


# DeA Capital at a glance

March 2015



Alternative Asset Management  
10.5 bln AuM

RE services	Real estate funds	Private equity funds, FoFs
 ire INNOVATION real estate	 IDeA FIMIT <sub>sgr</sub>	 IDeA Capital Funds
Project, property mgmt € 17 mln revenues	€ 9.0 bn AuM € 54 mln fees	€ 1.5 bn AuM € 14 mln fees

Alternative investments

PE and RE Fund Investments (~ 200 mln €; managed by the group's AM firms)

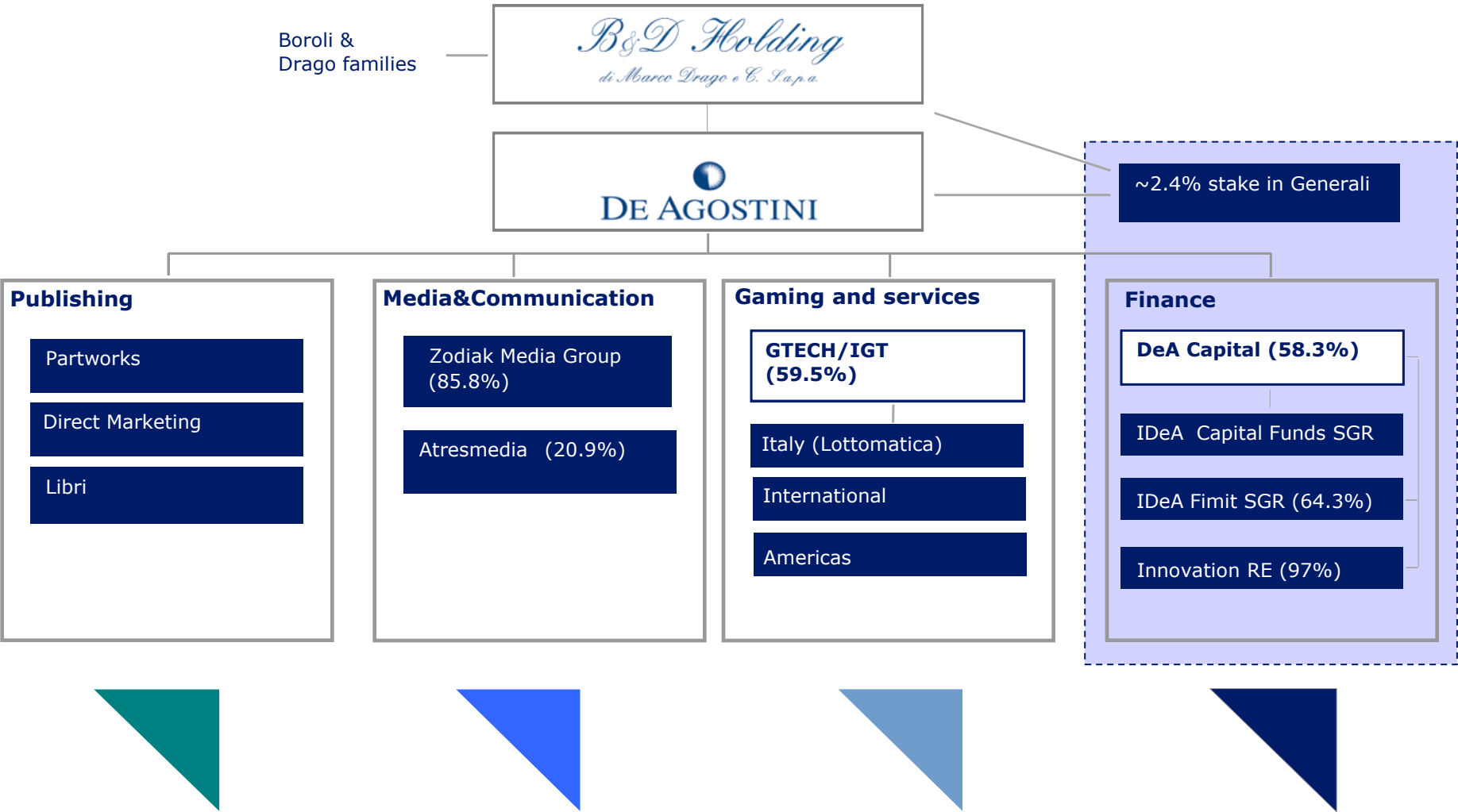
Direct PE investments

MiGROS

Sigla Credit

IDeA  
Capital Funds  
IDeA FIMIT<sub>sgr</sub>

# Part of De Agostini Group



**A family-owned group, active worldwide, with close to 5 bln € revenues**

## Private Equity Investments

- GDS: sold to Ramsay – cash in > 160 mln €
- Migros: sale of a 50% stake to Anadolu Group, agreed and waiting for regulatory approval, for ca. 130 mln €. No lock-up on remaining stake
- PE and RE Funds: distributions now exceed capital calls (+12 mln € in 2014); positive contribution to NAV ; active secondary market with discounts close to 0%. DeA Capital will continue to “seed” new initiatives

## Focus on Alternative Asset Mgmt

- Confirming italian leadership, reshaping business models
- Pushing on product innovation
- Enhancing IR/marketing capabilities
- Further external growth/consolidation

## Total return for shareholders

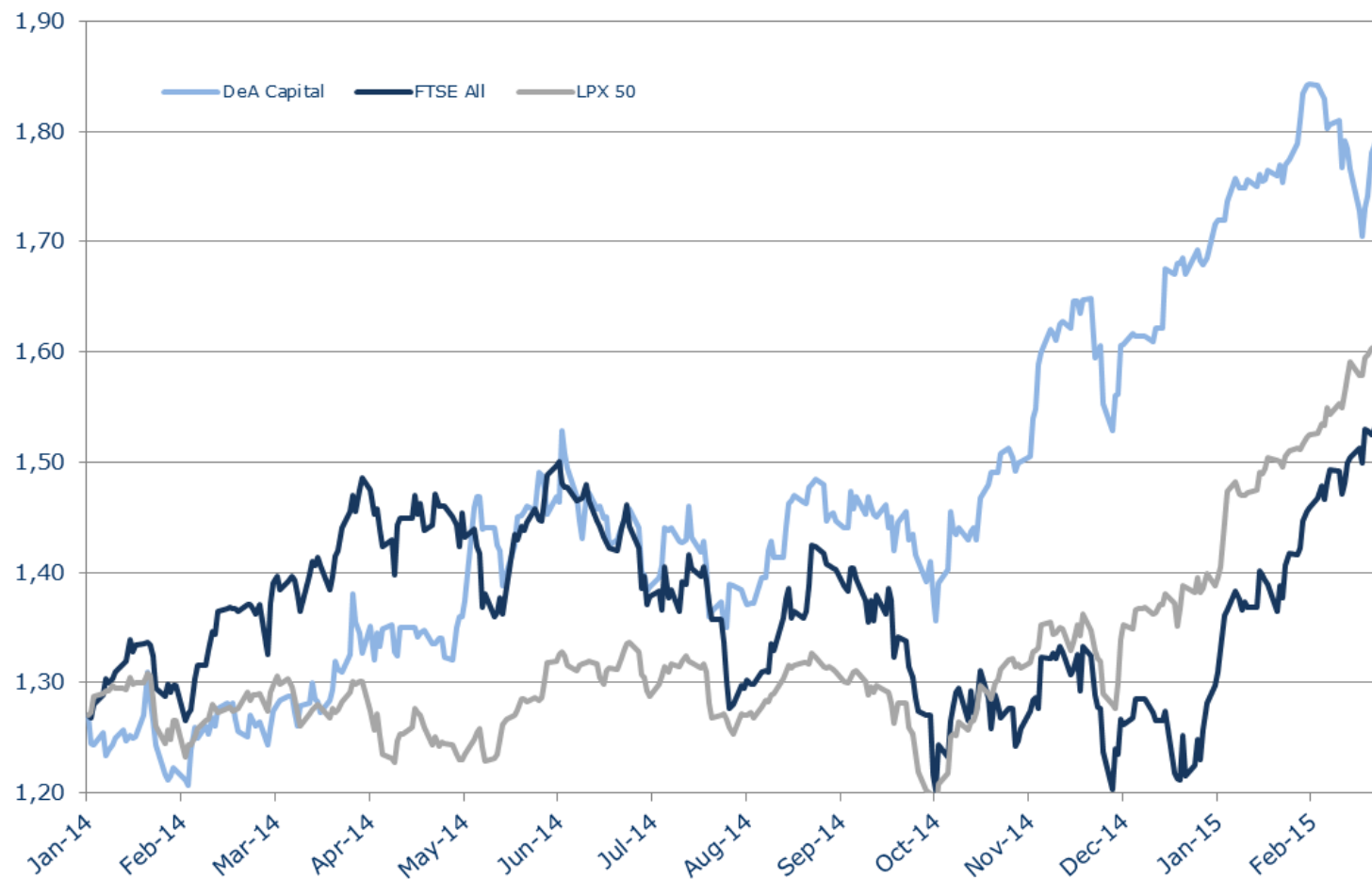
- Extraordinary dividend distribution of 0.30 € per share announced
- Buyback program to continue up to 20% of share capital
- Going forward, profits from AAM and exit from PE investments to provide a further source for distribution
- Cash and available credit lines may also be used to seize any opportunities that arise in alternative investments

# DeA Capital NAV per share at € 2.41 – December 2014

€ mln	Stake	Book value	Valuation method
Kenan Investments (Migros)	6.6%	110.0	Anadolu bid*
Kenan - Anadolu put option	1.6%	27.0	Anadolu bid*
Kenan Investments (Migros)	5.0%	72.0	Market price*
Other PE inv.	nm	11.4	Net equity
IDeA Capital Funds SGR	100%	49.9	Net equity
IDeA Fimit SGR	64.3%	144.6	Net equity
Innovation RE	97.0%	7.0	Net equity
AAM		201.5	
PE Funds	nm	203.0	Fair Value
<i>Investment portfolio</i>		625.0	
Other net assets/liabilities		-12.0	
Net financial position (holding)		40.5	
NAV (ex treasury stock)		653.5	
NAV p.s. €	€	2.41	

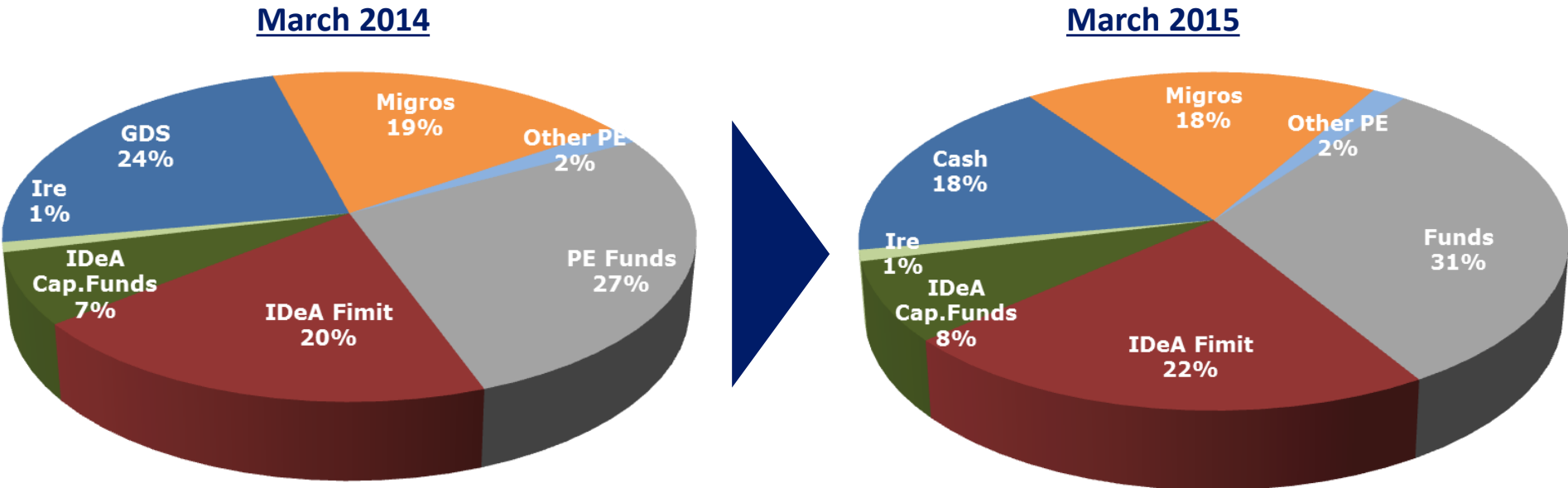
\* Agreement to sell part of the investment in Migros to Anadolu Group @26 TRY p.s.. A 40.25% stake will be sold immediately after regulatory approval; another 9.75% stake will be sold under a put/call agreement.

# Share price performance



Data to 23 March 2014

## Investment portfolio evolution



Asset management and fund investments account for over 60% of the portfolio

# 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 >120 operators
- Largest asset managers have 2-5 bln AuM
- Institutional investors and HNWI underinvested vs European countries

## Real estate in Italy

- Ca 55 bln € AuM with over 380 funds at the end of 2014\*
- Gap vs EU countries: ~100 bln AuM in Germany. Only 2 REITs

\* Scenari immobiliari 2014



# AAM: achievements and next steps



## To date:

- FARE-FIMIT merger effective from 3 Oct. 2011
- Integration of merged entities
- Acquisition of Duemme SGR RE fund mandates
- Launch of RE services (IRE)

## To date:

- AuM 1.4 bln €
- 2013: Revenues 14 mln €; Net profit 4 mln €
- Demerger of Investitori Associati and Wise completed, DeA Capital achieves 100% stake

## Next:

- Focus on domestic sector consolidation
- Bidding for new mandates
- Launch of new products (funds, REITs)
- Company reorganization

## Next:

- Launching new funds to enrich offer: thematic funds (**Energy Efficiency; Taste of Italy**), managed account
- Continuing with the FoF program: ICF 3 (1st closing made in March '14)

# IDeA FIMIT in a nutshell

FIRST ATLANTIC  
REAL ESTATE SGR



 FIMIT<sub>sgr</sub>  
Fondi Immobiliari Italiani

 IDeA FIMIT<sub>sgr</sub>

# 1 in Italy   35 funds   9.0 bln € AuM   >20% mkt share   54 mln € fees

- Italy's largest player in real estate fund management, followed by Investire and Generali RE
- A **high quality fund portfolio**, focused on large Italian cities (60% in Milan and Rome) and on offices/bank branches (~70% of total). 85% of space is rented
- 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 2014 IDeA FIMIT reported sales of 54 mln € and an adj profit of 14.5 mln €



## INNOVATION REAL ESTATE

- PROPERTY MANAGEMENT
- FACILITY MANAGEMENT
- PROJECT & CONSTRUCTION MANAGEMENT
- TRANSACTION ADVISORY
- **Managing assets worth ca. 8 bln €** in 19 Italian regions, 80 provinces and 335 cities
- **2014 FINANCIALS:**
  - Revenues 17,4 mln €
  - EBITDA 4,6 mln €
  - Net profit 2,9 mln €
- **RESOURCES:** 70 people and a wide network of advisors
- **CLIENTS:** Public and Private Institutional Investors, Banks, RE Funds, Pension Funds, Public Bodies, Manufacturing Groups, Insurance Companies

# IDeA Capital Funds – launching the new “Taste of Italy” fund

## IDEA TASTE OF ITALY

Closed-end thematic private equity fund launched in February 2014

- Focus: food and beverage industry
- Fund target size: € 200 mn (first closing Dec 2014 at 96 mln €)
- Investments strategy: 10-12 portfolio companies mainly through capital increase

## INVESTMENT RATIONALE

The Italian food and beverage sector is attractive for private equity investors thanks to its potential for consolidation, international growth and sector resiliency, as well as family-run related management issues

### BUILD UP OPPORTUNITIES

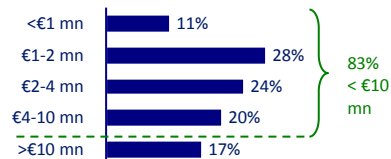
Revenues: €133 bn

Employees: 2.6 mn

Companies: 550,000

Avg. FTEs/Company: 4.7

#### F&B companies distribution (by revenues)



Mainly family-owned and family-run companies

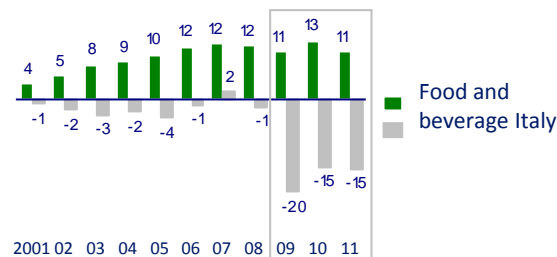
### RESILIENCY

Food&Beverage vs. Italian production index:

✓ +26% (2011 vs. 2000)

✓ +13% (2008 vs. 2000)

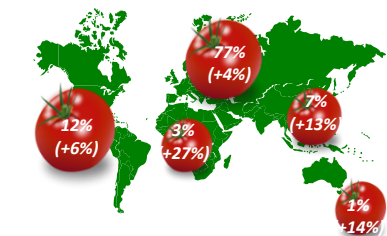
Italian Production Index 2000-11  
(Base Index 100: 2000)



### INTERNATIONAL GROWTH

Compared to the export of the fashion industry – 76% -, the F&B exposure to international markets is still limited, with export accounting for almost 20% in 2013

#### F&B export by continent (2012)



Italian export by continent (%)  
(Export growth % 2012 vs. 2011)

# Private Equity Fund Investments



Capital Funds

<p><b>IDeA I FoF</b></p> <p>2007</p>	<ul style="list-style-type: none"> <li>• Italy's largest PE FoF (€ 681 mln)</li> <li>• DeA Capital commitment: € 173 mln</li> <li>• Invested*: € 93.5 mln</li> </ul>	<p>Investment multiple (TVPI) to date:</p> <p><b>1.25x</b></p>
<p><b>ICF II</b></p> <p>2009</p>	<ul style="list-style-type: none"> <li>• 2nd FoF of IDeA's program (€ 281 mln)</li> <li>• DeA Capital commitment: € 51 mln</li> <li>• Invested*: € 35.3 mln</li> </ul>	<p><b>1.27x</b></p>
<p><b>Opportunity Fund</b></p> <p>2008</p>	<ul style="list-style-type: none"> <li>• Mid-sized LBO co-inv. fund (€ 217 mln)</li> <li>• DeA Capital commitment: € 102 mln</li> <li>• Invested*: € 56.0 mln</li> </ul>	<p><b>0.8x</b></p>
<p><b>Energy Efficiency and Sustainable Growth</b></p> <p>2011</p>	<ul style="list-style-type: none"> <li>• Focused on services and technologies for energy saving (€ 100 mln)</li> <li>• DeA Capital commitment: € 15 mln</li> <li>• Invested*: € 4.3 mln</li> </ul>	<p><b>n.m.</b></p>

\* Book value as of 31 December 2014



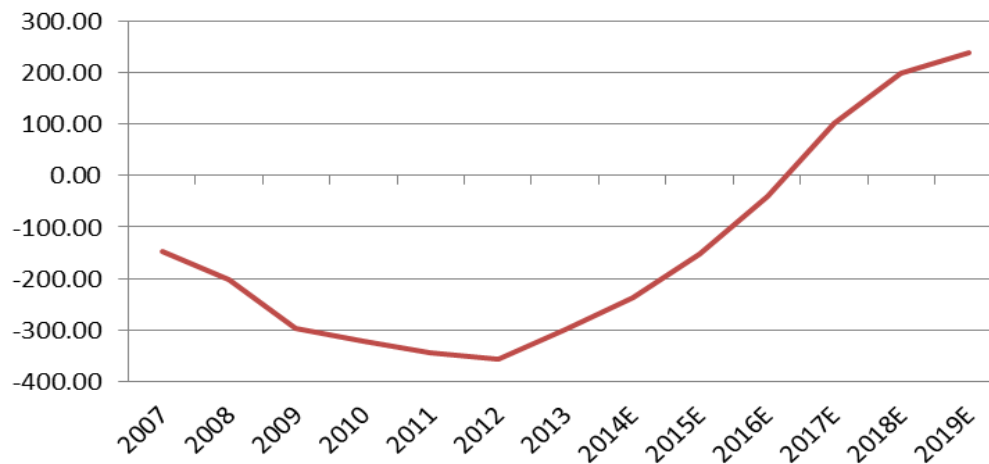
# Private Equity Fund Investments



Capital Funds

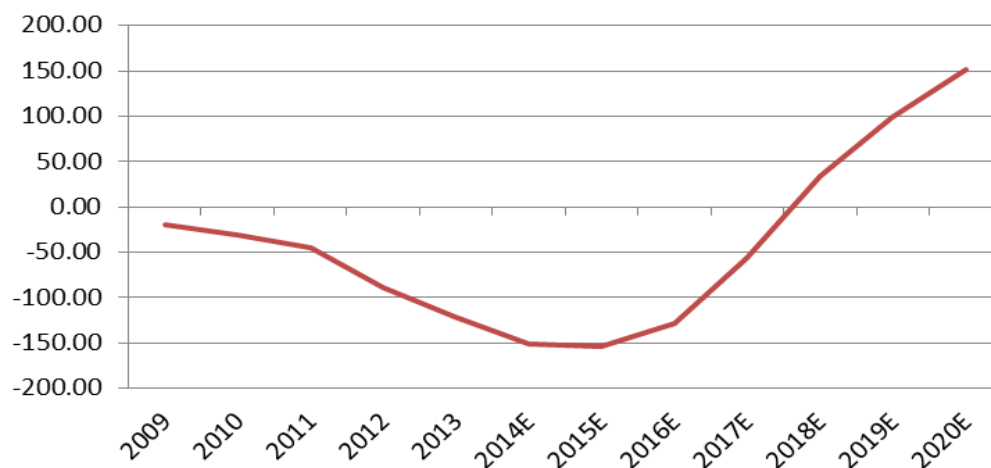
Around 70% of distributions received to date were at a TVPI of >2x

## IDeA FoF I - Cumulated net cash flow



**Targets:**  
TVPI 1.4x  
IRR ~7%

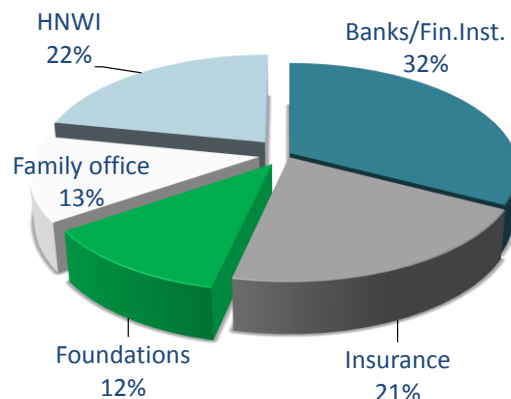
## IDeA ICF II - Cumulated net cash flow



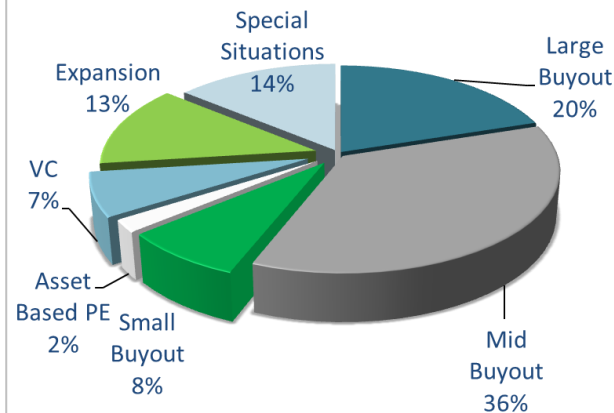
**Targets:**  
TVPI 1.6X  
IRR ~12%

# 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 **ICF 3**, that made a first closing in March 2014
- Commitments in **42 funds**, with exposure to **463 companies** and >30 distressed debt positions. ~50% acquired on the secondary mkt
- Wide vintage, sector and style **diversification** (vintage ranges from 2000 to 2013; Europe 36%)
- € 285 mln **distributions** made to LPs since launch
- **IRR** since inception: 7.9% gross, 5.4% net
- DeA Capital investment: 93.5 mln € (book value)

## Access to top-performing private equity funds

### European Private Equity



### US Private Equity



### Rest of the World Private Equity/VC



## MIGROS



- **Largest supermarket chain in Turkey**
- **Turkey:** 55% of sales still made via traditional retail; few international operators with a significant presence
- **Competitors:** Metro, Sabanci-Carrefour (hyper), Tesco (supermarkets), BIM (discount)
- **Migros:** 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:** co-investor (17%) with BC Partners in Kenan (which owns 80.5% stake), with tag-along right

### Actions - 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)
- Shareholders sell half of their 80.5% stake to Anadolu Group @ 26 TRY p.s. + put option on a further 9.75% stake

### Next:

- Exploit the full potential of Turkey's growth
- Accelerate supermarket network expansion (150-200 openings/year)
- Cost cutting initiatives and supply chain upgrade



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