

Company update

BUY (Unchanged)

Target: € 1.71 (prev. 1.78)

Risk: High

STOCK DATA

Price €	1.3
Bloomberg code	DEA IM
Market Cap. (€ mn)	386
Free Float	39%
Shares Out. (mn)	306.6
52-week range	1.08 - 1.41
Daily Volumes (mn)	0.40

PERFORMANCE	1M	3M	12M
Absolute	9.6%	-4.4%	0.2%
Rel. to FTSE all shares	0.0%	-11.0%	-2.2%

MAIN METRICS	2009	2010E	2011E
EPS - € cents	-10.1	-4.2	-0.1
DPS ord - € cents	0.0	0.0	0.0

NAV	2009	2010E	2011E
Nav (Equita) ps ord - €	2.00	1.99	1.90
Nav (Reported) ps ord - €	2.65	2.58	2.58
BVPS - € cents	2.54	2.50	2.50

MULTIPLES	2009	2010E	2011E
P/NAV (Equita)	0.6 x	0.6 x	0.7 x
P/NAV Reported	0.5 x	0.4 x	0.5 x
P/BV	0.5 x	0.5 x	0.5 x

INDEBTNESS	2009	2010E	2011E
NFP	-35	-17	-17
Debt to assets ratio	0.0 x	n.m.	0.0 x
D/E	0.0 x	0.0 x	0.0 x

PRICE ORD LAST 365 DAYS



ANALYSTS

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February 3, 2011

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CREATING THE #1 IN REAL ESTATE ASSET MANAGEMENT

The merger of First Atlantic SGR (16% of NAV) and Fimit SGR creates the #1 Italian independent real estate asset manager. We view the deal positively thanks to (a) the possibility of creating a potential centre of attraction for new portfolios both in Italy and abroad, (b) exploitation of economies of scale. On the stock, the market continues to focus on disposal of at least one of the direct private equity investments (Générale de Santé (GDS) and Migros, which together account for 50% of NAV), which in our opinion would permit reduction of the discount on NAV.

■ Agreement for merger of First Atlantic SGR and Fimit SGR, creating Idea Fimit SGR Spa

First Atlantic RE SGR (70% controlled by DEA, 16% of NAV) and **FIMIT SGR** have reached an agreement to merge the two companies. DEA will be the main shareholder of the combined entity with 40.45% (economic rights, or 52.55%, considering 100% of First Atlantic (FARE) on which DEA has a call option, already included in debt) or 61.3% of voting rights. **We believe that the deal is positive from the business standpoint** for the following reasons:

- **Creation of the No. 1 real estate asset manager in Italy** (and among the biggest 15 in Europe), creating a potential centre of attraction for new portfolios (with total AUM of over € 8 bn)
- **Exploitation of economies of scale**
- **Potential synergies to be exploited by integrating the 2 service companies as a second step of the deal**

Assuming 2010E-12E AUM CAGR of 7% (higher than AUM growth on stand-alone basis) and preliminary estimated cost synergies of €1 mn p.a., we believe the combined entity may be worth € 270-330 mn (2010E-11E P/E = 17x-13x), with **value creation for DEA of roughly €0.10 PS (+4/+8%) to add at our NAV PS of €1.90.**

■ Investment case: BUY recommendation confirmed

The market continues to focus on disposal of at least one of the direct private equity investments (Générale de Santé (GDS) and Migros, which together account for 50% of NAV), which in our opinion would permit reduction of the discount on NAV.

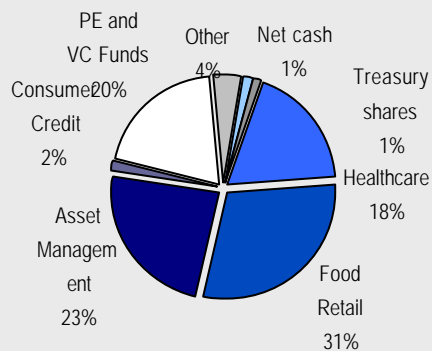
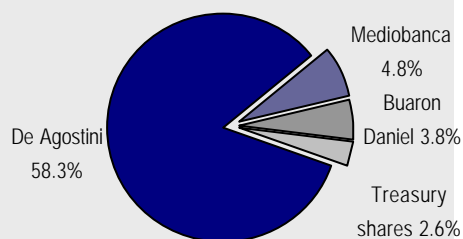
We confirm our positive stance on the stock:

- **DEA is trading at high discount on Equita NAV** (34% and 51% on reported), with virtually no listed assets (the 2 listed assets have limited free float), and good exposure to defensive sectors (50% of our NAV).
- **The company has a sound financial structure and stable cash flow** from alternative asset management (€ 4.4 bn of AUM before the merger FARE-FIMIT)
- **The stock has underperformed the LPX50TR index** (covering the main European private equity players) in the last 12 months by -36%

Applying a 10% discount to our NAV of € 1.90, **we fix our target price at € 1.71 PS.**

BUSINESS DESCRIPTION

DeA Capital is an investment company (started-up in 2007 through the takeover of a listed entity -CdB Web Tech- by DeAgostini) focusing on direct and indirect private equity investments and alternative asset management.

NAV BUSINESS SEGMENTATION - 2011**SHAREHOLDER STRUCTURE - 2011**

MAIN FIGURES € mn	2007	2008	2009	2010E	2011E	2012E
AM Commissions	0.0	3.8	25.3	32.5	34.3	35.9
Profit (Loss) on equity	-7.2	-14.8	-27.9	-16.1	-14.4	-14.4
Other investment income (charges)	2.4	-28.9	-1.8	0.0	0.3	0.3
Other income	0.0	4.8	10.2	9.7	8.7	9.1
Other expenses	-4.1	-10.8	-34.3	-31.2	-24.9	-23.7
Tot. Income & exp.	-8.9	-45.9	-28.6	-5.1	4.0	7.2
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	82%
Financial Income	14.4	14.8	-3.6	-3.6	-2.6	-2.6
Profit before tax	5.4	-31.1	-32.1	-8.7	1.4	4.6
Growth	-51%	n.m.	n.m.	n.m.	n.m.	234%
Results from Discontinued op	1.5	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	-0.1	-0.3	0.0	0.0	0.0
Net Income	10.7	-38.2	-29.4	-12.2	-0.2	3.2
Growth	-88%	n.m.	n.m.	n.m.	n.m.	n.m.
Net income adjusted	10.7	-38.2	-29.4	-12.2	-0.2	3.2
Growth	-1%	n.m.	n.m.	n.m.	n.m.	n.m.

SHARE DATA	2007	2008	2009	2010E	2011E	2012E
Nav (Reported) ps ord - €	2.78	2.55	2.65	2.58	2.58	2.58
Nav (Equita) ps ord - €	2.40	1.64	2.00	1.99	1.90	1.90
EPS - € cents	5.5	-12.7	-10.1	-4.2	-0.1	1.1
Growth	-94%	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS - € cents	5.5	-12.7	-10.1	-4.2	-0.1	1.1
Growth	-49%	n.m.	n.m.	n.m.	n.m.	n.m.
DPS ord - € cents	0.00	0.00	0.00	0.00	0.00	0.00

MARKET RATIOS	2007	2008	2009	2010E	2011E	2012E
P/NAV Reported	0.78 x	0.50 x	0.47 x	0.44 x	0.49 x	0.49 x
P/NAV (Equita)	0.90 x	0.79 x	0.63 x	0.57 x	0.66 x	0.66 x
P/BV	0.8 x	0.5 x	0.5 x	0.5 x	0.5 x	0.5 x
P/E	39.6 x	n.m.	n.m.	n.m.	n.m.	n.m.
P/E Adj	39.6 x	n.m.	n.m.	n.m.	n.m.	n.m.

REMUNERATION	2007	2008	2009	2010E	2011E	2012E
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	1.2%	-5.0%	-3.8%	-1.6%	0.0%	0.4%

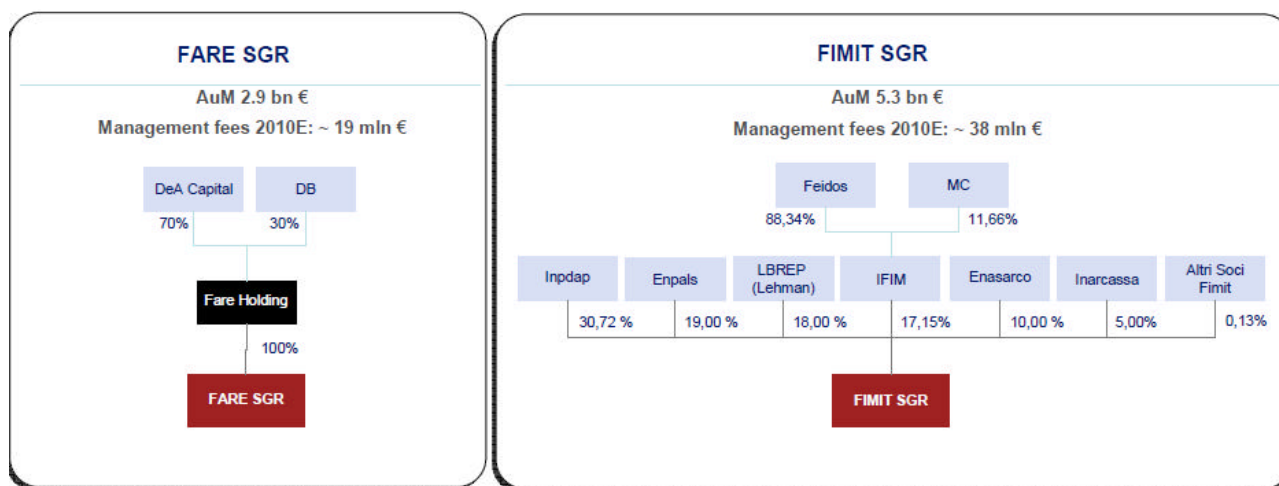
INDEBTNESS - €mn	2007	2008	2009	2010E	2011E	2012E
NFP	415.9	17.2	-34.9	-16.7	-16.9	-13.7
Holding system NFP	399.0	51.3	-10.2	20.9	-7.9	-4.7
Debt to assets ratio	n.m.	n.m.	1.7%	n.m.	1.3%	0.8%
D/E	n.m.	n.m.	4.5%	2.2%	2.2%	1.8%

Source: company data and EQUITA SIM estimates

FIRST ATLANTIC SGR – FIMIT SGR: MAIN HIGHLIGHTS OF DEAL

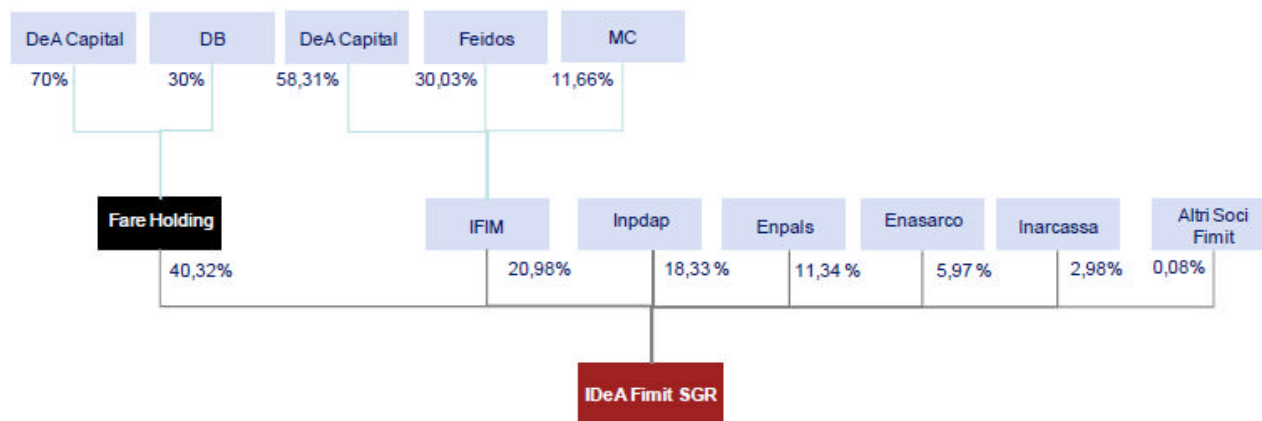
On 26 January 2011 **First Atlantic RE SGR** (70% controlled by DEA, 16% of NAV) and **FIMIT SGR** announced that they have reached an agreement to **merge the two companies**. DEA will be the main shareholder of the combined entity with 40.45% (economic rights, or 52.55%, considering 100% of First Atlantic (FARE) on which DEA has a call/put option, already included in debt) or 61.3% of voting rights.

FARE SGR & FIMIT SGR BEFORE THE TRANSACTION



Source: Company press release

FARE SGR & FIMIT SGR AFTER THE TRANSACTION (with the FIMIT/FARE ratio set at 1.48:1)



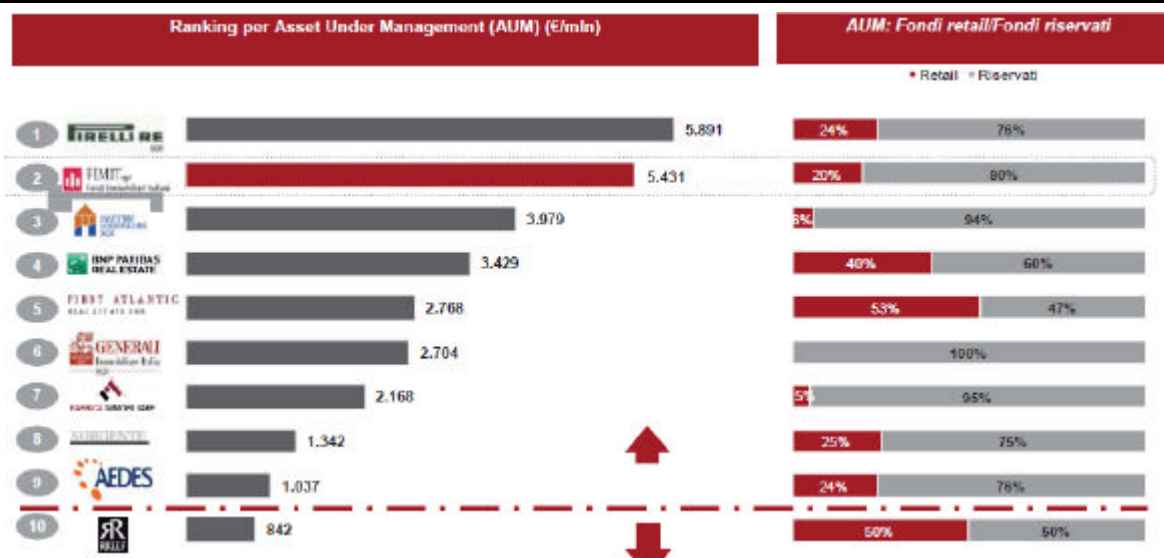
Source: Company press release

FIMIT is the second largest Italian real-estate fund management company (after Prelios). It has 13 funds with total AUM amounting to € 5.3 bn.

Fimit's extremely strong growth in recent years is also due to several important deals, including IMMIT (the property spin-off of IntesaSanpaolo with a market value of € 1+ bn, after failing the IPO in 2008), and Unicredito (for € 0.8 bn). More recently Fimit agreed to contribute in new funds the property portfolio of:

- Enel: € 0.6 bn by year-end;
- UniCredit: a new € 0.6-bn contribution within year-end;
- Fondiaria-SAI: € 0.3 bn to be finalised by year-end

ITALIAN REAL ESTATE SGR – RANKING PER AUM



Source: FIMIT 2009 annual report

The combined entity:

- 1) will be the first independent Italian RE asset management company with €8bn+ of AUM and 19 managed funds (of which 5 listed), creating a potential centre of attraction for new portfolios;
- 2) is expected to generate fees of roughly 57mn in 2010 and 2010E net profit of 18-19mn (after over 2mn of extra costs for the merger).

Moreover, the deal will strengthen the strategic positioning of the 2 companies, paving the way for future growth at home and abroad, allowing for economies of scale and synergies in the management of RE funds.

TRANSACTION HIGHLIGHTS (€ MN)

First Atlantic RE SGR Equity Value	72.6
DEA cash-out to acquire stake in IFIM and LBREP	22.0
Net debt in IFIM (pro-quota DEA)	21.6
Total price paid	116.2
DEA stake in IdeA IFIM	52.55%
Implied 100% valuation of IdeA IFIM	221
Adj. Net income 2010E	19
AUM	8,241
P/E 2010E	11x
P/AUM	2.7%

Source: EQUITA SIM estimates

Timing: the merger agreement will be signed around 6 months from now (BoD to approve the deal and Bank of Italy to give the green light over the next few days). The deal includes the merger of FIMIT and FARE (via which DEA will have a pro quota stake of 28.2% in the newco) and the acquisition by DEA of another 12.2% (pro quota) of FIMIT following the merger, for a cash-out (including debt) of roughly 43mn.

The FIMIT/FARE merger ratio is 1.48:1 (slightly better than expected) valuing 100% of the combined entity at roughly 220mn, or 2010E P/E of c11x (before synergies and economies of scale) or P/AUM = roughly 2.7%.

Bottom line - we believe that the deal is positive from the business standpoint for the following reasons:

- **Create the No. 1 asset manager in Italy** (and among the biggest 15 in Europe), creating a potential centre of attraction for new portfolios (with total AUM of over €8 bn)
- **Exploitation of economies of scale**
- **Potential synergies to be exploited by integrating the 2 service companies as a second step of the deal**

Assuming 2010-12E AUM CAGR of +7% (above AUM growth on stand-alone basis) and preliminary estimate of 1mn cost synergies per annum, we believe that the combined entity may be worth 270-330mn (2010-11E P/E = 17x-13x @300mn), with **value creation for DEA at roughly €0.10 ps (+4/+8%)**.

No business plan of the combined entity has yet been presented. However, we conservatively estimate that the Asset Under Management will move from the current € 8.2bn in 2010 to € 10bn in 2013, with 62bps of management fees (from the current 70bps) and 13% of cost reduction by 2013.

	FARE-FIMIT (€ mn)					
	2008	2009	2010E	2011E	2012E	2013E
Management fees	34.9	45.5	57.1	60.2	59.9	60.5
Variable fees and others	10.8	1.0	0.0	0.0	0.0	0.0
Net commission	45.7	46.5	57.1	60.2	59.9	60.5
%change		2%	23%	5%	-1%	1%
Costs	-13.9	-20.7	-30.2	-27.6	-26.6	-26.3
Synergies	0.0	0.0	0.0	1.0	1.0	1.0
Extraordinary costs (restructuring costs)	0.0	0.0	-2.5	-2.5	-2.5	-2.5
<i>total costs ex extr</i>	<i>0.0</i>	<i>0.0</i>	<i>-27.7</i>	<i>-24.1</i>	<i>-23.1</i>	<i>-22.8</i>
EBIT	31.7	25.7	27.0	33.7	34.3	35.2
margin%	69%	55%	47%	56%	57%	58%
Interest charges	0.0	0.0	0.0	0.0	0.0	0.0
Others and extraord.	-0.1	-2.8	0.0	0.0	0.0	0.0
Pre tax	31.6	22.9	27.0	33.7	34.3	35.2
taxes	-10.6	-7.0	-9.2	-11.1	-11.3	-11.6
tax rate	33%	30%	34%	33%	33%	33%
Net Income	21.0	15.9	17.8	22.6	23.0	23.6
%change		-24%	12%	27%	2%	3%
Adj. Net Income	21.1	17.9	19.5	24.2	24.7	25.3
%change		-15%	9%	25%	2%	2%
Total AUM (€ mn)	8,303	8,411	8,241	8,972	9,460	10,068
%change		1%	-2%	9%	5%	6%
Equity value	300	300	300	300	300	300
P/E	14.3x	18.8x	16.9x	13.3x	13.1x	12.7x
P/AUM	3.6%	3.6%	3.6%	3.3%	3.2%	3.0%
Key Ratios						
Total income / Avg. AUM	0.55%	0.55%	0.69%	0.70%	0.65%	0.62%
Operating costs / Avg. AUM	0.17%	0.25%	0.36%	0.32%	0.29%	0.27%
Cost / Net fees	31%	45%	53%	44%	43%	42%
Net Income / Avg. AUM	0.3%	0.2%	0.2%	0.3%	0.2%	0.2%

Source: EQUITA SIM estimates

A QUICK UPDATE ON THE TWO MAIN PRIVATE EQUITY INVESTMENTS

As far as the two main private equity investments are concerned:

Migros (Turkish mass-market retailing – 30% of our NAV).

Migros is food-retailing leader in Turkey with a 22% market share of the organised market (9% of total market) and we believe it will be a natural beneficiary of the positive outlook for the Turkish economy and consumer growth.

Migros is a multi-channel retailer with its hard-discount chain Sok, supermarket chains Migros, Tansas, MacroCenter and hypermarkets (5M Migros stores). Migros has a total of 1,881 outlets (323 Migros, 286 Tansas, 1,227 Sok, 10 MacroCenter, 9 5M hypermarkets), of which 26 are located abroad (Ramstores – in Bulgaria, Romania and Kazakhstan). The total sales area is 1.59 mn sqm.

In 2009, 96% of sales and 94% of EBITDA were generated in Turkey. Recently, the company has particularly concentrated on growth through Sok. Until 2010 the company's EBITDA margin was 7% until 2009, but its aggressive growth in the soft-discount space and corresponding price cuts have lowered the EBITDA margin to around 5.5%.

We believe that the food retailing market in Turkey will continue to feature significant rates of growth. Moreover, we believe that, starting from 2011, we could see progressive recovery of EBITDA margin for Migros, thanks to slower growth of space.

At present, the valuations of this sector and its growth prospects make current market conditions very propitious for an exit from the investment.

The universe of potential buyers of the company is extensive. In the following table we highlight the companies that may potentially be interested in Migros, based on their scale, financial leverage and exposure to emerging markets.

MIGROS TURK: POTENTIAL BUYER UNIVERSE				
Company name	Market Cap (€ mn)	Net Debt/Ebitda 2011E	Emerging Market %	Turkey
Carrefour	24,426	1.3 x	26%	x
Tesco	38,168	1.4 x	17%	x
Walmart	145,029	1.2 x	25%	
Sainsbury	8,300	1.3 x	0%	
Metro Group	17,334	1.1 x	29%	x
Ahold	11,806	0.3 x	6%	
Auchan	n.a.	1.2 x	27%	

Source: EQUITA SIM estimates

In our view, given their positioning and knowledge of the Turkish market, Carrefour, Tesco and Metro may be the players most interested in the asset. Also Walmart has an aggressive policy of acquisition in the emerging markets.

In recent years, valuations in emerging markets have improved significantly. More specifically, in terms of EV/EBITDA (NTM), the sector is currently trading at about 11x as opposed to the 7-7.5x prevailing about 2 years ago.

At present, the multiples of players in emerging markets are at a significant premium vs. those in developed countries.

EMERGING MARKET FOOD RETAILER															
DESCRIPTION				EV/SALES			EV/EBITDA			EV/EBIT			P/E		
Company	Currency	Price	Mkt cap (€ mn)	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
EUROCASH	PLN	31.0	1,086	0.5 x	0.4 x	0.4 x	18.3 x	14.3 x	11.2 x	23.9 x	18.5 x	13.2 x	31.1 x	22.8 x	16.5 x
LIANHUA SUPERM-H	HKD	38.6	2,226	0.6 x	0.5 x	0.4 x	13.7 x	11.2 x	9.1 x	24.6 x	18.8 x	14.3 x	38.1 x	32.0 x	27.2 x
WUMART STORES	HKD	16.1	1,910	1.5 x	1.2 x	0.9 x	18.4 x	14.5 x	11.7 x	24.3 x	19.2 x	15.3 x	37.3 x	29.7 x	24.3 x
WOOLWORTHS LTD	AUD	26.7	23,690	0.7 x	0.7 x	0.6 x	9.0 x	8.6 x	7.8 x	11.4 x	10.9 x	9.9 x	16.5 x	15.1 x	13.8 x
LOTTE SHOPPING	KRW	448,000	8,525	1.2 x	1.1 x	1.0 x	10.7 x	9.3 x	8.3 x	14.1 x	11.9 x	10.6 x	14.5 x	12.4 x	10.9 x
MAGNIT-CLS	USD	136.0	8,746	1.7 x	1.2 x	0.9 x	20.1 x	15.0 x	11.3 x	26.1 x	19.9 x	15.2 x	40.4 x	30.7 x	23.8 x
PICK'N PAY STORE	ZAr	4,282	2,086	0.4 x	0.4 x	0.3 x	8.5 x	8.4 x	7.2 x	11.9 x	12.4 x	10.6 x	18.1 x	20.0 x	16.1 x
SHOPRITE HLDGS	ZAr	9,155	5,050	0.7 x	0.6 x	0.5 x	11.3 x	10.0 x	8.4 x	14.0 x	12.4 x	10.3 x	20.8 x	18.3 x	15.6 x
WALMART DE MEX-V	MXN	34.3	36,843	1.8 x	1.5 x	1.3 x	17.9 x	14.8 x	12.1 x	21.8 x	17.8 x	14.7 x	31.1 x	25.6 x	21.0 x
SORIANA-B	MXN	38.1	4,128	0.8 x	0.7 x	0.6 x	10.4 x	9.1 x	8.1 x	14.6 x	12.5 x	11.3 x	21.6 x	18.5 x	16.0 x
LOJAS AMERIC-PRF	BRL	13.8	4,353	1.3 x	1.1 x	0.9 x	9.9 x	8.3 x	6.9 x	12.0 x	10.3 x	8.3 x	39.0 x	29.3 x	21.0 x
BIM BIRLESIK MAG	TRY	53.8	3,745	1.2 x	0.9 x	0.8 x	22.8 x	18.1 x	14.8 x	27.8 x	22.1 x	17.9 x	34.0 x	28.5 x	23.7 x
X 5 RETAIL-GDR	USD	42.8	8,392	1.2 x	0.9 x	0.7 x	15.4 x	11.4 x	8.7 x	23.2 x	17.1 x	12.3 x	39.0 x	26.7 x	18.6 x
JERONIMO MARTINS	EUR	11.0	6,932	0.9 x	0.8 x	0.7 x	12.0 x	10.1 x	8.7 x	17.1 x	14.3 x	12.3 x	24.8 x	19.8 x	16.7 x
Average				1.0 x	0.9 x	0.7 x	14.2 x	11.6 x	9.6 x	19.1 x	15.6 x	12.6 x	29.0 x	23.5 x	18.9 x
Median				1.0 x	0.8 x	0.7 x	12.8 x	10.7 x	8.7 x	19.5 x	15.7 x	12.3 x	31.1 x	24.2 x	17.7 x
Max				1.8 x	1.5 x	1.3 x	22.8 x	18.1 x	14.8 x	27.8 x	22.1 x	17.9 x	40.4 x	32.0 x	27.2 x
Min				0.4 x	0.4 x	0.3 x	8.5 x	8.3 x	6.9 x	11.4 x	10.3 x	8.3 x	14.5 x	12.4 x	10.9 x

Source: Bloomberg prices and consensus

On top of this, M&A activity with a focus on emerging markets has increased considerably over the last few months. We highlight the main deals in the table below:

M&A IN THE FOOD RETAIL SECTOR: SUMMARY



Source: Bloomberg

FOOD RETAIL TRANSACTIONS

Date	Buyer / Target	Target Country	EV/EBITDA
Dec-10	X5 Retail / Trade House Kopeyka	Russia	13.6 x
Nov-10	Walmart / Massmart	South Africa	13.2 x
Nov-10	Casino / CFR Thailand	Thailand	12.7 x
Jul-10	Carrefour / Hebei Baolongcang	China	10.3 x
Apr-10	Para Group / Carrefour Indonesia	Indonesia	10.0 x
Dec-09	Walmex / Walmart Centroamerica	Guatemala	13.3 x
Oct-09	Lotte Shopping / Times Ltd	China	15.8 x
Jun-09	CBD / Globex	Brazil	14.2 x
May-09	Delhaize / Alfa-Beta Vassilopoulos	Greece	7.5 x
Jan-09	Walmart / D&S	Chile	14.2 x
May-08	Tesco / E-Land Retail	South Korea	11.1 x
Average			12.4 x

Source: EQUITA SIM

Our valuation of Migros (based on DEA's stake) is € 177 mn, i.e. EV/EBITDA 2011E = 9.4x, at a 20% discount on sector average and at a 25% discount on the average for the latest details.

We believe that market conditions and business progress make the exit from Migros in a relatively short time very likely. When we met last October, the CEO, Paolo Ceretti stated that discussions with potential buyers (probably industrials not financials) could start in 2H11 with exit from Migros by the end of 2011/1H12, depending on market conditions and Migros performance.

MIGROS TURK: MAIN FIGURES (YTL MN)								
P&L account (TRY mn.)	2009	%	2010E	%	2011E	%	2012E	%
Revenues	5,711.3		6,453.7		7,163.6		7,880.0	
Change%	12.6%		13.0%		11.0%		10.0%	
Cost of sales	-4,277.7	-74.9%	-4,827.4	-74.8%	-5,336.9	-74.5%	-5,854.8	-74.3%
Gross Profit	1,433.6	25.1%	1,626.3	25.2%	1,826.7	25.5%	2,025.2	25.7%
Change%	9.7%		13.4%		12.3%		10.9%	
Operating expense	-1,036	-18.1%	-1,276	-19.8%	-1,415	-19.8%	-1,521	-19.3%
EBITDA	397.3	7.0%	350.4	5.4%	411.9	5.8%	504.3	6.4%
Change%	3.4%		-11.8%		17.5%		22.4%	20.0%
Depreciation and amortization	-128.1	-2.2%	-129.0	-2.0%	-150.0	-2.1%	-170.0	-2.2%
Others	-3.8	-0.1%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBIT	265.4	4.6%	221.4	3.4%	261.9	3.7%	334.3	4.2%
Change%	-10.4%		-16.6%		18.3%		27.6%	
Net financial income	-19.2	-0.3%	-95.0	-1.5%	-96.0	-1.3%	-89.0	-1.1%
Due date difference on sale (purchase)	-62.9	-1.1%	-64.5	-1.0%	-64.5	-0.9%	-70.9	-0.9%
Net other income/expense	-48.7	-0.9%	93.5	1.4%	0.0	0.0%	0.0	0.0%
Associates	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Pre tax profit	134.6	2.4%	155.4	2.4%	101.4	1.4%	174.4	2.2%
Change%	-59.9%		15.4%		-34.7%		71.9%	
Taxes	-25.0	-0.4%	-31.1	-0.5%	-20.3	-0.3%	-34.9	-0.4%
Minorities	-1.7	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Net Profit	108.0	1.9%	124.3	1.9%	81.1	1.1%	139.5	1.8%
Change%	-60.8%		15.1%		-34.7%		71.9%	
Adjusted Net Profit	156.7	2.7%	30.8	0.5%	81.1	1.1%	139.5	1.8%
Change%	-43.1%		-80.3%		163.2%		71.9%	
Cash -flow	239.9	4.2%	253.3	3.9%	231.1	3.2%	309.5	3.9%
Change%	-34.0%		5.6%		-8.7%		33.9%	
Adjusted Cash -Flow	288.6	5.1%	159.8	2.5%	231.1	3.2%	309.5	3.9%
Change%	-20.6%		-44.6%		44.6%		33.9%	

Source: EQUITA SIM estimates

Générale de Santé (French private healthcare – 19% of our NAV)

Générale de Santé is the largest private hospital operator in France, with about 20% market share.

On 29 November 2010, there was a top management change at GDS, with appointment of Ferruccio Luppi (ex-IFIL and Fiat) as Chairman. We believe this change may drive GDS towards a new process of growth and margin recovery. No business plan has yet been presented but we think that, when published, it will provide positive guidance.

When we met last October, the CEO, Paolo Ceretti stated that, as regards GDS, exit is a more complex matter and will not take place any earlier than 2 years from now. Potential buyers are private equity funds or industrial player seeking geographical diversification. We don't rule out a potential interest also of French industrial player (e.g. Vitalia, Medica...) to strengthen their position on the French market.

GÉNÉRALE DE SANTÉ: MAIN FIGURES (€ MN)								
P&L account (€ mn.)	2009	%	2010E	%	2011E	%	2012E	%
Revenues	2,046.2		1,923.4		1,981.1		2,030.7	
Change%	3.1%		-6.0%		3.0%		2.5%	
Labour cost	-926.7	-45.3%	-865.4	-45.0%	-893.2	-45.1%	-919.7	-45.3%
Purchases of consumables	-394.1	-19.3%	-371.2	-19.3%	-383.3	-19.4%	-387.9	-19.1%
Taxes and duties	-106.4	-5.2%	-86.6	-4.5%	-89.2	-4.5%	-91.4	-4.5%
Other operating income and expenses	-247.3	-12.1%	-227.6	-11.8%	-227.6	-11.5%	-227.6	-11.2%
EBITDAR	371.7	18.2%	372.6	19.4%	387.8	19.6%	404.1	19.9%
Change%	7.1%		0.3%		4.1%		4.2%	
Rental expenses	-134.7	-6.6%	-138.1	-7.2%	-147.3	-7.4%	-157.2	-7.7%
Change%	14.8%		2.6%		6.6%		6.8%	
EBITDA	237.0	11.6%	234.5	12.2%	240.5	12.1%	246.9	12.2%
Change%	3.2%		-1.1%		2.6%		2.6%	
Depreciation and amortization	-120.9	-5.9%	-120.0	-6.2%	-120.0	-6.1%	-120.0	-5.9%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBIT recurring	116.1	5.7%	114.5	6.0%	120.5	6.1%	126.9	6.2%
Change%	1.1%		-1.4%		5.2%		5.3%	
Others income and expenses	15.3	0.7%	21.8	1.1%	0.0	0.0%	0.0	0.0%
EBIT	131.4	6.4%	136.3	7.1%	120.5	6.1%	126.9	6.2%
Change%	-18.1%		3.7%		-11.6%		5.3%	
Financial charges	-55.3	-2.7%	-49.8	-2.6%	-53.9	-2.7%	-55.0	-2.7%
Other financial expenses	-4.3	-0.2%	-4.0	-0.2%	0.0	0.0%	0.0	0.0%
Associates	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Pre tax profit	71.8	3.5%	82.5	4.3%	66.6	3.4%	71.9	3.5%
Change%	-15.5%		14.9%		-19.3%		8.0%	
Taxes	-26.5	-1.3%	-32.2	-1.7%	-26.6	-1.3%	-28.7	-1.4%
Minorities	-2.9	-0.1%	-4.0	-0.2%	-4.1	-0.2%	-4.2	-0.2%
Net Profit	42.4	2.1%	46.3	2.4%	35.9	1.8%	39.0	1.9%
Change%	-51.4%		9.2%		-22.6%		8.6%	
Adjusted Net Profit	31.4	1.5%	33.0	1.7%	35.9	1.8%	39.0	1.9%
Change%	34.6%		5.2%		8.6%		8.6%	
Cash-flow	163.3	8.0%	166.3	8.6%	155.9	7.9%	159.0	7.8%
Change%	-19.2%		1.8%		-6.3%		2.0%	
Adjusted Cash -Flow	152.3	7.4%	153.0	8.0%	155.9	7.9%	159.0	7.8%
Change%	10.3%		0.5%		1.9%		2.0%	
Tax rate	36.9%		39.0%		40.0%		40.0%	
Capital Expenditure	103.9		130.0		110.0		100.0	
Other net investments	-129.9		-60.0		0.0		0.0	
NFP	-885.8		-885.8		-902.1		-892.1	
Source: EQUITA SIM estimates								

Source: EQUITA SIM estimates

VALUATION: DISCOUNT TO NAV @ 34%

In fixing out target price we apply a 10% discount to NAV. As a consequence, starting from a NAV of €1.90 PS our target price is €1.71.

DEA CAPITAL: NAV (@ target price)							
Asset	Sector	Stake %	Shares	PS	€ mn	%	Valuation method
Santé (Générale de Santé)	Healthcare	42.9%		€ 13.0	110	19%	Equity - Avg.DCF&Multiples (Impl.Ev/Ebitda 11E 6.7x, PE 20x)
Kenan (Migros Turk)	Food retail	16.7%		LTL 12.9	181	31%	Equity - Multiples (EV/EBITDA 10-11E 10.8x-9.4x)
Dea Capital	Treasury shares	2.5%	7.6	€ 1.1	9	1%	Market Price
TOTAL LISTED SHAREHOLDINGS (1)					299	51%	
First Atlantic Real Estate Holding	Alternative AM	70.0%			89	16%	P/E 11E 13x - P/AUM 4,3%
Sigla	Consumer credit	35.0%			11	2%	P/BV 9M10 0.5x
IdeA Alternative Investment	Alternative AM	100.0%			50	9%	P/E 11E 10x - P/AUM 3,8%
IdeA I Fund of Funds + ICF II	Fund of Funds	n.m.			75	10%	Book Value 9M10
IdeA ColF I	Funds	n.m.			31	4%	Book Value 9M10
Venture Capital funds	Funds	n.m.			13	2%	Book Value 9M10
Blue Skye	Funds	n.m.			34	4%	Book Value 9M10
Others participations		n.m.			1	0%	Book Value 9M10
TOTAL UNLISTED SHAREHOLDINGS (2)					303	52%	
ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)					-8	-1%	Pro-forma as today
CAPITALISED HOLDING COSTS (4)					-29	-5%	Perpetuity @ 10% net of tax effect
TAXES / TAX CREDITS (5)					18	3%	5yr PV of tax loss carryforwards
STOCK OPTIONS DILUTION (6)					0	0%	
TOTAL (1+2+3+4+5+6)					583	100%	
Nr. Shares (mn)					306.6		
NAV per share					1.90		
Current discount / (premium)					34%		
P/NAV					0.60		

Source: EQUITIA SIM estimates

SECTOR PERFORMANCE AND DISCOUNT TO NAV

In the last 12 months the performance of the LPX50TR index (covering the 50 top European private equity players) has been positive by +37%. DEA has underperformed the index with substantially zero performance in the same period. Only in the last month has DEA stock featured partial re-rating, driven mainly by expectations concerning announcement of the FARE-FIMIT merger.

The tables below show the current discount (premium) to NAV of the main European Private Equity and Italian Holding companies. **At the current price, DEA is trading at 51% discount to reported NAV and 34% to Equita NAV, compared to 18% of the main European Private Equity companies and 37% of the main Italian holdings (ex Premafin).**

EUROPEAN PRIVATE EQUITY: STOCK PERFORMANCE AND DISCOUNT TO NAV								
Company	Currency	Price	DESCRIPTION Mkt cap (€ mn)	PERFORMANCE				Discount (Premium) to NAV
				1 m	3 m	6 m	1 y	
DEA CAPITAL SPA	EUR	1.26	386	9.6	-4.4	5.0	0.2	51%
MITTEL SPA	EUR	3.15	222	2.6	-2.1	-1.3	-21.4	29%
TAMBURI INVESTME	EUR	1.57	202	10.4	14.6	20.2	15.3	-1%
3I GROUP PLC	GBp	315.4	3,600	-4.0	2.3	9.9	15.4	4%
CANDOVER INVEST	GBp	650.0	166	-2.3	-13.2	5.7	24.6	28%
ELECTRA PRIVATE	GBp	1,605.0	667	-4.1	0.5	22.0	20.2	22%
SVG CAPITAL PLC	GBp	230.0	840	9.1	12.0	48.9	60.6	18%
EURAZEO	EUR	55.5	3,221	-1.7	-1.4	7.9	7.0	20%
GIMV NV	EUR	39.8	923	-2.6	-0.5	6.5	2.9	9%
RATOS AB-B SHS	SEK	247.0	4,530	-2.8	4.5	18.2	17.1	-171%
WENDEL	EUR	73.8	3,723	6.6	30.7	64.3	81.4	14%
AVERAGE			1,677	1.9	3.9	18.9	20.3	2%
MEDIAN			840	-1.7	0.5	9.9	15.4	18%

Source: Bloomberg, EQUITIA SIM estimates

ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company	Val. method listed assets	NAV (€ PS) *									Disc. / (Prem.) to NAV								
		2004	2005	2006	2007	2008	2009	2010	2011	2004	2005	2006	2007	2008	2009	2010	Avg. **	2011	
ASTM	market price	n.a.	n.a.	n.a.	20.9	10.7	14.0	14.5	16.0	n.a.	n.a.	n.a.	28%	47%	29%	31%	34%	35%	
CAMFIN	(1) market price	2.39	1.86	1.79	2.37	0.49	0.65	0.56	0.47	24%	1%	20%	40%	40%	54%	39%	31%	28%	
CIR	market price	2.66	2.91	3.05	3.28	2.15	2.50	2.18	2.20	22%	22%	18%	24%	65%	30%	37%	31%	29%	
COFIDE	see through	1.32	1.47	1.52	1.64	1.03	1.21	1.06	1.07	36%	30%	28%	35%	68%	48%	36%	40%	35%	
DEA CAPITAL	market price	n.a.	n.a.	2.61	2.40	1.64	2.00	1.99	1.90	n.a.	n.a.	-8%	22%	50%	53%	53%	34%	40%	
EXOR ord.	(2) market price	4.6	5.2	8.2	9.2	15.9	25.2	36.6	39.5	34%	31%	25%	28%	50%	48%	36%	36%	43%	
IMMSI	market price	n.a.	n.a.	2.88	2.12	1.21	1.57	1.84	1.79	n.a.	n.a.	25%	35%	43%	47%	55%	41%	55%	
IMPREGILO	market price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.07	4.04	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	48%	48%	44%	
ITALMOBILIARE	(3) market price	77.1	97.4	122.3	93.1	53.1	56.4	42.3	43.6	37%	42%	36%	32%	49%	47%	41%	41%	38%	
MEDIOBANCA	(4) market price	12.8	16.4	17.4	16.4	14.3	11.1	10.0	10.6	21%	12%	13%	10%	40%	36%	35%	24%	28%	
MITTEL	market price	n.a.	n.a.	n.a.	5.0	4.5	5.0	4.2	4.4	n.a.	n.a.	n.a.	-5%	49%	27%	20%	23%	27%	
PIRELLI & C.	market price	10.72	9.47	9.01	10.73	4.85	7.03	n.a.	n.a.	12%	10%	10%	20%	41%	33%	n.a.	n.a	n.a.	
PREMAFIN	market price	1.72	2.26	3.29	2.67	0.71	0.53	0.29	0.34	28%	11%	28%	26%	-81%	-98%	-155%	-35%	-113%	
AVERAGE										27%	20%	19%	25%	38%	29%	23%	26%	24%	
AVERAGE excluding PREMAFIN (trading at premium)														49%	41%	39%	32%	37%	

(1) IFIL ord. until 2007 (assuming total n. shares ord.+sav), EXOR ord. (IFIL+IFI) since merger announcement (Sep-08), assuming 30% pref. discount vs ord.

(2) adj. number shares: before Nov-07 based on market discount; after Nov-07 applying avg. between 3-month and market discounts

(3) year-end: June

(4) using total n. of shares (ord. + sav.)

* based on estimated year-end net debt and listed assets valued at December avg. market price

** historical 6-year arithmetical average (2004-09 where available)

SENSITIVITY

DEA: SENSITIVITY TO GENERALE DE SANTE VALUATION

GDS (€ mn)	% change in GDS Valuation	GDS (€ PS)	Implied GDS EV/EBITDA 10E	DEA NAV	Discount (Premium)	Change	Dea Target Price (€ PS)
252	53.4%	20.1	8.6 x	2.36	52%	24.4%	2.12
231	45.8%	19.1	8.4 x	2.29	50%	20.9%	2.06
211	38.2%	18.1	8.1 x	2.23	49%	17.4%	2.00
191	30.5%	17.1	7.9 x	2.16	47%	13.9%	1.94
171	22.9%	16.1	7.6 x	2.09	45%	10.5%	1.88
150	15.3%	15.1	7.4 x	2.03	44%	7.0%	1.82
130	7.6%	14.1	7.2 x	1.96	42%	3.5%	1.76
110	Current Valuation	13.1	6.9 x	1.90	40%	0.0%	1.71
90	-7.6%	12.1	6.7 x	1.83	38%	-3.5%	1.65
69	-15.3%	11.1	6.4 x	1.76	35%	-7.0%	1.59
49	-22.9%	10.1	6.2 x	1.70	33%	-10.5%	1.53
0	-30.5%	9.1	6.0 x	1.54	26%	-19.0%	1.38
9	-38.2%	8.1	5.7 x	1.56	27%	-17.4%	1.41
0	-45.8%	7.1	5.5 x	1.54	26%	-18.9%	1.38

Source: EQUITA SIM estimates

DEA: SENSITIVITY ON MIGROS VALUATION

TRY/€	MIGROS VALUATION (€ mn)	
	TRY/€	VALUATION (€ mn)
	1.2	325
	1.7	230
	2.2	181
	2.7	144
	3.2	122
	3.7	105

Source: EQUITA SIM estimates

DEA: SENSITIVITY ON MIGROS VALUATION

TRY/€	MIGROS VALUATION (€ mn)	
	TRY/€	VALUATION (€ mn)
	1.2	2.39
	1.7	2.07
	2.2	1.90
	2.7	1.79
	3.2	1.71
	3.7	1.66

Source: EQUITA SIM estimates

STATEMENT OF RISK

The primary elements that **could negatively impact DEA include:**

- Significant deterioration in the main assets reference macroeconomic scenario
- Significant increase in short term interest rates
- Eventual participation to rights issue of main controlled assets just to restore
- Financial flexibility.
- Depreciation of the Turkish lira
- Deterioration of private equity and alternative AM portfolio valuations

INFORMATION PURSUANT TO ARTICLE 69 ET SEQ. OF CONSOB (Italian securities & exchange commission) REGULATION no. 11971/1999

This publication has been prepared by Luigi de Bellis on behalf of EQUITASIM SpA (licensed to practice by CONSOB resolution no. 11761 of December 22nd 1998 and registered as no. 67 in the Italian central register of investment service companies and financial intermediaries)

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EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% <ETR< 7.5%	-5% <ETR< 10%	0% <ETR< 15%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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Date	Rec.	Target Price (€)	Risk	Comment
nil				

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EQUITY RATING DISPERSION AS DECEMBER 31 2010 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	53.1%	45.7%
HOLD	39.5%	48.6%
REDUCE	5.6%	0.0%
NOT RATED	1.9%	5.7%