

DeA Capital update

March 2012



DeA Capital at a glance

Private equity



1. Direct investments

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

 Private healthcare ~€ 2 bn revenues	 Food retail € 2.4 bn sales
 prestiti personali per progetti reali	Consumer credit

2. Fund Investments



Alternative asset management

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

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

 IDeA FIMIT _{sgr}	 IDeA Capital Funds
€ 9.8 bn AuM - 23 RE funds	€ 1.2 bn AuM - 2 PE funds of funds - 2 thematic funds
€ 71 mln mgmt fees in 2011	

Managed by the Group's asset management companies

DeA Capital: 2011 facts

A number of important events and initiatives took place in 2011:

- at the end of 2011, the **merger by incorporation of FARE SGR into FIMIT SGR was completed to create IDeA FIMIT SGR S.p.A.**, which became the leading real estate fund management company in Italy with assets under management of around EUR 9.8 billion;
- the reorganisation of IDeA Alternative Investments** (private equity and total return fund management) was achieved through a demerger of Investitori Associati SGR and Wise SGR at the start of 2011; subsequently, DeA Capital obtained 100% of IDeA AI, after which IDeA AI was merged by incorporation into DeA Capital S.p.A.;
- the distribution by Kenan Investments** of the remaining cash resulting from its accelerated book-building of Migros shares, which was finalised in April 2011 (EUR 59 million with a capital gain of around EUR 28 million for DeA Capital); in August 2011, Migros also completed the sale of Şok (the discount arm of the group) for a total of around TRY 600 million;
- the adoption of a **new governance system by Générale de Santé**, which replaced the previous dual system with a traditional system that just requires a board of directors, and the appointment of Pascal Roché as the new *Directeur Général* of the company;
- the **reassessment of the book value of the main investments**, including the impairment of goodwill at Santé/GdS, leading to a NAV ps of 2.38 €, now more in line with the fair value of assets, following a tough 2011 for equity markets.

DeA Capital NAV per share at 2.38 €

	Stake	Book value	Valuation method	Implied 2012E multiple*	
Santè SA (GdS)	43.0%	235.2	Net equity	7.7	x EBITDA
Kenan Inv. (Migros)	17.0%	127.1	Fair value	8.9	x EBITDA
Sigla	41.0%	22.0	Net equity	nm	
IDeA Capital Funds SGR	100.0%	59.8	Net equity	13.3	P/E
IDeA Fimit SGR	61.3%	166.6	Net equity	11.8	P/E
FARE (RE services)	100.0%	5.7	Net equity	1.7	x EBITDA
Funds	nm	154.3	Fair Value		
Other investments		5.2	Net equity		
<i>Investment portfolio</i>		775.9			
Other liabilities		-4.4			
Treasury stock		32.4			
Put options (IDeA Fimit)**		-63.8	} -102.5		
Net financial debt		-38.7			
NAV		701.4			
NAV ex treasury stock		669.0			
NAV p.s. €		€ 2.38			
Current price		€ 1.25			
Discount to NAV		-48%			
Total n. shares mln		306.6			
n. shares excl. Treasury stock		280.7			

* Based on peers' multiples. Source: Bloomberg, analyst reports, internal data

** Options for existing shareholders to sell DeA Capital a further 30% stake in FARE Holding and a further 42.7% stake in IFIM, thus reaching a 61.3% fully diluted stake in IDeA FIMIT SGR – see slide 13 for details. The fair value of these put options is already included in DeA Capital's consolidated net debt of Euro 102,5 mln.

Exit from Private Equity Investments

- **Migros: targeting an exit in the short term, depending on market conditions**
- **GDS: exit unlikely in the short term. Options available for deleverage through increased FCF generation/disposals and visible value enhancement before exit**

Focus on Alt. Asset Mgmt

- **Full visibility of results in DeA Capital's P&L from 2012**
- **Stable cash flows**
- **Further external growth/consolidation**
- ➔ **Gradual elimination of discount to NAV**

Dividend policy

- **Dividend distribution to be considered when an exit is completed**
- **Going forward, profits from AAM will provide a further source for distributions**

Direct PE investments: the value of two unique assets

	Generale de Santé	Migros
Market position	Largest private healthcare operator in France (17% share)	Largest supermarket chain in Turkey
Market structure	Dominated by public hospitals (ca 70-75%), private still fragmented. Regulated sector: very high barriers to entry	55% of sales still made via traditional retail ; few international operators with a significant presence (Carrefour, Tesco)
Main competitors	Largest competitor's size is less than half GdS (Vitalia)	Carrefour (hypermarkets), Tesco (supermarkets), BIM (discount)
Main attractions of the asset	Only private healthcare operator in France managed as a single-brand group; main entry point for large investors, sector players. Non-replicable asset: valuation premium justifiable on an industrial basis	Largest supermarket chain in a fast growing market; main entry point for large investors, sector players. Non-replicable asset: valuation premium justifiable on an industrial basis
DeA Capital position	Major shareholder in Santé SA with 43% stake (Santè owns ~84% of GdS), with equal rights to main shareholder (47%)	Co-investor (17%) in Kenan (which owns 80.5% stake). Corporate governance, tag-along, drag-along rights.

Direct PE Investments: achievements and next steps



MIGROS



To date:

- Disposal of non core assets (Italian clinics, labs, home care)
- RE sale and lease back
- 223 mln € dividends paid to shareholders (+420 mln € extraordinary)
- Net debt down from 1001 mln to 854 mln €

To date:

- Store openings and build-up of #2 position in the discount segment
- Placement of 17% stake
- First distributions to shareholders by Kenan (71 mln € cash-in by DeA)
- Disposal of Şok (600 mn YTL)

Next:

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

Next:

- Fully exploit the strength of Turkey's economy
- Accelerate supermarket network expansion (100 openings/year)
- Implement cost cutting initiatives and improve supply chain

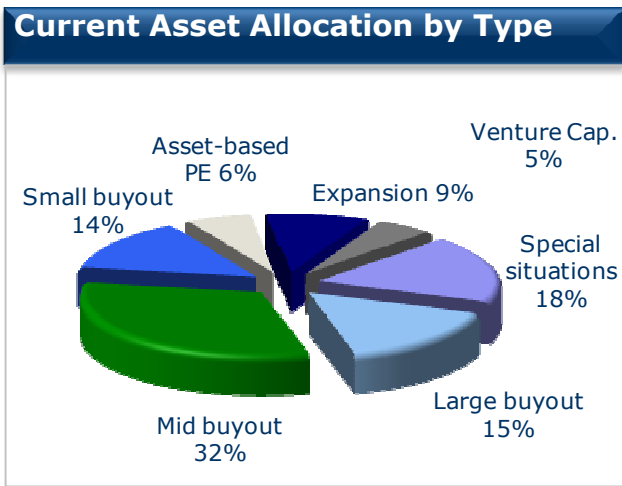
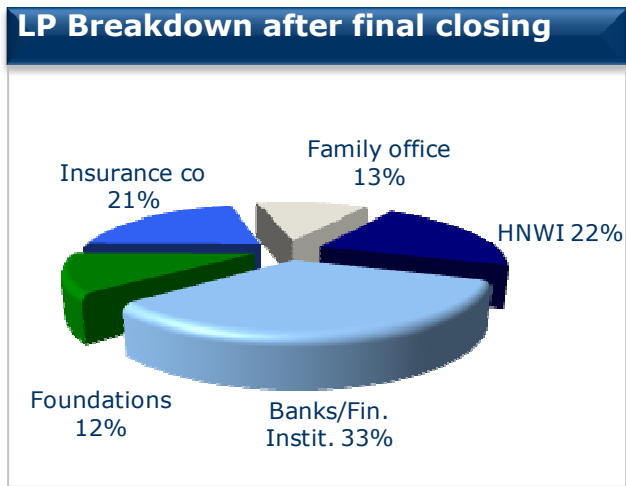
Fund investments: Opportunity Fund 1 – focus on Italian midcaps

- **Élite partnerships:** IDeA Opportunity Fund I makes minority private equity co-investments alongside top-tier professional investors
- **Type of deal:** mainly medium sized LBOs including expansion capital, change of control, refinancings, follow-on investments, corporate re-organizations and build-ups. No early stage, no real estate



- **Existing investments:** 5% stake in **Giochi Preziosi** (Sector: Toys; other investors: Clessidra, Intesa Sanpaolo); 4% stake in **Manutencoop Facility Management** (other investors: PEP, MPS Venture, Unipol); 9.2% stake in **Grandi Navi Veloci** (Sea transport; other investors: Investitori Associati IV, Charme); **Euticals** (pharma sector – conv. Bond; others: PEP); 9,1% stake in **Telit** (M2M wireless technologies; others: institutional investors, management).
- Authorized by Banca d'Italia on 3rd January 2008. July '09: 3rd and final closing at **€ 217 mln** (52% called so far). Management team: IDeA Capital Funds. **DeA Capital investment: 36,2 mln € (book value).**

Fund investments: IDeA 1 – Italy's largest PE fund of funds



- Final closing of €681 million at April 2008
- Part of **Italy's largest FoF program**, that also includes the **ICF 2** fund, worth 281 mln €
- Commitments in 42 funds worth over €650 mln. Exposure to >429 companies and 30 distressed debt positions. ~40% acquired on the secondary mkt

Access to top-performing private equity funds

European Private Equity

US Private Equity

Rest of the World Private Equity/VC

- Vintage diversification:** from 2000 to 2011
- Investments = 76% of fund size. Ca. € 215 mln **distributions** received since launch, and 104 mln distributions made to LPs
- Net IRR** since inception: 2.6%. 1st quartile in Europe (FoFs)

DeA Capital investment: 94,3 mln € (book value)

Why Alternative Asset Management

Italian Market features

- Still high savings rate; number of HNWI increasing/stable
- 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, banks and institutional investors in need of professional management

Private equity in Italy

- 29 bln € AuM with >150 operators
- Largest asset managers have 2-5 bln AuM
- Banks/Insurers underinvested

Real estate in Italy

- 45 bln € AuM with 305 funds, expected at 100 mln by 2015*
- Gap vs EU countries: 96 bln AuM in Germany. No REITs

AAM: achievements and next steps



To date:

- FARE-FIMIT merger effective from 3rd October 2011
- New CEO appointed (Massimo Brunelli, ex CFO at Enel and Telecom Italia)

To date:

- AuM 1.2 bln €
- 2011: Revenues 13 mln €; Net profit 4,9 mln €
- Demerger of Investitori Associati and Wise completed, DeA Capital achieves 100% stake

Next:

- New business plan to be approved and presented
- International business development to be started up
- Real estate services to be reorganized

Next:

- IDeA to launch new funds to enrich offer: thematic funds, managed accounts
- Simplify structure and focus on private equity funds

IDeA FIMIT in a nutshell

FIRST ATLANTIC
REAL ESTATE SGR



 FIMIT_{sgr}
Fondi Immobiliari Italiani

 IDeA FIMIT_{sgr}

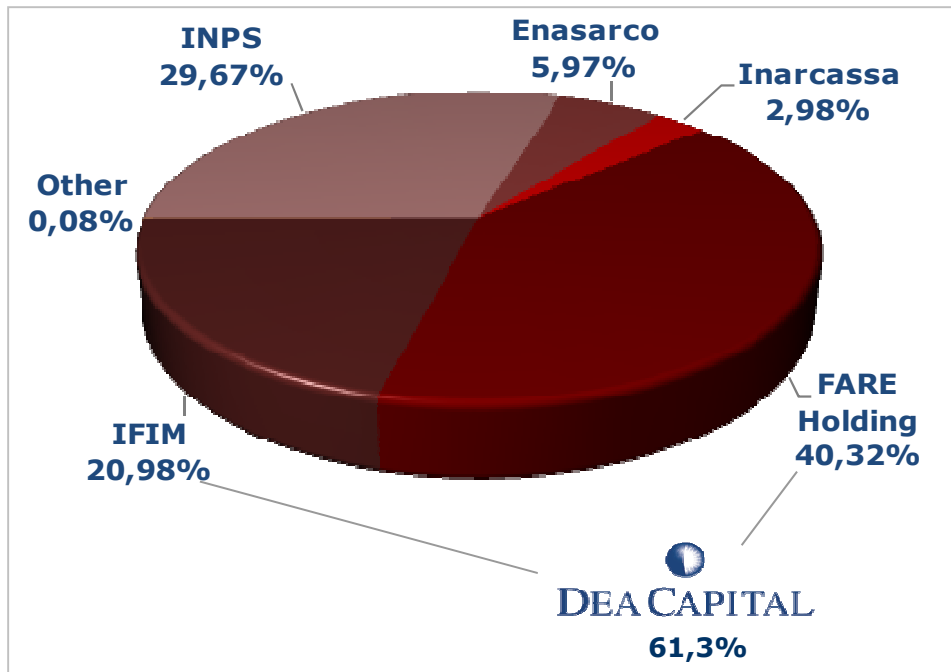
9.8 bln € AuM # 1 in Italy 21% mkt share 23 funds 2011 fees 59 mln €

- Deal creates largest Italian player, with **a high quality fund portfolio**, focused on large Italian cities and offices/bank branches (over 75% of total)
- **A profitable company:** based on 2011 pro-forma P&L, the company reported a net profit of around 19 mln € before PPA and merger costs. IDeA FIMIT expects to improve results in 2012.
- Critical mass enabling IDeA FIMIT to **gradually expand to other markets** (Europe, US), by both offering “Italian products” and diversifying its portfolio’s geography.

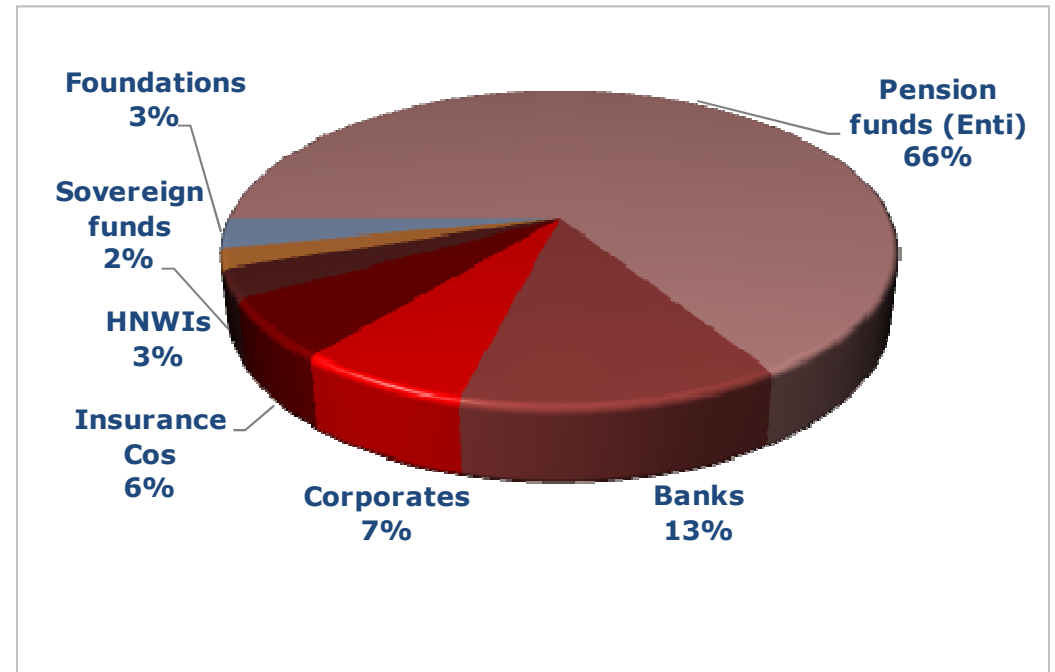
IDeA FIMIT: a solid shareholder base, a strong investor base

- IDeA FIMIT has a solid shareholder structure, that includes **some of the largest pension funds in Italy**
- Based on 2010 data, IDeA FIMIT funds had around 80 institutional investors, and **over 70,000 retail investors**.
- **IDeA FIMIT will leverage on the strategic role of its institutional shareholders** for developing new initiatives in the Italian market: new funds, focused acquisitions

IdeA FIMIT SGR Shareholder structure



IdeA FIMIT Institutional Investor base



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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.

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