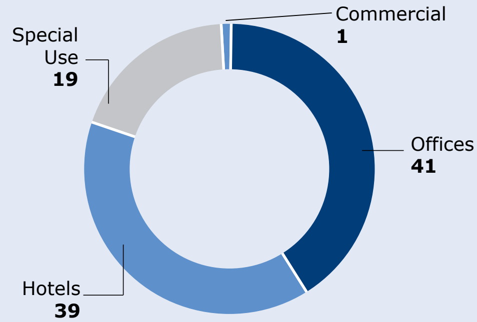
Beta	**31.12.2013**
Market value of properties	161,549,940
Historical cost and capitalised charges	163,833,441
Financing	30,402,582
Net Asset Value (NAV)	142,694,059
NAV/unit (EUR)	531.5
Market price/unit (EUR)	323.5
Dividend yield from investment*	8.93%

* Ratio between income per unit and average annual nominal value per unit.

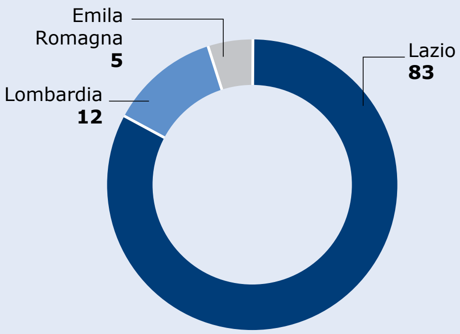
Alpha:
Diversification by intended use (%)



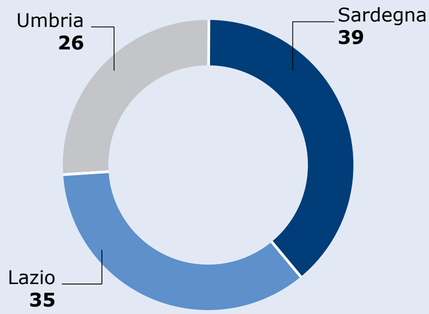
Beta:
Diversification by intended use (%)



Alpha:
Diversification by geographical area (%)



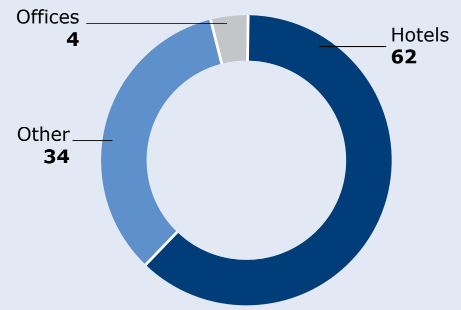
Beta:
Diversification by geographical area (%)



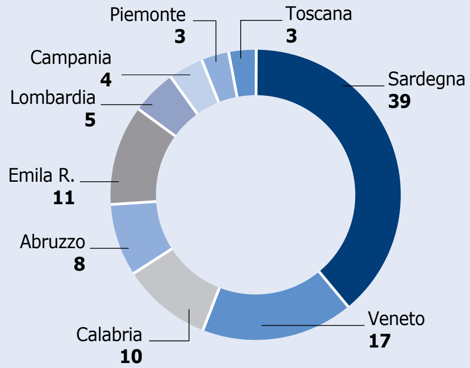
Delta	31.12.2013
Market value of properties	315,654,333
Historical cost and capitalised charges	375,120,678
Financing	124,191,295
Net Asset Value (NAV)	207,914,635
NAV/unit (EUR)	98.8
Market price/unit (EUR)	32.7
Dividend yield from investment*	n.a.

* No reimbursement from investment.

Delta:
Diversification by intended use (%)



Delta:
Diversification by geographical area (%)



With regard to IDeA FIMIT SGR's operating performance, commissions in 2013 were broadly in line with those of 2012, while net profit fell due to a number of extraordinary items:

- the impact on the 2013 figure of the impairment of EUR 10.3 million on financial equity instruments *(strumenti finanziari partecipativi*, or SFP), which entitle former FIMIT shareholders to variable commission relating to the funds managed by FIMIT at the date of the merger with FARE SGR; the value is shown in the financial statements as the effect of the merger of the two asset management companies;
- the impact on the 2013 figure of the one-off increase in the IRES tax rate (from 27.5% to 36%);
- the positive one-off impact, totalling EUR 6.3 million, on the 2012 figure, due to the tax redemption (*affrancamento fiscale*) operation relating to customer relationships reported with the purchase price allocation (PPA) at the time of the merger of FARE SGR and FIMIT SGR.

IDeA FIMIT SGR (EUR million)	**2013**	**2012**
AUM	9,179	9,410
Management fees	64.6	65.4
EBT - before PPA	31.5	32.7
EBT	6.2	21.1
Net profit	1.2	19.4

Comprehensive income - Income statement

The Group reported a net loss of approximately EUR 31.1 million for 2013, compared with a net loss of around EUR 26.3 million in 2012.

In light of the deconsolidation of the investment in Soprarno SGR from the fourth quarter of 2012 (following the sale of the controlling stake), in order to provide a like-for-like comparison between the results of 2013 and 2012, the results for the latter period have been restated (on a pro-forma basis). The comments below relate to the restated figures.

Revenues and other income break down as follows:

- alternative asset management fees of EUR 78.8 million (EUR 79.2 million in 2012);
- a contribution from investments valued at equity of EUR 1.9 million (EUR -18.4 million in 2012), due to the investment in Santé (EUR +7.2 million) and the investment in IDeA OF I (EUR -4.6 million);
- other investment proceeds, net of liabilities, totalling EUR -18.2 million, due to the partial writedown of the investment in Santé of EUR 14.8 million (EUR 7.9 million in 2012, which included the partial writedown of the investment in Sigla of EUR 9.0 million);
- service revenues of EUR 20.2 million (up from the figure of EUR 12.5 million recorded in 2012, thanks to the contribution of the business division of Ingenium Real Estate acquired by the subsidiary IRE at the end of 2012).

Operating costs totalled EUR 128.2 million (EUR 78.6 million in 2012), of which EUR 122.0 million was attributable to Alternative Asset Management, EUR 1.0 million to Private Equity Investment and EUR 5.2 million to holding company activities. Alternative Asset Management costs include the effects of the amortisation of intangible assets recorded when a portion of the purchase price of the investments was allocated, totalling EUR 27.5 million, and goodwill impairment of EUR 43.7 million.

Financial income and charges, which totalled EUR -0.5 million at 31 December 2013 mainly relate to income generated from cash and cash equivalents, the return on the quasi-equity loan granted to the subsidiary Santé S.A. (EUR 2.7 million) and financial charges. In contrast, the corresponding figure at 31 December 2012, of EUR -6.8 million, included a one-off charge relating to the exercise of the put options on the minority stakes of subsidiaries (EUR 3.1 million).

The full tax impact for 2013 (EUR -4.4 million, compared with EUR +1.7 million in 2012) is the combined result of tax credits of EUR 1.3 million relating to Private Equity Investment, taxes of EUR 9.2 million due in respect of Alternative Asset Management and tax credits of EUR 3.5 million relating to holding company activities. The change is due to the positive one-off impact on the 2012 figures of the tax redemption operation, totalling EUR 6.3 million, conducted by the subsidiary IDeA FIMIT SGR.

Of the Group's net loss of EUR 31.1 million, about EUR 8.7 million was attributable to Private Equity Investment, EUR 18.3 million to Alternative Asset Management and approximately EUR 4.1 million to holding companyoperations/eliminations.

Summary Group income statement

(Euro thousands)	Year 2013	Year 2012	Year 2012 Pro-forma (*)
Alternative Asset Management fees	78,810	82,004	79,220
Income (loss) from equity investments	1,861	(18,442)	(18,442)
Other investment income/expense	(18,217)	(7,884)	(7,914)
Income from services	16,329	10,863	10,863
Other income	3,906	1,658	1,675
Other expenses	(128,169)	(81,270)	(78,568)
Financial income and expenses	(439)	(6,759)	(6,761)
PROFIT/(LOSS) BEFORE TAX	**(45,919)**	**(19,830)**	**(19,927)**
Income tax	(4,380)	1,621	1,718
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(50,299)**	**(18,209)**	**(18,209)**
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	**(50,299)**	**(18,209)**	**(18,209)**
- Group share	(31,130)	(26,277)	(26,277)
- Non controlling interests	(19,169)	8,068	8,068
Earnings per share, basic (€)	(0.114)	(0.095)	(0.095)
Earnings per share, diluted (€)	(0.114)	(0.095)	(0.095)

(*) Riclassified data with the shareholding in Soprarno at equity value.

Performance by business in 2013

(Euro thousands)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	78,810	0	78,810
Income (loss) from equity investments	2,178	(354)	37	1,861
Other investment income/expense	(15,518)	(1,353)	(1,346)	(18,217)
Income from services	3,055	16,750	430	20,235
Other expenses	(1,016)	(121,962)	(5,191)	(128,169)
Financial income and expenses	1,276	(190)	(1,525)	(439)
PROFIT/(LOSS) BEFORE TAXES	**(10,025)**	**(28,299)**	**(7,595)**	**(45,919)**
Income tax	1,295	(9,213)	3,538	(4,380)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(8,730)**	**(37,512)**	**(4,057)**	**(50,299)**
Profit (Loss) from discontinued operations/ held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	**(8,730)**	**(37,512)**	**(4,057)**	**(50,299)**
- Group share	(8,730)	(18,343)	(4,057)	(31,130)
- Non controlling interests	0	(19,169)	0	(19,169)

Performance by business 2012 – Pro-forma

(Euro thousands)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	79,220	0	79,220
Income (loss) from equity investments	(17,855)	(245)	(342)	(18,442)
Other investment income/expense	(9,014)	569	531	(7,914)
Income from services	555	11,776	207	12,538
Other expenses	(4,452)	(61,458)	(12,658)	(78,568)
Financial income and expenses	(327)	(44)	(6,390)	(6,761)
PROFIT/(LOSS) BEFORE TAXES	**(31,093)**	**29,818**	**(18,652)**	**(19,927)**
Income tax	977	(4,833)	5,574	1,718
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(30,116)**	**24,985**	**(13,078)**	**(18,209)**
Profit (Loss) from discontinued operations/ held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	**(30,116)**	**24,985**	**(13,078)**	**(18,209)**
- Group share	(30,116)	16,574	(12,735)	(26,277)
- Non controlling interests	0	8,411	(343)	8,068

Comprehensive income - Statement of Performance - IAS 1

Comprehensive Income or the Statement of Performance (IAS 1), in which performance for the period attributable to the Group is reported including results posted directly to shareholders' equity, reflects a net negative balance of approximately EUR 94.3 million compared with a net positive balance of approximately EUR 62.5 million in 2012. This comprised:

- a net loss of EUR 31.1 million recorded on the income statement;
- losses posted directly to shareholders' equity totalling EUR 63.2 million.

As regards the latter, the largest component was the decrease in fair value of Kenan Inv. / Migros. The decrease of EUR 91.2 million versus 31 December 2012 in the value of this equity investment was due to the fall in the value of Migros shares (TRY 16.00 per share at 31 December 2013, compared with approximately TRY 21.5 per share at 31 December 2012), and the depreciation of the Turkish lira against the euro (2.97 TRY/EUR at 31 December 2013 versus 2.36 TRY/EUR at 31 December 2012). The effect on the DeA Capital Group's NAV of this change in fair value was partially offset by the reduction in estimated carried interest to be paid, based on the total capital gain. This has also fallen with respect to the figure at 31 December 2012 (positive effect of EUR 12.8 million).

(Euro thousands)	Year 2013	Year 2012
Profit/(loss) for the period (A)	**(50,299)**	**(18,209)**
Comprehensive income/ expense which might be subsequently reclassified within the profit (loss) for the period	(62,345)	87,535
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	25	0
Other comprehensive income, net of tax (B)	**(62,320)**	**87,535**
Total comprehensive income for the period (A)+(B)	**(112,619)**	**69,326**
Total comprehensive income attributable to:		
- Group Share	(94,310)	62,496
- Non Controlling Interests	(18,309)	6,830

Comprehensive income – statement of financial position

Below is the Group's statement of financial position at 31 December 2013 compared with 31 December 2012.

(Euro thousand)	**31.12.2013**	**31.12.2012**
ASSETS		
Non-current assets		
Intangible and tangible assets		
Goodwill	166,315	208,891
Intangible assets	78,463	105,992
Property, plant and equipment	4,855	2,527
Total intangible and tangible assets	*249,633*	*317,410*
Investments		
Investments valued at equity	296,975	296,366
Other available-for-sale companies	132,536	223,896
Available-for-sale funds	166,260	166,504
Other avalaible-for-sale financial assets	330	327
Total Investments	*596,101*	*687,093*
Other non-current assets		
Deferred tax assets	2,657	2,754
Loans and receivables	30,372	27,444
Tax receivables from Parent companies	2,984	-
Other non-current assets	26,168	25,944
Total other non-current assets	*62,181*	*56,142*
Total non-current assets	**907,915**	**1,060,645**
Current assets		
Trade receivables	21,078	12,256
Available-for-sale financial assets	5,464	5,666
Financial receivables	-	2,003
Tax receivables from Parent companies	3,467	7,489
Other tax receivables	4,649	2,522
Other receivables	18,350	7,792
Cash and cash equivalents	26,096	29,156
Total current assets	*79,104*	*66,884*
Total current assets	**79,104**	**66,884**
Held-for-sale assets	**1,285**	**-**
TOTAL ASSETS	**988,304**	**1,127,529**
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Profit/(loss) for the year	**629,489**	**723,138**
Minority interests	**112,890**	**136,309**
Shareholders' equity	**742,379**	**859,447**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	19,537	25,668
Provisions for employee termination benefits	3,529	3,035
Long term financial loans	150,198	142,802
Payables to staff	406	1,956
Total non-current liabilities	**173,670**	**173,461**
Current liabilities		
Trade payables	15,516	27,420
Payables to staff and social security organisations	6,833	8,868
Current tax	6,956	7,473
Other tax payables	1,478	4,276
Other payables	2,054	1,495
Short term financial loans	39,418	45,089
Total current liabilities	**72,255**	**94,621**
Held-for-sale liabilities	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**988,304**	**1,127,529**

At 31 December 2013, Group shareholders' equity was EUR 629.5 million, compared with EUR 723.1 million at 31 December 2012. The decrease of around EUR 93.6 million in this item in 2013 was mainly due to the events described in the Statement of Performance - IAS 1 (totalling EUR -94.1 million).

Comprehensive income - Net financial position

At 31 December 2013, the consolidated net financial position was approximately EUR 127.7 million, as shown in the table below, which provides a breakdown of assets and liabilities and a comparison with the same figures at 31 December 2012:

Net financial position (Eur million)	**31.12.2013**	**31.12.2012**	**Change**
Cash and cash equivalents	26.1	29.2	(3.1)
Available-for-sale financial assets	5.4	7.7	(2.3)
Financial receivables	30.4	27.4	3.0
Non-current financial liabilities	(150.2)	(142.8)	(7.4)
Current financial liabilities	(39.4)	(45.1)	5.7
TOTAL	**(127.7)**	**(123.6)**	**(4.1)**

The change in the consolidated net financial position in 2013 was due to the combined effect of the following factors:

- a decrease in the net financial position of Alternative Asset Management companies of EUR 7.0 million (chiefly related to dividends of EUR 22.3 million that were distributed and partially offset by operating cash flow generated);
- an increase of EUR 2.9 million in the net financial position of holding companies, of which EUR +16.6 million relates to dividends received, EUR - 7.1 million to investment made net of distributions received, and EUR -0.9 million to the outlay for the share buyback plan.

The Company believes that the cash and cash equivalents and the other financial resources available are sufficient to meet the requirement relating to payment commitments already subscribed in funds, also taking into account the amounts expected to be called up/distributed by these funds. With regard to these residual commitments, the Company believes that the resources currently available, as well as those that will be generated by its operating and financing activities, will enable the DeA Capital Group to meet the financing required for its investment activity and to manage working capital and repay debts when they become due.

The following points relate to the individual items that make up the consolidated net financial position:

- "Non-current financial liabilities" mainly include EUR 120.0 million relating to the use of the credit line provided by Mediobanca;
- "Current financial liabilities" mainly include EUR 27 million in respect of the short-term loan from Intesa Sanpaolo, used to make payment in December 2013 of amounts still due relating to the acquisition of 30% of FARE Holding (now DeA Capital Real Estate) and EUR 11.7 million relating to the use of the credit line that IDeA FIMIT SGR agreed with Banca Intermobiliare di Investimenti e Gestioni.

6. Results of the Parent Company DeA Capital S.p.A.

The Parent Company DeA Capital S.p.A. operates as a holding company that carries out activities of coordination, development and strategic management of its subsidiaries, and also acts as an entity that makes financial investments directly.

A summary of the income statement and balance sheet of DeA Capital S.p.A. for the year ended 31 December 2013 is shown below.

Income statement of the Parent Company

(Eur)	Year 2013	Year 2012
Other investment income/expense	(60,979,549)	8,919,489
Income from services	1,132,082	459,075
Other income	171,624	154,812
Personnel costs	(5,795,787)	(9,704,209)
Financial income	(1,128,767)	(2,609,470)
PROFIT/(LOSS) BEFORE TAX	**(66,600,397)**	**(2,780,303)**
Income tax	3,734,194	5,049,571
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(62,866,203)**	**2,269,268**
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
PROFIT/(LOSS) FOR THE YEAR	**(62,866,203)**	**2,269,268**

The Parent Company recorded a loss of approximately EUR 62.9 million for 2013, mainly due to the writedown of investments in subsidiaries (specifically, DeA Capital Investments, as a result of the impairment associated with Kenan Investments / Migros), which was partly offset by dividend flows from investee companies. In this regard, note that all financial investments (including the shareholdings in subsidiaries/affiliates) are classified in the annual financial statements in accordance with IAS 39. Specifically, these financial assets are designated as available for sale.

This loss for the period compares with a profit for 2012 of around EUR 2.3 million (achieved largely thanks to dividend flows from investments in the Alternative Asset Management business, which more than offset structure costs and financial charges).

Balance sheet of the Parent Company

Below is the Parent Company's balance sheet at 31 December 2013 compared with 31 December 2012.

(Dati in Euro)	31.12.2013	31.12.2012
ASSETS		
Non-current assets		
Intangible and tangible assets		
Intangible assets	7.183	14.981
Tangible assets	804.965	491.494
Total intangible and tangible assets	*812.148*	*506.475*
Investments		
Subsidiaries and joint ventures	592.580.468	831.253.419
Associates	0	2.597.643
Available-for-sale investments	184.443	286.618
Available-for-sale funds	133.146.396	13.364.643
Total Investments	*725.911.307*	*847.502.323*
Other non-current assets		
Deferred tax assets	0	0
Tax receivables from Parent companies	2.983.813	0
Other non-current assets	0	0
Total other non-current assets	*2.983.813*	*0*
Total non-current assets	**729.707.268**	**848.008.798**
Current assets		
Trade receivables	646.711	2.149.347
Financial receivables	42.549.349	31.269.662
Tax receivables from Parent companies	3.106.824	7.488.867
Tax receivables VAT from Parent companies	558.488	0
Other tax receivables	778.432	1.269.537
Other receivables	524.323	67.622
Cash and cash equivalents	3.776.078	2.153.095
Total current assets	*51.940.205*	*44.398.130*
Total current assets	**51.940.205**	**44.398.130**
Held-for-sale assets	**1.285.190**	**0**
TOTAL ASSETS	**782.932.663**	**892.406.928**
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Shareholders' equity	**630.049.918**	**740.383.923**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	0	0
Provisions for employee termination benefits	384.413	316.221
Long term financial loans	122.206.023	102.986.561
Payables to staff and social security organisations	0	1.189.425
Total non-current liabilities	**122.590.436**	**104.492.207**
Current liabilities		
Trade payables	1.859.878	2.525.591
Payables to staff and social security organisations	859.470	1.200.959
Current tax payables- Subsidiaries	63.926	0
Other tax payables	184.763	194.516
Other payables	975	24.528
Short term financial loans	27.323.297	43.585.204
Total current liabilities	**30.292.309**	**47.530.798**
Held-for-sale liabilities	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**782.932.663**	**892.406.928**

At 31 December 2013, the Parent Company's shareholders' equity totalled about EUR 630.0 million compared with EUR 740.4 million at 31 December 2012, a decrease of about EUR 110.4 million (due largely to the overall net loss for the period).

Pursuant to the Consob Communication of 28 July 2006, a reconciliation between the loss and shareholders' equity at 31 December 2013 reported by the Parent Company DeA Capital S.p.A. is shown below together with the corresponding consolidated figures.

(Euro thousand)	Net Equity at Dec. 31, 2013	Net Profit/ (Loss) 2013	Net Equity at Dec. 31, 2013 2	Net Profit/ (Loss) 2012
EQUITY and net profit/(loss) for the year, as reported in the Parent Company financial statements	**630.050**	**(62.866)**	**740.384**	**2.269**
Elimination of book values from consolidated shareholdings:				
- Surplus of net equity reported in financial statements compared to book values of shareholdings in consolidated companies	(561)	0	(17.246)	0
- Pro-rata results achieved by shareholdings	0	(14.747)	0	15.371
- Pro-rata results achieved by associated companies, valued as Shareholders' Equity	0	1.861	0	(18.357)
- Elimination of impairment of investments in DeA Capital S.p.A.	0	59.634	0	(3.236)
- Elimination of dividends received by shareholdings	0	(15.013)	0	(22.324)
EQUITY and Group share of net profit/(loss)	**629.489**	**(31.130)**	**723.138**	**(26.277)**
EQUITY and minority interests share of net profit/(loss)	112.890	(19.169)	136.309	8.068
EQUITY and net profit for the year, as reported in the consolidated financial statements	**742.379**	**(50.299)**	**859.447**	**(18.209)**

7. Other information

Own shares and Parent Company shares

On **19 April 2013**, the shareholders' meeting authorised the Board of Directors to buy and sell, on one or more occasions, on a rotating basis, a maximum number of ordinary shares in the company representing a stake of up to 20% of share capital.

The plan to buy and sell own shares (Plan) cancels and replaces the previous plan approved by the shareholders' meeting on 17 April 2012 (which was due to expire on 17 October 2013) and will pursue the same objectives as the previous plan, including the purchase of own shares to be used for extraordinary transactions and share incentive schemes, offering shareholders a means of monetising their investment, stabilising the share price and regulating trading within the limits of current legislation.

The authorisation specifies that purchases may be carried out up to the date of the shareholders' meeting to approve the financial statements to 31 December 2013, and in any case, not beyond the maximum duration allowed by law, in accordance with all the procedures allowed by current regulations, and that DeA Capital S.p.A. may also sell the shares purchased for the purposes of trading, without time limits. The unit price for the purchase of the shares will be set on a case-by-case basis by the Board of Directors, but must not be more than 20% above or below the share's reference price on the trading day prior to each purchase. In contrast, the authorisation to sell own shares already held in the company's portfolio, and any shares bought in the future, was granted for an unlimited period, to be implemented using the methods considered most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to each individual sale (apart from in certain exceptional cases specified in the Plan).

On the same date, the Board of Directors voted to implement the plan to buy and sell own shares, granting the Chairman of the Board of Directors and the Chief Executive Officer all the necessary powers, to be exercised jointly or severally and with full power of delegation.

In 2013, DeA Capital S.p.A. purchased around 0.6 million shares valued at about EUR 0.9 million (at an average price of EUR 1.40 per share).

Taking into account purchases made in previous years for plans in place at the time, and the use of own shares to service purchases relating to the alternative asset management business, at 31 December 2013 the company owned 32,637,004 own shares (equal to about 10.6% of the share capital).

During 2013, the company did not hold, purchase or sell, on its own account or through a trust company, any shares in the Parent Company De Agostini S.p.A..

Stock option and performance share plans

On **19 April 2013**, the shareholders' meeting approved the Stock Option Plan 2013–2015. To implement the resolution of the shareholders' meeting, the Board of Directors of DeA Capital S.p.A. voted (i) to implement the Stock Option Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised jointly or severally and with full power of delegation; and (ii) to allocate a total of 1,550,000 options to certain employees of the Company, of its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the Stock Option Plan for 2013-2015, the Board of Directors also set the exercise price for the options allocated at EUR 1.289, which is the arithmetic mean of the official price of the ordinary shares of the Company on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 18 March 2013 and 18 April 2013.

The shareholders' meeting of 19 April 2013 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the Stock Option Plan for 2013-2015.

The shareholders' meeting also approved the adoption of the Performance Share Plan for 2013-2015. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to implement the Performance Share Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the parent company De Agostini S.p.A. who carry out important roles for the company.

The shares allocated due to the vesting of units will be drawn from the own shares already held by the company so that the allocation will not have a nominally dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the *Testo Unico della Finanza law.*

The terms and conditions of the Stock Option Plan for 2013–2015 and the Performance Share Plan for 2013-2015 are described in the Information Prospectus prepared in accordance with art. 84-bis of Consob Resolution 11971 of 14 May 1999 (Issuer Regulations), available to the public at the registered office of DeA Capital S.p.A. and on the Company's website www.deacapital.it in the section Corporate Governance/Incentive Plans.

Transactions with parent companies, subsidiaries and related parties

Transactions with related parties

Transactions with related parties, including those with other Group companies, were carried out in accordance with the Procedure for Related Party Transactions adopted by the Company with effect from 1 January 2011 in accordance with the provisions of the Regulation adopted pursuant to art. 2391-bis of the Italian Civil Code with Consob Resolution 17221 of 12 March 2010 as subsequently amended. During the year, the Company did not carry out any atypical or unusual transactions with related parties but only those that are part of the normal business activities of Group companies. It also did not carry out any "significant transactions" as defined in the aforementioned procedure. Transactions with related parties during the year were concluded under standard market conditions for the nature of the goods and/or services offered.

With regard to transactions with parent companies, note the following:

1) DeA Capital S.p.A. signed a service agreement with the controlling shareholder, De Agostini S.p.A., for the latter to provide operating services in the administration, finance, control, legal, corporate and tax areas.

   This agreement, which is renewable annually, is priced at market rates, and is intended to allow the company to maintain a streamlined organisational structure in keeping with its development policy, while obtaining sufficient operational support.

   At the same time, on 1 January 2013, DeA Capital S.p.A. signed an "Agreement to sub-let property for intended use other than residential use" with the controlling shareholder, De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera, 21, Milan, comprising space for office use, warehousing and car parking.

   This agreement, which is renewable every six years after an initial term of seven years, is priced at market rates.

2) DeA Capital S.p.A., IDeA Capital Funds SGR, DeA Capital Real Estate, Innovation Real Estate, Innovation Real Estate Advisory and IFIM have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.a.). This option was exercised jointly by each company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. The option is irrevocable unless the requirements for applying the scheme are not met.

   The option for DeA Capital S.p.A. is irrevocable for the three-year period 2011-2013, and for IDeA Capital Funds SGR, for the three-year period 2012-2014. For the other companies, the option is irrevocable for the three-year period 2013-2015.

3) In order to enable a more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions compared with those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement (Framework Agreement) with the Parent Company De Agostini S.p.A. for the provision of short-term intercompany loans.

   Deposit/financing operations falling within this Framework Agreement shall only be activated subject to verification that the terms and conditions determined at any time are advantageous, and will be provided on a revolving basis, and with maturities of not more than three months. The Framework Agreement shall have a duration of one year and is renewable.

   The amounts involved in the deposit/financing operations will, however, be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (Transactions with Related Parties) and the internal procedure on Transactions with Related Parties adopted by DeA Capital S.p.A..

Remuneration and stock options to directors, auditors, general managers and managers with strategic responsibilities

The information on compensation and stock options allocated to directors, auditors, general managers and managers with strategic responsibilities is provided in the related sections of the annual and consolidated financial statements and in the Remuneration Report pursuant to art. 123-ter of the TUF in accordance with art. 84-*quater* of the Issuer Regulation, which is available to the public at the headquarters of DeA Capital S.p.A. and on the company's website www.deacapital.it.

Equity interests held by directors, auditors, general managers and managers with strategic responsibilities

Information regarding the equity interests held by directors, auditors, general managers and managers with strategic responsibilities is reported in the relevant sections of the annual and consolidated financial statements.

Management and coordination

Since 30 January 2007, the Company has been controlled by De Agostini S.p.A., which, in accordance with art. 2497-sexies of the Italian Civil Code, carries out management and coordination activities in respect of the Company.
Please see the notes to the financial statements above for key figures from the latest approved financial statements of De Agostini S.p.A..

Research and development activities

Note that pursuant to art. 2428, para. 3 of the Italian Civil Code, the Company did not carry out any research and development activity in 2013.

Atypical or unusual transactions and non-recurring significant events and transactions

Pursuant to Consob Communication 6064293 of 28 July 2006, in 2013 neither the Company nor the Group carried out any atypical and/or unusual transactions or significant transactions that were not a part of its ordinary operations.

Corporate governance

With regard to the corporate governance system of DeA Capital S.p.A., adopted to bring the company in line with the principles of the Code of Conduct approved by the "Committee for the Corporate Governance of Listed Companies" (the "Code of Conduct"), please see the document entitled "Report on Corporate Governance and Ownership Structure" (found in the Corporate Governance section of the Company's website). Below is a summary of the main information governing DeA Capital S.p.A.'s corporate governance.

Issuer profile

The Issuer's corporate governance structure is based on the traditional administration and control model, and hinges on the central role played by the Board of Directors, the proper disclosure of management decisions, an effective internal control system, the appropriate regulation of potential conflicts of interest, and on rigorous standards of conduct for carrying out transactions with related parties.

Extent of application of the Code of Conduct

DeA Capital S.p.A. adheres to the Code of Conduct. Please see the "Report on Corporate Governance and Ownership Structure" published on the Company's website (Corporate Governance section) for information on the degree of application of the provisions contained in the Code of Conduct.

Corporate bodies

- The **Board of Directors** consists of ten members, eight of whom are non-executive directors, and three of whom are independent directors. It plays a key role in the corporate governance system of DeA Capital S.p.A. In particular, it has the power and the duty to manage the operations of the Issuer with the ultimate and main goal of creating value for shareholders.

  Pursuant to the articles of association, the Board manages the company's business, and is invested with all the administrative powers needed for this purpose, with the exception of those powers reserved for the shareholders' meeting, pursuant to legislation and the articles of association. The Board of Directors has conferred on the Chairman, Lorenzo Pellicioli, and the CEO, Paolo Ceretti, all the powers of ordinary and extraordinary administration, with the authority to sign (i) with individual signature, any deed, document or contract that involves an actual or prospective expenditure commitment, or is connected with an investment of up to and including EUR 20,000,000; (ii) with joint signature, any deed, document or contract that involves an actual or prospective expenditure commitment or is connected with an investment of between EUR 20,000,000 and EUR 100,000,000. The Board of Directors, however, has the exclusive authority for any decision on expenditure commitments and investment of over EUR 100,000,000.00.

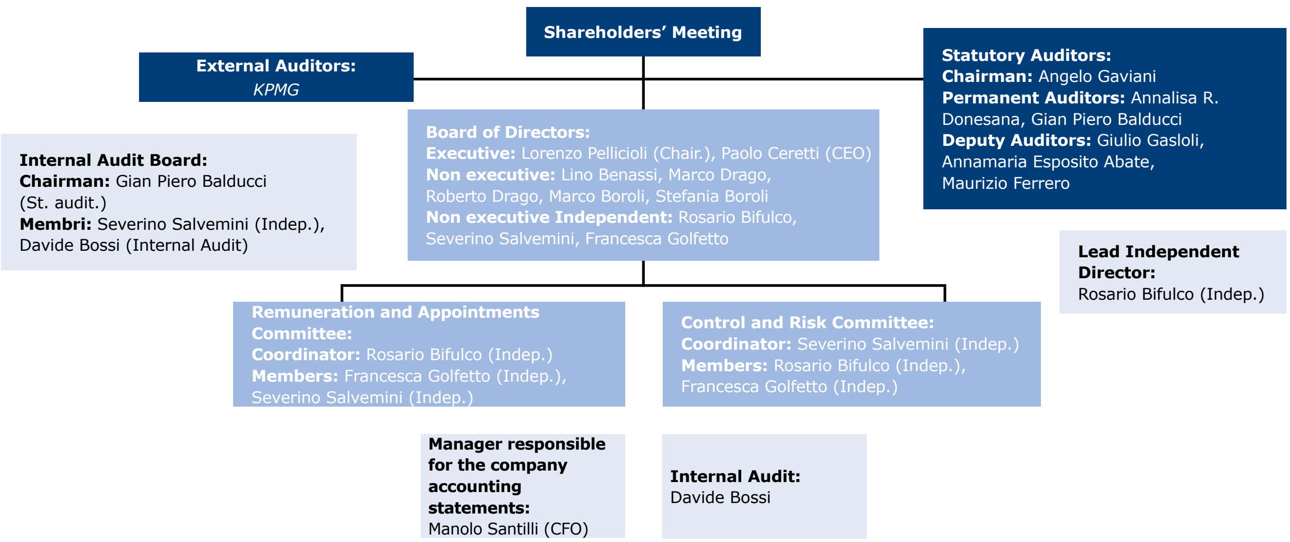
  In 2013, the Board of Directors met five times. For 2013, the calendar of scheduled meetings has been published in both Italian and English (also available at www.deacapital.it).

- The **Board of Auditors** comprises six members (the chairman, two permanent auditors and three deputy auditors). It monitors compliance with the law and the company's articles of association, observance of the principles of proper management, and the suitability and proper functioning of the organisational, administrative and accounting structure. In 2013, the Board of Auditors met 11 times.

- The **Remuneration Committee** comprises three independent directors. The Committee submits proposals to the Board of Directors concerning the remuneration of the chief executive officer, and assesses the chief executive officer's recommendations regarding the remuneration of managers with strategic responsibility. In 2013, the Remuneration Committee met once.

- The **Control and Risk Committee** comprises three independent directors. The Committee has a consultative role and makes proposals to the Board of Directors. In 2013, the Control and Risk Committee met five times.

Corporate Governance Chart as at 31 December 2013:



For further info:
www.deacapital.it
section: *Corporate Governance*

Main risks and uncertainties to which the Parent Company and consolidated Group companies are exposed

As described in the Report on Operations, the DeA Capital Group operates through, and is structured as, two business areas, Private Equity Investment and Alternative Asset Management.

The risks set out below consider the characteristics of the market and the operations of Parent Company DeA Capital S.p.A. and the companies included in the Group's consolidated financial statements, and the main findings of a risk assessment, carried out in 2013, as well as the periodic monitoring conducted partly through the regulatory policies adopted by the Group.

The Group has adopted a modern corporate governance system that provides effective management of the complexities of its operations, and enables both individual companies and the Group to achieve their strategic objectives. Furthermore, the assessments conducted by the organisational units and the directors confirm both the non-critical nature of these risks and uncertainties and the financial solidity of the DeA Capital Group.

With reference to the specific risks relating to the main Private Equity investments, i.e. Générale de Santé and Migros, please see the respective annual reports, and more specifically Générale de Santé's *Document de référence* and Migros' Annual Report (available on their websites).

In particular, the latest Registration Document (sections 4.1 - RISQUES LIES AUX ACTIVITES DU GROUPE and 4.2 - GESTION DES RISQUES) available as of the date of this report, indicates the following as the main risk factors for Générale de Santé:

- Risks related to company debt ***(Risques liés à l'endettement de Générale de Santé)***
- Liquidity risks ***(Risques de liquidité)***
- Interest rate risks ***(Risques de taux d'intérêt)***
- Risks relating to obtaining financing ***(Risques liés à l'obtention de financements)***
- Risks relating to commitments contained in leases signed by the Group ***(Risques liés aux engagements contenus dans les baux commerciaux souscrits par le Groupe)***
- Risks relating to the clinic restructuring and construction programme ***(Risques liés aux programmes de restructuration ou de construction majeures de cliniques)***
- Risks relating to the sale of some clinics ***(Risques liés à la cession de certains établissements)***
- Risks relating to the external growth strategy ***(Risques liés à la stratégie de croissance externe)***
- Risks relating to changes in prices ***(Risques liés à l'évolution*** de la tarification)
- Risks relating to competition ***(Risques liés à la compétitivité)***
- Risks relating to the recruitment and retention of staff and practitioners ***(Risques liés au recrutement et à la fidélisation du personnel et des praticiens)***
- Risks relating to applicable legislation ***(Risques liés à la réglementation applicable)***
- Risks of a deterioration in the reputation of Générale de Santé in the event of legal proceedings being brought against a group facility or practitioner ***(Risques liés à la dégradation de la réputation de Générale de Santé en cas de mise en jeu de la responsabilité d'un établissement ou d'un praticien du Groupe)***
- Risks relating to environmental protection legislation ***(Risques liés à la réglementation relative à la protection de l'environnement)***
- Risks relating to the adequacy, costs and availability of insurance cover ***(Risques liés à l'adéquation, aux coûts et à la disponibilité de couverture d'assurance)***
- Exceptional events and disputes ***(Faits exceptionnels et litiges)***
- Risks relating to IT suppliers ***(Risques liés au fournisseur en matière informatique)***

A. Contextual risks

A.1. Risks relating to general economic conditions

The operating performance and financial position of the DeA Capital Group are affected by the various factors that make up the macro-economic environment in the countries in which the Group has invested, including increases or decreases in GDP, investor and consumer confidence, interest rates, inflation, the costs of raw materials and unemployment.
The ability to meet medium- to long-term objectives could be affected by general economic performance, which could slow the development of sectors the Group has invested in, and at the same time, the business of the investee companies.

A.2. Socio-political events

In line with its own strategic growth guidelines, one of the DeA Capital Group's activities is private equity investment in companies and funds in different jurisdictions and countries around the world, which, in turn, invest in a number of countries and geographical areas. The DeA Capital Group may have invested in foreign countries whose social, political and economic conditions put the achievement of its investment objectives at risk.

A.3. Regulatory changes

Many Group companies conduct their operations in regulated sectors and markets. Any changes to or developments in the legislative or regulatory framework that affect the costs and revenues structure of investee companies or the tax regime applied, could have negative effects on the Group's financial results, and necessitate changes in the Group's strategy. To combat this risk, the Group has established procedures to constantly monitor sector regulation and any changes thereto, in order to take advantage of business opportunities and respond promptly to any changes in the prevailing legislation and regulations.

A.4. Performance of the financial markets

The company's ability to meet its strategic and management objectives could depend on the performance of financial markets. A negative trend in financial markets could have an effect on the private equity investment sector in general, making investment and divestment transactions more complex, and on the Group's capacity to increase the NAV of investments in particular. The value of equity investments held directly or indirectly through funds in which the company has invested could be affected by factors such as comparable transactions concluded on the market, sector multiples and market volatility. These factors that cannot be directly controlled by the Group are constantly monitored in order to identify appropriate response strategies that involve both the provision of guidance for the management of Group companies, and the investment and value enhancement strategy for the assets held.

A.5. Exchange rates

Holding investments in currencies other than the euro exposes the Group to changes in exchange rates between currencies. The investment in Kenan Investments is managed as a special case, since although it was made in euros, the underlying asset is expressed in Turkish lira. Taking into account the time horizon of the investment, it is believed that the expected return on the investment can absorb any devaluation of the underlying currency, if this in line with the outlook for the currency.

A.6. Interest rates

Ongoing financing operations that are subject to variable interest rates could expose the Group to an increase in related financial charges, in the event that the reference interest rates rise significantly. DeA Capital S.p.A. has established appropriate strategies to hedge against the risk of fluctuations in interest rates.

B. Strategic risks

B.1. Concentration of the Private Equity investment portfolio

The Private Equity Investment strategy adopted by the Group includes:

- direct investments;
- indirect investments (in funds).

Within this strategy, the Group's overall profitability could be adversely affected by an unfavourable trend in one or a few investments, if there were insufficient risk diversification, resulting from the excessive concentration of investment in a small number of assets, sectors, countries, currencies or of indirect investments in funds with limited investment targets/ types of investment.

To combat these risk scenarios, the Group pursues an asset allocation strategy intended to create a balanced portfolio with a moderate risk profile, investing in attractive sectors and in companies with an appealing current and future risk/return ratio. Furthermore, the combination of direct and indirect investments, which, by their nature, guarantee a high level of diversification, helps reduce the level of asset concentration.

B.2. Concentration of Alternative Asset Management activities

In the Alternative Asset Management business, events could arise as a result of excessive concentration that would hinder the achievement of the level of expected returns. These events could be due to:

- **Private equity funds**
  - concentration of the management activities of asset management companies across a limited number of funds, in the event that one or more funds decides to cancel its asset management mandate;
  - concentration of the financial resources of the funds managed in a limited number of sectors and/or geographical areas, in the event of currency, systemic or sector crises;
  - for closed funds, the concentration of the commitment across just a few subscribers.

- **Real estate funds**
  - concentration of real estate present in the portfolio of managed funds in a few cities and/or in limited types of property (management/commercial), in the event of a crisis in the property market concerned;
  - concentration in respect of certain major tenants, in the event that these withdraw from the rental contracts, which could lead to a vacancy rate that has a negative impact on the funds' financial results and the valuation of the property managed;
  - concentration of the maturities of numerous real estate funds within a narrow timeframe, with related high availability of property on the market, leading to a decrease in property values and an increase in selling times.

For each of the risk scenarios outlined above, the Group has defined and implemented appropriate strategies that include strategic, operational and management aspects, as well as a system monitoring the level of diversification of Alternative Asset Management activities.

B.3. Key resources (governance/organisation)

The success of the DeA Capital Group depends to a large extent on its executive directors and certain key management figures, their ability to efficiently manage the business and the ordinary operations of the Group, as well as knowledge of the market and the professional relationships established. The departure of one or more of these key resources, without a suitable replacement being found, as well as an inability to attract and retain new and qualified resources, could impact growth targets and have a negative effect on the Group's assets and financial results. To mitigate this risk, the Group has put in place HR management policies that correspond closely to the needs of the business, and incentive policies that are periodically reviewed, in light of, among other things, the general economic climate and the results achieved by the Group.

C. Operating risks

C.1. Investment operations

Investment operations conducted by the Group are subject to the risks typical of private equity activities, such as the accurate valuation of the target company and the nature of the transactions carried out. The Group has implemented a structured process of due diligence on target companies, involving the different levels of Group management concerned and the careful definition of shareholders' agreements in order to conclude agreements in line with the investment strategy and the risk profile defined by the Group.

C.2. Compliance with covenants

Some investment operations were concluded using financial leverage to invest in the target companies. For financing contracts signed by investee companies, specific covenants generally backed by collateral are in place; failure to comply with these could necessitate recapitalisation operations for investee companies and lead to an increase in financial charges relating to debt refinancing. Failure to comply with covenants attached to loans could have negative effects on both the financial situation and operations of investee companies, and on the value of the investment.
The Group constantly monitors the significant reference parameters for the financial obligations taken on by investee companies, in order to identify any unexpected variance in good time.

C.3 Divestment operations

In its Private Equity Investment business, the Group generally invests over a medium-/long-term time horizon. Over the investment management period, external situations could arise that might have a significant impact on the operating results of the investee companies, and consequently on the value of the investment itself. Furthermore, in the case of co-investment, guiding the management of an investee company could prove problematic or unfeasible, and it may ultimately prove impossible to dispose of the stakes held owing to lock-up clauses. The divestment strategy could therefore be negatively affected by various factors, some of which cannot be foreseen at the time the investments are made. There is therefore no guarantee that expected earnings will be realised given the risks resulting from the investments made.

To combat these risk situations, the Group has defined a process to monitor the performance of its investee companies, facilitated by its representation on the management bodies of major investee companies, with a view to identifying any critical situations in good time.

C.4. Funding risk

The income flows expected from the Alternative Asset Management business depend on the capacity of the Group's asset management companies to stabilise/grow their assets under management. In this environment, fundraising activity could be harmed by both external factors, such as the continuation of the global economic crisis or the trend in interest rates, and internal factors, such as bad timing in respect of fundraising activities by the asset management companies or the departure of key managers from the companies. The Group has established appropriate risk management strategies in relation to fundraising, with a view to both involving new investors and retaining current investors.

The Management

Lorenzo Pellicioli, Executive Chairman

Lorenzo Pellicioli (63 years old) is Chairman of the Board of Directors of DeA Capital.
He started his career as a journalist for the newspaper Giornale Di Bergamo and afterwards became Vice-President of Bergamo TV Programmes.
From 1978 to 1984 he held different posts in Italian private television sector: for Manzoni Pubblicità, for Publikompass up to his nomination as Rete 4 General Manager.
In 1984 he joined Gruppo Mondadori, the leading Italian publishing group. He was initially appointed General Manager for Advertising Sales, and Mondadori Periodici (magazines) Deputy General Manager, and afterwards President and CEO of Manzoni & C. S.p.A, the Group's advertising representative.
From 1990 to 1997, he served first as President and CEO of Costa Cruise Lines in Miami, which is part of the Costa Crociere Group operating in the North American market (USA, Canada and Mexico) and then became General Manager of Costa Crociere S.p.A., based in Genoa.
From 1995 to 1997 he was also President and CEO of Compagnie Française de Croisières (Costa-Paquet), the Paris-based subsidiary of Costa Crociere.
From 1997 onwards he participated in the privatisation of SEAT Pagine Gialle, which was purchased by a group of financial investors. After the acquisition he was appointed CEO of SEAT.
In February 2000 he also took charge of the Internet Business unit of Telecom Italia, subsequent to the sale of SEAT.
In September 2001, following the acquisition of Telecom Italia by the Pirelli Group, he resigned.
As from November 2005 he became CEO of the De Agostini Group.
He is Chairman of GTECH, Chairman of the Board of DeA Capital, both companies listed in the Milan stock exchange, Chairman of Zodiak Media, Deputy Chairman of the Board of Directors of Générale de Santé and member of the Board of Directors of Assicurazioni Generali.
He is also member of the Advisory Boards of Investitori Associati IV, Wisequity II and Macchine Italia and Palamon Capital Partners. Since 2006 he has been a member of the Global Clinton Initiative.

Paolo Ceretti, Chief Executive Officer

Paolo Ceretti (59 years old) is Chief Executive Officer of DeA Capital.
He gained his professional experience inside the Agnelli Group, holding from 1979 positions of increasing importance at Fiat SpA (Internal Auditing and Finance) and in the Financial Services Sector (Planning, Credit and Control) and subsequently assuming the position of Head of Strategic Planning and Development of Ifil (now EXOR).
After assuming responsibility for the internet B2C sector of Fiat/Ifil in 1999 as CEO/General Manager of CiaoHolding and CiaoWeb, he was appointed CEO and General Manager of GlobalValue SpA, a Fiat/IBM joint venture in the Information Technology sector.
Since 2004, he has been General Manager of De Agostini S.p.A., the holding of the De Agostini Group where he is also CEO of De Agostini Editore.
He is a member of the Board of Directors of GTECH, Zodiak Media, Générale de Santé, IDeA FIMIT and other companies of the Group.

For further info:
www.deacapital.it
section: *About Us*

Manolo Santilli, Chief Financial Officer

Manolo Santilli (45 years old) is Chief Financial Officer of DeA Capital since February 2007.
He gained his professional experience starting in 1996 in STET International in the Planning, Controlling and Initiative Evaluation area, subsequently assuming in 2000 the responsibility of Administration and Control at IFIL/ FIAT of the Internet Start-up Ciaoweb.
In 2002 he became Investment Manager in Finmeccanica. Since 2004 he has been Administration and Reporting Manager for De Agostini S.p.A., where he is in charge of the administrative activity of the Holding of the De Agostini Group, he also manages the preparation of the Group Consolidated Statements and the top management reporting, the Group's portfolio evaluation and the relations with the rating agencies.
In 1994 he graduated in Economics at the Università Commerciale L. Bocconi of Milan. He is also Auditor and member of the Professional Accountants register in Pescara.

Carlo Frau, Head of Strategy and Management of Existing Shareholdings

Carlo Frau (59 years old), since 2010, he reports directly to the Chief Executive Officer, supports the top management of DeA Capital in selecting strategic investments, guaranteeing their implementation.
In particular, he follows Générale de Santé and IDeA Fimit, in both of which he is a member of the Board of Directors, and Migros Ticaret.
Born in 1955 and graduated in Management at Università L. Bocconi in Milan, he has a 30-years diverse working experience : auditing with KPMG in Germany, USA, where he became a CPA, and France (1978-81), investment banking with Banque Sudaméris in Paris (1981-84), Citicorp in London (1984-89) and Chase Manhattan in Italy and Switzerland (1989-94), consulting with Gemini Consulting (1994-99).
He then moved to industry where he managed and restructured distressed companies in different sectors: Antibioticos, part of the Montedison group (1999-2003), Parmalat, where he was in charge of all foreign countries (2004-05) and lately Cuki Domopak.

Paolo Perrella, Investor Relations Director

Paolo Perrella (48 years old) joined DeA Capital at the end of 2007 to manage relations with institutional investors and analysts. He is also Investor Relations Director at De Agostini SpA, where he is responsible for monitoring and control of some large financial investments.
He previously worked 10 years as equity analyst: member of the ABN AMRO telecoms pan-European team and, at the beginning of his career, at the finance department of RAS (Allianz Group).
He also spent 2 years at Interbanca, an Italian merchant bank, as Senior Manager, Equity Capital Markets.
From 2003 to 2007 worked for Telecom Italia, firstly as VP, Investor relations, then as VP of Strategic Planning, a function reporting to the CEO. BA in Business Administration with full marks in 1990 at Università Bocconi, in Milan. He earned the CFA® designation in 2002.

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Other information

At 31 December 2013, the Group had 208 employees (207 at the end of 2012), including 34 senior managers, 62 middle managers and 112 clerical staff. 193 of these worked in Alternative Asset Management and 15 in Private Equity Investment/the holding company. These staff levels do not include personnel on secondment from the Parent Company De Agostini S.p.A..

With regard to the regulatory requirements set out in art. 36 of the Market Regulation on conditions for the listing of parent companies of companies formed or regulated by laws of non-EU countries and of major importance in the consolidated accounts, it is hereby noted that no Group company falls within the scope of the above-mentioned provision.

Furthermore, conditions prohibiting listing pursuant to art. 37 of the Market Regulation relating to companies subject to the management and coordination of other parties do not apply.

Significant events after the end of 2013 and outlook

Significant events after the end of 2013

Private equity funds - paid calls/distributions
After the end of 2013, the DeA Capital Group increased its investment in the IDeA I FoF, ICF II, IDeA OF I and IDeA EESS funds following total payments of EUR 2.7 million (EUR 0.3 million, EUR 0.7 million, EUR 0.5 million and EUR 1.2 million respectively).

At the same time, the DeA Capital Group received capital distributions totalling EUR 0.3 million from the IDeA FoF I fund, to be used in full to reduce the value of the units.

New "Taste of Italy" Private Equity fund
After the end of 2013, the Board of Directors of IDeA Capital Funds SGR approved the regulations for a new private equity fund operating in the agricultural foods sector, with the objective of investing along the entire chain, from raw materials through to their transformation, distribution and provision in the restaurant business.

The fund will be called "Taste of Italy" and has a target to reach EUR 200 million.

Outlook

The outlook continues to focus on the strategic guidelines followed last year, with an emphasis on increasing the value of assets in the Private Equity Investment area and developing Alternative Asset Management platforms.

In relation to **Private Equity Investment**, the company will continue to work to identify the best opportunities to extract value, especially from the two largest subsidiaries, GDS and Migros. In this regard, there are a number of important aspects that will certainly influence the short- and medium-term performance of the two subsidiaries and hence the prospects for returns from their investments:

- In France, where GDS operates, the private healthcare sector is still going through a critical phase; despite improvements in services and provision by operators, tariff adjustments by the competent government authorities continue to be punitive, creating market "imbalances" in favour of public healthcare provision. As market leader, GDS has, for some time, been putting in place a series of measures to offset the harm done as a result of the absence of, or downwards, adjustments to prices. In particular, it is continuing with its efforts to make the clinics and related operating structures more efficient.
- In Turkey, which has been the largest food retail market for Migros for a long time, prospects for enhancing the value of the subsidiary have been seriously affected by the recent macro-economic and socio-political instability, which has put both the share price and the TRY/EUR exchange rate under pressure. It is clear that, in view of the good business performances recorded by Migros so far, it is absolutely essential that there is a return of "confidence" by local and international investors to ensure an optimal valuation of the asset.

Turning to the **Alternative Asset Management** business, as alluded to above, the Company will continue to develop platforms for both private equity (managed by IDeA Capital Funds SGR) and real estate (managed by IDeA FIMIT SGR).

In the private equity business, new funds are expected to be launched shortly (the "Taste of Italy" and III Fund of funds), which will enable the company to increase its total assets under management and hence its turnover.

The situation in the real estate business remains complicated. Transaction levels are low, although they have been boosted in recent periods by renewed interest from foreign investors (notably of an opportunistic nature, however). In addition, further pressure on the sector will come from (retail) funds expiring in the next 18-24 months. Since it is hard to imagine that new investors will be found for all of these funds, fresh solutions (which may be regulatory) need to be outlined that will allow for an orderly disposal of the assets in the portfolio.

In general, in view of the above aspects, the Group believes that it has created a portfolio of operating assets that are "resistent" to adverse economic conditions, and that, at the same time, can benefit from improvements in the scenario, which to a large extent affect expectations regarding growth in the value of investments.

At the same time, in support of the strategic guidelines set out above, the company will continue to maintain a solid asset and financial structure, implementing any initiative with rigour and discipline.

8. Proposal to approve the financial statements of DeA Capital S.p.A. for the year ending 31 December 2013 and related and resulting resolutions

Dear shareholders,

in submitting the annual financial statements for the financial year ended 31 December 2013 for your approval, the Board of Directors proposes that you pass the following resolution:

****

The DeA Capital S.p.A. ordinary shareholders' meeting,

- after reviewing the draft annual financial statements for the year ending 31 December 2013, which show a loss of EUR 62,866,203 (profit of EUR 2,269,268 in 2012);
- in acknowledgement of the Reports of the Board of Auditors and of the independent auditors, KPMG S.p.A.

resolves

1. to approve the Report of the Board of Directors on the Group's position and on operating performance
2. to approve the balance sheet, income statement and notes to the financial statements for the year to 31 December 2013 and the related annexes
3. to carry forward the loss of EUR 62,866,203 reported in the financial statements for the year to 31 December 2013
4. to grant Chairman Lorenzo Pellicioli and Chief Executive Officer Paolo Ceretti broad powers to execute this resolution, jointly or severally through their agents and in compliance with the deadlines and procedures established by law.

****

Milan, 10 March 2014

FOR THE BOARD OF DIRECTORS
The Chairman
Lorenzo Pellicioli

Consolidated Financial Statements for the Year Ending 31 December 2013

- Consolidated balance sheet
- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated cash flow statement
- Statement of changes in consolidated shareholders' equity
- Notes to the financial statements

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Consolidated statement of financial position

(Euro thousand)	Note	December 31,2013	December 31,2012
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	1a	166,315	208,891
Intangible assets	1b	78,463	105,992
Property, plant and equipment	1c	4,855	2,527
Total intangible and tangible assets		*249,633*	*317,410*
Investments			
Investments valued at equity	2a	296,975	296,366
Other available-for-sale companies	2b	132,536	223,896
Available-for-sale funds	2c	166,260	166,504
Other avalaible-for-sale financial assets	2d	330	327
Total Investments		*596,101*	*687,093*
Other non-current assets			
Deferred tax assets	3a	2,657	2,754
Loans and receivables	3b	30,372	27,444
Tax receivables from Parent companies	3c	2,984	-
Other non-current assets	3d	26,168	25,944
Total other non-current assets		*62,181*	*56,142*
Total non-current assets		**907,915**	**1,060,645**
Current assets			
Trade receivables	4a	21,078	12,256
Available-for-sale financial assets	4b	5,464	5,666
Financial receivables	4c	-	2,003
Tax receivables from Parent companies	4d	3,467	7,489
Other tax receivables	4e	4,649	2,522
Other receivables	4f	18,350	7,792
Cash and cash equivalents	4g	26,096	29,156
Total current assets		*79,104*	*66,884*
Total current assets		**79,104**	**66,884**
Held-for-sale assets	**4h**	**1,285**	**-**
TOTAL ASSETS		**988,304**	**1,127,529**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Net equity Group	5a	273,975	274,606
Share premium reserve	5b	386,198	386,452
Legal reserve	5c	61,322	61,322
Fair Value reserve	5d	28,725	91,905
Other reserves	5e	(8,898)	(10,444)
Translation reserve	5f	(80,703)	(54,426)
Retained earnings (losses)	5g	(31,130)	(26,277)
Profit/(loss) for the year		**629,489**	**723,138**
Minority interests	**5h**	**112,890**	**136,309**
Shareholders' equity		**742,379**	**859,447**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	3a	19,537	25,668
Provisions for employee termination benefits	6a	3,529	3,035
Long term financial loans	6b	150,198	142,802
Payables to staff	6c	406	1,956
Total non-current liabilities		**173,670**	**173,461**
Current liabilities			
Trade payables	7a	15,516	27,420
Payables to staff and social security organisations	7b	6,833	8,868
Current tax	7c	6,956	7,473
Other tax payables	7d	1,478	4,276
Other payables	7e	2,054	1,495
Short term financial loans	7f	39,418	45,089
Total current liabilities		**72,255**	**94,621**
Held-for-sale liabilities		**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**988,304**	**1,127,529**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the balance sheet, income statement and cash flow statement is explained in the notes to the financial statements.

Consolidated income statement

(Euro thousands)	Note	Year 2013	Year 2012
Alternative Asset Management fees	8	78,810	82,004
Income from equity investments	9	1,861	(18,442)
Other investment income/expense	10	(18,217)	(7,884)
Income from services	11	16,329	10,863
Other income	12	3,906	1,658
Personnel costs	13a	(28,241)	(32,846)
Service costs	13b	(21,570)	(26,583)
Depreciation, amortization and impairment	13c	(73,284)	(16,647)
Other expenses	13d	(5,074)	(5,194)
Financial income	14a	5,991	1,831
Financial expenses	14b	(6,430)	(8,590)
PROFIT/(LOSS) BEFORE TAX		**(45,919)**	**(19,830)**
Income tax	15	(4,380)	1,621
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		***(50,299)***	***(18,209)***
Profit (Loss) from discontinued operations/held-for-sale assets		0	0
PROFIT/(LOSS) FOR THE PERIOD		***(50,299)***	***(18,209)***
- Group share		(31,130)	(26,277)
- Non controlling interests		(19,169)	8,068
Earnings per share, basic (€)	16	(0.114)	(0.095)
Earnings per share, diluted (€)	16	(0.114)	(0.095)

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the balance sheet, income statement and cash flow statement is explained in the notes to the financial statements.

Statement of consolidated comprehensive income
(Statement of Performance - IAS 1)

Comprehensive income or the Statement of Performance (IAS 1), in which performance for the period attributable to the Group is reported including results posted directly to shareholders' equity, reflects a net negative balance of approximately EUR 94.3 million compared with a net positive balance of approximately EUR 62.5 million in 2012. This comprised:

- a net loss of EUR 31.1 million recorded on the income statement;
- losses posted directly to shareholders' equity totalling EUR 63.2 million.

As regards the latter, the largest component was the decrease in fair value of Kenan Inv. / Migros. The decrease of EUR 91.2 million versus 31 December 2012 in the value of this equity investment was due to the fall in the value of Migros shares (TRY 16.00 per share at 31 December 2013, compared with approximately TRY 21.5 per share at 31 December 2012, and the depreciation of the Turkish lira against the euro (2.97 TRY/EUR at 31 December 2013 versus 2.36 TRY/EUR at 31 December 2012). The effect on the DeA Capital Group's NAV of this change in fair value was partially offset by the reduction in estimated carried interest to be paid, based on the total capital gain. This has also fallen with respect to the figure at 31 December 2012 (positive effect of EUR 12.8 million).

(Euro thousands)	**Year 2013**	**Year 2012**
Profit/(loss) for the period (A)	**(50,299)**	**(18,209)**
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	(62,345)	87,535
Gains/(Losses) on fair value of available-for-sale financial assets	*(71,229)*	*85,397*
Share of other comprehensive income of associates	*8,884*	*2,138*
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	25	0
Gains/(losses) on remeasurement of defined benefit plans	*25*	*0*
Other comprehensive income, net of tax (B)	***(62,320)***	***87,535***
Total comprehensive income for the period (A)+(B)	***(112,619)***	***69,326***
Total comprehensive income attributable to:		
- Group Share	(94,310)	62,496
- Non Controlling Interests	(18,309)	6,830

Consolidated cash flow statement (direct method)

(Euro thousands)	Year 2013	Year 2012
CASH FLOW from operating activities		
Investments in funds and shareholdings	(34,155)	(47,964)
Acquistions of subsidiaries net of cash acquired	(50,688)	(22,931)
Capital reimbursements from funds	25,332	18,771
Proceeds from the sale of investments	81	0
Interest received	531	604
Interest paid	(3,439)	(3,224)
Cash distribution from investments	5,820	5,097
Realized gains (losses) on exchange rate derivatives	(831)	(889)
Taxes paid	(15,161)	(6,967)
Taxes refunded	0	0
Dividends received	0	0
Management and performance fees received	71,151	75,870
Revenues for services	40,501	15,064
Operating expenses	(79,692)	(57,183)
Net cash flow from operating activities	**(40,550)**	**(23,752)**
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(4,343)	(884)
Sale of property, plant and equipment	756	32
Purchase of licenses	(932)	(197)
Net cash flow from investing activities	**(4,519)**	**(1,049)**
CASH FLOW from investing activities		
Acquisition of financial assets	(2,403)	(3,258)
Sale of financial assets	4,824	6,587
Share capital issued	320	0
Share capital issued:stock option plan	0	0
Own shares acquired	(885)	(8,000)
Own shares sold	0	0
Interest from financial activities	0	0
Dividends paid	(5,643)	(6,290)
Warrant	0	0
Managers Loan	0	0
Loan	(169)	25,837
Quasi-equity loan	0	(25,837)
Bank loan paid back	(1,035)	(672)
Bank loan received	47,000	20,000
Net cash flow from financing activities	**42,009**	**8,367**
CHANGE IN CASH AND CASH EQUIVALENTS	**(3,060)**	**(16,434)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**29,156**	**46,764**
Cash and cash equivalents relating to held-for-sale assets	0	0
Cash and cash equivalents at beginning of period	**29,156**	**46,764**
EFFECT OF CHANGE IN BASIS OF CONSOLIDATION: CASH AND CASH EQUIVALENTS	0	(1,174)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**26,096**	**29,156**
Held-for-sale assets and minority interests	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**26,096**	**29,156**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the balance sheet, income statement and cash flow statement is explained in the notes to the financial statements.

Statement of changes in consolidated shareholders' equity

(EUR thousand)	Share Capital	Share Premium Reserve	Legal reserve	Fair Value reserve
Total at 31.12.11	**280,697**	**388,362**	**61,322**	**3,132**
Allocation of 2011 net profit	0		0	0
Cost of stock options	0	0	0	0
Purchase of own shares	(6,091)	(1,910)	0	0
Other changes	0	0	0	0
Total comprehensive profit/(loss)	0	0	0	88,773
Total at 31.12.12	**274,606**	**386,452**	**61,322**	**91,905**

(EUR thousand)	Share Capital	Share Premium Reserve	Legal reserve	Fair Value reserve
Total at 31.12.12	**274,606**	**386,452**	**61,322**	**91,905**
Allocation of 2011 net profit	0		0	0
Cost of stock options	0	0	0	0
Purchase of own shares	(631)	(254)	0	0
Other changes	0	0	0	0
Total comprehensive profit/(loss)	0	0	0	(63,180)
Total at 31.12.13	**273,975**	**386,198**	**61,322**	**28,725**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the balance sheet, income statement and cash flow statement is explained in the notes to the financial statements.

Other reserves	Profit/(loss) carried forward	Profit (loss) for the Group	Total Group	Non controlling interests	Consolidated net equity
(10,042)	**(10,849)**	**(43,577)**	**669,045**	**134,324**	**803,369**
0	(43,577)	43,577	**0**	0	**0**
(77)	0	0	**(77)**	0	**(77)**
0	0	0	**(8,001)**	0	**(8,001)**
(325)	0	0	**(325)**	(4,845)	**(5,170)**
0	0	(26,277)	**62,496**	6,830	**69,326**
(10,444)	**(54,426)**	**(26,277)**	**723,138**	**136,309**	**859,447**

Other reserves	Profit/(loss) carried forward	Profit (loss) for the Group	Total Group	Non controlling interests	Consolidated net equity
(10,444)	**(54,426)**	**(26,277)**	**723,138**	**136,309**	**859,447**
0	(26,277)	26,277	**0**	0	**0**
(6)	0	0	**(6)**	0	**(6)**
0	0	0	**(885)**	0	**(885)**
1,552	0	0	**1,552**	(5,110)	**(3,558)**
0	0	(31,130)	**(94,310)**	(18,309)	**(112,619)**
(8,898)	**(80,703)**	**(31,130)**	**629,489**	**112,890**	**742,379**

Notes to the Consolidated Financial Statements for the Year Ending 31 December 2013

Notes to the Consolidated Financial Statements for the Year Ending 31 December 2013

A. Structure and content of the consolidated financial statements

The Consolidated Financial Statements for the Year Ending 31 December 2013 include Parent Company DeA Capital S.p.A. and all subsidiaries (the Group), and were prepared using the separate financial statements of the companies included in the basis of consolidation corresponding to the relevant individual statements, restated as necessary, to adapt them to the accounting standards listed below as dictated by Italian law.

The consolidated financial statements were prepared in accordance with the general principles of IAS 1, specifically:
- Accruals principle: the effect of events and transactions is recorded when they occur, and not when payment is made or received.
- Going concern principle: the financial statements are prepared under the assumption that business operations will continue in the near future. In this regard, the directors have evaluated this assumption with particular scrutiny in light of the current economic and financial crisis. As indicated in the section "Main risks and uncertainties" in the Report on Operations, the directors believe that the risks and uncertainties described therein are not critical in nature, confirming the financial solidity of the DeA Capital Group.
- Materiality: when reporting operating events in accounting entries, preference is given to the principle of economic substance over form.
- Comparative information: the consolidated financial statements must show comparative information for the previous period.

The consolidated financial statements consist of the balance sheet, the income statement, the statement of changes in shareholders' equity, the cash flow statement, the statement of comprehensive income (Statement of Performance – IAS 1) and these notes to the consolidated financial statements. The consolidated financial statements are also accompanied by the Report on Operations and a Statement of Responsibilities for the Accounts pursuant to art. 154-*bis* of Legislative Decree 58/98.

The balance sheet provides a breakdown of current and non-current assets and liabilities with separate reporting for those resulting from discontinued or held-for-sale operations. In the income statement, the Group has adopted the nature of expense method, whereby costs and revenues are classified according to type. The cash flow statement is prepared using the "direct method".

Companies over which the Group exercises joint control are consolidated proportionally in the consolidated financial statements, as stipulated by IAS 31 (Interests in joint ventures). Specifically, the Group's portions of the assets, liabilities, costs and revenues are classified as follows:
- assets and liabilities are included under "Assets relating to joint ventures" and "Liabilities relating to joint ventures" respectively;
- revenues, costs and taxes are included in the applicable items relating to "joint ventures".

Unless otherwise indicated, all tables and figures included in these notes to the financial statements are reported in EUR thousand.

In addition to the figures at 31 December 2013, the financial statement formats used also provide comparable figures for 31 December 2012.

The publication of the consolidated financial statements for the period ending 31 December 2013 was authorised by resolution of the Board of Directors dated 10 March 2014.

Statement of compliance with accounting standards

The consolidated financial statements for the year ending 31 December 2013 (2013 consolidated financial statements) have been prepared in accordance with the International Accounting Standards adopted by the European Union and approved by the date the financial statements were prepared, International Accounting Standards, or individually IAS/IFRS, or collectively IFRS (International Financial Reporting Standards). "IFRS" also means all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC), approved by the European Union.

The consolidated financial statements were prepared with a focus on clarity, and provide a true and fair view of the balance sheet, financial situation, income statement and cash flows for the period.

Accounting standards, amendments and interpretations applied as of 1 January 2013

The IASB-approved international accounting standards and interpretations authorised for adoption in Europe that were applied for the first time from 1 January 2013 are detailed below. None had any significant impact on the consolidated financial statements for the year ending 31 December 2013. The Group did not apply any IFRSs in advance.

Amendments to IAS 12 (Income taxes)

On 20 December 2010, the IASB published a number of amendments to IAS 12 (Income taxes), which clarify how to calculate deferred taxes on real estate investments measured at fair value. To provide a simplified approach, the amendments introduce the presumption, when calculating deferred taxes, that the carrying amount of the underlying asset will be recovered entirely by sale, unless there is clear evidence that it can be recovered through use.

As a result of these changes, the document SIC 21 (Income Taxes - recovery of revalued, non-depreciable assets) was withdrawn at the same time. The entire contents of this document are now covered in IAS 12.

IFRS 13 (Fair value measurement)

On 12 May 2011, the IASB published the accounting standard IFRS 13 (Fair value measurement), which provides a single definition of the concept of fair value and a framework for how it should be applied when another IFRS permits or requires its use.

More specifically, IFRS 13 sets out a clear definition of fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (or exit price). This definition highlights that fair value is a measure that must be based on the market and not the valuing entity. In other words, the measurement process must take into account the assumptions that market participants would use when pricing the asset or liability in current conditions, including assumptions on risk. As a consequence, the intention to hold an asset or cancel or fail to meet a liability is of no relevance in measuring fair value.

IAS 1 Presentation of Items of Other Comprehensive Income

On 16 June 2011, the IASB published "Presentations of Items of Other Comprehensive Income (amendments to IAS 1)" in cooperation with the FASB. The document provides guidelines on presenting and classifying items included in the Statement of Performance.
The standard requires items in the Statement of Performance to be grouped into two categories, according to whether or not they can be recycled through profit or loss in future years.

Examples of the first category are: translation reserve for entities with a functional currency other than the euro, cash flow hedge reserve, profits or losses on financial assets classified as available for sale pursuant to IAS 39.

Examples of the second category are: revaluations resulting from the decision to measure tangible and intangible assets at fair value (IAS 16 or IAS 38), cumulative actuarial gains or losses (IAS 19).

An entity may present the Statement of Performance items net of the related tax effect, or submit a gross presentation, with an overall tax effect (in this case distinguishing the portion relating to items that could be recycled through profit or loss in the future from that relating to items that cannot be recycled through profit or loss).

Amendments to IAS 19 (Employee benefits)

On June 16, 2011, the IASB issued amendments to IAS 19 (Employee benefits) that introduce the obligation to recognise actuarial gains and losses in the statement of comprehensive income, removing the option of using the "corridor" method and requiring the recognition of actuarial gains and losses resulting from the revaluation of liabilities and assets in the statement of comprehensive income.

Amendments to IFRS 7 (Disclosures – offsetting financial assets and financial liabilities)

On 16 December 2011, the IASB published a number of amendments to IFRS 7 (Financial instruments: disclosures). The amendment requires information to be disclosed on the effects or potential effects of contracts to offset financial assets and liabilities on the statement of financial position.

Amendments to IFRS 1 (Government loans)

On 13 March 2012, the IASB published an amendment to IFRS 1 (First-time adoption of International Financial Reporting Standards) regarding government loans taken out at interest rates lower than market rates.

The amendment introduced the option for entities that are adopting IFRS for the first time to use the same simplified rules as those permitted to entities that made the transition to international accounting standards in 2005. This means they do not have to change the carrying value calculated according to previous accounting standards for loans already taken out at the date of transition to international accounting standards.

Improvements to IFRSs 2009-2011

On 17 May 2012, the IASB published its "Annual Improvements to IFRS – 2009-2011 Cycle", detailing the minor changes to be made to existing accounting standards. The document contains a series of improvements to five accounting standards (IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34).

Future accounting standards, amendments and interpretations

Accounting standards, amendments and interpretations that are not yet applicable and have not been adopted in advance by the Group, but were ***approved*** *for adoption in the European Union as of 28 February 2014.*

The International Accounting Standards, together with the interpretations and changes to existing IASB-approved accounting standards and interpretations that were ratified for adoption in the European Union on 28 February 2014, are as follows:

IFRS 10 (Consolidated financial statements)

On 12 May 2011, the IASB published the accounting standard IFRS 10 (Consolidated financial statements), which is intended to replace IAS 27 (Consolidated and separate financial statements) and SIC 12 (Consolidation – special purpose entities). The new standard sets out a single model of consolidation that identifies control as the basis for the consolidation of all types of entities.

The new standard defines the concept of control on the basis of the concurrence of three essential elements:

- power over the investee company;
- exposure to or the right to variable returns from its involvement with the investee company;
- the ability to use that power over the investee to affect the amount of the investor's returns.

The standard will come into force from 1 January 2014, but can be applied in advance.

IFRS 11 (Joint arrangements)

On 12 May 2011, the IASB published the accounting standard IFRS 11 (Joint arrangements), which is intended to replace IAS 31 (Interests in joint ventures) and SIC 13 (Jointly controlled entities – non-monetary contributions by venturers). The new standard governs the principles for reporting all joint arrangements. These are divided into two categories, according to the economic substance of the arrangements between the parties:

- joint operations, whereby the parties to the arrangement acquire rights to certain assets and assume obligations for certain liabilities;
- joint ventures, whereby the parties have rights to the net value of a set of jointly controlled assets and liabilities.

In the first case, the investor recognises the assets and liabilities acquired (along with the associated income and expense) according to the IAS/IFRS standards governing the individual elements; in the second, the pro-rata interest in the joint venture is recognised using the equity method.

The standard will come into force from 1 January 2014, but can be applied in advance.

IFRS 12 (Disclosure of interests in other entities)

On 12 May 2011, the IASB published the accounting standard IFRS 12 (Disclosure of interests in other entities) regarding the information to be provided in the financial statements on equity investments in other entities, including subsidiaries, associates and joint ventures. This information must enable users of the financial statements to understand the nature of the risks associated with the investments in strategic shareholdings that will form part of the company's assets over the long term. The information must also indicate the effects of these investments on financial position, financial performance and cash flows.

The standard will come into force from 1 January 2014, but can be applied in advance.

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

On 28 June 2012, the IASB published "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance" (Amendments to IFRS 10, IFRS 11 and IFRS 12).

The amendments must be applied from 1 January 2014.

Amendments to IAS 32 (Offsetting financial assets and financial liabilities)

On 16 December 2011, the IASB published a number of amendments to IAS 32 (Financial instruments: presentation), clarifying how certain criteria for offsetting financial assets and liabilities, as set out in IAS 32, should be applied.

The amendments must be applied from 1 January 2014.

We do not anticipate that the potential adoption of the standards and interpretations noted above will have a material impact on the valuation of the DeA Capital Group's assets, liabilities, costs and revenues, except for the possible effects of any redefinition of the Company's method of consolidation in accordance with the new IFRS 10.

*Accounting principles, amendments and interpretations that are not yet applicable, have **not been adopted** in advance by the Group and are not yet approved for adoption in the European Union as of 28 February 2014*

The International Accounting Standards, interpretations and changes to existing IASB-approved accounting standards and interpretations that had not been ratified for adoption in the European Union as of 28 February 2014 are as follows:

IFRS 9 (Financial instruments)

On 12 November 2009, the IASB issued the first part of IFRS 9, which only amends the requirements for classifying and valuing the financial assets that are currently specified in IAS 39; once completed, it will fully replace IAS 39. Financial liabilities do not fall within the scope of IFRS 9, since the IASB intends to go into greater detail on aspects related to the inclusion of own credit risk in the fair value measurement of financial liabilities. Thus, financial liabilities continue to fall within the scope of IAS 39.

The endorsement process for IFRS 9 is currently on hold, and this standard is not applicable in the EU, ahead of the European Commission's full assessment of the plan to completely replace IAS 39.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IFRS 27)

On 31 October 2012, the IASB published "Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)". The change introduced an exception to IFRS 10, which stipulates that investment entities value certain subsidiaries at fair value on the income statement instead of consolidating them.

The amendments will apply to financial statements for periods from 1 January 2014 onwards. It may also be applied in advance.

IFRIC Interpretation 21 - Levies

On 20 May 2013, the IASB published "IFRIC 21 interpretation – Levies", to describe the accounting of levies imposed by the tax authorities, as well as current taxes. The interpretation deals with the issue of recognising costs that companies must sustain for tax payments. IFRIC 21 is an interpretation of IAS 37 (Provisions, contingent liabilities and contingent assets).

The amendments, which are expected to be ratified by the European Commission, will apply to financial statements for periods from 1 January 2014 onwards.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

On 29 May 2013, the IASB published the document "Recoverable Amount Disclosures for Non-Financial Assets", which clarifies that the disclosure to be made concerning the recoverable amount of assets that have undergone a fall in value only concerns those assets whose recoverable value is based on fair value net of sales costs.

The amendments will apply to financial statements for periods from 1 January 2014 onwards. It may also be applied in advance if the entity has already applied IFRS 13 (Fair value measurement).

Amendments to IAS 39 (Financial instruments: Recognition and measurement – Novation of derivatives and continuation of hedge accounting)

On 27 June 2013, the IASB published "Novation of derivatives and continuation of hedge accounting (Amendments to IAS 39)". The objective of the amendments is to govern situations in which a derivative designated as a hedge is novated from one counterparty to a central counterparty as a consequence of new laws or regulations. Hedge accounting may therefore continue regardless of the novation, which would not be allowed without the amendment.

The amendments will apply to financial statements for periods from 1 January 2014 onwards.

Defined Benefit Plans: Employee Contributions (Modifiche allo IAS 19)

On 21 November 2013, the IASB published "Defined Benefit Plans: Employee Contributions", which makes limited amendments to IAS 19 (Employee benefits).

The amendments require that contributions (linked solely to the employee's service in the period) made by employees or third parties to defined benefit plans are recognised as a reduction in the service cost of the period in which they are paid.

The amendments, which are expected to be ratified by the European Commission, will apply to financial statements for periods from 1 January 2014 onwards.

Improvements to IFRSs 2010-2012

On 12 December 2013, the IASB published its "Annual Improvements to IFRS – 2010-2012 Cycle", detailing the minor changes to be made to existing accounting standards. The document contains a series of improvements to six accounting standards (IFRS 3, IAS 1, IAS 7, IAS 12, IAS 24 and IAS 36).

The amendments, which are expected to be ratified by the European Commission, will apply to financial statements for periods from 1 July 2014 onwards.

Improvements to IFRSs 2011-2013

On 12 December 2013, the IASB published its "Annual Improvements to IFRS – 2011-2013 Cycle", detailing the minor changes to be made to existing accounting standards. The document contains a series of improvements to four accounting standards (IFRS 1, IFRS 3, IFRS 13 and IAS 40).

The amendments, which are expected to be ratified by the European Commission, will apply to financial statements for periods from 1 July 2014 onwards.

Basis of consolidation

As a result of the events described in the Report on Operations, the basis of consolidation at 31 December 2013 changed compared with 31 December 2012, due to:

- the liquidation of IDeA SIM;
- the purchase of shares representing 3.0% of the capital of IDeA FIMIT SGR, which brought the DeA Capital Group's total investment to 64.3% of the company's capital;
- the initial capital increase reserved for the CEO of IRE, for 3.75% of the company (as well as the issue of special shares, with limited economic rights, reserved for the CEO, for a further 10% of the company) and the subsequent capital increase reserved for Colliers, for 3.0% of the company (subsequently, once two years from the date of the transfer have elapsed, and subject to the achievement of the results set out in the business plan of the division in question, Colliers will be granted a further 3% stake in IRE).

As a result, at 31 December 2013, the following companies formed part of the DeA Capital Group's basis of consolidation:

Company	Registered office	Currency	Share capital	% holding	Consolidation method
DeA Capital S.p.A.	Milan, Italy	Euro	306,612,100	Holding	
DeA Capital Investments S.A.	Luxembourg	Euro	371,911,982	100%	Full consolidation (IAS 27)
Santè S.A.	Luxembourg	Euro	101,726,800	42.89%	Equity accounted (IAS 28)
Sigla Luxembourg S.A.	Luxembourg	Euro	482,684	41.39%	Equity accounted (IAS 28)
IDeA Capital Funds SGR S.p.A.	Milan, Italy	Euro	1,200,000	100.00%	Full consolidation (IAS 27)
IDeA OF I	Milan, Italy	Euro	-	46.99%	Equity accounted (IAS 28)
Atlantic Value Added	Rome, Italy	Euro	-	27.27%	Equity accounted (IAS 28)
DeA Capital Real Estate S.p.A.	Milan, Italy	Euro	600,000	100.00%	Full consolidation (IAS 27)
Innovation Real Estate S.p.A.	Milan, Italy	Euro	597,725	83.65%	Full consolidation (IAS 27)
Innovation Real Estate Advisory S.r.l.	Milan, Italy	Euro	105,000	83.65%	Full consolidation (IAS 27)
I.F.IM. S.r.l.	Milan, Italy	Euro	10,000	100.00%	Full consolidation (IAS 27)
IDeA FIMIT SGR S.p.A.	Rome, Italy	Euro	16,757,574	64.30%	Full consolidation (IAS 27)

The shares held in Santé are subject to a lien in favour of the entities providing credit lines available for companies forming part of the control structure of Générale de Santé (i.e. Santé and Santé Développement Europe).

The above list meets the requirements of Consob Resolution 11971 of 14 May 1999 and subsequent amendments (art. 126 of the Regulation).

Consolidation method

Subsidiaries are consolidated on a line-by-line basis from their date of acquisition, i.e. on the date the Group acquires a controlling interest, and they cease to be consolidated when control is transferred outside the Group.
Subsidiaries are those companies in which the Parent Company, directly or indirectly through subsidiaries, holds a majority of the capital subscribed and/or voting rights, or over which the Parent Company exercises *de facto* control allowing it to direct the financial and operating policies of the subsidiary pursuant to the articles of association or by agreement.
The financial statements of subsidiaries are prepared for each period using the same accounting standards used by the Parent Company.

The main criteria adopted to apply this method are indicated below:

- the financial statements of the Parent Company and subsidiaries are incorporated on a "line-by-line" basis;
- the carrying value of the investment is offset against the corresponding net equity figure When a company is included in the basis of consolidation for the first time, the difference between the acquisition cost and the net equity of the investee companies is posted, if the conditions are right, to the assets or liabilities included in the consolidation, pursuant to the provisions of IFRS 3. Any residual portion is taken to the income statement if negative, or recorded as a specific item, “goodwill”, under assets if positive. The latter is subject to an annual impairment test. Alternatively, when a company is included in the basis of consolidation for the first time, the entire amount may be recorded as goodwill including the portion relating to the minority interests (full goodwill approach);
- significant transactions between consolidated companies are eliminated as are payables and receivables and unrealised profits resulting from transactions between Group companies net of any tax impact;
- the portions of shareholders' equity pertaining to minority shareholders are reported, along with the respective share of net profit for the period, in appropriate shareholders' equity items.

In the case of joint control, the integration is carried out, pursuant to IAS 31, in proportion to the share held by the Parent Company.

B. Measurement criteria adopted

The measurement criteria adopted on the basis of International Accounting Standards and reported below are consistent with the going concern principle and have not changed from those used in the preparation of the Consolidated Financial Statements for the Year Ending 31 December 2012 and the Summary Consolidated Half-year Financial Statements at 30 June 2013 except as a result of the application of new IAS/IFRS accounting standards as described above.

Current and non-current assets and liabilities

An asset is considered current if it meets at least one of the following conditions:

- it is expected to be converted during the company's normal operating cycle. The "company's operating cycle" means the period from the acquisition of an asset to its conversion to cash and cash equivalents; when the company's operating cycle cannot be clearly identified, its duration is assumed to be 12 months;
- it is held mainly for trading purposes;
- its conversion is expected to occur within 12 months following the end of the financial year;
- it consists of cash and cash equivalents which have no restrictions that would limit its use in the 12 months following the end of the financial year.

All other assets are carefully analysed to separate the "current" portion from the "non-current" portion.

Furthermore, deferred tax assets are recorded under non-current components.

A liability is considered current if it meets at least one of the following conditions:

- it is expected to be settled during the company's normal operating cycle;
- it is held mainly for trading purposes;
- its settlement is expected to occur within 12 months following the end of the financial year;
- the company does not have an unconditional right to defer payment of the liability for at least 12 months following the end of the financial year.

All other liabilities are carefully analysed to separate the "current" portion from the "non-current" portion.

Furthermore, deferred tax liabilities are recorded under non-current components.

Intangible assets

Intangible assets are those assets with no physical form that can be identified and produce future economic benefits. They are recorded under assets when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. The above assets are recorded at purchase cost, or at production cost if they are generated internally.

The purchase cost is represented by the fair value of the price paid to acquire the asset and by all other direct costs incurred to prepare the asset for use.
The carrying value of intangible assets is maintained in the financial statements to the extent that there is evidence that this value can be recovered through use or if it is likely that these assets will generate future economic benefits.
The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with an indefinite useful life are tested to check that their value is still appropriate at any time when there are indications of possible impairment as required by IAS 36 (Impairment of assets). Intangible assets with an indefinite useful life are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to check that the underlying conditions for the classification continue to apply. For additional details, please see the section "*Impairment*."

Except for intangible assets involving rights connected with final variable commissions, intangible assets with a finite useful life are amortised on a straight-line basis over their useful life.
The amortisation method used for rights connected with final variable commissions reflects changes in future economic benefits associated with the recognition of the related revenues.

The useful life of these intangible assets is tested to check that their value is still appropriate whenever there are indications of possible impairment.

Impairment - IAS 36

Impairment always occurs when the carrying value of an asset is greater than its recoverable value. On each reporting date, the company determines whether there are any indications that an asset may be impaired. If such indications exist, the recoverable value of the asset is estimated (impairment test) and any write-down is recorded. The recoverable value of an asset is the higher of its fair value less costs to sell the asset and its value in use.

IAS 36 provides instructions on determining fair value less costs to sell an asset, as follows:
- if there is a binding sales agreement, the asset's fair value is the negotiated price;
- if there is no agreement, but the asset is marketed in an active market, the fair value is the current bid price (thus, the exact price on the value date and not the average price);
- if no prices can be found in active markets, fair value must be determined based on valuation methods that incorporate the best information available including any recent transactions involving the same asset, after verifying that there were no significant changes in the economic environment between the date of the transactions under consideration and the valuation date.

IAS 36 defines value in use as the present value of future cash flows that an asset is projected to produce. The estimate of the value in use must include the items listed below:
- an estimate of future cash flows that the company expects to derive from the asset;
- expectations of potential changes in value and the timing of such cash flows;
- the time value of money;
- other factors such as the volatility of the asset's value and the lack of a liquid market for it .

For more information on determining value in use, please see Appendix A of IAS 36. However, the main elements for accurately estimating the value in use are an appropriate calculation of projected cash flows (for which the investee company's business plan is essential) and their timing, as well as the application of the right discount rate that accounts for both the present value of money and the specific risk factors for the asset to be valued.

In all cases, when calculating the value it is important to:
- base cash flow projections on reasonable and sustainable assumptions that provide the best estimate of the economic conditions that are likely to exist over the remaining useful life of the asset;
- base cash flow projections on the most recent budget/plan approved by the investee company, which, however, must exclude any future inflows or outflows of cash that are expected to come from the future restructuring, improvement or optimisation of operating performance. Projections based on these budgets/plans must cover a maximum period of five years unless a longer period of time can be justified;
- estimate higher cash flow projections for the period covered by the most recent budgets/plans by extrapolating projections based on the budgets/plans taken into consideration, and using a stable or declining growth rate for subsequent years unless a rising rate can be justified. This growth rate must not exceed the average long-term growth rate for production in the country or countries in which the investee company operates or for markets in which the asset used is placed unless a higher rate can be justified.

The assumptions used to determine cash flow projections must be reasonable, and based partly on an analysis of the factors that generated differences between projections of past and current cash flows. In addition, the assumptions used to determine current cash flow projections must be checked to ensure that they are consistent with actual past results, unless in the meantime changes have occurred in the investee company's business model or in the economic environment in which it operates that justify changes in respect of the past.

Tangible assets

Tangible assets are recorded at purchase price or production cost adjusted for accumulated depreciation and any impairment. Their cost includes ancillary costs and direct and indirect costs incurred at the time of purchase necessary to make the asset usable. The purchase cost is represented by the fair value of the price paid to acquire the asset and by all other direct costs incurred to prepare the asset for use. Tangible assets are depreciated on a straight-line basis over their remaining useful life, using the depreciation rates indicated in the notes on the item relating to similar groups of assets. If factors are discovered that lead the company to believe that it may be difficult to recover the net carrying value, an impairment test is performed. If the reasons for the impairment cease to exist, the carrying value of the asset is increased to its recoverable amount.

Associates

These are companies in which the Group holds at least 20% of the voting rights or exercises significant influence, but not full or joint control over their financial and operating policies. The consolidated financial statements include the Group's share of its associates' results, which are reported using the equity method, starting on the date on which significant influence began until the significant influence ceases to exist.

If the Group's share of an associate's losses exceeds the carrying value of the equity investment reported in the financial statements, the carrying value of the equity investment is eliminated, and the share in further losses is not reported unless, and to the extent that, the Group is legally liable for such losses.

When the equity investment is acquired, any difference between its cost and the Parent Company's stake in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is recorded as required by IFRS 3, i.e. any goodwill is included in the carrying value of the equity investment.

As governed by IAS 28.33, since the goodwill included in the carrying value of an equity investment in an associate is not recorded separately, it is not subject to a separate impairment test pursuant to IAS 36 (Impairment of assets). Instead, the entire carrying value of the equity investment is subject to an impairment test pursuant to IAS 36 by comparing its recoverable value (the greater of its value in use and the fair value adjusted for sales costs) and carrying value whenever there is evidence indicating the possible impairment of the equity investment as set out in IAS 28.

Financial assets

Based on the classification of financial assets required by IAS 39, the Group classified its financial assets at the time of the transition to International Accounting Standards, and subsequently when individual financial assets were acquired.

Minority interests and investments in funds, which constitute the main, predominant area of the Group's operations, are classified under available-for-sale assets, which are recorded at fair value with a balancing item in shareholders' equity.

IFRS 13.9 provides a "new" definition of fair value. It represents "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".
The concept of fair value is characterised by the following features:
1. it is fundamentally related to the free market and the values reflected therein;
2. it is calculated using the exit price as the relevant price;
3. it relates to the date on which the measurement is made;
4. it relates to an "orderly" transaction, i.e. it is not a forced transaction, such as a compulsory administrative liquidation or a sale at below cost.

Assets and liabilities measured at fair value may be:
- stand-alone assets or liabilities (financial or non-financial instruments);
- a group of assets, a group of liabilities or a group of assets and liabilities.

In the case of assets not listed in active markets, such as the Group's direct investments in companies, investments in venture capital funds and funds of funds, the fair value reported in financial statements is determined by the directors based on their best judgment and estimation, using the knowledge and evidence available when the financial statements are prepared.

In these cases, it is provided that:
- if there are recent transactions related to the same financial instrument, these may be used to determine fair value after verifying that there have been no significant changes in the economic environment between the date of the transactions being considered and the valuation date;
- if there are transactions involving similar financial instruments, these may be used to determine fair value after verifying the similarity (as a function of the type of business, size, geographic market, etc.) between the instrument for which transactions have been found and the instrument to be valued;
- if no prices can be found in active markets, fair value must be determined using valuation models that account for all factors that market participants would consider in setting a price.

However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

Direct investments in companies that are not subsidiaries or associates and in funds are classified as available-for-sale financial assets, which are initially reported at fair value on the date of the original posting. These assets are measured at fair value when all interim and full-year financial statements are prepared.
Gains and losses from fair value measurement are posted to a special shareholders' equity reserve called the "fair value reserve" until the investment is sold or otherwise disposed of, or until impairment occurs, in which cases the gain or loss previously recorded in the fair value reserve is posted to the income statement for the period.

On the date of the annual or interim financial statements (IAS 34), a test is performed as to the existence of objective evidence of impairment following one or more events that have occurred after the initial recording of the asset, and this event (or events) has an impact on the estimated cash flow from the financial asset.

For equity instruments, a significant or prolonged reduction in fair value below their cost is considered to be objective evidence of impairment.

Although International Accounting Standards introduced an important reference to quantitative parameters that must be adhered to, they do not govern quantitative limits to determine when a loss is significant or prolonged.

Thus, the DeA Capital Group has an accounting policy that defines these parameters. In particular, "significant" means there has been an objective reduction in value when fair value is more than 35% below its historical cost. In this case, impairment is recorded in the income statement without further analysis

The duration of the reduction in value is deemed to be prolonged when the reduction of fair value below historical cost continues for a period of over 24 months. After exceeding 24 months, impairment is recorded in the income statement without further analysis

Derivatives

Derivatives are recorded in the balance sheet at fair value calculated in accordance with the criteria already stated in the *Financial* assets section.
Fair value changes are reported differently depending on their designation (hedging or speculative) and the nature of the risk hedged (fair value hedge or cash flow hedge).
For contracts designated for hedging purposes, the Group documents this relationship when the hedge is established. The documentation incorporates the identification of the hedging instrument, the item or transaction hedged, the nature of the risk hedged, the criteria used to ascertain the effectiveness of the hedging instrument as well as the risk. The hedge is considered effective when the projected change in fair value or in the cash flows of the hedged instrument is offset by the change in fair value or in the cash flows of the hedging instrument, and the net results fall within the range of 80% to 125%.
If the instruments are not, or cannot be, designated as hedging instruments, they must be considered "speculative"; in this case, fair value changes are posted directly to the income statement.
In the case of fair value hedges, changes in the fair value of the hedging instrument and the hedged instrument are posted to the income statement regardless of the valuation criterion used for the hedged instrument. In the case of cash flow hedges, the portion of the fair value change in the hedging instrument that is recognised as an effective hedge is posted to shareholders' equity, while the portion that is not effective is posted to the income statement.

Receivables and payables

A receivable is first reported at fair value on the date it is agreed.
After initial reporting, receivables are valued at amortised cost. Payables that fall due within normal contractual terms are initially posted at fair value and later valued at amortised cost.

Trade receivables

If there is objective evidence that a trade receivable has suffered impairment, it must be adjusted down and the loss posted to the income statement; the write-down is allocated to the item, "impairment provisions", as a direct contra item to the asset item.

The amount of the write-down must take into account recoverable cash flows, the related collection dates, future recovery charges and expenses and the discount rate to be applied.

Cash and cash equivalents

Cash and cash equivalents include cash at hand, demand deposits and short-term, highly liquid financial investments that are readily convertible to cash and subject to a negligible risk of price variation. Their value is reported at fair value.

Held-for-sale assets

A non-current asset or disposal group is classified as held for sale if the carrying value will mainly be recovered from its sale or disposal instead of its ongoing use. In order for this to occur, the asset or disposal group must be available for immediate sale in its current condition, and the sale must be highly likely. Assets meeting the criteria to be classified as held-for-sale assets are valued at the lower of carrying value and sales value adjusted for any related costs.

Own shares

Own shares are not considered financial assets of the company that issued the shares. The purchase and sales value of own shares is recorded as a change to shareholders' equity. No gain or loss is reported in the income statement for the sale, purchase, issue or cancellation of own shares.

Fair value reserve

The fair value reserve incorporates fair value changes to entries measured at fair value with a balancing entry in shareholders' equity.

Warrants

Warrants issued by the Group, which do not meet the requirements either for being classified as share-based payments to employees pursuant to IFRS 2 or as financial liabilities, are treated as the Group's equity instruments.

Put options on minority shareholdings

For put options that do not grant actual access to the economic benefits associated with owning the minority shareholdings, the shares or shareholdings covered by the options are reported on the date control is acquired as "minority interests"; the portion of profits and losses (and other changes in shareholders' equity) of the entity acquired is allocated to the minority shareholding after the business combination. The minority shareholding is reversed on each reporting date and reclassified as a financial liability at its fair value (equal to the present value of the option's exercise price) as if the acquisition had occurred on that date. The difference between the fair value of the financial liability and the minority interest reversed on the reporting date is recorded as an acquisition of minority shareholdings and reported under the Group's shareholders' equity. The effect of discounting is not recorded separately. Any dividends paid to minority shareholders are posted to shareholders' equity.

If the option is not exercised, the minority interest is recognised in the amount that would have been reported if the option had not been recorded; the difference between the minority interest recognised and the cancelled liability is recorded in the Group's shareholders' equity.

Provisions for risks and future liabilities

As necessary, the Group records provisions for risks and future liabilities when:

- it has a legal or implicit obligation to third parties resulting from a past event;
- it is likely that Group resources will be used to fulfil the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are recorded based on the projected value and discounted as necessary to present value if the time value is considerable. Changes in estimates are recognised in the income statement of the period in which the change occurs.

Income tax

Current income taxes are determined and reported on the basis of a reasonable forecast of tax charges resulting from applying the tax rates in effect in the various countries where Group companies operate to taxable income, and taking into account any exemptions and tax credits to which such companies are entitled.

Deferred tax liabilities are allocated for all temporary differences between the carrying value of the assets and liabilities and the corresponding amount for tax purposes.
Deferred tax assets are recorded for all deductible temporary differences and for tax assets and liabilities carried forward to the extent that it is likely there will be sufficient future taxable profit against which the deductible temporary differences and the tax assets and liabilities carried forward can be used.

Deferred taxes are classified under non-current assets and liabilities and are determined using tax rates expected to be applicable under the laws in the countries where the Group operates in the years when the temporary differences will be realised or will expire.

The carrying values of deferred tax assets are analysed periodically and reduced if it is not likely that sufficient taxable income will be generated against which the benefits resulting from such deferred assets can be used.

Revenues and income

Service revenues are recognised at the time the services are rendered based on the progress of the activity on the reporting date.

Income from equity investments for dividends or for their full or partial sale is reported when the right to receive payment is determined, with a balancing item (receivable) at the time of the sale or decision to distribute dividends by the entity or appropriate body.
Interest is reported using the effective interest rate method.

Employee benefits

Short-term employee benefits, whether in cash or in kind (meal vouchers) are reported in the income statement in the period when work is performed.

Employee benefits related to participation in a defined benefit plan are determined by an independent actuary using the projected unit credit method.

On 16 June 2011, the IASB published a revised version of IAS 19 "Employee Benefits". Among other things, this document modified the accounting rules of defined benefit plans ("Post-employment benefits: defined benefit plans") and termination benefits.

Specifically:
- For "Post-employment benefits: defined benefit plans", it eliminated the option to use the "corridor approach" to account for actuarial gains and losses, which will have to be recognised in the Statement of Performance, with the consequent accumulation in a specific "non-recycling" shareholders' equity reserve, without there being any other option available. Actuarial gains and losses include profits and losses of a technical nature due to changes in the actuarial assumptions adopted and/or the fact that experience may differ from the actuarial assumptions adopted (e.g. staff turnover, early retirement, mortality, change in the discount rate).
- Past service costs and the effects generated by curtailments and/or plan settlement (caused, for example, by a significant reduction in the number of employees covered by the plan, changes to the plan's terms and conditions) are recorded immediately in the income statement under personnel costs.
- The interest cost (resulting from the discounting process) and the expected yields from assets servicing the plan are replaced by a net interest figure reported in the income statement under financial charges and calculated by applying a discount rate (determined by reference to yields at the end of the period on high-quality corporate bonds) to the balance of the existing plan at the beginning of the year.

Employee benefits in respect of participation in a defined contribution plan only relate to those plans under mandatory government administration. The payment of contributions fulfils the Group's obligation to its employees. Thus, contributions are costs in the period in which they are payable.

In the Group, benefits were provided in the form of stock options or share-based payments. This applies to all employees eligible for stock option plans. The cost of these transactions is determined with reference to the fair value of the options on the date allocation is made and is reported over the period from such date until the expiry date with a balancing entry in shareholders' equity.
The cost of stock options for the Group's directors and contributors is determined in the same way.

Earnings per share

In accordance with IAS 33, basic earnings per share is determined as the ratio of net profit for the period attributable to shareholders owning Parent Company shares to the weighted average number of shares outstanding during the period. Own shares in the portfolio are, of course, not included in this calculation.
Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding for all potential ordinary shares resulting from the potential exercise of assigned stock options, which may therefore result in a diluting effect.

C. Changes in accounting principles and the treatment of errors

Accounting principles are changed from one year to another only if the change is dictated by an accounting standard or if it helps provide more reliable information or more complete reporting of the impact of transactions on the Group's balance sheet, income statement and cash flow.

Changes in accounting standards are applied retroactively with the impact reflected in shareholders' equity in the first of the periods presented. Comparative reporting is adapted accordingly. The prospective approach is used only when it is not practical to restate comparative reporting. The application of a new or amended accounting standard is recorded as required by the standard itself. If the standard does not specify transition methods, the change is reflected retroactively, or if impractical, prospectively.

If there are significant errors, the same treatment dictated for changes in accounting principles is used. If there are minor errors, corrections are posted to the income statement in the period when the error is discovered.

D. Use of estimates and assumptions in preparing the financial statements

The Company's management must make assessments, estimates and assumptions that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues recorded in the financial statements. Estimates and related assumptions are based on past experience and other factors deemed reasonable in the case concerned; these have been used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources.

These estimates and assumptions are reviewed regularly. Any changes resulting from revisions to accounting estimates are recorded in the period when the revision is made if such revisions only affect that period. If the revision affects current and future periods, the change is recorded in the period in which the revision is made and in related future periods.

Financial statement balances are reported and valued using the valuation criteria described above. At times the application of these criteria involves the use of estimates that may have a significant impact on amounts reported in the financial statements. Estimates and related assumptions are based on past experience and factors deemed reasonable in the case concerned; these are used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources. However, since these are estimates, the results obtained should not necessarily be considered definitive.

With the understanding that the use of reasonable estimates is an essential part of preparing financial statements, the items where the use of estimates is most prevalent are stated below:
- valuation of financial assets not listed in active markets;
- valuation of financial assets listed in active markets but considered illiquid on the reference market;
- valuation of equity investments.

The process described above is made particularly complicated by the unusual levels of volatility in the current macroeconomic and market environment, which affect financial indicators that have a bearing on the above valuations.

An estimate may be adjusted as a result of changes in the circumstances on which it was based, or as a result of new information. Any change in the estimate is applied prospectively and has an impact on the income statement in the period in which the change occurred and potentially on income statements in future periods.

As highlighted earlier, a significant proportion of the assets shown in the DeA Capital Group’s consolidated financial statements is represented by unlisted financial investments. These investments are valued at their fair value, calculated by directors based on their best estimate and judgement using the knowledge and evidence available at the time the consolidated financial statements are prepared. However, due to objective difficulties in making assessments and the lack of an active market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

Balance Sheet

Non-current assets

1 – Intangible and tangible assets

1a - Goodwill

Changes in goodwill are shown in the table below:

(EUR thousand)	Balance at 1.1.2013	Acquisitions	Impairment	Balance at 31.12.2013
Goodwill	**208,891**	**1,100**	**(43,676)**	**166,315**

Goodwill, which amounted to EUR 166,315 thousand at 31 December 2013 (EUR 208,891 thousand at 31 December 2012), mainly relates to the acquisition of FARE Holding (now DeA Capital Real Estate) for EUR 27,520 thousand, the acquisition of IDeA Capital Funds SGR for EUR 40,574 thousand and the acquisition of IFIM / FIMIT SGR (now IDeA FIMIT SGR) for EUR 96,599 thousand.

On **16 October 2013**, the subsidiary Innovation Real Estate S.p.A. (IRE) purchased the business division of Colliers Real Estate Services Italia S.r.l. (Colliers) relating to its property, facility, project management and technical property services activities (e.g. due diligence, regularisation etc), worth EUR 1,100 thousand, against payment in newly issued IRE shares and the entry of Colliers into the share capital of IRE in various phases.

Specifically, Colliers was granted a 3% stake in the share capital of IRE in exchange for the transfer of the business division.

Once two years from the date of the transfer have elapsed, and subject to the achievement of the results set out in the business plan of the division in question, Colliers will be granted a further 3% stake in IRE.

The parties also agreed that should the business division post a considerable overperformance, Colliers will be granted a further 2% stake in IRE via the placement of another tranche of the capital increase in cash (at nominal value).

The full goodwill method was used to record the minority interests of the companies acquired during 2011 (FIMIT SGR and IFIM). This requires minority interests to be recorded at fair value.

Impairment tests on goodwill

Pursuant to IAS 36, goodwill is not subject to amortisation, and is tested for impairment at least annually.

In order to carry out impairment testing on the goodwill of its cash generating units (CGUs), the DeA Capital Group allocates the goodwill to the relevant CGUs, identified as IDeA FIMIT SGR (real estate fund management) and IDeA Capital Funds SGR, which represent the minimum level of monitoring that the DeA Capital Group undertakes for management control purposes consistent with DeA Capital's strategic vision.
The redefinition of the IDeA Alternative Investments CGU following its merger into the Parent Company in 2012 meant that a new CGU had to be defined, namely IDeA Capital Funds SGR. The previous goodwill of the IDeA Alternative Investments CGU was allocated in its entirety to the new CGU.

Impairment testing consists of comparing the recoverable amount of each CGU with the carrying amount of goodwill and the other assets attributed to each CGU.

In the case of CGUs that are not wholly controlled, goodwill is reported on a notional basis, which also includes the portion of goodwill that relates to minorities, using the grossing up method.

The carrying value of the CGU is calculated using the same criterion as that used to determine the recoverable value of the CGU. Value in use is normally used to determine this amount, with the aid of external consultants.

The main assumptions used in the impairment test calculations, together with the results, are set out below.

Impairment testing was carried out on the IDeA Capital Funds SGR CGU, with a carrying amount of EUR 51.8 million, using the sum of the parts model by determining the value in use, calculated as the sum of (i) the current value of dividend flows (the dividend discount model, or DDM) expected in the 2014-2016 period from IDeA Capital Funds SGR and (ii) the current value of the carried interest flows expected from the same company.

A number of assumptions were used in determining these flows, including estimates of future increases in revenues, based on expected trends in managed assets, EBITDA and net income, or in the case of carried interest, on the basis of return projections (IRR) made by the company for the various funds under management.

The valuation was based on a cost of capital of +11.0%, plus a terminal value based on growth assumptions of 2.0%.

Note that the recoverable amount relating to this CGU exceeds its carrying amount.

Sensitivity analysis performed on the most significant variables in terms of sensitivity to the recoverable value of IDeA Capital Funds, i.e. the discount rate and the rate of return for the managed funds used, leads to a potential change in the carrying value of EUR -4.5/+5.4 million (for changes of +1.0% and -1.0% in the discount rate) and EUR -1.7/+1.7 million (for changes of -1.5% and +1.5% in the expected IRR rate on the managed funds).

Similarly, impairment testing was carried out on the IDeA FIMIT SGR CGU, with a carrying amount of EUR 172.3 million, using the sum of the parts model by determining the value in use, calculated as the sum of (i) the current value of dividend flows (DDM method) expected in the 2014-2016 period from IDeA FIMIT SGR and (ii) the current value of the carried interest flows expected from the same company.

A number of assumptions were used in determining these flows, including estimates of future increases in revenues, based on expected trends in managed assets, EBITDA and net income, or in the case of carried interest, on the basis of return projections made by the company for the various funds under management.

The valuation was based on a cost of capital of +10.4% plus a terminal value based on growth assumptions of 2.0%.

With reference to the CGU in question, note that since the recoverable amount is less than the carrying amount, an impairment of EUR 43.676 million was booked.

Sensitivity analysis performed on the most significant variables in terms of sensitivity to the recoverable value of IDeA FIMIT SGR, i.e. the discount rate and the rate of return used, leads to a potential change in the company's overall value of EUR -9.4/+10.6 million (for changes of +0.5% and -0.5% in the discount rate) and EUR -7.2/+8.2 million (for changes of -0.5% and +0.5% in the rate of growth (g)).

1b - Intangible assets

Changes in intangible assets are shown in the tables below:

(Euro thousand)	Historical cost at Jan.1, 2013	Cum. amort. & prov. charges at Jan. 1, 2013	Net book value at Jan.1, 2013	Historical cost at Dec. 31, 2013	Cum. amort. & prov. charges at Dec. 31, 2013	Net book value at Dec. 31, 2013
Concessions, licence fees & trademarks	3,909	(2,056)	1,853	4,967	(3,181)	1,786
Computer software & other licenses	128	(53)	75	259	(82)	177
Development costs	229	(183)	46	229	(203)	26
Other intangible assets	142,745	(38,727)	104,018	122,853	(46,379)	76,474
Total	**147,011**	**(41,019)**	**105,992**	**128,308**	**(49,845)**	**78,463**

(Euro thousand)	Balance at Jan.1, 2013	Additions	Amortization	Impaiment	Decrease	Balance at 31.12.2013
Concessions, licence fees & trademarks	1,853	1,188	(1,172)	0	(83)	1,786
Computer software & other licenses	75	139	(37)	0	0	177
Development costs	46	0	(20)	0	0	26
Other intangible assets	104,018	0	(12,084)	(15,388)	(72)	76,474
Total	**105,992**	**1,327**	**(13,313)**	**(15,388)**	**(155)**	**78,463**

Increases in the items "concessions, licences and trademarks" and "software costs" relate to purchases of software usage licences and the related development costs.

The cost of other initial intangible assets relate to:

- Customer relationships arising from the allocation of the residual value of FIMIT SGR on the date of the (inverse) merger into FARE SGR with the recognition of intangible assets identified as customer relationships and intangible assets related to variable commissions that were valued at EUR 38,573 thousand and EUR 68,688 thousand respectively. This value is based on the discounting of fixed management fees (for customer relationships) and variable fees calculated net of directly applicable costs on the basis of the most recent business plans of the funds under management. customer relationships, totalling EUR 14,156 thousand, arising from the allocation of the discounted value of commission flows generated by the funds under management of IDeA Capital Funds SGR, net of management costs, based on the business plans of the funds under management.

Following the revision of the business plans of the funds that make up the intangible assets from variable commissions, an impairment test was conducted in order to estimate the related recoverable amount. Intangible assets, from variable commissions, totalling EUR 68,688 thousand, were written down on the income statement in the amount of EUR 15,388 thousand.

Except for intangible assets involving rights connected with final variable commissions, intangible assets with a finite useful life are amortised on a straight-line basis over their useful life.

The amortisation method used for rights connected with final variable commissions reflects changes in future economic benefits associated with the recognition of the related revenues.

1c - Tangible assets

Changes in tangible assets are shown in the tables below:

(Euro thousand)	Historical cost at Jan.1, 2013	Cum. amort. & prov. charges at Jan. 1, 2013	Net book value at Jan.1, 2013	Historical cost at Dec. 31, 2013	Cum. amort. & prov. charges at Dec. 31,2013	Net book value at Dec. 31, 2013
Plant	306	(260)	**46**	119	(95)	24
Leasehold improvements	1,547	(17)	**1,530**	3,774	(474)	3,300
Furniture and fixtures	1,327	(955)	**372**	1,777	(693)	1,084
Computer and office equipment	1,407	(1,089)	**318**	1,336	(1,070)	266
Motor vehicles	465	(250)	**215**	475	(310)	165
Other tangible assets	384	(338)	**46**	389	(373)	16
Total	**5,436**	**(2,909)**	**2,527**	**7,870**	**(3,015)**	**4,855**

(Euro thousand)	Balance at Jan.1, 2013	Additions	Depreciation	Decrease	Balance at 31.12.2013
Plant	46	0	(10)	(12)	24
Leasehold improvements	1,530	2,226	(456)	0	3,300
Furniture and fixtures	372	983	(172)	(99)	1,084
Computer and office equipment	318	125	(143)	(34)	266
Motor vehicles	215	50	(83)	(17)	165
Other tangible assets	46	6	(36)	0	16
Total	**2,527**	**3,390**	**(900)**	**(162)**	**4,855**

Acquisitions for the "leasehold improvements" item, totalling EUR 3,330 thousand, mainly relate to improvements made on the building at Via Brera 21 in Milan, which was leased to the DeA Capital Group from 2013. Depreciation on leasehold improvements began in the year, from the actual date that the asset came into use.

Depreciation is calculated on a straight-line basis, based on the estimated useful life of the asset.
The depreciation rates used in the financial year were 20% for specific plant assets, 12% for furniture and furnishings, 20% for electronic office machines, 20% for company vehicles and 15% for leasehold improvements.

2 – Financial investments

Financial investments in companies and funds are the Group's typical assets. These investments fell from EUR 687,093 thousand at 31 December 2012 to EUR 596,101 thousand at end-2013.

2a - Investments in associates

This item, totalling EUR 296,975 thousand at 31 December 2013 (EUR 296,366 thousand at end-2012), relates to the following assets:

- The investment in Santé, which was reported in the consolidated financial statements to 31 December 2013 at approximately EUR 221,200 thousand (EUR 226,143 thousand at end-2012).

  The change compared with the figure reported at end-2012 is attributable to the combined effect of the increase in the fair value of the interest rate swaps taken out to hedge interest rate risk on debt exposure and other movements of EUR 2,652 thousand, the distribution of dividends of EUR 3,243 thousand, additional investment of around EUR 3,252 thousand and the negative impact on the income statement of EUR -7,603 thousand, including the effect of aligning the value of the holding.

The DeA Capital Group performed impairment tests by determining value using the methodology summarised below:

- For Santé, the discounted cash flow (DCF) method was applied for the period 2014-2017, based on a number of assumptions, including estimates of future increases in revenues, EBITDAR, investment and working capital. Discounted cash flow here is based on a weighted average cost of capital of 6.8%, which is in turn based on a cost of capital of 8.7%, combined with a debt component. Following the impairment test, the holding was valued lower than its carrying value, based on an estimated overall enterprise value for the investment that translated into a valuation per share for Générale de Santé of EUR 18.75, leading to a write-down of EUR 14.848 million.
  Sensitivity analysis performed on the discount rate and growth rate (g) leads to a potential change in the carrying value of EUR -28.3/+30.4 million (for a change of +0.25%/-0.25% respectively in the discount rate) and of EUR -34.4/+36.4 million (for a change of +0.25%/-0.25% respectively in growth rate (g))

- The investment in Sigla Luxembourg (parent company of the Sigla Group), which was recorded at end-2012 at EUR 12,314 thousand, and reported at EUR 12,084 thousand in the consolidated financial statements to 31 December 2013.

  The change compared with 31 December 2012 is mainly related to the impact of the result for the period.

- The units in the IDeA Opportunity Fund I were valued in the consolidated financial statements to 31 December 2013 at EUR 56,887 thousand (EUR 48,069 thousand at 31 December 2012). This carrying value represents the NAV advised by the management company in its annual report to 31 December 2013, drafted in accordance with the Bank of Italy's regulation of 14 April 2005 on collective asset management, amended and supplemented by the Bank of Italy's regulation of 8 May 2012 as amended.

  The change from the end-2012 figure was due to net investments of EUR 7,326 thousand, the net increase in fair value of EUR 6,216 thousand and the pro-rata portion of the net loss for the period of EUR 4,724 thousand (due mainly to the partial impairment of the investments in Giochi Preziosi and Grandi Navi Veloci).

- The units in AVA were valued at around EUR 6,804 thousand in the consolidated financial statements to 31 December 2013, with a change in 2013 due to the result for the period.

Summary financial information on these equity investments at 31 December 2013 is shown in the table below:

(Euro million)	Santé Group 31.12.2013	Sigla Group 31.12.2013	OF I 31.12.2013
Total assets/liabilities	**2.104**	**86.4**	**102.4**
Revenues	1.928	15.7	0.0
Net profit/(loss)	(15.7)	(1.7)	(12.2)
Net profit/(loss) attributable to NCI	9.4	0.0	0.0
Net profit/(loss) attributable to the Group	(25.1)	(1.7)	(12.2)

The table below provides details of the investments held in associates at 31 December 2013 by business:

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
Santé	221.2	0.0	221.2
Sigla	12.1	0.0	12.1
IDeA OF I	56.9	0.0	56.9
Fondo AVA	2.2	4.6	6.8
Total	**292.4**	**4.6**	**297.0**

2b - Investments in other companies – available for sale

At 31 December 2013, the DeA Capital Group was a minority shareholder of Kenan Investments (the indirect parent company of Migros), Stepstone, Harvip Investimenti, two US companies operating in the biotech and printed electronics sectors, TLcom Capital LLP (management company under English law) and TLcom II Founder Partner SLP (limited partnership under English law).

At 31 December 2013, the item totalled EUR 132,536 thousand compared with EUR 223,896 thousand at 31 December 2012.

The table below provides details of equity investments in other companies at 31 December 2013 by area of activity:

(EUR million)	***Private Equity Investment***	***Alternative Asset Management***	**Total**
Kenan Investments	132.4	0.0	132.4
Minor investments	0.1	0.0	0.1
Total	**132.5**	**0.0**	**132.5**

The equity investment in Kenan Investments (the indirect parent company of Migros) was recorded in the consolidated financial statements to 31 December 2013 at a value of EUR 132,351 thousand (compared with EUR 223,610 thousand at 31 December 2012).

The decrease of EUR 91,259 thousand versus 31 December 2012 was due to the fall in the value of Migros shares (TRY 16.00 per share at 31 December 2013, compared with approximately TRY 21.5 per share at 31 December 2012, and the depreciation of the Turkish lira against the euro (2.97 TRY/EUR at 31 December 2013 versus 2.36 TRY/EUR at 31 December 2012). The effect on the DeA Capital Group's NAV of this change in fair value was partially offset by the reduction in estimated carried interest to be paid, based on the total capital gain. This has also fallen with respect to the figure at 31 December 2012 (positive effect of EUR 12.8 million).

The value of minor equity investments relate to a minority shareholding (equivalent to 10% of the share capital) in Harvip and to the investment in TLcom Capital LLP (management company under English law) and TLcom II Founder Partner SLP (limited partnership under English law).

2c - Available-for-sale funds

This item relates to investments in units of two funds of funds (IDeA I FoF and ICF II), one theme fund (IDeA EESS), 11 real estate funds and seven venture capital funds, totalling approximately EUR 166,260 thousand in the financial statements at the end of 2013, compared with EUR 166,504 thousand at end-2012.

The table below shows changes to the funds during 2013.

(Euro thousand)	**Balance at 1.1.2013**	**Increase (Capital call)**	**Decrease (Capital Distribution)**	**Impairment**	**Fair Value Adjustment**	**Translation effect**	**Balance at 31.12.2013**
Venture Capital Funds	10,122	0	(847)	(427)	1,794	40	10,682
IDeA I FoF	103,097	3,841	(18,242)	0	6,008	0	94,704
ICF II	16,506	7,987	(2,091)	0	1,386	0	23,788
IDeA EESS	621	2,857	(21)	(464)	0	0	2,993
IDeA FIMIT SGR Funds	36,158	0	(1,304)	(1,384)	623	0	34,093
Total Funds	**166,504**	**14,685**	**(22,505)**	**(2,275)**	**9,811**	**40**	**166,260**

Units in venture capital funds are valued at around EUR 10,682 thousand in the consolidated financial statements to 31 December 2013 (EUR 10,122 thousand at end-2012).

The overall change in the investments is mainly due to capital distributions from these funds of EUR 847 thousand, an increase in fair value (and related exchange rate effects) of EUR 1,834 thousand, impairment (and related exchange rate effects) of certain funds totalling approximately EUR 427 thousand.

Over 2013, the Parent Company received income distributions of EUR 278 thousand and capital distributions of EUR 847 thousand.

The fair value measurement of investments in venture capital funds at 31 December 2013, carried out based on the information and documents received from the funds, as well as other available information, meant that the amount had to be written down by EUR 427 thousand; the significant reduction to below cost was considered clear evidence of impairment.

Units in IDeA I FoF are valued at around EUR 94,704 thousand in the consolidated financial statements to 31 December 2013 (EUR 103,097 thousand at end-2012).

The change in the carrying value compared with 31 December 2012 was due to contributions made for capital calls totalling EUR 3,841 thousand, capital distributions of EUR 18,242 thousand and a net increase in fair value of around EUR 6,008 thousand.

Units in ICF II are valued at around EUR 23,788 thousand in the consolidated financial statements to 31 December 2013 (EUR 16,506 thousand at 31 December 2012).

The change in the carrying value compared with 31 December 2012 was due to contributions made for capital calls totalling EUR 7,987 thousand, capital distributions of EUR 2,091 thousand and a net increase in fair value of around EUR 1,386 thousand.

Units in IDeA EESS are valued at around EUR 2,993 thousand in the consolidated financial statements to 31 December 2013 (EUR 621 thousand at 31 December 2012).

The change in the carrying value compared with 31 December 2012 was due to contributions made for capital calls totalling EUR 2,857 thousand, capital distributions of EUR 21 thousand and a net decrease in fair value of around EUR -157 thousand.

The financial assets related to units of funds managed by IDeA FIMIT are considered long-term investments. This item includes:
- Mandatory investments (as stipulated by the Bank of Italy Regulation of 14 April 2005, amended and supplemented by the Bank of Italy Regulation of 8 May 2012 as amended) in managed funds that are not reserved for qualified investors. The latter are to be held in the portfolio until the funds' maturity date. However, they were not classified as "held-to-maturity assets" since they are variable-rate financial instruments. It was therefore decided to record them in this "residual" category in accordance with IAS 39, which specifies that they should be measured at fair value with a balancing entry in an appropriate unavailable reserve pursuant to Legislative Decree 38/2005.
- Optional investments in managed funds that may or may not be reserved for qualified investors.

Units in these funds are valued at around EUR 34,093 thousand in the consolidated financial statements to 31 December 2013 (EUR 36,158 thousand at end-2012).

The change versus end-2012 is due to capital distributions received of EUR 1,304 thousand and the net decrease in fair value of approximately EUR 761 thousand.

Note that to secure the loan made by Banca Intermobiliare, IDeA FIMIT SGR established a lien in favour of this bank consisting of 600 units in the Omicron Plus fund.

The table below provides a breakdown of the funds in the portfolio at 31 December 2013 by area of activity:

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
Venture capital funds	10.7	0.0	10.7
IDeA I FoF	94.7	0.0	94.7
ICF II	23.8	0.0	23.8
IDeA EESS	3.0	0.0	3.0
IDeA FIMIT SGR Funds	0.0	34.1	34.1
Total Funds	**132.2**	**34.1**	**166.3**

2d - Other available-for-sale financial assets

The item totalled EUR 330 thousand (EUR 327 thousand at 31 December 2012) and mainly relates to the equity investments held by IRE in Beni Immobili Gestiti S.p.A. (0.25%) and in AEDES BPM Real Estate SGR S.p.A. (5.0%).

3 – Other non-current assets

3a - Deferred tax assets

The balance on the item "deferred tax assets" totalled EUR 2,657 thousand and comprises the value of deferred tax assets minus deferred tax liabilities, where they may be offset.

Deferred tax assets relating to the Parent Company of EUR 1,644 thousand were fully offset against deferred tax liabilities.

The changes to deferred tax assets and liabilities during the year, broken down by type, are analysed below:

(Euro thousand)	At 31 december 2012	Recognised in income statement	Recognised in equity	Channge in consolidation area	Compensatio/ other movements	At 31 december 2013
Deferred tax assets for:						
- personnel costs	1,304	(68)	0	(726)	0	511
- other	1,450	25	(52)	0	(4)	1,419
Total deferred tax assets	**2,755**	**(43)**	**(52)**	**(726)**	**(4)**	**1,930**
Deferred tax liabilities for:	*0*	*0*	*0*	*0*	*0*	*0*
- available-for-sale financial assets	(3,772)	1,076	(2,111)	0	9	(4,798)
- TFR discounting IAS	(17)	56	0	14	0	53
- intangible assets	(22,715)	5,710	0	0	0	(17,005)
Total deferred tax liabilities	**(26,504)**	**6,842**	**(2,111)**	**14**	**9**	**(21,750)**
Losses carried forward available for offset against future taxable profits	837	2,102	0	0	0	2,939
Total deferred tax assets	**2,754**					**2,657**
Total deferred tax liabilities	**(25,668)**					**(19,537)**

The deferred tax liabilities of IDeA FIMIT SGR, amounting to EUR 17,626 thousand, mainly comprise the balancing entry for deferred tax assets relating to variable commissions recorded under intangible assets. The balance is lower than at end-2012 due to the release of EUR 5,089 thousand on the income statement following the write-down of intangible assets from variable commissions of EUR 15,388 thousand.

As required by IFRS 3 (Business combinations), the company recorded a deferred tax liability for the assets identified at the date of acquisition.

No further deferred tax assets were allocated for the significant tax losses of DeA Capital S.p.A. (around EUR 108,074 thousand, to be reported without limitation and around EUR 879 thousand to be used with limitation) and of DeA Capital Investments S.A. (around EUR 171,861 thousand). This was because there was insufficient information for the Group to believe that sufficient taxable income would be generated in future periods against which such tax losses could be recovered.

Deferred taxes were calculated using the liability method based on the temporary differences at the reporting date between the tax amounts used as a reference for the assets and liabilities and the amounts reported in the financial statements.

3b –Non-current loans and receivables

This item totalled EUR 30,372 thousand at 31 December 2013, compared with EUR 27,444 thousand at end-2012, and mainly relates to the quasi-equity loan in the amount of EUR 28,600 thousand subscribed by DeA Capital Investments S.A. and Santé S.A., and to loans granted, in the amount of EUR 1,080 thousand, by the original shareholders of Santé to the senior management of GDS for the capital increase of Santé conducted in 2009, which was partly subscribed by the original shareholders and partly by the senior management of GDS.

3c – Other non-current assets

This item totalled EUR 2,984 thousand at 31 December 2013, and relates to the receivable from Parent Company De Agostini S.p.A. for participation in the tax consolidation scheme.

3d – Other non-current assets

This item totalled EUR 26,168 thousand at 31 December 2013, compared with EUR 25,944 thousand at 31 December 2012, and mainly relates to:

- The receivable from Beta Immobiliare fund concerning the final variable commission, in the amount of EUR 25,889 thousand. The calculation was done pursuant to the provisions of the operating regulations of the Beta Immobiliare fund, taking into account the NAV indicated in the management report at 31 December 2013. This receivable corresponds to the portion of the overperformance commission accrued since the beginning of the fund's operations that the asset management fund will receive when liquidated only if certain conditions are met.
- The long-term receivable from Parent Company De Agostini S.p.A. for participation in the tax consolidation scheme, in the amount of EUR 2,984 thousand.

4 - Current assets

4a - Trade receivables

Receivables amounted to EUR 21,078 thousand and mainly included receivables from customers (EUR 12,256 thousand). These related mainly to the balances of IRE (EUR 11,008 million) and IDeA FIMIT SGR (EUR 9,541 thousand). The latter amount mainly relates to receivables from managed funds for commission due but not yet received.

Receivables from customers due to IRE include EUR 4,645 thousand relating to the re-invoicing of expenses incurred by the company in its own name but on behalf of funds managed by IDeA FIMIT SGR. This activity was carried out by the company by virtue of a mandate without appointed representation, as provided for in the framework agreement signed by IRE and IDeA FIMIT SGR on 12 December 2012.

The item "Transactions with Related Parties" includes EUR 128 thousand from De Agostini S.p.A. for the agreement to sublet rented premises and the reimbursement of costs associated with said agreement.

4b – Available-for-sale financial assets

At 31 December 2013, this item totalled EUR 5,464 thousand, compared with EUR 5,666 thousand at 31 December 2012, and relates to the portfolio of government securities and corporate bonds held by IDeA Capital Funds SGR.

4c - Financial receivables

This item had a zero balance at 31 December 2013, compared with EUR 2,003 thousand at 31 December 2012, as repurchase agreements signed by DeA Capital RE and IRE relating to a bond loan with Centrobanca were closed during the year.

4d – Tax receivables relating to the tax consolidation scheme entered into by the parent companies

This item totalled EUR 3,467 thousand at 31 December 2013 (EUR 7,489 thousand at 31 December 2012) and relates to the receivable from Parent Company De Agostini S.p.A. for joining the tax consolidation scheme.

DeA Capital S.p.A., IDeA Capital Funds SGR, DeA Capital Real Estate and IFIM have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.a.). This option was exercised jointly by each company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. The option is irrevocable unless the requirements for applying the scheme are not met.

The option for DeA Capital S.p.A. is irrevocable for the three-year period 2011-2013, and for IDeA Capital Funds SGR, for the three-year period 2012-2014. For the other companies, the option is irrevocable for the three-year period 2013-2015.

4e – Other tax receivables

At 31 December 2013, this item totalled EUR 4,649 thousand, compared with EUR 2,522 thousand at 31 December 2012. It mainly includes:

- a receivable of EUR 699 thousand arising from the Parent Company's VAT declaration of the previous year and a receivable from the tax authorities of EUR 2,341 thousand for the advance payment made in December;
- tax withholdings in the form of advance payments on interest, of EUR 81 thousand;
- a receivable from the tax authorities of EUR 262 thousand for advance payments on IRAP (regional tax on manufacturing operations);
- a receivable from Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) of EUR 558 thousand for participation in the VAT liquidation of the Tale Group.

4f – Other receivables

The item, which totalled EUR 18,350 thousand at 31 December 2013 (EUR 7,792 thousand at 31 December 2012) includes the receivable of the IDeA FIMIT Sviluppo fund of EUR 14,995 thousand and receivables for deposits, advances to suppliers and prepaid expenses.

The IDeA FIMIT Sviluppo fund began its activities on 20 December 2013 by signing a framework agreement that defines the terms and conditions and procedures of the initial investment planned for the fund, a development project in an area located in Marino (the "Area EcoVillage"), totalling EUR 115 million.
On the date it launched its activities, 600 class A units were issued, with a nominal value of EUR 25,000, following cash payments made, in equal measure, by the two subscribers IDeA FIMIT SGR S.p.A. and DE AGOSTINI INVEST S.A.. On the same date, the fund also paid the company EcoVillage Tre S.r.l. EUR 14.9 million by way of a deposit for the future purchase of the fund's assets in the Area EcoVillage.

The item includes the costs sustained by IDeA FIMIT SGR for certain investment projects, which, in the event of a positive outcome for the operations, will be recharged to the constituent funds, in the amount of EUR 1,886 thousand.

This item also includes a deposit of EUR 225 thousand paid by IDeA FIMIT SGR after signing a agreement to lease a building in Rome.

Lastly, the item includes prepaid expenses relating to costs due after year-end for insurance policies and costs for the supply of goods and services (lease of buildings and other services).

4g – Cash and cash equivalents

This item, which totalled EUR 26,096 thousand at 31 December 2013 (EUR 29,156 thousand at the end of the previous year) comprises bank deposits and cash, including interest accrued to 31 December 2013.

Please see the consolidated cash flow statement for further information on changes to this item.

The item "cash and cash equivalents" relates to cash balances and bank deposits in the name of Group companies.

Cash deposited at banks accrues interest at floating rates, based on the prevailing overnight, 1-2-week and 1-3-month interest rates.

4h – Held-for-sale assets

On **6 August 2013**, a letter of intent was signed for the sale of the equity investment in Soprarno SGR S.p.A. at a total price of EUR 1,285 thousand, so this shareholding was reclassified under this item.

5 – Shareholders' equity

At 31 December 2013, Group shareholders' equity was approximately EUR 629,489 thousand, compared with EUR 723,138 thousand at 31 December 2012.

The increase of about EUR 54,093 thousand in Group shareholders' equity in 2013 was mainly due to the reasons already discussed in the Statement of Performance - IAS 1 (EUR +62,496 thousand) and to the impact of the plan to purchase own shares (EUR -885 thousand).

The main changes in shareholders' equity are described in more detail in the relevant table of changes included in the consolidated financial statements.

5a – Share capital

The share capital (fully subscribed and paid up) totalled EUR 306,612,100, represented by 306,612,100 shares (of which 32,637,004 own shares) with a nominal value of EUR 1 each.

Given that the nominal value of the above-mentioned own shares held at 31 December 2013 is deducted from total share capital, share capital of EUR 273,975,096 was reported in the financial statements.

Changes in share capital are shown in the table below:

	31.12.2013		31.12.2012	
(Euro thousand)	**no. of shares**	**amount**	**no. of shares**	**amount**
Share Capital	**306,612,100**	**306,612**	**306,612,100**	**306,612**
of which: Treasury shares	*(32,637,004)*	*(32,637)*	*(32,006,029)*	*(32,006)*
Share Capital (excluding treasury shares)	**273,975,096**	**273,975**	**274,606,071**	**274,606**

The table below shows a reconciliation of the shares outstanding:

December 31, 2012	**Shares issued**	**Treasury shares held**	**Shares outstanding**
2013 movements	**306,612,100**	**(32,006,029)**	**274,606,071**
Share capital increase			
Treasury shares purchased	0	0	0
Treasury shares sold	0	(630,975)	(630,975)
Treasury shares disposed for	0	0	0
Used for stock option plan	0	0	0
Shares issued through exercise of stock options	0	0	0
December 31, 2013	**306,612,100**	**(32,637,004)**	**273,975,096**

5b – Share premium reserve

The item in question fell from EUR 386,452 thousand on 31 December 2012 to EUR 386,198 thousand at 31 December 2013, due to the posting to this reserve of the purchase of own shares (EUR 254 thousand).

5c – Legal reserve

This reserve, which was unchanged compared with the end of 2012, totalled EUR 61,322 thousand at 31 December 2013.

5d – Fair value reserve

The fair value reserve at 31 December 2013 was positive at EUR 28,725 thousand (positive at EUR 91,905 thousand at 31 December 2012) and comprises the following items:

(Euro thousand)	Balance at 1.1.2013	Change in Fair Value	Tax Effect	Balance at 31.12.2013
Direct Investments / Shareholdings	84,743	(25,746)	429	59,427
Venture capital funds and funds of funds	7,475	4,356	(1,334)	10,497
First time adoption IFRS and other reserves	(313)	38	(104)	(380)
Total	**91,905**	**(21,352)**	**(1,009)**	**69,544**

5e – Other reserves

Other reserves totalled EUR -8,898 thousand at 31 December 2013 (EUR -10,444 thousand at 31 December 2012) and are made up of:

- a reserve for stock option costs totalling EUR 912 thousand;
- a reserve for the sale of option rights, totalling EUR 413 thousand; this originated in the previous year from the sale of the remaining option rights to subscribe to a capital increase that had not been exercised by the shareholders, which were sold by the company;
- other reserves that are negative at EUR 9,247 thousand relating to the associate of Santé, chiefly for the pro-rata reclassification of the minority interests in Santé connected with the 2008-2009 extraordinary dividend distribution by Générale de Santé, and changes in 2010-2012;
- other reserves of EUR -967 thousand.

5f – Retained earnings (losses) carried forward

This item stood at EUR -80,703 thousand at 31 December 2012 compared with EUR -54,426 thousand at 31 December 2012. The total decrease of EUR 26,277 thousand was due to the allocation of profits for 2012.

5g – Profit (loss) for the year

The loss reported for the year of EUR -31,130 thousand is the consolidated loss attributable to the Group (EUR -26,277 thousand at 31 December 2012).

5h – Minority interests

This item, which totalled EUR 112,890 thousand at 31 December 2013 (EUR 136,309 thousand at 31 December 2012) relates to the minority interest in shareholders' equity resulting from the line-by-line consolidation of the 64.30% stake in IDeA SIM S.p.A., the 50% stake in IDeA FIMIT Sviluppo fund and the 93.28% stake in IRE.

6 – Non-current liabilities

6a - End-of-service payment fund

The end-of-service payment fund (TFR) is a defined benefit plan, and as such was measured using actuarial methodology. This resulted in a liability calculated in demographic and financial terms on amounts owed to workers according to the number of years worked. The total present value of the liability is proportioned to the period of employment already completed at the calculation date, taking account of future salary increases and the employee's projected length of service.

Future TFR flows were discounted to the reporting date, using independent actuaries, based on the projected unit credit method. The valuation assumptions use an annual average discount rate that takes the iBoxx Eurozone Corporates AA 10+ index as a benchmark, maintaining this parameter as constant compared with previous valuations.

Changes in TFR in 2013 are shown in the table below:

(Euro thousand)	Balance at Jan 1., 2013	Portion matured	Payments	Balance at Dec. 31, 2013
Movement in provision	**3,035**	**1,090**	**(596)**	**3,529**

The amounts recognised in the item were calculated as follows:

(Euro thousand)	31.12.2013	31.12.2012
Nominal value of provision	3,359	2,916
Discounting effect	170	118
Total provision	**3,529**	**3,035**

6b - Non-current financial liabilities

This item totalled EUR 150,198 thousand (EUR 142,802 thousand at 31 December 2012) and mainly relates to:

- An amount of EUR 120,000 thousand for the use of the credit line provided by Mediobanca for the same amount (maturing on 16 December 2015 and subject to a variable rate of 3-month Euribor + spread). The decrease of EUR 20,000 thousand is connected with the partial utilisation of the revolving loan in place with Mediobanca. On 31 December 2013, the covenant tests for this credit line were successfully passed (i.e. debt and debt to equity).
- EUR 25,842 million relating to the vendor loan to acquire the tranche of mezzanine bonds issued by SDE.
- The estimated future cost for DeA Capital of exercising its pro-rata share of the put options on Santé shares held by the senior management of GDS, totalling EUR 915 thousand.
- The earn-out (maturing in 2014) of EUR 2,206 thousand, inclusive of interest calculated at present value from the closing date (12 December 2008) to 31 December 2013. This earn-out, which DeA has agreed to pay to the seller, is equal to 35% of the portion of any performance fees accrued on the funds of the former FARE SGR that are currently managed by IDeA FIMIT SGR.

6c – Payables to staff

At 31 December 2013, this item, which totalled EUR 406 thousand compared with EUR 1,956 thousand at 31 December 2012, broadly related to equity instruments that confer on beneficiaries the right to receive a cash award linked to corporate performance over the medium-term horizon (the three year period 2012 – 2014).

7 – Current liabilities

Current liabilities amounted to EUR 72,255 thousand (EUR 94,621 thousand at 31 December 2012) and are all due within the following year. These payables are not secured on any company assets.

7a – Trade payables

Trade payables were EUR 15,516 thousand at 31 December 2013 versus EUR 27,420 thousand at 31 December 2012.

This item mainly relates to an amount of EUR 6,587 thousand for expenses incurred by IRE in its own name but on behalf of the funds managed by IDeA FIMIT and subsequently re-invoiced to them. This activity was carried out by virtue of a mandate without representation signed by IRE and IDeA FIMIT SGR on 12 December 2012.

In respect of transactions with related parties, this item includes payables to:
- the Parent Company, De Agostini S.p.A., of EUR 14 thousand;
- the affiliate, De Agostini Editore S.p.A., of approximately EUR 50 thousand;
- the affiliate, De Agostini Libri S.p.A., of approximately EUR 1 thousand;
- the affiliate, De Agostini Invest SA, of approximately EUR 25 thousand.

Trade payables do not accrue interest and are settled, on average, within 30 to 60 days.

7b – Payables in respect of staff and social security organisations

This item totalled EUR 6,833 thousand at 31 December 2013 versus EUR 8,868 thousand at end-2012, and is largely due to:
- payables to social security organisations of EUR 1,225 thousand, paid after the close of the financial year 2013, with the exception of payables for social security liabilities calculated on bonuses being accrued;
- payables to employees of EUR 487 thousand for holidays not taken and bonuses being accrued;
- other payables to employees totalling EUR 5,120 thousand; this mainly relates, in the amount of EUR 2,650 thousand, to an estimate of the variable remuneration for staff (including related social security charges and the portion of employee end-of-service payments) and to an estimate of the variable annual remuneration to be paid to directors of IDeA FIIMIT SGR.

7c – Current tax payables

This item was EUR 6,956 thousand at 31 December 2013 (EUR 7,473 thousand at end-2012) and is largely due to the payable to the tax authorities, calculated as the difference between advance payments and the tax due for the year of IDeA FIMIT SGR for EUR 2,670 thousand, IRE for EUR 1,385 thousand and the payable of EUR 1,927 thousand to the Parent Company, De Agostini S.p.A., from IDeA Capital Fund SGR relating to its joining of the tax consolidation scheme.

The latter amount relates to the payable connected with the option for DeA Capital S.p.A. and IDeA Capital Funds SGR to join the Italian tax consolidation scheme of the De Agostini S.p.A. Group. This was exercised jointly by each company and the Parent Company De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. IDeA Capital Funds SGR exercised the option during 2012 for the three-year period 2012-2014.

7d – Other tax payables

This item, of EUR 1,478 thousand at 31 December 2013 (EUR 4,276 thousand at end-2012), relates to the payable to the tax authorities in respect of taxes deducted from the income of employees and self-employed staff totalling EUR 1,336 thousand, the VAT payable of EUR 8 thousand, and miscellaneous tax payables totalling EUR 134 thousand stemming from the Luxembourg wealth tax.

7e – Other payables

This item was EUR 2,054 thousand at 31 December 2013 (EUR 1,495 thousand at end-2012) and mainly relates to accrued expenses, payables to credit card issuers and directors’ emoluments.

7f – Short-term financial payables

This item totalled EUR 39,418 thousand (EUR 45,089 thousand at 31 December 2012) and mainly relates to:
- an amount of EUR 11,734 thousand relating to the medium-term loan taken out by IDeA FIMIT SGR with Banca Intermobiliare di Investimenti e Gestioni S.p.A. in 2009 (maturing on 31 March 2014 with a floating rate of 3-month Euribor + a spread) for the purchase of units in the Omicron Plus fund;
- the drawdown of EUR 27,000 thousand from the short-term credit facility from Intesa SanPaolo S.p.A. totalling 40 million, expiring on 30 June 2014;
- an accrued expense in respect of the line of credit provided by Mediobanca totalling EUR 323 thousand;
- the price of the business division transferred to IDeA FIMIT SGR by Duemme SGR, of EUR 1,504 thousand; this value includes an earn-out component of EUR 360 thousand, which will be recognised only if certain conditions are met.

Contingent liabilities

IAS 37 defines a contingent liability as a present obligation resulting from a past event but one that is not recognised because the amount of the obligation cannot be measured with sufficient reliability.

As part of the merger between FARE SGR and FIMIT SGR and pursuant to article 9 of the merger framework agreement of 25 January 2011 (the "Framework Agreement"), the former shareholders of FARE SGR and FIMIT SGR undertook to create a property services platform through a subsidiary of the company resulting from the merger, IDeA FIMIT SGR, in order to integrate their respective property and project management and agency activities conducted on behalf of the funds managed by the asset management company (the "Property Services").

Subsequently, the parties proposed to modify the method of implementing article 9, as they considered it more appropriate to place the services platform "alongside" IDeA FIMIT SGR rather than placing it under the control of IDeA FIMIT SGR, and thereby agreed to integrate the Property Services into Innovation Real Estate S.p.A. ("IRE"), a subsidiary of the company, which already conducted property and project management services for IDeA FIMIT SGR and third parties.

To allow the former shareholders of FIMIT SGR to benefit from the cash flows resulting from the Property Services integrated into IRE, it was suggested that these, and in particular social security organisations INPS and ENASARCO, be granted an option to subscribe to a part of IRE's share capital.

This agreement was not put into practice, and the parties are therefore assessing an agreement that will amend article 9 of the Framework Agreement.

Income Statement

8 - Alternative asset management fees

Alternative asset management fees in 2013 were EUR 78,810 thousand versus EUR 82,004 thousand in 2012.

These fees mainly relate to management fees paid to IDeA FIMIT SGR and IDeA Capital Funds SGR for the funds they manage.

9 - Income from investments valued at equity

This item includes income from companies valued at equity for the period.

The gain of EUR 1,861 thousand in 2013 compared with a loss of EUR 8,442 thousand in 2012 was mainly due to the loss reported for the stake in Santé of about EUR 7,245 thousand and the loss related to the stake in IDeA OF I of EUR 4,643 thousand.

10 - Other investment income and expenses

The net expenses realised on investments in shareholdings and funds totalled around EUR 18,217 thousand in 2013, compared with expenses of EUR 7,884 thousand in 2012.

Details are shown below:

(Euro thousand)	**Year 2013**	**Year 2012**
Other income from disposals of equity investments in subsidiaries	0	0
Gains from investments available-for-sale	0	1,385
Gains from venture capital fund distributions	278	0
Gains from real estate fund distributions	2,577	1,765
Gains from disposals	95	47
Dividends from minor available-for-sale equity investments	33	102
Other gains	24	0
Gains from investments	**3,007**	**3,299**
Losses on disposals of equity investments in subsidiaries	201	85
Impairment venture capital funds	76	874
Impairment Fondi di private equity	978	0
Impairment real estate funds	3,987	1,195
Impairment Sigla	0	9,014
Impairment Santé	14,848	0
Impairment Alkimis	188	0
Impairment Harvip	557	0
Impairment Soprarno	389	0
Other charges	0	15
Charges from investments	**21,224**	**11,183**
Total	**(18,217)**	**(7,884)**

Investment income

Income from available-for-sale venture capital funds was EUR 278 thousand and came from capital gains from distributions of venture capital funds. The "capital gains on sales" item includes an amount of EUR 95 thousand relating to capital gains made on sales of the Alkimis SGR S.p.A. equity investment.
Note that impairment of EUR 188 thousand had previously been recorded for this asset.

The item also includes amounts totalling EUR 2,577 thousand of income distributed in 2013 by the various funds: Beta (EUR 24 thousand), Omicron Plus (EUR 1,825 thousand), Atlantic 1 (EUR 177 thousand) and Atlantic 2 – Berenice (EUR 108 thousand).

Impairment

The fair value measurement of investments in funds and equity investments at 31 December 2013 is based on information and documents received from the funds and equity investments, and other available information.

The fair value measurement of investments in funds at 31 December 2013, carried out based on the documents received and the information available, made it necessary to record impairment of EUR 76 thousand in respect of the venture capital funds and EUR 978 thousand for the closed-end mutual investment funds.

For these funds, the significant reduction below cost was considered clear evidence of impairment, and necessitated these write-downs.

The impairment of the real estate funds, of EUR 3,987 thousand, relates to the reduction in the value of the units in the Gamma, Theta and Omicron Plus funds, and the adjustment of receivables in respect of the Beta Fund for the final variable commission.

The impairment of Santé, of EUR 14,848 thousand, refers to the write-down of the equity investment in Santé, intended to align the carrying value with the company's pro-rata share of EUR 221.2 million, based on a valuation per share for GDS of EUR 18.75.

11 - Service revenues

In 2013, these revenues totalled EUR 16,329 thousand, compared with EUR 10,863 thousand in 2012, and chiefly relate to services connected with consulting, management and the sale of real estate held in the portfolios of real estate funds.

12 – Other revenues and income

Other revenues and income in 2013 totalled EUR 3,906 thousand, compared with EUR 1,658 thousand at end-2012, and mainly related to directors' fees received by Santé S.A. of EUR 151 thousand, and the effect of reducing the estimated carried interest to be paid based on the total capital gain on the investment in Kenan, of EUR 3,008 thousand.

13 - Operating costs

Operating costs in 2013 were EUR 128,169 thousand, compared with EUR 81,270 thousand in the previous year.

13a – Personnel costs

Total personnel costs were EUR 28,241 thousand in 2013, compared with EUR 32,846 thousand in 2012.

The item breaks down as follows:

(Euro thousand)	Year 2013	Year 2012
Salaries and wages	16,779	15,473
Social charges on wages	4,559	5,110
Board of directors' fees	4,633	5,310
Stock options	1,194	945
Employee severance indemnity	894	1,327
Other personnel costs	2,786	5,703
Long term incentive plans reversal	(2,604)	(1,022)
Total	**28,241**	**32,846**

The effect of the cost arising from the stock option plans for 2013, of EUR 1,194 thousand (EUR 945 thousand in 2012), was more than offset by the reversal of the cost allocated in previous years, of EUR 2,604 thousand. The allocation plan for 2011-2016 is to be considered lapsed as the conditions for exercising option rights were not met.

At 31 December 2013, the Group had a total of 208 employees (207 at 31 December 2012).

The table below shows the changes and average number of Group employees during 2013.

Position	1.1.2013	Recruits	Departures	31.12.2013	Average
Senior Managers	31	4	(1)	34	34
Junior Managers	62	14	(14)	62	62
Staff	114	19	(21)	112	112
Total	**207**	**37**	**(36)**	**208**	**208**

Share-based payments

Employees of DeA Capital S.p.A. and the Parent Company, De Agostini S.p.A., are beneficiaries of stock option plans based on the shares of DeA Capital S.p.A. Unexercised but valid call options on the company's shares at 31 December 2013 totalled 2,643,200 (2,938,200 at 31 December 2012).

Stock option plans were valued using the numerical binomial tree procedure (the original Cox, Ross and Rubinstein method). Numerical analysis using binomial trees generates simulations of various possible developments in the share price in future periods.

On **19 April 2013**, the shareholders' meeting approved the DeA Stock Option Plan for 2013–2015. To implement the resolution of the shareholders' meeting, the Board of Directors voted (i) to implement the DeA Capital stock option plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all necessary powers, to be exercised jointly or severally and with full power of delegation; and (ii) to allocate a total of 1,550,000 options to certain employees of the company, its subsidiaries and of Parent Company De Agostini S.p.A. who carry out important roles for the company.

In line with the criteria specified in the regulations governing the DeA Capital Stock Option Plan for 2013-2015, the Board of Directors also set the exercise price for the options allocated at EUR 1.289, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 19 March 2013 and 18 April 2013.

The options can be allocated to the beneficiaries up to 31 December 2013 and exercised by the latter, in one or more tranches, but in any case for an amount per tranche of not less than 25% of the options assigned to each, with effect from the fifth calendar day following the date that the adjusted NAV figure at 31 December 2015 is announced, until 31 December 2018. The adjusted NAV means the value of the assets, net of liabilities, calculated on the basis of the company's balance sheet at 31 December 2015 and restated, where necessary, to take account of the measurement at fair value of all investments, as assessed by an independent third party.

The shareholders' meeting of 19 April 2013 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital Stock Option Plan for 2013-2015.

The shareholders' meeting also approved the adoption of the Performance Share Plan for 2013-2015. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to implement the DeA Capital Performance Share Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the company free of charge, under the terms and conditions of the plan) to certain employees of the company, its subsidiaries and of Parent Company De Agostini S.p.A. who carry out important roles for the company.

The shares allocated due to the vesting of units will be drawn from the own shares already held by the company so that the allocation will not have a nominally dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the *Testo Unico della Finanza* law.

With regard to the entitlement to an incentive scheme granted to a manager with strategic responsibilities, valued in accordance with IFRS 2, conferring on the beneficiary the right to receive a cash award linked to corporate performance over the medium-term horizon (the three year period 2012 – 2014), note that failure to meet the plan's minimum target entailed a reversal of the plan.

The terms and conditions of the DeA Capital Stock Option Plan for 2013–2015 and the Performance Share Plan for 2013-2015 are described in the Information Prospectus prepared in accordance with art. 84-bis of Consob Resolution 11971 of 14 May 1999 (Issuer Regulations), available to the public at the registered office of DeA Capital S.p.A. and on the Company's website www.deacapital.it in the section Corporate Governance/Incentive Plans.

No loans and/or guarantees in favour of directors and/or auditors of the Parent Company and its subsidiaries were issued.

13b - Service costs

Service costs were EUR 21,570 thousand in 2013 versus EUR 26,583 thousand in 2012.

A breakdown of these costs is shown in the table below:

(Euro thousand)	Year 2013	Year 2012
Admin. Consulting, Tax and Legal and other	8,845	10,414
Remuneration of internal committees	1,028	1,217
Maintenance	320	250
Travel expenses	1,209	1,074
Utilities and general expenses	2,292	1,937
Third-party rental, royalties and leasing	3,256	3,547
Bank charges	214	633
Books, stationery and conventions	625	448
Commission expense	832	4,107
Other expenses	2,949	2,956
Total	**21,570**	**26,583**

13c – Depreciation, amortisation and impairment losses

Please see the table on changes in intangible and tangible assets for details on this item.

13d – Other costs

This item totalled EUR 5,074 thousand (EUR 5,194 thousand in 2012) and mainly consisted of the Luxembourg wealth tax of EUR 647 thousand and the cost of EUR 2,922 thousand incurred by IDeA FIMIT SGR and DeA Capital given that they were unable to deduct the VAT paid on purchase transactions on the basis of the pro-rata amount specified by art. 19 of Presidential Decree 633/1972. It also included liabilities of EUR 1,558 thousand, most of which comprised the negative impact of the transaction concluded by IDeA FIMIT SGR with Enel Servizi S.p.A., which enabled it to reclaim only a portion – albeit a significant one – of the costs it incurred in creating a real estate fund. The project did not come to fruition.

14 – Financial income and charges

14a – Financial income

Financial income totalled EUR 5,991 thousand in 2013 versus EUR 1,831 thousand in 2012, and included interest income of EUR 4,914 thousand, which mainly comprised interest on the quasi-equity loan subscribed by DeA Capital Investments S.A. and Santé S.A, in the amount of EUR 2,726 thousand.

(Euro thousand)	Year 2013	Year 2012
Interest income	4,914	601
Income from financial instruments valued at fair value through profit and loss	0	485
Derivative income	830	224
Altri proventi su strumenti AFS	205	113
Foreign exchange gains	42	408
Total	**5,991**	**1,831**

14b - Financial charges

Financial charges totalled EUR 6,430 thousand in 2013, compared with EUR 8,590 thousand in 2012. These mainly included interest payable on loans and losses on hedging derivatives.

Specifically, financial charges mainly break down as follows:
- charges of EUR 827 thousand relating to interest rate swaps;
- negative alignment of the valuation of the earn-out accrued in 2013, of EUR 230 thousand;
- interest payable for the acquisition of the FARE Group in December 2008, accrued during 2013, totalling EUR 633 thousand;
- interest payable on the line of credit granted by Mediobanca and the new credit line granted by Intesa of EUR 2,591 thousand, and fees of EUR 79 thousand;
- interest payable of EUR 280 thousand for the medium-term credit line taken out by the subsidiary IDeA FIMIT SGR with Banca Intermobiliare di Investimenti e Gestioni S.p.A.;
- costs relating to the derivative taken out to hedge the interest rate swaps of IDeA FIMIT SGR, totalling EUR 277 thousand;
- interest payable relating to the vendor loan to acquire the tranche of mezzanine bonds issued by SDE, totalling EUR 571 thousand.

(Euro thousand)	Year 2013	Year 2012
Interest expense	4,271	4,166
Charges on derivatives	1,103	313
Exchange losses	396	32
Financial charge IAS 19	66	0
Other	594	4,079
Total	**6,430**	**8,590**

15 – Income tax for the period, deferred tax assets and deferred tax liabilities

This item, totalling EUR -4,380 thousand for 2013 (compared with a positive figure of EUR 1,621 thousand in 2012), includes current income tax due for the year of EUR -13,449 thousand and deferred tax assets of EUR +9,069 thousand.

The table below shows the taxes determined on the basis of the rates and the Group’s taxable income. The latter was calculated in light of applicable legislation.

(Euro thousand)	Year 2013	Year 2012
Current taxes:		
- Income from tax consolition scheme	3,281	4,821
- IRES	(13,136)	(8,698)
- IRAP	(3,594)	(3,282)
- Other tax	0	(5,418)
Total current taxes	**(13,449)**	**(12,577)**
Deferred taxes for the period:		
- Charges for deferred/prepaid taxes	(44)	(106)
- Income from deferred/prepaid taxes	8,391	13,279
- Use of deferred tax liabilities	722	1,025
- Use of deferred tax assets	0	0
Total deferred taxes	**9,069**	**14,198**
Total income tax	**(4,380)**	**1,621**

The item in question was impacted positively in 2012 by the tax redemption *(affrancamento fiscale)* operation, which enabled the remaining deferred tax liabilities on the customer relationship intangible assets of IDeA FIMIT SGR at 31 December 2011 (EUR 11,818 thousand) to be released against the cost of withholding tax (EUR 5,418 thousand).

The table below shows a reconciliation of the tax charges recorded in the consolidated financial statements and the theoretical tax charge for 2013 calculated using the corporate income tax (IRES) rate applicable in Italy.

	2013		2012	
(Euro thousand)	**Amount**	**Rate**	**Amount**	**Rate**
Profit before tax	**(45,919)**		**(19,830)**	
Tax on theoretical income	(12,628)	27.5%	(5,453)	27.5%
Participation in participation exemption scheme	0	0.0%	0	0.0%
Tax on inter-company dividends	(0)	0.0%	251	(0.7%)
Intangible assets amortization	5,540	(27.9%)	0	0.0%
Write-downs of equity investments and loans	2,211	(11.1%)	2,892	(7.7%)
Effect of companies with different taxation from that of Italy	0	0.0%	0	0.0%
Use of tax losses not previously recognised	0	0.0%	0	0.0%
Net profit/(loss) from subsidiaries not subject to taxation	0	0.0%	0	0.0%
Net profit/(loss) from associates not subject to taxation	(512)	2.6%	5,021	(13.3%)
Non-deductible interest	469	(2.4%)	466	(1.2%)
Income from tax consolidation scheme	(2,339)	11.8%	(2,685)	7.1%
Substitude tax effect on release IDeA FIMIT SGR	0	0.0%	(6,377)	16.9%
Other net differences	19,452	(98.1%)	1,356	(3.6%)
Net effect of prepaid/deferred taxes	(11,407)	57.5%	(174)	0.5%
IRAP and other taxes on foreign income	3,594	(18.1%)	3,082	(8.2%)
Income tax reported in the income statement	**4,380**	**-58.3%**	**(1,621)**	**17.3%**

16 – Basic earnings (loss) per share

Basic earnings per share are calculated by dividing net profit for the period attributable to the Group's shareholders by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated by dividing net profit for the period attributable to the Group's shareholders by the weighted average number of shares outstanding during the period including any diluting effects of existing stock option plans, in the event the allocated options are "in the money".

The table below shows the income and the share information used to calculate basic and diluted earnings per share:

(Euro thousand)	Year 2013	Year 2012
Consolidated net profit/(loss) - Group share (A)	**(31,130)**	**(26,277)**
Weighted average number of ordinary shares outstanding (B)	273,994,870	277,469,810
Basic earnings/(loss) per share (€ per share) (C=A/B)	**(0.114)**	**(0.095)**
Restatement for dilutive effect	0	0
Consolidated net profit/(loss) restated for dilutive effect (D)	**(31,130)**	**(26,277)**
Weighted average number of shares to be issued for the exercise ofstock options (E)	0	0
Total number of shares outstanding and to be issued (F)	273,994,870	277,469,810
Diluted earnings/(loss) per share (€ per share) (G=D/F)	**(0.114)**	**(0.095)**

Options have a dilutive effect only when the average market price of the share for the period exceeds the strike price of the options or warrants (i.e. when they are "in the money").

Primary and secondary reporting formats

The information on businesses reflects the Group's internal reporting structure. These businesses are:
- **Private Equity Investment**, which includes the reporting units involved in investment activities and breaks down into equity investments (direct investments) and investments in funds (indirect investments).
- **Alternative Asset Management**, which includes reporting units involved in asset management activities and related services, with a current focus on the management of private equity and real estate funds.

Summary Group income statement - performance by business in 2013

(Euro thousand)	*Private Equity Investment*	*Alternative Asset Management*	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	78,810	0	78,810
Income (loss) from equity investments	2,178	(354)	37	1,861
Other investment income/expense	(15,518)	(1,353)	(1,346)	(18,217)
Income from services	3,055	16,750	430	20,235
Other expenses	(1,016)	(121,962)	(5,191)	(128,169)
Financial income and expenses	1,276	(190)	(1,525)	(439)
PROFIT/(LOSS) BEFORE TAXES	**(10,025)**	**(28,299)**	**(7,595)**	**(45,919)**
Income tax	1,295	(9,213)	3,538	(4,380)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(8,730)**	**(37,512)**	**(4,057)**	**(50,299)**
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	**(8,730)**	**(37,512)**	**(4,057)**	**(50,299)**
- Group share	(8,730)	(18,343)	(4,057)	(31,130)
- Non controlling interests	0	(19,169)	0	(19,169)

Summary Group income statement - performance by business in 2012

(Euro thousand)	*Private Equity Investment*	*Alternative Asset Management*	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	82,004	0	82,004
Income (loss) from equity investments	(17,855)	(245)	(342)	(18,442)
Other investment income/expense	(9,014)	599	531	(7,884)
Income from services	555	11,759	207	12,521
Other expenses	(4,452)	(64,160)	(12,658)	(81,270)
Financial income and expenses	(327)	(42)	(6,390)	(6,759)
PROFIT/(LOSS) BEFORE TAXES	**(31,093)**	**29,915**	**(18,652)**	**(19,830)**
Income tax	977	(4,930)	5,574	1,621
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(30,116)**	**24,985**	**(13,078)**	**(18,209)**
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	**(30,116)**	**24,985**	**(13,078)**	**(18,209)**
- Group share	(30,116)	16,574	(12,735)	(26,277)
- Non controlling interests	0	8,411	(343)	8,068

Alternative Asset Management costs include the effects of the amortisation of intangible assets, totalling EUR 27.5 million, recorded when a portion of the purchase price of the investments was allocated.

Notes to the cash flow statement

Given the type of activity carried out by the Group, cash flow from investment in companies and funds (one of the Group's typical activities) is included in cash flow from operating activities.

In 2013, operating activities, as defined above, absorbed cash and cash equivalents of EUR 40,550 thousand (while EUR 23,752 thousand was absorbed in 2012). Please see the consolidated cash flow statement for information on changes to this item.

In 2013, financial activities generated EUR 42,009 thousand (versus EUR 8,367 thousand in 2012), mainly connected with the partial utilisation (EUR 20,000 thousand) of the revolving credit line taken out with Mediobanca – Banca di Credito Finanziario S.p.A., and short-term credit from Intesa Sanpaolo of EUR 17,000 thousand.

Cash and cash equivalents totalled EUR 26,096 thousand at end-2013, compared with EUR 29,156 thousand at the end of the previous year.

Changes to the cash flow statement have been reported using the direct method.

Other information

Commitments

At 31 December 2013, residual commitments for payments to funds totalled EUR 87.6 million, compared with EUR 131.0 million at end-2012. The change in commitments is shown in the table below.

(EUR million)	
Residual Commitments vs. Fondi - 31.12.2012	**131.0**
Change of VC Commitments	0.6
New Commitments	2.5
Capital Calls	(29.3)
Foreign exchange	(0.1)
Residual Commitments vs. Funds - 31.12.2013	**104.8**
Net Financial Position at 31.12.2013	**(127.7)**
NFP vs. Residual Commitments - 31.12.2013 (Overcommitment)	**(232.5)**

With regard to these overcommitments, the management believes that the funds and credit lines currently available, as well as funds that will be generated by its operating and financing activities, will enable the DeA Capital Group to meet the financing required for its investment activity, manage working capital and repay debts when they become due.

Own shares and Parent Company shares

On **19 April 2013**, the shareholders' meeting authorised the Board of Directors to buy and sell, on one or more occasions, on a rotating basis, a maximum number of ordinary shares in the Company representing a stake of up to 20% of the share capital.

The plan replaced the previous one approved by the shareholders' meeting on 17 April 2012 (which was scheduled to expire on 17 October 2013) and pursues the same objectives as the previous plan, including the purchase of own shares to be used for extraordinary transactions and share incentive schemes, to offer shareholders a means of monetising their investment, to stabilise the share price and to regulate trading within the limits of current legislation.

The authorisation specifies that purchases may be carried out up to the date of the shareholders' meeting to approve the financial statements to 31 December 2013, and in any case, not beyond the maximum duration allowed by law, in accordance with all the procedures allowed by current regulations, and that DeA Capital may also sell the shares purchased for the purposes of trading, without time limits. The unit price for the purchase of the shares will be set on a case-by-case basis by the Board of Directors, but must not be more than 20% above or below the share's reference price on the trading day prior to each purchase. In contrast, the authorisation to sell own shares already held in the Company's portfolio, and any shares bought in the future, was granted for an unlimited period, to be implemented using the methods considered most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to each individual sale (apart from in certain exceptional cases specified in the plan).

On the same date, the Board of Directors voted to launch the plan to buy and sell own shares authorised by the shareholders' meeting, and to this end vested the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation.

In 2013, DeA Capital S.p.A. purchased around 0.6 million shares valued at about EUR 0.9 million (at an average price of EUR 1.40 per share).

Taking into account purchases made in previous years for plans in place from time to time, and uses of own shares to service purchases relating to the Alternative Asset Management business, at 31 December 2013 the Company owned 32,637,004 own shares (equal to about 10.6% of the share capital).

During 2012, the Company did not hold, purchase or sell, on its own account or through a trust company, any shares in Parent Company De Agostini S.p.A.

Stock option and Performance Share Plans

On **19 April 2013**, the shareholders' meeting approved the DeA Stock Option Plan 2013–2015. To implement the resolution of the shareholders' meeting, the Board of Directors voted (i) to implement the DeA Capital Stock Option Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all necessary powers, to be exercised jointly or severally and with full power of delegation; and (ii) to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital Stock Option Plan for 2013-2015, the Board of Directors also set the exercise price for the options allocated at EUR 1.289, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 19 March 2013 and 18 April 2013.

The shareholders' meeting of 19 April 2013 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital Stock Option Plan for 2013-2015.

The shareholders' meeting also approved the adoption of the Performance Share Plan for 2013-2015. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to implement the DeA Capital Performance Share Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the own shares already held by the Company so that the allocation will not have a nominally dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-*ter* of the *Testo Unico della Finanza* law.

The terms and conditions of the DeA Capital Stock Option Plan for 2013–2015 and the Performance Share Plan for 2013-2015 are described in the Information Prospectus prepared in accordance with art. 84-*bis* of Consob Resolution 11971 of 14 May 1999 (Issuer Regulation), available to the public at the registered office of DeA Capital S.p.A. and on the Company's website www.deacapital.it in the section Corporate Governance/Incentive Plans.

The tables below summarise the assumptions made in calculating the fair value of the Stock Option Plans:

Stock Option	**2004 plan**	**2005 plan**	**2011 plan**	**2012 plan**	**2013 plan**
N° options allocated	160,000	180,000	1,845,000	1,030,000	1,550,000
Average market price at allocation date	2.445	2.703	1.55	1.38	1.26
Value at allocation date	391,200	486,540	2,859,750	1,421,400	1,953,000
Average exercise price	2.026	2.459	1.538	1.3363	1.289
Expected volatility	31.15%	29.40%	33.43%	33.84%	32.94%
Option expiry date	31.08.2015	30.04.2016	31.12.2016	31.12.2017	31.12.2018
Risk free yield	4.25125%	3.59508%	3.44%	2.47%	1.55%

The allocation plan for 2011-2016 is to be considered lapsed as the conditions for exercising option rights were not met.

Performance Share	2012 plan	2013 plan
N° options allocated	302,500	393,500
Average market price at allocation date	1.380	1.260
Value at allocation date	417,450	495,810
Expected volatility	33.84%	32.94%
Option expiry date	31.12.2014	31.12.2015
Risk free yield	2.470%	1.550%

Transactions with parent companies, subsidiaries and related parties

Transactions with related parties

Transactions with related parties, including those with other group companies, were carried out in accordance with the Procedure for Related Party Transactions adopted by the Company with effect from 1 January 2011 in accordance with the provisions of the Regulation adopted pursuant to art. 2391-bis of the Italian Civil Code with Consob Resolution 17221 of 12 March 2010 as subsequently amended. During the year, the company did not carry out any any atypical or unusual transactions with related parties but only those that are part of the normal business activities of group companies. It also did not carry out any "significant transactions" as defined in the aforementioned procedure. Transactions with related parties during the year were concluded under standard market conditions for the nature of the goods and/or services offered.

With regard to transactions with parent companies, note the following:

1) DeA Capital S.p.A. signed a service agreement with the controlling shareholder, De Agostini S.p.A., for the latter to provide operating services in the administration, finance, control, legal, corporate and tax areas.

   This agreement, which is renewable annually, is priced at market rates, and is intended to allow the company to maintain a streamlined organisational structure in keeping with its development policy, while obtaining sufficient operational support.

   At the same time, on 1 January 2013, DeA Capital S.p.A. signed an “Agreement to sub-let property for use other than residential use” with the controlling shareholder, De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera, 21, Milan, comprising space for office use, warehousing and car parking.

   This agreement, which is renewable every six years after an initial term of seven years, is priced at market rates.

2) DeA Capital S.p.A., IDeA Capital Funds SGR, DeA Capital Real Estate, Innovation Real Estate, Innovation Real Estate Advisory and IFIM have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.a.). This option was exercised jointly by each company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. The option is irrevocable unless the requirements for applying the scheme are not met.

   The option for DeA Capital S.p.A. is irrevocable for the three-year period 2011-2013, and for IDeA Capital Funds SGR, for the three-year period 2012-2014. For the other companies, the option is irrevocable for the three-year period 2013-2015.

3) In order to enable a more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions compared with those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement (Framework Agreement) with parent company De Agostini S.p.A. for the provision of short-term intercompany loans.

   Deposit/financing operations falling within this Framework Agreement shall only be activated subject to verification that the terms and conditions determined at any time are advantageous, and will be provided on a revolving basis, and with maturities of not more than three months. The Framework Agreement shall have a duration of one year and is renewable.

The amounts involved in the deposit/financing operations will, however, be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (Transactions with Related Parties) and the internal procedure on Transactions with Related Parties adopted by DeA Capital S.p.A.

Finally, in 2013 the Company did not hold, purchase or dispose of shares of related-party companies.

The table below summarises the amounts of trade-related transactions with related parties.

	31-12-2013						Year 2013			
(Euro thousand)	Financial receivables	Trade receivables	Tax receivables	Financial payables	Tax payables	Trade payables	Income from services	Tax income	Personnel costs	Service costs
De Agostini S.p.A.	0	128	7,009	0	1,928	14	257	(3,287)	332	500
Santé S.A.	28,600	0	0	0	0	0	0	0	0	0
B&D Finance 2 S.A.	0	0	0	25,842	0	0	0	0	0	0
De Agostini Editore S.p.A.	0	0	0	0	0	131	0	0	41	294
De Agostini Libri S.p.A.	0	5	0	0	0	5	0	0	0	3
Gtech S.p.A.	0	21	0	0	0	0	14	0	0	0
De Agostini Publishing S.p.A.	0	14	0	0	0	0	12	0	0	0
De Agostini Invest SA	0	0	0	0	0	25	0	0	0	23
Total related parties	**28,600**	**168**	**7,009**	**25,842**	**1,928**	**175**	**283**	**(3,287)**	**373**	**820**
Total financial statement line item	**30,372**	**21,078**	**7,009**	**150,198**	**6,956**	**15,516**	**16,329**	**4,380**	**28,241**	**21,570**
As % of financial statement line item	**94.2%**	**0.8%**	**100.0%**	**17.2%**	**27.7%**	**1.1%**	**1.7%**	**-75.0%**	**1.3%**	**3.8%**

In 2013, pro-rata expenses on improvements to leased assets, incurred in the name of and on behalf of third parties, were reimbursed and allocated as follows:
- EUR 206 thousand to De Agostini S.p.A.;
- EUR 10 thousand to De Agostini Publishing Italia S.p.A.;
- EUR 4 thousand to GTECH S.p.A..

Remuneration: directors of the board, auditors, general managers and managers with strategic responsibilities

In 2013, remuneration payable to the directors and auditors of DeA Capital S.p.A. for the performance of their duties totalled EUR 300 thousand and EUR 175 thousand respectively.

Remuneration paid to directors and auditors is shown in the table below:

Director	Position	Year appointed	Term ends	Compensation received for office within the consolidating company (€ thousands)	Benefits in kind	Bonuses and other benefits	Other principal auditor fees for subsidiaries	Other compensation (€ thousand)
Lorenzo Pellicioli	Chairman	2013	2015 AGM	30	0	0	0	0
Paolo Ceretti	CEO	2013	2015 AGM	30	0	0	0	60
Daniel Buaron	Director	till april 2013	-	9	0	0	0	0
Lino Benassi	Director	2013	2015 AGM	30	0	0	0	205
Stefania Boroli	Director	till april 2013	2015 AGM	21	0	0	0	0
Rosario Bifulco	Director	2013	2015 AGM	30	0	0	0	25
Claudio Costamagna	Director	till april 2013	-	9	0	0	0	1
Francesca Golfetto	Director	till april 2013	2015 AGM	21	0	0	0	14
Roberto Drago	Director	2013	2015 AGM	30	0	0	0	0
Marco Drago	Director	2013	2015 AGM	30	0	0	0	0
Severino Salvemini	Director	2013	2015 AGM	30	0	0	0	35
Marco Boroli	Director	2013	2015 AGM	30	0	0	0	0
Angelo Gaviani	Chairman of the Board of Auditors	2013	2015 AGM	75	0	0	11	0
Cesare Andrea Grifoni	Principal Auditor	till april 2013	-	15	0	0	10	0
Gian Piero Balducci	Principal Auditor	2013	2015 AGM	50	0	0	51	31
Annalisa Donesana	Principal Auditor	till april 2013	2015 AGM	35	0	0	0	0

In contrast to the data contained in the Remuneration Report prepared pursuant to art. 123-*ter* of the TUF in accordance with art. 84-*quater* of the Issuer Regulation 11971/1999, the emoluments and compensation indicated above do not include social security contributions where applicable.

"Other remuneration" relates to remuneration received for other positions held in either DeA Capital S.p.A. or other Group companies.

In 2013, annual salaries and bonuses, excluding benefits in kind, paid to managers with strategic responsibilities in the Parent Company totalled about EUR 769 thousand.

Shareholdings held by directors, auditors, general managers and managers with strategic responsibilities

Details of equity investments held in DeA Capital S.p.A. and its subsidiaries by members of the boards of directors and auditors and by managers with strategic responsibilities are provided in aggregate format in the table below.

No equity investments were reported for general managers, since to date, this position does not exist.
All those who held positions on the boards of directors or auditors, or as managers with strategic responsibilities, for the whole or part of the year in question, are included.

Beneficiary	Company	Number of shares held at 1.1.2013	Number of shares purchased	Number of shares sold	Number of shares held at 31.12.2013
Lorenzo Pellicioli	DeA Capital S.p.A.	2,566,323	0	0	2,566,323
Paolo Ceretti	DeA Capital S.p.A.	1,000,000	0	0	1,000,000
Rosario Bifulco	DeA Capital S.p.A.	1,536,081	0	0	1,536,081
Lino Benassi	DeA Capital S.p.A.	23,500	0	0	23,500
Key Management	DeA Capital S.p.A.	105,000	0	0	105,000
Total		**5,230,904**	**0**	**0**	**5,230,904**

Other than the shares indicated above, no DeA Capital shares are held by other directors or auditors who are currently in office; furthermore, no shares are held in companies controlled by DeA Capital.

Directors Lorenzo Pellicioli, Lino Benassi, Marco Drago, Marco Boroli, Stefania Boroli and Roberto Drago own shares of B&D Holding di Marco Drago e C. S.a.p.a. and – in the case of directors Marco Drago, Roberto Drago, Stefania Boroli and Marco Boroli – shares of De Agostini S.p.A., which controls the Company both directly and indirectly, and are parties to a shareholders' agreement covering these shares.

Stock options allocated to members of the boards of directors and auditors, general managers and managers with strategic responsibilities

Details of stock options held by members of the boards of directors and auditors and by managers with strategic responsibilities in DeA Capital S.p.A. and its subsidiaries are provided in aggregate format in the table below.

		Options outstanding at Jan. 1, 2013			Options granted during 2013			Options lapsed during 2013	Options outstanding at December 31, 2013		
Beneficiary	Position	Number of options	Average exercise price	Average expiry date	Number of options	Average exercise price	Average expiry date	Number of options	Number of options	Average exercise price	Average expiry date
Paolo Ceretti	CEO	750,000	1.538	5	0	0	0	750,000	0	0	0
Paolo Ceretti	CEO	630,000	1.3363	5	0	0	0	0	630,000	1.3363	5
Paolo Ceretti	CEO	0	0	0	950,000	1.289	5	0	950,000	1.289	5
Key Management		485,000	1.538	5	0	0	0	485,000	0	0	0
Key Management		400,000	1.3363	5	0	0	0	0	400,000	1.3363	5
Key Management		0	0	0	600,000	1.289	5	0	600,000	1.289	5

Lastly, note that the Chief Executive Officer, Paolo Ceretti, and managers with strategic responsibilities have been assigned 120,000 and 84,625 performance shares respectively, as shown in the table below:

		Options outstanding at Jan. 1, 2013			Options granted during 2013			Options lapsed during 2013	Options outstanding at December 31, 2013		
Beneficiary	**Position**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Number of options**	**Average exercise price**	**Average expiry date**
Paolo Ceretti	CEO	80,000	1.38	2	0	0	0	0	80,000	1.38	2
Paolo Ceretti	CEO	0	0	0	120,000	1.26	2	0	120,000	1.26	2
Key Management		52,500	1.38	2	0	0	0	0	52,500	1.38	2
Key Management		0	0	0	84,625	1.26	2	0	84,625	1.26	2

Information on the fair value hierarchy

IFRS 13 stipulates that financial instruments reported at fair value should be classified based on a hierarchy that reflects the importance and quality of the inputs used in calculating fair value. Three levels have been determined:

- **Level 1:** includes quoted prices on active markets for assets or liabilities identical to those being valued.

- **Level 2:** includes observable inputs other than those included in level 1, for example:
  - quoted prices on active markets for similar assets and liabilities;
  - quoted prices on inactive markets for identical assets and liabilities;
  - interest rate curves, implicit volatility, credit spreads.

- **Level 3:** unobservable data. These input data may be used if no observable input data are available. IFRS 13 specifies that unobservable input data used to measure fair value must reflect the assumptions used by market participants when fixing the price for the assets or liabilities being valued.

The table below shows assets valued at fair value by hierarchical level at 31 December 2013:

(EUR million)	Level 1	Level 2	Level 3	Total
Other shareholdings available-for-sale	0	132.4	0.1	132.5
Funds avalilable-for-sale	8.0	158.3	0	166.3
Other non current financial assets available-for-sale	0	0	0.3	0.3
Current financial assets available-for-sale	5.5	0	0	5.5
Total assets	**13.5**	**290.7**	**0.4**	**304.6**

For level 3, a reconciliation of the opening and closing balances is shown in the table below. Income and expenses posted to the income statement or shareholders' equity, and purchases and sales made during 2013 are identified separately:

(Euro thousand)	Balance at 1.1.2013	Increase	Decrease	Impairment and related translaction effect	Fair Value Adjustment	Fair Value through Profit and Loss	Translation adjustments	Balance at 31.12.2013
Stepstone Acquisition S.à r.l.	0	0	0	0	0	0	0	0
Elixir Pharmaceuticals Inc.	0	0	0	0	0	0	0	0
Kovio Inc.	0	0	0	0	0	0	0	0
Other companies	287	184	(98)	(189)	0	0	0	184
Other shareholdings available-for-sale	**287**	**184**	**(98)**	**(189)**	**0**	**0**	**0**	**184**
Other non current financial assets available-for-sale	**327**	**0**	**0**	**0**	**3**	**0**	**0**	**330**

Valuation techniques and main unobservable input data

Kenan Investments/Migros

The equity investment in Kenan Investments (the indirect parent company of Migros) is recorded in the consolidated financial statements at 31 December 2013 at EUR 132.4 million.

The accelerated book building operation, completed on 8 April 2011, brought the Company's total free float to 20.5%. This increased the significance of stock market prices for the purposes of identifying the fair value of the Company.

At 31 December 2013, the stock market price of the asset was 16.0 TRY/share, with an equity value for 100% of Migros of approximately TRY 2.8 billion.

The resulting valuation of the equity investment in Kenan Investments at 31 December 2013 is based on (i) the equity value of Migros, described above (ii) an updated view of net debt at the various levels of the Company's control structure (Kenan Investments, Moonlight Capital, MH) and (iii) the TRY/EUR exchange rate (2.97 at 31 December 2013).

Venture capital funds, funds of funds, co-investment fund, theme fund and property funds

Valuations of equity investments and funds in the portfolio reflect estimates made using the information available on the date this document was prepared.

With regard to funds, at 31 December 2013, the DeA Capital Group held units in:

- IDeA I FoF (valued at EUR 94.7 million);
- ICF II (valued at EUR 23.8 million);
- IDeA EESS (valued at EUR 3 million);
- 7 venture capital funds (with a total value of approximately EUR 10.7 million);
- 6 unlisted property funds (with a total value of approximately EUR 26.1 million).

The carrying value of the funds represents the NAV advised by the management company in its annual report at 31 December 2013, drafted in accordance with the Bank of Italy's regulation of 14 April 2005 on collective asset management, amended and supplemented by the Bank of Italy's regulation of 8 May 2012 as amended.

Main risks and uncertainties to which the Parent Company and consolidated group companies are exposed

As described in the Report on Operations, the DeA Capital Group operates through, and is structured as, two business areas: Private Equity Investment and Alternative Asset Management.

The risks set out below take into account the features of the market and the operations of Parent Company DeA Capital S.p.A. and the companies included in the Group's consolidated financial statements, and the main findings of a risk assessment, carried out in 2013, as well as the periodic monitoring conducted partly through the regulatory policies adopted by the Group.

The Group has adopted a modern corporate governance system that provides effective management of the complexities of its operations, and enables both individual companies and the Group to achieve their strategic objectives. Furthermore, the assessments conducted by the organisational units and the directors confirm both the non-critical nature of these risks and uncertainties and the financial solidity of the DeA Capital Group.

With reference to the specific risks relating to the main Private Equity investments, i.e. Générale de Santé and Migros, please see the respective annual reports, and more specifically Générale de Santé's Registration Document and Migros' annual report (available on their websites).

In particular, the latest available Registration Document (sections 4.1 - RISQUES LIES AUX ACTIVITES DU GROUPE and 4.2 - GESTION DES RISQUES) available as of the date of this report, indicates the following as the main risk factors for Générale de Santé:

- Risks related to company debt ***(Risques liés à l'endettement de Générale de Santé);***
- Liquidity risks ***(Risques de liquidité);***
- Interest rate risks ***(Risques de taux d'intérêt);***
- Risks relating to obtaining financing ***(Risques liés à l'obtention de financements);***
- Risks relating to commitments contained in leases signed by the Group ***(Risques liés aux engagements contenus dans les baux commerciaux souscrits par le Groupe);***
- Risks relating to the clinic restructuring and construction programme ***(Risques liés aux programmes de restructuration ou de construction majeures de cliniques);***
- Risks relating to the sale of some companies ***(Risques liés à la cession de certains établissements);***
- Risks relating to the external growth strategy ***(Risques liés à la stratégie de croissance externe);***
- Risks relating to changes in prices ***(Risques liés à l'évolution de la tarification);***
- Risks relating to competition ***(Risques liés à la compétitivité);***
- Risks relating to the recruitment and retention of staff and practitioners ***(Risques liés au recrutement et à la fidélisation du personnel et des praticiens);***
- Risks relating to applicable legislation ***(Risques liés à la réglementation applicable);***
- Risks of a deterioration in the reputation of Générale de Santé in the event of legal proceedings being brought against a group facility or practitioner ***(Risques liés à la dégradation de la réputation de Générale de Santé en cas de mise en jeu de la responsabilité d'un établissement ou d'un praticien du Groupe);***
- Risks relating to environmental protection legislation ***(Risques liés à la réglementation relative à la protection de l'environnement);***
- Risks relating to the adequacy, costs and availability of insurance cover ***(Risques liés à l'adéquation, aux coûts et à la disponibilité de couverture d'assurance);***
- Exceptional events and disputes ***(Faits exceptionnels et litiges);***
- Risks relating to IT suppliers ***(Risques liés au fournisseur en matière informatique)***.

A. Contextual risks

A.1. Risks relating to general economic conditions

The operating performance and financial position of the DeA Capital Group are affected by the various factors that make up the macro-economic environment in the countries in which the Group has invested, including increases or decreases in GDP, investor and consumer confidence, interest rates, inflation, the costs of raw materials and unemployment.
The ability to meet medium- to long-term objectives could be affected by general economic performance, which could slow the development of sectors the Group has invested in, and at the same time, the business of the investee companies.

A.2. Socio-political events

In line with its own strategic growth guidelines, one of the DeA Capital Group's activities is private equity investment in companies and funds in different jurisdictions and countries around the world, which, in turn, invest in a number of countries and geographical areas. The DeA Capital Group may have invested in foreign countries whose social, political and economic conditions put the achievement of its investment objectives at risk.

A.3. Regulatory changes

Many Group companies conduct their operations in regulated sectors and markets. Any changes to or developments in the legislative or regulatory framework that affect the costs and revenues structure of investee companies or the tax regime applied, could have negative effects on the Group's financial results, and necessitate changes in the Group's strategy. To combat this risk, the Group has established procedures to constantly monitor sector regulation and any changes thereto, in order to take advantage of business opportunities and respond to any changes in the prevailing legislation and regulations in good time.

A.4. Performance of the financial markets

The company's ability to meet its strategic and management objectives could depend on the performance of financial markets. A negative trend on financial markets could have an effect on the private equity investment sector in general, making investment and divestment transactions more complex, and on the Group's capacity to increase the NAV of investments in particular. The value of equity investments held directly or indirectly through funds in which the Company has invested could be affected by factors such as comparable transactions concluded on the market, sector multiples and market volatility. These factors that cannot be directly controlled by the Group are constantly monitored in order to identify appropriate response strategies that involve both the provision of guidance for the management of Group companies, and the investment and value enhancement strategy for the assets held.

A.5. Exchange rates

Holding investments in currencies other than the euro exposes the Group to changes in exchange rates between currencies.
The investment in Kenan Investments is managed as a special case, since although it was made in euro, the underlying asset is expressed in Turkish lira. Taking into account the time horizon of the investment, it is believed that the expected return on the investment can absorb any devaluation of the underlying currency, if in line with the outlook for the currency.

A.6. Interest rates

Ongoing financing operations that are subject to variable interest rates could expose the Group to an increase in related financial charges, in the event that the reference interest rates rise significantly. DeA Capital S.p.A. has established appropriate strategies to hedge against the risk of fluctuations in interest rates.

B. Strategic risks

B.1. Concentration of the Private Equity Investment portfolio

The Private Equity Investment strategy adopted by the Group includes:
- direct investments;
- indirect investments (in funds).

Within this strategy, the Group's overall profitability could be adversely affected by an unfavourable trend in one or a few investments, if there were insufficient risk diversification, resulting from the excessive concentration of investment in a small number of assets, sectors, countries, currencies or of indirect investments in funds with limited investment targets/types of investment.

To combat these risk scenarios, the Group pursues an asset allocation strategy intended to create a balanced portfolio with a moderate risk profile, investing in attractive sectors and in companies with an appealing current and future risk/return ratio. Furthermore, the combination of direct and indirect investments, which, by their nature, guarantee a high level of diversification, helps reduce the level of asset concentration.

B.2. Concentration of Alternative Asset Management activities

In the Alternative Asset Management business, events could arise as a result of excessive concentration that would hinder the achievement of the level of expected returns. These events could be due to:

- **Private equity funds**
  - concentration of the management activities of asset management companies across a limited number of funds, in the event that one or more funds decides to cancel its asset management mandate;
  - concentration of the financial resources of the funds managed in a limited number of sectors and/or geographical areas, in the event of currency, systemic or sector crises;
  - for closed funds, the concentration of commitment across just a few subscribers.

- **Real estate funds**
  - concentration of real estate present in the portfolio of managed funds in a few cities and/or in limited types of property (management/commercial), in the event of a crisis on the property market concerned;
  - concentration in respect of certain important tenants, in the event that these withdraw from the rental contracts, which could lead to a vacancy rate that has a negative impact on the funds' financial results and the valuation of the property managed;
  - concentration of the maturities of numerous real estate funds within a narrow timeframe, with related high availability of property on the market, leading to a decrease in property values and an increase in selling times.

For each of the risk scenarios outlined above, the Group has defined and implemented appropriate strategies that include strategic, operational and management aspects, as well as a system monitoring the level of diversification of Alternative Asset Management activities.

B.3. Key resources (governance/organisation)

The success of the DeA Capital Group depends to a large extent on its executive directors and certain key management figures, their ability to efficiently manage the business and the ordinary operations of the Group, as well as knowledge of the market and the professional relationships established. The departure of one or more of these key resources, without a suitable replacement being found, as well as an inability to attract and retain new and qualified resources, could impact growth targets and have a negative effect on the Group's operating performance and financial results. To mitigate this risk, the Group has put in place HR management policies that correspond closely to the needs of the business, and incentive policies that are periodically reviewed, in light of, among other things, the general economic climate and the results achieved by the Group.

C. Operating risks

C.1. Investment operations

Investment operations conducted by the Group are subject to the risks typical of private equity activities, such as the accurate valuation of the target company and the nature of the transactions carried out. The Group has implemented a structured process of due diligence on target companies, involving the different levels of Group management concerned and the careful definition of shareholders' agreements in order to conclude agreements in line with the investment strategy and the risk profile defined by the Group.

C.2. Compliance with covenants

Some investment operations were concluded using financial leverage to invest in the target companies. For financing contracts signed by investee companies, specific covenants generally backed by collateral are in place; failure to comply with these could necessitate recapitalisation operations for investee companies and lead to an increase in financial charges relating to debt refinancing. Failure to comply with covenants attached to loans could have negative effects on both the financial situation and operations of investee companies, and on the value of the investment.
The Group constantly monitors the significant reference parameters for the financial obligations taken on by investee companies, in order to identify any unexpected variance in good time.

C.3. Divestment operations

In its Private Equity Investment business, the Group generally invests over a medium-/long-term time horizon. Over the investment management period, external situations could arise that might have a significant impact on the operating results of the investee companies, and consequently on the value of the investment itself. Furthermore, in the case of co-investment, guiding the management of an investee company could prove problematic or unfeasible, and it may ultimately prove impossible to dispose of the stakes held owing to lock-up clauses. The divestment strategy could therefore be negatively affected by various factors, some of which cannot be foreseen at the time the investments are made. There is therefore no guarantee that expected earnings will be realised given the risks resulting from the investments made.

To combat these risk situations, the Group has defined a process to monitor the performance of its investee companies, facilitated by its representation on the management bodies of significant investee companies, with a view to identifying any critical situations in good time.

C.4. Funding risk

The income flows expected from the Alternative Asset Management business depend on the capacity of the Group's asset management companies to stabilise/grow their assets under management. In this environment, fund raising activity could be harmed by both external factors, such as the continuation of the global economic crisis or the trend in interest rates, and internal factors, such as bad timing in respect of fund raising activities by the asset management companies or the departure of key managers from the companies. The Group has established appropriate risk management strategies in relation to fund raising, with a view to both involving new investors and retaining current investors.

Significant events after the reporting date for the 2013 consolidated financial statements

Private equity funds – paid calls/distributions

After the end of 2013, the DeA Capital Group increased its investment in the IDeA I FoF, ICF II, IDeA OF I and IDeA EESS funds following total payments of EUR 2.7 million (EUR 0.3 million, EUR 0.7 million, EUR 0.5 million and EUR 1.2 million respectively).

At the same time, the DeA Capital Group received capital distributions totalling EUR 0.3 million from the IDeA FoF I fund, to be used in full to reduce the value of the units.

New "Taste of Italy" Private Equity Fund

After the end of 2013, the Board of Directors of IDeA Capital Funds SGR approved the regulations for a new private equity fund operating in the agricultural foods sector, with the objective of investing along the entire chain, from raw materials through to their transformation, distribution and provision in the restaurant business.

The fund will be called "Taste of Italy" and has a target to reach EUR 200 million.

Further information

Publication of the 2013 financial statements

In accordance with the provisions of IAS 10, the Parent Company authorised the publication of these financial statements within the terms set by the laws in force.

Atypical or unusual transactions

In 2013, there were no atypical or unusual transactions as defined by Consob Communication 6064293 of 28 July 2006.

Significant non-recurring events and transactions

In 2013, the DeA Group did not undertake any significant non-recurring transactions as defined by the above-mentioned Consob Communication.

Statement of responsibilities for the consolidated financial statements pursuant to art. 154-bis of Legislative Decree 58/98

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Statement of responsibilities for the consolidated financial statements pursuant to art. 154-*bis* of Legislative Decree 58/98

The undersigned, Paolo Ceretti, as Chief Executive Officer, and Manolo Santilli, as the manager responsible for preparing the accounting statements of DeA Capital S.p.A., hereby certify, pursuant to art. 154-*bis*, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, that based on the characteristics of the Company, the administrative and accounting procedures for preparing the consolidated financial statements during 2013 were suitable and effectively applied.

The assessment as to the suitability of the administrative and accounting procedures for preparing the consolidated financial statements for the year ending 31 December 2013 was based on a process established by DeA Capital S.p.A. in keeping with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is the generally accepted reference framework at the international level.

Note in this regard, that as described in the notes to the annual financial statements, a significant portion of the assets are investments stated at fair value. Fair values were determined by directors based on their best estimate and judgment using the knowledge and evidence available at the time the financial statements were prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

The undersigned further certify that the consolidated financial statements at 31 December 2013:
- correspond to the companies' accounting records;
- have been prepared in compliance with the International Financial Reporting Standards adopted by the European Union, and the measures issued to implement art. 9 of Legislative Decree 38/2005;
- to the best of their knowledge, provide a true and fair view of the operating performance and financial position of the issuer and the group of companies included in the basis of consolidation.

The report on operations contains a reliable analysis of operating performance and results and of the position of the issuer and all companies included in the basis of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

10 March 2014

Paolo Ceretti
Chief Executive Officer

Manolo Santilli
Manager responsible for preparing the Company's accounts

Information pursuant to art. 149-*duodecies* of the Consob Issuer Regulations

The table below was prepared in accordance with art. 149-*duodecies* of the Consob Issuer Regulations and reports the fees for 2013 for auditing and other services provided by the independent auditors and entities belonging to the independent auditors' network. The fees reported below do not include VAT and out-of-pocket expenses.

(Euro thousand)	Company providing the service	Beneficiary	Compensation paid for FY 2013
Audit	KPMG S.p.A.	DeA Capital S.p.A.	98
	KPMG S.p.A.	IFIM	15
	KPMG Audit S.à.r.l.	DeA Capital Investments SA	100
	KPMG S.p.A.	DeA Capital Real Estate	30
	KPMG S.p.A.	Innovation Real Estate	24
	KPMG S.p.A.	IRE Advisory	11
	KPMG S.p.A.	IDeA Capital Funds SGR	12
	KPMG S.p.A.	IDeA SIM	5
	KPMG S.p.A.	IDeA FIMIT SGR (2)	8
Certification services (1)	KPMG S.p.A.	DeA Capital S.p.A.	7
	KPMG S.p.A.	DeA Capital Real Estate	2
	KPMG S.p.A.	Innovation Real Estate	1
	KPMG S.p.A.	IRE Advisory	1
	KPMG S.p.A.	IFIM	2
	KPMG S.p.A.	IDeA Capital Funds SGR	2
Other certification services	KPMG Audit S.à.r.l.	DeA Capital Investments SA	12
Other services	KPMG Advisory S.p.A.	Innovation Real Estate	60
	KPMG Advisory S.p.A.	IDeA FIMIT SGR	883
Total			**1,273**

1) Presentation of tax return.
2) Company subject to audit of reporting package by KPMG S.p.A..
Financial Statements subject to audit by Reconta Ernst & Young.

Annual Financial Statements for DeA Capital S.p.A. for the period 1 January to 31 December 2013

- Balance sheet
- Income statement
- Statement of comprehensive income
- Cash flow statement
- Statement of changes in shareholders' equity
- Notes to the financial statements

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Statement of financial position - DeA Capital S.p.A.

(Euro thousand)	Note	31.12.2013	31.12.2012
ASSETS			
Non-current assets			
Intangible and tangible assets			
Intangible assets	1a	7,183	14,981
Tangible assets	1b	804,965	491,494
Total intangible and tangible assets		*812,148*	*506,475*
Investments			
Subsidiaries and joint ventures	2a	592,580,468	831,253,419
Associates	2b	0	2,597,643
Available-for-sale investments	2c	184,443	286,618
Available-for-sale funds	2d	133,146,396	13,364,643
Total Investments		*725,911,307*	*847,502,323*
Other non-current assets			
Deferred tax assets	3a	0	0
Tax receivables from Parent companies	3b	2,983,813	0
Other non-current assets	3c	0	0
Total other non-current assets		*2,983,813*	*0*
Total non-current assets		**729,707,268**	**848,008,798**
Current assets			
Trade receivables	4a	646,711	2,149,347
Financial receivables	4b	42,549,349	31,269,662
Tax receivables from Parent companies	4c	3,106,824	7,488,867
Tax receivables VAT from Parent companies	4d	558,488	0
Other tax receivables	4e	778,432	1,269,537
Other receivables	4f	524,323	67,622
Cash and cash equivalents	4g	3,776,078	2,153,095
Total current assets		*51,940,205*	*44,398,130*
Total current assets		**51,940,205**	**44,398,130**
Held-for-sale assets	**5**	**1,285,190**	**0**
TOTAL ASSETS		**782,932,663**	**892,406,928**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	6a	273,975,096	274,606,071
Share premium reserve	6b	386,197,724	386,452,243
Legal reserve	6c	61,322,420	61,322,420
Fair Value reserve	6d	(20,456,795)	26,088,064
Other reserves	6e	462,873	500,322
Retained earnings (losses)	6f	(8,585,197)	(10,854,465)
Profit/(loss) for the year	6g	(62,866,203)	2,269,268
Shareholders' equity		**630,049,918**	**740,383,923**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	3a	0	0
Provisions for employee termination benefits	7a	384,413	316,221
Long term financial loans	7b	122,206,023	102,986,561
Payables to staff and social security organisations	7c	0	1,189,425
Total non-current liabilities		**122,590,436**	**104,492,207**
Current liabilities			
Trade payables	8a	1,859,878	2,525,591
Payables to staff and social security organisations	8b	859,470	1,200,959
Current tax payables - Subsidiaries	8c	63,926	0
Other tax payables	8d	184,763	194,516
Other payables		975	24,528
Short term financial loans	8e	27,323,297	43,585,204
Total current liabilities		**30,292,309**	**47,530,798**
Held-for-sale liabilities		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**782,932,663**	**892,406,928**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the balance sheet, income Statement and cash flow Statement is explained in the notes to the financial Statements.

Income Statement - DeA Capital S.p.A.

(Euro thousand)	Note	Year 2013	Year 2012
Gains from subsidiaries		0	0
Dividends from subsidiaries and joint ventures	9a	134,468,235	8,860,000
Losses from available-for-sale funds	9a	0	0
Gains from available-for-sale funds	9a	373,087	1,431,626
Subsidiaries and joint ventures impairment	9a	(194,284,007)	(498,526)
Impairment of Investments in other companies-available-for-sale	9a	(188,495)	0
Impairment of available-for-sale funds	9a	(1,348,369)	(873,611)
Income from services	9b	1,132,082	459,075
Other income	9c	171,624	154,812
Personnel costs	10a	(1,315,866)	(5,972,054)
Service costs	10b	(4,110,260)	(3,138,118)
Depreciation, amortization and impairment	10c	(156,169)	(86,325)
Other expenses	10d	(213,492)	(507,712)
Financial income	11a	3,646,797	2,043,647
Financial expenses	11b	(4,775,564)	(4,653,117)
PROFIT/(LOSS) BEFORE TAX		***(66,600,397)***	***(2,780,303)***
Income tax	12a	2,926,467	4,879,067
Deferred tax	12b	807,727	170,504
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		***(62,866,203)***	***2,269,268***
Profit (Loss) from discontinued operations/held-for-sale assets		0	0
PROFIT/(LOSS) FOR THE YEAR		***(62,866,203)***	***2,269,268***
Earnings per share, basic (€)	13	(0.23)	0.01
Earnings per share, diluted (€)	13	(0.23)	0.01

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the balance sheet, income Statement and cash flow Statement is explained in the notes to the financial Statements.

Statement of Comprehensive Income (Statement of Performance – IAS 1)

Comprehensive income or the Statement of Performance (IAS 1), in which performance for the year is reported, including results posted directly to shareholders' equity, reflects a net negative balance of approximately EUR 109,442 thousand compared with a net positive balance of around EUR 33,241 thousand in 2012.

Statement of comprehensive income

(Euro thousand)	**Year 2013**	**Year 2012**
Profit/(loss) for the year (A)	***(62,866,203)***	***2,269,268***
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	(46,544,859)	30,971,560
Gains/(Losses) on fair value of available-for-sale financial assets	*(46,544,859)*	*30,971,560*
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	(30,893)	0
Gains/(losses) on remeasurement of defined benefit plans	*(30,893)*	*0*
Other comprehensive income, net of tax (B)	***(46,575,752)***	***30,971,560***
Total comprehensive income for the year (A)+(B)	**(109,441,955)**	**33,240,828**

Cash Flow Statement - DeA Capital S.p.A.

(Euro thousand)	Year 2013	Year 2012
CASH FLOW from operating activities		
Investments in funds and shareholdings	(52,171)	(24,151)
Proceeds from the sale of investments	81	0
Capital reimburments by Funds	8,866	2,558
Interest received	79	253
Interest received-intercompany	618	1,096
Interest paid	(2,515)	(2,583)
Interest paid-intercompany	0	0
Cash distribution from investments	0	0
Realized gains (losses) on exchange rate derivatives	(827)	(889)
Exhange gains (losses)	(4)	(1)
Taxes paid	(16)	(59)
Taxes refunded	4,379	4,613
Dividends received	13,880	8,860
Revenues for services	252	168
Revenues for services-intercompany	2,982	313
Operating expenses -intercompany	(803)	(226)
Operating expenses-Cash movements	0	0
Operating expenses	(8,260)	(7,629)
Net cash flow from operating activities	**(33,459)**	**(17,677)**
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(3,454)	(626)
Sale of property, plant and equipment	729	0
Purchase of licenses	(7)	(9)
Sale of property, plant and equipment ICO	2,399	0
Net cash flow from investing activities	**(333)**	**(635)**
CASH FLOW from investing activities		
Acquisition of financial assets	0	0
Sale of financial assets	270	6,454
Share capital issued	0	0
Share capital issued: stock option plan	0	0
Own shares acquired	(885)	(8,001)
Own shares sold	0	0
Warrant	0	0
Bank Loan reimbursement	0	0
Bank loan	47,000	20,000
Short term loan intercompany	(10,971)	(27,093)
Long term loan intercompany	0	0
Net cash flow from financing activities	**35,414**	**(8,640)**
CHANGE IN CASH AND CASH EQUIVALENTS	**1,622**	**(26,952)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		48
Cash and cash equivalents relating subsidiaries merged in the year	**2,154**	**29,058**
Cash and cash equivalents at beginning of period	**2,154**	**29,106**
EFFECT OF CHANGE IN BASIS OF CONSOLIDATION: CASH AND CASH EQUIVALENTS	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,776**	**2,154**
Held-for-sale assets and minority interests	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3,776**	**2,154**

Statement of changes in shareholders' equity - DeA Capital S.p.A.

(Euro thousand)	Share capital (par value)	Share premium	Legal reserve	Fair value reserve	Stock options reserve
Total at 31.12.2011	**280,697**	**388,362**	**61,322**	**(1,655)**	**996**
Net result allocation	0	0	0	0	0
Stock option	0	0	0	0	(77)
Buy-back of treasury shares	(6,091)	(1,910)	0	0	0
Merger IDeA AI	0	0	0	(3,229)	0
Total comprehensive income for the year 2012	0	0	0	30,972	0
Total at 31.12.2012	**274,606**	**386,452**	**61,322**	**26,088**	**919**
Net result allocation	0	0	0	0	0
Stock option	0	0	0	0	(7)
Buy-back of treasury shares	(631)	(254)	0	0	0
Total comprehensive income for the year 2013	0	0	0	(46,545)	0
Total at 31.12.2013	**273,975**	**386,198**	**61,322**	**(20,457)**	**912**

Reserve for sale of rights	Merger Reserve- IDeA AI	Reserve for actuarial gains/losses	Profit (loss) brought forward	Group net profit (loss)	Total
413	**0**	**0**	**15,989**	**(32,086)**	**714,038**
0	0	0	(32,086)	32,086	**0**
0	0	0	0	0	**(77)**
0	0	0	0	0	**(8,001)**
0	(831)	0	5,243	0	**1,183**
0	0	0	0	2,269	**33,241**
413	**(831)**	**0**	**(10,854)**	**2,269**	**740,384**
0	0	0	2,269	(2,269)	**0**
0	0	0	0	0	**(7)**
0	0	0	0	0	**(885)**
0	0	(31)	0	(62,866)	**(109,442)**
413	**(831)**	**(31)**	**(8,585)**	**(62,866)**	**630,050**

Notes to the Annual Financial Statements for the Year Ending 31 December 2013

A. Structure and content of the financial statements

DeA Capital S.p.A. (hereinafter also the Company or the Parent Company or DeA Capital) is a company limited by shares with its registered office in Via Brera 21, Milan.

The financial statements were prepared in accordance with the general principles of IAS 1, specifically:
- accruals principle: the effect of events and transactions is recorded when they occur, and not when payment is made or received;
- going concern principle: the financial statements are prepared under the assumption that business operations will continue in the near future. In this regard, the directors have evaluated this assumption with particular scrutiny in light of the current economic and financial crisis. As indicated in the section "Uncertainties and the management of financial risks" in the Report on Operations, the directors believe that the risks and uncertainties described therein are not critical in nature, confirming the financial solidity of the Parent Company, DeA Capital S.p.A.;
- materiality: when reporting operating events in accounting entries, preference is given to the principle of economic substance over form;
- comparative information: the financial statements must show comparative information for the previous period.

The DeA Capital financial statements consist of the balance sheet, the income statement, the statement of comprehensive income (Statement of Performance - IAS 1), the cash flow statement, the statement of changes in shareholders' equity and the notes to the financial statements.

The balance sheet provides a breakdown of current and non-current assets and liabilities with separate reporting for those resulting from discontinued or held-for-sale operations.

In the income statement, the Company has adopted the nature of expense method, whereby costs and revenues are classified according to type.

The cash flow statement is prepared using the "direct method".

Unless otherwise indicated, all tables and figures included in these notes to the financial statements are reported in EUR thousand.
As the parent company, DeA Capital S.p.A. has also prepared the consolidated financial statements for the DeA Capital Group at 31 December 2013.
In addition to the figures at 31 December 2013, the financial statement formats used also provide comparable figures for 31 December 2012.

The publication of the draft financial statements for the period ending 31 December 2013 was authorised by resolution of the Board of Directors dated 10 March 2014.

Statement of compliance with accounting standards

The financial statements for the year ending 31 December 2013 (2013 financial statements) have been prepared in accordance with the International Accounting Standards adopted by the European Union and approved by the date the financial statements were prepared (International Accounting Standards, or individually IAS/IFRS, or collectively IFRS (International Financial Reporting Standards)). "IFRS" also means all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC), and approved by the European Union.

The financial statements were prepared with a focus on clarity, and provide a true and fair view of the balance sheet, financial situation, income statement and cash flows for the period.

Accounting standards, amendments and interpretations applied as of 1 January 2013

The IASB-approved international accounting standards and interpretations authorised for adoption in Europe that were applied for the first time from 1 January 2013 are detailed below. None had any significant impact on the financial statements for the year ending 31 December 2013. The Group did not apply any IFRSs in advance.

Amendments to IAS 12 (Income taxes)

On 20 December 2010, the IASB published a number of amendments to IAS 12 (Income taxes), which clarify how to calculate deferred taxes on real estate investment measured at fair value. To provide a simplified approach, the amendments introduce the presumption, when calculating deferred taxes, that the carrying amount of the underlying asset will be recovered entirely by sale, unless there is clear evidence that it can be recovered through use.

As a result of these changes, the document SIC 21 (Income Taxes - recovery of revalued, non-depreciable assets) was withdrawn at the same time. The entire contents of this document are now covered in IAS 12.

IFRS 13 (Fair value measurement)

On 12 May 2011, the IASB published the accounting standard IFRS 13 (Fair value measurement), which provides a single definition of the concept of fair value and a framework for how it should be applied when another IFRS permits or requires its use.

More specifically, IFRS 13 sets out a clear definition of fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (or exit price). This definition highlights that fair value is a measure that must be based on the market and not the valuing entity. In other terms, the measurement process must take into account the assumptions that market participants would use when pricing the asset or liability in current conditions, including assumptions on risk. As a consequence, the intention to hold an asset or cancel or fail to meet a liability is of no relevance in measuring fair value.

IAS 1 (Presentation of items of other comprehensive income)

On 16 June 2011, the IASB published **"Presentations of Items of Other Comprehensive Income (amendments to IAS 1)"** in cooperation with the FASB. The document provides guidelines on presenting and classifying items included in the Statement of Performance.
The standard requires items in the Statement of Performance to be grouped into two categories, according to whether or not they can be recycled through profit and loss in future years.

Examples of the first category are: translation reserve for entities with a functional currency other than the euro, cash flow hedge reserve, profits or losses on financial assets classified as available for sale pursuant to IAS 39.

Examples of the second category are: revaluations resulting from the decision to measure tangible and intangible assets at fair value (IAS 16 or IAS 38), cumulative actuarial profits or losses (IAS 19).

An entity may present the Statement of Performance items net of the related tax effect, or submit a gross presentation, with an overall tax effect (in this case distinguishing the portion relating to items that could be recycled through profit and loss in the future from that relating to items that cannot be recycled through profit and loss).

Amendments to IAS 19 (Employee benefits)

On 16 June 2011, the IASB issued amendments to IAS 19 (Employee benefits) that introduce the obligation to recognise actuarial gains and losses in the statement of comprehensive income, removing the option of using the "corridor" method and requiring the recognition of actuarial gains and losses resulting from the revaluation of liabilities and assets in the statement of comprehensive income.

Amendments to IFRS 7 (Disclosures – offsetting financial assets and financial liabilities)

On 16 December 2011, the IASB published a number of amendments to IFRS 7 (Financial instruments: disclosures). The amendment requires information to be disclosed on the effects or potential effects of contracts to offset financial assets and liabilities on the statement of financial position.

Amendments to IFRS 1 (Government Loans)

On 13 March 2012, the IASB published an amendment to IFRS 1 (First-time adoption of International Financial Reporting Standards) regarding government loans taken out at interest rates lower than market rates.

The amendment introduced the option for entities that are adopting IFRS for the first time to use the same simplified rules as those permitted to entities that made the transition to International accounting standards in 2005. This means they do not have to change the carrying value calculated according to previous accounting standards for loans already taken out at the date of transition to international accounting standards.

Improvements to IFRSs 2009-2011

On 17 May 2012, the IASB published its "Annual Improvements to IFRS – 2009-2011 Cycle", detailing the minor changes to be made to existing accounting standards. The document contains a series of improvements to five accounting standards (IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34).

Future accounting standards, amendments and interpretations

*Accounting standards, amendments and interpretations that are not yet applicable and have not been adopted in advance by the Company, but **were approved** for adoption in the European Union as of 28 February 2014*

The International Accounting Standards, together with the interpretations and changes to existing IASB-approved accounting standards and interpretations that were ratified for adoption in the European Union on 28 February 2014, are as follows:

IFRS 10 (Consolidated financial statements)

On 12 May 2011, the IASB published the accounting standard IFRS 10 (Consolidated financial statements), which is intended to replace IAS 27 (Consolidated and separate financial statements) and SIC 12 (Consolidation – special purpose entities). The new standard sets out a single model of consolidation that identifies control as the basis for the consolidation of all types of entities.

The new standard defines the concept of control on the basis of the concurrence of three essential elements:

- power over the investee company;
- exposure to or the right to variable returns from its involvement with the investee company;
- the ability to use that power over the investee to affect the amount of the investor's returns.

The standard will come into force from 1 January 2014, but can be applied in advance.

IFRS 11 (Joint arrangements)

On 12 May 2011, the IASB published the accounting standard IFRS 11 (Joint arrangements), which is intended to replace IAS 31 (Interests in joint ventures) and SIC 13 (Jointly controlled entities – non-monetary contributions by venturers). The new standard governs the principles for reporting all joint arrangements. These are divided into two categories, according to the economic substance of the arrangements between the parties:

- joint operations, whereby the parties to the arrangement acquire rights to certain assets and assume obligations for certain liabilities;
- joint ventures, whereby the parties have rights to the net value of a set of jointly controlled assets and liabilities.

In the first case, the investor recognises the assets and liabilities acquired (along with the associated income and expense) according to the IAS/IFRS standards governing the individual elements; in the second, the pro-rata interest in the joint venture is recognised using the equity method.

The standard will come into force from 1 January 2014, but can be applied in advance.

IFRS 12 (Disclosure of interests in other entities)

On 12 May 2011, the IASB published the accounting standard IFRS 12 (Disclosure of interests in other entities) regarding the information to be provided in the financial statements on interests in other entities, including subsidiaries, associates and joint ventures. This information must enable users of the financial statements to understand the nature of the risks associated with the investments in strategic shareholdings that will form part of the Company's assets over the long term. The information must also indicate the effects of these investments on financial position, financial performance and cash flows.

The standard will come into force from 1 January 2014, but can be applied in advance.

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

On 28 June 2012, the IASB published "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance" (Amendments to IFRS 10, IFRS 11 and IFRS 12).

The amendments must be applied from 1 January 2014.

Amendments to IAS 32 (Offsetting financial assets and financial liabilities)

On 16 December 2011, the IASB published a number of amendments to IAS 32 (Financial instruments: presentation), clarifying how certain criteria for offsetting financial assets and liabilities, as set out in IAS 32, should be applied.

The amendments must be applied from 1 January 2014.

We do not anticipate that any adoption of the standards and interpretations noted above will have a material impact on the valuation of the Company's assets, liabilities, costs and revenues.

*Accounting principles, amendments and interpretations that are not yet applicable, have not been adopted in advance by the Company and were **not yet approved** for adoption in the European Union as of 28 February 2014*

The International Accounting Standards, interpretations and changes to existing IASB-approved accounting standards and interpretations that had not been ratified for adoption in the European Union as of 28 February 2014 are as follows:

IFRS 9 (Financial instruments)

On 12 November 2009, the IASB issued the first part of IFRS 9, which only amends the requirements for classifying and valuing the financial assets that are currently specified in IAS 39; once completed, it will fully replace IAS 39. Financial liabilities do not fall within the scope of IFRS 9, since the IASB intends to go into greater detail on aspects related to the inclusion of own credit risk in the fair value measurement of financial liabilities. Thus, financial liabilities continue to fall within the scope of IAS 39.
The endorsement process for IFRS 9 is currently on hold, and this standard is not applicable in the EU, ahead of the European Commission's full assessment of the plan to completely replace IAS 39.

Investment Entities (amendments to IFRS 10, IFRS 12 and IFRS 27)

On 31 October 2012, the IASB published "Investment Entities (amendments to IFRS 10, IFRS 12 and IAS 27)". The change introduced an exception to IFRS 10, which stipulates that investment entities value certain subsidiaries at fair value on the income statement instead of consolidating them.

The amendments will apply to financial statements for periods from 1 January 2014 onwards. It may also be applied in advance.

IFRIC Interpretation 21 - Levies

On 20 May 2013, the IASB published the interpretation "IFRIC 21 – Levies", to describe the accounting of levies imposed by the tax authorities, as well as current taxes. The interpretation deals with the issue of recognising costs that companies must sustain for tax payments. IFRIC 21 is an interpretation of IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

The amendments, which are expected to be ratified by the European Commission, will apply to financial statements for periods from 1 January 2014 onwards.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

On 29 May 2013, the IASB published "Recoverable Amount Disclosures for Non-Financial Assets", which clarifies that the disclosure to be made concerning the recoverable amount of assets that have undergone a fall in value only concerns those assets whose recoverable value is based on fair value net of sales costs.

The amendments will apply to financial statements for periods from 1 January 2014 onwards. It may also be applied in advance if the entity has already applied IFRS 13 (Fair Value Measurement).

Amendments to IAS 39 (Financial instruments: Recognition and measurement – Novation of derivatives and continuation of hedge accounting

On 27 June 2013, the IASB published "Novation of derivatives and continuation of hedge accounting (Amendments to IAS 39)". The objective of the amendments is to govern situations in which a derivative designated as a hedge is novated from one counterparty to a central counterparty as a consequence of new laws or regulations. Hedge accounting may therefore continue regardless of the novation, which would not be allowed without the amendment.

The amendments will apply to financial statements for periods from 1 January 2014 onwards.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

On 21 November 2013, the IASB published "Defined Benefit Plans: Employee Contributions", which makes limited amendments to IAS 19 (Employee Benefits).

The amendments require that contributions (linked solely to the employee's service in the period) made by employees or third parties to defined benefit plans are recognised as a reduction in the service cost of the period in which they are paid.
The amendments, which are expected to be ratified by the European Commission, will apply to financial statements for periods from 1 January 2014 onwards.

Improvements to IFRSs 2010-2012

On 12 December 2013, the IASB published its "Annual Improvements to IFRS – 2010-2012 Cycle", detailing the minor changes to be made to existing accounting standards. The document contains a series of improvements to six accounting standards (IFRS 3, IAS 1, IAS 7, IAS 12, IAS 24 and IAS 36).

The amendments, which are expected to be ratified by the European Commission, will apply to financial statements for periods from 1 July 2014 onwards.

Improvements to IFRSs 2011-2013

On 12 December 2013, the IASB published its "Annual Improvements to IFRS – 2011-2013 Cycle", detailing the minor changes to be made to existing accounting standards. The document contains a series of improvements to four accounting standards (IFRS 1, IFRS 3, IFRS 13 and IAS 40).

The amendments, which are expected to be ratified by the European Commission, will apply to financial statements for periods from 1 July 2014 onwards.

B. Most important accounting principles and valuation criteria

The accounting principles and valuation criteria adopted for the 2013 annual financial statements of DeA Capital are the same as those used in drawing up the consolidated financial statements, with the exception of specific principles and criteria relating to the consolidated financial statements and methods for valuing subsidiaries and joint ventures, as specified below.
Investments in subsidiaries and joint ventures are classified as available-for-sale assets and are measured at fair value with appropriate reserves of shareholders' equity as a balancing entry.

Current and non-current assets and liabilities

An asset is considered current if it meets at least one of the following conditions:
- it is expected to be converted during the Company's normal operating cycle. The "company's operating cycle" means the period from the acquisition of an asset to its conversion to cash and cash equivalents. When the Company's operating cycle cannot be clearly identified, its duration is assumed to be twelve months;
- it is held mainly for trading purposes;

- its conversion is expected to occur within 12 months following the end of the financial year;
- it consists of cash and cash equivalents which have no restrictions that would limit its use in the twelve months following the end of the financial year.

All other assets are carefully analysed to separate the "current" portion from the "non-current" portion.

Furthermore, deferred tax assets are recorded under non-current components.

A liability is considered current if it meets at least one of the following conditions:
- it is expected to be settled during the Company's normal operating cycle;
- it is held mainly for trading purposes;
- its settlement is expected to occur within twelve months following the end of the financial year;
- the Company does not have an unconditional right to defer payment of the liability for at least twelve months following the end of the financial year.

All other liabilities are carefully analysed to separate the "current" portion from the "non-current" portion.

Furthermore, deferred tax liabilities are recorded under non-current components.

Intangible assets
Intangible assets are those assets with no identifiable physical form that are controlled by the Company and produce future economic benefits. They are recorded under assets when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. The above assets are recorded at purchase cost, or at production cost if they are generated internally.

The purchase cost is represented by the fair value of the price paid to acquire the asset and by all other direct costs incurred to prepare the asset for use.

The carrying value of intangible assets is maintained in the financial statements to the extent that there is evidence that this value can be recovered through use or if it is likely that these assets will generate future economic benefits.
The useful life of intangible assets is assessed as finite or indefinite.
Intangible assets with an indefinite useful life are tested to check that their value is still appropriate whenever there are indications of possible impairment, as required by IAS 36 (Impairment of assets). Intangible assets with an indefinite life are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to check that the underlying conditions for the classification continue to apply.

Intangible assets with a finite useful life are amortised on a straight-line basis over their expected useful life. The useful life of these intangible assets is tested to check that their value is still appropriate whenever there are indications of possible impairment.

Tangible assets
Tangible assets are recorded at purchase price or production cost adjusted for accumulated depreciation and any impairment. Their cost includes ancillary costs and direct and indirect costs incurred at the time of purchase necessary to make the asset usable. The purchase cost is represented by the fair value of the price paid to acquire the asset and by all other direct costs incurred to prepare the asset for use. Tangible assets are depreciated on a straight-line basis over their remaining useful life, using the depreciation rates indicated in the notes on the item relating to similar groups of assets. If factors are discovered that lead the Company to believe that it may be difficult to recover the net carrying value, an impairment test is performed. If the reasons for the impairment cease to exist, the carrying value of the asset is increased to its recoverable amount.

Impairment
Impairment always occurs when the carrying value of an asset is greater than its recoverable value. On each reporting date, the Company determines whether there are any indications that an asset may be impaired. If such indications exist, the recoverable value of the asset is estimated (impairment test) and any write-down is recorded. The recoverable value of an asset is the higher of its fair value less costs to sell the asset and its value in use.

IAS 36 provides instructions on determining fair value less costs to sell an asset, as follows:
- if there is a binding sales agreement, the asset's fair value is the negotiated price;
- if there is no agreement, but the asset is marketed in an active market, the fair value is the current bid price (thus, the exact price on the value date and not the average price);
- if no prices can be found in active markets, fair value must be determined based on valuation methods that incorporate the best information available including any recent transactions involving the same asset, after verifying that there were no significant changes in the economic environment between the date of the transactions under consideration and the valuation date.

IAS 36 defines value in use as the present value of future cash flows that an asset is projected to produce. The estimate of the value in use must include the items listed below:
- an estimate of future cash flows that the Company expects to derive from the asset;
- expectations of potential changes in value and the timing of such cash flows;
- the time value of money;
- other factors such as the volatility of the asset's value and the lack of a liquid market for it.

Please see Appendix A of IAS 36 for more information on calculating the value in use. However, the main elements for accurately estimating the value in use are: an appropriate calculation of projected cash flows (for which the investee company's business plan is essential) and their timing, as well as the application of the right discount rate that takes into account both the present value of money and the specific risk factors for the asset to be valued.
In all cases, when calculating the value it is important to:
- base cash flow projections on reasonable and sustainable assumptions that provide the best estimate of the economic conditions that are likely to exist over the remaining useful life of the asset;
- base cash flow projections on the most recent budget/plan approved by the investee company, which, however, must exclude any future inflows or outflows of cash that are expected to come from the future restructuring, improvement or optimisation of operating performance. Projections based on these budgets/plans must cover a maximum period of five years unless a longer period of time can be justified;
- estimate higher cash flow projections for the period covered by the most recent budgets/plans by extrapolating projections based on the budgets/plans taken into consideration, and using a stable or declining growth rate for subsequent years unless a rising rate can be justified. This growth rate must not exceed the average long-term growth rate for production in the country or countries in which the investee company operates or for markets in which the asset used is placed unless a higher rate can be justified.

The assumptions used to determine cash flow projections must be reasonable, and based partly on an analysis of the factors that generated differences between projections of past and current cash flows. In addition, the assumptions used to determine current cash flow projections must be checked to ensure that they are consistent with actual past results, unless in the meantime changes have occurred in the investee company's business model or in the economic environment in which it operates that justify changes vis-a-vis the past.

Financial assets

Based on the classification of financial assets required by IAS 39, the Company classified its financial assets at the time of the transition to International Accounting Standards, and subsequently when individual financial assets were acquired.

Minority interests and investments in funds, which constitute the main, predominant area of the Parent Company's operations, are classified under available-for-sale assets, which are recorded at fair value with a balancing item in shareholders' equity.

IFRS 13.9 provides a "new" definition of fair value. It represents "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".
The concept of fair value is characterised by the following features:
1. it is fundamentally related to the free market and the values reflected therein;
2. it is calculated using the exit price as the relevant price;
3. it relates to the date on which the measurement is made;

4. it relates to an "orderly" transaction, i.e. it is not a forced transaction, such as a compulsory administrative liquidation or a sale at below cost.

Assets and liabilities measured at fair value may be:
- stand-alone assets or liabilities (financial or non-financial instruments);
- a group of assets, a group of liabilities or a group of assets and liabilities.

In the case of assets not listed on active markets, such as the Company's direct investments in companies and its investments in venture capital funds, the fair value reported in the financial statements is determined by the directors based on their best estimate and judgment, using the knowledge and evidence available when the financial statements are prepared.
In these cases, it is provided that:
- if there are recent transactions related to the same financial instrument, these may be used to determine fair value after verifying that there have been no significant changes in the economic environment between the date of the transactions being considered and the valuation date;
- if there are transactions involving similar financial instruments, these may be used to determine fair value after verifying the similarity (as a function of the type of business, size, geographic market, etc.) between the instrument for which transactions have been found and the instrument to be valued;
- if no prices can be found in active markets, fair value must be determined using valuation models that account for all factors that market participants would consider in setting a price.

However, due to objective difficulties in making assessments and the lack of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.
Direct investments in companies that are neither subsidiaries nor associates and in venture capital funds are classified as available-for-sale financial assets, which are initially reported at fair value on the date of the original posting. These assets are measured at fair value when all interim and full-year financial statements are prepared.
Gains and losses from fair value measurement are posted to a special shareholders' equity reserve called the "fair value reserve" until the investment is sold or otherwise disposed of, or until impairment occurs, in which cases the gain or loss previously recorded in the fair value reserve is posted to the income statement for the period.
At each reporting date, a test is performed as to the existence of objective evidence of impairment following one or more events that have occurred after the initial recording of the asset, and that this event (or events) has an impact on the estimated cash flow from the financial asset.

For equity instruments, a significant or prolonged reduction in fair value below their cost is considered to be objective evidence of impairment.

Although International Accounting Standards introduced an important reference to quantitative parameters that must be adhered to, they do not govern quantitative limits to determine when a loss is significant or prolonged.

DeA Capital S.p.A. has adopted an accounting policy that defines these parameters. In particular, "significant" means there has been an objective reduction in value when fair value is more than 35% below its historical cost. In this case, impairment is recorded in the income statement without further analysis.

The duration of the reduction in value is deemed to be prolonged when the reduction of fair value below historical cost continues for a period of over 24 months. After exceeding 24 months, impairment is recorded in the income statement without further analysis.

Derivatives
Derivatives contracts are recorded in the balance sheet at fair value. Fair value changes are reported differently depending on their designation (hedging or speculative) and the nature of the risk hedged (fair value hedge or cash flow hedge).
For contracts designated for hedging purposes, the Company documents this relationship when the hedge is established. The documentation incorporates the identification of the hedging instrument, the item or transaction hedged, the nature of the risk

hedged, the criteria used to ascertain the effectiveness of the hedging instrument as well as the risk. The hedge is considered effective when the projected change in fair value or in the cash flows of the hedged instrument is offset by the change in fair value or in the cash flows of the hedging instrument, and the net results fall within the range of 80% to 125%.

If the instruments are not, or cannot be, designated as hedging instruments, they must be considered "speculative"; in this case, fair value changes are posted directly to the income statement.

In the case of fair value hedges, changes in the fair value of the hedging instrument and the hedged instrument are posted to the income statement regardless of the valuation criterion used for the hedged instrument. In the case of cash flow hedges, the portion of the fair value change in the hedging instrument that is recognised as an effective hedge is posted to shareholders' equity, while the portion that is not effective is posted to the income statement.

Receivables and payables
A receivable is first reported at fair value on the date it is agreed.
After initial reporting, receivables are valued at amortised cost. Payables that fall due within normal contractual terms are initially posted at fair value and later valued at amortised cost.

Cash and cash equivalents
Cash and cash equivalents include cash at hand, demand deposits and short-term, highly liquid financial investments that are readily convertible to cash and subject to a negligible risk of price variation. Their value is reported at fair value.

Held-for-sale assets
A non-current asset or disposal group is classified as held for sale if the carrying value will mainly be recovered from its sale or disposal instead of its ongoing use. In order for this to occur, the asset or disposal group must be available for immediate sale in its current condition, and the sale must be highly likely. Assets meeting the criteria to be classified as held-for-sale assets are valued at the lower of carrying value and sales value adjusted for any related costs.

Own shares
Own shares are not considered financial assets of the Company that issued the shares. The purchase and sales value of own shares is recorded as a change to shareholders' equity. No gain or loss is reported in the income statement for the sale, purchase, issue or cancellation of own shares.

Fair value reserve
The fair value reserve incorporates fair value changes to entries measured at fair value with a balancing entry in shareholders' equity.

Warrants
Warrants issued by the Company, which do not meet the requirements either for being classified as share-based payments to employees pursuant to IFRS 2 or as financial liabilities, are treated as company equity instruments.

Provisions for risks and future liabilities
If necessary, the Company records provisions for risks and future provisions when:
- it has a legal or implicit obligation to third parties resulting from a past event;
- it is likely that it will be necessary to use company resources to fulfil the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are recorded based on the projected value and discounted as necessary to present value if the time value is considerable. Changes in estimates are recognised in the income statement of the period in which the change occurs.

Revenues and income
Service revenues are recognised at the time the services are rendered based on the progress of the activity on the reporting date.

Income from equity investments for dividends or for their full or partial sale is reported when the right to receive payment is determined, with a balancing item (receivable) at the time of the sale or decision to distribute dividends by the entity or appropriate body.
Interest is reported using the effective interest rate method.

Employee benefits

Short-term employee benefits, whether in cash or in kind (meal vouchers) are reported in the income statement in the period when the work is performed.

Employee benefits related to participation in a defined benefit plan are determined by an independent actuary using the projected unit credit method.

On 16 June 2011, the IASB published a revised version of IAS 19 "Employee Benefits". Among other things, this document modified the accounting rules of defined benefit plans ("Post-employment benefits: defined benefit plans") and termination benefits.

Specifically:

- for "Post-employment benefits: defined benefit plans", it eliminated the option to use the "corridor approach" to account for actuarial gains and losses, which will have to be recognised in the Statement of Performance, with the consequent accumulation in a specific "non-recycling" shareholders' equity reserve, without there being any other option available. Actuarial gains and losses include profits and losses of a technical nature due to changes in the actuarial assumptions adopted and/or the fact that experience may differ from the actuarial assumptions adopted (e.g. staff turnover, early retirement, mortality, change in the discount rate);
- past service costs and the effects generated by curtailments and/or plan settlement (caused, for example, by a significant reduction in the number of employees covered by the plan, changes to the plan's terms and conditions) are recorded immediately in the income statement under Personnel costs;
- the interest cost (resulting from the discounting process) and the expected yields from assets servicing the plan are replaced by a net interest figure reported in the income statement under Financial charges and calculated by applying a discount rate (arising at the end of the period from the rate of high profile corporate bonds) to the balance of the existing plan at the beginning of the year.

Employee benefits in respect of participation in a defined contribution plan only relate to those plans under mandatory government administration. The payment of contributions fulfils the Company's obligation to its employees. Thus, contributions are costs in the period in which they are payable.

Benefits have been provided in the form of stock options and share-based payments. This applies to all employees eligible for Stock Option Plans. The cost of these transactions is determined with reference to the fair value of the options on the date allocation is made and is reported over the period from such date until the expiry date with a balancing entry in shareholders' equity.
The cost of stock options for the Company's directors and contributors is determined in the same way.

Income tax

Current income taxes are determined and reported on the basis of a reasonable forecast of tax liability by applying the tax rates in force to taxable income, taking into account any exemptions and tax credits to which the Company may be entitled.

Deferred tax liabilities are allocated for all temporary differences between the carrying value of the assets and liabilities and the corresponding amount for tax purposes.
Deferred tax assets are recorded for all deductible temporary differences and for tax assets and liabilities carried forward to the extent that it is likely there will be sufficient future taxable profit against which the deductible temporary differences and the tax assets and liabilities carried forward can be used.
Deferred taxes are classified under non-current assets and liabilities and are determined using tax rates expected to be applicable in the years when the temporary differences will be realised or will expire.

The carrying values of deferred tax assets are analysed periodically and reduced if it is not likely that sufficient taxable income will be generated against which the benefits resulting from such deferred assets can be used.

Earnings per share

In accordance with IAS 33, basic earnings per share is determined as the ratio of net profit for the period attributable to holders of Parent Company shares to the weighted average number of shares outstanding during the period. Own shares in the portfolio are, of course, not included in this calculation.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding for all potential ordinary shares resulting from the potential exercise of assigned stock options, which may therefore result in a diluting effect.

C. Changes in accounting principles and the treatment of errors

Accounting principles are changed from one year to another only if the change is dictated by an accounting standard or if it contributes to providing more reliable information or more complete reporting of the impact of transactions on the Company's balance sheet, income statement and cash flow.

Changes in accounting principles are applied retroactively with the impact reflected in shareholders' equity in the first of the periods presented. Comparative reporting is adapted accordingly. The prospective approach is used only when it is not practical to restate comparative reporting. The application of a new or amended accounting standard is recorded as required by the standard itself. If the standard does not specify transition methods, the change is reflected retroactively, or if impractical, prospectively.

If there are significant errors, the same treatment dictated for changes in accounting principles is used. If there are minor errors, corrections are posted to the income statement in the period when the error is discovered.

D. Use of estimates and assumptions in preparing the financial statements

The company's management must make assessments, estimates and assumptions that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues recorded in the financial statements. Estimates and related assumptions are based on past experience and other factors deemed reasonable in the case concerned; these have been used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources.

These estimates and assumptions are reviewed regularly. Any changes resulting from revisions to accounting estimates are recorded in the period when the revision is made if such revisions only affect that period. If the revision affects current and future periods, the change is recorded in the period in which the revision is made and in related future periods.

Financial statement balances are reported and valued using the valuation criteria described above. At times the application of these criteria involves the use of estimates that may have a significant impact on amounts reported in the financial statements. Estimates and related assumptions are based on past experience and factors deemed reasonable in the case concerned; these are used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources. However, since these are estimates, the results obtained should not necessarily be considered definitive.

With the understanding that the use of reasonable estimates is an essential part of preparing financial statements, the items where the use of estimates is most prevalent are stated below:

- valuation of financial assets not listed in active markets;
- valuation of financial assets listed in active markets but considered illiquid on the reference market;
- valuation of equity investments.

The process described above is made particularly complicated by the unusual levels of volatility in the current macroeconomic and market environment, which affect financial indicators that have a bearing on the above valuations.

An estimate may be adjusted as a result of changes in the circumstances on which it was based, or as a result of new information. Any change in the estimate is applied prospectively and has an impact on the income statement in the period in which the change occurred and potentially on income statements in future periods.

As highlighted earlier, a significant proportion of the assets shown in the annual financial statements of DeA Capital S.p.A. is represented by unlisted financial investments. These investments are valued at their fair value, calculated by directors based on their best estimate and judgement using the knowledge and evidence available at the time the financial statements are prepared. However, due to objective difficulties in making assessments and the lack of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

NON-CURRENT ASSETS

1 – Intangible and tangible assets

1a – Intangible assets

Changes in intangible assets are shown in the tables below:

(Euro thousand)	Historical cost at Jan.1, 2013	Cum. amort.& prov. charges at Jan. 1, 2013	Net book value at Jan.1, 2013	Historical cost at Dec. 31, 2013	Cum. amort.& prov. charges at Dec. 31, 2013	Net book value at Dec. 31, 2013
Concessions, licence fees & trademarks	327	(312)	15	313	(306)	7
Total	**327**	**(312)**	**15**	**313**	**(306)**	**7**

(Euro thousand)	Balance at Jan.1, 2013	Additions	Disposal	Disposal (cum.amort.)	Amortization	Balance at Dec. 31, 2013
Concessions, licence fees & trademarks	15	7	(21)	14	(8)	7
Total	**15**	**7**	**(21)**	**14**	**(8)**	**7**

The increase in "Concessions, licences and trademarks" relates to the acquisition of new software licences, the cost of which will be amortised over three years.

1b – Tangible assets

Changes in tangible assets are shown in the tables below:

(Euro thousand)	Historical cost at Jan.1, 2013	Cum. amort. & prov. charges at Jan. 1, 2013	Net book value at Jan.1, 2013	Historical cost at Dec. 31, 2013	Cum. amort. & prov. charges at Dec. 31, 2013	Net book value at Dec. 31, 2013
Plant	227	(220)	7	86	(86)	0
Furniture and fixtures	571	(519)	52	483	(353)	130
Computer and office equipment	245	(234)	11	178	(170)	8
Leasehold improvements	393	0	393	752	(113)	639
Non-depreciable tangible assets	28	0	28	28	0	28
Total	**1,464**	**(973)**	**491**	**1,527**	**(722)**	**805**

(Euro thousand)	Balance at Jan.1, 2013	Additions	Disposal	Disposal (cum.amort.)	Depreciation	Balance at Dec.31, 2013
Plant	7	0	(141)	136	(2)	0
Furniture and fixtures	52	134	(222)	193	(27)	130
Computer and office equipment	11	3	(70)	70	(6)	8
Leasehold improvements	393	359	0	0	(113)	639
Non-depreciable tangible assets	28	0	0	0	0	28
Total	**491**	**496**	**(433)**	**399**	**(148)**	**805**

Depreciation is calculated on a straight-line basis, based on the estimated useful life of the asset.

The depreciation rates used in the financial statements are 20% for specific plant assets, 12% for furniture and furnishings, 20% for electronic office machines and 15% for leasehold improvements.

2 – Financial investments

2a - Investments in subsidiaries

Investments in subsidiaries are measured at fair value in accordance with IAS 39.

For the method of determining fair value, please refer to the relevant paragraphs in the section "Key accounting principles and valuation criteria adopted".

Details of the existing investments at 31 December 2013 are shown in the table below:

(Euro thousand)	% shareholding at Dec. 31,2013	Value at Dec. 31, 2012	% shareholding at Dec. 31,2012	Value at Dec. 31, 2011
DeA Capital Investments S.A.	100.00%	385,202	100.00%	583,721
DeA Capital Real Estate S.p.A.	100.00%	89,300	100.00%	116,203
I.F.IM. S.r.l.	100.00%	60,430	100.00%	77,494
IDeA FIMIT SGR S.p.A.	3.00%	5,835	0.00%	0
IDeA Capital Funds SGR S.p.A.	100.00%	51,813	100.00%	53,709
IDeA Consulenza S.r.l. (già IDeA SIM S.p.A.)	0.00%	0	65.0%	126
Total		**592,580**		**831,253**

DeA Capital Investments S.A.

On **6 September 2013**, DeA Capital Investments S.A. made an in-kind distribution of the fund units of IDeA I Fund of Funds, ICF II and IDeA EESS held by it for a total amount of EUR 120.6 million.

The fair value measurement of the equity investment at 31 December 2013, which was based on the documents received and the information available, made it necessary to record impairment of EUR 167,288 thousand.

DeA Capital Real Estate S.p.A.

The fair value measurement of the equity investment at 31 December 2013, which was based on the documents received and the information available, resulted in a negative change of EUR 21,132 thousand.

I.F.IM. S.r.l.

The fair value measurement of the equity investment at 31 December 2013, which was based on the documents received and the information available, made it necessary to record impairment of EUR 16,782 thousand for the investee company.

IDeA Capital Funds SGR S.p.A.

The fair value measurement of the equity investment at 31 December 2013, which was based on the documents received and the information available, made it necessary to record impairment of EUR 9,586 thousand for the investee company.

IDeA FIMIT SGR S.p.A.

On **27 February 2013**, DeA Capital S.p.A. signed an agreement with Inarcassa to acquire shares from the latter representing 2.98% of the capital of IDeA FIMIT SGR; financial equity instruments issued by IDeA FIMIT SGR and held by Inarcassa are excluded from the sale. The deal was closed on 29 April 2013, once the pre-emptive rights had expired.

Subsequently, on **19 September 2013**, DeA Capital S.p.A acquired more shares and the relative equity instruments, so that it held 3% of the share capital of IDeA FIMIT SGR.

The fair value measurement of the equity investment at 31 December 2013, which was based on the documents received and the information available, made it necessary to record impairment of EUR 115 thousand for the investee company.

IDeA SIM S.p.A.

On **25 February 2013**, in compliance with the provisions of various agreements reached with the former CEO of IDeA SIM, DeA Capital S.p.A. acquired the shares held by IDeA SIM, equal to 30% of its capital, bringing its investment to 95% of the Company's capital.

Subsequently, on **11 April 2013**, the shareholders' meeting of IDeA SIM voted to convert the Company and rename it IDeA Consulenza S.r.l., and at the same time put it into liquidation. This process was completed on 5 September 2013.

The changes in the item under review at 31 December 2013 compared with end-2012 refer to:

- a decrease of EUR 126 thousand for the liquidation of IdeA SIM;
- the measurement at fair value of the subsidiaries, which entailed decreases of EUR 198,519 thousand for DeA Capital Investments S.A., EUR 21,052 thousand for DeA Capital Real Estate S.p.A., EUR 17,065 thousand for IFIM S.r.l. and EUR 1,896 thousand for IDeA Capital Funds SGR S.p.A..

A list of the equity investments with the information required under art. 2427 of the Italian Civil Code is shown in the table below:

Company	Registered Office	Currency	Share Capital	Total Net Equity	Net profit/ (loss) for the year	% holding	Value of share of net equity (€uro)	Book Value (€uro)
DeA Capital Investments S.A.	Luxembourg	Euro	371,911,982	385,202,593	3,641,237	100.00%	385,202,593	385,202,593
DeA Capital Real Estate S.p.A.	Milan, Italy	Euro	600,000	13,818,045	7,860,320	100.00%	13,818,045	89,300,142
I.F.IM. S.r.l.	Milan, Italy	Euro	10,000	48,928,990	3,451,212	100.00%	48,928,990	60,429,659
IDeA FIMIT SGR S.p.A.	Rome, Italy	Euro	16,757,557	223,097,474	1,159,463	3.00%	6,692,924	5,835,000
IDeA Capital Funds SGR S.p.A.	Milan, Italy	Euro	1,200,000	6,195,071	4,007,647	100.00%	6,195,071	51,813,074
Total					**20,119,879**		**460,837,623**	**592,580,468**

2b - Investments in associates

The item was reduced to zero on 31 December 2013 (EUR 2,598 thousand at end-2012) due to the following factors:

- during the year, the shareholding in associate Harvip Investments S.p.A. decreased from 22.19% to 19.18%, due to paid calls by the other shareholders; the equity investment was reclassified under "Available-for-sale investments";
- on 6 August 2013, a letter of intent was signed for the transfer of the equity investment in Soprarno SGR S.p.A, which was therefore reclassified under "Held-for-sale assets".

Details of the existing investments at 31 December 2013 are shown in the table below:

(Euro thousand)	Balance at Jan.1, 2013	Share capital increase	Fair value adjustment	Impairment recorded in Income Statement	Reclass	Balance at Dec. 31, 2013
Harvip Investimenti S.p.A.	1,000	0	0	0	(1,000)	0
Soprarno SGR S.p.A.	1,598	0	0	(313)	(1,285)	0
Total	**2,598**	**0**	**0**	**(313)**	**(2,285)**	**0**

2c – Investments in other companies

Investments in other companies of EUR 184 thousand comprise three direct minority investments in foreign companies, and the investment in Harvip Investimenti S.p.A., reclassified under "Investments in other companies".
On **11 July 2013**, after obtaining the necessary authorisation, DeA Capital S.p.A. sold its entire shareholding (10%) in Alkimis SGR for around EUR 98 thousand.

Details of the existing investments at 31 December 2013 are shown in the table below:

(Euro thousand)	Balance at Jan.1, 2013	Reclass	Fair value adjustment	Impairment recorded in Income Statement	Disposals	Balance at Dec. 31, 2013
Harvip Investimenti S.p.A.	0	1,000	0	(816)	0	184
Akimis SGR S.p.A.	286	0	0	(188)	(98)	0
Total	**286**	**1,000**	**0**	**(1,004)**	**(98)**	**184**

2d - Available-for-sale funds

This item refers to investments in seven venture capital funds for EUR 10,682 thousand, compared with EUR 10,122 thousand at end-2012, and four closed-end mutual investment funds, for EUR 122,464 thousand, of which EUR 120,644 thousand was due to the in-kind distribution by DeA Capital Investments S.A. in 2013, as shown in the following table:

(Euro thousand)	Balance at Jan. 1, 2013	Distribution	Increase (capital call)	Decrease (Capital Distribution)	Impairment	Fair Value Adjustment	Translation adjustment	Balance at Dec. 31, 2013
Venture Capital Funds	10,122	0	0	(847)	(427)	1,794	40	10,682
Other funds	3,242	120,644	5,783	(9,830)	(347)	2,972	0	122,464
Total Funds	**13,364**	**120,644**	**5,783**	**(10,677)**	**(774)**	**4,766**	**40**	**133,146**

Over 2013, the Company received income distributions of EUR 278 thousand and capital distributions of EUR 10,677 thousand.

The fair value measurement of investments in venture capital funds at 31 December 2013, carried out based on the information and documents received from the funds, as well as other available information, meant that the amount had to be written down along with the related exchange effect by EUR 427 thousand; the significant reduction to below cost was considered clear evidence of impairment.

The other changes were for the increase in fair value (and related exchange effect) of EUR 4,816 thousand.

On 6 September 2013, the Company made an in-kind distribution of the fund units of IdeA I Fund of Funds, ICF II and IDeA EESS held by it for a total amount of EUR 120,644 thousand.
The units in closed-end mutual investment funds refer to:

- units in IDeA I FoF, which are valued at around EUR 94,704 thousand in the financial statements to 31 December 2013. The change in the carrying value compared with 31 December 2012 was due to in-kind distribution of approximately EUR 98,044 thousand, contributions made for capital calls totalling EUR 2,159 thousand, capital distributions of EUR 9,759 thousand and a net increase in fair value of around EUR 2,181 thousand;

- units in ICF II, which are valued at around EUR 23,788 thousand in the consolidated financial statements to 31 December 2013. The change compared with 31 December 2012 was due to in-kind distribution of approximately EUR 20,635 thousand, contributions made for capital calls totalling EUR 2,155 thousand, capital distributions of EUR 41 thousand and a net increase in fair value of around EUR 715 thousand;

- units in IDeA EESS, which are valued at around EUR 2,993 thousand in the financial statements to 31 December 2013. The change compared with 31 December 2012 was due to in-kind distribution of approximately EUR 1,965 thousand, contributions made for capital calls of EUR 1,334 thousand and capital distributions of EUR 21 thousand.

3 – Other non-current assets

3a – Deferred tax assets

Deferred tax assets of EUR 1,644 thousand were fully offset against deferred tax liabilities.

The changes in deferred tax assets and deferred tax liabilities are shown in the table below:

(Euro thousand)	At 1.1.2013	Taken to the income statement	Taken to equity	At 31.12.2013
Total prepaid tax assets	**0**	**0**	**0**	**0**
Prepaid tax assets from:				
- securities available-for-sale	(837)	0	(807)	(1,644)
Total deferred tax liabilities	**(837)**	**0**	**(807)**	**(1,644)**
Losses carried forward available for offset against future taxable profits	837	807	0	1,644
Total prepaid tax assets, net of deferred tax liabilities	**0**	**807**	**(807)**	**0**

No deferred tax assets were allocated against the significant tax losses of DeA Capital S.p.A. (of around EUR 108,074 thousand, to be reported without limitation and around EUR 879 thousand to be used with limitation). This was because there was insufficient information for the Group to believe that sufficient taxable income would be generated in future periods against which such tax losses could be recovered.

Deferred taxes were calculated using the liability method based on the temporary differences at the reporting date between the tax amounts used as a reference for the assets and liabilities and the amounts reported in the financial statements.

3b – Tax receivables from parent companies relating to the tax consolidation scheme

This item, totalling EUR 2,984 thousand, relates to the receivable from the Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) for participation in the tax consolidation scheme.

4 – Current assets

At 31 December 2013, current assets were approximately EUR 54,924 thousand compared with EUR 44,398 thousand at 31 December 2012.

4a – Trade receivables

This item totalled EUR 647 thousand (EUR 2,149 thousand at 31 December 2012) and relates to:
- EUR 128 thousand from De Agostini S.p.A. for the agreement to sublet rented premises and the reimbursement of costs associated with said agreement, and the pro rata reimbursement for improvements to leased assets incurred for the building at Via Brera, 21;
- EUR 22 thousand from IRE S.p.A., EUR 221 thousand from IDeA FIMIT SGR S.p.A, EUR 93 thousand from IDeA Capital Funds SGR S.p.A., EUR 12 thousand from De Agostini Publishing Italia S.p.A. and EUR 21 thousand from Gtech S.p.A. for the pro-rata reimbursement for improvements to leased assets incurred for the building at Via Brera, 21;
- EUR 150 thousand from Santé S.A. for remuneration due as part of the subsidiary's "director fee" agreement.

These receivables break down by region as follows:
- 52.10% from Italian subsidiaries;
- 22.94% from Luxembourg associates;
- 19.83% from Italian parent companies;
- 5.13% from Italian affiliates.

4b - Financial receivables

This item totalled EUR 42,549 thousand (EUR 31,270 thousand at 31 December 2012) and relates to:

- EUR 42,300 thousand for the revolving line of credit of EUR 40 million signed on 18 March 2011 with the subsidiary DeA Capital Investments S.A. (maturing on 15 March 2014 with a variable rate of 3-month Euribor + spread);
- EUR 249 thousand for interest accrued on this line of credit but not yet paid by DeA Capital Investments S.A..

4c – Tax receivables relating to the tax consolidation scheme entered into by the parent companies

This item, totalling EUR 3,107 thousand (EUR 7,489 thousand at 31 December 2012) relates to the receivable from the Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) for participation in the tax consolidation scheme.

4d – Tax receivables from parent companies

This item refers to a receivable from Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) of EUR 558 thousand for participation in the Group VAT liquidation.

4e – Other tax receivables

Tax receivables were EUR 778 thousand (EUR 1,270 thousand at 31 December 2012) and related to:

- tax deductions in the form of advance payments on interest of EUR 16 thousand;
- a receivable arising from an application for an IRES refund due to non-deduction of IRAP relating to personnel costs for 2010/2011, for EUR 93 thousand;
- a receivable arising from the 2012 VAT declaration, in the amount of EUR 669 thousand.

4f – Other receivables

These receivables, totalling EUR 524 thousand (EUR 68 thousand at 31 December 2012), relate mainly to prepaid expenses, receivables for guarantee deposits and advances to suppliers.
These receivables fall due within the next year.

4g – Cash and cash equivalents

This item consists of bank deposits and cash (EUR 4 thousand), including interest accrued at 31 December 2013. At the end of 2013, this came in at EUR 3,776 thousand, compared with the figure of EUR 2,153 thousand recorded at the end of 2012.

This increase is primarily due to the combined effect of the following factors:

- receipt of dividends of EUR 5,760 thousand from DeA Capital Real Estate S.p.A., EUR 3,200 thousand from IFIM S.r.l., EUR 464 thousand from IDeA FIMIT SGR S.p.A., EUR 4,400 thousand from IDeA Capital Funds SGR S.p.A. and EUR 55 thousand from Alkimis SGR S.p.A.;
- drawdown of EUR 20,000 from the credit line taken out with Mediobanca;
- draw down of EUR 27,000 thousand from the new credit line totalling EUR 40 million taken out with Intesa SanPaolo S.p.A.;
- receipt of EUR 5,172 thousand for pay-outs from available-for-sale funds excluding capital calls paid;
- receipt of EUR 2,399 thousand for reimbursements for leasehold improvements to subsidiaries and associates;
- receipt of EUR 4,379 thousand as remuneration for losses transferred to Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) due to participation in the tax consolidation scheme;
- outlay of EUR 5,950 thousand for the acquisition of the equity investment in IdeA Fimit S.p.A.;
- outlay of EUR 42,570 thousand for payment of the fifth tranche of the deferred price in the transaction to purchase FARE Holding (now DeA Capital RE);
- bank interest and commission of EUR 2,515 thousand in relation to the credit lines taken out with Mediobanca and Intesa Sanpaolo S.p.A.;
- service expenses of EUR 8,260 thousand;
- the purchase of own shares in the amount of EUR 885 thousand;
- outlay of EUR 10,971 thousand for the credit line granted to the subsidiary DeA Capital Investments S.A..

Please see the Company’s cash flow statement for further information on changes to this item.

5 – Held-for-sale assets

On **6 August 2013**, a letter of intent was signed for the sale of the shareholding in Soprarno SGR S.p.A. at a total price of EUR 1,285 thousand, so this shareholding was reclassified under this item.

6 – Shareholders' equity

At 31 December 2013, shareholders' equity totalled approximately EUR 630,050 thousand, compared with EUR 740,384 thousand at 31 December 2012.

The decrease of around EUR 110,334 thousand in shareholders' equity in 2013 was mainly due to:
- a decrease of EUR 46,545 thousand in the fair value reserve;
- the purchase of own shares in the amount of EUR 885 thousand;
- the loss of EUR 62,866 thousand for the period.

Please see the statement of changes in shareholders' equity for more information on the main changes in this item.

6a – Share capital

The share capital (fully subscribed and paid up) totalled EUR 306,612,100, represented by 306,612,100 shares (of which 32,637,004 own shares) with a nominal value of EUR 1 each.

Given that the nominal value of the 32,637,004 own shares held at 31 December 2013 is deducted from total share capital, share capital of EUR 273,975,096 was reported in the financial statements.

Changes in share capital are shown in the table below:

	31.12.2013		**31.12.2012**	
(Euro thousand)	**no. of shares**	**amount**	**no. of shares**	**amount**
Share Capital	**306,612,100**	**306,612**	**306,612,100**	**306,612**
of which: Treasury shares	*(32,637,004)*	*(32,637)*	*(32,006,029)*	*(32,006)*
Share Capital (excluding treasury shares)	**273,975,096**	**273,975**	**274,606,071**	**274,606**

The table below shows a reconciliation of the shares outstanding:

(Euro thousand)	**Shares issued**	**Treasury shares held**	**Shares outstanding**
December 31, 2012	**306,612,100**	**(32,006,029)**	**274,606,071**
2013 movements			
Share capital increase	0	0	0
Treasury shares purchased	0	(630,975)	(630,975)
Treasury shares sold	0	0	0
Treasury shares disposed for	0	0	0
Used for stock option plan	0	0	0
Shares issued through exercise of stock options	0	0	0
December 31, 2013	**306,612,100**	**(32,637,004)**	**273,975,096**

6b – Share premium reserve (net of share issue costs reserve)

This item decreased by EUR 254 thousand (from EUR 386,452 thousand at 31 December 2012 to EUR 386,198 thousand at 31 December 2013) after the posting of the purchase of own shares to this reserve.

6c – Legal reserve

This reserve totalled EUR 61,322 thousand, which was unchanged from the figure at 31 December 2012.

6d – Fair value reserve

The fair value reserve is negative for EUR 20,457 thousand (compared with a positive balance of EUR 26,088 thousand at 31 December 2012) and comprises:

- the reserve for first-time adoption of IAS/IFRS, which has a negative balance of EUR 3,745 thousand (unchanged from 31 December 2012);
- a negative fair value reserve of EUR 16,711 thousand compared with a positive value of EUR 29,833 thousand at 31 December 2012.

The table below shows a summary of the changes in this item during the year:

(Euro thousand)	Balance at Jan. 1, 2013	Distribution	Fair Value Reserve reclying with Impairment	Change in Fair Value	Tax effect	Balance at Dec. 31, 2013
Direct Investments / Shareholdings	29,086	0	7,766	(58,418)	514	(21,052)
Venture Capital Funds	661	0	0	1,834	(505)	1,990
Available-for-sale financial assets	86	0	99	2,987	(822)	2,350
Fair value reserves IFRS transition and other reserves	(3,745)	0	0	0	0	(3,745)
Total	**26,088**	**0**	**7,865**	**(53,597)**	**(813)**	**(20,457)**

6e – Other reserves

Other reserves, totalling EUR 463 thousand, consists of:

- a reserve for stock option costs totalling EUR +912 thousand;
- a reserve for the merger of the subsidiary IDeA AI totalling EUR -831 thousand;
- a reserve for actuarial gains/losses on the end-of-service payment fund of EUR 31 thousand;
- a reserve for the sale of option rights, unchanged from 31 December 2012, totalling EUR +413 thousand. This originated from the sale of the remaining option rights to subscribe to a capital increase that had not been exercised by the shareholders, and were sold by the Company.

6f – Retained earnings (losses) carried forward

This item totalled EUR -8,585 thousand and includes the profit from the previous period that was carried forward.

6g – Profit (loss) for the year

This item shows a loss of EUR 62,866 thousand for 2013, compared with a profit of EUR 2,269 thousand for the year 2012.

Art. 2427, para. 1 no. 7-bis of the Italian Civil Code: breakdown of shareholders' equity

The table below shows a breakdown of shareholders' equity at 31 December 2013, with details of their origin, how they can be used and paid out, and use in previous years:

				Summary of use in previous years	
Description (Euro)	**Amount**	**Possible use**	**Share available**	**losses coverage**	**other**
Share capital	**273,975,096**	**=**	**=**		
Share capital reserves:					
Share premium	394,025,896	A.B.C	394,025,896	1,798,320	=
Profit reserves:					
Legal reserve	61,322,420	B	=	=	=
Reserve for the cost of share issue	(7,828,172)	=	=	=	=
Stock option reserve	912,454	=	=	=	=
Reserve for the sale of rights	412,798	=	=	=	=
Merger reserve	(831,486)	=	=	=	=
Fair value reserve	(20,456,795)	=	=	=	=
Reserve for actuarial gains/losses	(30,893)	=	=	=	=
Profit/(loss) brought forward	**(8,585,197)**	**A.B.C**	**=**	**=**	**=**
Net loss for the year	**(62,866,203)**	**=**	**=**	**=**	**=**
TOTAL	**630,049,918**		**394,025,896**		

Key: A capital increase, B to cover losses, C for distribution to shareholders

7 – Non-current liabilities

7a – End-of-service payment fund

The end-of-service payment fund is a defined benefit plan, and has therefore been valued using actuarial assessments. The assumptions used in calculating the fund were: a discount rate of 3.15%; an annual rate of inflation of 2.0%; annual salary growth of 3.0%; and an annual fund growth rate of 3.0%.

Changes in the end-of-service payment fund were as follows:

(Euro thousand)	**Balance at Jan 1., 2013**	**Portion matured**	**Payments**	**Advances**	**Balance at Dec. 31, 2013**
Movement in provision	316	114	(46)	0	384

The amounts concerned were calculated as follows:

(Euro thousand)	**31.12.2013**	**31.12.2012**
Nominal value of provision	348	301
Discounting effect	36	15
Total provision	**384**	**316**

7b – Financial liabilities

This item totalled EUR 122,206 thousand (EUR 102,987 thousand at 31 December 2012) and relates to:

- an earn-out payment (maturing in 2016) of EUR 2,206 thousand, inclusive of interest calculated at present value accrued from the closing date (12 December 2008) to 31 December 2013, equal to EUR 50 thousand This earn-out, which DeA is required to pay to the seller, is equal to 35% of the portion of any performance fees accrued on certain of the funds managed by IDeA FIMIT SGR S.p.A. (formerly FARE SGR);
- an amount of EUR 120,000 thousand for the use of the credit line provided by Mediobanca for the same amount (maturing on 16 December 2015 and subject to a variable rate of 3-month Euribor + spread). As at 31 December 2013, the covenant tests for this credit line were successfully passed (i.e. debt and debt to equity).

7c – Payables to staff

At 31 December 2013, this item was reduced to zero (EUR 1,189 thousand at end-2012), because the minimum target for the incentive plan entitling beneficiaries to a cash award related to corporate performance over the medium-term horizon (the three-year period 2012-2014) had not been met.

8 – Current liabilities

Total current liabilities amounted to EUR 30,292 thousand (EUR 47,531 thousand at 31 December 2012) and are all due within the following year. These payables are not secured on any company assets.

These liabilities are made up of the items detailed below.

8a – Trade payables

This item totalled EUR 1,860 thousand, compared with EUR 2,526 thousand in 2012, and results from ordinary operations.

With regard to transactions with related parties, this item includes:

- payables to the Parent Company, De Agostini S.p.A., of EUR 14 thousand;
- payables to affiliate De Agostini Editore S.p.A. of approximately EUR 50 thousand;
- payables to affiliate De Agostini Libri S.p.A. of approximately EUR 1 thousand;
- payables to the Parent Company IDeA FIMIT SGR S.p.A. of approximately EUR 39 thousand.

A breakdown of these payables by region is set out below:

- 94.11% due to suppliers in Italy;
- 2.70% due to suppliers in respect of affiliates in Italy;
- 2.11% due to suppliers in respect of subsidiaries in Italy;
- 0.76% due to suppliers in respect of parent companies in Italy;
- 0.24% due to suppliers in the US;
- 0.08% due to suppliers in the UK.

Trade payables do not accrue interest and are settled, on average, within 30 to 60 days.

8b – Payables to staff and social security organisations

This item amounted to EUR 859 thousand (EUR 1,201 thousand at 31 December 2012) and breaks down as follows:

- EUR 352 thousand for payables to social security organisations, paid after the end of financial year 2013;
- EUR 507 thousand for payables to staff for holidays not taken, and accrued bonuses.

8c – Tax payables to subsidiaries

This item, which amounts of EUR 64 thousand (zero at 31 December 2012), relates to the payable to subsidiary IDeA Capital Funds SGR S.p.A. for the application for an IRES refund due to the non-deduction of IRAP relating to personnel costs for 2010/2011.

8d – Other tax payables

This item amounted to EUR 185 thousand (EUR 195 thousand at 31 December 2012) and consists of payables to the tax authorities in respect of taxes deducted from the income of employees and self-employed staff.

8e – Short-term financial payables

Financial payables totalled EUR 27,323 thousand (balance of EUR 43,585 thousand at 31 December 2012). Of this total, EUR 323 thousand relates to an accrued expense in respect of the line of credit provided by Mediobanca, and EUR 27,000 thousand to a drawdown from the new line of credit granted by Intesa SanPaolo S.p.A. for EUR 40 million in total, maturing on 30 June 2014.

On **12 December 2013**, the payable for the acquisition of the FARE Group in December 2008, totalling EUR 40,630 thousand, was settled in full.

Notes to the income statement

9 – Revenues and income

9a – Investment income and expenses

Net expenses arising from investments totalled EUR 60,979 thousand in 2013 (compared with net income of EUR 8,919 thousand in 2012).

Details of this item are shown below:

(Euro thousand)	Year 2013	Year 2012
Dividends from subsidiaries	134,468	8,860
Gains from venture capital fund distributions	278	1,385
Gains from disposals	95	47
Gains from investments	**134,841**	**10,292**
Impairment IDeA Consulenza S.r.l. (formerly IDeA SIM S.p.A.)	201	0
Impairment Soprarno SGR S.p.A.	312	499
Impairment IDea Capital Fund SGR S.p.A	9,586	0
Impairment IDea FIMIT SGR S.p.A	115	0
Impairment I.FI.M. S.r.l.	16,782	0
Impairment DeA Capital Investments S.A.	167,288	0
Impairment Alkimis Sgr S.p.A	188	0
Impairment Harvip S.p.A	816	0
Impairment venture capital funds	76	874
Impairment other funds	456	0
Charges from investments	**195,820**	**1,373**
Total	**(60,979)**	**8,919**

Dividends from associates and other income

On **6 September 2013**, DeA Capital Investments S.A. made an in-kind distribution of the fund units of IDeA I Fund of Funds, ICF II and IDeA EESS held by it for a total amount of EUR 120,644 thousand.

The item also comprises dividends paid out by:
- IDeA Capital Funds SGR S.p.A., in the amount of EUR 4,400 thousand;
- DeA Capital Real Estate S.p.A., in the amount of EUR 5,760 thousand;
- IDeA FIMIT SGR S.p.A., in the amount of EUR 464 thousand;
- I.FI.M. S.r.l., in the amount of EUR 3,200 thousand.

Income from available-for-sale funds

Income from available-for-sale funds was EUR 278 thousand (EUR 1,385 thousand in 2012) and came from capital gains from distributions of venture capital funds.

Capital gains on disposals

This item, which totalled EUR 95 thousand, mainly relates to the capital gain from sales of the Alkimis SGR S.p.A. equity investment. Note that impairment of EUR 188 thousand had previously been recorded for this asset.

Impairment of funds and available-for-sale funds

On **6 August 2013**, a letter of intent was signed for the sale of the equity investment in Soprarno SGR S.p.A for a total price of EUR 1,285 thousand, with a consequent loss of EUR 312 thousand.

On **5 September 2013**, the liquidation process for IDeA SIM S.p.A. was completed. The company was renamed IDeA Consulenza S.r.l. and a loss of EUR 201 thousand was registered.

The fair value measurement of investments in funds at 31 December 2013, carried out based on the documents received and the information available, made it necessary to record impairment of EUR 76 thousand in respect of the venture capital funds and EUR 456 thousand for the closed-end mutual investment funds.

For these funds, the significant reduction below cost was considered clear evidence of impairment.

The fair value measurement of the equity investment in IDeA Capital Funds SGR S.p.A. at 31 December 2013, which was based on the documents received and the information available, made it necessary to record impairment of EUR 9,586 thousand for the investee company.

The fair value measurement of the equity investment in DeA Capital Investments S.A. at 31 December 2013, which was based on the documents received and the information available, made it necessary to record impairment of EUR 167,288 thousand for the investee company. This impairment was mainly due to the distribution of reserves conducted by the investee company during the year, totalling EUR 120,644 thousand.

The fair value measurement of the equity investment in I.F.IM. S.r.l. at 31 December 2013, which was based on the documents received and the information available, made it necessary to record impairment of EUR 16,782 thousand for the investee company.

9b – Service revenues

Income of EUR 1,132 thousand was reported in 2013 (EUR 459 thousand in 2012), attributable to the reimbursement of costs or supply of services, in the following amounts:

- EUR 461 thousand from IDeA FIMIT S.p.A.;
- EUR 257 thousand from De Agostini S.p.A.;
- EUR 224 thousand from IDeA Capital Funds SGR S.p.A.;
- EUR 91 thousand from IRE;
- EUR 37 thousand from I.F.IM. S.r.l.;
- EUR 27 thousand from DeA Capital Real Estate S.p.A.;
- EUR 14 thousand from GTECH S.p.A.;
- EUR 12 thousand from De Agostini Publishing S.p.A.;
- EUR 9 thousand from IRE Advisory.

9c – Other revenues and income

Other revenues and income, totalling EUR 172 thousand (compared with EUR 155 thousand in 2012), related mainly to directors’ fees from Santé S.A. of EUR 151 thousand.

10 – Operating costs

10a – Personnel costs

Personnel costs totalled EUR 1,316 thousand, compared with EUR 5,972 thousand in 2012.

The item breaks down as follows:

(Euro thousand)	**Year 2013**	**Year 2012**
Salaries and wages	1,740	1,971
Social charges on wages	264	983
Board of directors' fees	110	309
Stock option	884	945
Stock options reversal	(890)	(1,022)
Employee severance indemnity	25	265
Other personnel costs	290	2,521
Other personnel costs reversal	(1,107)	0
Total	**1,316**	**5,972**

The effect of the cost arising from the Stock Option Plans for 2013, of EUR 884 thousand (EUR 945 thousand in 2012), was more than offset by the reversal of the cost allocated to the reserve for the 2011-2016 Stock Option Plan, of EUR 890 thousand. The allocation plan for 2011-2016 is to be considered lapsed as the conditions for exercising option rights were not met.
The item "Reversals of other personnel costs" relates for EUR 1,107 thousand to the reversal carried out because the minimum target for the incentive plan entitling beneficiaries to a cash bonus related to company performance in the medium term (2012-2014 three-year period) had not been met.

The Parent Company has 14 employees (16 at 31 December 2012).

The table below shows changes and the average number of Group employees during the year.

Position	1.1.2013	Recruits	Departures	31.12.2013	Average
Senior Managers	4	0	0	4	4
Senior Managers defined term	1	0	0	1	1
Junior Managers	6	0	(2)	4	4
Staff	5	1	(1)	5	5
Total	**16**	**1**	**(3)**	**14**	**14**

Share-based payments

Employees of DeA Capital S.p.A. and the Parent Company, De Agostini S.p.A. are beneficiaries of Stock Option Plans based on the shares of DeA Capital S.p.A. Unexercised but valid call options on the Company's shares at 31 December 2013 totalled 2,643,200 (2,938,200 at 31 December 2012).

Stock option plans were valued using the numerical binomial tree procedure (the original Cox, Ross and Rubinstein method). Numerical analysis using binomial trees generates simulations of various possible developments in the share price in future periods.

On **19 April 2013**, the shareholders' meeting approved the DeA Stock Option Plan 2013–2015. To implement the resolution of the shareholders' meeting, the Board of Directors voted (i) to implement the DeA Capital Stock Option Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all necessary powers, to be exercised jointly or severally and with full power of delegation; and (ii) to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital Stock Option Plan for 2013-2015, the Board of Directors also set the exercise price for the options allocated at EUR 1.289, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 19 March 2013 and 18 April 2013.

The options can be allocated to the beneficiaries, in one or more tranches, up to 31 December 2013 and exercised by the latter, in one or more tranches, but in any case for an amount per tranche of not less than 25% of the options assigned to each, with effect from the fifth calendar day following the date that the adjusted NAV figure at 31 December 2015 is announced, until 31 December 2018. The adjusted NAV means the value of the assets, net of liabilities, calculated on the basis of the Company's balance sheet at 31 December 2015 and restated, where necessary, to take account of the measurement at fair value of all investments, as assessed by an independent third party.

The shareholders' meeting of 19 April 2013 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital Stock Option Plan for 2013-2015.

The shareholders' meeting also approved the adoption of the Performance Share Plan for 2013-2015. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to implement the DeA Capital Performance Share Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the own shares already held by the Company so that the allocation will not have a nominally dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-*ter* of the *Testo Unico della Finanza* law.

With regard to the entitlement to an incentive scheme granted to a manager with strategic responsibilities, valued in accordance with IFRS 2, conferring on the beneficiary the right to receive a cash award linked to corporate performance over the medium-term horizon (the three year period 2012 – 2014), note that failure to meet the plan's minimum target entailed a reversal of the plan.

The terms and conditions of the DeA Capital Stock Option Plan for 2013–2015 and the Performance Share Plan for 2013-2015 are described in the Information Prospectus prepared in accordance with art. 84-bis of Consob Resolution 11971 of 14 May 1999 (Issuer Regulations), available to the public at the registered office of DeA Capital S.p.A. and on the Company's website www.deacapital.it in the section Corporate Governance/Incentive Plans.

10b – Service costs

The table below shows a breakdown of service costs, which came in at EUR 4,110 thousand (EUR 3,138 thousand in 2012):

(Euro thousand)	**Year 2013**	**Year 2012**
Admin. Consulting, Tax and Legal and other	1,524	1,689
Remuneration of internal committees	276	255
Maintenance	138	103
Travel expenses	114	137
Utilities and general expenses	1,895	772
Bank charges	30	13
Books, stationery and conventions	101	143
Other expenses	32	26
Total	**4,110**	**3,138**

10c – Depreciation and amortisation

Please see the table on changes in intangible and tangible assets for details on this item.

10d – Other costs

This item totalled EUR 213 thousand (EUR 508 thousand in 2012) and mainly comprises registration tax and the non-deductible portion of VAT as a result of applying the new percentage of 96% against which VAT on purchases made during the year may be offset.

11 – Financial income and charges

11a – Financial income

Financial income totalled EUR 3,647 thousand (EUR 2,044 thousand in 2012) and included interest income of EUR 2,587 thousand, income of EUR 1,018 thousand from financial instruments at fair value with changes recognised through profit or loss, and exchange rate gains of EUR 42 thousand.

A breakdown of interest income shows that EUR 79 thousand was earned on bank current accounts, EUR 927 thousand on loans to subsidiaries and EUR 1,581 thousand on the acquisition of the FARE Group.

(Euro thousand)	**Year 2013**	**Year 2012**
Interest income	2,587	1,040
Gain from available for sale financial instruments	0	111
Income from financial instruments at fair value through profit and loss	1,018	485
Exchange gains	42	408
Total	**3,647**	**2,044**

11b – Financial charges

Financial charges totalled EUR 4,776 thousand, compared with EUR 4,653 thousand in 2012. These mainly included interest payable on loans and financial liabilities and losses on hedging derivatives and exchange rates.

Specifically, financial charges mainly break down as follows:

- charges of EUR 827 thousand relating to interest rate swaps;
- negative alignment of the valuation of the earn-out accrued in 2013, of EUR 230 thousand;
- interest payable for the acquisition of the FARE Group in December 2008, accrued during 2013, totalling EUR 623 thousand;
- interest payable on the line of credit granted by Mediobanca and the new credit line granted by Intesa of EUR 2,591 thousand, and fees of EUR 79 thousand.

(Euro thousand)	**Year 2013**	**Year 2012**
Interest expense	3,314	3,517
Charges on financial liabilities	239	208
Charges on derivatives	827	896
Exchange losses	396	32
Total	**4,776**	**4,653**

12 - Tax

12a – Income tax for the period

At 31 December 2013, no IRAP taxes were recorded because of the negative tax base. This item mainly includes current tax income, amounting to EUR 2,896 thousand, which relates to DeA Capital S.p.A.'s decision to join (on 13 June 2008) the national tax consolidation scheme of the De Agostini S.p.A. Group (previously B&D Holding di Marco Drago e C. S.a.p.a.).

12b – Deferred tax assets and liabilities

This item came in at EUR 808 thousand and consists entirely of provisions for deferred tax assets during the year.
The table below shows a reconciliation of the tax charges recorded in the financial statements and the theoretical tax charge calculated using the IRES rate applicable in Italy:

	2013		2012	
(Euro thousand)	**Amount**	**Rate**	**Amount**	**Rate**
Profit before tax	**(66,600)**		**(2,780)**	
Theoretical income tax	(18,315)	27.50%	(765)	-27.5%
Tax effect on permanent differences				
- Impairment on Investments	*53,653*	*-80.56%*	*137*	*4.9%*
- Dividends	*(36,789)*	*55.24%*	*(2,315)*	*-83.3%*
- Non deductible interests	*458*	*-0.69%*	*439*	*15.8%*
- Other movements	*128*	*-0.19%*	*367*	*13.2%*
Fiscal consolidation gain	(1,979)	2.97%	(2,685)	-96.6%
Income from Ires refund	(30)	0.05%	0	0.0%
Deferred tax assets	(808)	1.21%	0	0.0%
Other net differences	(53)	0.08%	(228)	8.2%
Income tax charged in the income statement	**(3,735)**		**(5,050)**	

13 – Basic earnings (loss) per share

Basic earnings per share are calculated by dividing net profit or loss for the period attributable to the Parent Company by the weighted average number of ordinary shares outstanding during the period.
Diluted earnings per share are calculated by dividing net profit for the period attributable to shareholders by the weighted average number of ordinary shares outstanding during the period, including any dilutive effects of stock options.

The table below shows the share information used to calculate basic and diluted earnings per share:

(Euro thousand)	**Year 2013**	**Year 2012**
Parent company net profit/(loss) (A)	(62,866,203)	2,269,268
Weighted average number of ordinary shares outstanding (B)	273,994,870	277,469,810
Basic earnings/(loss) per share (€ per share) (C=A/B)	**(0.2294)**	**0.0082**
Restatement for dilutive effect	-	-
Parent company net profit/(loss) restated for dilutive effect (D)	(62,866,203)	2,269,268
Weighted average number of shares to be issued for the exercise of stock options (E)	-	-
Total number of shares outstanding and to be issued (F)	273,994,870	277,469,810
Diluted earnings/(loss) per share (€ per share) (G=D/F)	**(0.2294)**	**0.0082**

Options have a dilutive effect only when the average market price of the share for the period exceeds the strike price of the options or warrants (i.e. when they are "in the money").

Other information

Commitments

At 31 December 2013, residual commitments to make paid calls to venture capital funds totalled EUR 4.2 million, compared with EUR 3.7 million in 2012.
Changes in commitments are shown in the table below.

(Euro thousand)	
Residual Commitments vs. Funds at 31.12.2012	**6.0**
Capital Calls at commitment value	-5.8
Acquisitions	75.7
Distributions callable	0.6
Exchange differences	(0.1)
Residual Commitments vs. Funds at 31.12.2013	**76.4**

The residual commitments of closed-end mutual investment funds managed by IDeA Capital Funds SGR S.p.A. amount to EUR 74.8 million.

Own shares and Parent Company shares

On **19 April 2013**, the shareholders' meeting authorised the Board of Directors to buy and sell, on one or more occasions, on a rotating basis, a maximum number of ordinary shares in the Company representing a stake of up to 20% of share capital.

The plan replaced the previous one approved by the shareholders' meeting on 17 April 2012 (which was scheduled to expire on 17 October 2013) and will pursue the same objectives as the previous plan, including the purchase of own shares to be used for extraordinary transactions and share incentive schemes, to offer shareholders a means of monetising their investment, to stabilise the share price and to regulate trading within the limits of current legislation.

The authorisation specifies that purchases may be carried out up to the date of the shareholders' meeting to approve the financial statements to 31 December 2013, and in any case, not beyond the maximum duration allowed by law, in accordance with all the procedures allowed by current regulations, and that DeA Capital may also sell the shares purchased for the purposes of trading, without time limits. The unit price for the purchase of the shares will be set on a case-by-case basis by the Board of Directors, but must not be more than 20% above or below the share's reference price on the trading day prior to each purchase. In contrast, the authorisation to sell own shares already held in the Company's portfolio, and any shares bought in the future, was granted for an unlimited period, to be implemented using the methods considered most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to each individual sale (apart from in certain exceptional cases specified in the plan).

On the same date, the Board of Directors voted to launch the plan to buy and sell own shares authorised by the shareholders' meeting, and to this end vested the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be severally and with full power of delegation.

In 2013, as a part of the above plans, DeA Capital S.p.A. purchased 630,975 shares valued at approximately EUR 885,494 (at an average price of EUR 1.403 per share).

Taking into account purchases made in previous years for plans in place at the time, and uses of own shares to service purchases of controlling interests in FARE Holding and IDeA AI, at 31 December 2013 the Company owned 32,637,004 own shares (equal to about 10.6% of the share capital).

As at the date of this document, no further share buybacks had taken place.

During 2013, the Company did not hold, purchase or sell, on its own account or through a trust company, any shares in Parent Company De Agostini S.p.A..

Stock option and Performance Share Plans

On **19 April 2013**, the shareholders' meeting approved the DeA Stock Option Plan 2013–2015. To implement the resolution of the shareholders' meeting, the Board of Directors voted (i) to implement the DeA Capital Stock Option Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all necessary powers, to be exercised jointly or severally and with full power of delegation; and (ii) to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital Stock Option Plan for 2013-2015, the Board of Directors also set the exercise price for the options allocated at EUR 1.289, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 19 March 2013 and 18 April 2013.

The shareholders' meeting of 19 April 2013 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital Stock Option Plan for 2013-2015.

The shareholders' meeting also approved the adoption of the Performance Share Plan for 2013-2015. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to implement the DeA Capital Performance Share Plan for 2013-2015 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the own shares already held by the Company so that the allocation will not have a nominally dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-*ter* of the *Testo Unico della Finanza* law.

The tables below summarise the assumptions made in calculating the fair value of the Stock Option Plans:

Stock Option	***2004 plan***	***2005 plan***	***2011 plan***	***2012 plan***	***2013 plan***
N° options allocated	160,000	180,000	1,845,000	1,030,000	1,550,000
Average market price at allocation date	2.445	2.703	1.55	1.38	1.26
Value at allocation date	391,200	486,540	2,859,750	1,421,400	1,953,000
Average exercise price	2.026	2.459	1.538	1.3363	1.289
Expected volatility	31.15%	29.40%	33.43%	33.84%	32.94%
Option expiry date	31.08.15	30.04.16	31.12.16	31.12.17	31.12.18
Risk free yield	4.25125%	3.59508%	3.44%	2.47%	1.55%

The allocation plan for 2011-2016 is to be considered lapsed as the conditions for exercising option rights were not met.

Performance Share	***2012 plan***	***2013 plan***
N° options allocated	302,500	393,500
Average market price at allocation date	1.380	1.260
Value at allocation date	417,450	495,810
Expected volatility	33.84%	32.94%
Option expiry date	31.12.14	31.12.15
Risk free yield	2.470%	1.550%

Transactions with parent companies, subsidiaries and related parties

Intercompany relationships with the Parent Company and its group

Transactions with related parties, including intercompany transactions, were typical, usual transactions that are part of the normal business activities of Group companies. Such transactions are concluded at standard market terms for the nature of the goods and/or services offered.

With regard to transactions with parent companies, note the following:

1) DeA Capital S.p.A. signed a service agreement with the controlling shareholder, De Agostini S.p.A., for the latter to provide operating services in the administration, finance, control, legal, corporate and tax areas.

   This agreement, which is renewable annually, is priced at market rates, and is intended to allow the Company to maintain a streamlined organisational structure in keeping with its development policy, while obtaining adequate operational support.

   At the same time, on 1 January 2013, DeA Capital S.p.A. signed an "Agreement to sub-let property for intended use other than residential use" with the controlling shareholder, De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera, 21, Milan, comprising space for office use, warehousing and car parking.

   This agreement, which is renewable every six years after an initial term of seven years, is priced at market rates.

2) DeA Capital S.p.A., IDeA Capital Funds SGR, DeA Capital Real Estate, Innovation Real Estate, Innovation Real Estate Advisory and IFIM have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.a.). This option was exercised jointly by each company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. The option is irrevocable unless the requirements for applying the scheme are not met.

   The option for DeA Capital S.p.A. is irrevocable for the three-year period 2011-2013.

3) In order to enable a more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions compared with those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement (Framework Agreement) with Parent Company De Agostini S.p.A. for the provision of short-term intercompany loans.

   Deposit/financing operations falling within this Framework Agreement shall only be activated subject to verification that the terms and conditions determined at any time are advantageous, and will be provided on a revolving basis, and with maturities of not more than three months. The Framework Agreement shall have a duration of one year and is renewable.

   The amounts involved in the deposit/financing operations will, however, be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (Transactions with Related Parties) and the internal procedure on Transactions with Related Parties adopted by DeA Capital S.p.A..

Lastly, the Company did not hold, purchase or dispose of the shares of any related parties in 2013.

The table below shows the balances arising from transactions with related parties.

	31.12.2013					Year 2013					
(Euro thousand)	Trade receivables	Financial receivables	Tax receivables	Tax payables	Trade payables	Service revenues	Payroll recharge	Financial income	Tax income	Payroll	Service costs
IDeA Capital Funds SGR S.p.A.	93.1	-	-	*63.9*	-	224.3	-	-	-	-	-
IDeA FIMIT SGR S.p.A.	221.5	-	-	-	39.3	461.3	5.6	-	-	83.5	-
I.FI.M. S.r.l.	-	-	-	-	-	37.0	-	-	-	-	-
DeA Capital Real Estate S.p.A.	-	-	-	-	-	27.0	-	-	-	-	-
Innovation Real Estate S.p.A.	22.4	-	-	-	-	90.9	12.3	-	-	-	12.0
I.R.E. Advisory S.r.l.	-	-	-	-	-	9.0	-	-	-	-	-
De Agostini S.p.A.	128.3	-	6,649.1	-	14.1	256.9	(0.1)	-	2,926.5	146.6	490.0
De Agostini Libri S.p.A.	-	-	-	-	0.6	-	-	-	-	-	3.1
DeA Capital Investments S.A.	-	42,549.3	-	-	-	-	-	926.4	-	-	-
De Agostini Publishing Italia S.p.A.	12.2	-	-	-	-	11.7	-	-	-	-	-
GTECH S.p.A.	21.0	-	-	-		14.0	-	-	-		-
De Agostini Editore S.p.A.	-	-	-	-	49.6	-	-	-	-	-	154.3
Total related parties	**498.4**	**42,549.3**	**6,649.1**	**63.9**	**103.6**	**1,132.1**	**17.8**	**926.4**	**2,926.5**	**230.1**	**659.4**
Total financial statement line item	**646.7**	**42,549.3**	**6,649.1**	**63.9**	**1,859.9**	**1,132.1**	**22.3**	**3,646.8**	**2,926.5**	**1,315.9**	**4,110.3**
as % of financial statement line item	**77.1%**	**100.0%**	**100.0%**	**100.0%**	**5.6%**	**100.0%**	**79.7%**	**25.4%**	**100.0%**	**17.5%**	**16.0%**

In 2013, the pro-rata expenses on improvements to leased assets, incurred in the name of an on behalf of third parties, were reimbursed and allocated as follows:

- EUR 206 thousand to De Agostini S.p.A.;
- EUR 548 thousand to IDeA FIMIT S.p.A.;
- EUR 212 thousand to IDeA Capital Funds SGR S.p.A.;
- EUR 43 thousand to IRE;
- EUR 10 thousand to De Agostini Publishing Italia S.p.A.;
- EUR 4 thousand to GTECH S.p.A..

Remuneration of directors, auditors, general managers and managers with strategic responsibilities

In 2013, remuneration payable to the directors and auditors of DeA Capital S.p.A. for the performance of their duties totalled EUR 300 thousand and EUR 175 thousand respectively.

Remuneration paid to directors and auditors is shown in the table below:

Director	Position	Year appointed	Term ends	Compensation received for office within the consolidating company (€ thousands)	Benefits in kind	Bonuses and other benefits	Other principal auditor fees for subsidiaries	Other compensation (€ thousand)
Lorenzo Pellicioli	Chairman	2013	2015 AGM	30	0	0	0	0
Paolo Ceretti	CEO	2013	2015 AGM	30	0	0	0	60
Daniel Buaron	Director	till april 2013	-	9	0	0	0	0
Lino Benassi	Director	2013	2015 AGM	30	0	0	0	205
Stefania Boroli	Director	till april 2013	2015 AGM	21	0	0	0	0
Rosario Bifulco	Director	2013	2015 AGM	30	0	0	0	25
Claudio Costamagna	Director	till april 2013	-	9	0	0	0	1
Francesca Golfetto	Director	till april 2013	2015 AGM	21	0	0	0	14
Roberto Drago	Director	2013	2015 AGM	30	0	0	0	0
Marco Drago	Director	2013	2015 AGM	30	0	0	0	0
Severino Salvemini	Director	2013	2015 AGM	30	0	0	0	35
Marco Boroli	Director	2013	2015 AGM	30	0	0	0	0
Angelo Gaviani	Chairman of the Board of Auditors	2013	2015 AGM	75	0	0	11	0
Cesare Andrea Grifoni	Principal Auditor	till april 2013	-	15	0	0	10	0
Gian Piero Balducci	Principal Auditor	2013	2015 AGM	50	0	0	51	31
Annalisa Donesana	Principal Auditor	till april 2013	2015 AGM	35	0	0	0	0

In contrast to the data contained in the Remuneration Report prepared pursuant to art. 123-*ter* of the TUF in accordance with art. 84-*quater* of the Issuer Regulation 11971/1999, the emoluments and compensation indicated above does not include social security contributions where applicable.

"Other remuneration" relates to remuneration received for other positions held in either DeA Capital S.p.A. or other Group companies.

In 2013, annual salaries and bonuses, excluding benefits in kind, paid to managers with strategic responsibilities in the Parent Company totalled about EUR 769 thousand.

Shareholdings held by directors, auditors, general managers and managers with strategic responsibilities

Details of stakes held in DeA Capital S.p.A. and its subsidiaries by members of the boards of directors and auditors and by managers with strategic responsibilities are provided in aggregate format in the table below.

No shareholdings were reported for general managers, since to date, this position does not exist.
All those who held positions on the boards of directors or auditors, or as managers with strategic responsibilities, for the whole or part of the year in question, are included.

Beneficiary	Company	Number of shares held at 1.1.2013	Number of shares purchased	Number of shares sold	Number of shares held at 31.12.2013
Lorenzo Pellicioli	DeA Capital S.p.A.	2,566,323	0	0	2,566,323
Paolo Ceretti	DeA Capital S.p.A.	1,000,000	0	0	1,000,000
Rosario Bifulco	DeA Capital S.p.A.	1,536,081	0	0	1,536,081
Lino Benassi	DeA Capital S.p.A.	23,500	0	0	23,500
Key Management	DeA Capital S.p.A.	105,000	0	0	105,000
Total		**5,230,904**	**0**	**0**	**5,230,904**

No DeA Capital shares are held by other directors or auditors who are currently in office; furthermore, no shares are held in companies controlled by DeA Capital.

Directors Lorenzo Pellicioli, Lino Benassi, Marco Drago, Marco Boroli, Stefania Boroli and Roberto Drago own shares in B&D Holding di Marco Drago e C. S.a.p.a. and – in the case of directors Marco Drago, Roberto Drago, Stefania Boroli and Marco Boroli – shares in De Agostini S.p.A., which controls the Company both directly and indirectly, and are parties to a shareholders' agreement covering these shares.

Stock options allocated to members of the boards of directors and auditors, general managers and managers with strategic responsibilities

Details of stock options held by members of the boards of directors and auditors and by managers with strategic responsibilities in DeA Capital S.p.A. and its subsidiaries are provided in aggregate format in the table below.

		Options outstanding at Jan. 1, 2013			Options granted during 2013			Options lapsed during 2013	Options outstanding at December 31, 2013		
Beneficiary	**Position**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Number of options**	**Average exercise price**	**Average expiry date**
Paolo Ceretti	CEO	750,000	1.538	5	0	0	0	750,000	0	0	0
Paolo Ceretti	CEO	630,000	1.3363	5	0	0	0	0	630,000	1.3363	5
Paolo Ceretti	CEO	0	0	0	950,000	1.289	5	0	950,000	1.289	5
Key Management		485,000	1.538	5	0	0	0	485,000	0	0	0
Key Management		400,000	1.3363	5	0	0	0	0	400,000	1.3363	5
Key Management		0	0	0	600,000	1.289	5	0	600,000	1.289	5

Lastly, note that the Chief Executive Officer, Paolo Ceretti, and managers with strategic responsibilities were assigned 120,000 and 84,625 performance shares respectively in 2013, as shown in the table below:

		Options outstanding at Jan. 1, 2013			Options granted during 2013			Options lapsed during 2013	Options outstanding at December 31, 2013		
Beneficiary	**Position**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Number of options**	**Average exercise price**	**Average expiry date**
Paolo Ceretti	CEO	80,000	1.38	2	0	0	0	0	80,000	1.38	2
Paolo Ceretti	CEO	0	0	0	120,000	1.26	2	0	120,000	1.26	2
Key Management		52,500	1.38	2	0	0	0	0	52,500	1.38	2
Key Management		0	0	0	84,625	1.26	2	0	84,625	1.26	2

Management and coordination

The Parent Company is subject to the management and coordination of De Agostini S.p.A..

Key figures from the latest approved financial statements of De Agostini S.p.A. are shown below.

INCOME STATEMENT	**2012**	**2011**
Total operating revenues	327,050	358,001
Total operating expenses	(2,153,253)	(1,145,496)
Financial income and expenses	17,183,719	17,412,789
Restatement of financial assets	0	0
Extraordinary income/(expenses)	(24,076)	(5,715)
Income tax charge	467,307	130,873
Net profit	15,800,747	16,750,452

BALANCE SHEET	**2012**	**2011**
Receivables from shareholders for amounts due	0	0
Non-current assets	2,401,637,583	2,450,824,294
Operating assets	114,112,569	179,451,459
Prepaid expenses and accrued income	28	164,694
Net equity	(2,324,711,398)	(2,367,192,231)
Provisions for liability and charges	0	(39,688)
Provisions for employee end-of-service benefits	0	0
Debt	(191,035,987)	(262,279,062)
Accrued expenses and deferred income	(2,795)	(929,466)

Risks

As described earlier in the Report on Operations, the Company operates through, and is structured as, two business areas, Private Equity Investment and Alternative Asset Management.
The risks set out below stem from a consideration of the characteristics of the market and the Company's operations, and the main findings of a risk assessment, and from periodic monitoring, including that carried out through the regulatory policies adopted by the Group. There could, however, be risks that are currently unidentified or not considered significant that could have an impact on the Company's operations.

The company has adopted a modern corporate governance system that provides effective management of the complexities of its operations and enables its strategic objectives to be achieved. Furthermore, the assessments conducted by the organisational units and the directors confirm both the non-critical nature of these risks and uncertainties and the financial solidity of the Company.

A. A. Contextual risks

A.1. Risks relating to general economic conditions

The operating performance and financial position of the Company are affected by the various factors that make up the macro-economic environment, including increases or decreases in GDP, investor and consumer confidence, interest rates, inflation, the costs of raw materials and unemployment.

The ability to meet medium- to long-term objectives could be affected by general economic performance, which could slow the development of sectors the Group has invested in, and at the same time, the business of the investee companies.

A.2. Socio-political events

In line with its strategic growth guidelines, one of the Company's activities is private equity investment in companies and funds in different jurisdictions and countries around the world, which, in turn, invest in a number of countries and geographical areas. The company may have invested directly and indirectly in foreign countries whose social, political and economic conditions put the achievement of its investment objectives at risk.

A.3. Regulatory changes

Many of the Company's investee companies conduct their operations in highly regulated sectors and markets. Any changes to or developments in the legislative or regulatory framework that affect the costs and revenues structure of investee companies or the tax regime applied, could have negative effects on the Company's financial results, and necessitate changes in the Company's strategy.

To combat this risk, the Company has established procedures to constantly monitor sector regulation and any changes thereto, in order to seize business opportunities and respond to any changes in the prevailing legislation and regulations in good time.

A.4. Performance of the financial markets

The company's ability to meet its strategic and management objectives could depend on the performance of public markets. A negative trend on the public markets could have an effect on the private equity sector in general, making investment and divestment transactions more complex, and on the Company's capacity to increase the NAV of investments in particular.

The value of equity investments held directly or indirectly through funds in which the Company has invested could be affected by factors such as comparable transactions concluded on the market, sector multiples and market volatility.

These factors that cannot be directly controlled by the Company are constantly monitored in order to identify appropriate response strategies that involve both the provision of guidance for the management of investee companies, and the investment and value enhancement strategy for the assets held.

A.5. Exchange rates

Holding investments in currencies other than the euro exposes the Company to changes in exchange rates between currencies.

A.6. Interest rates
Ongoing financing operations that are subject to variable interest rates could expose the Company to an increase in related financial charges, in the event that the reference interest rates rise significantly.

The company has established appropriate strategies to hedge against the risk of fluctuations in interest rates. Given the partial hedge of the underlying, the Company classifies these securities as speculative instruments, even though they are put in place for hedging purposes.

B. Strategic risks

B.1. Concentration of the Private Equity investment portfolio
The private equity investment strategy adopted by the Company includes:
- direct investments;
- indirect investments (in funds).

Within this strategy, the Company's overall profitability could be adversely affected by an unfavourable trend in one or a few investments, if there were insufficient risk diversification, resulting from the excessive concentration of investment in a small number of assets, sectors, countries, currencies or of indirect investments in funds with limited investment targets/types of investment.
To combat these risk scenarios, the Company pursues an asset allocation strategy intended to create a balanced portfolio with a moderate risk profile, investing in attractive sectors and in companies with an appealing current and future risk/return ratio. Furthermore, the combination of direct and indirect investments, which, by their nature, guarantee a high level of diversification, helps reduce the level of asset concentration.

B.2. Concentration of Alternative Asset Management activities
In the Alternative Asset Management business, events could arise as a result of excessive concentration that would hinder the achievement of the level of expected returns. These events could be due to:
- **Private equity funds**
  - concentration of the management activities of asset management companies across a limited number of funds, in the event that one or more funds decides to cancel its asset management mandate;
  - concentration of the financial resources of the funds managed in a limited number of sectors and/or geographical areas, in the event of currency, systemic or sector crises;
  - for closed-end funds, the concentration of commitment across just a few subscribers.
- **Real estate funds**
  - concentration of real estate present in the portfolio of managed funds in a few cities and/or in limited types of property (management/commercial), in the event of a crisis on the property market concerned;
  - concentration in respect of certain important tenants, in the event that these withdraw from the rental contracts, which could lead to a vacancy rate that has a negative impact on the funds' financial results and the valuation of the property managed;
  - concentration of the maturities of numerous real estate funds within a narrow timeframe, with related high availability of property on the market, leading to a decrease in property values and an increase in selling times.

For each of the risk scenarios outlined above, the Group has defined and implemented appropriate strategies that include strategic, operational and management aspects, as well as a system monitoring the level of diversification of Alternative Asset Management assets.

B.3. Key resources (governance/organisation)
The success of the Company depends to a large extent on its executive directors and key management figures, their ability to efficiently manage the business and the normal activities of individual group companies, as well as knowledge of the market and the professional relationships established.

The departure of one or more of these key resources, without a suitable replacement being found, as well as an inability to attract and retain new and qualified resources, could impact growth targets and have a negative effect on the Group's operating performance and financial results.

To mitigate this risk, the Group has put in place HR management policies that correspond closely to the needs of the business, and incentive policies that are periodically reviewed, in light of, among other things, the general economic climate and the results achieved by the Group.

C. Operating risks

C.1. Investment operations

Investment operations conducted by the Company are subject to the risks typical of private equity activities, such as an accurate valuation of the target company and the nature of the transactions carried out, which require the acquisition of strategic shareholdings, but not controlling interests, governed by appropriate shareholders' agreements.
The company implements a structured process of due diligence on target companies, which requires the involvement of the different levels of group management involved and the careful definition of shareholders' pacts in order to conclude agreements in line with the investment strategy and the risk profile defined by the Company.

C.2. Compliance with covenants

Some investment operations were concluded using financial leverage to invest in the target companies. For financing contracts signed by investee companies, specific covenants backed by real guarantees are in place; failure to comply with these could necessitate recapitalisation operations for investee companies and lead to an increase in financial charges relating to debt refinancing. Failure to comply with covenants attached to loans could have negative effects on both the financial situation and operations of investee companies, and on the value of the investment.
The company constantly monitors the significant reference parameters for the financial obligations taken on by investee companies, in order to identify any unexpected variance in good time.

C.3. Divestment operations

The company invests over a medium- to long-term horizon.

Over the investment management period, external situations could arise that might have a significant impact on the operating results of the investee companies, and consequently on the value of the investment itself. Furthermore, in the case of co-investment, guiding the management of an investee company could prove problematic or unfeasible, and it may ultimately prove impossible to dispose of the stakes held owing to lock-up clauses.

The divestment strategy could therefore be negatively affected by various factors, some of which cannot be foreseen at the time the investments are made. There is therefore no guarantee that expected earnings will be realised given the risks resulting from the investments made.

To combat these risk situations, the Company has defined a process to monitor the performance of its investee companies, facilitated by its representation on the management bodies of significant investee companies, with a view to identifying any critical situations in good time.

C.4. Funding risk

The income flows expected from the Alternative Asset Management business depend on the capacity of the asset management companies in which the Company invests to stabilise/grow their assets under management.

In this environment, fund raising activity could be harmed by both external factors, such as the continuation of the global economic crisis or the trend in interest rates, and internal factors, such as bad timing in respect of fund raising activities by the asset management companies or the departure of key managers from the companies.

The company has established appropriate risk management strategies in relation to fund raising, with a view to both involving new investors and retaining current investors.

Significant events after the end of 2013

Private equity funds – paid calls/distributions

After the end of 2013, the Company increased its investments in the IDeA I FoF, ICF II, IDeA OF I and IDeA EESS funds following total payments of EUR 2,210 thousand (EUR 312 thousand, EUR 677 thousand, EUR 8 thousand and EUR 1,213 thousand, respectively).

At the same time, DeA Capital received capital distributions totalling EUR 312 thousand from the IDeA I FoF fund, to be used in full to reduce the value of the units.

Further information

In accordance with the provisions of IAS 10, the Company authorised the publication of these financial statements within the terms set by the laws in force.

Atypical or unusual transactions

In 2013, there were no atypical or unusual transactions as defined by Consob Communication 6064293 of 28 July 2006.

Significant non-recurring events and transactions

In 2013, the Company did not undertake any significant non-recurring transactions as defined by the above-mentioned Consob Communication.

Statement of responsibilities for the annual financial statements pursuant to article 154-*bis* of Legislative Decree 58/98

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Statement of responsibilities for the annual financial statements pursuant to article 154-*bis* of Legislative Decree 58/98

The undersigned, Paolo Ceretti, as Chief Executive Officer, and Manolo Santilli, as the manager responsible for preparing the accounting statements of DeA Capital S.p.A., hereby certify, pursuant to art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, that based on the characteristics of the Company, the administrative and accounting procedures for preparing the annual financial statements of DeA Capital S.p.A. during the year were suitable and effectively applied.

The assessment as to the suitability of the administrative and accounting procedures for preparing the annual financial statements for the year ending 31 December 2013 was based on a process established by DeA Capital S.p.A. in keeping with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is the generally accepted reference framework at the international level.

Note in this regard, that as described in the notes to the annual financial statements, a significant portion of the assets are investments stated at fair value. Fair values were determined by directors based on their best estimate and judgment using the knowledge and evidence available at the time the financial statements were prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

The undersigned further certify that the annual financial statements to 31 December 2013:

- correspond to the Company's accounting records;
- have been prepared in compliance with the International Financial Reporting Standards adopted by the European Union, and the measures issued to implement art. 9 of Legislative Decree 38/2005;
- to the best of their knowledge, provide a true and fair view of the operating performance and financial position of the issuer.

The report on operations contains a reliable analysis of operating performance and results and of the position of the issuer and all companies included in the basis of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

10 March 2014

Paolo Ceretti
Chief Executive Officer

Manolo Santilli
Manager responsible for preparing the Company's accounts

Information pursuant to art. 149-*duodecies* of the Consob Issuer Regulations

The table below was prepared in accordance with art. 149-*duodecies* of the Consob Issuer Regulations and reports the fees for 2013 for auditing and other services provided by the independent auditors and entities belonging to the independent auditors' network. The fees reported below do not include VAT and out-of-pocket expenses.

(Euro thousand)	Company providing the service	Beneficiary	Compensation paid for FY 2013
Audit	KPMG S.p.A.	DeA Capital S.p.A.	98
Certification services [(1)]	KPMG S.p.A.	DeA Capital S.p.A.	7
Total			**105**

(1) Presentation of tax return.

Summary of Subsidiaries' Financial Statements to 31 December 2013

(Euro thousands)	DeA Capital Investments S,A,	I,F,IM,	IDeA Capital Funds SGR
Non-current assets	557,321	48,431	990
Current assets	739	593	9,856
Available-for-sale financial assets - non-current portion	-	-	-
Consolidated assets	**558,060**	**49,024**	**10,846**
Shareholders' equity	488,574	48,929	6,195
Non-current liabilities	26,757	-	396
Current liabilities	42,729	95	4,255
Consolidated liabilities	**558,060**	**49,024**	**10,846**
Alternative asset management fees	-	-	14,237
Service revenues	-	-	-
Other investment income/charges	5,291	3,264	24
Other income	3,055	-	110
Personnel costs	-	(10)	(5,168)
External service costs	(311)	(76)	(2,038)
Depreciation and amortisation	-	-	(208)
Other charges	(705)	-	(14)
Financial income	2,774	-	225
Financial charges	(1,498)	-	-
Taxes	(3,845)	273	(3,161)
Profit/(loss) for the period from held-for-sale operations	-	-	-
Net profit/(loss)	**4,761**	**3,451**	**4,007**

IDeA FIMIT SGR	DeA Capital Real Estate	Innovation Real Estate	Innovation Real Estate Advisory
245,492	10,905	2,951	13
23,361	4,038	16,541	945
-	-	-	-
268,853	**14,943**	**19,492**	**958**
223,097	13,818	6,266	682
31,630	124	1,593	76
14,126	1,001	11,633	200
268,853	**14,943**	**19,492**	**958**
64,573	-	-	-
-	181	16,324	1,041
(1,411)	8,506	33	-
83	-	39	9
(15,512)	102	(5,738)	(632)
(10,104)	(383)	(5,973)	(378)
(26,920)	-	(68)	(2)
(4,049)	(83)	(2)	(2)
248	14	12	-
(686)	(7)	(24)	(3)
(5,063)	(470)	(1,675)	(29)
-	-	-	-
1,159	**7,860**	**2,928**	**4**

Independent Auditors' Report (Original available in Italian version only)

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Report of the Board of Statutory Auditors (Original available in Italian version only)

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