

PRESS RELEASE

**BOARD OF DIRECTORS APPROVES
HALF-YEARLY FINANCIAL STATEMENTS AT JUNE 30, 2008**

Consolidated financial results at June 30, 2008

- **NAV (Net Asset Value) € 2.78 per share (against € 2.77 per share at March 31, 2008 and € 2.78 per share at December 31, 2007)**
- **Investment portfolio grows to € 583.2 million (up from € 433.2 million at December 31, 2007)**
- **Positive Net financial position of € 262.5 million (against € 415.9 million at December 31, 2007)**

The Board of Directors approves to submit to the Shareholders Meeting an investment plan of 1.5 million warrants, to certain managers of the Company and of the Shareholder De Agostini S.p.A.

Analysis of consolidated financial results at June 30, 2008

Milan, August 29, 2008 – The Board of Directors of **DeA Capital S.p.A.** met today to examine and approve the half-yearly financial statements at June 30, 2008.

At the end of the first half of 2008, the **NAV** stands at € 2.78 per share, against € 2.77 per share at March 31, 2008 and € 2.78 per share at December 31, 2007.

Net consolidated equity totals € 848.1 million, comprising € 583.2 million from the investment portfolio, up from € 433.2 million at the end of 2007, primarily reflecting the investments in DeA Alternative Investments and Migros Turk; and € 262.5 million in net financial position, reduced by effect of the aforementioned investments; and € 2.4 million in receivables and other net assets.

Group net financial position is a positive € 262.5 million at June 30, 2008, against € 405.5 million at March 31, 2008 and € 415.9 million at December 31, 2007, with the variation reflecting the following:

- Net investments in shareholdings totaling € 154.4 million, comprising:
 - € 57.9 million (net of related costs) for the purchase of a shareholding in IDeA Alternative Investments;
 - € 81.2 million for the purchase of a shareholding in Kenan Investments SA (consortium which includes BC Partners, DeA Capital and Turkven; controlling shareholder of Migros Turk);
 - € 11.1 million relating to the Sigla Luxembourg share capital increase (€ 10.2 million) and the Santé share capital increase (€ 0.9 million);
 - € 4.2 million linked to investment in funds (IDeA I FoF, IDeA COIF I and venture capital funds);
- € 3.2 million investment in the plan to acquire treasury shares;
- operations cash flow (primarily comprising income from financial instruments and derivatives, net of current expenses), dividends received by IDeA Alternative Investments and other movements, totaling € 4.2 million.

The net financial position includes € 18.8 million related to an interest bearing investor loan to Moonlight Capital SA, the indirect controlling shareholder of Migros Turk, a subsidiary of Kenan Investments SA, bringing the total DeA Capital Group investment in Migros Turk to € 100 million.

The Group recorded a **net loss** for this period of € 0.8 million, against net profit of € 4.6 million for the same period last year. **Profit before tax** was up, however, from € 3.5 million for the first half of last year to € 4.2 million for this year. The negative difference between the two periods is largely the result of deferred taxation recorded in the first half of 2008 for € 3.8 million (this item did not feature in the Income Statement for the first half of 2007) and the result from discontinued operations of € 1.5 million, reported during the first half of 2007 (this item is not present in 2008).

Group Statement of Performance - IAS1, which reflects fair value adjustments to the investment portfolio, taken directly to net equity, in accordance with IAS/IFRS, shows a negative balance of € 2.1 million for the first half of 2008, against a positive balance of € 16.9 million for the first half of last year. This result is largely due to movements in the fair value of private equity and venture capital funds in the Group portfolio, partially offset by the positive variation in hedging contracts taken out to cover interest rate risk on the Santè Group debt (Générale de Santè).

Subsequent to June 30, 2008, the following events took place:

- On July 25, 2008, agreements were signed to purchase a 70% shareholding in First Atlantic Real Estate Holding, for € 71.5 million, including the net cash held by the group acquired;
- On July 30, 2008, a financing contract was signed for a maximum of € 150 million, to support the completion of the 2007-2009 investment plan;
- During August 2008, the purchase on the market of shares in Migros Turk by an indirect subsidiary company of Kenan Investments SA brought the investment held in this Turkish company from 50.8% to 81.6%. these purchases led to DeA Capital providing a further € 75 million to Moonlight Capital SA as an interest-bearing loan, bringing the total investment to € 175 million. At today's date, the final steps are underway to prepare for the launch of a public offer relating to the remaining Migros Turk shares, noting that the total DeA Capital investment will not increase above € 175 million.

Investment plan of 1.5 million warrants

The Board of Directors of DeA Capital S.p.A., also, approved the submission to the ordinary session of the meeting of Company shareholders the adoption of an investment plan, through the offer of warrants to certain Company managers and managers of the controlling shareholder De Agostini S.p.A., deemed by the Board of Directors of the Company to hold positions of strategic importance in relation to Company operations (hereafter "the Plan").

The Plan will be carried out with the issue of warrant options denominated "DeA Capital 2008-2012 Warrant", to be offered in subscription, on a payment basis, to the aforementioned managers of the Company and the controlling shareholder De Agostini S.p.A (hereafter "the Warrants"). The Warrants will confer to each holder the right to subscribe to ordinary shares newly issued by the Company with a nominal value of € 1, on the basis of one share for each Warrant. Alternatively, the Company will have the option to transfer to holders treasury shares held in the Company portfolio at the date of the exercise of the Warrant, in accordance with current legislation.

The Warrants will be registered, freely transferable to third parties, and are not expected to be listed in any regulated stock market, in Italy or abroad. The maximum number of Warrants which can be offered is 1,500,000.

The subscription price for each Warrant, which will be paid to the Company at the time of subscription, will be equivalent to € 0.58, based on the fair value estimate carried out by the Board of Directors, with the support of independent valuations.

The Warrants can be subscribed any time from the registration with the Companies Register of the resolution of the extraordinary session of the Company shareholders' meeting in relation to the issue of the Warrants, up to and including December 31, 2008, by the persons identified by the Board of Directors of the Company. These persons, at the time of offer of the Warrants, and at the time of subscription to the aforementioned financial instruments, are to be Company employees and/or employees of the controlling shareholder De Agostini S.p.A..

The Warrants can be exercised by holders on any date between October 1, 2011 and March 31, 2012, inclusive, in accordance with the Warrant Terms and Conditions and, in particular, on condition that the

official price of Company shares, recorded on at least one date between September 25, 2011 and March 20, 2012, is equal to or higher than € 2.15. The exercise price of the Warrants will be € 1.92, equivalent to the official listed price of Company shares at August 28, 2008, being the day prior to the meeting of the Board of Directors to deliberate the submission for approval of the Plan to the ordinary session of the Company shareholders' meeting. This exercise price is higher than the arithmetic mean of the official price of Company shares recorded during the last half year and the last quarter.

The objective of the Plan is to reward, across the medium/long term, the contribution given to the Company by those who hold the key positions in the Company and in the controlling shareholder, De Agostini, in relation to the operations of the Company.

Among the beneficiaries of the Plan to whom the Warrants will be offered, the Board of Directors of the Company have identified the CEO Mr. Paolo Ceretti; the CFO Mr. Manolo Santilli and the Investment Director Mr. Tommaso Micaglio, subject to the approval of the Plan by the shareholders' meeting.

Furthermore, the Board of Directors of the Company, in order to carry out the Plan, have resolved to give the Chairman the power to set the date of the Shareholders' meeting to deliberate:

- 1) the adoption of the Plan;
- 2) the issue of 1,500,000 Warrants and
- 3) a divisible share capital increase, in accordance with Article 2439, section 2, of the Italian Civil Code, with the exclusion of option rights in accordance with the combination provided under Article 2441, section 8 of the Italian Civil Code, and Article 134, section 2, of Legislative Decree no. 58 of February 24, 1998, to be realized with the issue of a maximum of 1,500,000 ordinary shares with a nominal value of € 1, destined exclusively and irrevocably to the exercise of the aforementioned Warrants.

This share capital increase can be partially or entirely carried out and subscribed before the expiry of the exercise period for the Warrants and from October 1, 2011 to March 31, 2012, with the explicit authorization of the Directors to issue the new shares for subscription.

DECLARATION BY THE MANAGER RESPONSIBLE FOR FINANCIAL REPORTING

The manager responsible for financial reporting, Manolo Santilli, hereby declares, pursuant to Art. 154 (ii) section 2 of the Financial Securities Act, that the financial details contained in the current press release correspond to the results of the books and accounting entries of the Company.

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Enclosed are the consolidated balance sheet and income statement at 30 June, 2008 and a summary of the financial results of the main direct and indirect investments.

Consolidated Balance Sheet

(Thousand Euro)	June 30, 2008	Year 2007
ASSETS		
Non-current assets		
<i>Intangible and tangible assets</i>		
Intangible assets	73	7
Property, plant and equipment	231	194
Total intangible and tangible assets	304	201
<i>Investments</i>		
Investments in associates	379.478	365.995
Investments in other companies- available for sale	84.323	3.349
Funds-available for sale	62.278	63.852
Receivables	-	-
Total Investments	526.079	433.196
<i>Other non-current assets</i>		
Deferred tax assets	-	3.790
Other non-current assets	-	-
Total other non-current assets	-	3.790
Total non-current assets	526.383	437.187
Current assets		
Cash and cash equivalents	243.651	403.264
Current financial assets-FVTPL	-	-
Receivables	23.127	14.948
Total Attività correnti	266.778	418.212
Total current assets	266.778	418.212
Assets related to Joint Venture	58.600	-
Assets held for sale	-	-
TOTAL ASSETS	851.761	855.399
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Net equity Group	848.067	852.966
Minority interests	-	-
Shareholders' equity	848.067	852.966
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	-	-
Provisions for risks and charges		66
Provisions for employee termination benefits	98	52
Total non-current liabilities	98	118
Current liabilities		
Current financial liabilities	-	-
Trade payables	1.037	1.343
Current tax payables	978	942
Other payables	77	30
Total current liabilities	2.092	2.315
Liabilities related to Joint Venture	1.504	-
Liabilities held for sale	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	851.761	855.399

Consolidated Income Statement

(Thousand Euro)	First Half 2008	First Half 2007
Fees from Alternative Asset Management	0	0
Fees from Alternative Asset Management-Joint Venture	1.167	0
Share of profit (loss) of associates (equity method)	(2.590)	0
Share of profit (loss) of associates (equity method)-Joint Venture	250	0
Other income/expenses from Investments	335	500
Other income/expenses	76	22
Other income/expenses-Joint Venture	0	0
Personnel	(1.105)	(452)
Services	(2.093)	(1.607)
Depreciation, amortization and writedowns	(63)	(12)
Costs related to Joint Venture (tax excluded)	(471)	0
Financial Income	9.826	7.616
Financial Expenses	(1.092)	(2.592)
PROFIT/(LOSS) BEFORE TAXES	4.240	3.475
Income taxes	(4.698)	(410)
Income taxes-Joint Venture	(296)	0
PROFIT/(LOSS) FOR THE PERIOD- CONTINUING ACTIVITIES	(754)	3.065
Result from discontinued operations	0	1.536
PROFIT/(LOSS) FOR THE PERIOD	(754)	4.601
- Attributable to the Parent company shareholders	(754)	4.601
- Attributable to Minority Interests	0	0
Earnings per share, basic	(0,002)	0,045
Earnings per share, diluted	(0,002)	0,045

Consolidated Statement of Cash Flow

(Euro thousand)	First Half 2008	First Half 2007
CASH FLOWS from operating activities		
Acquisition of investments	(154.393)	(83.721)
Return of capital from funds	11.707	0
Proceeds from the sale of investments	0	4.921
Interest received	5.884	2.993
Interest paid	0	(3)
Proceeds from distributions of realized gains on investments	335	844
Proceeds from realized gains (losses) on exchange rate derivatives	1.558	291
Proceeds from other realized income	0	3
Taxes paid	(732)	(664)
Dividends	1.442	0
Management fees received	0	0
Operating expenses paid	(3.362)	(4.240)
Cash flows from operating activities	(137.561)	(79.576)
CASH FLOWS from investing activities		
Acquisition of property, plant and equipment	(84)	0
Proceeds from the sale of property, plant and equipment	0	0
Acquisition of licences	(82)	0
Cash flows from investing activities	(166)	0
CASH FLOWS from financing activities		
Purchase of financial assets	0	0
Proceeds from the sale of financial assets	342	60.700
Share capital Issued	0	0
Share capital issued-stock option plan	0	50
Treasury shares purchase	(3.153)	0
Treasury shares disposal	0	0
Interest received from financial activities	0	0
Purchase of non-current assets	0	0
Investor loan	(18.827)	0
Option sold	0	0
Repayments of bank loan	0	0
Short term bank loan	0	0
Cash flows from financing activities	(21.638)	60.750
CHANGE IN CASH AND CASH EQUIVALENTS	(159.365)	(18.826)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	403.264	95.915
Cash and cash equivalents from assets held for sale	0	0
Cash and cash equivalents at beginning of period	403.264	95.915
EFFECTS OF CHANGES OF CONSOLIDATION AREA ON CASH AND CASH EQUIVALENTS	(248)	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	243.651	77.089
Assets held for sale and minority interests	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	243.651	77.089

Summary of the financial results (100%) of main direct and indirect investments

- **Générale de Santé (held through the controlling shareholder Santé SA)**

GDS, considered a *leading* company in the French private health care sector, and whose shares are listed on the Eurolist Market organized and managed by Euronext Paris S.A., comprises the first French network of private hospitals, and groups together a total of over 200 hospitals and centers, of which 194 are located in France, and which have a capacity of approximately 15,000 beds.

Générale de Santé (€ millions)	1st Half	1st Half	Change
	2008	2007	%
Revenues	1,024.5	985.0	+4.0
EBITDA	137.7	132.3	+4.1
EBIT	80.0	65.9	+21.4
Group net profit	25.7	35.3	-27.2



Santé SA's book value in DeA Capital's financial statements at June 30, 2008 amounted to € 338.1 million (representing a 43.0% shareholding).

- **Migros Turk (held through the controlling shareholder Kenan Investments)**

Migros Turk, founded in 1954, is the main *food retailer* in Turkey, with a market share of 22% of the organized distribution market, in a country in which the latter is growing compared to traditional operators.

Migros Turk currently manages approximately 1,000 points of sale, of which 16 are located in countries bordering Turkey. The Group's 2007 sales amounted to € 4.44 billion Turkish Lire (excluding the activities in Russia which were sold during 2007), representing a growth of 15%. Due to a program of new points of sale openings, Migros Turk aims to:

- maintain and reinforce its own *leadership* amongst supermarket chains;
- reinforce its own chain of *discount stores*;
- enter the hypermarket sector.

Migros Turk (TL millions)	1st Half	1st Half	Change
	2008	2007	%
Revenues	2,364.3	2,028.2	+16.6
EBIT	144.3	100.6	+43.5
Group net profit	127.0	79.4	+60.0



Kenan Investments SA's book value in DeA Capital's financial statements at June 30, 2008 amounted to € 81.2 million (representing an 18.5% shareholding). The total investment, including investor loans, is € 175 million.

- **Sigla (held through the controlling shareholder Sigla Luxembourg)**

On completion of the capital increases carried out during first-half 2008, the percentage shareholding in this company amounts to approximately 35% (up from approximately 30% at December 31, 2007).

The Sigla Group was established in 1982 and is specialized in the supply of personal loans to private clients. The Sigla Group provides finance to all types of clients with a diverse range of products, presenting itself as the benchmark operator for services to residential clients and operates throughout Italy through a network of credit intermediaries, *call centers*, *the internet* and its own direct points of sale.

Sigla (€ millions)	1st Half 2008	1st Half 2007	Change %
Client loans (*)	161.8	128.7	+25.7
Revenues	15.4	12.0	+27.9
Group net profit	-2.9	n.a.	n.a.

(*) Excluding salary-guaranteed loans



Sigla Luxembourg SA's book value in DeA Capital's financial statements at June 30, 2008 amounted to € 41.4 million (representing a 35% shareholding).

- **IDeA Alternative Investments**

IDeA Alternative Investments is a holding of management companies active in the Alternative Asset Management sector, and specifically in the management of private equity funds.

At June 30, 2008 IDeA Alternative Investments held combined *Assets under Management* totaling approximately € 1.8 billion (IDeA Capital Funds, Investitori Associati e Wise).

IDeA Alternative Investments (€ millions)	1st Half 2008	1st Half 2007	Change %
Commissions	4.2	n.s.	n.s.
Income from shareholdings valued at <i>equity</i> (Inv. Assoc., Wise)	2.8	n.s.	n.s.
Net income	4.4	n.s.	n.s.



During first half 2008, the overall activities relating to DeA Capital's *Alternative Asset Management* sector, today solely consisting of IDeA Alternative Investments, produced a profit of € 0.6 million, corresponding to the pro-rata share since the acquisition date (April 1, 2008). Had the acquisition taken place at the beginning of the year, DeA Capital's share (44.36%) of the profit would have amounted to € 1.9 million and the commissions (relating to IdeA Capital Funds, which is entirely consolidated into IdeA Alternative Investments) would have amounted to €1.9 million.

It should be noted that on May 30, 2008, DeA Capital S.p.A. received dividends for the 2007 financial year for approximately € 1.4 million (taken as a reduction in the acquisition cost of the investment).

IDeA Alternative Investments' net book value in DeA Capital's consolidated financial statements at June 30, 2008 amounted to € 57.1 million (representing a 44.4% shareholding).