

**Focus on development of the  
alternative asset management  
platforms**

**Star Conference  
London, 5 October 2010**

  
**DEA CAPITAL**

# DeA Capital at a glance

## Private equity

### 1. Direct investments

- ❑ *co-control or coinvestment*
- ❑ *medium term horizon*



**Private healthcare**  
€ 2 bn revenues

**MiGROS**

**Food retail**  
>€ 3.0 bn sales

**Sigla Credit** Consumer credit  
prestiti personali per progetti reali



## Alternative asset management

**Mgmt of Private equity funds,  
FoFs, Real estate funds,  
RE services**

- ❑ *controlling stakes*
- ❑ *core business*

**IDEA**  
Alternative Investments

€ ~1.5 bn AuM

**FIRST ATLANTIC**  
REAL ESTATE

€ 3.0 bn AuM

### 2. Fund Investments



**Managed by the Group's asset  
management companies**

## PE investments: the value of two unique assets

	<b>Generale de Santé</b>	<b>Migros</b>
<b>Market position</b>	<b>Largest private healthcare operator in France</b> (17% share)	<b>Largest modern retail operator in Turkey</b> (23% share)
<b>Market structure</b>	Dominated by public hospitals (ca 70-75%), private still fragmented. Regulated sector: very <b>high barriers to entry</b>	<b>60% of sales still made via traditional retail</b> ; few international operators with a significant presence (Carrefour, Tesco)
<b>Main competitors</b>	Largest competitor's size is less than half GdS (Vitalia)	Carrefour (hypermarkets), Tesco (supermarkets), BIM (discount)
<b>Main attractions of the asset</b>	Only private healthcare operator in France managed as a single-brand group; main entry point for large investors, sector players. <b>Non-replicable asset: valuation premium justifiable on an industrial basis</b>	Largest modern retail chain in a fast growing market; blend of different formats with growing focus on discount; main entry point for large investors, sector players. <b>Non-replicable asset: valuation premium justifiable on an industrial basis</b>
<b>DeA Capital position</b>	<b>Major shareholder in Santé SA with 43% stake</b> (Santè owns ~85% of GdS), with equal rights to main shareholder (47%)	<b>Co-investor (17%) in Kenan</b> (which owns 98% stake). Corporate governance, tag-along, drag-along rights.

# PE Investments: achievements and next steps



**MiGROS**



**To date:**

- Disposal of non core assets (Italian clinics, labs, home care)
- RE sale and lease back
- 165 mln € dividends paid to shareholders
- GdS net debt down from 1001 mln to 886 mln € (ca 3.9x EBITDA)

**To date:**

- Store number from 938 (beg. 2008) to >1800
- Build-up of #2 position in the discount segment
- First distribution made by Kenan (DeA C. share: 21 mln €)

**Next:**

- Cost efficiencies (purchasing, processes, corporate)
- Regroupings and market share gains to support organic growth
- Further asset disposals

**Next:**

- Complete network expansion and refocus on margins as growth decelerates
- Fully exploit the strength of Turkey's economy
- Rationalize brands and manage discount stores independently

# Why Alternative Asset Management

## Italian Market features

- Still high savings rate; number of HNWI increasing (+9% in 2009)
- AAM industry highly fragmented and inefficient
- Lack of multi-asset platforms
- Large institutional investors lack a structured approach to alternative investments

## Market Discontinuity

- Financial crisis shifted investor focus on independence, absolute return objectives, risk management
- Regulations drive separation of asset managers from banks
- Private pension system increasingly important and able to diversify portfolio through alternative investments
- Properties held by PA and institutional investors in need of professional management

## Private equity in Italy

- 26 bln € AuM with >150 operators
- Largest asset manager has 2.2 bln AuM
- Banks/Insurers underinvested

## Real estate in Italy

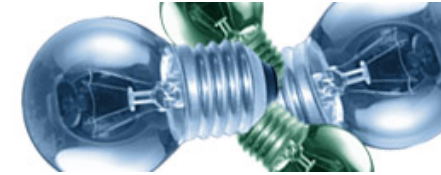
- 36 bln € AuM with 290 funds
- Gap vs EU countries: 96 bln AuM in Germany
- No REITs

# AAM: achievements and next steps

FIRST ATLANTIC  
REAL ESTATE



**IDEA**  
Alternative Investments



## To date:

- AuM: 3.0 bln €
- Revenues '09A: 26 mln; €18 mln fees, 8 mln service revenues
- Integrated model: fund management + property/project mgmt, agency

## To date:

- AuM 1.5 bln €
- Revenues '09A: 16 mln €
- Demerger of Investitori Associati and Wise close to completion, DeA Capital to achieve 100% stake

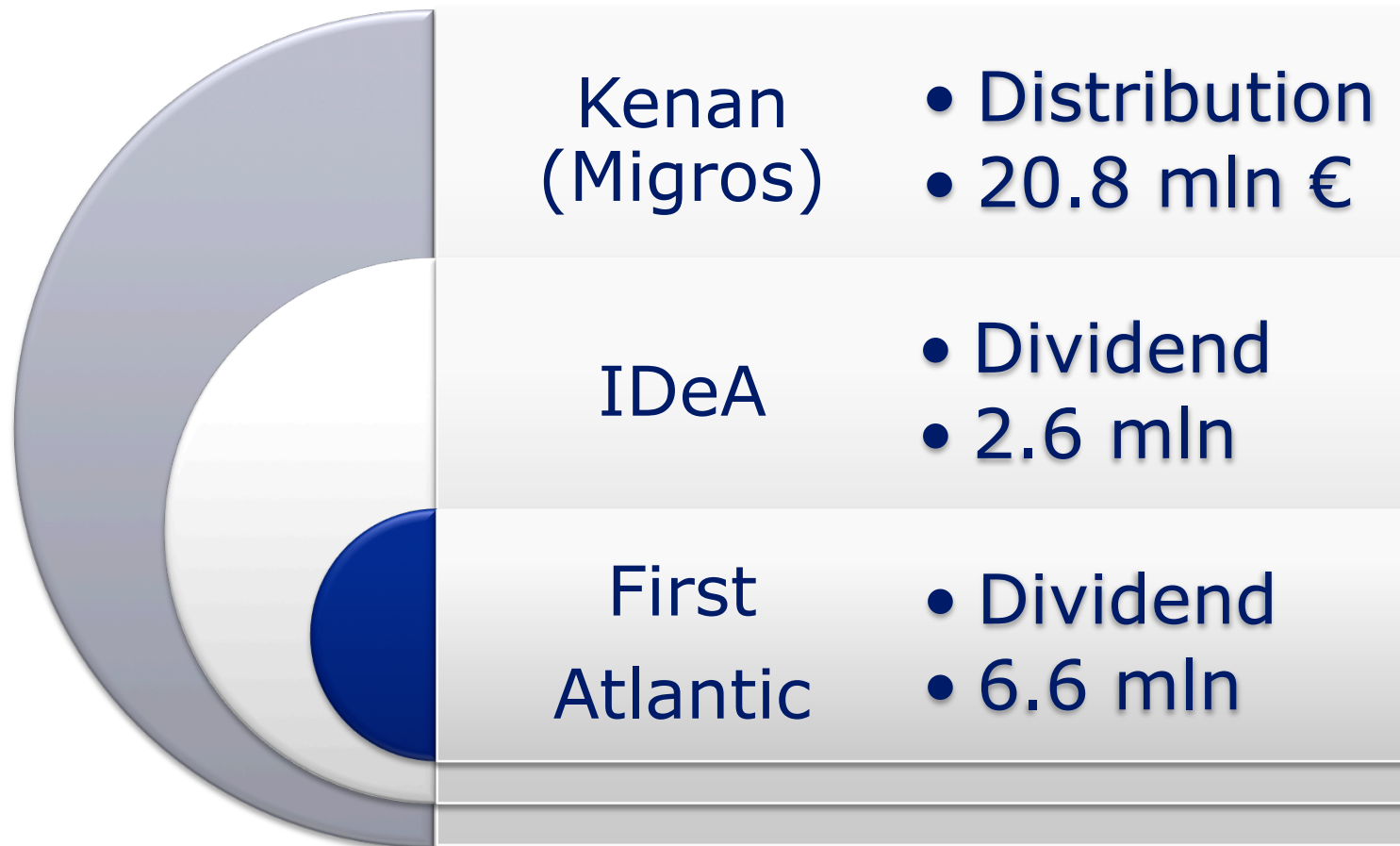
## Next:

- Negotiating merger with Fimit SGR to create Italy's #1 RE asset manager with over 8 bln € AuM
- DeA Capital aims at majority position in new entity

## Next:

- IDeA to launch new funds to enrich offer: thematic funds, managed accounts
- Absolute return funds (UCITS 3): streamlining offer; raise funds through new channels

## YTD 2010 proceeds from investments at 30 mln €



**Cash in for DeA Capital**

# Implied valuation of the asset management business

## DeA NAV vs valuations based on market multiples and analyst estimates

<b>DeA Capital:</b>	<b>Market cap € mln</b>	<b>Price</b>	<b>n. shares (,000)</b>	<b>YTL/EUR</b>
	389.4	1.27	306.612	1.98

	our NAV	Peers' multiples	20% discount to peers	AAM @ 10x PE 2010E
	mln €	mln €	mln €	mln €
- GDS valuation	292	209	167	90
- Migros Valuation	187	229	183	90
- Sigla Valuation	22	11	11	11 (*)
- Own shares	17	17	17	17 (**)
- PE funds and other	145	123	99	99 (**)
+ Net fin. position	-9	-9	-9	-9
+ NPV holding costs	-29	-29	-29	-29 (*)
<b>Implied AAM Value</b>	<b>-236</b>	<b>-162</b>	<b>-50</b>	<b>120</b>

our NAV	Peers' multiples	20% discount to peers	AAM @ 10x PE 2010E	
<b>Implied multiples/ discount:</b>				
9.3	8.3	7.8	6.9	x 10E EBITDA
9.9	11.3	9.8	6.8	x 10E EBITDA
0%	15%	32%	32%	discount to FV

(\*) Avg. analyst estimate; (\*\*) Market price/Fair value

**Negative implied value of AAM**

**Asset mgmt**  
**DeA Capital:**

**Stake**

**AuM**  
**June 10**

**Revenues**  
**10E**

**Net profit**  
**10E**

Mln €

IDEA Alternative Investments  
First Atlantic Real Estate

100% (#)  
100% (##)

1349  
2981

17  
29

5  
7

(#) after demerger of IA and Wise SGR

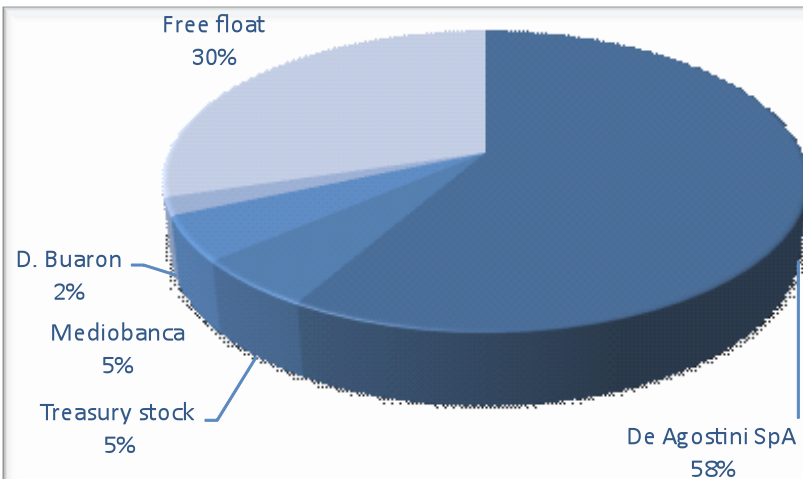
(##) possible merger with Fimit SGR not included



# Backup



# DeA Capital: shareholder structure and corporate governance



- **Only ordinary shares** outstanding (306.6 mln), no special categories or privileges

- **Independent Board members:** 3 out of 9
- **Remuneration Committee** (2/3 independent)
- **Audit Committee** (2/3 independent)
- **Investments** for 100+ mln need to be approved by the BoD. All investments are preliminarily reviewed by an internal committee.
- **Voting system:** slate system. Slates can be presented by shareholders that own at least 2,5% of the share capital and entitle the 2nd largest slate to appoint one Board member
- **Star segment listing:** commitment to open and constant communication, stock liquidity

## Experienced and qualified non-executive Board members:

- **Lino Benassi:** Banca Italease Chairman, member of the Executive Committee of De Agostini SpA, former CEO of Intesa/BCI and INA
- **Rosario Bifulco:** past President/CEO and current Board member of Lottomatica, founder/vice Chairman of Humanitas (hospital), now Chairman of Sorin
- **Claudio Costamagna:** former head of EMEA Investment banking of Goldman Sachs, previously at Citigroup and Montedison
- **Alberto Dessy:** professor of business management and corporate finance at Università L. Bocconi in Milan
- **Andrea Guerra:** CEO of Luxottica Group, former CEO of Merloni Elettrodomestici (now Indesit)
- **Daniel Buaron:** CEO and founder of First Atlantic Real Estate

# Safe funding position – as of 30 June 2010

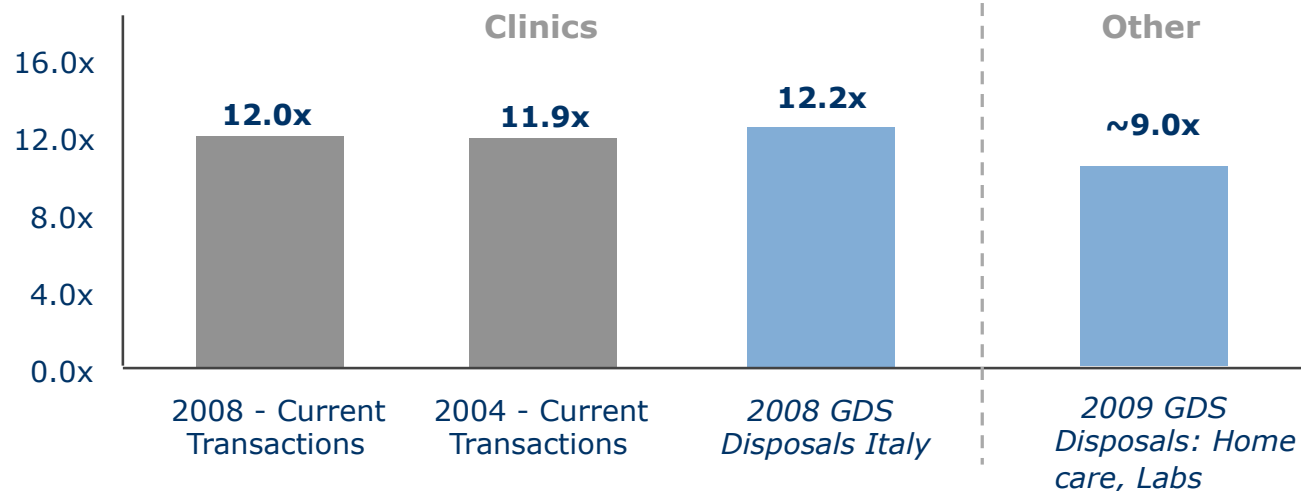


\* Internal estimates of maximum capital calls expected, based on total commitments (195 mln)

\*\* Including distribution from Kenan

# Healthcare: private vs public market transactions

## EV/EBITDA transaction multiple comparison



## Public market multiples

Company	Last Price	Last Mkt. Gap (€ m)	Net Debt (€ m)	FV /Sales			FV/EBITDA			P/E		
				2009A	2010F	2011F	2009A	2010F	2011F	2009A	2010F	2011F
				GDS	623	862	0,7 x	0,7 x	0,7 x	6,3 x	6,3 x	6,0 x
Athens Medical C.	53	152	0,7 x	0,8 x	n.m.	6,3 x	7,6 x	n.m.	27,6 x	n.m.	n.m.	
Netcare	2.041	2.625	1,9 x	1,9 x	1,7 x	8,9 x	8,5 x	7,7 x	12,3 x	13,2 x	11,0 x	
Rhoen Klinikum	2.279	547	1,2 x	1,1 x	1,0 x	10,0 x	8,8 x	7,8 x	17,3 x	15,9 x	13,9 x	
Iaso	104	126	1,3 x	1,2 x	1,1 x	6,1 x	6,7 x	5,1 x	7,7 x	9,6 x	6,2 x	
Euromedica	86	350	1,7 x	1,7 x	1,7 x	10,2 x	11,2 x	10,9 x	n.m.	n.m.	n.m.	
Medi-Clinic	1.545	2.183	2,1 x	1,9 x	1,7 x	9,8 x	8,9 x	7,9 x	17,2 x	13,8 x	11,0 x	
<b>Average</b>			<b>1,4 x</b>	<b>1,3 x</b>	<b>1,3 x</b>	<b>8,2 x</b>	<b>8,3 x</b>	<b>7,5 x</b>	<b>16,0 x</b>	<b>14,0 x</b>	<b>11,1 x</b>	

## Public market multiples

		Market cap mln €	EV/Sales			EV/EBITDA			P/E		
			10E	11E	12E	10E	11E	12E	10E	11E	12E
BIM AS	Turkey	3.257	0,94	0,76	0,62	18,0	14,7	12,2	26,3	22,5	18,5
Walmex	Mexico	33.030	1,58	1,36	1,16	15,6	13,2	11,2	26,7	22,3	18,4
Soriana	Mexico	3.670	0,77	0,72	0,66	10,1	9,2	8,2	18,4	15,9	13,6
Magnit	Russia	7.440	1,33	0,99	0,75	16,1	11,7	8,8	30,2	22,4	16,0
X5 Retail Group	Russia	7.868	1,07	0,84	0,67	13,1	10,1	8,1	32,6	22,8	16,5
Shoprite	S. Africa	5.586	0,68	0,60	0,53	10,4	9,1	8,1	19,0	16,3	14,0
<b>Average Emerging Mkts</b>			<b>1,06</b>	<b>0,88</b>	<b>0,73</b>	<b>13,9</b>	<b>11,3</b>	<b>9,5</b>	<b>25,5</b>	<b>20,4</b>	<b>16,2</b>
Carrefour	France	27.812	0,40	0,38	0,36	7,4	6,6	6,0	16,8	13,8	11,7
Tesco	UK	40.321	0,71	0,65	0,61	8,3	7,6	7,0	13,2	11,9	10,8
Sainsbury	UK	8.541	0,42	0,40	0,38	7,2	6,7	6,3	16,1	14,4	13,2
Colruyt	Belgium	6.479	0,85	0,80	0,75	9,6	8,9	8,3	16,9	15,6	14,7
Jeronimo Martins	Portugal	6.171	0,83	0,75	0,67	11,4	10,1	9,0	23,3	19,5	16,7
<b>Average Mature Mkts</b>			<b>0,64</b>	<b>0,60</b>	<b>0,55</b>	<b>8,8</b>	<b>8,0</b>	<b>7,3</b>	<b>17,2</b>	<b>15,0</b>	<b>13,4</b>
<b>Average Em.+Mature</b>			<b>0,85</b>	<b>0,74</b>	<b>0,64</b>	<b>11,3</b>	<b>9,6</b>	<b>8,4</b>	<b>21,4</b>	<b>17,7</b>	<b>14,8</b>

- Recent EM transactions:

- Massmart (South Africa) acquired by WalMart for a total consideration of 4.3 bn USD, equal to 12.7x 2010E EBITDA, 27x 2010E earnings (source: Citigroup).

# Sigla: a play on the Italian consumer credit market

## ▪ **A still undeveloped market\*:**

- Italian consumer credit market at € 55 bln, or 4% of GDP. Sigla's "niche" is worth around 26 bln, o/w salary guaranteed loans ca 6 bln €
- Outstanding personal loans and salary guaranteed loans up by over 20% per annum on average in 2002-08.
- In 2009 and 2010 total consumer credit market (new production) down. Salary guaranteed loans down in 2010 due to new, stricter regulations. Sigla mkt share up.
- **New Bk of Italy regulations** leading to fast sector consolidation.

\* Assofin, Eurofinas data.

- DeA Capital has a **41% stake** in Sigla, with a net book value of around € 21 mln.
- **Management team one of the key strengths:** CEO Vieri Bencini (6 yrs at McKinsey); Risk Manager Martin Jackson (6 yrs at Equifax, UK); the CFO Mauro Tartaglia (14 years at Fiat Fidis) and other managers from Ducato, Neos, Amex.
- **Focus is on salary guaranteed loans**, rather than personal loans. New credit lines have been obtained, leading funds available to ca 600 mln, of which around 370 mln still unused.

## Key 2009 figures

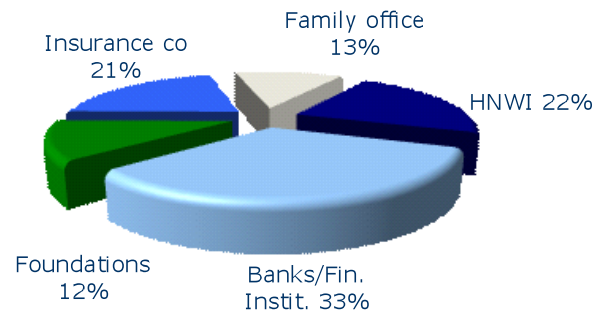
- Outstanding personal loans: ~120 mln
- Salary guaranteed loans: ~100 mln
- Revenues: 21 mln
- Pretax profit: 2.1 mln
  
- *2010 target: € 130 mln new SGL*

## Main drivers

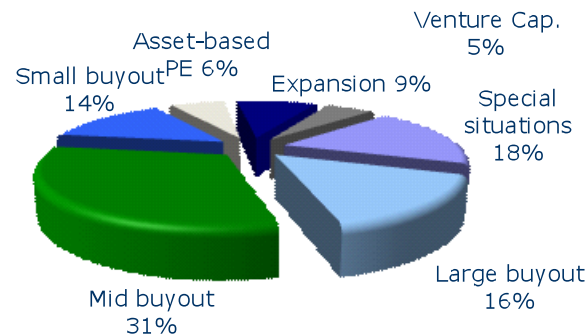
- New, wider Bank of Italy authorization to be obtained soon
- Changing distribution channels' mix by expanding own shop network
- Increasing volumes on salary guaranteed loans
- Balancing acquisition costs and tight management of credit losses. Improving cost control
- Enhancing the product range, including insurance on loans

# Asset management: seed investment in own funds - IDeA 1 FoF

## LP Breakdown after final closing



## Current Asset Allocation by Type



- IDEA I FUND OF FUNDS has reached a final closing of €681 million at April 2008. **It is Italy's largest FoF program**
- The fund has already subscribed commitments in ~50 funds worth around €650 mln. Exposure to >300 companies with **wide sector/country diversification**
- Roughly half of the funds have been acquired on the secondary market
- Investments = 62% of fund size. € 120 mln **distributions** received since launch, and 46 mln distributions made to LPs
- Vintage diversification:** 2006 and 2007 account for only 18% of Fund.
- Net IRR** (since incept.) -1.3%

## Access to top-performing private equity funds

### European Private Equity



### US Private Equity

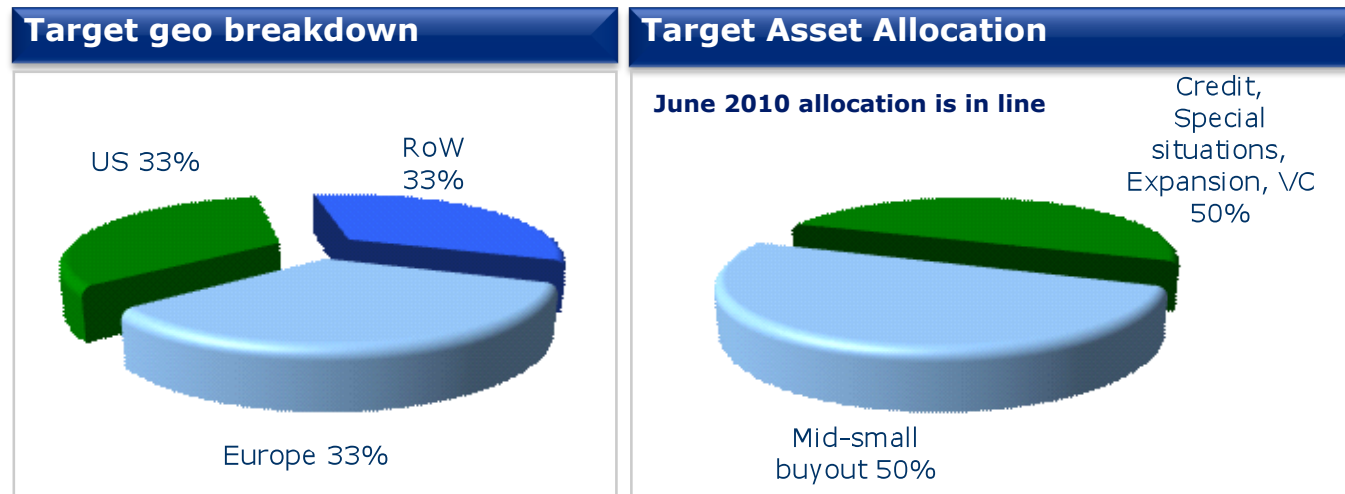


### Rest of the World Private Equity/VC



## DeA Capital's seed investment in own funds: IDeA ICF 2

- ICF 2 is a global fund of private equity funds, managed by IDeA Capital Funds. The Fund targets both the primary and the secondary market.



- Existing commitments at 34% of fund size, capital calls at around 10%.**
- Funds** include Levine Leichtmann Capital Partners IV (US); 21 Centrale Partners IV (France), Apollo Overseas Partners VII, Affinity Asia Pacific III, Oaktree Principal V.
- Net IRR** since inception: 18.3%
- Authorized by Banca d'Italia on 24th February 2009. April '09: 1st closing at € 150 mln; Sept. '10: **final closing at € 281 mln.**



## Asset management: seed investment in own funds - IDeA Co-inv. Fund

- **Élite partnerships:** IDEA CO-INVESTMENT FUND I makes minority private equity co-investments alongside top-tier professional investors
- **Type of deal:** mainly medium/large LBOs including expansion capital, change of control, refinancings, follow-on investments, corporate re-organizations and build-ups

### Target Companies

- leaders in their particular market segment or near leadership
- strong recurring revenues and proven ability to generate strong cash flows
- strong management team and highly qualified CEO

### Industry/Geo Diversification

- diversified across a wide spectrum of industries
- limited investments in early stage
- no investments in pure real estate
- international geographic focus mainly in European countries. Particular focus on Italy and southern Europe

- **No overlap** with DeA Capital's direct co-investments, based on :
  - **Size** – max 50 mln € vs generally larger for DeA Capital.
  - **Existing investments: 5% stake in Giochi Preziosi** (other investors: Clessidra, Intesa Sanpaolo); **4% stake in Manucoop Facility Management** (other investors: PEP, 21 Partners, MPS Venture); **20.1% stake in Grandi Navi Veloci** (other investors: Investitori Associati IV, Charme)
- Authorized by Banca d'Italia on 3<sup>rd</sup> January 2008. July '09: 3<sup>rd</sup> and **final closing at € 217 mln** (invested 79 mln). Management team: IDeA Capital Funds. Capital calls at 30 June 2010: 38%

# Disclaimer

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Analysts and investors are encouraged to consult the Company's Annual Report and periodic filings for accounting information, as well as press releases and all documentation made publicly available on the website [www.deacapital.it](http://www.deacapital.it).

The Manager responsible for the preparation of company accounting statements, Manolo Santilli, declares in accordance with paragraph 2 of article 154 of the Consolidated Finance Act that any accounting information on DeA Capital included in this document corresponds to registered company accounts, books and records.