

2Q11 Results

BUY (Unchanged)

Target: € 1.8 (Prev. 2.0)

Risk: High

STOCK DATA

Price €	1.4
Bloomberg code	DEA IM
Market Cap. (€ mn)	428
Free Float	37%
Shares Out. (mn)	306.6
52-week range	1.12 - 1.61
Daily Volumes (mn)	0.21

PERFORMANCE

	1M	3M	12M
Absolute	-6.9%	-12.4%	18.2%
Rel. to FTSE all shares	3.9%	11.5%	39.6%

MAIN METRICS

	2010	2011E	2012E
EPS - € cents	-8.8	2.8	-3.3
DPS ord - € cents	0.0	0.0	0.0

NAV

	2010	2011E	2012E
Nav (Equita) ps ord - €	2.0	2.1	2.1
Nav (Reported) ps ord - €	2.65	2.74	2.74
BVPS - € cents	2.49	2.52	2.49

MULTIPLES

	2010	2011E	2012E
P/NAV (Equita)	0.6 x	0.7 x	0.7 x
P/NAV Reported	0.4 x	0.5 x	0.5 x
P/BV	0.5 x	0.6 x	0.6 x

INDEBTNESS

	2010	2011E	2012E
NFP	-20	18	9
Debt to assets ratio	n.m.	n.m.	n.m.
D/E	0.0 x	n.m.	n.m.

PRICE ORD LAST 365 DAYS



ANALYSTS

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READY FOR THE FIRST IMPORTANT EXIT

2Q11 results: reported NAV of € 2.74 PS (vs. € 2.60 at 2010 year-end). Discount on our NAV at 35% (50% vs. reported!). Private equity investments featured good 2Q11 figures that beat estimates. After placement of part of the stake in Migros and Migros's sale of Şok, we believe the conditions now exist for DEA's short-term exit from the investment, which could lead to a catalyst for a stock rally.

■ Reported NAV of € 2.74 PS (vs. € 2.75 PS at end of 1Q11 and € 2.60 PS at end of FY2010)

• Consolidated NFP = € 18.1mn (vs. -24.9mn in 1Q11) in line with est..

The improvement of NFP vs the end of 1Q11 was mainly due to cash-in of some 50mn for placement of 17.4% of Migros by Kenan on 5/05/11

- Group net income = € 15.3mn (vs. loss of € -6.2 mn in 2Q10), benefiting from the capital gain of € 24mn on the Migros sale.

■ Générale de Santé (GDS – 22% of NAV): results better than expected and prompting us to increase estimates

The 2Q11 results of GDS were slightly higher than our est. (top-line LFL growth +2.2% and EBITDA +5% to 66mn vs 61mn exp.) thanks to volume growth and outstanding management of the cost structure. These results have prompted us to increase our 2011E-13E estimates by 5% for EBITDA and by 11% for adj. earnings.

■ Migros (23% of NAV): double-digit top-line growth and margins on the increase after sale of Şok

Migros's 2Q11 results indicated the sustainability of growth (top line = +11.2% YoY) and the first positive effects on margins following the sale of Şok, the hard-discount store chain (EBITDA margin 6.3% vs. 4.6% in 1Q11). Management provided details on the new store plan roll-out, with double-digit top-line growth expected in forthcoming years.

■ NAV at € 2.1PS (vs prev. 2.4), now valuing Migros at market prices

We have updated our NAV, which is now 2.1PS (vs prev. 2.4) with the indirect 13.7% stake in Migros now measured at market prices (the stock's free float has been restored and is sufficient to make the stock's price meaningful), ie TL 14.3 PS vs. prev. TL 25.0 PS (or € 149 mn vs. prev. € 281 mn), partly offset by the increased valuation of Générale de Santé (€ 139mn vs prev. 110mn) due to the increase of our estimates.

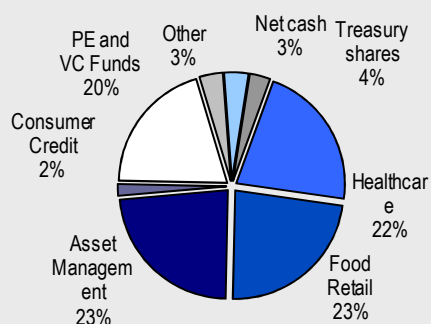
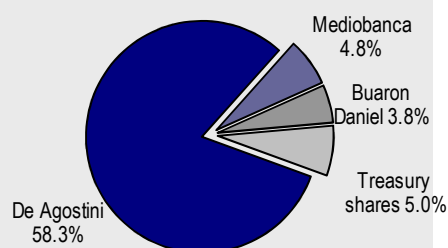
■ Investment case: exit from private equity investments and focus on Alternative AM should narrow the discount on NAV.

Even although the stock has already achieved excellent YTD performance (15.2% absolute and +38.5% relative to FtseMib and +34% relative to the LPX50TR index - covering the main EU private equity players), we confirm our positive view of the stock in the light of:

1. **The significant discount on Equita NAV:** 35% (50% on reported)
2. **Further M&A deals:** for Migros exit in the next 6-12 months is likely while for GDS it is likely as from 2013
3. **Distribution of liquidity** via buybacks and/or extraordinary dividends
4. **Focus on alternative asset management** (which assures cash-flow stability): October will mark the start of operation of Idea Fimit (merger of First Atlantic and Fimit), the first independent Italian real-estate AM company (with 8bn of AUM and 22-23mn of 2011E earnings), of which DEA will be the majority shareholder (with 61.3% of voting rights)
5. **The sound financial structure:** positive NFP at holding-company level (€ 20 mn) and over € 150 mn cash available, incl. credit lines).

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	2008	2009	2010	2011E	2012E	2013E
AM Commissions	3.8	25.3	27.8	36.6	36.6	36.2
Profit (Loss) on equity	-14.8	-27.9	-15.5	-14.4	-14.4	-14.4
Other investment income (charges)	-28.9	-1.8	-3.4	27.4	0.3	0.3
Other income	4.8	10.2	10.5	8.7	9.1	9.5
Other expenses	-10.8	-34.3	-36.8	-40.5	-32.3	-31.8
Tot. Income & exp.	-45.9	-28.6	-17.3	17.8	-0.6	-0.1
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Financial Income	14.8	-3.6	-4.6	-2.0	-2.8	-3.0
Profit before tax	-31.1	-32.1	-22.0	15.8	-3.4	-3.1
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Results from Discontinued op	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.1	-0.3	-0.9	0.0	0.0	0.0
Net Income	-38.2	-29.4	-26.3	8.0	-9.4	-9.1
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Net income adjusted	-38.2	-29.4	-26.3	8.0	-9.4	-9.1
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

SHARE DATA	2008	2009	2010	2011E	2012E	2013E
Nav (Reported) ps ord - €	2.55	2.65	2.65	2.74	2.74	2.74
Nav (Equita) ps ord - €	1.6	2.0	2.0	2.1	2.1	2.1
EPS - € cents	-12.7	-10.1	-8.8	2.8	-3.3	-3.1
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS - € cents	-12.7	-10.1	-9.1	2.8	-3.3	-3.1
Growth	n.m.	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	2008	2009	2010	2011E	2012E	2013E
P/NAV Reported	0.50 x	0.47 x	0.43 x	0.51 x	0.51 x	0.51 x
P/NAV (Equita)	0.79 x	0.63 x	0.57 x	0.66 x	0.66 x	0.66 x
P/BV	0.5 x	0.5 x	0.5 x	0.6 x	0.6 x	0.6 x
P/E	n.m.	n.m.	n.m.	50.3 x	n.m.	n.m.
P/E Adj	n.m.	n.m.	n.m.	50.3 x	n.m.	n.m.

REMUNERATION	2008	2009	2010	2011E	2012E	2013E
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	-5.0%	-3.8%	-3.4%	1.0%	-1.2%	-1.2%

INDEBTNESS - €mn	2008	2009	2010	2011E	2012E	2013E
NFP	17.2	-34.9	-20.4	18.3	8.9	-0.2
Holding system NFP	51.3	-10.2	20.9	19.6	10.2	10.2
Debt to assets ratio	n.m.	0.02	n.m.	n.m.	n.m.	n.m.
D/E	n.m.	0.04	2.7%	n.m.	n.m.	0.0%

Source: company data and EQUITA SIM estimates

VALUATION: TARGET PRICE TO € 1.8 PS (FROM 2.0). DISCOUNT TO OUR NAV @ 35% (50% ON REPORTED). UPSIDE AT 37%

In fixing out target price we apply a 15% discount to NAV. As a consequence, **starting from a NAV of € 2.1 PS our target price is €1.80.**

DEA CAPITAL: NAV (@ target price)

Asset	Sector	Stake %	Shares (mn)	PS	€ mn	%	Valuation method
Santé (Générale de Santé)	Healthcare	43.0%		€ 14.5	139	22%	Equity - Avg.DCF&Multiples (Impl.Ev/Ebitda 11E 6.6x, PE 20x)
Kenan (Migros Turk)	Food retail	13.7%		LTl 14.3	149	23%	Market Price
Dea Capital	Treasury shares	5.8%	17.8	€ 1.3	25	4%	Market Price
TOTAL LISTED SHAREHOLDINGS (1)					313	48%	
First Atlantic Real Estate Holding	Alternative AM	70.0%			89	14%	P/E 11E 13x - P/AUM 4%
Sigla	Consumer credit	35.0%			11	2%	P/BV 0.5x
IdeA Alternative Investment	Alternative AM	100.0%			60	9%	P/E 11E 10x - P/AUM 3,3%
IdeA I Fund of Funds + ICF II	Fund of Funds	n.m.			94	12%	Book Value 2Q11
IdeA CoIF I	Funds	n.m.			43	5%	Book Value 2Q11
Venture Capital funds	Funds	n.m.			13	2%	Book Value 2Q11
Blue Skye	Funds	n.m.			10	1%	Book Value 2Q11
Others partecipations		n.m.			0	0%	Book Value 2Q11
TOTAL UNLISTED SHAREHOLDINGS (2)					315	50%	
ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)					20	3%	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)					637	100%	
TOTAL NAV ex treasury shares					612		
Nr. Shares (mn)					306.6		
Nr. Shares (mn) ex treasury shares					288.8		
NAV per share					2.1		
Current discount / (premium)					35%		
P/NAV					0.65		

Source: EQUITA SIM estimates

The main differences between Equita NAV and the company's reported NAV are the valuations of:

- GDS = € 14.5 PS in our NAV or € 139 mn vs. € 21.1 PS or € 273 mn reported in DEA accounts
- Migros = TL 14.3 PS in our NAV or € 149 mn vs. TL 19.5 PS or € 195.6 mn reported in DEA accounts.

The tables below show the current and historical discount (premium) to NAV of the main Italian holding companies. At the current price, DEA is trading at a 52% discount to reported NAV and 37% discount to Equita NAV, compared to the 41% of Italian holding companies (ex Premafin).

ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company	Val. method listed assets	NAV (€ PS) *								Disc. / (Prem.) to NAV						Avg. **	2011
		2005	2006	2007	2008	2009	2010	2011	2005	2006	2007	2008	2009	2010			
ASTM	market price	n.a.	n.a.	20.9	10.7	14.0	14.5	11.9	n.a.	n.a.	28%	47%	29%	28%		33%	39%
CAMFIN	(1) market price	1.86	1.79	2.37	0.49	0.65	0.56	0.41	1%	20%	40%	40%	54%	30%		30%	32%
CIR	market price	2.91	3.05	3.28	2.15	2.50	2.18	2.34	22%	18%	24%	65%	30%	36%		31%	37%
COFIDE	see through	1.47	1.52	1.64	1.03	1.21	1.06	1.12	30%	28%	35%	68%	48%	39%		40%	41%
DEA CAPITAL	market price	n.a.	2.61	2.40	1.64	2.00	2.00	2.1	n.a.	-8%	22%	50%	53%	57%		35%	37%
EXOR ord.	(2) market price	5.2	8.2	9.2	15.9	25.2	36.6	27.5	31%	25%	28%	50%	48%	36%		36%	42%
IMMSI	market price	n.a.	2.88	2.12	1.24	1.57	1.82	1.83	n.a.	25%	35%	44%	47%	56%		42%	65%
IMPREGILO	market price	n.a.	n.a.	n.a.	n.a.	n.a.	3.85	3.92	n.a.	n.a.	n.a.	n.a.	n.a.	42%		42%	56%
ITALMOBILIARE	(3) market price	97.4	122.3	93.1	53.1	56.4	42.3	35.9	42%	36%	32%	49%	47%	41%		41%	39%
MEDIOBANCA	(4) market price	16.4	17.4	16.4	14.3	11.1	8.9	8.1	12%	13%	10%	40%	36%	27%		23%	22%
MITTEL	market price	n.a.	n.a.	5.0	4.5	5.0	4.2	4.1	n.a.	n.a.	-5%	49%	27%	20%		23%	48%
PIRELLI & C.	market price	9.47	9.01	10.73	4.85	7.03	n.a.	n.a.	10%	10%	20%	41%	33%	n.a.		21%	n.a.
PREMAFIN	market price	2.26	3.29	2.67	0.71	0.53	0.33	-0.15	11%	28%	26%	-81%	-98%	-124%		-30%	304%
AVERAGE									20%	19%	25%	38%	29%	24%		26%	64%
												49%	41%	37%		30%	42%

(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.)

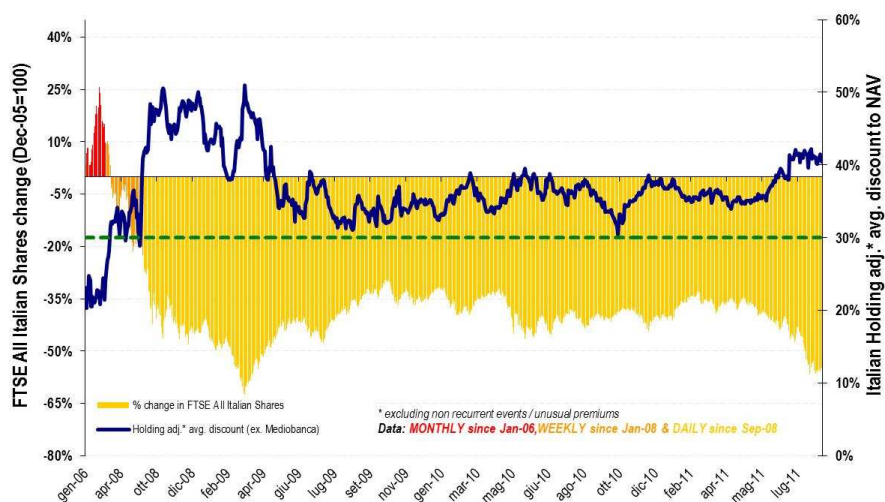
* based on estimated year-end net debt and listed assets valued at December avg. market price

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

Source: EQUITA SIM estimates

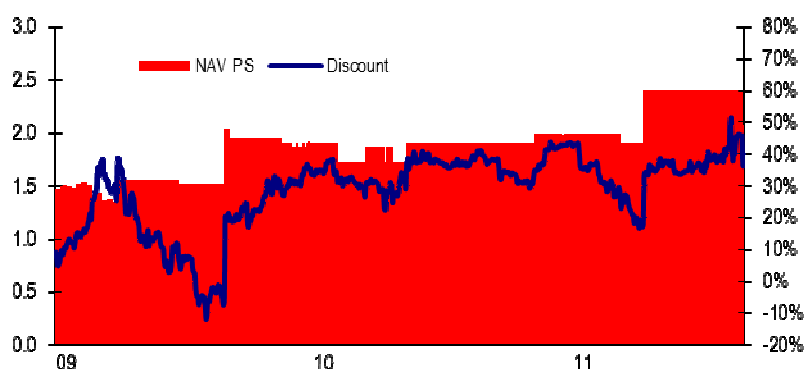
The discount of the main Italian holding companies has averaged 37% since the beginning of the year, although it has recently increased to 41%, as typically happens when the market goes through a weak phase.

ITALIAN HOLDING ADJ. AVERAGE DISCOUNT TREND



Source: Equita SIM estimates

DEA CAPITAL NAV AND DISCOUNT TO NAV TREND



Source: Equita SIM estimates

Since the placement of Migros to date, valuing Migros at market prices, the average discount vs. DEA's NAV has been 34% vs. 35% today.

SECTOR PERFORMANCE AND DISCOUNT TO NAV

DEA stock price achieved excellent performance in the last 12 months (+16.3% vs +5.9% average main Private Equity companies) and YTD (15.2% absolute and +38.5% relative to FtseMib and +34% relative to the LPX50TR index - covering the main EU private equity players), despite the underperformance of Italian market compared to the others European markets due to sovereign debt crisis.

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 52% discount to reported NAV and 37% to Equita NAV, compared to 22% of the main European Private Equity companies and 42% of the main Italian holdings (ex Premafin).**

EUROPEAN PRIVATE EQUITY: STOCK PERFORMANCE AND DISCOUNT TO NAV

EUROPEAN PRIVATE EQUITY FUND PERFORMANCE AND DISCOUNT TO NAV								
Company	Currency	DESCRIPTION		PERFORMANCE				NAV
		Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	Discount (Premium) to NAV
EUROPEAN PRIVATE EQUITY								
DEA CAPITAL SPA	EUR	1.35	412	-9.1	-15.4	-8.0	16.3	52%
MITTEL SPA	EUR	2.16	152	-12.0	-18.6	-28.8	-28.2	47%
TAMBURI INVESTME	EUR	1.50	201	-1.0	-0.3	-3.2	7.2	-4%
3I GROUP PLC	GBp	210.0	2,301	-21.7	-27.1	-32.8	-19.4	40%
CANDOVER INVEST	GBp	490.0	120	-15.8	-14.7	-23.6	-19.8	42%
ELECTRA PRIVATE	GBp	1,417.0	565	-14.2	-18.0	-11.7	9.1	35%
SVG CAPITAL PLC	GBp	251.9	882	-4.4	-4.3	3.5	65.7	36%
EURAZEO	EUR	39.3	2,479	-17.3	-28.9	-21.9	-8.5	48%
GIMV NV	EUR	38.5	891	-9.5	-16.3	-4.3	1.6	18%
RATOS AB-B SHS	SEK	94.9	3,380	-17.2	-24.6	-19.7	-3.9	-116%
WENDEL	EUR	58.4	2,949	-27.3	-30.9	-22.0	44.4	41%
AVERAGE			1,303	-13.6	-18.1	-15.7	5.9	22%
MEDIAN			882	-14.2	-18.0	-19.7	1.6	40%

Source: Bloomberg, EQUITA SIM estimates

PRIVATE EQUITY INVESTMENTS CONTINUE UPWARD TREND OF FUNDAMENTALS

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

Générale de Santé (French private healthcare – 22% of our NAV)

2Q/1H11 results were slightly better than our estimates.

GDS: 2Q11 and 1H11 RESULTS								
Group/€ mn	2Q11 Expect.	%	2Q11 Actual	%	Change abs	Change %	1H11 Actual	%
Revenues	512	100%	510	100%	-2.4	0%	1,030	100%
Incr. %	3%		2%				3%	
EBITDA	61	12%	66	13%	4.5	7%	144	14%
Incr. %	-2%		5%				5%	
EBIT recurring	31	6%	35	7%	3.5	11%	81	8%
Incr. %	-7%		3%				1%	
Net Income	9.5	2%	6.4	1%	-3.1	-33%	13.9	1%
Incr. %	-29%		-52%				-77%	
Adj. Net Income	9.5	2%	15.4	3%	5.9	62%	40.7	4%
Incr. %	-45%		-10%				20%	
NF Position	(880)		(877)				(877)	

Source: EQUITA SIM estimates

In 1H11 the top line grew by +2.5% or by +2.7% LFL (+2.2% LFL in 2Q11, with this growth attributable to the volume/mix effect.

The increase in revenue (+2.5%) led to EBITDA growth (+4.6%), which, however, was completely wiped out by an increase in depreciation (+9% YoY) and rental expenses (+12% YoY) as a consequence of the investment strategy required to maintain the Group's competitiveness as well as the impact of sale and leaseback transactions. In effect, recurring EBIT was € 81 mn, substantially stable compared with 1H10.

Reported EBIT reported declined to € 54.5 mn in 1H11 from € 105.9 mn in 1H10 mainly because of non-recurrent items, i.e. € 25.3 mn of costs in 1H11 due to the reorganization of support functions at the headquarters and regional offices, currently underway, including provisions amounting to almost € 18 mn, and a capital gain of € 30 mn recognized in 1H10 on the disposal of the Medical Analysis business in France.

NFP was stable compared to 2010 year-end at € -877 mn, thanks to tight management of capex (€ 26 mn vs. € 56 mn in 1H10).

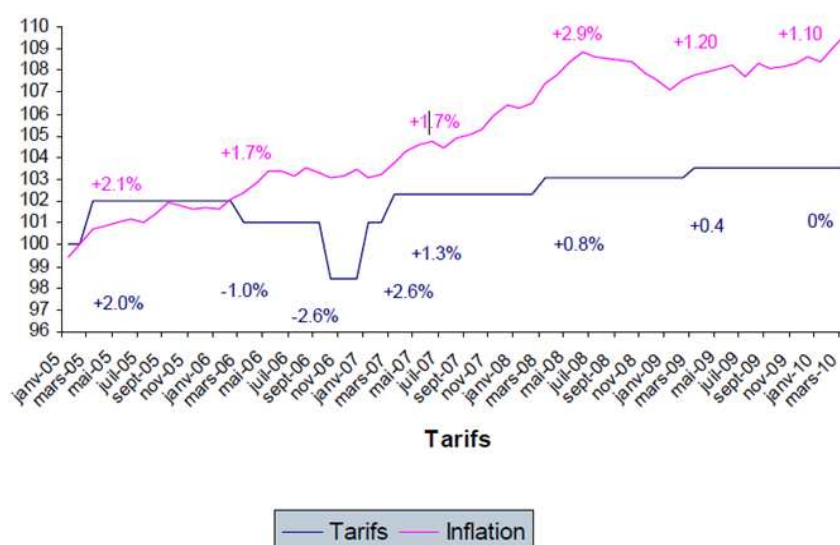
New strategy: centres of excellence and cost efficiency

GDS is implementing a new strategy that envisages:

- Reorganization: with the creation of 20 centres of excellence (known as "poles" in France), each specialized in a specific medical activity
- Development of cost efficiency: purchasing, processes and corporate
- Market share growth: to be achieved vs. both the public sector and to the less efficient part of the private sector, thanks to the higher standard of services offered, thus underpinning organic growth
- Further asset disposal.

The GDS business model is quite resilient, with historical volume growth of around 2-3% p.a. and a price trend oscillating between 0 and +1.3%.

GDS: TARIFFS TREND



Source: Company data

In forthcoming years, volume growth and greater efficiency in terms of operating costs should make up for the increase of labour costs (historically in the range of +2/+2.5% p.a.) and make it possible to increase EBIT margin from 5.7% in 2010 to 7.5% in 2014E. The main risk for our estimates is any pressure on prices engendered by the French government's austerity plans.

We have fine-tuned our estimates for GDS. Specifically, we have increased 2011E-2013E EBITDA by 5% on average, now projecting greater cost efficiency and incorporating in 2011E one-off restructuring costs. As a result, estimated 2011E-2013E adj. earnings increase by +11%.

GDS: CHANGE IN ESTIMATES (€ mn)

Group/€ mn	2011E Prev.	%	2011E Curr.	%	Chg.	2012E Prev.	%	2012E Curr.	%	Chg.	2013E Prev.	%	2013E Curr.	%	Chg.
Revenues	1,982	100%	1,982	100%	0%	2,032	100%	2,032	100%	0%	2,082	100%	2,082	100%	0%
Incr. %	3%		3%			2%		2%			2%		2%		
EBITDA	241	12%	252	13%	5%	247	12%	259	13%	5%	254	12%	268	13%	6%
Incr. %	5%		10%			3%		3%			3%		3%		
Net Income	36	2%	25	1%	-32%	39	2%	44	2%	11%	43	2%	49	2%	12%
Incr. %	3%		-30%			9%		77%			11%		12%		
Adj. Net Income	36	2%	40	2%	11%	39	2%	44	2%	11%	43	2%	49	2%	12%
Incr. %	-11%		-1%			9%		9%			11%		12%		
NF Position	(878)		(873)		1%	(867)		(869)		0%	(843)		(849)		-1%

Source: Company data and EQUITA SIM estimates

We have updated our valuation of GDS (based on DCF and market multiples). It is now € 14.5 PS (vs. previous € 12.7 PS) or € 139 mn proportionally for DEA's stake (vs. previous € 110 mn) by virtue of increase of estimates and rolling of valuation to 2011.

This is equivalent to 2011E-2012E EV/EBITDA = 6.6x-6.4x (vs. sector's 8.5x-7.4x) and P/E = 20x-18x (vs. sector's 14.4x-12.1x).

The Santé stake is carried in DEA's accounts at a value of € 273 mn and corresponds to a GDS per-share value of € 21.1 PS (equivalent to implicit 2011E EV/EBITDA = 8.3x and P/E = 30x).

GÉNÉRALE DE SANTÉ: MAIN FIGURES (€ MN)								
P&L account (€ mn.)	2010	%	2011E	%	2012E	%	2013E	%
Revenues	1,926		1,982		2,031		2,082	
Change%	-5.9%		2.9%		2.5%		2.5%	
Labour cost	-881.7	-45.8%	-893.4	-45.1%	-919.9	-45.3%	-947.2	-45.5%
Purchases of consumables	-366.1	-19.0%	-378.6	-19.1%	-384.0	-18.9%	-389.4	-18.7%
Taxes and duties	-83.1	-4.3%	-81.3	-4.1%	-81.3	-4.0%	-83.3	-4.0%
Other operating income and expenses	-231.1	-12.0%	-227.6	-11.5%	-227.6	-11.2%	-227.6	-10.9%
EBITDAR	364.1	18.9%	401.1	20.2%	418.8	20.6%	434.8	20.9%
Change%	-2.0%		10.2%		4.4%		3.8%	
Rental expenses	-134.9	-7.0%	-149.3	-7.5%	-159.3	-7.8%	-166.6	-8.0%
Change%	0.1%		10.7%		6.7%		4.6%	
EBITDA	229.2	11.9%	251.8	12.7%	259.5	12.8%	268.2	12.9%
Change%	-3.3%		9.8%		3.1%		3.3%	
Depreciation and amortization	-120.1	-6.2%	-121.0	-6.1%	-121.0	-6.0%	-121.0	-5.8%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBIT recurring	109.1	5.7%	130.8	6.6%	138.5	6.8%	147.2	7.1%
Change%	-6.0%		19.9%		5.9%		6.3%	
Others income and expenses	-5.2	-0.3%	-26.8	-1.4%	0.0	0.0%	0.0	0.0%
EBIT	103.9	5.4%	104.0	5.2%	138.5	6.8%	147.2	7.1%
Change%	-20.9%		0.1%		33.2%		6.3%	
Financial charges	-46.4	-2.4%	-53.9	-2.7%	-55.0	-2.7%	-54.2	-2.6%
Other financial expenses	-5.0	-0.3%	0.0	0.0%	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	52.5	2.7%	50.0	2.5%	83.5	4.1%	93.0	4.5%
Change%	-26.9%		-4.7%		66.8%		11.4%	
Taxes	-14.6	-0.8%	-21.5	-1.1%	-35.9	-1.8%	-40.0	-1.9%
Minorities	-2.9	-0.2%	-4.0	-0.2%	-4.1	-0.2%	-4.2	-0.2%
Net Profit	35.0	1.8%	24.5	1.2%	43.5	2.1%	48.8	2.3%
Change%	-17.5%		-29.9%		77.4%		12.2%	
Adjusted Net Profit	40.2	2.1%	39.8	2.0%	43.5	2.1%	48.8	2.3%
Change%	28.0%		-1.0%		9.3%		12.2%	
Cash-flow	155.1	8.1%	145.5	7.3%	164.5	8.1%	169.8	8.2%
Change%	-5.0%		-6.2%		13.0%		3.2%	
Adjusted Cash-Flow	160.3	8.3%	160.8	8.1%	164.5	8.1%	169.8	8.2%
Change%	5.3%		0.3%		2.3%		3.2%	
Tax rate	27.8%		43.0%		43.0%		43.0%	
Capital Expenditure	89.4		90.0		100.0		95.0	
Other net investments	-97.1		-25.0		0.0		0.0	
NFP	-871.4		-873.2		-868.9		-849.2	

Source: EQUITA SIM estimates

In our opinion, although DEA's objective is to divest its private equity holdings, in the case of GDS (of which DEA indirectly owns 36% via Santé – 43% DeA, 10% Mediobanca, and 47% Ligresti), given the options available to improve the company's fundamentals before a **slightly later exit, we think exit is likely as from 2013.**

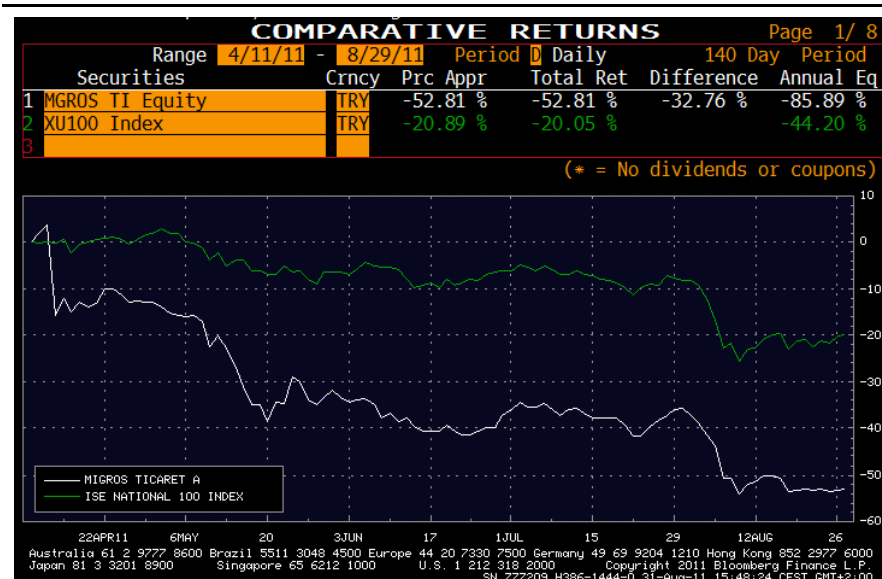
Migros (Turkish mass-market retailing – 23% of our NAV).

On 11 April 2011 Kenan closed the placement of 17.4% of Migros at TL 25 PS (2011E-2012E EV/EBITDA = 14x-11x), with a 25% discount vs. market prices, enabling the legal vehicle to collect TL 774 mn (€ 355 mn) and € 50.5 mn for DEA (retaining € 50 mn in the Kenan vehicle for possible needs). DEA now consequently has an indirect 13.7% stake in Migros.

The stake in Kenan, the legal vehicle controlling 80.6% of Migros Turk (headed by BC Partners and in which DEA owns a 17% interest), is carried in DEA 's accounts at a value of € 195.6 mn and corresponds to a valuation of Migros stock of TL 19.5 PS (vs. the valuation of about TL 14 PS at 2010 year-end and a market price of TL 14.2 PS).

At the moment, sell-side consensus for the stock is quite positive, with 10 positive and 4 neutral recommendations, and an average target price for the stock of TL 23.52 PS (62% upside vs. market prices).

Migros has underperformed the Turkish ISE-100 index by 32% since Kenan's placement, despite the defensive nature of the business. In our opinion this was due to disappointing 1Q11 results (which reflected restructuring costs for the hard-discount player Şok and forex losses caused by depreciation of the Turkish lira vs. the Euro) and also to the sale of Şok at lower multiples than expected (2010 EV/Sales = 0.5x vs. 1x for Migros).

MIGROS: STOCK PRICE PERFORMANCE

Source: Bloomberg

Migros's 2Q11 results instead showed the sustainability of growth (top line +11.2% YoY) and the first positive effects on margins following the sale of Şok (EBITDA margin 6.3% vs. 4.6% in 1Q11). Management provided details on the store inauguration plan, with double-digit top-line growth expected in forthcoming years.

MIGROS: QUARTERLY FINANCIAL HIGHLIGHTS

- Double digit sales growth in both quarters

Quarterly Consolidated Sales (TL million)

**Quarterly Gross Profit Analysis**

- Gross profit improvement realized in both quarters
- Gross profit growth above sales growth

Quarterly Gross Profit (TL million)



Margin

25.7% 26.5% 25.7% 26.1%

Quarterly EBITDA Analysis

- Solid EBITDA generation realized in both quarters

Quarterly EBITDA (TL million)



Margin

6.4% 6.8% 6.1% 6.3%

Source: Company presentation

MIGROS: 1H11 RESULTS

Group/€ mn	1H10	%	1H11 Expect.	%	1H11 Actual	%	Change abs	Change %
Revenues	2,383	100%	2,645	100%	2,640	100%	-5.1	0%
Incr. %	-		11%		11%			
EBITDA	156	12%	167	6%	173	7%	6.2	4%
Incr. %	-		7%		11%			
EBIT	109	6%	87	3%	98	4%	11.6	13%
Incr. %	-		-21%		-10%			
Net Income	146	2%	(348)	-13%	(327)	-12%	21.0	-6%
Incr. %	-		-338%		n.m.			
Adj. Net Income	(27)	2%	(28)	-1%	15	1%	42.8	-153%
Incr. %	-		-119%		n.m.			
NF Position	(1,411)		(1,800)		(1,801)		-1.0	0%

Source: Company data and Equita SIM estimates *1H10 restated for Sok disposal

Management provided details on the new store plan roll-out, with double-digit top-line growth expected in forthcoming years.

MIGROS: GUIDANCE**New Store Openings - 2011****Number of Stores**

	2010 A Year End	Previous Investment Program (Budget)	New Investment Program	2011 E Year End
Hypermarket	11	3	4-5	15-16
Supermarkets	637	40-45	60-65	697-702
Total	648	43-48	64-70	712-718

2012 and beyond

The Company plans to open around 100 supermarkets and 2-3 hypermarkets each year in 2012 and 2013.

Source: Company presentation

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

EMERGING MARKET FOOD RETAILER															
Company	DESCRIPTION			EV/SALES			EV/EBITDA			EV/EBIT			P/E		
	Currency	Price	Mkt cap (€ mn)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E
EUROCASH	PLN	24.4	805	0.5 x	0.3 x	0.3 x	15.0 x	11.0 x	8.3 x	20.0 x	14.6 x	10.9 x	25.3 x	18.8 x	14.1 x
LIANHUA SUPERM-H	HKD	13.3	1,325	0.3 x	0.3 x	0.2 x	6.5 x	5.8 x	4.6 x	12.2 x	10.0 x	7.7 x	23.4 x	18.5 x	15.9 x
WOOLWORTHS LTD	AUD	25.2	22,679	0.6 x	0.6 x	0.6 x	8.5 x	8.2 x	8.0 x	10.8 x	10.4 x	10.2 x	15.5 x	14.4 x	13.9 x
LOTTE SHOPPING	KRW	436,500	8,231	1.2 x	1.0 x	0.9 x	10.5 x	8.8 x	7.8 x	13.7 x	11.2 x	9.9 x	14.1 x	11.6 x	10.1 x
MAGNIT	USD	104.0	6,410	1.3 x	0.9 x	0.7 x	15.9 x	12.5 x	9.3 x	20.2 x	17.2 x	12.7 x	27.0 x	21.9 x	15.7 x
PICK'N PAY STORE	ZAr	3,758	1,777	0.3 x	0.3 x	0.3 x	7.4 x	7.7 x	7.5 x	10.5 x	11.6 x	11.4 x	15.9 x	18.8 x	18.8 x
SHOPRITE HLDGS	ZAr	10,760	5,768	0.8 x	0.8 x	0.7 x	13.4 x	11.9 x	10.2 x	16.5 x	14.8 x	12.4 x	24.5 x	21.5 x	17.7 x
WALMART DE MEX-V	MXN	32.5	32,090	1.7 x	1.5 x	1.3 x	17.0 x	14.7 x	12.5 x	20.7 x	18.2 x	15.1 x	29.6 x	26.3 x	22.1 x
SORIANA-B	MXN	30.8	3,074	0.6 x	0.6 x	0.5 x	8.6 x	7.9 x	7.1 x	12.1 x	10.8 x	9.8 x	17.6 x	15.7 x	14.5 x
LOJAS AMERIC-PRF	BRL	14.9	4,792	1.4 x	1.2 x	1.1 x	10.6 x	8.9 x	7.4 x	12.7 x	10.3 x	8.6 x	43.0 x	31.0 x	23.1 x
BIM BIRLESIK MAG	TRY	55.0	3,356	1.2 x	1.0 x	0.8 x	23.2 x	19.0 x	15.5 x	28.5 x	22.9 x	18.5 x	35.4 x	29.1 x	24.4 x
X 5 RETAIL-GDR	USD	34.9	6,482	1.1 x	0.8 x	0.6 x	13.5 x	10.6 x	7.8 x	20.2 x	15.7 x	11.4 x	32.8 x	24.7 x	16.2 x
JERONIMO MARTINS	EUR	13.0	8,171	1.0 x	0.9 x	0.8 x	13.8 x	11.7 x	9.9 x	19.7 x	16.5 x	13.9 x	29.0 x	22.4 x	18.5 x
Average				0.9 x	0.8 x	0.7 x	12.6 x	10.7 x	8.9 x	16.7 x	14.2 x	11.7 x	25.6 x	21.1 x	17.3 x
Median				1.0 x	0.8 x	0.7 x	13.4 x	10.6 x	8.0 x	16.5 x	14.6 x	11.4 x	25.3 x	21.5 x	16.2 x
Max				1.7 x	1.5 x	1.3 x	23.2 x	19.0 x	15.5 x	28.5 x	22.9 x	18.5 x	43.0 x	31.0 x	24.4 x
Min				0.3 x	0.3 x	0.2 x	6.5 x	5.8 x	4.6 x	10.5 x	10.0 x	7.7 x	14.1 x	11.6 x	10.1 x
MIGROS TURK	TRY	14.2	1,010	0.6 x	0.6 x	0.5 x	11.4 x	9.7 x	8.0 x	19.7 x	16.5 x	13.9 x	n.m.	n.m.	33.7x

Source: Bloomberg prices and consensus

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	12,238	1.9 x	26%	x
Tesco	33,574	1.4 x	17%	x
Walmart	131,014	1.0 x	25%	
Sainsbury	6,254	1.4 x	0%	
Metro Group	9,919	1.0 x	29%	x
Ahold	9,290	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 our NAV we now value the Migros stake at market prices, i.e. TL 14.2 or € 139 mn, believing that the price is now meaningful as floating stock has been restored to about 19.5% (the other 80.5% is held by Kenan).

In our opinion, as far as DEA's stake in Migros is concerned, the prerequisites exist for short-term exit (in the next 6-12 months). Although the current price of Migros is 43% lower than that of the April placement, BC Partners (which controls the Kenan holding company) has already cashed in 82% of its initial investment (41% for DEA). We therefore do not rule out further placement at the end of the lock-up period (October 2011) and/or sale to a trade buyer (e.g. Carrefour, Metro or Tesco).

MIGROS TURK: MAIN FIGURES (YTL MN)

P&L account (TRY mn.)	2010	%	2011E	%	2012E	%	2013E	%
Revenues	6,365		5,733		6,307		6,811	
Change%	11.4%		-9.9%		10.0%		8.0%	
Organic growth%	11.4%		11.0%		10.0%		8.0%	
Cost of sales	-4,781.4	-75.1%	-4,282.8	-74.7%	-4,698.4	-74.5%	-5,040.2	-74.0%
Gross Profit	1,583.7	24.9%	1,450.5	25.3%	1,608.2	25.5%	1,770.9	26.0%
Change%	10.5%		-8.4%		10.9%		10.1%	
Operating expense	-1,226	-19.3%	-1,084	-18.9%	-1,192	-18.9%	-1,308	-19.2%
EBITDA	357.4	5.6%	366.9	6.4%	416.2	6.6%	463.2	6.8%
Change%	-10.0%	397	2.7%	-7.7%	13.4%		11.3%	
Depreciation and amortization	-129.5	-2.0%	-150.0	-2.6%	-170.0	-2.7%	-180.0	-2.6%
Others	-9.6	-0.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBIT	218.3	3.4%	216.9	3.8%	246.2	3.9%	283.2	5.0%
Change%	-17.8%		-0.6%		13.5%		15.0%	
Net financial income	-156.7	-2.5%	-96.0	-1.7%	-89.0	-1.4%	-77.0	-1.1%
Due date difference on sale (purchase)	-57.0	-0.9%	-51.6	-0.9%	-56.8	-0.9%	-61.3	-0.9%
FX	74.3	1.2%	-300.0	-5.2%	0.0	0.0%	0.0	0.0%
Net other income/expense	0.0	0.0%	357.0	6.2%	0.0	0.0%	0.0	0.0%
Pre tax profit	78.8	1.2%	126.3	2.2%	100.5	1.6%	144.9	2.1%
Change%	-41.5%		60.3%		-20.5%		44.2%	
Taxes	-34.1	-0.5%	-106.6	-1.9%	-25.1	-0.4%	-36.2	-0.5%
Profit on continuing operations	44.8	0.7%	19.7		75.4		108.6	
Change%	-59.2%		-55.9%		281.6%		44.2%	
Profit/(loss) on disc. operations	0.0	0.0%	-45.7	-0.8%	0.0	0.0%	0.0	0.0%
Minorities	-2.1	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Net Profit	42.7	0.7%	-26.0	-0.5%	75.4	1.2%	108.6	1.6%
Change%	-60.5%		-160.8%		-390.4%		44.2%	
Adjusted Net Profit	-31.6	-0.5%	-37.3	-0.6%	75.4	1.2%	108.6	1.6%
Change%	-119.3%		17.9%		-302.3%		44.2%	
Cash-flow	181.8	2.9%	124.0	2.2%	245.4	3.9%	288.6	4.2%
Change%	-24.2%		-31.8%		97.8%		17.6%	
Adjusted Cash-Flow	107.6	1.7%	112.7	2.0%	245.4	3.9%	288.6	4.2%
Change%	-63.6%		4.8%		117.6%		17.6%	

Source: EQUITA SIM estimates

CONCLUSION: exit from private equity investments and focus on alternative asset management should permit closure of discount on NAV.

Even although the stock has already achieved excellent YTD performance (15.2% absolute and +38.5% relative to FTSE MIB and +34% relative to the LPX50TR index - covering the main European private equity players), we confirm our positive view of the stock in the light of:

1. **The significant discount on Equita NAV:** 37% (52% on reported) – with good exposure to defensive sectors (45% of NAV)
2. **Further M&A deals:** for Migros exist in the next 6-12 months is likely while for GDS it is likely as from 2013
3. **Distribution of liquidity** via buybacks and/or extraordinary dividends
4. **Focus on alternative asset management** (which assures cash-flow stability): October will mark the start of operation of Idea Fimit (the entity created by the merger of First Atlantic and Fimit), the first independent Italian real-estate asset management company (with € 8 bn of AUM and € 22-23 mn of 2011E earnings), of which DEA will be the majority shareholder (with 61.3% of voting rights)
5. **The sound financial structure:** positive NFP at holding-company level (€ 20 mn) and over € 150 mn cash available, including committed lines of credit.

SENSITIVITY

DEA: SENSITIVITY TO MIGROS AND GENERALE DE SANTE PRICE			
GDS STOCK PRICE	MIGROS STOCK PRICE		
	TL 8.3 PS	TL 14.3 PS	TL 20.3 PS
€ 11.5 PS	1.7	1.9	2.1
€ 14.5 PS	1.9	2.1	2.3
€ 17.5 PS	2.1	2.3	2.5

Source: EQUITA SIM estimate

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 EQUITA SIM 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)

In the past EQUITA SIM has published studies on Dea Capital.

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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 >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE (OLD ONES IN BRACKETS):

Date	Rec.	Target Price (€)	Risk	Comment
11 April 2011	BUY (BUY)	2.0 (1.71)	High	Change in valuation

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EQUITY RATING DISPERSION AS OF JUNE 30, 2011 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	49.4%	51.9%
HOLD	44.3%	44.2%
REDUCE	5.7%	3.8%
NOT RATED	0.6%	0.0%