

DeA Capital update

March 2013



DeA Capital at a glance



DeA Capital: 2012 review

Key events:

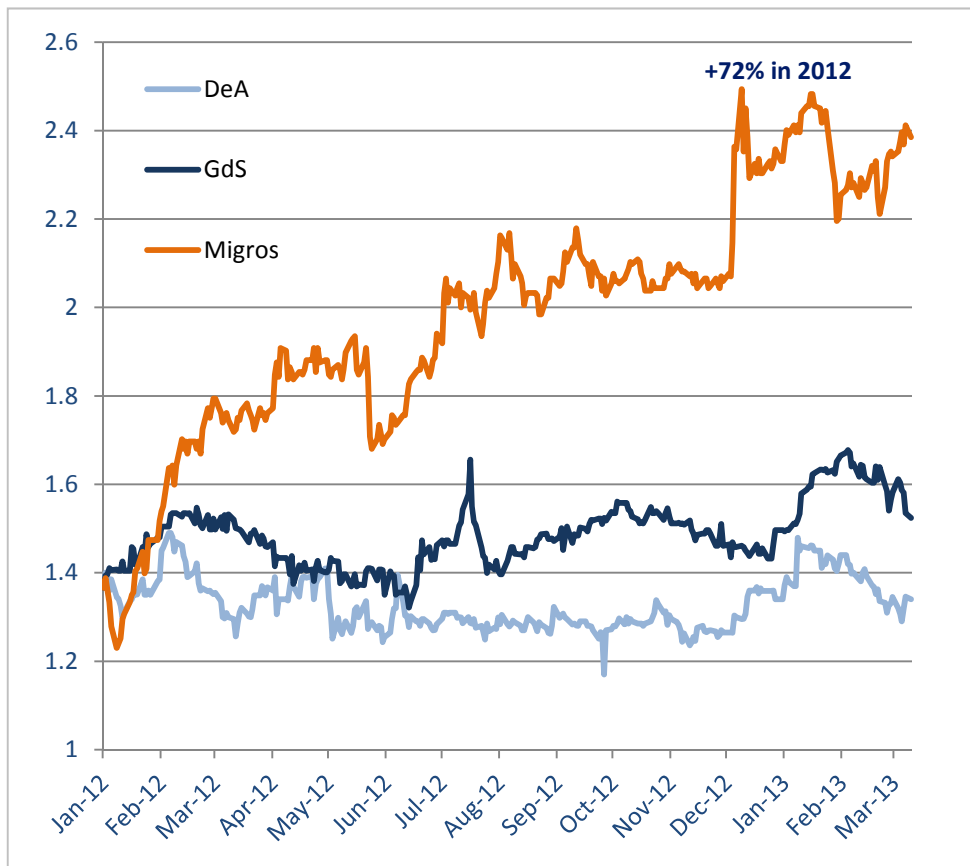
- DeA Capital has agreed with Daniel Buaron and Massimo Caputi, respectively founders of FARE and FIMIT, to purchase their minority stakes and reach 100% in the holding companies that **control a 61.3% stake of IDeA FIMIT Sgr.**
- The company continued to implement its **buyback plan** and purchased 6.1 million shares during the year, taking the number of treasury shares to over 32 million (10.5%)
- **Migros shares** reported a +72% performance to 31st December and also benefited from the Turkish Lira revaluation. DeA Capital raised the fair value of its investment in Migros from 127 to 224 million € at the end of December. **Migros sales were up ~13% YoY** in the period, and the management announced an acceleration in the network expansion plan, with 150 new shops/year vs 100 previously.
- **Generale de Santé reported 2.5% organic revenue growth**, and a significant debt reduction, also thanks to disposals. The management is implementing the new network organization, based on poles, while clinics' portfolio rationalisation continues.
- **IDeA FIMIT performed well in a difficult environment**, reaching ca. 10 bln € AuM, thanks to new mandates and to the agreement with Duemme. 2012 adj. net profit (before PPA): 20.8 mln € (+25%).
- **Reorganisation of Real Estate services** completed: **Innovation Real Estate** manages all IDeA FIMIT funds' buildings + other clients, which now account for 30% of its revenues (12 mln € 2013E).

DeA Capital NAV per share at 2.63 € - 31 Dec. 2012

	Stake	Book value	Valuation method	Implied 2012E multiple*	
Santè SA (GdS)	43.0%	226.1	Net equity	7.7	x EBITDA
Kenan Inv. (Migros)	17.0%	223.6	Fair value	12.2	x EBITDA
Other PE inv.	nm	15.0	Net equity	nm	
IDeA Capital Funds SGR	100%	53.8	Net equity	12.0	P/E
IDeA Fimit SGR	61.3%	168.5	Net equity	13.2	P/E
Innovation RE	100%	5.3	Net equity	1.7	P/E
PE Funds	nm	180.8	Fair Value		
<i>Investment portfolio</i>		<i>873.1</i>			
Treasury stock		42.9			
Other liabilities		-8.4			
Net financial debt (holding)		-141.6			
NAV ex treasury stock		723.1			
NAV p.s. €		€ 2.63			
Total n. shares mln		306.6			
n. shares excl. Treasury stock		274.6			

* Based on company data and consensus estimates. Source: Bloomberg, analyst reports, internal data

Stock did not replicate performance of main investments



- On 11 March 2013:

DeA Capital market cap = 411 mln €

Market value of Migros stake = 229 mln €

DeA Capital strategy

Exit from Private Equity Investments

- Migros: targeting an exit in the short to medium term, preferably via sale to a trade buyer
- GDS: timing of exit more difficult to forecast and also depending on future deleverage/refinancing at the Santé SA level

Focus on Alternative Asset Mgmt

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

Dividend policy

- Dividend distribution to be considered when exit from PE investments 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 75%), private still fragmented. Regulated sector: very high barriers to entry, tariff risk	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	Leader 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	Shareholder in Santè SA with 43% stake (Santè owns ~84% of GdS); same rights as main shareholder (47%)	Co-investor (17%) with BC Partners in Kenan (which owns 80.5% stake), with tag-along right

Direct PE Investments: achievements and next steps



MIGROS



To date:

- Disposal of non core assets (Italy clinics, labs, home care)
- RE sale and lease back
- 265 mln € dividends paid to shareholders (+420 mln € extraordinary)
- Net debt down from 1001 mln to 769 mln €

To date:

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

Next:

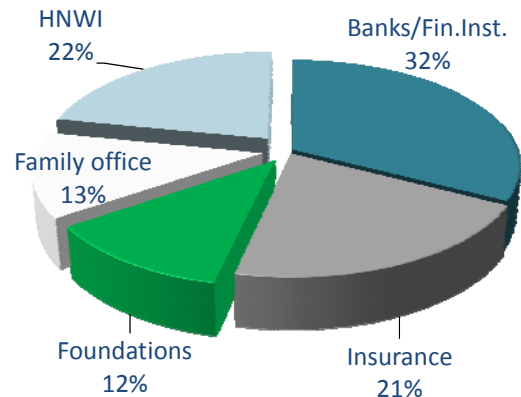
- Reorganization into poles
- Cost efficiencies (purchasing, processes, corporate)
- Market share gains to support organic growth
- Further asset disposals and deleverage

Next:

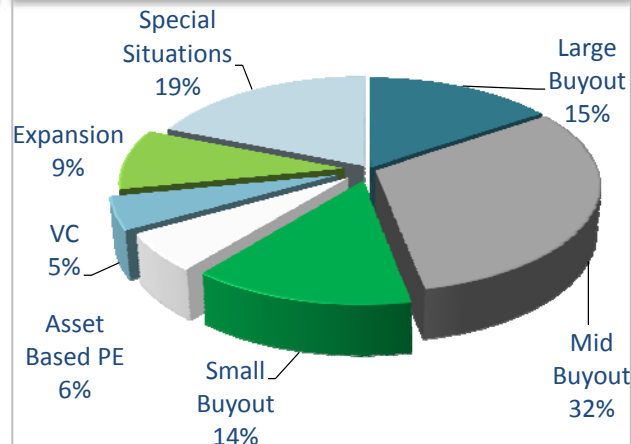
- Fully exploit the strength of Turkey's economy
- Accelerate supermarket network expansion (150 openings/year vs 100)
- Implement cost cutting initiatives and improve supply chain

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

LP Breakdown after final closing



Current Asset Allocation by Type



- Final closing at €681 million in April 2008
- Part of **Italy's largest FoF program**, that also includes the **ICF 2** fund, worth 281 mln € and a 3rd fund to be launched in 2013
- Commitments in **42 funds** worth ca €635 mln. Exposure to **>400 companies** and 30 distressed debt positions. ~40% acquired on the secondary mkt
- **Wide vintage diversification**
- Investments (end 2012): 76% of fund size. Over € 200 mln **distributions** received since launch, and 143 mln distributions made to LPs
- **Net IRR** since inception: 3%
- DeA Capital investment: 103,1 mln € (book value)

Access to top-performing private equity funds

European Private Equity



US Private Equity



Rest of the World Private Equity/VC



Why Alternative Asset Management

Italian Market features

- Still high savings rate; stable number of HNWI
- 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

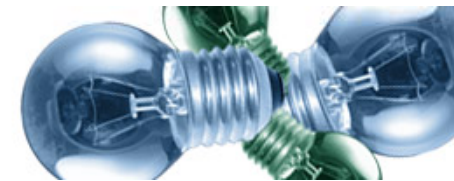
- 29 bln € AuM with >150 operators
- Largest asset managers have 2-5 bln AuM
- Institutional investors and HNWI underinvested vs European countries

Real estate in Italy

- 47 bln € AuM with 329 funds, expected at 50 mln in 2013*
- Gap vs EU countries: ~100 bln AuM in Germany. No REITs

** Scenari immobiliari 2012*

AAM: achievements and next steps



To date:

- FARE-FIMIT merger effective from 3 Oct. 2011
- New CEO appointed: Massimo Brunelli, former Enel and TI CFO
- Acquisition of Duemme SGR RE fund mandates
- Launch of RE services (iRE)

To date:

- AuM 1.2 bln €
- 2012: Revenues 13,5 mln €; Net profit 4,5 mln €
- Demerger of Investitori Associati and Wise completed, DeA Capital achieves 100% stake

Next:

- Focus on domestic sector consolidation
- Development projects in Italy
- Bidding for new mandates
- Gradual startup of Intl. business development

Next:

- Continue with the FoF program: ICF 3 to be launched in 2013
- IDeA to launch new funds to enrich offer: thematic funds, managed account

IDeA FIMIT in a nutshell

FIRST ATLANTIC
REAL ESTATE SGR



 FIMIT_{sgr}
Fondi Immobiliari Italiani

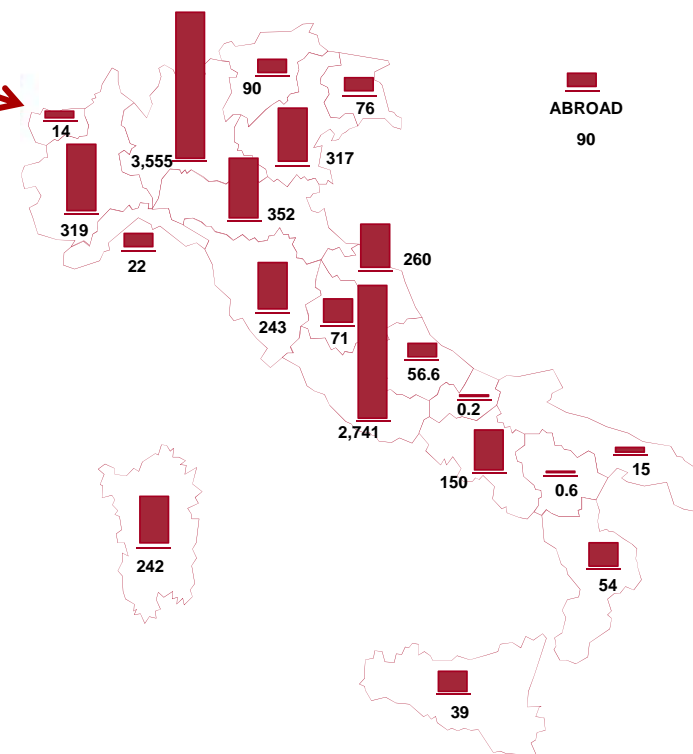
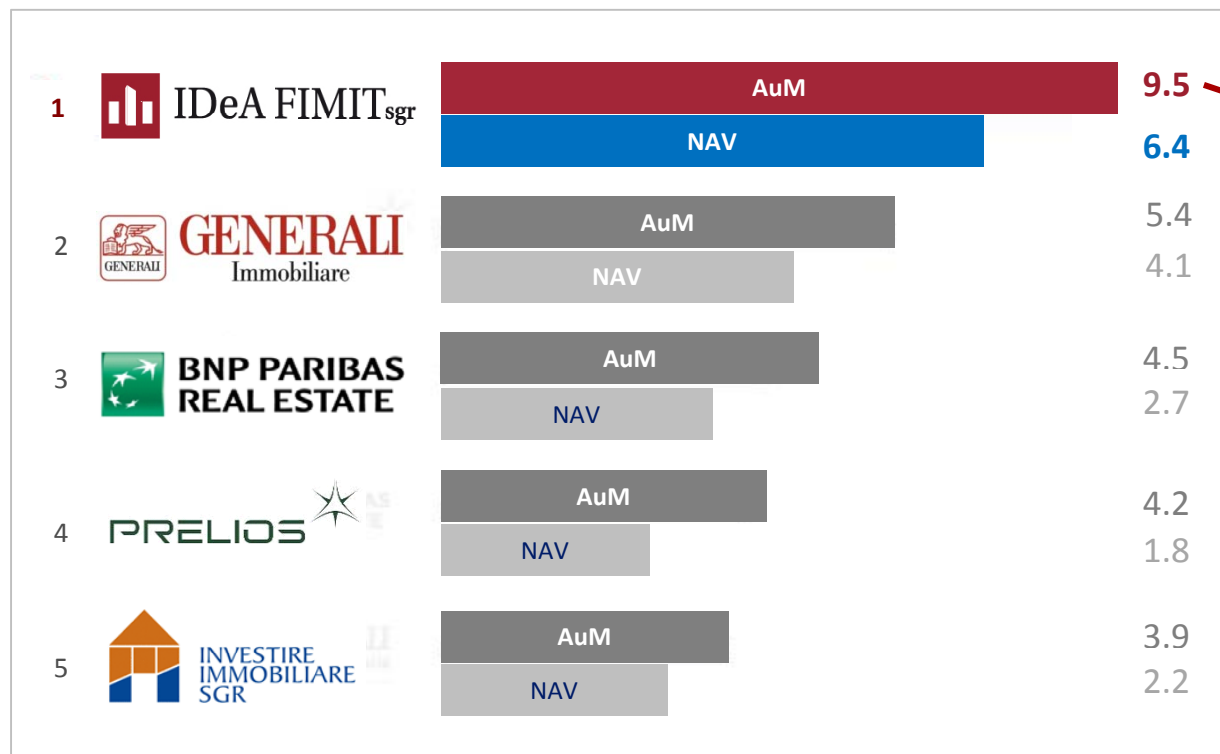
 IDeA FIMIT_{sgr}

1 in Italy 34 funds ~10 bln € AuM 21% mkt share 65 mln € fees

- The largest Italian player, with a **high quality fund portfolio**, focused on large Italian cities and offices/bank branches (~70% of total)
- A **solid shareholder base**: DeA Capital (64.3% from April 2013), INPS, Enasarco
- A **diversified investor base**: over 80 institutional investors, 70,000 retail investors. Pension funds and institutions account for >80% of invested capital
- A **profitable company**: in 2012 the company reported a net profit of 19.4 mln € (20.8 mln adj.).

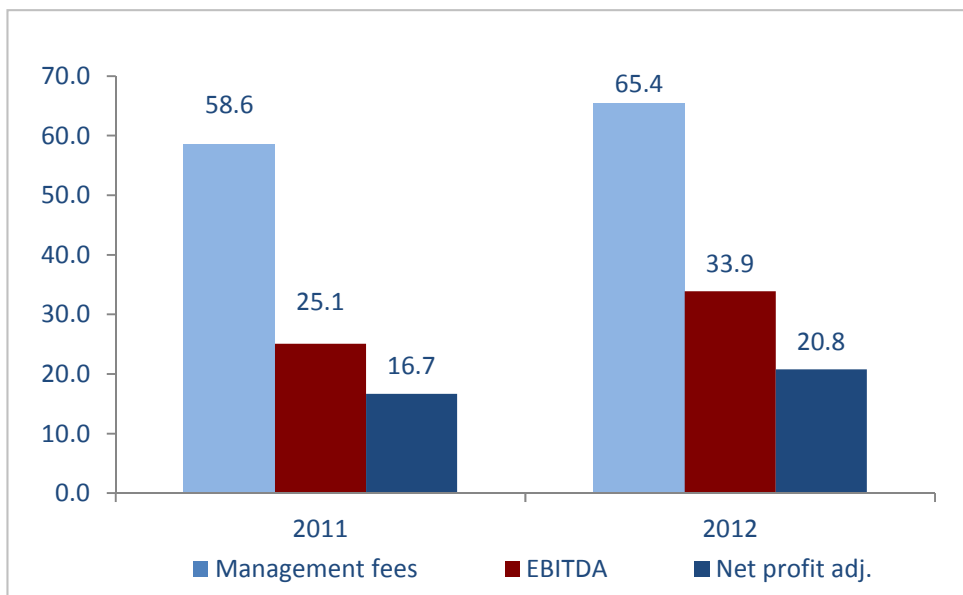
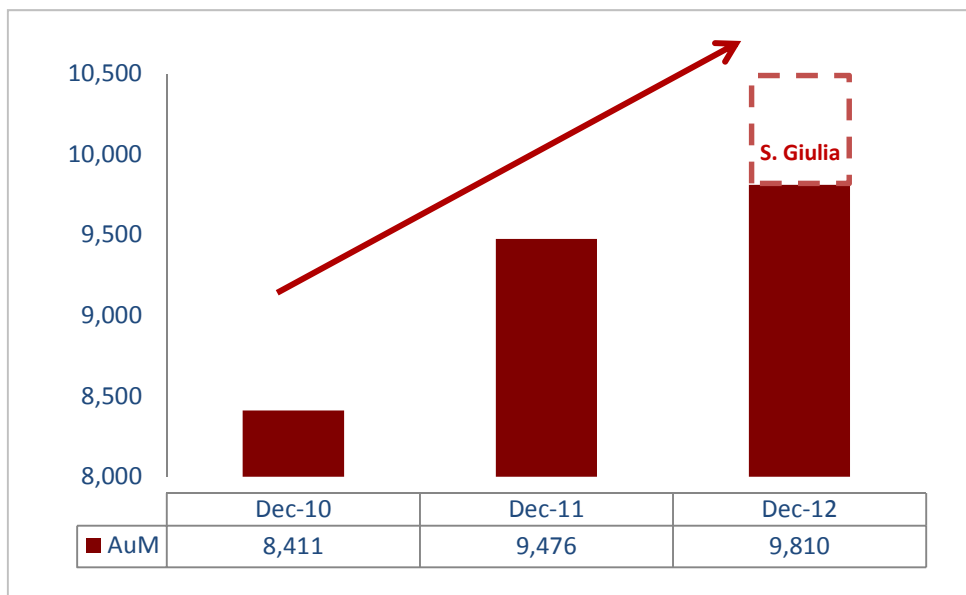
IDeA FIMIT: leadership based on size and quality of assets

ITALY RE ASSET MANAGERS (AuM € bln) – June 2012



- Focused on the most prestigious locations – **60% of assets in Rome and Milan**
- **Focused on offices**, negligible exposure to residential
- Over 75% of space is rented

IDeA FIMIT – a positive start: what next?



2013 growth to come from:

- Development projects (S. Giulia in Milan, EcoVillage in Rome)
- Bids for new or expiring mandates
- Fresh money/contributions on existing funds
- Private contribution funds (e.g. from banks)
- Consolidation of managed assets

Longer term - Capitalising on domestic strengths to become a European player, by:

- Offering Italian funds to foreign investors willing to «come back» to our country
- Creating a presence abroad to find investment opportunities in foreign real estate for Italian investors
- Launching new products focused on RE Debt, NPLs

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