DeA Capital S.p.A.

Annual Report at 31 December 2014

DeA Capital

DeA Capital S.p.A.
Registered Office at Via Brera, 21 - 20121 Milan
Share Capital of Euro 306,612,100 fully paid up
Tax Code, VAT reg. no. and Milan Register of Companies no. 07918170015

Notice of Shareholders' Meeting

DEA CAPITAL S.P.A.

Registered Office at Via Brera 21, 20121 Milan
Share capital of EUR 306,612,100, fully paid up
Tax Code, VAT reg. no. and Milan Register of Companies no. 07918170015,
Milan REA (Administrative Economic Register) 1833926
Company subject to the management and co-ordination of De Agostini S.p.A.

NOTICE OF SHAREHOLDERS' MEETING

All eligible persons are invited to attend the Ordinary and Extraordinary Shareholders' Meetings to be held at Spazio Chiossetto, Via Chiossetto 20, Milan:

- at 10 a.m. on 17 April 2015, on first call;

- at 10 a.m. on Monday, 20 April 2015, on second call,

to discuss and resolve upon the following

AGENDA

Ordinary shareholders' meeting

1. **Appointment of a director. Related and consequent resolutions;**
2. **Approval of the Annual Financial Statements for the Year Ended 31 December 2014. Partial distribution of the share premium reserve. Related and consequent resolutions. Presentation of the Consolidated Financial Statements of the Group headed by DeA Capital S.p.A. for the Year Ended 31 December 2014;**
3. **Authorisation to acquire and dispose of treasury shares. Related and consequent resolutions;**
4. **Amendment to the stock option plan and the performance share plan for 2013-2015 and 2014-2016. Related and consequent resolutions;**
5. **Approval of a performance share plan reserved for certain employees and/or directors with specific duties of DeA Capital S.p.A., its subsidiaries and parent company. Related and consequent resolutions;**
6. **Presentation of the DeA Capital S.p.A. Remuneration Report and advisory vote by the shareholders' meeting on the Remuneration Policy of DeA Capital S.p.A. (section I of the Remuneration Report), in accordance with art. 123-ter of Legislative Decree 58 of 24 February 1998, as subsequently amended and supplemented;**
7. **Granting of the mandate for the statutory financial audit for the years 2015-2023, in accordance with Legislative Decree 39/2010. Related and consequent resolutions.**

Extraordinary shareholders' meeting

1. **Amendment of the articles of association in order to introduce loyalty shares, pursuant to article 127-*quinquies* of Legislative Decree 58 of 24 February 1998. Related and consequent resolutions**.

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Presentation of proposals for deliberation/incorporation into the agenda

Shareholders representing, including jointly, at least 2.5% of the share capital may submit a request, within ten days of this notice being published (i.e. by 28 March 2015), for items to be incorporated into the meeting agenda, indicating on the request the topics suggested, and may also submit proposals for resolutions concerning items already on the agenda.
The request, together with the share ownership certificate issued, pursuant to the regulations in force, by the authorised intermediaries holding the ledgers in which the shareholders' shares are registered, must be submitted in writing, by hand or by recorded delivery and by the above deadline, to the Company's registered office, for the attention of the Investor Relations department, or sent by email to the address deacapital@legalmail.it, together with information confirming the identity of the shareholders submitting the request (a contact telephone number should also be provided). Shareholders submitting such requests must also provide, by the same deadline and by the same means, a report setting out the reasons for the proposed deliberation/incorporation onto the agenda of new items or further proposals for deliberation of items already on the agenda. The Company is responsible for notifying shareholders of the incorporation into the meeting agenda of any new items or proposals for deliberations on existing items, in the same form as for the publication of this notice convening shareholders' meetings, at least fifteen days before the scheduled first-call meeting date. At the same time as publication of the notice confirming incorporation into the agenda of new items or proposals for deliberations on existing items, the proposals for incorporation/deliberation, together with the corresponding reports submitted by the shareholders concerned and any opinion of the Board of Directors, must be made public pursuant to art. 125-ter, paragraph 1, of Legislative Decree no. 58/1998.

With the exception of proposals relating to the subject areas listed in art. 125-ter, paragraph 1, of Legislative Decree no. 58/1998, no additions may be made to the agenda if they relate to matters which, by law, must be decided by the shareholders' meeting at the proposal of the Board of Directors or on the basis of a plan or report prepared by the same.

Right to ask questions about items on the agenda

All holders of voting rights may raise questions about items on the agenda, including in advance of the meeting. Any questions, together with the share ownership certificate issued, pursuant to the regulations in force, by the authorised intermediaries holding the ledgers in which shareholders' shares are registered, must be sent to the Company's registered office (see the section "Registered Office" in this notice) for the attention of the Investor Relations department, by recorded-delivery letter, by fax to the number +39 02 62499599 or by email to the address ir@deacapital.it. Questions must be received by the Company before close of business on the third day before the scheduled meeting date (i.e. by **14 April 2015**). Provided that questions are received before the meeting and by the requisite deadline, a response will be provided, at the latest, during the meeting itself; a response is deemed to have been provided at a meeting if it is made available, on paper, to each of those entitled to vote at the start of the meeting. The Company may provide a single response to questions with the same content. The Company also reserves the right to provide the information requested by any questions received prior to the shareholders' meeting by displaying it on a dedicated "Questions and answers" page which can be accessed through the Company's website www.deacapital.it (Corporate Governance/Shareholders' Meetings). Where this is the case, no response need be given at the meeting.

Right to take part in meetings

Shareholders are eligible to take part in shareholders' meetings if they are registered as holding voting rights on the record date - i.e. by the close of business on the seventh trading day before the date scheduled for the first-call meeting (**8 April 2015**) - and if the requisite statement has been received from the authorised intermediary by the Company. Individuals who only become shareholders after that date will not be entitled to take part or vote in the shareholders' meeting.
The statement by the authorised intermediary referred to above must be received by the Company before close of business on the third trading day prior to the date scheduled for the first-call meeting. If the statement is received by the Company after this date, shareholders will, however, still be entitled to take part in the meeting and vote provided the statement is received before the start of the first-call meeting. It should be remembered that the statement is communicated to the Company by the authorised intermediary at the request of the individual holding the voting right.

Representation in meetings

All those entitled to take part in a meeting may appoint a representative by issuing a written proxy in accordance with the statutory and regulatory provisions in force. In this regard, it should be noted that a proxy may be granted with a digital document in electronic form, as defined in art. 135-novies, paragraph 6, of Legislative Decree 58/1998, and that the proxy-letter template provided at www.deacapital.it may be used for this purpose. The proxy may be sent to the Company by recorded delivery to the Company's registered office or by email to the Company's certified email address deacapital@pecserviziotitoli.it.
The proxy holder may provide or send a copy of the proxy to the Company instead of the original, certifying on his/her own responsibility that it is a true copy and confirming the proxy-giver's identity. Any advance notification does not release the proxy holder from the obligation to certify that the proxy is a true copy and to attest to the identity of the proxy-giver when he/she confirms his/her eligibility to take part in the shareholders' meeting.

Designated proxy holder

Proxies, with voting instructions for the items on the agenda, may be granted to Computershare S.p.A., which has its registered office at Via Lorenzo Mascheroni 19, Milan 20145, duly designated by the Company for this purpose, in accordance with art. 135-undecies of Legislative Decree 58/1998; a printable version of the relevant form to be signed may be downloaded from the website www.deacapital.it (under the section Corporate Governance/Shareholders' Meetings) or obtained from the Company's registered office or from the registered office of Computershare S.p.A. The original of the proxy, with voting instructions, must be received by Computershare S.p.A., Via Lorenzo Mascheroni 19, Milan 20145, by close of business on the penultimate trading day before the date scheduled for the first-call meeting or for any second-call meeting (i.e. by **15 April 2015** for the first-call meeting or by **16 April 2015** for the second-call meeting). A copy of the proxy, accompanied by a statement confirming that it is a true copy of the original, may be provided to the designated proxy holder by the above-mentioned deadlines by fax to +39 02 46776850, or appended to an email sent to the address ufficiomilano@pecserviziotitoli.it. The proxy is valid solely in respect of those items for which voting instructions are given. Proxies and voting instructions may be revoked by the deadlines specified above. Note that the statement to be communicated to the Company by the authorised intermediary, confirming the shareholder's eligibility to take part and exercise his voting rights in the shareholders' meeting, is also required if a proxy is granted to the designated proxy holder. By law, shares for which a proxy is granted, whether in full or in part, are taken into account in determining whether the shareholders' meeting is duly constituted, although proxies without voting instructions do not count for the purposes of calculating the majority and quorum required to pass resolutions. Details of the proxies granted to Computershare S.p.A. (which can be contacted for any queries by telephone on +39 02 46776811) are also available on the relevant proxy-letter template mentioned above.

Appointment of a director

Following the departure of a director, the shareholders' meeting, pursuant to art. 11 of the articles of association, must appoint a new director. Pursuant to art. 11 of the articles of association, if individual directors are appointed but not the entire Board of Directors, the resolution appointing them must be taken by the shareholders' meeting with the majority required by law and not in accordance with the voting lists mechanism, on the basis of proposals made by the shareholders.

Share capital and voting shares

The share capital is EUR 306,612,100 divided into 306,612,100 ordinary shares, each with a par value of EUR 1.00. Each ordinary share carries voting rights at the shareholders' meeting (except ordinary treasury shares, which on 16 March 2015 totalled 37,369,276, on which voting rights are suspended in accordance with the law).

Documentation and information

Please note that documentation relating to the items on the agenda that is required by law or under regulatory provisions will be made available to the public at the Company's registered office and published on the Company's website at www.deacapital.it (section Corporate Governance/Shareholders' Meetings) and on the approved storage site www.1info.it, as well as by the means and under the terms and conditions laid down in the regulations in force; shareholders and other parties entitled to take part in shareholders' meetings may obtain copies of this documentation. The following, in particular, will be made available to the public:

- at the same time as the publication of this notice, the Directors' Report on points 1, 2, 4, 5 and 7 of the ordinary shareholders' meeting and the detailed documentation required pursuant to art. 84-bis of the Issuer Regulations;
- the financial report and other documents referred to in art. 154-ter of the TUF, together with the directors' reports on the other items on the agenda of the ordinary shareholders' meeting and the sole item on the agenda of the extraordinary shareholders' meeting, to be made available at least 21 days before the scheduled meeting date (i.e. **27 March 2015**).

All eligible persons have the right to read and, on request, obtain a copy thereof.
This notice is published, pursuant to art. 125-bis of the TUF, on the Company's website (www.deacapital.it), in the other manners required by law, and as an extract in the newspaper Milano Finanza.

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Milan, 18 March 2015

For the Board of Directors
The Chairman of the Board of Directors
(Lorenzo Pellicioli)

Corporate Boards and Controlling Structure

Corporate information

DeA Capital S.p.A. is subject to the management and co-ordination of De Agostini S.p.A.
Registered office: Via Brera 21, Milan 20121, Italy

Share capital: EUR 306,612,100 (fully paid up), comprising 306,612,100 shares with a nominal value of EUR 1 each (including 34,985,736 treasury shares at 31 December 2014)

Tax code, VAT code and recorded in the Milan Register of Companies under no. 07918170015

Board of Directors (*)

Chairman
Lorenzo Pellicioli

Chief Executive Officer
Paolo Ceretti

Directors
Lino Benassi
Rosario Bifulco (1/4/5)
Marco Boroli
Marco Drago
Roberto Drago
Francesca Golfetto (1/3/5)
Severino Salvemini (2/3/5)

Board of Statutory Auditors (*)

Chairman
Angelo Gaviani

Permanent Auditors
Gian Piero Balducci
Annalisa Raffaella Donesana

Deputy Auditors
Annamaria Esposito Abate
Maurizio Ferrero
Giulio Gasloli

Secretariat of the Board of Directors
Diana Allegretti

Manager responsible for preparing the Company's accounts
Manolo Santilli

Independent Auditors
KPMG S.p.A.

(*) In office until the approval of the Financial Statements for the Year Ending 31 December 2015
(1) Member of the Control and Risks Committee
(2) Member and Chairman of the Control and Risks Committee
(3) Member of the Remuneration and Appointments Committee
(4) Member and Chairman of the Remuneration and Appointments Committee
(5) Independent Director

Contents

Letter

"The net asset value (NAV) of the DeA Capital Group rose to EUR 2.41 per share, compared with EUR 2.30 per share at end-2013. The sale of our investment in Générale de Santé allows us to pay an extraordinary dividend, while maintaining a solid financial position"

to the Shareholders

Dear Shareholders,

In Europe, 2014 was a year of still-weak economic growth and expectations of the launch of more expansionary monetary policies, a wait that was rewarded by the ECB in early 2015.
The Italian economy, faced with a marked fall in interest rates, has so far only shown timid signs of recovery, and the financial system is only gradually shaking off the budgetary constraints that have affected economic activity in recent years.
The equities markets, which had suffered from the uncertainties besetting the European economic and political framework throughout the entire year, reacted extremely positively to the announcement of "quantitative easing" and, as early as the first quarter of 2015 began to anticipate a real economic recovery.

Thanks to the completion of the first steps in its plan to exit from direct private equity investments, DeA Capital substantially outperformed the relevant stock market indices in the year just ended.
In October, the Group's indirect holding in Générale de Santé was sold to Ramsay Healthcare and Credit Agricole Assurances, generating proceeds that enable the Group to close the year with a positive consolidated net financial position of EUR 58 million.
The subsequent agreement to sell half of its investment in Migros to the Anadolu Group at a price of YTL 26 per share contributed significantly to the increase in the NAV from EUR 2.30 to EUR 2.41 per DeA Capital share.

The availability of financial resources has therefore enabled the Group to keep to what it promised at the launch of the plan to sell off direct investments, and has accordingly proposed to the Shareholders' meeting that a portion of the share premium reserve be distributed, at EUR 0.30 per share, or a total value of around EUR 80 million. DeA Capital has also re-launched purchases of own shares, with the intention of creating value for its shareholders and, if needed, to use them for future investments.

Even now, ahead of completing the exit from the investment in Migros, the DeA Capital investment portfolio is already mainly concentrated, on the one hand, in three companies that operate in real estate asset management and private equity, and on the other, investment in funds managed by the Group's asset management companies. In 2014, the latter investment generated distributable net income for DeA Capital of around EUR 12 million and had a positive impact on the NAV.

During the year just ended, DeA Capital also continued to focus on developing its activities in the alternative asset management sector, which generated income of EUR 85 million, and distributed dividends of EUR 12.5 million to the parent company.
Although conditions are still not ideal for fundraising on the Italian market, IDeA Capital Funds and IDeA FIMIT are working hard to identify growth strategies, especially thanks to product innovation. The Group's key markets offer attractive opportunities in both private equity (e.g. credit, SMEs) and real estate (recovery in property sales/purchases, stabilising prices and favourable new legislation), which can be seized in order to strengthen the competitive position of the Group's asset management companies.

Lorenzo Pellicioli
Chairman

Paolo Ceretti
Chief Executive Officer

Report on Operations

Profile of

With an investment portfolio of EUR 625 million and assets under management of EUR 10,500 million, DeA Capital S.p.A. is one of Italy's largest alternative investment operators.

The Company, which operates in both the Private Equity Investment and Alternative Asset Management businesses, is listed on the FTSE Italia STAR section of the Milan stock exchange, and heads the De Agostini Group in the area of financial investments.

In the Private Equity Investment business, DeA Capital S.p.A. has “permanent” capital, and therefore has the advantage - compared with traditional private equity funds, which are normally restricted to a pre-determined duration - of greater flexibility in optimising the timing of entry to and exit from investments. In terms of investment policy, this flexibility allows it to adopt an approach based on value creation over the medium to long term.

In the Alternative Asset Management business, DeA Capital S.p.A. – through its subsidiaries IDeA FIMIT SGR and IDeA Capital Funds SGR – is Italy’s leading operator in real estate fund management and private equity funds of funds programmes, respectively. The two companies are active in the promotion, management and value enhancement of investment funds, using approaches based on sector experience and the ability to identify opportunities for achieving the best returns.

As Alternative Asset Management focuses on managing funds with a medium-term to long-term duration, it generates cash flows that are relatively stable over time for DeA Capital S.p.A. This, in turn, enables the Company to cover the typical investment cycle of the private equity investment sector.

DeA Capital S.p.A.

PRIVATE EQUITY INVESTMENT

Direct investments

In the services sector, in Europe and Emerging Europe.

Indirect investments

In private equity funds of funds, co-investment funds and theme funds.

ALTERNATIVE ASSET MANAGEMENT

1.5 Bn €

IDeA Capital Funds SGR,

which manages private equity funds (funds of funds, co-investment funds and theme funds).

Assets under management: ***EUR 1.5 billion***

9.0 Bn €

IDeA FIMIT SGR,

which manages real estate funds.

Assets under management: ***EUR 9.0 billion***

IRE/IRE Advisory,

which operates in project, property and facility management, as well as real estate brokerage.

For further info:
www.deacapital.it
section: *Investements and Asset Management*

At 31 December 2014, DeA Capital S.p.A. reported Group consolidated shareholders' equity of EUR 653.5 million (EUR 629.5 million at 31 December 2013), corresponding to a **net asset value (NAV) of EUR 2.41 per share** (EUR 2.30 per share at 31 December 2013), with an investment portfolio of EUR 625.0 million (EUR 762.0 million at 31 December 2013).

More specifically, the investment portfolio consists of Private Equity Investment shareholdings of EUR 220.5 million, Private Equity Investment funds of EUR 203.0 million and net assets relating to the Alternative Asset Management business of EUR 201.5 million.

Investment portfolio

	December 31, 2014	
	n.	Euro/Mln.
Equity investments	3	220.5
Funds (*)	14	203.0
Private Equity Investment	**17**	**423.5**
Alternative asset management (*)	**4**	**201.5**
Investment portfolio	***21***	***625.0***

(*) Units in private equity funds consolidated on a line-by-line basis and equity investments in subsidiaries relating to alternate asset management are valued in this table using the equity method for the Group's portion.

Private equity investment

● **Main investments**

- **minority shareholding in Migros,** Turkey's leading retail chain operator, whose shares are listed on the Istanbul Stock Exchange. The investment is held through the Luxembourg-registered company Kenan Investments S.A., an investment recorded in the AFS portfolio of the DeA Capital Group (with a stake of 17.03%);

- **strategic shareholding in Sigla,** which provides consumer credit for non-specific purposes (salary-backed loans and personal loans) and services non-performing loans in Italy. The investment is held through the Luxembourg-registered company Sigla Luxembourg S.A., an associate of the DeA Capital Group (with a stake of 41.39%).

● **Funds**

- units in six funds managed by the subsidiary IDeA Capital Funds SGR i.e. in the three funds of funds **IDeA I Fund of Funds (IDeA I FoF), ICF II and ICF III**, in the co-investment fund **IDeA Opportunity Fund I (IDeA OF I)** and in the theme fund **IDeA Efficienza Energetica e Sviluppo Sostenibile (Energy Efficiency and Sustainable Development - IDeA EESS) and in the theme fund IDeA Taste of Italy (IDeA ToI);**

- a unit in the real estate fund **Atlantic Value Added (AVA)**, managed by IDeA FIMIT SGR;

- units in seven venture capital funds.

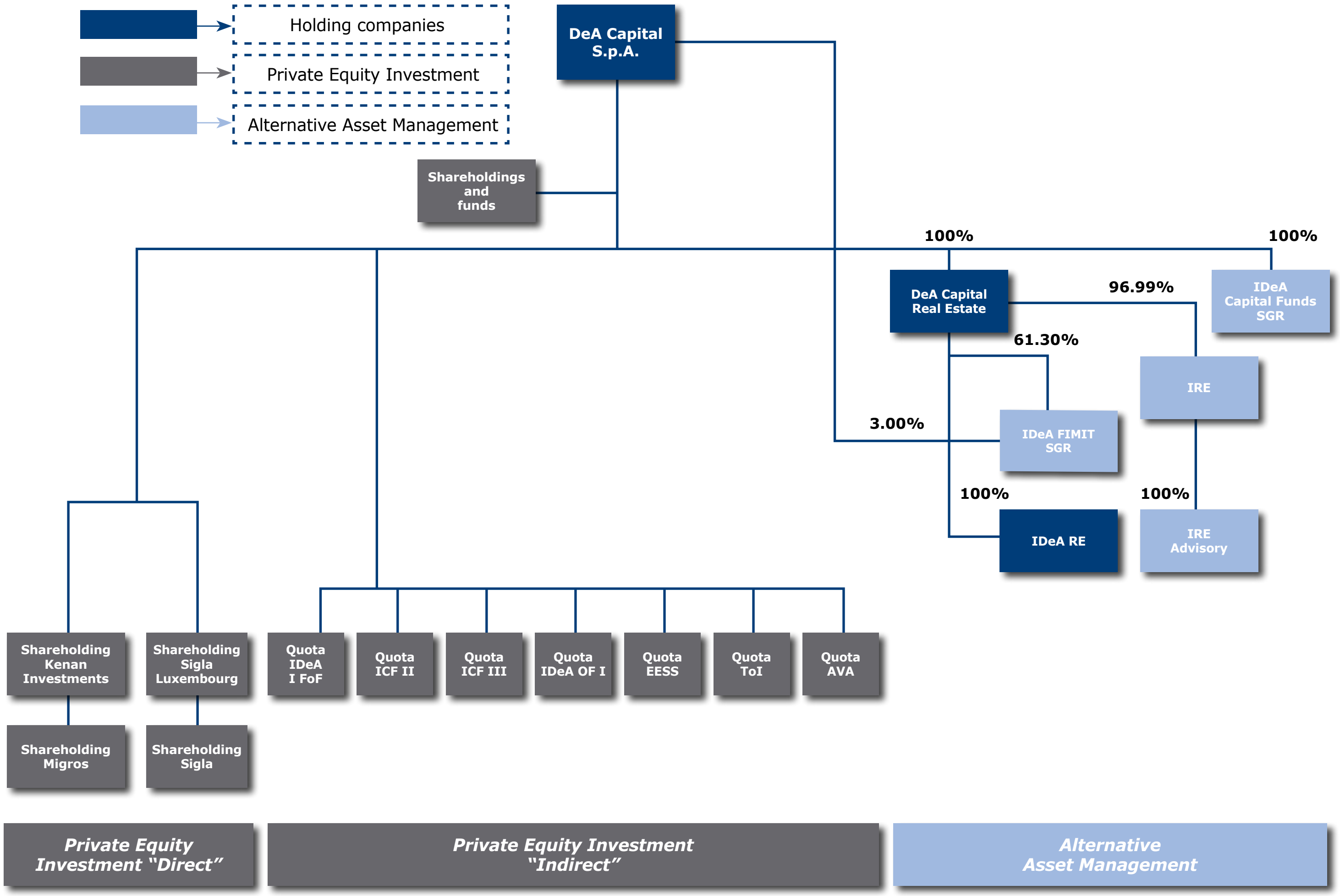
Alternative asset management

- **controlling interest in IDeA Capital Funds SGR (100%),** which manages private equity funds (funds of funds, co-investment funds and theme funds) with about EUR 1.5 billion in assets under management and seven managed funds;

- **controlling interest in IDeA FIMIT SGR (64.30%),** Italy's largest independent real estate asset management company, with about EUR 9.0 billion in assets under management and 36 managed funds (including five listed funds);

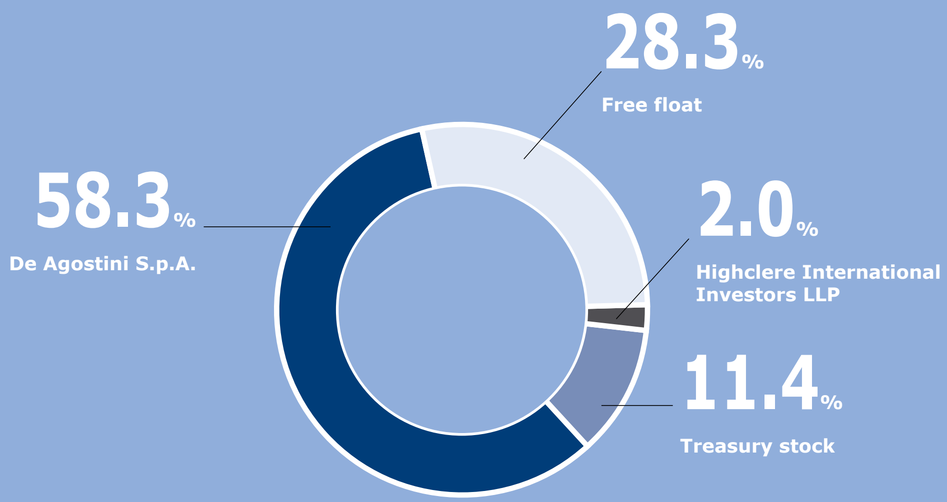
- **controlling interest in IRE/IRE Advisory (96.99%),** which operate in project, property and facility management, as well as real estate brokerage.

At the end of 2014, the corporate structure of the Group headed by DeA Capital S.p.A. (the DeA Capital Group, or the Group) was as summarised below:



Information for

SHAREHOLDER STRUCTURE - DEA CAPITAL S.P.A. (#)

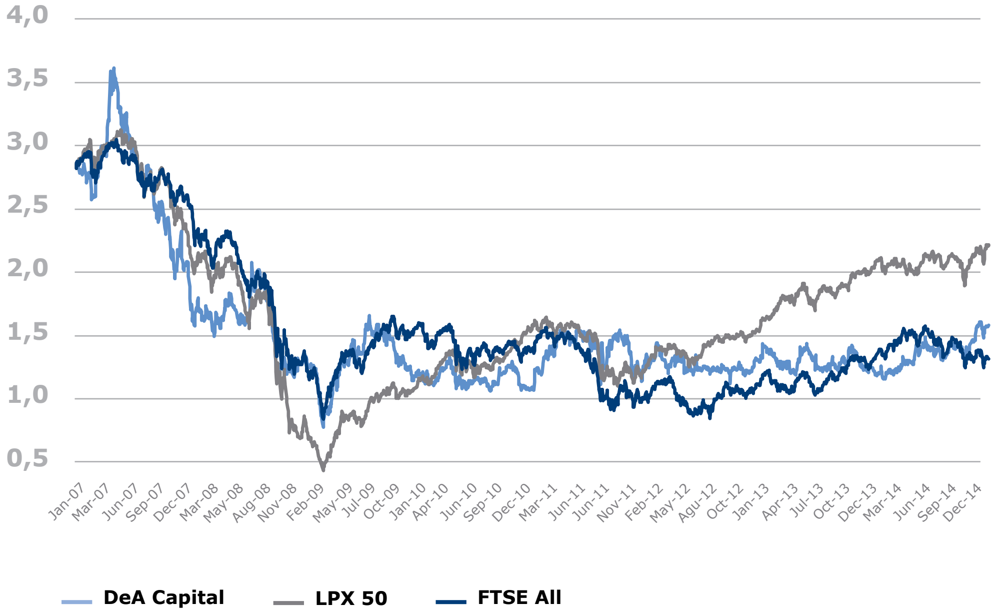


(#) Figures at 31 December 2014 based on the latest communications available
Note: At 12 March 2015 there were 37,369,276 treasury shares representing 12.2% of share capital

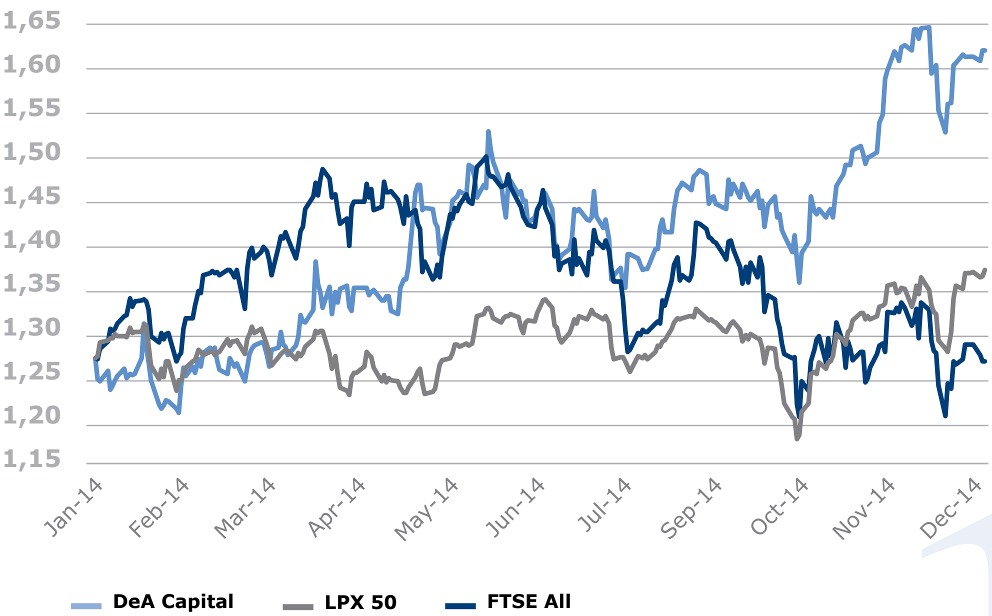
shareholders

SHARE PERFORMANCE *

Period from 11 January 2007, when DeA Capital S.p.A. began operations, to 31 December 2014.



From 1 January 2014 to 31 December 2014.



(*) Source: Bloomberg

For further info:
www.deacapital.it
section: Investor Relations

The performance of the DeA Capital share

The Company's share price declined by 42.8% between 11 January 2007, when DEA Capital S.p.A. began operations, and 31 December 2014. In the same period, the FTSE All-Share® and LPX50® fell by 52.4% and 20.9% respectively.

In 2014, the DeA Capital share rose by 27.6%, while the Italian market index FTSE All-Share® shed 0.3% and the LPX50® gained 7.9%. Market capitalisation rose by over EUR 100 million. The share's liquidity increased sharply compared with 2013, with average daily trading volumes of around 350,000 shares.

The share prices recorded in 2014 are shown below.

(in Euro)	2014
Maximum price	1.65
Minimum price	1.21
Average price	1.41
Price at 31 December 2014 (EUR per share)	**1.62**

(EUR million)	31 December 2013
Market capitalisation at 31 December 2014 (*)	497

(*) Capitalisation net of treasury shares: EUR 440 million.

Investor Relations

DeA Capital S.p.A. maintains stable and structured relationships with institutional and individual investors. As in previous years, in 2014 the Company continued with its **communication activities**, including attendance at the Star Conference, held in Milan in March, the STAR Conference in London and the Midcap Event in Paris, both held in October. The Company met with over 20 institutional investors at these events. During the year the Company has also held meetings and conference calls with institutional investors, portfolio managers and financial analysts from Italy and abroad.

Research coverage of the share is currently carried out by Equita SIM and Intermonte SIM, the two main intermediaries on the Italian market, with Intermonte SIM acting as a specialist. The research prepared by these intermediaries is available in the Investor Relations section of the websitewww.deacapital.it. Since the beginning of 2015, coverage of the share has also been carried out by Edison Investment Research, an independent equity research company based in London.

In December 2008, the DeA Capital share joined the LPX50® and LPX Europe® **indices**.

The LPX® indices measure the performance of the major listed companies operating in private equity (Listed Private Equity or LPE). Due to its high degree of diversification by region and type of investment, the LPX50® index has become one of the most popular benchmarks for the LPE asset class. The method used to constitute the index is published in the LPX Equity Index Guide. For further information please visit the website: www.lpx.ch. The DeA Capital share is also listed on the GLPE Global Listed Private Equity Index, the index created by Red Rocks Capital, a US asset management company specialising in listed private equity companies. The index was created to monitor the performance of listed private equity companies around the world and is composed of 40 to 75 stocks. For further information: www.redrockscapital.com *(GLPE Index)*.

In January 2015, the **new DeA Capital website** was launched with a completely fresh graphic layout and set of functions. The site can be found at www.deacapital.it and is available in Italian and English. The new site has a wealth of information, financial data, tools, documents, videos and news

For further info:
www.deacapital.it
section: *Investor Relations*

related to the DeA Capital Group's activities, strategy and investment portfolio. Of particular note are the following features: *i)* the site's responsive design, whereby the graphical layout automatically adapts to the device on which it is displayed (computers with various resolutions, tablets, smart phones, mobile phones, etc.), *ii)* users can customise the introductory pages of the Investor Relations area with repositionable widgets, and *iii)* users can also directly access the social networks DeA Capital belongs to from the homepage, as well as share articles, press releases or sections of interest on social networks. DeA Capital S.p.A. has strengthened its presence on Wikipedia and the following social networks, adding its most recent presentations to institutional investors: *Slideshare* and *Linkedin* (https://www.linkedin.com/company/dea-capital-spa).

During the year, the Company published its first **interactive report**, the 2013 Financial Statements, which can be found in the "Financial Statements and Reports" section on the website.

In addition, DeA Capital S.p.A. won the 2013 **Oscar di Bilancio** financial statements award in the category of "Medium and Small Listed and Unlisted Banking and Financial Companies", receiving special mention for its use of new digital tools.

The website has always been the primary mode of contact for investors. They can subscribe to a mailing list and receive all news on the DeA Capital Group in a timely manner, as well as send questions or requests for information and documents to the Company's Investor Relations area, which is committed to answering queries promptly, as stated in the Investor Relations Policy published on the site. A quarterly newsletter is also published for investors to keep them updated on the main items of news on the Group, and analyse the Group's quarterly results and share performance.

DeA Capital S.p.A. is therefore continuing with its intention to strengthen its presence on the web and to make information for stakeholders available through many channels.

3. The DeA Capital Group's key Statement of Financial Position and Income Statement figures

The DeA Capital Group's key Statement of Financial Position and Income Statement figures to 31 December 2014 are shown below, compared with the corresponding figures to 31 December 2013.

(EUR million)	**December 31, 2014**	**December 31, 2013**
NAV/share (EUR)	**2.41**	2.30
Group NAV	**653.5**	629.5
Investment portfolio	**625.0**	762.0
Net financial position - Holding companies	**40.6**	(138.7)
Consolidated net financial position	**57.8**	(127.4)

(EUR million)	**Year 2014**	**Year 2013**
Parent Company net profit/(loss)	**(4.5)**	(62.9)
Group net profit/(loss)	**(57.6)**	(31.1)
Comprehensive income (Group share) (*Statement of Performance* – IAS 1)	**30.1**	(94.3)

The table below shows the change in the NAV during 2014.

Change in Group NAV	**Total value (EUR m)**	**No. shares (millions)**	**Value per share (EUR)**
Group NAV at 31 December 2013	**629,5**	**274,0**	**2,30**
Purchase of own shares	(3,7)	(2,4)	1,58*
Comprehensive income - Statement of Performance – IAS 1	30,1		
Other changes in NAV	(2,4)		
Group NAV at 31 December 2014	**653,5**	**271,6**	**2,41**

(*) Average price of purchases in 2014.

The table below provides details of the Group's Statement of Financial Position at 31 December 2014.

	31 December 2014			31 December 2013		
	EUR m	**% NIC**	**EUR/Sh.**	**EUR m**	**% NIC**	**EUR/Sh.**
Private Equity Investment						
- Santé / GDS	**0.0**	0%	0.00	**221.2**	29%	0.81
- Kenan Inv. / Migros	**209.1**	34%	0.77	**132.4**	17%	0.48
- Funds - Private Equity / Real Estate	**203.0**	33%	0.75	**191.3**	25%	0.70
- Other (Sigla,...)	**11.4**	2%	0.04	**13.6**	2%	0.05
Total IEP (A)	**423.5**	**69%**	**1.56**	**558.5**	**73%**	**2.04**
Alternative Asset Management						
- IDeA FIMIT SGR	**144.6**	24%	0.53	**145.5**	19%	0.53
- IDeA Capital Funds SGR	**49.9**	8%	0.18	**51.8**	7%	0.19
- IRE / IRE Advisory	**7.0**	1%	0.03	**6.2**	1%	0.02
Total AAM (B)	**201.5**	**33%**	**0.74**	**203.5**	**26%**	**0.74**
Investment portfolio (A+B)	**625.0**	**102%**	**2.30**	**762.0**	**99%**	**2.78**
Net other assets (liabilities)	**(12.1)**	-2%	(0.04)	**6.2**	1%	0.03
NET INVESTED CAPITAL	**612.9**	**100%**	**2.26**	**768.2**	**100%**	**2.81**
Net financial position - Holding companies	**40.6**	7%	0.15	**(138.7)**	-18%	(0.51)
NAV (*)	**653.5**	**107%**	**2.41**	**629.5**	**82%**	**2.30**

(*) Consolidated shareholders' equity.

4. Significant events during the year

The significant events that occurred in 2014 are reported below.

Private equity funds - paid calls/ distributions

In 2014, the DeA Capital Group increased its investment in the following funds by a total of EUR 18.6 million: IDeA I FoF (EUR 3.5 million), ICF II (EUR 7.3 million), ICF III (EUR 1.8 million), IDeA OF I (EUR 2.8 million), IDeA EESS (EUR 2.3 million), IDeA ToI (EUR 0.1 million) and AVA (EUR 0.8 million).

At the same time, the DeA Capital Group received capital reimbursements totalling EUR 29.6 million from the IDeA I FoF (EUR 21.4 million), ICF II (EUR 2.9 million), IDeA OF I (EUR 5.1 million) and other venture capital funds (EUR 0.2 million), to be used in full to reduce the carrying value of the units.

Thus, overall, the private equity funds in which DeA Capital S.p.A. has invested have produced a net positive cash balance of approximately EUR 11.0 million for the portion relating to the Group.

First closing of the ICF III fund of funds

April

On **10 April 2014**, the first closing of the ICF III fund was completed, a closed-end real estate mutual fund under Italian law for qualified investors. Managed by IDeA Capital Funds SGR, it is dedicated to investment in private equity funds managed by operators with a proven track record of returns and solidity, and focuses on three segments: *i)* Core (mainly buyouts) *ii)* Credit & distressed and *iii)* Emerging markets, both directly and jointly with other funds.

DeA Capital S.p.A. took part in this closing via the subscription of 250 units, representing a maximum commitment of up to EUR 12.5 million (21.9% of the total commitment reached by the fund, equal to around EUR 57 million).

Share Buyback Plan

On **17 April 2014**, the shareholders' meeting of DeA Capital S.p.A. authorised the Board of Directors to buy and sell, on one or more occasions, on a rotating basis, a maximum number of ordinary shares in the Company representing a stake of up to 20% of the share capital.

The new plan replaces the previous plan approved by the shareholders' meeting on 19 April 2013 (which was scheduled to expire with the approval of the 2013 Annual Financial Statements), and will pursue the same objectives as the previous plan, including purchasing treasury shares to be used for extraordinary transactions and share incentive schemes, offering shareholders a means of monetising their investment, stabilising the share price and regulating trading within the limits of current legislation.

The authorisation specifies that purchases may be carried out up to the date of the shareholders' meeting to approve the Financial Statements for the Year Ending 31 December 2014, and in any case, not beyond the maximum duration allowed by law, in accordance with all the procedures allowed by current regulations, and that DeA Capital S.p.A. may also sell the shares purchased for the purposes of trading, without time limits. The unit price for the purchase of the shares is set on a case-by-case basis by the Company's Board of Directors, but in any case must not be more than 20% above or below the share's reference price on the trading day prior to each individual purchase. In contrast, the authorisation to sell treasury shares already held in the Company's portfolio, and any shares bought in the future, was granted for an unlimited period, to be implemented using the methods considered most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to each individual sale (apart from in certain exceptional cases specified in the plan). Sale transactions may also be carried out for trading purposes.

On the same date, the Board of Directors voted to launch the plan to buy and sell treasury shares authorised by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full powers of delegation.

On 6 November 2014, the Board of Directors, voted to adhere to the markets practice intended for the purchase of own shares to be used to create the securities "stock", pursuant Consob resolution 16839 of 19 march 2009.

Stock option and performance share plans

On **17 April 2014**, the shareholders' meeting of DeA Capital S.p.A. approved the DeA Capital Stock Option Plan 2014-2016. To implement the resolution of the shareholders' meeting, the Board of Directors voted *(i)* to launch the DeA Capital Stock Option Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all necessary powers, to be exercised jointly or severally and with full power of delegation; and *(ii)* to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital S.p.A. Stock Option Plan 2014-2016, the Board of Directors also set the exercise price for the options allocated at EUR 1.32, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 17 March 2014 and 16 April 2014.

The shareholders' meeting of 17 April 2014 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital S.p.A. Stock Option Plan 2014-2016.

The shareholders' meeting also approved the adoption of the Performance Share Plan 2014-2016, which provides for the allocation of a maximum of 500,000 units. On the same date, to implement the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to launch the DeA Capital Performance Share Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the treasury shares already held by the Company so that the allocation will not have a dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-*ter* of the Consolidated Finance Law.

Appointment of the new Board of Directors of IDeA FIMIT SGR

On **18 April 2014**, the shareholders meeting of IDeA FIMIT SGR appointed the Company's new Board of Directors, which will remain in office until the shareholders' meeting called to approve the Financial Statements for 2016. The number of Directors was reduced from 13 to eight.
Subsequently, at the first meeting of the new Board of Directors of the same company on **28 April 2014**, Gualtiero Tamburini (designated by shareholder INPS) was appointed as Chairman and Emanuele Caniggia (designated by the DeA Capital Group) as CEO.

May

June

Acquisition of a shareholding in Innovation Real Estate

Following the appointment of Emanuele Caniggia as the new CEO of IDeA FIMIT SGR and his concurrent resignation as CEO of Innovation Real Estate, DeA Capital Real Estate purchased the shares held by Emanuele Caniggia in Innovation Real Estate for about EUR 2.2 million, including the special shares (with limited economic rights), equal to 13.3% of the capital. As a result of this transaction, DeA Capital Real Estate holds a stake of 96.99% in Innovation Real Estate.

Sale of the shareholding in Soprarno SGR

On **9 May 2014**, the sale of the shareholding in Soprarno SGR was completed for a total price of around EUR 1.3 million, in line with the carrying value at 31 December 2013.

Dividends from Alternative Asset Management

On **22 April 2014**, IDeA Capital Funds SGR paid dividends totalling EUR 4.0 million relating entirely to DeA Capital S.p.A. (EUR 4.4 million in 2013).

On **8 May 2014**, IDeA FIMIT SGR paid dividends totalling EUR 9.0 million, of which around EUR 5.8 million related to the DeA Capital Group (EUR 10.0 million in 2013).

On **27 June 2014**, IRE paid dividends totalling EUR 2.9 million, of which EUR 2.7 million related to the DeA Capital Group (EUR 2.3 million in 2013).

In summary, dividends paid during 2014 by the Alternative Asset Management business to the DeA Capital Group's holding companies totalled EUR 12.5 million (EUR 16.7 million in 2013).

Sale of interest in GDS

On **10 June 2014**, Santé, in which the DeA Capital Group holds a 43% stake, and its wholly-owned subsidiary Santé Dévéloppement Europe (SDE) signed an agreement to sell their 83.43% stake in Générale de Santé (GDS) to Ramsay Health Care and Crédit Agricole Assurances (Buyers), at a price of EUR 16.75 per share *cum dividend*.

On **1 October 2014**, following approval by the competent authorities, Santé and SDE sold their stake in GDS to the Buyers at a price of EUR 16.00 per share after cashing in the dividend of EUR 0.75 due to them.

Santé and SDE received a total of approximately EUR 788 million, including the dividend, which will be used partly to repay the two companies' financial debt (around EUR 407 million, of which EUR 31.4 million to the DeA Capital Group to repay the existing quasi-equity loan) and partly to distribute cash to shareholders (some EUR 381 million).

The net proceeds for the DeA Capital Group from the transaction amounted to EUR 164.1 million (EUR 195.5 million taking into account the repayment of the loan granted to Santé).

Changes in available loan facilities

On **25 June 2014**, DeA Capital S.p.A. signed an agreement with Intesa Sanpaolo for a loan of up to EUR 40 million, to replace an uncommitted credit line of the same amount with the same bank.

The agreement provides an unsecured revolving credit facility, available from 30 June 2014 for a three year term, with interest based on three- or six-month Euribor plus a margin.

With regard to the loan facilities in place with Mediobanca - Banca di Credito Finanziario S.p.A., in October and November 2014 DeA Capital S.p.A. made a final repayment of the bullet loan facility (EUR 80 million) and a concurrent repayment of the revolving facility, reducing its balance to zero and at the same time restoring its availability up to the maximum of EUR 40 million.

On **19 November 2014**, DeA Capital S.p.A. signed a one-year extension to the term of the above-mentioned Mediobanca revolving facility until 16 December 2016.

At **31 December 2014**, these existing revolving facilities with Intesa Sanpaolo and Mediobanca were fully available (total of EUR 80 million).

September November December

Revolving loan to Sigla

On **26 September 2014**, with a view to making the best use of cash, the DeA Capital Group signed a 12-month revolving loan agreement for up to EUR 5 million, in favour of Sigla, a wholly-owned subsidiary of the subsidiary Sigla Luxembourg. This loan is secured by a lien on 51% of the shares of the borrowing company.

Restructuring of the DeA Capital Group

On **14 November 2014**, DeA Capital S.p.A. completed the merger by incorporation of the wholly-owned Luxembourg subsidiary DeA Capital Investments.

At the same time, DeA Capital Real Estate completed the merger by incorporation of the wholly-owned Italian subsidiary, I.F.IM.

These transactions had no impact on the Group's Consolidated Financial Statements and are expected to make it possible to optimise the organisational structure.

2014 Oscar di Bilancio (Financial Statements Oscar) award

On **1 December 2014**, DeA Capital S.p.A. won the 2014 Oscar di Bilancio financial statements award, the prestigious recognition promoted by Ferpi (the Italian Public Relations Federation) and awarded each year to companies that distinguish themselves for the transparency and quality of their corporate reporting.

The Financial Statements Oscar jury decided to give the prize to the 2013 Financial Statements of DeA Capital S.p.A. in the Medium and Small Listed and Unlisted Banking and Financial Companies category for the following reasons: "The Financial Statements of DeA Capital S.p.A. demonstrate careful attention from the standpoint of content, and the operating and financial information stands out for its high quality and clear writing style. The Company's results and performance are covered accurately with a writing style that makes them easy to read. Lastly, another area worth mentioning is the use of new digital tools: DeA Capital S.p.A. has also made its documentation available on the web and enhanced it with videos and images that make accessing the main financial statement items straightforward and enjoyable; as such, the Company is on a par with the best practices in the industry. DeA Capital S.p.A. has also made its financial statements available in English."

DeA Capital S.p.A. has undertaken to continually work on the transparency and quality of its financial reporting, and has set itself the goal of making constant refinements.

First closing of "Taste of Italy" private equity fund

On **30 December 2014**, the first closing of the IDeA Taste of Italy fund (ToI) was completed. This is a closed-end mutual fund under Italian law managed by IDeA Capital Funds SGR for qualified investors. Focusing on the agricultural foods sector, its objective is to invest along the entire chain of the sector, from raw materials to processing, distribution and catering.

DeA Capital S.p.A. took part in this closing via the subscription of 172 units, representing a maximum commitment of up to EUR 8.6 million (10.0% of the total commitment reached by the fund, equal to around EUR 86.4 million).

Agreement for the sale of a stake in Migros Ticaret

On 31 December 2014, Moonlight Capital S.A., a wholly-owned special purpose vehicle of Kenan Investments S.A. (in which DeA Capital S.p.A. holds a stake of about 17%) and the direct and indirect owner of an 80.5% stake in Migros, signed an agreement with Anadolu Endüstri Holding (Anadolu), a leading Turkish conglomerate, for the sale of 40.25% of Migros to the latter.

This agreement also called for the exchange of put and call options between the parties, which can be exercised between 24 months and 30 months after the first sale, for a further 9.75% stake in Migros.

The sale of the first 40.25% and any future sale of the subsequent 9.75% of Migros are projected using a base valuation for Migros of TRY 26 per share.

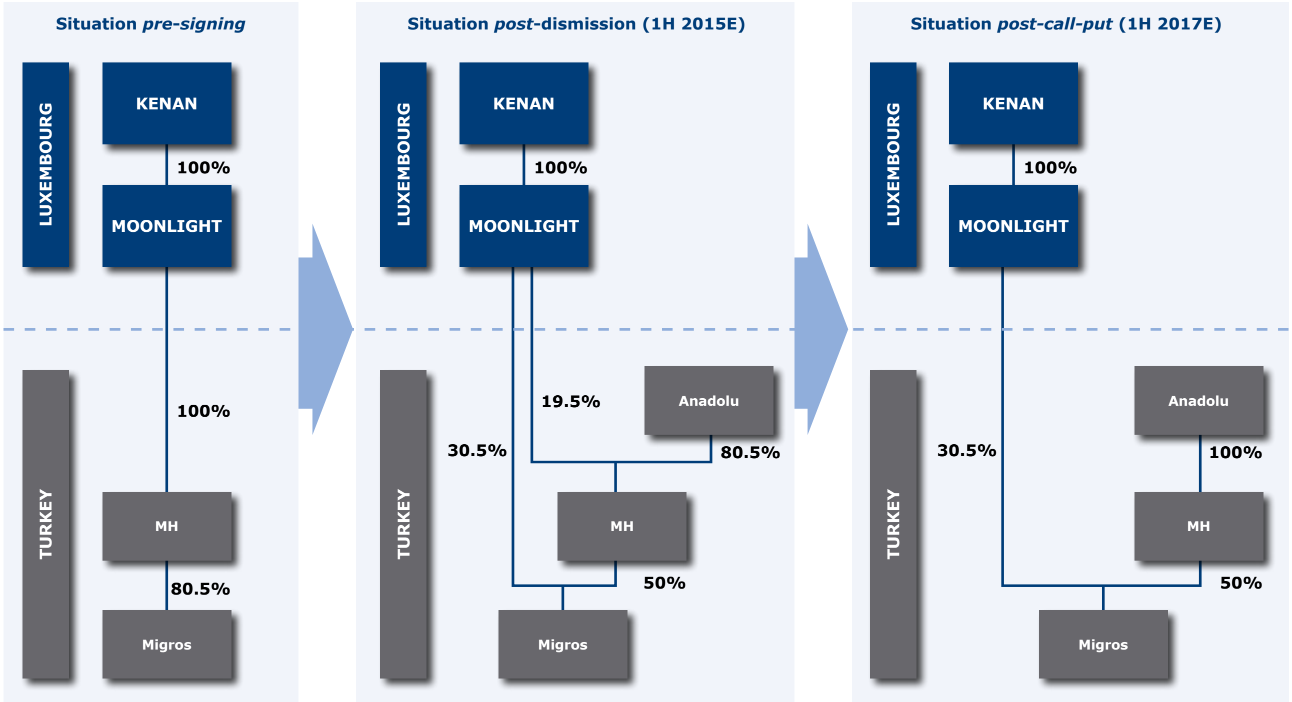
For the portion relating to DeA Capital S.p.A., at the TRY/EUR exchange rate on 31 December 2014, the sale of the first 40.25% equates to approximately EUR 110 million, while any future sale of the subsequent 9.75% equates to approximately EUR 26 million.

14

The execution of the share transfer is subject to the necessary approvals of the relevant authorities (scheduled by the end of the first half of 2015).

The simplified structure of the transaction is shown in the diagram below.

Agreement with Anadolu: simplified structure of the transaction



5. The results of the DeA Capital Group

The consolidated results relate to the operations of the DeA Capital Group in the following businesses:

- Private Equity Investment, which includes the reporting units involved in private equity investment, broken down into shareholdings (direct investments) and investments in funds (indirect investments);
- Alternative Asset Management, which includes reporting units involved in asset management activities and related services, with a focus on the management of private equity and real estate funds.

Private equity

For investors in private equity (limited partnerships/LPs), 2014 was a record year in terms of both distribution flows and investments made. And fundraising and asset class allocation were similar to pre-crisis levels.

Access to cheap credit fuelled the debt market, making it possible to refinance the capital structure and make distributions to investors. This environment fostered significant investment activity in the private equity market in terms of both volume and transaction value.

The middle-market segment (transactions between USD 25 million and USD 1 billion) was the most active for fundraising and transactions recorded, with greater opportunities available and the largest transactions offering higher expected returns.

In 2014, transactions worth an estimated USD 50 billion were concluded on the secondary market, a 40% increase in volume over 2013. This activity was driven by an excellent year of fundraising for secondary market funds and from investors “forced” to put capital to work due to the huge amount of cash not yet invested in their programmes.

Investment prospects and the outlook for the European and global private equity markets

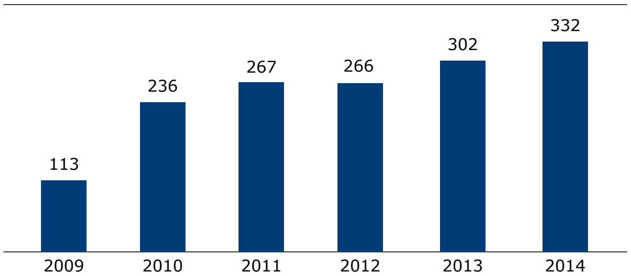
2014 saw heated competition to access the programmes of the best managers (general partners/GPs) in the industry, who tend to raise their funds in just a few months, sometimes leaving a single closing available to investors. Long-term relationships, above all with GPs not in the portfolio, are essential if investors are to access the best investment opportunities in the future.

Despite a few exceptions, relations between fund managers and investors have continued to move in favour of LPs in terms of lower fees charged for fund management and performance. In addition, investors have expressed a growing interest in participating in co-investment opportunities.

In the last few months of 2014, a new climate of uncertainty started to develop after the sharp drop in oil prices. Current prices could reduce investment activity in the energy sector and delay the sale of shareholdings to investors.

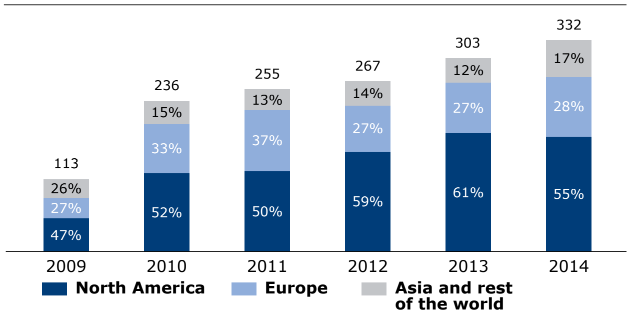
In addition, the potential interest rate hike in the US, which is projected for mid-2015, could reduce investments in the US economy. However, we project that at least in the first half of the year, investment and sale activity in the private equity industry will remain about the same as in 2014.

Global value of investments in buy-outs (USD billion)



Source: Preqin

Global value of investments in buy-outs
(USD billion)

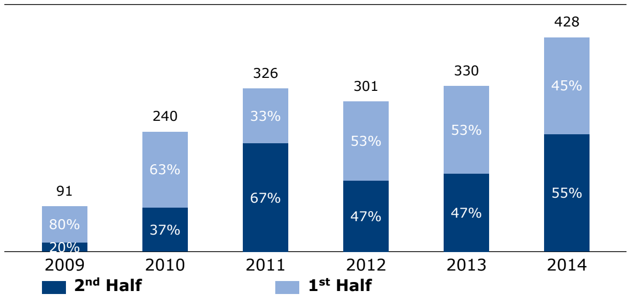


Source: Preqin

Investment increased compared with 2013 (+10%). At USD 332 billion, the total value of transactions in 2014 was the highest since 2007.
From a regional point of view, investment growth was due to greater activity posted by Europe (+16%), but especially by Asia/rest of the world (+54%), where the growth potential of emerging countries has started again to attract new capital. By contrast, activity in the US has remained virtually on a par with the high values seen in 2013.

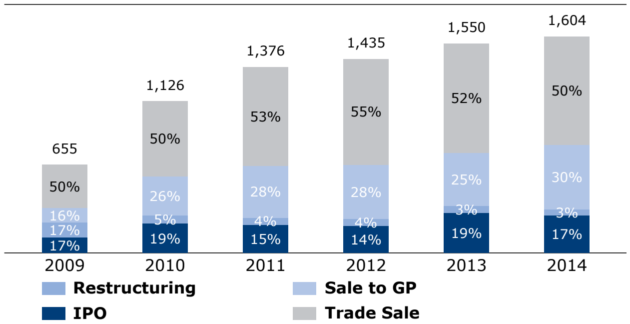
As shown in the chart above, global M&A transaction volumes are back to the peak seen in 2006. In this context, it should be stressed that the private equity industry contributed 27% of the volume of M&A transactions completed in 2014; this percentage is even higher than pre-crisis levels, and confirms the growing importance of the industry in the global economy.

Volume of divestments by buy-out funds (USD billion)



Source: Preqin

Number of divestments by buy-out funds



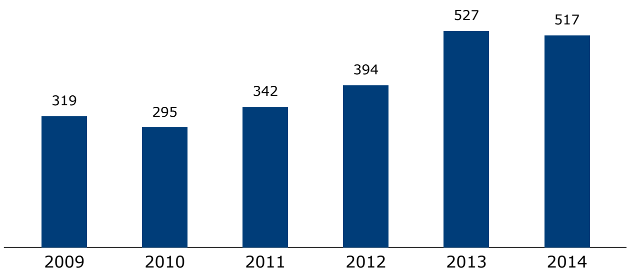
Source: Preqin

The positive performance of the financial markets in 2014 generated record divestments by buy-out funds; totalling USD 428 billion, this was 30% higher than in 2013.

The main method of divestment in 2014 was the secondary buy-out, which was up by 22%.

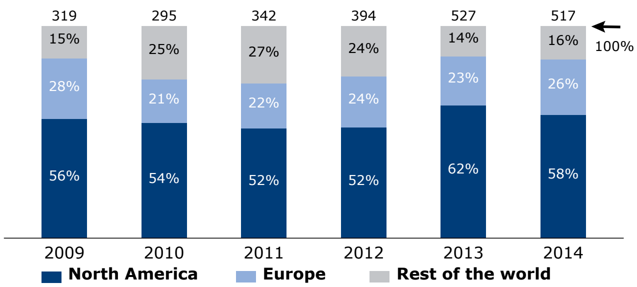
Strong valuations of stock market indices, especially in the US, fostered disposals through IPOs, which represented 17% of exits by number. However, the slowdown in stock market indices in the last quarter of 2014 caused a delay in the listing processes of several companies. If stock markets remain stable or rise, many transactions that have already launched could be completed during the current year.

Total PE fundraising (USD billion)



Source: Preqin

Total PE fundraising by region (USD billion)



Source: Preqin

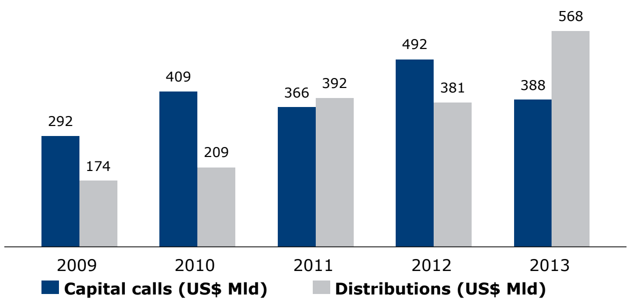
With over USD 500 billion in capital raised (a level very similar to 2013), 2014 was another positive year for fundraising. 2014 also saw a reduction in the number of funds collected, which translated into an increase in average fund size, especially in emerging countries.

The increase in fundraising was mainly due to the large number of distributions received in 2013, which generated more cash in the system and less exposure to the asset class, thereby shifting allocation towards private equity. In regional terms, compared to 2013, fundraising declined in North America, but increased in both Europe (+11%) and emerging markets (+6%). The increase in global fundraising has driven up the level of dry powder (committed capital waiting to be invested); this helps increase competition and maintain prices at fairly high levels, but could put pressure on GPs to invest capital more quickly.

As the chart below shows, distributions greatly exceeded capital calls at a global level in 2013. Data on sales and returns in public markets suggest that the same trend repeated itself in 2014.

It is projected that 2015 could also be a favourable year for distributions, but probably not to the same extent as in recent years, especially if oil prices remain at their current level and thus prolong divestments from certain companies related to the sector.

Global capital calls and distributions of PE funds (USD billion)



Source: Preqin

Lastly, the investment themes suggested by the current market situation are as follows:

- In Europe, *fundraising* shot up to levels similar to those in 2006. This rise was mainly due to an increase in operators specialising in *credit strategies*, who lend to companies in place of credit institutions, and in operators in distressed debt, who exploit deleveraging by banks to purchase companies' securities at a discount, thereby generating attractive returns through coupon payments and with a low risk profile.

- In the US, most transactions have involved medium and large-sized companies. In 2014, the *creation of value through operational improvements* was one of the main mechanisms to provide LPs with adequate returns, despite higher entry prices than in the past. This trend should also continue in 2015, benefiting managers with significant operational expertise.

- With regard to *emerging markets*, higher valuations on a number of emerging stock markets in 2014, such as in China and India, *drove up transaction prices*. Nonetheless, LPs will continue to invest in these economies in 2015 to benefit from growth trends in domestic consumption. Economic reforms will favour growth, especially for smaller companies in Latin American countries such as Mexico, Peru, Chile and Colombia.

- The decrease in oil prices has hit equities and bonds in the energy sector hard. About 20% of the US high yield market consists of bonds of energy companies. The general reduction in energy bond prices is creating a market opportunity that many managers would like to seize by investing in the debt of companies with positive cash flow and strong assets. Excellent *investment opportunities could arise in the energy debt market* in the coming months, and many GPs have already entered the market with dedicated programmes.

Private equity in Italy

Statistics compiled by AIFI (the Italian Private Equity and Venture Capital Association) and currently updated for the first half of 2014 show an increase in fundraising compared to the same period in 2013. **Capital raised** in the market by independent operators totalled EUR 434 million, a significant year-on-year rise (+168%) on the first half of 2013.

There were 139 new **investments** worth a total of EUR 1,890 million (up by 34% compared with the same period in 2013). In value terms, the bulk of the resources invested, in line with previous years, went into buy-out transactions, which attracted EUR 1,153 million, an increase of 25% on the same half of the previous year.

Divestment activity remained virtually unchanged in the first half of 2014: 68 investments were sold, representing a 5% increase on the same period in 2013. The amount divested, calculated at historical acquisition cost, totalled EUR 886 million, compared to EUR 1,106 million in the first half of 2013 (-20%).

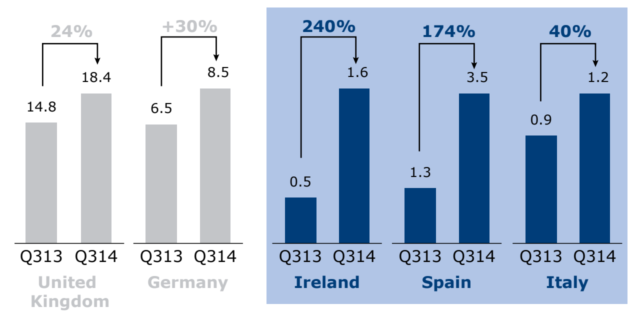
Real Estate

Real Estate in Europe

Direct investment in non-residential European **real estate** in the first quarter of 2014 was approximately EUR 48 billion, up 4% quarter-on-quarter and 27% year-on-year. Investments in the first nine months of 2014 totalled around EUR 130 billion, up 27% year-on-year. Although the core European countries, such as the UK and Germany, continued to perform well, the best percentage growth in investment in the third quarter of 2014 was recorded by the peripheral countries, especially Ireland and Spain (respectively +240% and +174% year-on-year)[1], albeit from a fairly low base.

1. CBRE, European Investment Quarterly, Q3 2014

Non-residential sales in the UK, Germany, Ireland, Spain and Italy in the third quarter (EUR billion)



Source: CBRE

Real Estate in Italy

In the third quarter of 2014, institutional investments in real estate in Italy exceeded EUR 1 billion, a 5.5% increase on the previous quarter[2]. Investment volumes rose for the third consecutive quarter, with investor interest still high after the summer. Investment volumes were above the quarterly average of the last three years, while portfolio transactions remained the main component of total investments, at just over one-half. In addition to the available liquidity, real estate investments in Italy are attracting growing numbers of investors who are looking to Europe and gradually shifting their focus to non-core markets offering better investment opportunities.

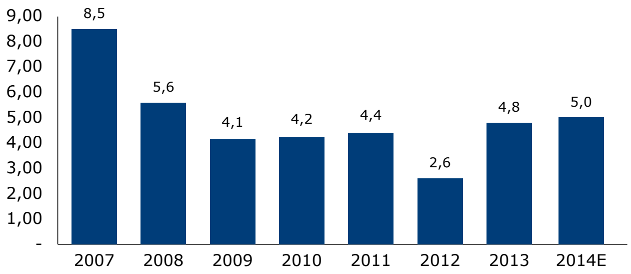
In recent months, a number of new developments have been introduced in the Italian government's "Sblocca Italia" (Unlock Italy) initiative to kick-start the economy, which could boost growth in investment volumes in the Italian real estate sector. These comprise provisions to simplify the rules for setting up listed real-estate investment companies (SIIQs) and to make lease agreements between owners and occupants more balanced (where the annual rent is more than EUR 150 thousand). Finally, the "Competition Decree" expands the supply of lenders to entities other than banks. In particular, this would allow insurance companies to offer financing without having to use a bank as an intermediary. Providing greater availability of credit could be an important driver for future real estate investments.

In the first nine months of 2014, **investment** volumes totalled approximately EUR 2.7 billion, a 7% fall year-on-year. This result was partly due to the slow process of completing investments, together with a supply shortfall that reduced opportunities to acquire large-scale assets.

2. CBRE, Italian Investment Quarterly, Q3 2014

Foreign investment in the first nine months accounted for 71% of the total, with international investors still looking with increasing interest to the better yields offered by peripheral countries, the result of repricing in recent years.

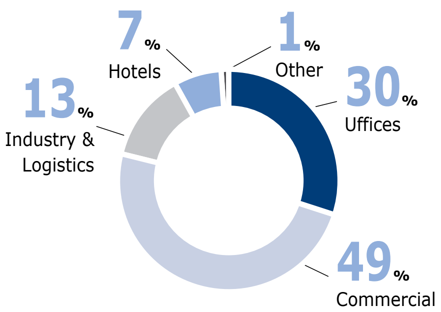
Sales and purchases by institutional investors
(in EUR million)



Source: CBRE

In terms of the sector breakdown of investments in the first nine months of the year, the **retail sector** was the most attractive sector with almost 50% of total investments (i.e. approx. EUR 1.3 billion), although it lost some ground to the office sector, which came second with 30%.

Investment in the first nine months of 2014 in Italy, by type



Source: CBRE

Despite a slowdown in the third quarter due to considerably longer times to completion, which increased the volume of sales and purchases in the pipeline, interest in retail investments remained high. To date, the volume of retail investments in the last quarter is almost EUR 1 billion, and includes the Roma Est shopping centre, the Fashion District outlet centres, the residual portfolio of the Olindo Fondo Shop fund and some negotiations over individual centres and high-street stores nearing completion.

In the first nine months of 2014, the volume of institutional real estate investment in the **office sector** n Italy was more than EUR 800 million, of which about half came in the first quarter alone[3].

As usual, Milan and Rome represented the benchmark markets for the sector. In the third quarter, the value of investments in the business sector in Milan was approximately EUR 340 million, more than double the previous quarter. The volume invested year-to-date was just over EUR 660 million, double the figure for the year-earlier period. Foreign capital invested in the sector in the third quarter rose 62% on the previous quarter and accounted for 64% of the total in the first nine months. There are still large amounts in the pipeline, which look likely to be completed by the end of the year. In Rome, after a first half of sluggish investments, around EUR 66 million was invested in the business sector in the third quarter. Despite this improvement, investment volumes were still 20% lower than the same quarter in 2013.

In Milan, **vacancies** in the third quarter of 2014 were higher than at end-2013, at 12.9% of the total. In 2014, the supply of office space increased, thanks to the completion of new projects which increased stock by around 7,000 square meters.

A similar trend occurred in Rome, where turnover in space in the third quarter was 21% lower than the quarterly average of the previous three years. The total for the first nine months of 2014 was 54,500 square metres, down 57% year-on-year. The lack of transactions in large-scale units impacted negatively on the annual take-up year-on-year. The office vacancy volume remained stable, at 8.2% of stock. Supply in the business market in Rome was static, with almost no speculative development taking place.

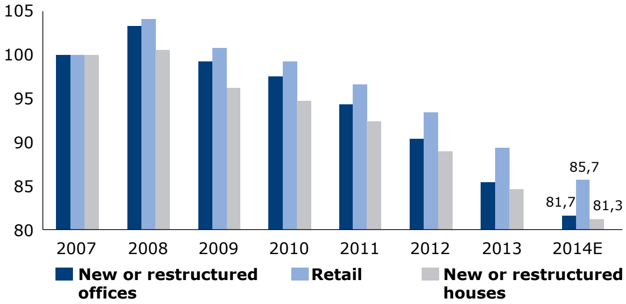
In terms of **gross returns**, prime real estate in both Milan and Rome remained stable at 5.75% and 6.25% respectively. In both cases, given the overheated peripheral Irish and Spanish markets, operators are projecting a further squeeze on returns, especially prime returns, over the coming months.

Prices in the Italian real estate market continue to erode. Since 2008, a significant loss has built up, especially in the 13 main markets, with falls of 19.2% for new builds, 21% for offices and 17.7% for stores . In the second half of 2014, prices fell 1.7% for new builds, 1.7% for offices and 1.7% for stores compared with the first half. Repricing, which started with a slight lag compared to the contraction in sales and purchases, is expected to continue for the next two years, albeit at slower pace, before reversing in 2016.

3. CBRE, Italian Investment Quarterly, Q3 2014

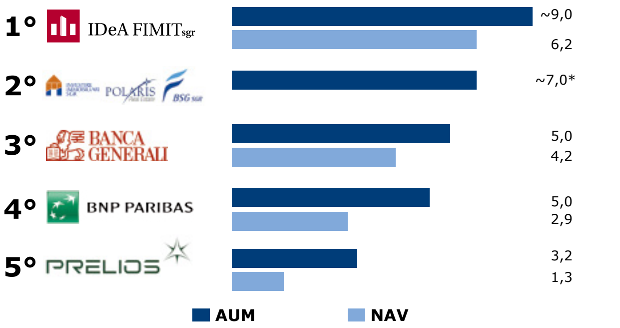
4. Nomisma, 3rd Report on 2014 Property Market

Average prices in Italy's 13 largest cities
(2007 = 100)



Source: Nomisma

AUM of the largest real estate asset managers
(EUR billion)



* The merger by incorporation into Investire Immobiliare SGR of Beni Stabili Gestioni SGR and Polaris Real Estate SGR was signed on 19 December 2014. The AUM figure is based on an estimate of December 2014 figures. The NAV is not available.

Strong competition in some products, especially those located in the prime areas of Milan and Rome, trimmed 15-25 basis points off prime returns, bringing them back to 2012 levels[5].

Real Estate funds in Italy

Italian real estate funds, with around EUR 51 billion assets under management, improved on the EUR 49 billion of 2013[6], despite the lack of any real recovery in the real estate sector in 2014.

The first 2014 half-year report on real estate funds produced by Assogestioni shows that 16 new funds were launched in the first half of the year; of these, six were speculative and all except one were reserved for qualified or institutional investors only. At the end of the first half of 2014, 90% of supply in the sector consisted of reserved funds with a net asset value (NAV) of about EUR 22 billion. Retail funds (10% of funds offered) accounted for a NAV of just over EUR 4 billion. Ordinary funds set up for institutional investors saw the biggest growth in terms of stock, with assets and NAV rising 20%[7].

In June 2014, property and real property rights were unchanged from the previous half year at around 89% of assets. The percentage by intended use remained practically unchanged, with 52% of investments concentrated in the office sector; retail properties accounted for 13%, residential property 10%, other investments (barracks, telephone exchanges and land) 10%, and logistics, industrial or hospitality properties the remainder.

At the end of the first half of 2014, 75% of funds used leverage to increase invested assets.

Reserved funds, which were responsible for the majority of real estate portfolio movements in the period, bought or transferred real estate worth around EUR 1.9 billion and sold EUR 347 million, falls of 7% and more than 34%, respectively, compared with the previous six months. Retail funds did not buy or transfer real estate, and sold just EUR 150 million, half the amount of the previous six months.

Changes in real estate assets net of portfolio movements (therefore excluding any sales) also deteriorated further. In the first half of 2014, retail fund assets shed 5% in value compared with the second half of 2013.
Listed Italian real estate funds posted a negative performance of around 1.3% in 2014, and faced continuing problems from the limited liquidity in the sector and heavy discounting of funds' market prices compared to their NAV.

Over the last six months, the average daily trading volume in the closed-end listed fund market was around EUR 30,500. The market's lack of dynamism continued, with all funds trading at a discount to NAV of almost 45%[8]. However, foreign operators showed considerable interest in listed Italian real estate funds. This was demonstrated by the successful public purchase offer (PPO) launched by Blackstone on the Atlantic1 fund in March, and the PPO launched by Capstone Equities on the Europea Immobiliare 1 fund in November, although this did not achieve the minimum number of subscriptions.

5. BNP Real Estate, Investment in Italy, Q3 2014
6. Scenari Immobiliari, Half-year note, December 2014
7. Assogestioni, Half-yearly report on Italian real estate funds, 1st half of 2014 - figure only applies to Italian real estate funds surveyed by Assogestioni
8. Data from IDeA FIMIT Research Department using Bloomberg figures, updated as at 16/01/2015

The DeA Capital Group’s investment portfolio

The structure of the DeA Capital Group's investment portfolio in the Private Equity Investment and Alternative Asset Management businesses, as defined above, is summarised in the table below.

Investment portfolio	December 31, 2014	
	n.	Euro/Mln.
Equity investments	3	220.5
Funds (*)	14	203.0
Private Equity Investment	***17***	***423.5***
Alternative asset management (*)	***4***	***201.5***
Investment portfolio	***21***	***625.0***

(*) Units in private equity funds consolidated on a line-by-line basis and equity investments in subsidiaries relating to alternate asset management are valued in this table using the equity method for the Group's portion.

Details on portfolio asset movements in 2014 are provided in the sections on the Private Equity Investment and Alternative Asset Management businesses below.

Private Equity Investment

In terms of shareholdings, at 31 December 2014, the DeA Capital Group was a shareholder of:

- Kenan Investments, the indirect parent company of Migros (valued at EUR 209.1 million);
- Sigla Luxembourg, the parent company of Sigla (valued at EUR 11.2 million);
- Harvip, which manages funds and investment vehicles used to purchase distressed real estate and other investments (valued at EUR 0.2 million).

The DeA Capital Group is also a shareholder in three companies – i.e. Elixir Pharmaceuticals Inc., Kovio Inc. and Stepstone – which are not included in the investment portfolio as they are either dormant or in liquidation, and have zero carrying value.

With regard to funds, at 31 December 2014, the DeA Capital Group held units in:

- IDeA I FoF (valued at EUR 93.5 million);
- ICF II (valued at EUR 35.3 million);
- ICF III (valued at EUR 1.7 million);
- IDeA OF I (valued at EUR 56.0 million);
- IDeA EESS (valued at EUR 4.3 million);
- IDeA ToI (value not significant);
- AVA (valued at EUR 2.6 million);
- seven venture capital funds (with a total value of approximately EUR 9.6 million).

Valuations of shareholdings and funds in the portfolio reflect estimates made using the information available on the date this document was prepared.

- SIGLA LUXEMBOURG (PARENT COMPANY OF SIGLA)

Sigla Credit

INVESTMENT DETAILS:

On 5 October 2007, DeA Capital Investments finalised the acquisition of a stake (currently 41.39%) in Sigla Luxembourg, the holding company that fully controls Sigla, which operates in Italy and provides consumer credit for non-specific purposes.

BRIEF DESCRIPTION:

Sigla specialises in personal loans and "salary-backed loans". It is a benchmark operator in the provision of financial services to households throughout Italy, chiefly through a network of agents.

The company's product range of salary-backed loans and personal loans was expanded in 2010 to include the servicing of portfolios of unsecured non-performing loans (personal loans and credit cards).

The investment in Sigla Luxembourg, which is recorded under 'Shareholdings in associates', is worth around EUR 11.2 million in the Consolidated Financial Statements for the Year Ending 31 December 2014 (EUR 12.1 million at 31 December 2013). The decrease compared with 31 December 2013 is largely due to the loss made in the period.

Sigla (mln €)	2014	2013	Change
Loans to customers*	**41.5**	48.5	(7.0)
Revenues from personal loans	**0.9**	1.7	(0.8)
Salary-backed loans granted	**96.7**	90.8	5.9
Revenues from salary-backed loans	**5.0**	5.4	(0.4)
Net profit/(loss)	**(2.1)**	(0.3)	(1.8)

* Receivables for personal loans net of impairment provisions

In terms of operating performance, Sigla recorded a net loss in 2014, a deterioration on the previous year. This was due to the slowdown in the business of granting personal loans, which was consistent with the strategy of reducing operating risks, and above all the impact of extraordinary items (EUR -2 million in 2013).

However, the raising of over EUR 300 million in new funding for without-recourse credit facilities with effect from the last quarter of 2014, together with an agreement with one of its major financing banks which significantly reduced its risk profile through the release of existing guarantees on a large portion of previously granted loans, have laid the foundations for reversing the earnings trend this year.

REGISTERED OFFICE:

Italy

SECTOR:

Consumer credit

WEBSITE:

www.siglacredit.it

Innovative operator of non-performing loans

KENAN INVESTMENTS (INDIRECT PARENT COMPANY OF MIGROS)

REGISTERED OFFICE:
Turkey

SECTOR:
Food retail

WEBSITE:
www.migros.com.tr

Leading company in the food retail sector in Turkey

INVESTMENT DETAILS:

In 2008, the DeA Capital Group acquired about 17% of the capital of Kenan Investments, the company heading the structure to acquire the controlling interest in Migros.

BRIEF DESCRIPTION:

Migros was established in 1954, and is the leading company in the food retail sector in Turkey. The company has 1,190 outlets (at 31 December 2014), with a total net sales area of approximately 953,000 square metres.

Migros is present in all seven regions of Turkey, and has a marginal presence in Kazakhstan and Macedonia.

The company operates under the following names: Migros, Tansas and Macrocenter (supermarkets), 5M (hypermarkets), Ramstore (supermarkets abroad) and Kangurum (online store).

Growth in the food retail sector in Turkey is a relatively recent phenomenon, brought about by the transition from traditional systems such as bakkals (small stores typically run by families) to an increasingly widespread organised distribution model driven by expansion and the modernisation process under way in Turkey.

The investment in Kenan Investments is recorded in the Consolidated Financial Statements for the Year Ending 31 December 2014 at EUR 209.1 million (compared with EUR 132.4 million at 31 December 2013).

This valuation is based on the percentage that DeA Capital S.p.A. and a Migros share price of:

(i) TRY 26.00 for the stake in Migros that is the subject of the transaction with Anadolu (described in the section 'Significant Events' above), i.e. both the 40.25% of Migros shares being sold immediately and the 9.75% of Migros shares subject to put and call options agreed by the parties);
(ii) TRY 22.75, being the market price on 31 December 2014, for the remaining stake (30.5% of Migros capital).

The increase of EUR 76.7 million versus 31 December 2013 was due to the above-mentioned rise in the value of Migros shares (compared with TRY 16.00 per share at 31 December 2013) and the appreciation of the Turkish lira against the euro (2.83 TRY/EUR at 31 December 2014 versus 2.97 TRY/EUR at 31 December 2013).

The effect on the DeA Capital Group's NAV of this change in fair value was partially offset by the reduction in estimated carried interest to be paid, based on the total capital gain (EUR -11.4 million).

Migros (mln YTL)	**2014**	**2013**	**Chg. %**
Revenues	**8,123**	7,127	14.0%
EBITDA	**532**	469	13.4%
Group net profit/(loss)	**99**	(463)	n.a.
Net debt	**(1,663)**	(1,883)	+220 mln YTL

Looking at the global picture, the Turkish economy grew by 3.0% year-on-year in 2014, a slowdown on the figure of 4.0% for the whole of 2013. Inflation was 8.9%, up from 7.4% for 2013.

After a peak in volatility in January 2014, following on from the turbulence in 2013, the TRY/EUR exchange rate stabilised in February. This was due to monetary policy measures introduced by the Turkish Central Bank, combined with the impact of the results of the administrative elections at the end of March 2014 and of the presidential elections in August 2014, which gave the governing party a vote of confidence. Further political elections are scheduled for summer 2015, which will be an important factor in the country’s economic and currency stability.

The food retail sector in Turkey remained buoyant in 2014, with sustained growth in commercial space (+9.4%) and the supermarket segment (+2.7% yoy), which maintained its dominant position.

In terms of operating performance, Migros grew revenues by 14.0% year-on-year; this was partly driven by the expansion of the sales network (186 new supermarkets in 12 months). This performance translates into improved profit margins. The sharp increase in the Group's net profit compared with 2013 reflects the negative impact in that year of revaluing the company's debt in euro. The increase in net debt relates to the impact of the TRY/EUR exchange rate trends on the portion of debt that is denominated in euro.

Note that Migros has confirmed its intention, for the medium term, to maintain a sustained rate of expansion of its network, by opening 150-200 new supermarkets a year, with a focus on areas of 200-350 square metres (with a particular emphasis on fresh products, a growing proportion of private label products and a much broader choice than offered by discount stores). At the same time, the company confirmed double-digit revenue growth guidance and an EBITDA margin in the 6% to 6.5% range.

Funds

At 31 December 2014, the DeA Capital Group's Private Equity Investment business included investments - other than the investment in the IDeA OF I fund (fully consolidated in accordance with IFRS 10) and the AVA real estate fund (classified under 'Investments in associates', based on the units held) - in three funds of funds (IDeA I FoF, ICF II and ICF III), two theme funds (IDeA EESS and IDeA ToI) and another seven venture capital funds, totalling approximately EUR 203.0 million (corresponding to the estimated fair value calculated using the information available on the date this document was prepared).

Residual commitments for all the funds in the portfolio were approximately EUR 107.7 million.

IDEA OPPORTUNITY FUND I >>

IDeA Capital Funds Sgr

INVESTMENT DETAILS:

IDeA OF I is a closed-end fund under Italian law for qualified investors, which began operations on 9 May 2008, and is managed by IDeA Capital Funds SGR.

At its meeting on 20 July 2011, the Board of Directors of IDeA Capital Funds SGR approved a number of regulatory changes. These included changing the name of the IDeA Co-Investment Fund I to IDeA Opportunity Fund I (IDeA OF I) and extending investment opportunities to qualified minority interests, independently or via syndicates.

The DeA Capital Group has a total commitment of up to EUR 101.8 million in the fund.

BRIEF DESCRIPTION:

IDeA OF I has total assets of approximately EUR 217 million. Its objective is to invest via syndicates with a lead investor, independently or by purchasing qualified minority interests.

At 31 December 2014, IDeA OF I had called up 79.4% of the total commitment and distributed 6.0% of that commitment, after making nine investments:

- on 8 October 2008, it acquired a 5% stake in Giochi Preziosi S.p.A., a company active in the production, marketing and sale of children's games with a product line covering childhood to early adolescence;

- on 22 December 2008, it acquired a 4% stake in Manutencoop Facility Management S.p.A. by subscribing to a reserved capital increase. This company is Italy's leading integrated facility management company, providing and managing a wide range of property management services and other services for individuals and government agencies. on 2 July 2013, IDeA OF I sold a 1% stake in the company's capital to the controlling shareholder (Manutencoop Società Cooperativa), backed by the issue of a three-year remunerated vendor note, thereby reducing its own stake to 3%;

- on 31 March 2009, it acquired a 17.43% stake in Grandi Navi Veloci S.p.A., an Italian shipping company that transports passengers and goods on various routes around the Mediterranean Sea. On 2 May 2011, with the finalisation of Marinvest's entry into the shareholder structure of Grandi Navi Veloci S.p.A. through the subscription of a reserved capital increase, the stake held by IDeA OF I was diluted to 9.21%. Subsequently, IDeA OF I's decision not to subscribe, on a pro-rata basis, to two further capital increases (August 2012, January 2014) led to a further dilution in its shareholding to the current 3.12%;

- on 10 February 2011, it invested in bonds convertible into shares of Euticals S.p.A., Italian leader in the production of active ingredients for pharmaceutical companies that operate in the generics sector. As part of the extraordinary operation that led to the transfer of the controlling share in Euticals S.p.A., on 3 April 2012, these bonds were

REGISTERED OFFICE:
Italy

SECTOR:
Private equity

WEBSITE:
www.ideasgr.com

Fund size:

217 million Euro

IDEA OF I

transferred into the acquisition vehicle, Lauro 57, which now owns 100% of Euticals S.p.A.; in exchange, a stake of 7.77% was acquired in the same acquisition vehicle. Subsequent to 31 December 2014, on 13 February 2015, a capital increase was agreed for a total of EUR 17.5 million, divided into three tranches. The first tranche of EUR 12.5 million is scheduled for the end of March 2015 (of which about EUR 1.0 million for IDeA OF I);

- on 25 February 2011, it purchased a 9.29% stake in Telit Communications PLC (Telit), the third-largest producer of machine-to-machine communications systems in the world. The stake held by IDeA OF I was subsequently diluted to 8.53% due to the exercise of stock options by the company's management. The sale of a portion of Telit's shares held by IDeA OF I was launched in 2014 at a price of EUR 11.2 million, generating a 3.2 times return on the original investment. Following the sale, IDeA OF I now owns 5.0% of Telit;

- on 11 September 2012, an agreement was signed with the main shareholder, Filocapital S.r.l., for an investment in Iacobucci HF Electronics S.p.A. (Iacobucci), a company that manufactures trolleys for aeroplanes and trains, and specialises in the design, production and marketing of components for aircraft fittings and furnishings. At the date of this document, the investment in Iacobucci consists of a stake of 34.85%, subscribed following two reserved capital increases on 7 August 2013 (EUR 3 million) and 19 May 2014 (EUR 3 million), and the conversion of a bond into shares of Iacobucci, for EUR 6 million, which took place on 10 October 2014;

- on 9 October 2012, IDeA OF I acquired an indirect stake of 4.6% in Patentes Talgo S.A. (Talgo), a Spanish company that designs and produces solutions for the rail sector, chiefly sold on the international market (high-speed trains, and maintenance vehicles and systems);

- on 12 December 2012, IDeA OF I acquired a stake of 29.34% in 2IL Orthopaedics, a Luxembourg-registered vehicle which, through an initial purchase offer and subsequent delisting of previously listed shares, obtained full control (on 15 February 2013) of English company Corin Group PLC (Corin). Corin is active in the production and marketing of orthopaedic devices, especially for hips and knees;

- on 27 February 2013, the fund acquired a stake of 10% in Elemaster S.p.A. (Elemaster), the leading operator in ODM (original design manufacturing) and EMS (electronic manufacturing service), i.e. the design and construction of electronic equipment. At the same time, the IDeA Efficienza Energetica e Sviluppo Sostenibile Fund, also managed by IDeA Capital Funds SGR, invested an equal amount.

The units held in IDeA OF I were reported in the Consolidated Financial Statements for the Year Ending 31 December 2014 at EUR 56.0 million, versus EUR 56.9 million at 31 December 2013. The change is attributable to capital calls of EUR 2.8 million, capital reimbursements of EUR 5.1 million and a pro-rata net gain for the period of EUR 1.4 million.

The table below shows a breakdown of the fund's NAV at 31 December 2014.

NAV of IDeA OF I at 31 December 2014

(EUR million)	100% stake	DeA Capital stake
Portfolio investments		
Giochi Preziosi	10.0	4.7
Manutencoop Facility Management	18.9	8.9
Grandi Navi Veloci	4.5	2.1
Lauro Cinquantasette (Euticals)	11.8	5.6
Telit Communications	17.5	8.2
Iacobucci HF Electronics	12.0	5.6
Pegaso Transportation Investments (Talgo)	15.0	7.0
2IL Orthopaedics LTD (Corin)	12.8	6.0
Elemaster	8.5	4.0
Total Portfolio Investments	**111.0**	**52.2**
Other long-term receivables	7.0	3.3
Cash and cash equivalents	1.1	0.5
Total shareholders' equity	**119.1**	**56.0**

The table below shows the key figures for IDeA OF I at 31 December 2014.

IDeA OF I EUR (€)	Registered office	Year of commitment	Fund size	Subscribed commitment	% DeA Capital in fund
IDeA Opportunity Fund I	Italy	2008	216,550,000	101,750,000	46.99
Residual Commitments					
Total residual commitment in:		**Euro**		**20,980,850**	

IDeA I FoF

IDEA I FUND OF FUNDS

REGISTERED OFFICE:
Italy

SECTOR:
Private equity

WEBSITE:
www.ideasgr.com

Fund size:

681 million Euro

INVESTMENT DETAILS:

IDeA I FoF is a closed-end fund under Italian law for qualified investors, which began operations on 30 January 2007 and is managed by IDeA Capital Funds SGR.

The DeA Capital Group has a total commitment of up to EUR 173.5 million in the fund.

BRIEF DESCRIPTION:

IDeA I FoF, which has total assets of approximately EUR 681 million, invests its assets in units of unlisted closed-end funds that are mainly active in the local private equity sector in various countries. It optimises the risk-return profile through careful diversification of assets among managers with a proven track record of returns and solidity, different investment approaches, geographical areas and maturities.

At the date of the latest report available, the IDeA I FoF portfolio was invested in 42 funds with different investment strategies; these funds in turn hold 419 positions, with varying maturities, in companies active in geographical regions with different growth rates.

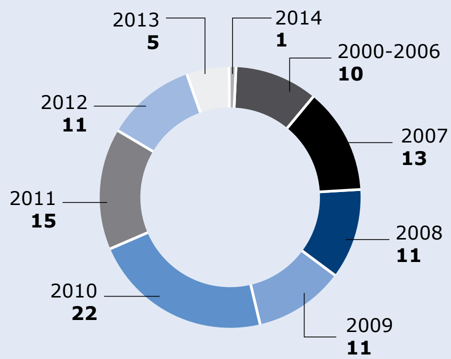
The funds are diversified in the buy-out (control) and expansion (minorities) categories, with overweighting towards medium- and small-scale transactions and special situations (distressed debt/equity and turnaround).

At 31 December 2014, IDeA I FoF had called up 81.2% of its total commitment and had made distributions totalling approximately 47.6% of that commitment.

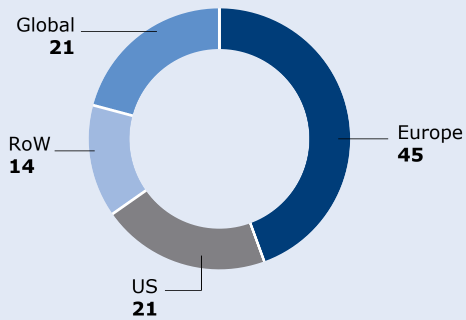
OTHER IMPORTANT INFORMATION:

Below is an analysis of the portfolio, updated to the date of the latest report available, broken down by year of investment, geographical area, sector and type.

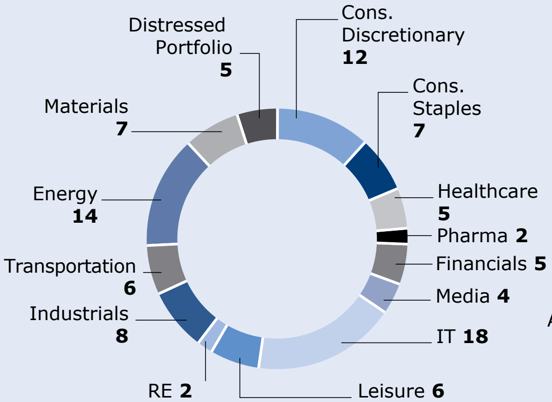
Breakdown by vintage[1] (%)



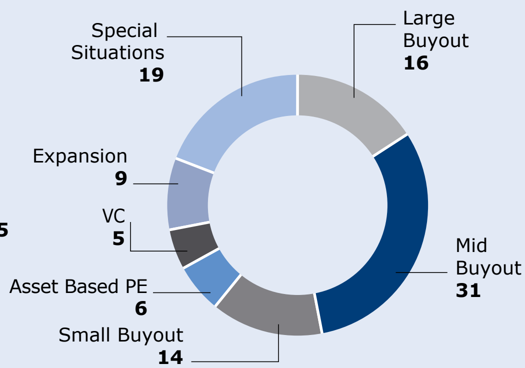
Breakdown by geography[2] (%)



Breakdown by industry[1] (%)



Breakdown by type[2] (%)



Notes:
1. % of the FMV of the investment at 31 December 2014;
2. % of fund size based on paid-in exposure (capital invested + residual commitments) at 31 December 2014.

The units in IDeA I FoF had a value of approximately EUR 93.5 million in the Consolidated Financial Statements for the Year Ending 31 December 2014 (EUR 94.7 million at 31 December 2013). The increase was due to capital calls of EUR 3.5 million, capital reimbursements of EUR 21.4 million and an increase in fair value of EUR 16.7 million.

The table below shows the key figures for IDeA I FoF at 31 December 2014.

IDeA I FoF EUR (€)	**Registered office**	**Year of commitment**	**Fund size**	**Subscribed commitment**	**% DeA Capital in fund**
IDeA I Fund of Funds	Italy	2007	681,050,000	173,500,000	25.48
Residual Commitments					
Total residual commitment in:		**Euro**		**32,600,642**	

ICF II

REGISTERED OFFICE:
Italy

SECTOR:
Private equity

WEBSITE:
www.ideasgr.com

Fund size:

281 million Euro

IDeA Capital Funds Sgr

INVESTMENT DETAILS:

ICF II is a closed-end fund for qualified investors under Italian law, which began operations on 24 February 2009 and is managed by IDeA Capital Funds SGR.

The DeA Capital Group has a total commitment of up to EUR 51 million in the fund.

BRIEF DESCRIPTION:

ICF II, with total assets of EUR 281 million, invests in units of unlisted closed-end funds that are mainly active in the local private equity sector of various countries. It optimises the risk-return profile through careful diversification of assets among managers with a proven track record of returns and solidity, different investment approaches, geographical areas and maturities.

The fund started building its portfolio by focusing on funds in the area of mid-market buy-outs, distressed and special situations, loans, turnarounds and funds with a specific sector slant, targeting in particular opportunities offered in the secondary market.

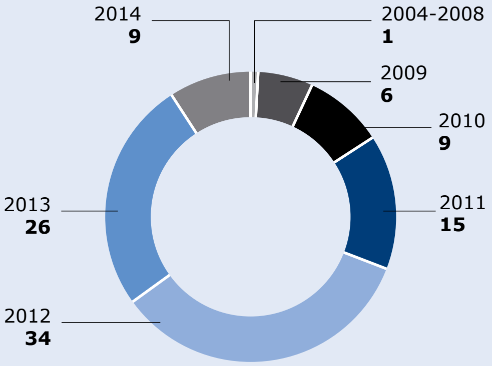
At the date of the latest report available, the ICF II portfolio was invested in 27 funds with different investment strategies; these funds in turn hold positions, with varying maturities, in around 304 companies active in geographical regions with different growth rates.

At 31 December 2014, ICF II had called up 63.9% of its total commitment and had made distributions totalling approximately 12.4% of that commitment.

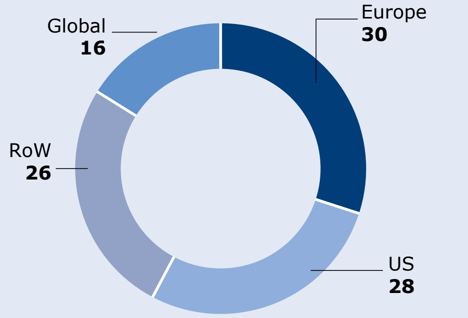
OTHER IMPORTANT INFORMATION:

Below is an analysis of the portfolio, updated to the date of the latest report available, broken down by year of investment, geographical area, sector and type.

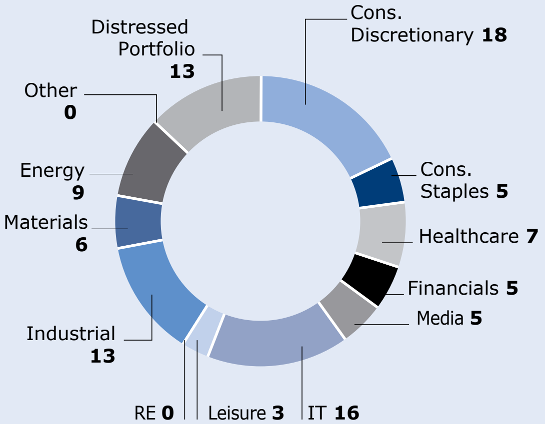
Breakdown by vintage[1] (%)



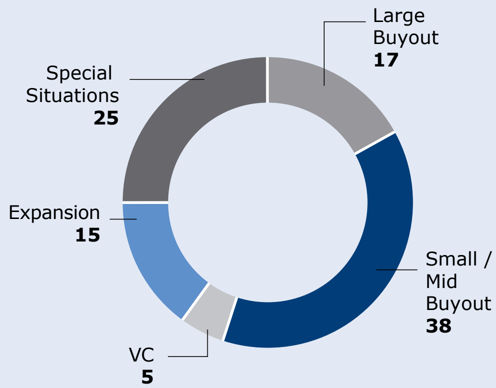
Breakdown by geography[2] (%)



Breakdown by industry[1] (%)



Breakdown by type[2] (%)



Notes:
1. % of the FMV of the investment at 31 December 2014;
2. % of fund size based on paid-in exposure (capital invested + residual commitments) at 31 December 2014.

The units in ICF II had a value of approximately EUR 35.3 million in the Consolidated Financial Statements for the Year Ending 31 December 2014 (EUR 23.8 million at 31 December 2013). The increase was due to capital calls of EUR 7.3 million, capital reimbursements of EUR 2.9 million and an increase in fair value of EUR 7.1 million.

The table below shows the key figures for ICF II at 31 December 2014:

ICF II EUR (€)	**Registered office**	**Year of commitment**	**Fund size**	**Subscribed commitment**	**% DeA Capital in fund**
ICF II	Italy	2009	281,000,000	51,000,000	18.15
Residual Commitments					
Total residual commitment in:		**Euro**		**18,386,037**	

ICF III

REGISTERED OFFICE:
Italy

SECTOR:
Private Equity

WEBSITE:
www.ideasgr.com

Fund size:

57 million

Euro

DETTAGLI INVESTIMENTO:

ICF III is a closed-end fund for qualified investors under Italian law, which began operations on 10 April 2014 and is managed by IDeA Capital Funds SGR.

The DeA Capital Group has a total commitment of up to EUR 12.5 million in the fund.

BRIEF DESCRIPTION:

ICF III, which at the first closing had total assets of EUR 57 million, intends to invest its assets in units of closed-end private equity funds or in schemes that replicate the financial model, either as lead investor or with other co-investors.

The fund is divided into three segments:

- ***Core,*** with a focus on buy-outs, expansion capital, and special situations;
- ***Credit & Distressed,*** which invests in special credit operations (preferred equity, mezzanine, senior loans), turnarounds and other credit strategies;
- ***Emerging Markets,*** which focuses on expansion capital, buy-outs, distressed assets and venture capital operations in emerging markets.

At 31 December 2014, ICF III had called up 27.4%, 24.0% and 7.0% in the Core, Credit & Distressed and Emerging Markets segments respectively.

The ICF III units are valued at approximately EUR 1.7 million in the Consolidated Financial Statements for the Year Ending 31 December 2014, which corresponds to investments of EUR 1.8 million and a decrease in fair value of EUR 0.1 million.

The table below shows the key figures for ICF III at 31 December 2014.

ICF III EUR (€)	**Registered office**	**Year of commitment**	**Fund size**	**Subscribed commitment**	**% DeA Capital in fund**
ICF III	Italia	2014	57,050,000	12,500,000	21.91
of which:					
Core segment			25,400,000	1,000,000	3.94
Credit & Distressed segment			16,650,000	4,000,000	24.02
Emerging Markets			15,000,000	7,500,000	50.00
Total Residual Commitments					
Total residual commitment in:		**Euro**		**10,723,428**	

IDEA EFFICIENZA ENERGETICA E SVILUPPO SOSTENIBILE >>

IDeA Capital Funds Sgr

INVESTMENT DETAILS:

IDeA EESS is a closed-end fund under Italian law for qualified investors, which began operating on 1 August 2011 and is managed by IDeA Capital Funds SGR.

The DeA Capital Group has a total commitment in the fund of EUR 15.3 million.

BRIEF DESCRIPTION:

IDeA EESS is a closed-end mutual fund under Italian law for qualified investors, which seeks to acquire minority and controlling interests in unlisted companies in Italy and abroad, by investing jointly with local partners.

The fund is dedicated to investing in small and medium-sized manufacturing and service companies operating in the field of energy savings and the efficient use of natural resources. It focuses on the development of faster and cheaper solutions in the use of renewable energy sources while continuing to reduce CO2 emissions effectively, against a backdrop of sustained growth in global energy demand.

At 31 December 2014, IDeA EESS had called up 40.8% of its total commitment from subscribers, after making five investments:

- on 8 May 2012, the fund made its first investment, acquiring 48% of Domotecnica Italiana (independent Italian franchising of thermo-hydraulic installers) for approximately EUR 2.6 million, as well as subsequent capital increases totalling EUR 1.0 million;investment entirely impaired at 31 december 2014. To be pointed out that on 9 march 2015, in consideration of the gradual deterioration of the financial situation of the company, the latter was liquidated.

- on 27 February 2013, the fund invested EUR 8.5 million to acquire a stake of 10% in Elemaster, the leading operator in ODM (original design manufacturing), and EMS (electronic manufacturing service), i.e. the design and construction of electronic equipment. At the same time, the IDeA OF I fund, also managed by IDeA Capital Funds SGR, invested an equal amount;

- on 23 April 2013, the fund invested EUR 3.5 million to acquire a 29.9% stake in SMRE, which specialises in the design and construction of industrial systems to cut and process fabric, and also has know-how in electrical drives with particularly innovative technology in integrated electric transmission. The acquisition was conducted via subscription to a reserved capital increase in SMRE;

- on 27 December 2013, the fund invested EUR 3.9 million in the special purpose acquisition company (SPAC) GreenItaly 1, of which EUR 3.5 million was in ordinary shares, which entitle it to 10% of the company, and EUR 0.4 million, in its capacity as promoter of the vehicle, in special shares without voting

REGISTERED OFFICE:

Italy

SECTOR:

Private Equity

WEBSITE:

www.www.ideasgr.com

Fund size:

100 million Euro

IDEA EFFICIENZA ENERGETICA E SVILUPPO SOSTENIBILE

rights. The aim of GreenItaly 1, a themed SPAC, is to acquire a non-listed medium-sized Italian company operating in the efficient use of resources, efficient energy or environmental sector within 24 months of the IPO (completed on 27 December 2013);

- on 13 February 2014, the fund invested EUR 7.8 million relating to a first tranche in Meta System and in one of its affiliates (Meta System Investment), followed in April and May 2014 by two further tranches totalling EUR 4.7 million. The fund's total investment was EUR 12.5 million, for a 16.0% stake in Meta System. Meta System is active in the production of transmission equipment, electronic antennas, alarm systems for the automotive sector, as well as home telematics systems and battery chargers for electric vehicles;

- on 5 February 2015, the fund made its sixth investment, acquiring a shareholding in Baglioni via a first capital increase of EUR 8 million for a 35.9% stake in the company. The investment involves another capital increase (for around EUR 2 million) when certain conditions arise and contains a purchase price adjustment mechanism. Baglioni is a company involved in the design and manufacture of compressed air tanks for applications across a broad spectrum of industrial sectors.

The units in IDeA EESS had a value of approximately EUR 4.3 million in the Consolidated Financial Statements for the Year Ending 31 December 2014 (EUR 3.0 million at 31 December 2013). The increase was the combined effect of capital calls of EUR 2.2 million and a mark to market of EUR -0.9 million.

The table below shows the key figures for IDeA EESS at 31 December 2014.

IDeA EESS EUR (€)	**Registered office**	**Year of commitment**	**Fund size**	**Subscribed commitment**	**% DeA Capital in fund**
IDeA Efficienza Energetica e Sviluppo Sostenibile	Italia	2011	100,000,000	15,300,000	15.30
Residual Commitments					
Total residual commitment in:		**Euro**		**9,060,630**	

IDEA TASTE OF ITALY

IDeA Capital Funds Sgr

INVESTMENT DETAILS:

IDeA ToI is a closed-end fund under Italian law for qualified investors, which began operating on 30 December 2014 and is managed by IDeA Capital Funds SGR.

The DeA Capital Group has a total commitment in the fund of EUR 8.6 million.

BRIEF DESCRIPTION:

IDeA ToI is a closed-end mutual fund under Italian law for qualified investors, which seeks to acquire minority and controlling interests in mainly small and medium-sized enterprises in Italy, also by investing with other co-investors.

The fund is dedicated to investing in companies operating in the agricultural foods sector, especially areas involved in the production and distribution of foodstuffs in the form of both primary and secondary (processed) products or related services.

Given the fund's target total volume of up to EUR 200 million, IDeA Capital Funds SGR has already initiated contacts for the first potential investments.

At 31 December 2014, IDeA ToI had called up 1.1% of the total commitment from subscribers.

At 31 December 2014, the value of the units in IDeA ToI was the combined effect of payments of EUR 0.1 million on the first closing and a decrease in fair value of EUR 0.1 million.

The table below shows the key figures for IDeA ToI at 31 December 2014.

IDeA ToI EUR (€)	**Registered office**	**Year of commitment**	**Fund size**	**Subscribed commitment**	**% DeA Capital in fund**
IDeA Taste of Italy	Italy	2014	86,350,000	8,600,000	9.96
Residual Commitments					
Total residual commitment in:		**Euro**		**8,508,667**	

REGISTERED OFFICE:

Italy

SECTOR:

Private equity

WEBSITE:

www.ideasgr.com

Fund size:

86 million Euro

14

ATLANTIC VALUE ADDED

REGISTERED OFFICE:
Italy

SECTOR:
Private Equity - Real Estate

WEBSITE:
www.ideafimit.it

Fund size:

55 million

Euro

INVESTMENT DETAILS:

The "Atlantic Value Added Closed-End Speculative Real Estate Mutual Fund" is a mixed-contribution fund for qualified investors that began operations on 23 December 2011.

DeA Capital subscribed to a commitment in the fund of up to EUR 5 million (corresponding to 9.1% of the total commitment), with payments of approximately EUR 3.4 million already made at 31 December 2014.

BRIEF DESCRIPTION:

The fund, which is managed by the subsidiary IDeA FIMIT SGR and has a commitment of around EUR 55 million, began its operations with a primary focus on real estate investments in the office and residential markets.
The duration of the fund is eight years.

On 29 December 2011, the fund made its first investment totalling EUR 41.5 million through the purchase/subscription of units in the Venere Fund, a closed-end speculative reserved real estate fund managed by IDeA FIMIT SGR. The Venere Fund's real estate portfolio consists of 16 properties primarily for residential use located in northern Italy.

The units in the AVA fund had a value of approximately EUR 2.6 million in the Consolidated Financial Statements for the Year Ending 31 December 2014 (compared with EUR 2.2 million at 31 December 2013). The increase was the combined effect of net investments of EUR 0.7 million and a pro rata share (EUR -0.3 million) of the net loss for the period.

The table below shows the key figures for the AVA fund at 31 December 2014.

AVA EUR (€)	**Registered office**	**Year of commitment**	**Fund size**	**Subscribed commitment**	**% DeA Capital in fund**
Atlantic Value Added	Italia	2011	55,000,000	5,000,000	9.08
Residual Commitments					
Total residual commitment in:		**Euro**		**1,620,000**	

- Units in venture capital funds

The units in venture capital funds had a total value of approximately EUR 9.6 million in the Financial Statements for the Year Ending 31 December 2014 (EUR 10.7 million at 31 December 2013). The increase was the combined effect of net disposals of EUR 0.2 million and the decrease in fair value of EUR 0.9 million.

The table below shows the key figures for venture capital funds in the portfolio at 31 December 2014.

Venture capital fund Dollars (USD)	**Registered office**	**Year of commitment**	**Fund size**	**Subscribed commitment**	**% DeA Capital in fund**
Doughty Hanson & Co Technology	UK EU	2004	271,534,000	1,925,000	0.71
GIZA GE Venture Fund III	Delaware U.S.A.	2003	211,680,000	10,000,000	4.72
Israel Seed IV	Cayman Islands	2003	200,000,000	5,000,000	2.50
Pitango Venture Capital II	Delaware U.S.A.	2003	125,000,000	5,000,000	4.00
Pitango Venture Capital III	Delaware U.S.A.	2003	417,172,000	5,000,000	1.20
Total dollars				**26,925,000**	
EUR (€)					
Nexit Infocom 2000	Guernsey	2000	66,325,790	3,819,167	5.76
Sterling (GBP)					
Amadeus Capital II	UK EU	2000	235,000,000	13,500,000	5.74
Residual Commitments					
Total residual commitment in:		**Euro**		**4,608,851**	

Alternative Asset Management

At 31 December 2014, DeA Capital S.p.A. was the owner of:

- 100% of **IDeA Capital Funds SGR**;
- 64.30% of **IDeA FIMIT SGR** (including 61.30% held through DeA Capital Real Estate and the remaining 3.00% directly);
- 96.99% of **IRE/IRE Advisory** (which operates in project, property and facility management and real estate brokerage).

IDEA CAPITAL FUNDS SGR

REGISTERED OFFICE:
Italy

SECTOR:
Alternative Asset Management - Private Equity

WEBSITE:
www.ideasgr.com

Asset under management: 1.5 billion Euro

INVESTMENT DETAILS:

IDeA Capital Funds SGR operates in the management of private equity funds (funds of funds, co-investment funds and theme funds). At 31 December 2014, the asset management company managed seven closed-end private equity funds, including four funds of funds (IDeA I FoF, ICF II and ICF III, and IDeA Crescita Globale, which targets the retail market), a "direct" co-investment fund (IDeA OF I) and two theme funds (IDeA EESS, which operates in energy efficiency, and IDeA ToI, in the agricultural foods sector).

The investment programmes of IDeA Capital Funds SGR, which are regulated by the Bank of Italy and Consob, leverage the management team's wealth of experience in the sector.

The investment strategies of the funds of funds focus on building a diversified portfolio in private equity funds in the top quartile or that are next-generation leaders with balanced asset allocation through diversification by:

- Industrial sector;
- Investment strategy and stage (buy-outs, venture capital, special situations, etc.);
- Geographical area (Europe, US and the Rest of the World);
- Maturity (commitments with investment periods diluted over time).

The investment strategies of the **"direct" co-investment fund** focus on minority interests in businesses that primarily concentrate on Europe, and diversification as a function of the appeal of individual sectors by limiting investments during the early stage.

The investment philosophy of the **IDeA EESS** sector fund focuses on growth capital and buyout private equity to support the growth of small and medium-sized enterprises with excellent products/services in the energy efficiency and sustainable development arena. Investments in infrastructure for the generation of energy from renewable sources or early stage investments can be made in compliance with regulatory restrictions.

The investment target of the IDeA ToI sector fund is small to medium-sized enterprises operating in the agricultural foods industry through operations in development capital and early-stage buy-outs.

The table below summarises the value of assets under management and management fees for IDeA Capital Funds SGR at 31 December 2014.

(EUR million)	**Assets Under Management at 31 December 2014**	**Management fees at 31 December 2014**
IDeA Capital Funds SGR		
IDeA I FoF	681	4.6
IDeA OF I	217	2.5
ICF II	281	2.5
IDeA EESS	100	2.0
IDea Crescita Globale	55	1.4
ICF III	57	0.5
IDeA Taste of Italy	86	0.9
Total IDeA Capital Funds SGR	**1,477**	**14.4**

With regard to operating performance, the company recorded a year-on-year increase of approximately EUR 143 million in assets under management in 2014, which was due to the launch of the ICF III fund (EUR 57 million) in April 2014 and the IDeA ToI fund (EUR 86 million) in December 2014. The company had recorded one-off receipts of EUR 1.5 million under management fees in April 2013, due to the final closing of the EESS fund.

IDeA Capital Funds SGR (EUR million)	**2014**	**2013**
AUM	1,477	1,334
Management fees	14.4	14.2
Net profit/(loss)	3.6	4.0

REGISTERED OFFICE:
Italy

SECTOR:
Alternative Asset Management - Real Estate

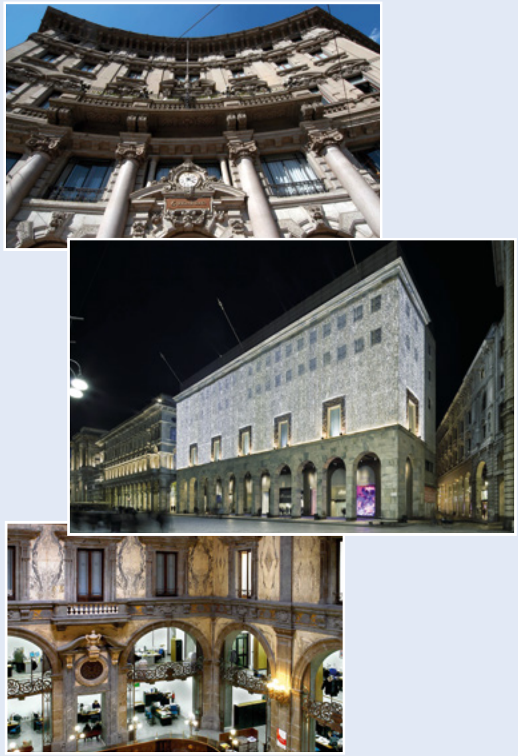
WEBSITE:
www.ideafimit.it

Asset under management:
9.0 billion Euro

IDEA FIMIT SGR

INVESTMENT DETAILS:

IDeA FIMIT SGR is the biggest independent real estate asset management company in Italy, with around EUR 9.0 billion in assets under management and 36 managed funds (including five listed funds). This puts it among the major partners of Italian and international investors in promoting, creating and managing closed-end mutual real estate investment funds.



IDeA FIMIT SGR undertakes three main lines of business:

- the development of mutual real estate investment funds designed for institutional clients and private investors;
- the promotion of innovative real estate financial instruments to satisfy investors' increasing demands;
- the professional management (technical, administrative and financial) of real estate funds with the assistance of in-house experts as well as the best independent technical, legal and tax advisors on the market.

The company has concentrated investments in transactions with low risk, stable returns, low volatility, simple financial structures and, most importantly, an emphasis on real estate value. In particular, the asset management company specialises in "core" and "core plus" properties, but its major investments also include major "value added" transactions.

Due in part to successful transactions concluded in recent years, the asset management company is able to rely on a panel of prominent unit-holders consisting of Italian and international investors with a high standing, such as pension funds, bank and insurance groups, capital companies and sovereign funds.

The table below summarises the value of assets under management and management fees for IDeA FIMIT SGR at 31 December 2014.

EUR million	Assets under management at 31 December 2014	Management fees at 31 December 2014
Fund Breakdown		
Atlantic 1	626	3.7
Atlantic 2 Berenice	199	1.5
Alpha	432	4.3
Beta	136	2.5
Delta	221	2.5
Listed funds	**1,614**	**14.5**
Reserved funds	**7,369**	**39.6**
Total IDeA FIMIT SGR	**8,983**	**54.1**

Some of the key financials of the listed funds in the asset management portfolio are also provided below, with an analysis of the real estate portfolio at the date of the latest report available, broken down by geographical area and by intended use. broken down by geographical area and by intended use.

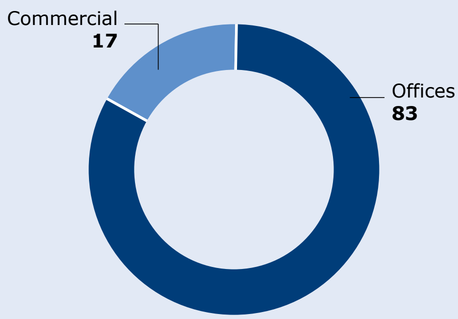
Atlantic 1	31.12.2014
Market value of properties	586,120,000
Historical cost and capitalised charges	610,602,375
Financing	344,658,723
Net Asset Value (NAV)	265,935,162
NAV/unit (EUR)	509.9
Market price/unit (EUR)	318.5
Dividend yield from investment*	5.68%

* Ratio of income per unit to annual average nominal value per unit

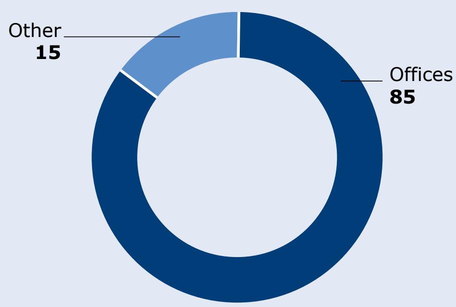
Atlantic 2 - Berenice	31.12.2014
Market value of properties	170,986,000
Historical cost and capitalised charges	192,865,503
Financing	80,000,000
Net Asset Value (NAV)	109,171,181
NAV/unit (EUR)	182.0
Market price/unit (EUR)	128.0
Dividend yield from investment*	9.67%

* Ratio of income per unit to annual average nominal value per unit

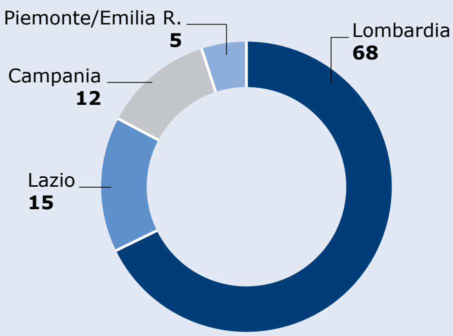
Atlantic 1:
Diversification by geographical area (%)



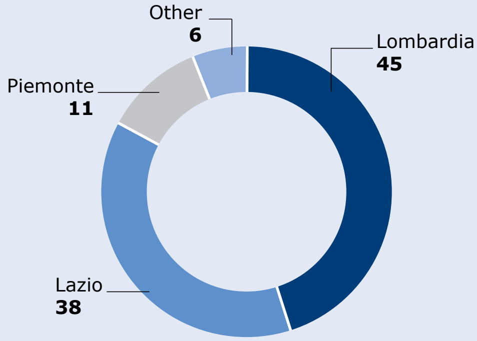
Atlantic 2:
Diversification by geographical area (%)



Atlantic 1:
Diversification by intended use (%)



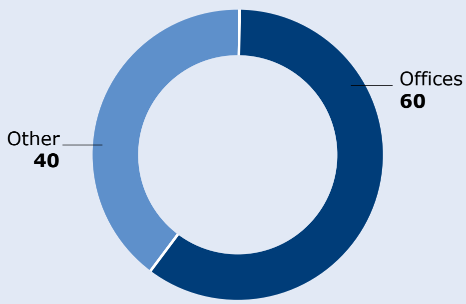
Atlantic 2:
Diversification by intended use (%)



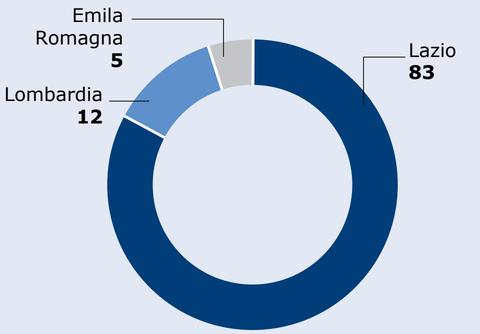
Alpha	31.12.2014
Market value of properties	382,900,000
Historical cost and capitalised charges	324,591,078
Financing	51,834,695
Net Asset Value (NAV)	371,760,134
NAV/unit (EUR)	3,578.9
Market price/unit (EUR)	1,129.0
Dividend yield from investment*	5.46%

* Ratio of income per unit to annual average nominal value per unit

Alpha:
Diversification by geographical area (%)



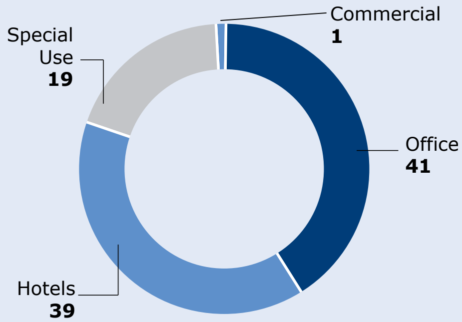
Alpha:
Diversification by intended use (%)



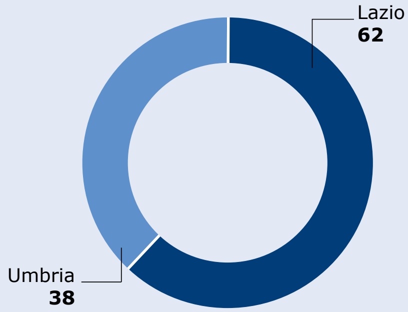
Beta	31.12.2014
Market value of properties	95,785,000
Historical cost and capitalised charges	99,875,020
Net Asset Value (NAV)	108,850,746
NAV/unit (EUR)	405.4
Market price/unit (EUR)	276.0
Dividend yield from investment*	8.40%

* Ratio of income per unit to annual average nominal value per unit

Beta:
Diversification by geographical area (%)



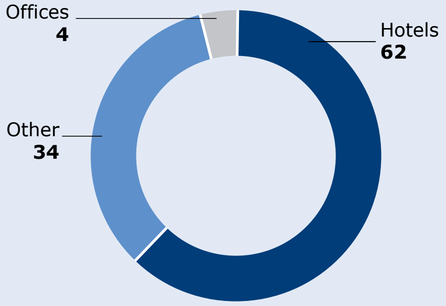
Beta:
Diversification by intended use (%)



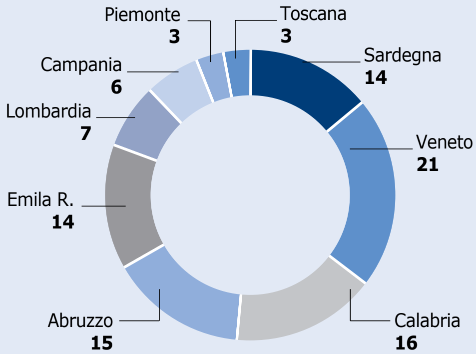
Delta	**31.12.2014**
Market value of properties	210,860,000
Historical cost and capitalised charges	256,220,048
Financing	25,102,155
Net Asset Value (NAV)	193,684,434
NAV/unit (EUR)	92.0
Market price/unit (EUR)	42.3
Dividend yield from investment*	n.a.

* No distribution from investment

Delta:
Diversification by geographical area (%)



Delta:
Diversification by intended use (%)



With regard to IDeA FIMIT SGR's operating performance, management fees in 2014 were EUR 10.5 million lower than in the same period of the previous year. This was mainly due to the revised fees agreed for some managed funds, given the general market squeeze on management fees and the need to stabilise investor relations.

The net result was also negatively affected by the impairment of EUR 5.1 million (impairment of EUR 10.3 million in 2013) on financial equity instruments (*strumenti finanziari partecipativi,* or SFP), which give entitlement to variable commission relating to the funds managed by FIMIT at the date of the merger with FARE SGR (the value is shown in the Financial Statements as the effect of the merger of the two asset management companies).

IDeA FIMIT SGR (EUR million)	**2014**	**2013**
AUM	8,983	9,179
Management fees	54.1	64.6
Net profit/(loss)	4.4	1.2
-of which:		
- portion attributable the shareholders	*9.5*	*11.5*
- portion attributable to holders of financial equity instruments	*(5.1)*	*(10.3)*

INNOVATION
real estate

INVESTMENT DETAILS:

Innovation Real Estate (IRE) operates in property valuation and is structured along the following strategic lines:

- project & construction management (property planning, development and reconditioning;
- property management (the administrative and legal management of properties);
- facility & building management (services connected with buildings and related maintenance);
- due diligence (technical and environmental due diligence, urban regulatory procedures);
- asset management (strategic support for improving the rental condition of buildings and optimising associated management costs, in order to maximise the return on property investment).

IRE currently manages a property portfolio comprising 50% offices, with the remainder split between commercial, tourist, logistics & industrial and residential property.

In terms of operating performance, IRE recorded strong revenue growth in 2014 compared with 2013, mainly due to the increase in facility management, due diligence and asset management services.

Innovation Real Estate (EUR million)	**2014**	**2013**
Revenues for real estate services	17.4	16.0
EBITDA	4.6	4.8
Net profit/(loss)	2.9	3.0

REGISTERED OFFICE:
Italy

SECTOR:
Property Services

WEBSITE:
www.innovationre.it

Specialized in
real estate services

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Consolidated Income Statement

The Group reported a net loss of approximately EUR 57.6 million for 2014, compared with a net loss of around EUR 31.1 million in 2013.

Revenues and other income break down as follows:

- alternative asset management fees of EUR 66.0 million (EUR 76.4 million in 2013);
- a contribution from investments valued at equity of EUR -1.7 million (EUR +6.6 million in 2013);
- other investment income, net of expenses, totalling EUR -56.1 million (EUR -24.6 million in 2013), due to marking the value of the shareholding in Santé to market (EUR -59.0 million), following the disposal of GDS;
- service revenues of EUR 18.7 million (a rise on the 2013 figure of EUR 16.3 million).

Costs totalled EUR 88.0 million (EUR 129.5 million in 2013, which included impairment on some of the goodwill of IDeA FIMIT SGR of EUR 43.7 million and the writedown on intangible assets of EUR 27.5 million), of which EUR 71.2 million was attributable to Alternative Asset Management, EUR 5.9 million to Private Equity Investment and EUR 10.9 million to holding company activities. Alternative Asset Management costs in 2014 include the effects of the amortisation of intangible assets recorded when a portion of the purchase price of the investments was allocated (totalling EUR 14.7 million, including EUR 4.9 million related to impairment of the financial equity instruments of IDeA FIMIT SGR).

Financial income and charges, which totalled EUR +2.9 million at 31 December 2014 (EUR -0.4 million in 2013), mainly relate to income generated from cash and cash equivalents, the return on the quasi-equity loan granted to the subsidiary Santé S.A. and other financial income.

The full tax impact for 2014 (EUR +1.7 million, compared with EUR -4.4 million in 2013) is the combined result of taxes of EUR 6.6 million due in respect of Alternative Asset Management activities and tax credits of EUR 8.3 million relating to holding activities.

Of the Group's net loss of EUR 57.6 million, EUR -62.2 million was attributable to Private Equity Investment, EUR +9.3 million to Alternative Asset Management and EUR -4.7 million to holding company operations/eliminations.

Summary Consolidated Income Statement

(EUR thousand)	Year 2014	Year 2013 (*)
Alternative Asset Management fees	66,045	76,356
Profit/(loss) from equity investments valued at equity	(1,673)	6,586
Other investment income/charges	(56,149)	(24,617)
Service revenues	18,667	16,329
Other revenues and income	509	4,032
Other costs and charges	(87,957)	(129,496)
Financial income and charges	2,905	(438)
PROFIT (LOSS) BEFORE TAXES	**(57,653)**	**(51,248)**
Income tax	1,720	(4,381)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(55,933)**	**(55,629)**
Profit/(loss) from assets held-for-sale/sold	0	0
PROFIT (LOSS) FOR THE YEAR	**(55,933)**	**(55,629)**
- Profit/(loss) attributable to the Group	(57,601)	(31,130)
- Profit/(loss) attributable to minorities	1,668	(24,499)
Earnings (loss) per share, base	(0.210)	(0.114)
Earnings (loss) per share, diluted	(0.210)	(0.114)

(*) For more information about the effects of the retrospective application of IFRS 10 see section IFRS 10 – Consolidated Financial Statements

Performance by business in 2014

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holding companies / Eliminations	Consolidated
Alternative Asset Management fees	0	68,549	(2,504)	66,045
Income from investments valued at equity	(1,149)	(524)	0	(1,673)
Other investment income/charges	(56,812)	663	0	(56,149)
Other revenues and income	146	18,357	673	19,176
Other costs and charges	(5,930)	(71,152)	(10,875)	(87,957)
Financial income and charges	3,006	155	(256)	2,905
PROFIT (LOSS) BEFORE TAXES	**(60,739)**	**16,048**	**(12,962)**	**(57,653)**
Income tax	0	(6,584)	8,304	1,720
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(60,739)**	**9,464**	**(4,658)**	**(55,933)**
Profit/(loss) from assets held-for-sale/sold	0	0	0	0
Profit/(loss) for the year	**(60,739)**	**9,464**	**(4,658)**	**(55,933)**
- Profit/(loss) attributable to the Group	(62,235)	9,292	(4,658)	(57,601)
- Profit/(loss) attributable to minorities	1,496	172	0	1,668

Performance by business in 2013

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holding companies / Eliminations	Consolidated
Alternative Asset Management fees	0	78,810	(2,454)	76,356
Income from investments valued at equity	6,940	(354)	0	6,586
Other investment income/charges	(23,264)	(1,353)	0	(24,617)
Other revenues and income	3,181	16,750	430	20,361
Other costs and charges	(4,797)	(121,962)	(2,737)	(129,496)
Financial income and charges	927	(190)	(1,175)	(438)
PROFIT (LOSS) BEFORE TAXES	**(17,013)**	**(28,299)**	**(5,936)**	**(51,248)**
Income tax	1,294	(9,213)	3,538	(4,381)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(15,719)**	**(37,512)**	**(2,398)**	**(55,629)**
Profit/(loss) from assets held-for-sale/sold	0	0	0	0
Profit/(loss) for the year	**(15,719)**	**(37,512)**	**(2,398)**	**(55,629)**
- Profit/(loss) attributable to the Group	(10,389)	(18,343)	(2,398)	(31,130)
- Profit/(loss) attributable to minorities	(5,330)	(19,169)	0	(24,499)

Comprehensive Income - Statement of Performance - IAS 1

Comprehensive Income or the Statement of Performance (IAS 1), in which performance for the period attributable to the Group is reported including results posted directly to shareholders' equity, reflects a net positive balance of approximately EUR 30.1 million (compared with a net negative balance of EUR 94.3 million in 2013). This comprised:

- a net loss of EUR 57.6 million recorded on the Income Statement;
- profits posted directly to shareholders' equity totalling EUR 87.7 million.

As regards the latter, the largest component was the increase in fair value of Kenan Inv./Migros; in particular, the increase of EUR 76.7 million versus 31 December 2013 was due to the rise in the value of Migros shares and the appreciation of the Turkish lira against the euro.

The effect on the DeA Capital Group's NAV of this change in the fair value of Migros was partially offset by the reduction in estimated carried interest to be paid, based on the total capital gain (EUR -11.4 million).

(EUR thousand)	2014	2013 (*)
Profit/(loss) for the year (A)	**(55,933)**	**(55,629)**
Items that could be subsequently reclassified within the profit (loss) for the period.	88,547	(55,333)
Items that could be subsequently reclassified within the profit (loss) for the period.	(320)	25
Total other profits/(losses), net of tax effect (B)	**88,227**	**(55,308)**
Total comprehensive profit/(loss) for the period (A)+(B)	**32,294**	**(110,937)**
Total comprehensive profit/(loss) for the period (A)+(B):		
- Attributable to the Group	30,089	(94,311)
- Attributable to minorities	2,205	(16,626)

(*) For more information about the effects of the retrospective application of IFRS 10 see section IFRS 10 - Consolidated Financial Statements.

Consolidated Statement of Financial Position

Below is the Group's Statement of Financial Position at 31 December 2014 compared with 31 December 2013.

(EUR thousand)	31 December 2014	31 December 2013 (*)
ASSETS		
Non-current assets		
Intangible and tangible assets		
Goodwill	166,363	166,315
Intangible assets	63,348	78,463
Property, plant and equipment	3,908	4,855
Total intangible and tangible assets	*233,619*	*249,633*
Investments		
Investments valued at equity	19,066	240,084
Investments held by Funds	111,014	114,225
- available-for-sale investments	*71,209*	*78,261*
- invest. in associates and JV valued at FV through P&L	*39,805*	*35,964*
Other available-for-sale companies	209,320	132,536
Available-for-sale funds	176,736	166,260
Other available-for-sale financial assets	306	330
Total Investments	*516,442*	*653,434*
Other non-current assets		
Deferred tax assets	5,039	2,657
Loans and receivables	0	30,372
Tax receivables from parent companies	546	2,984
Other non-current assets	30,495	32,468
Total other non-current assets	*36,080*	*68,481*
Total non-current assets	**786,141**	**971,548**
Current assets		
Trade receivables	29,039	21,078
Available-for-sale financial assets	5,080	5,464
Financial receivables	2,678	0
Tax receivables from parent companies	3,533	3,467
Other tax receivables	2,892	4,912
Other receivables	18,591	18,416
Cash and cash equivalents	55,583	26,396
Total current assets	*117,396*	*79,733*
Total current assets	**117,396**	**79,733**
Held-for-sale assets	**0**	**1,285**
TOTAL ASSETS	**903,537**	**1,052,566**
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	271,626	273,975
Share premium reserve	384,827	386,198
Legal reserve	61,322	61,322
Fair value reserve	116,415	28,725
Other reserves	(11,243)	(8,898)
Retained earnings (losses)	(111,833)	(80,703)
Profit(loss) for the year	(57,601)	(31,130)
Net equity Group	**653,513**	**629,489**
Minority interests	**173,109**	**177,070**
Shareholders' equity	**826,622**	**806,559**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	19,696	19,537
Provisions for employee end-of-service benefits	4,618	3,529
Long term financial loans	5,201	150,198
Payables to staff	0	406
Other payables	11,397	0
Total non-current liabilities	**40,912**	**173,670**
Current liabilities		
Trade payables	18,180	15,599
Current tax	8,122	6,833
Debiti per imposte correnti	2,012	6,956
Other tax payables	2,037	1,478
Other payables	5,292	2,054
Short-term financial loans	360	39,418
Total current liabilities	**36,003**	**72,338**
Held-for-sale liabilities	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**903,537**	**1,052,567**

(*) For more information about the effects of retroactive application of IFRS 10 see section IFRS 10 - Consolidated Financial Statements

At 31 December 2014, Group shareholders' equity was approximately EUR 653.5 million, compared with EUR 629.5 million at 31 December 2013. The increase in 2014 of around EUR 24.0 million in this item was due to the reasons set out in the Statement of Performance – IAS 1 (EUR 30.1 million).

Consolidated Net Financial Position

At 31 December 2014, the consolidated Net Financial Position was approximately EUR 57.8 million, as shown in the table below, which provides a breakdown of assets and liabilities and a comparison with the same figures at 31 December 2013.

Net financial position (EUR million)	**31.12.2014**	**31.12.2013**	**Change**
Cash and cash equivalents	55.6	26.4	29.2
Available-for-sale financial assets	5.1	5.4	(0.3)
Financial receivables	2.7	30.4	(27.7)
Non-current financial liabilities	(5.2)	(150.2)	145.0
Current financial liabilities	(0.4)	(39.4)	39.0
TOTAL	**57.8**	**(127.4)**	**185.2**

The change in the Consolidated Net Financial Position in 2014 was mainly due to the receipt of proceeds of EUR 164.1 million from the sale of GDS, net liquidity generated by investments in own private equity funds in the portfolio of EUR 11.0 million and operational cash flows generated by the asset management platforms.

The Company believes that the cash and cash equivalents and the other financial resources available are sufficient to meet the requirement relating to payment commitments already subscribed in funds, also taking into account the amounts expected to be called up/distributed by these funds. With regard to these residual commitments, the Company believes that the resources currently available, as well as those that will be generated by its operating and financing activities, will enable the DeA Capital Group to meet the financing required for its investment activity and to manage working capital and repay debts when they become due.

6. Results of the Parent Company DeA Capital S.p.A.

The Parent Company DeA Capital S.p.A. operates as a holding company that carries out activities of coordination, development and strategic management of its subsidiaries, and also acts as an entity that makes financial investments directly.

A summary of the Income Statement and Statement of Financial Position of DeA Capital S.p.A. for the year ended 31 December 2014 is shown below.

Income statement of the Parent Company

(Euro)	Year 2014	Year 2013
Other investment income/expense	(3,640,681)	(60,979,549)
Income from services	1,868,506	1,132,082
Other income	252,730	171,624
Personnel costs	(10,395,642)	(5,795,787)
Financial income	(269,622)	(1,128,767)
PROFIT/(LOSS) BEFORE TAX	**(12,184,709)**	**(66,600,397)**
Income tax	7,665,490	3,734,194
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(4,519,219)**	**(62,866,203)**
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
PROFIT/(LOSS) FOR THE YEAR	**(4,519,219)**	**(62,866,203)**

The Parent Company recorded a net loss of EUR 4.5 million for 2014, mainly due to writedowns on shareholdings, which were partly offset by dividend flows and the positive tax impact.

The loss for 2014 compares with a year-earlier loss of approximately EUR 62.9 million, which was caused by the writedown on subsidiary DeA Capital Investments as a result of the impairment made in 2013 for Kenan Investments/Migros.

Statement of Financial Position of the Parent Company

The Parent Company's Statement of Financial Position at 31 December 2014, compared with 31 December 2013, is shown below,

(Euro)	**31.12.2014**	**31.12.2013**
ASSETS		
Non-current assets		
Intangible and tangible assets		
Intangible assets	13,609	7,183
Tangible assets	586,918	804,965
Total intangible and tangible assets	*600,527*	*812,148*
Investments		
Subsidiaries and joint ventures	256,900,010	592,580,468
Associates	14,221,021	0
Available-for-sale investments	209,320,028	184,443
Available-for-sale funds	144,383,615	133,146,396
Total Investments	*624,824,674*	*725,911,307*
Other non-current assets		
Deferred tax assets	0	0
Tax receivables from Parent companies	546,152	2,983,813
Total other non-current assets	*546,152*	*2,983,813*
Total non-current assets	**625,971,353**	**729,707,268**
Current assets		
Trade receivables	557,069	646,711
Financial receivables	1,709,552	42,549,349
Tax receivables from Parent companies	2,782,826	3,106,824
Other tax receivables	115,044	558,488
Other tax receivables	289,382	778,432
Other receivables	538,818	524,323
Cash and cash equivalents	37,961,858	3,776,078
Total current assets	*43,954,549*	*51,940,205*
Total current assets	**43,954,549**	**51,940,205**
Held-for-sale assets	**0**	**1,285,190**
TOTAL ASSETS	**669,925,902**	**782,932,663**
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	271,626,364	273,975,096
Share premium reserve	384,826,924	386,197,724
Legal reserve	61,322,420	61,322,420
Fair Value reserve	12,908,007	(20,456,795)
Other reserves	504,126	462,873
Retained earnings (losses)	(71,451,400)	(8,585,197)
Profit/(loss) for the year	(4,519,219)	(62,866,203)
Shareholders' equity	**655,217,222**	**630,049,918**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	0	0
Provisions for risks and charges	558,957	384,413
Long term financial loans	0	122,206,023
Other payables	11,396,404	0
Total non-current liabilities	**11,955,361**	**122,590,436**
Current liabilities		
Trade payables	1,325,359	1,859,878
Payables to staff and social security organisations	828,943	859,470
Current tax payables	63,926	63,926
VAT payables vs Parent companies	339,690	0
Other tax payables	184,324	184,763
Other payables	11,077	975
Short term financial loans	0	27,323,297
Total current liabilities	**2,753,319**	**30,292,309**
Held-for-sale liabilities	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**669,925,902**	**782,932,663**

At 31 December 2014, the Parent Company's shareholders' equity totalled about EUR 655,2 million compared with EUR 630,0 million at 31 December 2013, an increase of EUR 25,2 million (due to the increase in fair value, taken directly to shareholders' equity, of portfolio investments),

Pursuant to the Consob Communication of 28 July 2006, a reconciliation between the loss and shareholders' equity at 31 December 2014 reported by the Parent Company DeA Capital S.p.A. is shown below together with the corresponding consolidated figures,

(EUR thousand)	**Shareholders' equity at 31 December 2014**	**Net profit/ (loss) - 2014**	**Shareholders' equity at 31 December 2013**	**Net profit/ (loss) - 2013**
Shareholders' equity and profit/(loss) for the year, as reported in the financial statements of the Parent Company	**655,217**	**(4,519)**	**630,050**	**(62,866)**
Derecognition of carrying value of consolidated investments:				
- Excess in shareholders' equity in the annual financial statements in relation to the carrying values of equity investments in consolidated companies	(1,704)	0	(561)	0
- Pro-rata profit/(loss) recorded by subsidiaries	0	(45,824)	0	(14,747)
- Derecognition of dividends received by the investee companies of DeA Capital S.p.A.		(8,141)		(15,013)
- Pro-rata profit/(loss) recorded by associates valued at equity	0	(1,673)	0	1,861
- Derecognition of revaluations and write-downs of consolidated equity investments operated by DeA Capital S.p.A.	0	193,033	0	194,102
- Derecognition of dividends received by DeA Capital S.p.A.	0	(190,477)	0	(134,468)
Group shareholders' equity and net profit (loss) attributable to the Group	**653,513**	**(57,601)**	**629,489**	**(31,130)**
Shareholders' equity and net profit (loss) attributable to non-controlling interests	173,109	1,668	177,070	(24,499)
Shareholders' equity and net profit (loss) as reported in the consolidated balance sheet	**826,622**	**(55,933)**	**806,559**	**(55,629)**

7. Other information

Treasury shares and Parent Company shares

On 17 April 2014, the shareholders' meeting of DeA Capital S.p.A. authorised the Board of Directors to buy and sell, on one or more occasions, on a rotating basis, a maximum number of ordinary shares in the Company representing a stake of up to 20% of the share capital.

The new plan replaces the previous plan approved by the shareholders' meeting on 19 April 2013 (which was scheduled to expire with the approval of the 2013 Annual Financial Statements), and will pursue the same objectives as the previous plan, including purchasing treasury shares to be used for extraordinary transactions and share incentive schemes, offering shareholders a means of monetising their investment, stabilising the share price and regulating trading within the limits of current legislation.

The authorisation specifies that purchases may be carried out up to the date of the shareholders' meeting to approve the Financial Statements for the Year Ending 31 December 2014, and in any case, not beyond the maximum duration allowed by law, in accordance with all the procedures allowed by current regulations, and that DeA Capital S.p.A. may also sell the shares purchased for the purposes of trading, without time limits. The unit price for the purchase of the shares is set on a case-by-case basis by the Company's Board of Directors, but in any case must not be more than 20% above or below the share's reference price on the trading day prior to each individual purchase. In contrast, the authorisation to sell treasury shares already held in the Company's portfolio, and any shares bought in the future, was granted for an unlimited period, to be implemented using the methods considered most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to each individual sale (apart from in certain exceptional cases specified in the plan). Sale transactions may also be carried out for trading purposes.

On the same date, the Board of Directors voted to launch the plan to buy and sell treasury shares authorised by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised jointly or severally and with full power of delegation.

In 2014, DeA Capital S.p.A. purchased around 2,348,732 million shares valued at about EUR 3.7 million (at an average price of approximately EUR 1.58 per share).

Taking into account purchases made in previous years for plans in place from time to time, and the use of treasury shares to service purchases of controlling interests in FARE Holding and IDeA Alternative Investments, at 31 December 2014 the Company owned 34,985,736 treasury shares (equal to about 11.4% of share capital).

On 6 November 2014, the Board of Directors, voted to adhere to the markets practice intended for the purchase of own shares to be used to create the securities "stock", pursuant Consob resolution 16839 of 19 march 2009.

As of the date of this document, based on purchases of 2,383,540 shares made after the end of 2014, the Company had a total of 37,369,276 treasury shares corresponding to about 12.2% of the share capital.

During 2014, the Company did not hold, purchase or sell, on its own account or through a trust company, any shares in the Parent Company De Agostini S.p.A.

Stock option and performance share plans

On 17 April 2014, the shareholders' meeting of DeA Capital S.p.A. approved the DeA Capital Stock Option Plan 2014-2016. To implement the resolution of the shareholders' meeting, the Board of Directors voted *(i)* to launch the DeA Capital Stock Option Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all necessary powers, to be exercised jointly or severally and with full power of delegation; and *(ii)* to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital S.p.A. Stock Option Plan 2014-2016, the Board of Directors also set the exercise price for the options allocated at EUR 1.32, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 17 March 2014 and 16 April 2014.

The shareholders' meeting of 17 April 2014 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital S.p.A. Stock Option Plan 2014-2016.

The shareholders' meeting also approved the adoption of the Performance Share Plan 2014-2016, which provides for the allocation of a maximum of 500,000 units. On the same date, to implement the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to launch the

DeA Capital Performance Share Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the treasury shares already held by the Company so that the allocation will not have a dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the Consolidated Finance Law.

The terms and conditions of the Stock Option Plan 2014-2016 and the Performance Share Plan 2014-2016 are described in the Information Prospectus prepared in accordance with art. 84-bis of Consob Resolution 11971 of 14 May 1999 (Issuer Regulations), available to the public at the registered office of DeA Capital S.p.A. and on the Company's website *www.deacapital.it* (in the section Corporate Governance/ Incentive Plans).

Transactions with parent companies, subsidiaries and related parties

Transactions with related parties, including those with other Group companies, were carried out in accordance with the Procedure for Related Party Transactions adopted by the Company with effect from 1 January 2011 in accordance with the provisions of the Regulation adopted pursuant to art. 2391-bis of the Italian Civil Code with Consob Resolution 17221 of 12 March 2010 as subsequently amended. During the year, the Company did not carry out any atypical or unusual transactions with related parties but only those that are part of the normal business activities of Group companies. It also did not carry out any "significant transactions" as defined in the aforementioned procedure. Transactions with related parties during the year were concluded under standard market conditions for the nature of the goods and/or services offered.

With regard to transactions with parent companies, note the following:

1) DeA Capital S.p.A. signed a service agreement with the controlling shareholder, De Agostini S.p.A., for the latter to provide operating services in the administration, finance, control, legal, corporate and tax areas.

   This agreement, which is renewable annually, is priced at market rates and is intended to allow the Company to maintain a streamlined organisational structure in keeping with its development policy, while obtaining sufficient operational support.
   At the same time, on 1 January 2013, DeA Capital S.p.A. signed an "Agreement to sub-let property for use other than residential use" with the controlling shareholder, De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera, 21, Milan, comprising space for office use, warehousing and car parking.

   This agreement is renewable every six years after an initial term of seven years.

2) DeA Capital S.p.A., IDeA Capital Funds SGR and DeA Capital Real Estate have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.a.). This option was exercised jointly by each company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. The option is irrevocable unless the requirements for applying the scheme are not met.

   The option is irrevocable for DeA Capital S.p.A. for the three-year period 2014-2016, for IDeA Capital Funds SGR for the three-year period 2012-2014 and for DeA Capital Real Estate for the three-year period 2013-2015.

3) In order to enable the more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions compared with those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement (Framework Agreement) with the Parent Company De Agostini S.p.A. for the provision of short-term intercompany loans.

   Deposit/financing operations falling within this Framework Agreement shall only be activated subject to verification that the terms and conditions determined at any time are advantageous, and will be provided on a revolving basis, and with maturities of not more than three months.
   The Framework Agreement shall have a duration of one year and is renewable.

   The amounts involved in the deposit/financing operations will, however, be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (transactions with Related Parties) and the internal procedure on Transactions with Related Parties adopted by DeA Capital S.p.A.

Equity interests, remuneration and stock options held by directors, auditors, general managers and managers with strategic responsibilities

Information regarding the equity interests held by directors, auditors, general managers and managers with strategic responsibilities is reported in the relevant sections of the Annual and Consolidated Financial Statements.

The information on remuneration and stock options allocated to directors, auditors, general managers and managers with strategic responsibilities is provided in the related sections of the Annual and Consolidated Financial Statements and in the Remuneration Report pursuant to art. 123-ter of the TUF in accordance with art. 84-quater of the Issuer Regulation, which is available to the public at the headquarters of DeA Capital S.p.A. and on the Company's website www.deacapital.it.

Management and coordination

Since 30 January 2007, the Company has been controlled by De Agostini S.p.A., which, in accordance with art. 2497-sexies of the Italian Civil Code, carries out management and coordination activities in respect of the Company. Please see the notes to the Financial Statements above for key figures from the latest approved Financial Statements of De Agostini S.p.A.

Research and development activities

Pursuant to art. 2428, para. 3 of the Italian Civil Code, the Company did not carry out any research and development activity in 2014.

Atypical or unusual transactions and non-recurring significant events and transactions

Pursuant to Consob Communication 6064293 of 28 July 2006, in 2014 neither the Company nor the Group carried out any atypical and/or unusual transactions or significant transactions that were not a part of its ordinary operations.

Corporate Governance

With regard to the corporate governance system of DeA Capital S.p.A., adopted to bring the Company in line with the principles of the Code of Conduct approved by the "Committee for the Corporate Governance of Listed Companies" (Code of Conduct), please see the document entitled "Report on Corporate Governance and Ownership Structure" (in the Corporate Governance section of the Company's website). Below is a summary of the main information governing DeA Capital S.p.A.'s corporate governance.

Issuer profile

The Issuer's corporate governance structure is based on the traditional administration and control model, and hinges on the central role played by the Board of Directors, the proper disclosure of management decisions, an effective internal control system, the appropriate regulation of potential conflicts of interest, and on rigorous standards of conduct for carrying out transactions with related parties.

Extent of application of the Code of Conduct

DeA Capital S.p.A. adheres to the Code of Conduct. Please see the "Report on Corporate Governance and Ownership Structure" published on the Company's website (Corporate Governance section) for information on the degree of application of the provisions contained in the Code of Conduct.

Corporate bodies

- Following the resignation of Stefania Boroli, effective from 12 March 2015, the **Board of Directors** consists of nine members, seven of whom are non-executive directors, and three of whom are independent directors. It plays a key role in the corporate governance system of DeA Capital S.p.A. In particular, it has the power and the duty to manage the operations of the Issuer with the ultimate and main goal of creating value.

  Pursuant to the articles of association, the Board manages the Company's business, and is invested with all the administrative powers needed for this purpose, with the exception of those powers reserved for the shareholders' meeting, pursuant to legislation and the articles of association. The Board of Directors has conferred on the Chairman, Lorenzo Pellicioli, and the CEO, Paolo Ceretti, all the powers of ordinary and extraordinary administration, with the authority to sign *(i)* with individual signature, any deed, document or contract that involves an actual or prospective expenditure commitment, or is connected with an investment of up to and including EUR 20,000,000; *(ii)* with joint signature, any deed, document or contract that involves an actual or prospective expenditure commitment or is connected with an investment of between EUR 20,000,000 and EUR 100,000,000. The Board of Directors, however, has the exclusive authority for any decision on expenditure commitments and investments of over EUR 100,000,000.

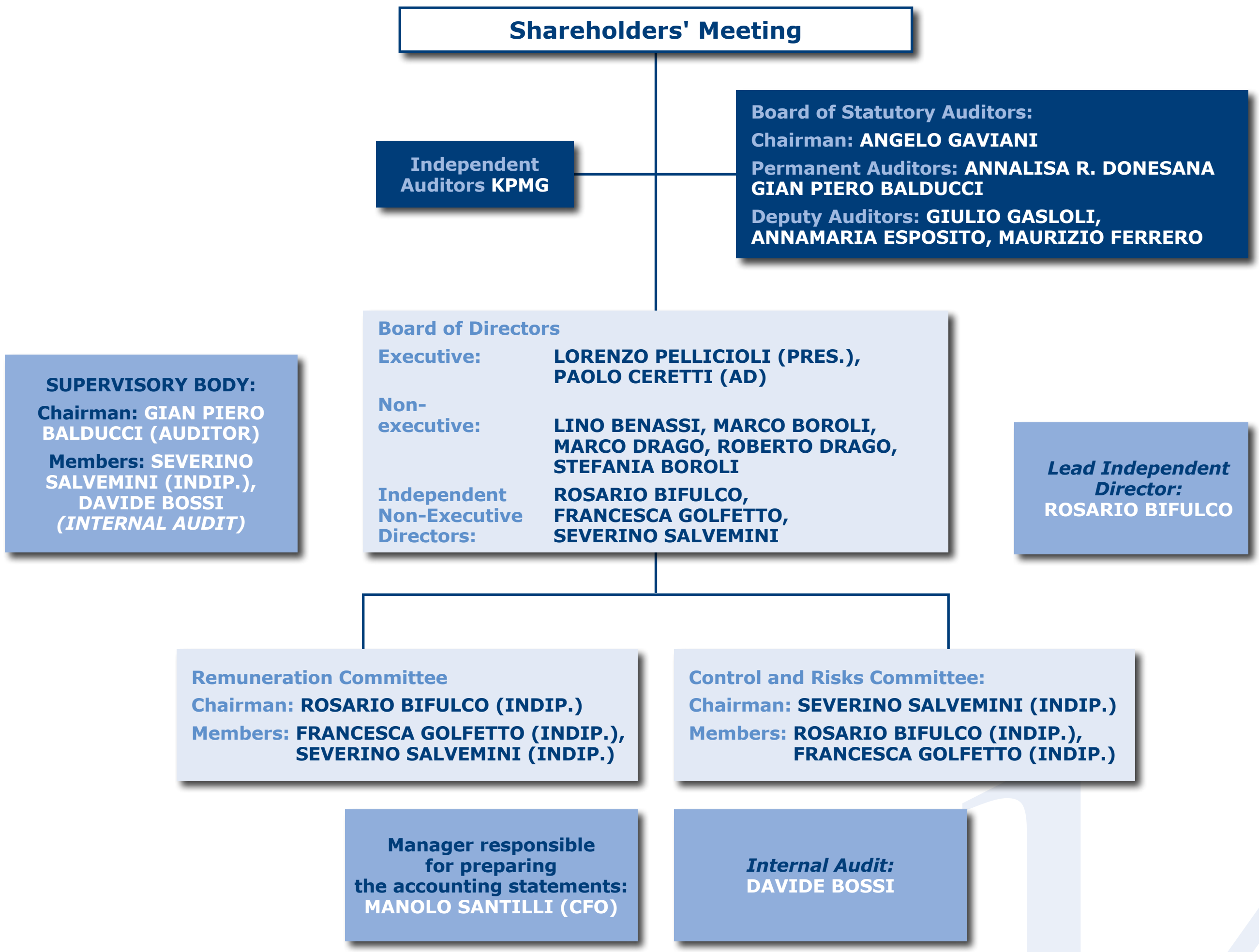
In 2014, the Board of Directors met seven times.
For 2015, the calendar of scheduled meetings has been published in both Italian and English (also available on the website www.deacapital.it).

- The **Board of Auditors** comprises six members (the chairman, two permanent auditors and three deputy auditors). It monitors compliance with the law and the Company's articles of association, observance of the principles of proper management, and the suitability and proper functioning of the organisational, administrative and accounting structure. In 2014, the Board of Auditors met 12 times.

- The **Remuneration Committee** comprises three independent directors. The Committee submits proposals to the Board of Directors concerning the remuneration of the chief executive officer, and assesses the chief executive officer's recommendations regarding the remuneration of managers with strategic responsibility.
In 2014, the Remuneration Committee met once.

- The **Control and Risk** Committee comprises three independent directors. The Committee has a consultative role and makes proposals to the Board of Directors.
In 2014, the Control and Risk Committee met five times.

Corporate Governance Chart as at 31 December 2014:



Main risks and uncertainties to which the Parent Company and consolidated Group companies are exposed

As described in the Report on Operations, the DeA Capital Group operates through, and is structured as, two business areas, Private Equity Investment and Alternative Asset Management.

The risks set out below take into account the features of the market and the operations of Parent Company DeA Capital S.p.A. and the companies included in the Group's Consolidated Financial Statements, the main findings of a risk assessment carried out in 2014, as well as the periodic monitoring conducted partly through the regulatory policies adopted by the Group.

The Group has adopted a modern corporate governance system that provides effective management of the complexities of its operations, and enables both individual companies and the Group to achieve their strategic objectives. Furthermore, the assessments conducted by the organisational units and the directors confirm both the non-critical nature of these risks and uncertainties and the financial solidity of the DeA Capital Group.

With reference to the specific risks relating to the main Private Equity investment, i.e. Migros, please see said company's Annual Report (available on the Migros website).

A. Contextual risks

A.1. Risks relating to general economic conditions

The operating performance and financial position of the DeA Capital Group are affected by the various factors that make up the macro-economic environment in the countries in which the Group has invested, including GDP performance, investor and consumer confidence, interest rates, inflation, the costs of raw materials and unemployment.
The ability to meet medium- to long-term objectives could be affected by general economic performance, which could slow the development of sectors the Group has invested in, and at the same time, the business of the investee companies.

A.2. Socio-political events

In line with its own strategic growth guidelines, one of the DeA Capital Group's activities is private equity investment in companies and funds in different jurisdictions and countries around the world, which, in turn, invest in a number of countries and geographical areas. The DeA Capital Group may have invested in foreign countries whose social, political and economic conditions put the achievement of its investment objectives at risk.

A.3. Regulatory changes

Many Group companies conduct their operations in regulated sectors and markets. Any changes to or developments in the legislative or regulatory framework that affect the costs and revenues structure of investee companies or the tax regime applied could have negative effects on the Group's financial results and necessitate changes in the Group's strategy. To combat this risk, the Group has established procedures to constantly monitor sector regulation and any changes thereto, in order to take advantage of business opportunities and respond promptly to any changes in the prevailing legislation and regulations.

A.4. Performance of the financial markets

The Company's ability to meet its strategic and management objectives could depend on the performance of financial markets. A negative trend in financial markets could have an effect on the Private Equity Investment sector in general, making investment and divestment transactions more complex, and on the Group's capacity to increase the NAV of investments in particular. The value of shareholdings held directly or indirectly through funds in which the Company has invested could be affected by factors such as comparable transactions concluded on the market, sector multiples and market volatility. These factors that cannot be directly controlled by the Group are constantly monitored in order to identify appropriate response strategies that involve both the provision of guidance for the management of Group companies, and the investment and value enhancement strategy for the assets held.

A.5. Exchange rates

Holding investments in currencies other than the euro exposes the Group to changes in exchange rates between currencies. The investment in Kenan Investments is managed as a special case, since although it was made in euros, the underlying asset is expressed in Turkish lira. Taking into account the time horizon of the investment, it is believed that the expected return on the investment can absorb any devaluation of the underlying currency, if this is in line with the outlook for the currency.

A.6. Interest rates

Financing operations that are subject to variable interest rates could expose the Group to an increase in related financial charges, in the event that the reference interest rates rise significantly.

B. Strategic risks

B.1. The Private Equity Investment strategy adopted by the Group includes:

The Private Equity Investment strategy adopted by the Group includes:

- Direct investments;
- Indirect investments (via funds).

Within this strategy, the Group's overall profitability could be adversely affected by an unfavourable trend in one or a few investments, if there were insufficient risk diversification, resulting from the excessive concentration of investment in a small number of assets, sectors, countries, currencies or of indirect investments in funds with limited investment targets/types of investment.

To combat these risk scenarios, the Group pursues an asset allocation strategy intended to create a balanced portfolio with a moderate risk profile, investing in sectors and in companies with an appealing current and future risk/return ratio. Furthermore, the combination of direct and indirect investments, which by their nature guarantee a high level of diversification, helps reduce the level of asset concentration.

B.2. Concentration of Alternative Asset Management activities

In the Alternative Asset Management business, events could arise as a result of excessive concentration that would hinder the achievement of the level of expected returns. These events could be due to:

• Private equity funds
  - concentration of the management activities of asset management companies across a limited number of funds, in the event that a decision is made in respect of one or more funds to cancel the associated asset management mandate;
  - concentration of the financial resources of the funds managed in a limited number of sectors and/or geographical areas, in the event of currency, systemic or sector crises;
  - for closed funds, the concentration of the commitment across just a few subscribers.

• Real estate funds
  - concentration of real estate present in the portfolio of managed funds in a few cities and/or in limited types of property (management/commercial), in the event of a crisis in the property market concerned;
  - concentration in respect of certain major tenants, in the event that these withdraw from the rental contracts, which could lead to a vacancy rate that has a negative impact on the funds' financial results and the valuation of the property managed;
  - concentration of the maturities of numerous real estate funds within a narrow timeframe, with related high availability of property on the market, leading to a decrease in property values and an increase in selling times.

For each of the risk scenarios outlined above, the Group has defined and implemented appropriate strategies that include strategic, operational and management aspects, as well as a system monitoring the level of diversification of Alternative Asset Management activities.

B.3. Key resources (governance/organisation)

The success of the DeA Capital Group depends to a large extent on its executive directors and certain key management figures, their ability to efficiently manage the business and the ordinary operations of the Group, as well as knowledge of the market and the professional relationships established. The departure of one or more of these key resources, without a suitable replacement being found, as well as an inability to attract and retain new and qualified resources, could impact growth targets and have a negative effect on the Group's operating performance and financial results. To mitigate this risk, the Group has put in place HR management policies that correspond closely to the needs of the business, and incentive policies that are periodically reviewed, in light of, among other things, the general economic climate and the results achieved by the Group.

C. Operating risks

C.1 Investment operations

Investment operations conducted by the Group are subject to the risks typical of private equity activities, such as the accurate valuation of the target company and the nature of the transactions carried out. The Group has implemented a structured process of due diligence on target companies and the careful definition of the shareholders' agreements in order to conclude agreements in line with the investment strategy and the risk profile defined by the Group.

C.2. Compliance with covenants

Some investment operations were concluded using financial leverage to invest in the target companies. For financing contracts signed by investee companies, specific covenants generally backed by collateral are in place; failure to comply with these could require investee companies to carry out recapitalisation operations and lead to an increase in financial charges associated with debt refinancing. Failure to comply with covenants attached to loans could have negative effects on both the financial situation and operations of investee companies, and on the value of the investment.
The Group constantly monitors the significant reference parameters for the financial obligations taken on by investee companies, in order to identify any unexpected variance in good time.

C.3. Divestment operations

In its Private Equity Investment business, the Group generally invests over a medium-/long-term time horizon. Over the investment management period, external situations could arise that might have a significant impact on the operating results of the investee companies, and consequently on the value of the investment itself. Furthermore, in the case of co-investment, guiding the management of an investee company could prove problematic or infeasible, and it may ultimately prove impossible to dispose of the stakes held owing to lock-up clauses. The divestment strategy could therefore be negatively affected by various factors, some of which cannot be foreseen at the time the investments are made. There is therefore no guarantee that expected earnings will be realised given the risks resulting from the investments made.

To combat these risk situations, the Group has defined a process to monitor the performance of its investee companies, facilitated by its representation on the management bodies of significant investee companies, with a view to identifying any critical situations in good time.

C.4. Funding Risk

The income flows expected from the Alternative Asset Management business depend on the capacity of the Group's asset management companies to stabilise/grow their assets under management. In this environment, fundraising activity could be harmed by both external factors, such as the continuation of the global economic crisis or the trend in interest rates, and internal factors, such as bad timing in respect of fund raising activities by the asset management companies or the departure of key managers from the companies. The Group has established appropriate risk management strategies in relation to fundraising, with a view to both involving new investors and retaining current investors.

Other information

At 31 December 2014, the Group had 224 employees (208 at the end of 2013, including 38 senior managers, 65 middle managers and 121 clerical staff. 211 of these worked in Alternative Asset Management and 13 in Private Equity Investment/the Holding Company. These staff levels do not include personnel on secondment from the Parent Company De Agostini S.p.A.

With regard to the regulatory requirements set out in art. 36 of the Market Regulation on conditions for the listing of parent companies of companies formed or regulated by laws of non-EU countries and of major importance in the consolidated accounts, it is hereby noted that no Group company falls within the scope of the above-mentioned provision.

Furthermore, conditions prohibiting listing pursuant to art. 37 of the Market Regulation relating to companies subject to the management and coordination of other parties do not apply.

The Management

Lorenzo Pellicioli, Executive Chairman

Lorenzo Pellicioli (64 years old) is Chairman of the Board of Directors of DeA Capital.
He started his career as a journalist for the newspaper Giornale Di Bergamo and afterwards became Vice-President of Bergamo TV Programmes.
From 1978 to 1984 he held different posts in Italian private television sector: for Manzoni Pubblicità, for Publikompass up to his nomination as Rete 4 General Manager.
In 1984 he joined Gruppo Mondadori, the leading Italian publishing group. He was initially appointed General Manager for Advertising Sales, and Mondadori Periodici (magazines) Deputy General Manager, and afterwards President and CEO of Manzoni & C. S.p.A, the Group's advertising representative.
From 1990 to 1997, he served first as President and CEO of Costa Cruise Lines in Miami, which is part of the Costa Crociere Group operating in the North American market (USA, Canada and Mexico) and then became General Manager of Costa Crociere S.p.A., based in Genoa.
From 1995 to 1997 he was also President and CEO of Compagnie Française de Croisières (Costa-Paquet), the Paris-based subsidiary of Costa Crociere.
From 1997 onwards he participated in the privatisation of SEAT Pagine Gialle, which was purchased by a group of financial investors. After the acquisition he was appointed CEO of SEAT.
In February 2000 he also took charge of the Internet Business unit of Telecom Italia, subsequent to the sale of SEAT.
In September 2001, following the acquisition of Telecom Italia by the Pirelli Group, he resigned.
As from November 2005 he became CEO of the De Agostini Group.
He is Chairman of GTECH, Chairman of Zodiak Media and member of the Board of Directors of Assicurazioni Generali S.p.A..
He is also member of the Advisory Boards of Investitori Associati IV, Wisequity II, Macchine Italia and Palamon Capital Partners. Since 2006 he has been a member of the Global Clinton Initiative.

Paolo Ceretti, Chief Executive Officer

Paolo Ceretti (60 years old) is Chief Executive Officer of DeA Capital since 2007.
He gained his professional experience inside the Agnelli Group, holding from 1979 positions of increasing importance at Fiat SpA (Internal Auditing and Finance) and in the Financial Services Sector (Planning, Credit and Control) and subsequently assuming the position of Head of Strategic Planning and Development of Ifil (now EXOR).
After assuming responsibility for the internet B2C sector of Fiat/Ifil in 1999 as CEO of CiaoHolding and CiaoWeb, he was appointed CEO of GlobalValue SpA, at Fiat/IBM joint venture in the Information Technology sector.
Since 2004, he has been General Manager of De Agostini S.p.A., the holding of the De Agostini Group where he is also CEO of De Agostini Editore.
He is a member of the Board of Directors of GTECH, Zodiak Media, IDeA FIMIT and other companies of the Group.

For further info:
www.deacapital.it
section: *About Us*

Manolo Santilli, Chief Financial Officer

Manolo Santilli (46 years old) is Chief Financial Officer of DeA Capital since February 2007.
He gained his professional experience starting in 1996 in STET International in the Planning, Controlling and Initiative Evaluation area, subsequently assuming in 2000 the responsibility of Administration and Control at IFIL/FIAT of the Internet Start-up Ciaoweb.
In 2002 he became Investment Manager in Finmeccanica and since 2004 he entered the De Agostini Group where he is currently also Administration, Finance and Reporting Manager for De Agostini S.p.A..
In 1994 he graduated in Economics at the Università Commerciale L. Bocconi of Milan. He is also Auditor and member of the Professional Accountants register in Pescara.

Carlo Frau, Head of strategy and development

Carlo Frau (59 years old), since 2010, he reports directly to the Chief Executive Officer and supports the top management of DeA Capital in the selection, disposal and management of strategic investments, where he
currently follows IDeA Fimit and Migros Ticaret.
Since April 2014 he is also CEO of Innovation Real Estate S.p.A..
He graduated in Economics at Università L. Bocconi in Milan in 1978 and began his career auditing with KPMG in Germany, USA and France (1978-81), he then began investment banking with Banque Sudaméris in Paris (1981-84)where he was internal auditor, credits director and assistant to the Chairman. He then managed the M&A activity initially at Citicorp in London (1984-89) and then at Chase Manhattan in Italy and Switzerland (1989-94). Subsequently he began strategic consulting with Gemini Consulting (1994-99). He then moved to the Montedison Group where he was in charge of the Group Strategy and Control (1999), following which he became Chairman and CEO of Antibiotics (1999-2003), where he was responsible for restructuring the company, he then became assistant to the chairman following the disposal of Antibiotics in 2003. He was appointed Crisis Manager in the restructuring of the Parmalat Group , following the crack. Finally, until 2009, he became Executive Director of Management & Capitali and CEO of Cuki-Domopak.

Paolo Perrella, Investor Relations Director

Paolo Perrella (49 years old) joined DeA Capital at the end of 2007 to manage relations with institutional investors and analysts. He is also Investor Relations Director at De Agostini SpA, where he is responsible for monitoring and control of some large financial investments.
He previously worked 10 years as equity analyst: member of the ABN AMRO telecoms pan-European team and, at the beginning of his career, at the finance department of RAS (Allianz Group).
He also spent 2 years at Interbanca, an Italian merchant bank, as Senior Manager, Equity Capital Marklets.
From 2003 to 2007 worked for Telecom Italia, firstly as VP, Investor relations, then as VP of Strategic Planning, a function reporting to the CEO.
BA in Business Administration with full marks in 1990 at Università Bocconi, in Milan. He earned the CFA® designation in 2002.

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section: *About Us*

Significant events after the end of 2014 and outlook

Significant events after the end of 2014

After the end of 2014, the DeA Capital Group increased its investment in the IDeA I FoF, ICF II, ICF III, IDeA OF I, IDeA EESS and AVA funds following total payments of EUR 9.2 million (EUR 5.2 million, EUR 1.5 million, EUR 0.1 million, EUR 0.3 million, EUR 1.3 million and EUR 0.8 million respectively).

At the same time, the DeA Capital Group received capital reimbursements totalling EUR 15.2 million from the IDeA I FoF (EUR 13.6 million) and ICF II (EUR 1.6 million) funds to be used in full to reduce the carrying value of the units.

Outlook

The outlook continues to focus on the strategic guidelines followed last year, with an emphasis on increasing the value of assets in the Private Equity Investment area and developing Alternative Asset Management platforms.

With regard to the ***Private Equity Investment*** area, having completed the sale of the stake in Générale de Santé, the Company will continue its efforts to increase the value of the investments in its portfolio. In particular, the partial disposal of the stake in Kenan Investments/Migros is scheduled for completion before the end of the first half of 2015, in accordance with the agreements signed at the end of 2014.

Turning to ***Alternative Asset Management***, as referred to above, the Company will continue to develop platforms for both private equity (through IDeA Capital Funds SGR) and real estate (through IDeA FIMIT SGR), as well as associated real estate activities (i.e. project, property and facility management and property brokerage via IRE/IRE Advisory).

In order to support the strategic guidelines above, the Company will continue to maintain a solid asset/financial base, optimised by returning profits to shareholders (including through buy-back operations), based on the available liquidity.

8. Proposal to approve the Financial Statements of DeA Capital S.p.A. for the Year Ending 31 December 2014 and the partial distribution of the share premium reserve

Dear shareholders,

In submitting the Annual Financial Statements for the financial year ended 31 December 2014 for your approval, the Board of Directors proposes that you pass the following resolutions:

"The DeA Capital S.p.A. ordinary shareholders' meeting,

- after reviewing the draft Annual Financial Statements for the Year Ending 31 December 2014, which show a loss of EUR 4,519,219 (loss of EUR 62,866,203 in 2013);
- in acknowledgement of the Reports of the Board of Auditors and of the independent auditors, KPMG S.p.A.;
- in acknowledgement that the legal reserve is one-fifth of the share capital and that the share premium reserve of DeA Capital S.p.A. at 31 December 2014 was EUR 384,826,924 (equivalent to EUR 414.192.866 gross of the amount attributable to treasury shares purchased and the costs of the capital increase in 2007);

resolves

1. to approve the Report of the Board of Directors on the Group's position and on operating performance;
2. to approve the Statement of Financial Position, Income Statement and Notes to the Annual Financial Statements for the Year Ending 31 December 2014 and the related annexes;
3. to carry forward the loss of EUR 4,519,219 reported in the Annual Financial Statements for the Year Ending 31 December 2014;
4. to make a partial distribution of the share premium reserve in an amount of EUR 0.30 per share;
5. to grant Chairman Lorenzo Pellicioli and Chief Executive Officer Paolo Ceretti broad powers to execute these resolutions, jointly or severally through their agents and in compliance with the deadlines and procedures established by law.

Milan, 12 March 2015

FOR THE BOARD OF DIRECTORS
The Chairman
Lorenzo Pellicioli

Consolidated Financial Statements for the Year Ending 31 December 2014

- **Consolidated statement of financial position**
- **Consolidated income statement**
- **Consolidated statement of comprehensive income**
- **Consolidated cash flow statement**
- **Statement of changes in consolidated shareholders' equity**
- **Notes to the accounts**

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Consolidated statement of financial position

(EUR thousand)	Note	31 December 2014	31 December 2013 (*)
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	1a	166,363	166,315
Intangible assets	1b	63,348	78,463
Property, plant and equipment	1c	3,908	4,855
Total intangible and tangible assets		*233,619*	*249,633*
Investments			
Investments valued at equity	2a	19,066	240,084
Investments held by Funds	2b	111,014	114,225
- available-for-sale investments		71,209	78,261
- invest. in associates and JV valued at FV through P&L		39,805	35,964
Other available-for-sale companies	2c	209,320	132,536
Available-for-sale funds	2d	176,736	166,260
Other available-for-sale financial assets	2e	306	330
Total Investments		*516,442*	*653,434*
Other non-current assets			
Deferred tax assets	3a	5,039	2,657
Loans and receivables		0	30,372
Tax receivables from parent companies	3b	546	2,984
Other non-current assets	3c	30,495	32,468
Total other non-current assets		*36,080*	*68,481*
Total non-current assets		**786,141**	**971,548**
Current assets			
Trade receivables	4a	29,039	21,078
Available-for-sale financial assets	4b	5,080	5,464
Financial receivables	4c	2,678	0
Tax receivables from parent companies	4d	3,533	3,467
Other tax receivables	4e	2,892	4,912
Other receivables	4f	18,591	18,416
Cash and cash equivalents	4g	55,583	26,396
Total current assets		*117,396*	*79,733*
Total current assets		**117,396**	**79,733**
Held-for-sale assets		**0**	**1,285**
TOTAL ASSETS		**903,537**	**1,052,566**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5a	271,626	273,975
Share premium reserve	5b	384,827	386,198
Legal reserve	5c	61,322	61,322
Fair value reserve	5d	116,415	28,725
Other reserves	5e	(11,243)	(8,898)
Retained earnings (losses)	5f	(111,833)	(80,703)
Profit(loss) for the year	5g	(57,601)	(31,130)
Net equity Group		**653,513**	**629,489**
Minority interests	5h	**173,109**	**177,070**
Shareholders' equity		**826,622**	**806,559**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	3a	19,696	19,537
Provisions for employee end-of-service benefits	6a	4,618	3,529
Long term financial loans	6b	5,201	150,198
Payables to staff		0	406
Other payables	6c	11,397	0
Total non-current liabilities		**40,912**	**173,670**
Current liabilities			
Trade payables	7a	18,180	15,599
Payables to staff and social security institutions	7b	8,122	6,833
Current tax	7c	2,012	6,956
Other tax payables	7d	2,037	1,478
Other payables	7e	5,292	2,054
Short-term financial loans	7f	360	39,418
Total current liabilities		**36,003**	**72,338**
Held-for-sale liabilities		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**903,537**	**1,052,567**

(*) For more information about the effects of retroactive application of IFRS 10 see section IFRS 10 - Consolidated Financial Statements

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the notes to the Financial Statements.

Consolidated income statement

(EUR thousand)	Notes	Year 2014	Year 2013 (*)
Alternative asset management fees	8	66,045	76,356
Income from equity investments	9	(1,673)	6,586
Other investment income/expense	10	(56,149)	(24,617)
Income from services	11	18,667	16,329
Other income	12	509	4,032
Personnel costs	13a	(33,579)	(28,241)
Service costs	13b	(30,734)	(22,897)
Depreciation, amortisation and impairment	13c	(16,723)	(73,284)
Other expenses	13d	(6,921)	(5,074)
Financial income	14a	7,313	5,992
Financial expenses	14b	(4,408)	(6,430)
PROFIT/(LOSS) BEFORE TAX		**(57,653)**	**(51,248)**
Income tax	15	1,720	(4,381)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(55,933)**	**(55,629)**
Profit (Loss) from discontinued operations/held-for-sale assets		0	0
PROFIT/(LOSS) FOR THE PERIOD		**(55,933)**	**(55,629)**
- Group share		(57,601)	(31,130)
- Non-controlling interests		1,668	(24,499)
Earnings per share, basic (EUR)	16	(0.210)	(0.114)
Earnings per share, diluted (EUR)	16	(0.210)	(0.114)

(*) For more information about the effects of retroactive application of IFRS 10 see section IFRS 10 - Consolidated Financial Statements

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the notes to the Financial Statements.

Consolidated statement of comprehensive income
(Statement of Performance - IAS 1)

Comprehensive Income or the Statement of Performance (IAS 1), in which performance for the period attributable to the Group is reported including results posted directly to shareholders' equity, reflects a net positive balance of approximately EUR 30.1 million (compared with a net negative balance of EUR 94.3 million in 2013). This comprised:

- a net loss of EUR 57.6 million recorded on the Income Statement;
- profits posted directly to shareholders' equity totalling EUR 87.7 million.

As regards the latter, the largest component was the increase in fair value of Kenan Inv./Migros; in particular, the increase of EUR 76.7 million versus 31 December 2013 was due to the rise in the value of Migros shares and the appreciation of the Turkish lira against the euro.

The effect on the DeA Capital Group's NAV of this change in the fair value of Migros was partially offset by the reduction in estimated carried interest to be paid, based on the total capital gain (EUR -11.4 million).

(EUR thousand)	**Year 2014**	**Year 2013 (*)**
Profit/(loss) for the year (A)	***(55,933)***	***(55,629)***
Items that could be subsequently reclassified within the profit (loss) for the period.	88,547	(55,333)
Gains (losses) from the revaluation of available-for-sale financial assets	*86,665*	*(64,217)*
Other changes to the revaluation reserves of associates	*1,882*	*8,884*
Items that could be subsequently reclassified within the profit (loss) for the period.	(320)	25
Gains/(losses) on remeasurement of defined benefit plans	*(320)*	*25*
Total Other profits/(losses), net of tax effect (B)	***88,227***	***(55,308)***
Total comprehensive profit/(loss) for the period (A)+(B)	***32,294***	***(110,937)***
Total comprehensive profit/(loss) for the period (A)+(B):		
- Attributable to the Group	30,089	(94,311)
- Attributable to minorities	2,205	(16,626)

(*) For more information about the effects of the retrospective application of IFRS 10 see section IFRS 10 - Consolidated Financial Statements

Consolidated cash flow statement (direct method)

(EUR thousand)	Financial year 2014	Financial year 2013 (*)
***CASH FLOW* from operating activities**		
Investments in funds and shareholdings	(26,023)	(39,829)
Acquisitions of subsidiaries net of cash acquired	0	(50,688)
Capital reimbursements from funds	29,030	25,332
Proceeds from the sale of investments	171,844	81
Interest received	292	531
Interest paid	(3,871)	(3,439)
Cash distribution from investments	6,846	5,820
Realized gains (losses) on exchange rate derivatives	5	(831)
Taxes paid	(14,911)	(14,828)
Dividends received	64	0
Management and performance fees received	57,658	68,717
Revenues for services	24,537	19,636
Operating expenses	(57,052)	(60,167)
Net *cash flow* from operating activities	**188,419**	**(49,665)**
***CASH FLOW* from investment activities**		
Acquisition of intangible fixed assets	(534)	(4,343)
Proceeds from sale of intangible fixed assets	14	756
Purchase of licences	(956)	(932)
Net *cash flow* from investment activities	**(1,476)**	**(4,519)**
***CASH FLOW* from financial activities**		
Acquisition of financial assets	(1,096)	(2,403)
Sale of financial assets	1,535	4,824
Share capital issued	3,214	8,586
Share capital issued:stock option plan	0	0
Own shares acquired	(3,720)	(885)
Own shares sold	0	0
Interest from financial assets	0	0
Dividends paid	(9,165)	(5,643)
Warrants	0	0
Managers Loan	0	0
Loan	(27,537)	(169)
Quasi-equity loan	32,756	0
Bank loan paid back	(153,743)	(1,035)
Bank loan received	0	47,000
Net cash flow from financial assets	**(157,756)**	**50,275**
CHANGE IN CASH AND CASH EQUIVALENTS	**29,187**	**(3,909)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**26,396**	**30,305**
Cash and cash equivalents relating to held-for-sale assets	0	0
Initial cash and cash equivalents of assets existing at beginning of period	**26,396**	**30,305**
EFFECT OF CHANGE IN BASIS OF CONSOLIDATION	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**55,583**	**26,396**
Held-for-sale assets and minority interests	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**55,583**	**26,396**

(*) Restated for the retroactive application of IFRS 10

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the notes to the Financial Statements.

Statement of changes in consolidated shareholders' equity

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Fair value reserve
Financial statements for the year ending 31 December 2012	**274,606**	**386,452**	**61,322**	**91,905**
Allocation of 2012 net profit	0		0	0
Cost of stock options	0	0	0	0
Purchase of own shares	(631)	(254)	0	0
Other changes	0	0	0	0
Total comprehensive profit/(loss)	0	0	0	(63,180)
Total at 31 December 2013	**273,975**	**386,198**	**61,322**	**28,725**

(*) Restated for the retroactive application of IFRS 10

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Fair value reserve
Total at 31 December 2013	**273,975**	**386,198**	**61,322**	**28,725**
Allocation of 2013 net profit	0		0	0
Cost of stock options	0	0	0	0
Purchase of own shares	(2,349)	(1,371)	0	0
Other changes	0	0	0	0
Total comprehensive income	0	0	0	87,690
Total at 31 December 2014	**271,626**	**384,827**	**61,322**	**116,415**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the notes to the Financial Statements.

Other reserves	Profit (loss) carried forward	Profit (loss) for the Group	Group total	Non-controlling interests (*)	Consolidated shareholders' equity
(10,444)	**(54,426)**	**(26,277)**	**723,138**	**136,309**	**859,447**
0	(26,277)	26,277	0	0	0
(6)	0	0	(6)	0	(6)
0	0	0	(885)	0	(885)
1,552	0	0	1,552	57,387	58,939
0	0	(31,130)	(94,310)	(16,626)	(110,936)
(8,898)	**(80,703)**	**(31,130)**	**629,489**	**177,070**	**806,559**

Other reserves	Profit (loss) carried forward	Profit (loss) for the Group	Group total	Non-controlling interests	Consolidated shareholders' equity
(8,898)	**(80,703)**	**(31,130)**	**629,489**	**177,070**	**806,559**
0	(31,130)	31,130	0	0	0
18	0	0	18	0	18
0	0	0	(3,720)	0	(3,720)
(2,363)	0	0	(2,363)	(6,166)	(8,529)
0	0	(57,601)	30,089	2,205	32,294
(11,243)	**(111,833)**	**(57,601)**	**653,513**	**173,109**	**826,622**

Notes to the Accounts Consolidated Financial Statements for the Year Ending 31 December 2014

Notes to the Consolidated Financial Statements for the Year Ending 31 December 2014

A. Structure and content of the consolidated financial statements

The Consolidated Financial Statements for the Year Ending 31 December 2014 include the Parent Company DeA Capital S.p.A. and all subsidiaries (the Group), and were prepared using the separate financial statements of the companies included in the basis of consolidation corresponding to the relevant individual statements, restated as necessary, to adapt them to the accounting standards listed below as dictated by Italian law.

The Consolidated Financial Statements were prepared in accordance with the general principles of IAS 1, specifically:
- the matching principle: the effect of events and transactions is recorded when they occur, and not when payment is made or received;
- the going concern principle: the financial statements are prepared under the assumption that business operations will continue in the near future. In this regard, the directors have evaluated this assumption with particular scrutiny in light of the current economic and financial crisis. As indicated in the section 'Main risks and uncertainties' in the Report on Operations, the directors believe that the risks and uncertainties described therein are not critical in nature, confirming the financial solidity of the DeA Capital S.p.A. Group;
- materiality: when reporting operating events in accounting entries, preference is given to the principle of economic substance over form;
- comparative information: the Consolidated Financial Statements must show comparative information for the previous period.

The Consolidated Financial Statements consist of the Statement of Financial Position, the Income Statement, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement, the Statement of Comprehensive Income (Statement of Performance - IAS 1) and the Notes to the Consolidated Financial Statements. The Consolidated Financial Statements are also accompanied by the Report on Operations and a Statement of Responsibilities for the Accounts pursuant to art. 154-*bis* of Legislative Decree 58/98.

The Statement of Financial Position provides a breakdown of current and non-current assets and liabilities with separate reporting for those resulting from discontinued or held-for-sale operations. In the Income Statement, the Group has adopted the nature of expense method, whereby costs and revenues are classified according to type. The Cash Flow Statement is prepared using the "direct method".

Unless otherwise indicated, all tables and figures included in these notes to the Financial Statements are reported in EUR thousand.

In addition to the figures at 31 December 2014, the Financial Statement formats used also provide comparable figures for 31 December 2013.

The publication of the Consolidated Financial Statements for the Year Ending 31 December 2014 was authorised by resolution of the Board of Directors dated 12 March 2015.

Statement of compliance with accounting standards

The Consolidated Financial Statements for the Year Ending 31 December 2014 (2014 Consolidated Financial Statements) have been prepared in accordance with the International Accounting Standards adopted by the European Union and approved by the date the Financial Statements were prepared (International Accounting Standards, or individually IAS/IFRS, or collectively IFRS (International Financial Reporting Standards)). IFRS also means all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC), and approved by the European Union.

The Consolidated Financial Statements were prepared with a focus on clarity, and provide a true and fair view of the assets, financial situation, operating result and cash flows for the period.

Accounting standards, amendments and interpretations applied as of 1 January 2014

The IASB-approved international accounting standards and interpretations authorised for adoption in Europe that were applied for the first time from 1 January 2014 are detailed below. Following the adoption of IFRS 10 as described below, if shareholdings

in jointly-controlled companies or shareholdings in associated companies are held by mutual funds, investment funds or similar entities, then these shareholdings are valued at fair value through profit and loss.
The Group did not apply any IFRS in advance.

IFRS 10 (Consolidated Financial Statements)

On 12 May 2011, the IASB published the accounting standard IFRS 10 (Consolidated Financial Statements), which is intended to replace IAS 27 (Consolidated and Separate Financial Statements) and SIC 12 (Consolidation - Special Purpose Entities). The new standard sets out a single model of consolidation that identifies control as the basis for the consolidation of all types of entities.

The new standard defines the concept of control on the basis of the concurrence of three essential elements:

- power over the investee company;
- exposure to or the right to variable returns from its involvement with the investee company;
- the ability to use that power over the investee to affect the amount of the investor's returns.

Adopting IFRS 10 had the following effects on the comparative values:

		IFRS 10 effect				
(EUR thousand)	**Figures originally published - Financial Year 2013**	**Equity valuation of minority interests of of IDeA OF I**	**Recalculated figures equity valuation of 100% of the IDeA OF I fund**	**Reclassification of the IDeA OF I valuation: from equity basis to line-by-line consolidation**	**Inter-company elimination item**	**Recalculated figures - Financial Year 2013**
Alternative Asset Management fees	78,810	0	78,810	0	(2,454)	76,356
Profit/(loss) from investments valued at equity	1,861	(5,330)	(3,469)	10,055	0	6,586
Other investment income/ charges	(18,217)	0	(18,217)	(6,400)	0	(24,617)
Service revenues	16,329	0	16,329	0	0	16,329
Other revenues and income	3,906	0	3,906	126	0	4,032
Personnel costs	(28,241)	0	(28,241)	0	0	(28,241)
Service costs	(21,570)	0	(21,570)	(3,781)	2,454	(22,897)
Depreciation, amortisation and write-downs	(73,284)	0	(73,284)	0	0	(73,284)
Other charges	(5,074)	0	(5,074)	0	0	(5,074)
Financial income	5,991	0	5,991	1	0	5,992
Financial charges	(6,430)	0	(6,430)	0	0	(6,430)
PROFIT (LOSS) BEFORE TAXES	***(45,919)***	***(5,330)***	***(51,249)***	***1***	***0***	***(51,248)***
Income tax	(4,380)	0	(4,380)	(1)	0	(4,381)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	***(50,299)***	***(5,330)***	***(55,629)***	***(0)***	***0***	***(55,629)***
Profit/(loss) from assets held-for-sale/sold	0	0	0	0	0	0
PROFIT (LOSS) FOR THE YEAR	***(50,299)***	***(5,330)***	***(55,629)***	***(0)***	***0***	***(55,629)***
- Profit/(loss) attributable to the Group	(31,130)	0	(31,130)	0	0	(31,130)
- Profit/(loss) attributable to minorities	(19,169)	(5,330)	(24,499)	0	0	(24,499)

(EUR thousand)	Figures originally published at 31 December 2013	IFRS 10 effect	Figures recalculated at 31 December 2013
CONSOLIDATED ASSETS			
Non-current assets			
Tangible and intangible assets			
Goodwill	166,315	0	166,315
Intangible fixed assets	78,463	0	78,463
Tangible fixed assets	4,855	0	4,855
Total intangible and tangible assets	249,633	0	249,633
Financial Investments			
Investments in associates	296,975	(56,891)	240,084
Investments held by Funds	0	114,225	114,225
- available-for-sale investments	0	78,261	78,261
- investments in associates and JVs recognised in income statement	0	35,964	35,964
Available-for-sale investments in other companies	132,536	0	132,536
Available-for-sale funds	166,260	0	166,260
Other available-for-sale financial assets	330	0	330
Total financial investments	596,101	57,333	653,434
Other non-current assets			
Deferred tax assets	2,657	0	2,657
Loans and receivables	30,372	0	30,372
Tax receivables from parent companies relating to tax consolidation scheme	2,984	0	2,984
Other non-current assets	26,168	6,300	32,468
Total non-current assets	62,181	6,300	68,481
Total non-current liabilities	**907,915**	**63,633**	**971,548**
Current assets			
Trade receivables	21,078	0	21,078
Available-for-sale financial assets	5,464	0	5,464
Tax receivables from parent companies relating to tax consolidation scheme	3,467	0	3,467
Other tax receivables	4,649	263	4,912
Other receivables	18,350	66	18,416
Cash and cash equivalents	26,096	300	26,396
Total current assets	79,104	629	79,733
Total current assets	**79,104**	**629**	**79,733**
Assets held for sale	**1,285**	**0**	**1,285**
TOTAL CONSOLIDATED ASSETS	**988,304**	**64,262**	**1,052,566**
CONSOLIDATED SHAREHOLDERS' EQUITY AND LIABILITIES			
CONSOLIDATED SHAREHOLDERS' EQUITY			
Group shareholders' equity	**629,489**	**0**	**629,489**
Minority capital and reserves	**112,890**	**64,180**	**177,070**
Consolidated shareholders' equity (Group and non-controlling interests)	**742,379**	**64,180**	**806,559**
CONSOLIDATED LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	19,537	0	19,537
End-of-service payment fund	3,529	0	3,529
Financial liabilities	150,198	0	150,198
Payables to staff	406	0	406
Total non-current liabilities	**173,670**	**0**	**173,670**
Current liabilities			
Payables to suppliers	15,516	83	15,599
Payables to staff and pension institutions	6,833	0	6,833
Current payables to tax authorities	6,956	0	6,956
Other tax payables	1,478	0	1,478
Other payables	2,054	0	2,054
Short-term financial payables	39,418	0	39,418
Total current liabilities	**72,255**	**83**	**72,338**
Liabilities held for sale	**0**	**0**	**0**
TOTAL CONSOLIDATED LIABILITIES AND SHAREHOLDERS' EQUITY	**988,304**	**64,263**	**1,052,567**

IFRS 11 (Joint arrangements)

On 12 May 2011, the IASB published the accounting standard IFRS 11 (Joint arrangements), which is intended to replace IAS 31 (Interests in joint ventures) and SIC 13 (Jointly controlled entities - non-monetary contributions by venturers). The new standard governs the principles for reporting all joint arrangements. These are divided into two categories, according to the economic substance of the arrangements between the parties:

- joint operations, whereby the parties to the arrangement acquire rights to certain assets and assume obligations for certain liabilities;
- joint ventures, whereby the parties have rights to the net value of a set of jointly controlled assets and liabilities.

In the first case, the investor recognises the assets and liabilities acquired (along with the associated income and expense) according to the IAS/IFRS standards governing the individual elements; in the second, the pro-rata interest in the joint venture is recognised using the equity method.

IFRS 12 (Disclosure of interests in other entities)

On 12 May 2011, the IASB published the accounting standard IFRS 12 (Disclosure of interests in other entities) regarding the information to be provided in the financial statements on interests in other entities, including subsidiaries, associates and joint ventures. This information must enable users of the financial statements to understand the nature of the risks associated with the investments in strategic shareholdings that will form part of the company's assets over the long term. The information must also indicate the effects of these investments on the assets, financial position, operating result and cash flows.

Amendments to IAS 32: Offsetting financial assets and financial liabilities)

On 16 December 2011, the IASB published a number of amendments to IAS 32 (Financial instruments: presentation), clarifying how certain criteria for offsetting financial assets and liabilities, as set out in IAS 32, should be applied.

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

On 28 June 2012, the IASB published "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)".

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

On 31 October 2012, the IASB published "Investment Entities (amendments to IFRS 10, IFRS 12 and IAS 27)". The change introduced an exception to IFRS 10, which stipulates that investment entities value certain subsidiaries at fair value on the income statement instead of consolidating them.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

On 29 May 2013, the IASB published the document "Recoverable Amount Disclosures for Non-Financial Assets", which clarifies that the disclosure to be made concerning the recoverable value of assets that have undergone a fall in value only concerns those assets whose recoverable value is based on fair value net of sales costs.

Future accounting standards, amendments and interpretations

Accounting standards, amendments and interpretations that are not yet applicable and have not been adopted in advance by the Group, but were approved for adoption in the European Union as of 28 February 2015

The International Accounting Standards, together with the interpretations and changes to existing IASB-approved accounting standards and interpretations that were ratified for adoption in the European Union on 28 February 2015, are as follows:

IFRIC 21 - Levies

On 20 May 2013, the IASB published the interpretation "IFRIC 21 - Levies", to describe the accounting of levies imposed by the tax authorities, as well as current taxes. The interpretation deals with the issue of recognising costs that companies must sustain for tax payments. IFRIC 21 is an interpretation of IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

IFRIC 21 applies to financial periods commencing on or after 17 June 2014.

IAS 19 - Employee benefits
On 21 November 2013, the IASB published some minor amendments to IAS 19 (Employee benefits), entitled "Defined benefit plans: employee contributions". The amendments simplify the accounting requirements for contributions to defined benefit plans from employees or, in certain cases, third parties.

The amendments are applicable retrospectively for financial periods starting 1 July 2014, but may be applied in advance.

Improvements to IFRS - 2010-2012 and 2011-2013 cycles
On 12 December 2013, the IASB issued a set of amendments to the IFRS ("Annual Improvements to IFRS - 2010-2012 Cycle" and "Annual Improvements to IFRS - 2011-2013 Cycle"). The most important issues dealt with in these amendments were:
- the amendments to the definitions of vesting condition and market condition as well as to the definitions of performance condition and service condition (previously included in the definition of vesting condition) in IFRS 2 (Share-based payments);
- information on estimates and assessments used in aggregating operating segments in IFRS 8 (Operating segments);
- the identification and disclosure of a transaction with a related party that arises when a management entity provides key management personnel services to the company that prepares the accounts in IAS 24 (Related party transactions);
- the exclusion of all types of joint arrangements from the scope of application of IFRS 3 (Business combinations).

These amendments take effect for annual periods starting from 1 July 2014, but can be applied in advance.

We do not anticipate that the potential adoption of the standards and interpretations noted above will have a material impact on the valuation of the DeA Capital Group's assets, liabilities, costs and revenues.

*Accounting principles, amendments and interpretations that are not yet applicable, have not been adopted in advance by the Group and are **not yet approved** for adoption in the European Union as of 28 February 2015*

The International Accounting Standards, interpretations and changes to existing IASB-approved accounting standards and interpretations that had not been ratified for adoption in the European Union as of 28 February 2015 are as follows:

IFRS 9 (Financial instruments)
On 12 November 2009, the IASB published the first part of IFRS 9 (Financial instruments). It was subsequently reissued in October 2010 and amended in November 2013. The standard, which introduces changes to both the recognition and measurements of financial assets and liabilities, and hedge accounting, will fully replace IAS 39 (Financial instruments: recognition and measurement).
The standard, which is awaiting ratification by the European Commission, will come into force on 1 January 2018, but can be applied in advance.

IFRS 14 (Regulatory Deferral Accounts)
On 30 January 2014, the IASB published IFRS 14 (Regulatory Deferral Accounts), which allows only those adopting the IFRS for the first time to continue to report amounts relating to rate regulation according to the previously adopted accounting standards. In order to improve comparability with companies that already apply the IFRS and that do not report these amounts, the standard requires the effect of rate regulation to be presented separately from other items.

The standard, which is awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Amendments to IFRS 11 (Joint arrangements)
On 6 May 2014, the IASB issued some amendments to IFRS 11 (Joint arrangements: accounting for acquisitions of interests in joint operations) to clarify the accounting requirements for acquisitions in joint operations that constitute a business.
The amendments are applicable retrospectively for annual periods starting from 1 January 2016, but can be applied in advance.

Amendments to IAS 16 (Property, plant and equipment), and to IAS 38 (Intangible assets)
On 12 May 2014, the IASB issued an amendment to IAS 16 (Property, plant and equipment) and to IAS 38 (Intangible assets). The IASB clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of

the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

These amendments take effect for annual periods starting from 1 January 2016, but can be applied in advance.

IFRS 15 (Revenue from contracts with customers)

On 28 May 2014, the IASB issued IFRS 15 (Revenue from contracts with customers). The standard replaces IAS 18 (Revenue), IAS 11 (Construction contracts), and the interpretations SIC 31, IFRIC 13 and IFRIC 15, and requires revenues reported when the control of assets or services is transferred to clients to reflect the amount that is expected to be received in exchange for these goods and services.

The new model for reporting revenues has five steps for recognising revenue from contracts with customers:
- identifying contracts with the customer;
- identifying performance obligations, i.e. contractual commitments to transfer goods or services to a customer;
- determining the transaction price;
- allocating transaction prices to performance obligations;
- reporting the revenues when the relevant performance obligation has been fulfilled.

The standard is applicable for annual periods starting after 1 January 2017, and must be fully or partially applied retrospectively.

Amendments to IAS 27: Equity Method in Separate Financial Statements

On 12 August 2014, the IASB issued an amendment - "Equity Method in Separate Financial Statements" - to IAS 27.
The objective of the amendment to IAS 27 is to allow parent companies to use the equity method to account for investments in associate companies and joint ventures in the separate financial statements.

The amendments, which are awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Improvements to IFRS - 2012-2014 cycle

On 25 September 2014, the IASB issued a set of amendments to IFRSs (Annual Improvements to IFRSs - 2012-2014 Cycle). The most important issues dealt with in these amendments were:
- the amendment that introduces some specific guidance to IFRS 5 for cases in which an entity reassigns an asset from the held-for-sale category to the held-for-distribution category (or vice versa), or when the requirements for classifying an asset as held-for-distribution are not met. The amendments specify that these reclassifications should not be considered as a change to a sales plan or to a distribution plan and that the criteria for classification and valuation remain valid;
- as regards IFRS 7, the amendment covers the introduction of further guidance to clarify whether a servicing contract constitutes a continuing involvement in a transferred asset for the purposes of transfer disclosure requirements;
- the amendment introduced in IAS 19 clarifying that the high quality corporate bonds used to determine the discount rate for post-employment benefits should be issued in the same currency in which the benefits are paid;
- the amendments to IAS 34 to clarify the requirements if the requested information is presented in the interim financial report but not in the interim financial statements.

The amendments, which are awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Amendments to IAS 1 (Disclosure Initiative)

On 18 December 2014, the IASB issued an amendment - "Disclosure Initiative" - to IAS 1.
The most important issues dealt with in these amendments were:
- clarification that the items on the statement of financial position, the income statement and the statement of comprehensive income can be disaggregated or aggregated depending on their materiality;
- clarification that the OCI stake in an associate company or joint venture is presented as a single item, independently of its subsequent recycling in the income statement.

The amendment, which is awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Amendments to IFRS 10, IFRS 12 and IAS 28 (Investment Entities - Applying the Consolidation Exception)

On 18 December 2014, the IASB issued the amendment - "Investment Entities: Applying the Consolidation Exception (amendments to IFRS 10, IFRS 12 and IAS 28)" with the objective of clarifying issues relating to the consolidation of an investment entity. More specifically, the amendment to IFRS specifies that a parent company (an intermediate parent, i.e. not an investment entity), which in turn is a subsidiary of an investment entity, is not obliged to prepare consolidated financial statements, even if the investment entity values subsidiaries at fair value, in accordance with IFRS 10. Prior to this amendment, under IFRS 10 a parent company was not obliged to present consolidated financial statements on condition that its parent company draft consolidated financial statements that comply with IFRS. Following this amendment, the exemption from preparing consolidated financial statements has been extended to intermediate parents which in turn are subsidiaries of an investment entity, even if the latter values its subsidiaries at fair value rather than consolidating them.

The amendment, which is awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Amendments to IFRIC 10 and IAS 28 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

On 11 September 2014, the IASB published the document "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)".
The objective of the amendments is to clarify accounting treatment, both in the event of a parent losing control of a subsidiary (governed by IFRS 10) and in the case of downstream transactions (governed by IAS 28), according to whether or not the object of the transaction is a business, as defined by IFRS 3. If the object of the transaction is a business, the profit must be reported in full in both the above cases, whereas if the object of the transaction is not a business, the profit must be reported only for the portion relating to minority interests.

The Group will adopt these new standards, amendments and interpretations based on the stipulated date of application, and will assess their potential impact when they have been ratified by the European Union.

Basis of consolidation

As a result of the events described in the Report on Operations, the basis of consolidation at 31 December 2014 changed compared with 31 December 2013, due to:

- full consolidation, line by line, of IDeA OF I Fund (considered at equity value at 31 December 2013)
- acquisition of shares in Innovation Real Estate, including special shares (with limited economic rights), equating to 13.3% of capital;
- the merger by incorporation in DeA Capital S.p.A. of wholly-owned Luxembourg subsidiary DeA Capital Investments S.A.;
- the merger by incorporation in DeA Capital Real Estate of the wholly-owned Italian subsidiary I.F.IM. (IFIM);
- the founding of IDeA Real Estate, on 9 December 2014, by DeA Capital Real Estate.

As a result, at 31 December 2014, the following companies formed part of the DeA Capital Group's basis of consolidation:

Name	Head office	Currency	Share capital	% holding	Consolidation method
DeA Capital S.p.A.	**Milan, Italy**	**Eur**	**306,612,100**	**Parent company**	
Sigla Luxembourg S.A.	Luxembourg	Eur	482,684	41.39%	Equity accounted (IAS 28)
IDeA Capital Funds SGR S.p.A.	Milan, Italy	Eur	1,200,000	100.00%	Full consolidation (IAS 27)
IDeA OF I	Milan, Italy	Eur	-	46.99%	Full consolidation (IAS 27)
Atlantic Value Added	Rome, Italy	Eur	-	27.27%	Equity accounted (IAS 28)
DeA Capital Real Estate S.p.A.	Milan, Italy	Eur	600,000	100.00%	Full consolidation (IAS 27)
Innovation Real Estate S.p.A.	Milan, Italy	Eur	597,725	96.99%	Full consolidation (IAS 27)
Innovation Real Estate Advisory S.r.l.	Milan, Italy	Eur	105,000	96.99%	Full consolidation (IAS 27)
IDeA FIMIT SGR S.p.A.	Rome, Italy	Eur	16,757,574	64.30%	Full consolidation (IAS 27)
IDeA FIMIT Sviluppo Fund	Rome, Italy	Eur	-	50.00%	Full consolidation (IAS 27)
IDeA Real Estate S.p.A.	Milan, Italy	Eur	50,000	100.00%	Full consolidation (IAS 27)

The above list meets the requirements of Consob Resolution 11971 of 14 May 1999 and subsequent amendments (art. 126 of the Regulation).

Consolidation method

Subsidiaries are consolidated on a line-by-line basis from their date of acquisition, i.e. on the date the Group acquires a controlling interest, and they cease to be consolidated when control is transferred outside the Group.
Subsidiaries are those companies in which the Parent Company, directly or indirectly through subsidiaries, holds a majority of the capital subscribed and/or voting rights, or over which the Parent Company exercises de facto control allowing it to direct the financial and operating policies of the subsidiary pursuant to the articles of association or by agreement.
The financial statements of subsidiaries are prepared for each period using the same accounting standards used by the Parent Company.

The main criteria adopted to apply this method are indicated below:
- the financial statements of the Parent Company and subsidiaries are incorporated on a "line-by-line" basis;
- the carrying value of the investment is offset against the corresponding net equity figure. When a company is included in the basis of consolidation for the first time, the difference between the acquisition cost and the net equity of the investee companies is posted, if the conditions are right, to the assets or liabilities included in the consolidation, pursuant to the provisions of IFRS 3. Any residual portion is taken to the income statement if negative, or recorded as a specific item, 'goodwill', under assets if positive. The latter is subject to an annual impairment test. Alternatively, when a company is included in the basis of consolidation for the first time, the entire amount may be recorded as goodwill including the portion relating to the minority interests (full goodwill approach);
- significant transactions between consolidated companies are eliminated as are payables and receivables and unrealised profits resulting from transactions between Group companies net of any tax impact;
- the portions of shareholders' equity pertaining to minority shareholders are reported, along with the respective share of net profit for the period, in appropriate shareholders' equity items.

B. Measurement criteria adopted

The measurement criteria adopted on the basis of International Accounting Standards and reported below are consistent with the going concern principle and have not changed from those used in the preparation of the Consolidated Financial Statements for the Year Ending 31 December 2013 and the Summary Consolidated Half-year Financial Statements at 30 June 2014 except as a result of the application of new IAS/IFRS accounting standards as described above.

Current and non-current assets and liabilities

An asset is considered current if it meets at least one of the following conditions:

- it is expected to be converted during the company's normal operating cycle. The "company's operating cycle" means the period from the acquisition of an asset to its conversion to cash and cash equivalents. When the company's operating cycle cannot be clearly identified, its duration is assumed to be twelve months;
- it is held mainly for trading purposes;
- its conversion is expected to occur within 12 months following the end of the financial year;
- it consists of cash and cash equivalents which have no restrictions that would limit its use in the 12 months following the end of the financial year.

All other assets are carefully analysed to separate the "current" portion from the "non-current" portion.
Furthermore, deferred tax assets are recorded under non-current components.

A liability is considered current if it meets at least one of the following conditions:

- it is expected to be settled during the company's normal operating cycle;
- it is held mainly for trading purposes;
- its settlement is expected to occur within 12 months following the end of the financial year;
- the company does not have an unconditional right to defer payment of the liability for at least 12 months following the end of the financial year.

All other liabilities are carefully analysed to separate the "current portion" from the "non-current" portion.

Furthermore, deferred tax liabilities are recorded under non-current components.

Intangible assets

Intangible assets are those assets with no physical form that can be identified and produce future economic benefits. They are recorded under assets when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. The above assets are recorded at purchase cost, or at production cost if they are generated internally.

The purchase cost is represented by the fair value of the price paid to acquire the asset and by all other direct costs incurred to prepare the asset for use.
The carrying value of intangible assets is maintained in the financial statements to the extent that there is evidence that this value can be recovered through use or if it is likely that these assets will generate future economic benefits.
The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with an indefinite useful life are tested to check that their value is still appropriate at any time when there are indications of possible impairment as required by IAS 36 (Impairment of assets). Intangible assets with an indefinite useful life are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to check that the underlying conditions for the classification continue to apply. For additional details, please see the section 'Impairment'.

Except for intangible assets involving rights connected with final variable commissions, intangible assets with a finite useful life are amortised on a straight-line basis over their useful life.
The amortisation method used for rights connected with final variable commissions reflects changes in future economic benefits associated with the recognition of the related revenues.

The useful life of these intangible assets is tested to check that their value is still appropriate whenever there are indications of possible impairment.

Impairment - IAS 36

Impairment always occurs when the carrying value of an asset is greater than its recoverable value. On each reporting date, the company determines whether there are any indications that an asset may be impaired. If such indications exist, the recoverable value of the asset is estimated (impairment test) and any write-down is recorded. The recoverable value of an asset is the higher of its fair value less costs to sell the asset and its value in use.

IAS 36 provides instructions on determining fair value less costs to sell an asset, as follows:

- if there is a binding sales agreement, the asset's fair value is the negotiated price;
- if there is no agreement, but the asset is marketed in an active market, the fair value is the current bid price (thus, the exact price on the value date and not the average price);
- if no prices can be found in active markets, fair value must be determined based on valuation methods that incorporate the best information available including any recent transactions involving the same asset, after verifying that there were no significant changes in the economic environment between the date of the transactions under consideration and the valuation date.

IAS 36 defines value in use as the present value of future cash flows that an asset is projected to produce. The estimate of the value in use must include the items listed below:

- an estimate of future cash flows that the company expects to derive from the asset;
- expectations of potential changes in value and the timing of such cash flows;
- the time value of money;
- other factors such as the volatility of the asset's value and the lack of a liquid market for it.

For more information on determining value in use, please see Appendix A of IAS 36. However, the main elements for accurately estimating the value in use are: an appropriate calculation of projected cash flows (for which the investee company's business plan is essential) and their timing, as well as the application of the right discount rate that accounts for both the present value of money and the specific risk factors for the asset to be valued.

In all cases, when calculating the value it is important to:

- base cash flow projections on reasonable and sustainable assumptions that provide the best estimate of the economic conditions that are likely to exist over the remaining useful life of the asset;
- base cash flow projections on the most recent budget/plan approved by the investee company, which, however, must exclude any future inflows or outflows of cash that are expected to come from the future restructuring, improvement or optimisation of operating performance. Projections based on these budgets/plans must cover a maximum period of five years unless a longer period of time can be justified;
- estimate higher cash flow projections for the period covered by the most recent budgets/plans by extrapolating projections based on the budgets/plans taken into consideration, and using a stable or declining growth rate for subsequent years unless a rising rate can be justified. This growth rate must not exceed the average long-term growth rate for production in the country or countries in which the investee company operates or for markets in which the asset used is placed unless a higher rate can be justified.

The assumptions used to determine cash flow projections must be reasonable, and based partly on an analysis of the factors that generated differences between projections of past and current cash flows. In addition, the assumptions used to determine current cash flow projections must be checked to ensure that they are consistent with actual past results, unless in the meantime changes have occurred in the investee company's business model or in the economic environment in which it operates that justify changes in respect of the past.

Tangible assets

Tangible assets are recorded at purchase price or production cost adjusted for accumulated depreciation and any impairment. Their cost includes ancillary costs and direct and indirect costs incurred at the time of purchase necessary to make the asset usable. The purchase cost is represented by the fair value of the price paid to acquire the asset and by all other direct costs incurred to prepare the asset for use.. Tangible assets are depreciated on a straight-line basis over their remaining useful life, using the depreciation rates indicated in the notes on the item relating to similar groups of assets. If factors are discovered that lead the company to believe that it may be difficult to recover the net carrying value, an impairment test is performed. If the reasons for the impairment cease to exist, the carrying value of the asset is increased to its recoverable amount.

Associates

These are companies in which the Group holds at least 20% of the voting rights or exercises significant influence, but not full or joint control over their financial and operating policies. The consolidated financial statements include the Group's share of its associates' results, which are reported using the equity method, starting on the date on which significant influence began until the significant influence ceases to exist.

If the Group's share of an associate's losses exceeds the carrying value of the equity investment reported in the financial statements, the carrying value of the equity investment is eliminated, and the share in further losses is not reported unless, and to the extent that, the Group is legally liable for such losses.

When the equity investment is acquired, any difference between its cost and the Parent Company's stake in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is recorded as required by IFRS 3, i.e. any goodwill is included in the carrying value of the equity investment.

As governed by IAS 28.33, since the goodwill included in the carrying value of an equity investment in an associate is not recorded separately, it is not subject to a separate impairment test pursuant to IAS 36 (Impairment of assets). Instead, the entire carrying value of the equity investment is subject to an impairment test pursuant to IAS 36 by comparing its recoverable value (the greater of its value in use and the fair value adjusted for sales costs) and carrying value whenever there is evidence indicating the possible impairment of the equity investment as set out in IAS 28.

Financial assets

Based on the classification of financial assets required by IAS 39, the Group classified its financial assets at the time of the transition to International Accounting Standards, and subsequently when individual financial assets were acquired.

Minority interests and investments in funds, which constitute the main, predominant area of the Group's operations, are classified under available-for-sale assets, which are recorded at fair value with a balancing item in shareholders' equity.

IFRS 13.9 provides a "new" definition of fair value. It represents "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

The concept of fair value is characterised by the following features:

1. it is fundamentally related to the free market and the values reflected therein;
2. it is calculated using the exit price as the relevant price;
3. it relates to the date on which the measurement is made;
4. it relates to an "orderly" transaction, i.e. it is not a forced transaction, such as a compulsory administrative liquidation or a sale at below cost.

Assets and liabilities measured at fair value may be:

- stand-alone assets or liabilities (financial or non-financial instruments);
- a group of assets, a group of liabilities or a group of assets and liabilities.

In the case of assets not listed in active markets, such as the Group's direct investments in companies, investments in venture capital funds and funds of funds, the fair value reported in the Financial Statements is determined by the directors based on their best judgment and estimation, using the knowledge and evidence available when the Financial Statements are prepared.

In these cases, it is provided that:

- if there are recent transactions related to the same financial instrument, these may be used to determine fair value after verifying that there have been no significant changes in the economic environment between the date of the transactions being considered and the valuation date;
- if there are transactions involving similar financial instruments, these may be used to determine fair value after verifying the similarity (as a function of the type of business, size, geographic market, etc.) between the instrument for which transactions have been found and the instrument to be valued;
- if no prices can be found in active markets, fair value must be determined using valuation models that account for all factors that market participants would consider in setting a price.

However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

Direct investments in companies that are not subsidiaries or associates and in funds are classified as available-for-sale financial assets, which are initially reported at fair value on the date of the original posting. These assets are measured at fair value when all interim and full-year financial statements are prepared.

Gains and losses from fair value measurement are posted to a special shareholders' equity reserve called the "fair value reserve" until the investment is sold or otherwise disposed of, or until impairment occurs, in which cases the gain or loss previously recorded in the fair value reserve is posted to the Income Statement for the period.

On the date of the annual or interim financial statements (IAS 34), a test is performed as to the existence of objective evidence of impairment following one or more events that have occurred after the initial recording of the asset, and this event (or events) has an impact on the estimated cash flow from the financial asset.

For equity instruments, a significant or prolonged reduction in fair value below their cost is considered to be objective evidence of impairment.

Although International Accounting Standards introduced an important reference to quantitative parameters that must be adhered to, they do not govern quantitative limits to determine when a loss is significant or prolonged.

Thus, the DeA Capital Group has an accounting policy that defines these parameters. In particular, "significant" means there has been an objective reduction in value when fair value is more than 35% below its historical cost. In this case, impairment is recorded in the Income Statement without further analysis.

The duration of the reduction in value is deemed to be prolonged when the reduction of fair value below historical cost continues for a period of over 24 months. After exceeding 24 months, impairment is recorded in the Income Statement without further analysis.

Derivatives

Derivatives are recorded in the Statement of Financial Position at fair value calculated in accordance with the criteria already stated in the 'Financial assets' section.
Fair value changes are reported differently depending on their designation (hedging or speculative) and the nature of the risk hedged (fair value hedge or cash flow hedge).
For contracts designated for hedging purposes, the Group documents this relationship when the hedge is established. The documentation incorporates the identification of the hedging instrument, the item or transaction hedged, the nature of the risk hedged, the criteria used to ascertain the effectiveness of the hedging instrument as well as the risk. The hedge is considered effective when the projected change in fair value or in the cash flows of the hedged instrument is offset by the change in fair value or in the cash flows of the hedging instrument, and the net results fall within the range of 80% to 125%.
If the instruments are not, or cannot be, designated as hedging instruments, they must be considered "speculative"; in this case, fair value changes are posted directly to the Income Statement.
In the case of fair value hedges, changes in the fair value of the hedging instrument and the hedged instrument are posted to the Income Statement regardless of the valuation criterion used for the hedged instrument. In the case of cash flow hedges, the portion of the fair value change in the hedging instrument that is recognised as an effective hedge is posted to shareholders' equity, while the portion that is not effective is posted to the Income Statement.

Receivables and payables

A receivable is first reported at fair value on the date it is agreed.
After initial reporting, receivables are valued at amortised cost. Payables that fall due within normal contractual terms are initially posted at fair value and later valued at amortised cost.

Trade receivables

If there is objective evidence that a trade receivable has suffered impairment, it must be adjusted down and the loss posted to the income statement; the write-down is allocated to the item 'impairment provisions', as a direct contra item to the asset item. The amount of the write-down must take into account recoverable cash flows, the related collection dates, future recovery charges and expenses and the discount rate to be applied.

Cash and cash equivalents

Cash and cash equivalents include cash at hand, demand deposits and short-term, highly liquid financial investments that are readily convertible to cash and subject to a negligible risk of price variation. Their value is reported at fair value.

Held-for-sale assets

A non-current asset or disposal group is classified as held for sale if the carrying value will mainly be recovered from its sale or disposal instead of its ongoing use. In order for this to occur, the asset or disposal group must be available for immediate sale in its current condition, and the sale must be highly likely. Assets meeting the criteria to be classified as held-for-sale assets are valued at the lower of carrying value and sales value adjusted for any related costs.

Treasury shares

Treasury shares are not considered financial assets of the company that issued the shares. The purchase and sales value of treasury shares is recorded as a change to shareholders' equity. No gain or loss is reported in the income statement for the sale, purchase, issue or cancellation of treasury shares.

Fair value reserve

The fair value reserve incorporates fair value changes to entries measured at fair value with a balancing entry in shareholders' equity.

Warrants

Warrants issued by the Group, which do not meet the requirements either for being classified as share-based payments to employees pursuant to IFRS 2 or as financial liabilities, are treated as the Group's equity instruments.

Put options on minority shareholdings

For put options that do not grant actual access to the economic benefits associated with owning the minority shareholdings, the shares or shareholdings covered by the options are reported on the date control is acquired as "minority interests"; the portion of profits and losses (and other changes in shareholders' equity) of the entity acquired is allocated to the minority shareholding after the business combination. The minority shareholding is reversed on each reporting date and reclassified as a financial liability at its fair value (equal to the present value of the option's exercise price) as if the acquisition had occurred on that date. The difference between the fair value of the financial liability and the minority interest reversed on the reporting date is recorded as an acquisition of minority shareholdings and reported under the Group's shareholders' equity. The effect of discounting is not recorded separately. Any dividends paid to minority shareholders are posted to shareholders' equity.

If the option is not exercised, the minority interest is recognised in the amount that would have been reported if the option had not been recorded; the difference between the minority interest
recognised and the cancelled liability is recorded in the Group's shareholders' equity.

Provisions for risks and future liabilities

As necessary, the Group records provisions for risks and future liabilities when:
- it has a legal or implicit obligation to third parties resulting from a past event;
- it is likely that Group resources will be used to fulfil the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are recorded based on the projected value and discounted as necessary to present value if the time value is considerable. Changes in estimates are recognised in the income statement of the period in which the change occurs.

Revenues and income

Service revenues are recognised at the time the services are rendered based on the progress of the activity on the reporting date.

Income from equity investments for dividends or for their full or partial sale is reported when the right to receive payment is determined, with a balancing item (receivable) at the time of the sale or decision to distribute dividends by the entity or appropriate body.
Interest is reported using the effective interest rate method.

Employee benefits

Short-term employee benefits, whether in cash or in kind (meal vouchers) are reported in the income statement in the period when work is performed.

Employee benefits related to participation in a defined benefit plan are determined by an independent actuary using the projected unit credit method.

On 16 June 2011, the IASB published a revised version of IAS 19 "Employee Benefits". Among other things, this document modified the accounting rules of defined benefit plans (Post-employment benefits: defined benefit plans) and termination benefits.

Specifically:

- For "Post-employment benefits: defined benefit plans", the option to use the "corridor approach" to account for actuarial gains and losses was eliminated. These must now be recognised in the Statement of Performance. The resulting remeasurement effect cannot be recycled through P&L but should be accumulated as a separate account within equity. No other option is available. Actuarial gains and losses include profits and losses of a technical nature due to changes in the actuarial assumptions adopted and/or the fact that experience may differ from the actuarial assumptions adopted (e.g. staff turnover, early retirement, mortality, change in the discount rate);
- Past service costs and the effects generated by curtailments and/or plan settlement (caused, for example, by a significant reduction in the number of employees covered by the plan, changes to the plan's terms and conditions) are recorded immediately in the income statement under personnel costs;
- The interest cost (resulting from the discounting to present value process) and the expected returns on assets servicing the plan are replaced by a net interest figure reported in the income statement under financial charges and calculated by applying a discount rate (based on the high-quality corporate bonds rate at the end of the year) to the balance of the existing plan at the beginning of the year.

Employee benefits in respect of participation in a defined contribution plan only relate to those plans under mandatory government administration. The payment of contributions fulfils the Group's obligation to its employees. Thus, contributions are costs in the period in which they are payable.

In the Group, benefits were provided in the form of stock options or share-based payments. This applies to all employees eligible for stock option plans. The cost of these transactions is determined with reference to the fair value of the options on the date allocation is made and is reported over the period from such date until the expiry date with a balancing entry in shareholders' equity.
The cost of stock options for the Group's directors and contributors is determined in the same way.

Income tax

Current income taxes are determined and reported on the basis of a reasonable forecast of tax charges resulting from applying the tax rates in effect in the various countries where Group companies operate to taxable income, and taking into account any exemptions and tax credits to which such companies are entitled.

Deferred tax liabilities are allocated for all temporary differences between the carrying value of the assets and liabilities and the corresponding amount for tax purposes.
Deferred tax assets are recorded for all deductible temporary differences and for tax assets and liabilities carried forward to the extent that it is likely there will be sufficient future taxable profit against which the deductible temporary differences and the tax assets and liabilities carried forward can be used.

Deferred taxes are classified under non-current assets and liabilities and are determined using tax rates expected to be applicable under the laws in the countries where the Group operates in the years when the temporary differences will be realised or will expire.

The carrying values of deferred tax assets are analysed periodically and reduced if it is not likely that sufficient taxable income will be generated against which the benefits resulting from such deferred assets can be used.

Earnings per share

In accordance with IAS 33, basic earnings per share is determined as the ratio of net profit for the period attributable to shareholders owning Parent Company shares to the weighted average number of shares outstanding during the period. Treasury shares in the portfolio are, of course, not included in this calculation.
Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding for all potential ordinary shares resulting from the potential exercise of assigned stock options, which may therefore result in a diluting effect.

C. Changes in accounting principles and the treatment of errors

Accounting principles are changed from one year to another only if the change is dictated by an accounting standard or if it helps provide more reliable information or more complete reporting of the impact of transactions on the Group's assets, operating result and cash flows.

Changes in accounting standards are applied retroactively with the impact reflected in shareholders' equity in the first of the periods presented. Comparative reporting is adapted accordingly. The prospective approach is used only when it is not practical to restate comparative reporting. The application of a new or amended accounting standard is recorded as required by the standard itself.
If the standard does not specify transition methods, the change is reflected retrospectively, or if impractical, prospectively.

If there are significant errors, the same treatment dictated for changes in accounting principles is used. If there are minor errors, corrections are posted to the income statement in the period when the error is discovered.

D. Use of estimates and assumptions in preparing the financial statements

The Company's management must make assessments, estimates and assumptions that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues recorded in the financial statements. Estimates and related assumptions are based on past experience and other factors deemed reasonable in the case concerned; these have been used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources.

These estimates and assumptions are reviewed regularly. Any changes resulting from revisions to accounting estimates are recorded in the period when the revision is made if such revisions only affect that period. If the revision affects current and future periods, the change is recorded in the period in which the revision is made and in related future periods.

Financial statement balances are reported and valued using the valuation criteria described above. At times, the application of these criteria involves the use of estimates that may have a significant impact on amounts reported in the financial statements. Estimates and related assumptions are based on past experience and factors deemed reasonable in the case concerned; these are used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources. However, since these are estimates, the results obtained should not necessarily be considered definitive.

With the understanding that the use of reasonable estimates is an essential part of preparing financial statements, the items where the use of estimates is most prevalent are stated below:

- valuation of financial assets not listed in active markets;
- valuation of financial assets listed in active markets but considered illiquid on the reference market;
- valuation of equity investments.

The process described above is made particularly complicated by the unusual levels of volatility in the current macroeconomic and market environment, which affect financial indicators that have a bearing on the above valuations.

An estimate may be adjusted as a result of changes in the circumstances on which it was based, or as a result of new information. Any change in the estimate is applied prospectively and has an impact on the income statement in the period in which the change occurred and potentially on income statements in future periods.

As allowed by IAS/IFRS, the preparation of the Consolidated Financial Statements of DeA Capital Group required the use of significant estimates by the Company's management, especially with regard to the valuations of the investment portfolio (equity investments and funds).

These valuations are calculated by directors based on their best judgement and estimation using the knowledge and evidence available at the time the consolidated financial statements are prepared. However, due to objective difficulties in making assessments and the lack of a liquid market, the values assigned to such assets could differ, perhaps and in some cases significantly, from those that could be obtained when the assets are sold.

Statement of financial position

Non-current assets

1 - Intangible and tangible assets

1a - Goodwill

Changes in goodwill are shown in the table below:

(EUR thousand)	Balance at 1.1.2014	Acquisitions	*Impairment*	Balance at 31.12.2014
Goodwill	**166,315**	**48**	**0**	**166,363**

Goodwill, which amounted to EUR 166,363 thousand at 31 December 2014 (EUR 166,315 thousand at 31 December 2013), mainly relates to the acquisition of FARE Holding (now DeA Capital Real Estate) for EUR 27,520 thousand, the acquisition of IDeA Capital Funds SGR for EUR 40,574 thousand and the acquisition of IFIM/FIMIT SGR (now IDeA FIMIT SGR) for EUR 96,599 thousand.

The full goodwill method was used to record the minority interests of the companies acquired during 2011 (FIMIT SGR and IFIM). This requires minority interests to be recorded at fair value.

Impairment tests on goodwill

Pursuant to IAS 36, goodwill is not subject to amortisation, and is tested for impairment at least annually.

In order to carry out impairment testing on the goodwill of its cash generating units (CGUs), the DeA Capital Group allocates the goodwill to the relevant CGUs, identified as IDeA FIMIT SGR (real estate fund management) and IDeA Capital Funds SGR, which represent the minimum level of monitoring that the DeA Capital Group undertakes for management control purposes consistent with DeA Capital's strategic vision.
The redefinition of the IDeA Alternative Investments CGU following its merger into the Parent Company (in 2011) meant that a new CGU had to be defined, namely IDeA Capital Funds SGR. The previous goodwill of the IDeA Alternative Investments CGU was allocated in its entirety to the new CGU.
Impairment testing consists of comparing the recoverable amount of each CGU with the carrying amount of goodwill and the other assets attributed to each CGU.

In the case of CGUs that are not wholly controlled, goodwill is reported on a notional basis, which also includes the portion of goodwill that relates to minorities, using the grossing up method.

The carrying value of the CGU is calculated using the same criterion as that used to determine the recoverable value of the CGU.

The main assumptions used in the impairment test calculations, together with the results, are set out below.

Impairment testing was carried out on the IDeA FIMIT SGR CGU, with a carrying amount of EUR 49.9 million, using the sum of the parts model by determining the value in use, calculated as the sum of (i) the present value of dividend flows (DDM method) expected from IDeA FIMIT SGR and (ii) the present value of the carried interest flows expected from the same company (DCF method), both for the specific period covered by the forecasts (2015-2017) and for those in future (using a projected terminal value based on normalised cash flows).

A number of assumptions were used in determining these flows, including estimates of future increases in revenues, based on expected trends in managed assets, EBITDA and net income, or in the case of carried interest, on the basis of return projections (IRR) made by the company for the various funds under management.

The valuation was based on a cost of capital of between 10.4% and 11.7%, depending on (i) the period of the flows (2015-2017 or later) and (ii) the nature of these flows (dividends from the asset management company or carried interest from the managed funds), supplemented by a terminal value based on a growth assumption (g) of 1.0%.

With reference to the CGU, note that the recoverable amount is higher than the carrying amount.

Sensitivity analysis performed on the most significant variables in terms of sensitivity to the recoverable value of IDeA Capital Funds SGR, i.e. the risk-free rate and the rate of return for the managed funds used, leads to a potential change in the carrying value of EUR -2.1/+2.5 million (for changes of +0.5% and -0.5% in the risk-free rate) and EUR -1.8/+1.9 million (for changes of -1.5% and +1.5% in the expected IRR rate on the managed funds).

Similarly, impairment testing was carried out on the IDeA FIMIT SGR CGU, with a carrying amount of EUR 198.0 million, using the sum of the parts model by determining the value in use, calculated as the sum of (i) the present value of dividend flows (DDM method) expected from IDeA FIMIT SGR and (ii) the present value of the carried interest flows expected from the same company (DCF method), both for the specific period covered by the forecasts (2015-2017) and for those in future (using a projected terminal value based on normalised cash flows).

A number of assumptions were used in determining these flows, including estimates of future increases in revenues, based on expected trends in managed assets, EBITDA and net income, or in the case of carried interest, on the basis of return projections made by the company for the various funds under management.

The valuation was based on a cost of capital of +9.5% plus a terminal value based on growth (g) assumptions of +1.0%.

With reference to the CGU, note that the recoverable amount is higher than the carrying amount.

Sensitivity analysis performed on the most significant variables in terms of sensitivity to the recoverable value of IDeA FIMIT SGR, i.e. the risk-free rate and the rate of growth (g) used, leads to a potential change in the company's overall value of EUR -8.5/+9.7 million (for changes of +0.5% and -0.5% in the discount rate) and EUR -7.1/+8.0 million (for changes of -0.5% and +0.5% in the rate of growth (g)).

IDeA Capital Funds SGR and IDeA FIMIT SGR's business plans were approved in the respective Board Meetings.

It has to be highlighted that the above mentioned impairment test took place with the support of renowned extrernal experts.

1b - Intangible assets

Changes in intangible assets are shown in the tables below:

(EUR thousand)	Historical cost at 1.1.14	Cum. amort. & write-downs at 1.1.14	Net carrying value at 1.1.14	Historical cost at 31.12.14	Cum. amort. & write-downs at 31.12.14	Net carrying value at 31.12.14
Concessions, licences and trademarks	4,967	(3,181)	1,786	5,439	(4,180)	1,259
Software expenses	259	(82)	177	400	(138)	262
Development expenses	229	(203)	26	229	(220)	9
Other intangible assets	122,853	(46,379)	76,474	122,850	(61,032)	61,818
Total	**128,308**	**(49,845)**	**78,463**	**128,918**	**(65,570)**	**63,348**

(EUR thousand)	Balance at 1.1.2014	Acquisitions	Amort.	Write-downs	Decreases	Balance at 31.12.2014
Concessions, licences and trademarks	1,786	475	(1,002)	0	0	1,259
Software expenses	177	141	(56)	0	0	262
Development expenses	26	0	(17)	0	0	9
Other intangible assets	76,474	0	(9,756)	(4,900)	0	61,818
Total	**78,463**	**616**	**(10,831)**	**(4,900)**	**0**	**63,348**

Increases in the items 'concessions, licences and trademarks' and 'software costs' relate to purchases of software usage licences and the related development costs.

The cost of other intangible assets mainly relate to:

- Customer relationships arising from the allocation of the residual value of FIMIT SGR on the date of the (inverse) merger into FARE SGR with the recognition of intangible assets identified as customer relationships and intangible assets related to variable commissions that were valued at EUR 38,573 thousand and EUR 68,688 thousand respectively. This value is based on the discounting of fixed management fees (for customer relationships) and variable fees calculated net of directly applicable costs on the basis of the most recent business plans of the funds under management.
- Customer relationships, totalling EUR 14,156 thousand, arising from the allocation of the discounted value of commission flows generated by the funds under management of IDeA Capital Funds SGR, net of management costs, based on the business plans of the funds under management.

Following the revision of the business plans of the funds that make up the intangible assets from variable commissions, in order to adjust the value of assets to fair value, intangible assets arising from variable commissions were written down on the income statement in the amount of EUR 4,900 thousand.

Except for intangible assets involving rights connected with final variable commissions, intangible assets with a finite useful life are amortised on a straight-line basis over their useful life.

The amortisation method used for rights connected with final variable commissions reflects changes in future economic benefits associated with the recognition of the related revenues.

1c - Tangible assets

Changes in tangible assets are shown in the tables below:

(EUR thousand)	**Historical cost at 1.1.14**	**Cum. amort. & write-downs at 1.1.14**	**Net carrying value at 1.1.14**	**Historical cost at 31.12.14**	**Cum. amort. & write-downs at 31.12.14**	**Net carrying value at 31.12.14**
Leasehold improvements	3,774	(474)	**3,300**	3,714	(1,020)	**2,694**
Furniture and fixtures	1,777	(693)	**1,084**	1,729	(836)	**893**
Computer and office equipment	1,336	(1,070)	**266**	1,158	(952)	**206**
Company vehicles	475	(310)	**165**	475	(389)	**86**
Plant	119	(95)	**24**	39	(20)	**19**
Other assets	389	(373)	**16**	389	(379)	**10**
Total	**7,870**	**(3,015)**	**4,855**	**7,504**	**(3,596)**	**3,908**

(EUR thousand)	**Balance at 1.1.2014**	**Acquisitions**	**Amort.**	**Write-downs**	**Decreases**	**Balance at 31.12.2014**
Leasehold improvements	3,300	52	(564)	(16)	(78)	2,694
Furniture and fixtures	1,084	30	(228)	14	(7)	893
Computer and office equipment	266	52	(110)	2	(4)	206
Company vehicles	165	1	(80)	0	0	86
Plant	24	0	(5)	0	0	19
Other assets	16	0	(6)	0	0	10
Total	**4,855**	**135**	**(993)**	**0**	**(89)**	**3,908**

The item 'Leasehold improvements', totalling EUR 2,694 thousand, mainly relates to improvements made to the building at Via Brera 21 in Milan, which was leased to the DeA Capital Group from 2013.

Depreciation of tangible assets is calculated on a straight-line basis, according to the estimated useful life of the asset.
The depreciation rates used in the financial year were 20% for specific plant assets, 12% for furniture and furnishings, 20% for electronic office machines, 20% for company vehicles and 15% for leasehold improvements.

2 - Financial investments

Financial investments in companies and funds are the Group's typical activities. These investments fell from EUR 653,435 thousand at 31 December 2013 to EUR 516,442 thousand at end-2014.

2a - Investments in associates

This item totalled EUR 19,066 thousand at 31 December 2014 (EUR 240,084 thousand at end-2013).

On 1 October 2014, Santé and Santé Dévéloppement Europe (SDE) sold their stake in Générale de Santé at a price of EUR 16.00 per share after cashing in the dividend of EUR 0.75 per share due to them. Santé and SDE received a total of approximately EUR 788 million, including the dividend, which will be used partly to repay the two companies' financial debt (around EUR 407 million, of which EUR 31.4 million to the DeA Capital Group to repay the existing quasi-equity loan) and partly to distribute cash to shareholders (some EUR 381 million).

The net proceeds for the DeA Capital Group from the transaction amounted to EUR 164.1 million (EUR 195.5 million taking into account the repayment of the loan granted to Santé).

In addition, the IDeA OF I fund was fully consolidated from 1 January 2014 in accordance with the new IFRS 10.

This item relates to the following assets:

- investment in Sigla Luxembourg (parent company of the Sigla Group), which was recorded at end-2013 at EUR 12,084 thousand, and reported at EUR 11,201 thousand in the consolidated financial statements to 31 December 2014.

The change compared with 31 December 2013 is mainly related to the impact of the result for the period.

- The units in AVA were valued at around EUR 7,865 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2014 compared with EUR 6,647 thousand at 31 December 2013; the change compared with 2014 was due to the result for the period.

The table below provides details of the investments held in associates at 31 December 2014 by business:

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Total
Sigla	11.2	0.0	11.2
AVA Fund	2.6	5.3	7.9
Total	**13.8**	**5.3**	**19.1**

The table below summarises details of Sigla's financial information, based on the reporting package prepared in accordance with the accounting principles used by the DeA Capital Group at 31 December 2014:

	Sigla Group	
(EUR thousand)	**2014**	**2013**
Revenues	17,886	16,937
Net profit/(loss) for the year	(2,244)	(607)
Other profit/(loss), net of tax effect	6	40
Total comprehensive profit/(loss) for the year	(2,238)	(567)
Total comprehensive profit/(loss) for the year attributable to minorities	*(1,354)*	*(337)*
Total comprehensive profit/(loss) for the year attributable to Group	*(884)*	*(230)*

(EUR thousand)	31.12.2014	31.12.2013
Current assets	55,591	67,423
Non-current assets	15,822	15,962
Current liabilities	(42,507)	(52,625)
Non-current liabilities	(1,844)	(1,562)
Net assets	**27,062**	**29,198**
Net assets attributable to minorities	*15,861*	*17,113*
Net assets attributable to the Group	*11,201*	*11,885*

(EUR thousand)	31.12.2014	31.12.2013
Net initial assets attributable to the Group	12,085	12,315
Total comprehensive profit/(loss) for the year attributable to Group	(884)	(230)
Dividends received in the period	0	0
Net final assets attributable to minorities	*11,201*	*12,085*
Goodwill	0	0
Book value of associate company	***11,201***	***12,085***
Dividendi pagati a Terzi nel periodo	***0***	***0***

2b - Shareholdings held by funds

At 31 December 2014, the DeA Capital Group was a shareholder, through the IDeA OF I fund, in Giochi Preziosi, Manutencoop, Grandi Navi Veloci, Euticals, Telit, Elemaster, Talgo, Corin and Iacobucci.

This item, which totalled EUR 111,014 thousand at 31 December 2014 (EUR 114,225 thousand at 31 December 2013), relates to the assets set out below:

(EUR million)	31 December 2014
Portfolio investments	
Giochi Preziosi	10,0
Manutencoop Facility Management	18,9
Grandi Navi Veloci	4,5
Lauro Cinquantasette (Euticals)	11,8
Telit Communications	17,5
Elemaster	8,5
Available-for-sale investments	**71,2**
Iacobucci HF Electronics	12,0
Pegaso Transportation Investments (Talgo)	15,0
2IL Orthopaedics LTD (Corin)	12,8
Investments in associates and JVs recognised on income statement	**39,8**
Total Portfolio Investments	**111,0**

2c - Investments in other companies – available for sale

At 31 December 2014, the DeA Capital Group was a minority shareholder of Kenan Investments (the indirect parent company of Migros), Stepstone, Harvip Investimenti, two US companies operating in the biotech and printed electronics sectors, TLcom Capital LLP (management company under English UK law) and TLcom II Founder Partner SLP (limited partnership under English UK law).

At 31 December 2014, the item totalled EUR 209,320 thousand compared with EUR 132,536 thousand at 31 December 2013.

The table below provides details of equity investments in other companies at 31 December 2014 by area of activity:

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
Kenan Investments	209.1	0.0	209.1
Minority interests	0.2	0.0	0.2
Total	**209.3**	**0.0**	**209.3**

The shareholding in Kenan Investments (the indirect parent company of Migros) was recorded in the Consolidated Financial Statements for the Year Ending 31 December 2014 at a value of EUR 209,136 thousand (compared with EUR 132,351 thousand at 31 December 2013).
This valuation is based on the percentage DeA Capital owns in Kenan Investments/Moonlight Capital and a Migros share price of:

(i) TRY 26.00 for the stake in Migros that is the subject of the transaction with Anadolu (and therefore both the 40.25% of Migros shares being sold immediately and the 9.75% of its shares subject to put and call options agreed by the parties);

(ii) TRY 22.75 (the market price on 31 December 2014) for the remaining stake (30.5% of Migros capital).

The increase of EUR 76,785 thousand versus 31 December 2013 was due to the above-mentioned rise in the value of Migros shares (compared with TRY 16.00 per share at 31 December 2013) and the appreciation of the Turkish lira against the euro (2.83 TRY/EUR at 31 December 2014 versus 2.97 TRY/EUR at 31 December 2013).

The effect on the DeA Capital Group's NAV of this change in fair value was partially offset by the estimated carried interest to be paid, based on the total capital gain, of EUR -11.4 million (compared with no impact at 31 December 2013).

The value of minor equity investments relate to a minority shareholding in Harvip. The DeA Capital Group is also a shareholder in three companies – Elixir Pharmaceuticals Inc., Kovio Inc. and Stepstone – which are not included in the investment portfolio as they are either dormant or in liquidation, and have zero value.

Company	Registered office	Business sector	% holding
Elixir Pharmaceuticals Inc.	USA	*Biotech*	1.30
Harvip Investimenti S.p.A.	Italy	*Distressed real estate and other investments*	19.18
Kovio Inc.	USA	Printed circuitry	0.42
Stepstone Acquisition Sàrl	Luxembourg	*Special opportunities*	36.72

2d - Available-for-sale funds

This item relates to investments in units of three funds of funds (IDeA I FoF and ICF III), two theme funds (IDeA EESS and IDeA ToI), seven real estate funds and 11 venture capital funds, totalling approximately EUR 176,736 thousand at end-2014, compared with EUR 166,260 thousand at end-2013.

The table below shows changes to the funds during 2014.

(EUR thousand)	**Balance at 1.1.2014**	**Increases *(Capital call)***	**Decreases *(Capital distribution)***	***Impairment***	**Fair value adjustment**	**Translation effect**	**Balance at 31.12.2014**
Venture capital funds	10,682	0	(193)	(323)	(1,424)	838	9,580
IDeA I FoF	94,704	3,519	(21,424)	0	16,677	0	93,476
ICF II	23,788	7,304	(2,907)	0	7,069	0	35,254
ICF III Core	0	274	0	0	(3)	0	271
ICF III Credit & Distressed	0	977	0	0	38	0	1,015
ICF III Emerging Markets	0	525	0	0	(71)	0	454
IDeA EESS	2,993	2,270	0	(933)	0	0	4,330
Taste of Italy	0	91	0	0	(88)	0	3
IDeA FIMIT SGR Funds	34,093	0	(4,208)	(516)	2,984	0	32,353
Total funds	**166,260**	**14,960**	**(28,732)**	**(1,772)**	**25,182**	**838**	**176,736**

Units in venture capital funds are valued at around EUR 9,580 thousand in the consolidated financial statements to 31 December 2014 (EUR 10,682 thousand at end-2013).

The overall change in the investments is mainly due to capital reimbursements from these funds of EUR 193 thousand, a decrease in fair value (and related exchange rate effects) of EUR 586 thousand, impairment (and related exchange rate effects) of certain funds totalling approximately EUR 323 thousand.

Over 2014, the Company received income distributions of EUR 298 thousand and capital reimbursements of EUR 24,524 thousand.

The fair value measurement of investments in venture capital funds at 31 December 2014, carried out based on the information and documents received from the funds, as well as other available information, meant that the amount had to be written down by EUR 323 thousand; the significant reduction to below cost was considered clear evidence of impairment.

Units in IdeA I FoF are valued at around EUR 93,476 thousand in the consolidated financial statements to 31 December 2014 (EUR 94,704 thousand at end-2013).

The change in the carrying value compared with 31 December 2013 was due to contributions made for capital calls totalling EUR 3,519 thousand, capital reimbursements of EUR 21,424 thousand and a net increase in fair value of around EUR 16,677 thousand.

Units in ICF II are valued at around EUR 35,254 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2014 (EUR 23,788 thousand at 31 December 2013).

The change in the carrying value compared with 31 December 2013 was due to contributions made for capital calls totalling EUR 7,304 thousand, capital reimbursements of EUR 2,907 thousand and a net increase in fair value of around EUR 7,069 thousand.

Units in IDeA EESS are valued at around EUR 4,330 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2014 (EUR 2,993 thousand at 31 December 2013).

The change in the carrying value compared with 31 December 2013 was due to contributions made for capital calls totalling EUR 2,270 thousand and impairment of around EUR 933 thousand.

The units in ICF III, which were subscribed to in 2014, are valued at around EUR 1,740 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2014 due to contributions made for capital calls and the decrease in fair value due to the fact that the fund is still in the start-up phase.

The units in IDeA Taste of Italy, which were subscribed to in 2014, are valued at close to zero in the Consolidated Financial Statements for the Year Ending 31 December 2014 due to contributions made for capital calls and the decrease in fair value due to the fact that the fund is still in the start-up phase.

The financial assets related to units of funds managed by IDeA FIMIT SGR are considered long-term investments. This item includes:

- Mandatory investments (as stipulated by the Bank of Italy Regulation of 14 April 2005, amended and supplemented by the Bank of Italy Regulation of 8 May 2012, as amended) in managed funds that are not reserved for qualified investors. The latter are to be held in the portfolio until the funds' maturity date. However, they were not classified as 'held-to-maturity assets' since they are variable-rate financial instruments. It was therefore decided to record them in this 'residual' category in accordance with IAS 39, which specifies that they should be measured at fair value with a balancing entry in an appropriate unavailable reserve pursuant to Legislative Decree 38/2005;
- Optional investments in managed funds that may or may not be reserved for qualified investors.

Units in these funds are valued at around EUR 32,353 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2014 (EUR 34,093 thousand at 31 December 2013).

The change versus end-2013 is due to capital reimbursements received of EUR 4,208 thousand, impairment of around EUR 516 thousand and a net increase in fair value of approximately EUR 2,984 thousand.

Note that to secure the loan made by Banca Intermobiliare, IDeA FIMIT SGR established a lien in favour of this bank consisting of 600 units in the Omicron Plus fund.

The table below provides a breakdown of the funds in the portfolio at 31 December 2014 by area of activity:

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
Venture capital funds	9,6	0,0	9,6
IDeA I FoF	93,5	0,0	93,5
ICF II	35,3	0,0	35,3
ICF III	1,7	0,0	1,7
IDeA EESS	4,3	0,0	4,3
IDeA FIMIT SGR Funds	0,0	32,3	32,3
Total funds	**144,4**	**32,3**	**176,7**

2e - Other available-for-sale financial assets

The item totalled EUR 306 thousand (EUR 330 thousand at 31 December 2013) and mainly relates to the shareholdings held by IRE in Beni Immobili Gestiti S.p.A. (0.25%) and in AEDES BPM Real Estate SGR S.p.A. (5.0%).

3 – Other non-current assets

3a - Deferred tax assets

The balance on the item ,deferred tax assets, totalled EUR 5,039 thousand and comprises the value of deferred tax assets minus deferred tax liabilities, where they may be offset.

Deferred tax assets relating to the Parent Company of EUR 8,402 thousand were fully offset against deferred tax liabilities.

The changes to deferred tax assets and liabilities during the year, broken down by type, are analysed below:

(EUR thousand)	**Balance at 1.1.2014**	**Posted to the income statement**	**Recognised in equity**	**Changes in the basis of consolidation**	**Compensation/ other changes**	**Balance at 31.12.2014**
Deferred tax assets for:						
-personnel costs	511	131	0	0	265	907
- other	1,419	955	(214)	0	1,972	4,132
Total deferred tax assets	**1,930**	**1,086**	**(214)**	**0**	**2,237**	**5,039**
Deferred tax liabilities for:						
- available-for-sale financial assets	(4,797)	12	(6,862)		2,189	(9,458)
- discounting of end-of-service payment fund	53	1	0	0	(3)	51
- intangible fixed assets	(17,005)	2,360	0	0	(3,128)	(17,773)
Total deferred tax liabilities	**(21,749)**	**2,373**	**(6,862)**	**0**	**(942)**	**(27,180)**
Losses carried forward available for offset against future taxable profits	2,939	5,840		0	(1,295)	7,484
Total deferred tax assets	**2,657**					**5,039**
Total deferred tax liabilities	**(19,537)**					**(19,696)**

The deferred tax liabilities of IDeA FIMIT SGR, amounting to EUR 16,005 thousand, mainly comprise the balancing entry for deferred tax assets relating to variable commissions recorded under intangible assets. The balance is lower than at end-2013 due to the release of EUR 1,620 thousand on the income statement following the write-down of intangible assets from variable commissions of EUR 4,900 thousand.

As required by IFRS 3 (Business Combinations), the company recorded a deferred tax liability for the assets identified at the date of acquisition.

No deferred tax assets were allocated against the significant tax losses of DeA Capital S.p.A. (around EUR 108,074 thousand, to be reported without limitation and around EUR 879 thousand to be used with limitation). This was because there was insufficient information for the Group to believe that sufficient taxable income would be generated in future periods against which such tax losses could be recovered.

Deferred taxes were calculated using the liability method based on the temporary differences at the reporting date between the tax amounts used as a reference for the assets and liabilities and the amounts reported in the financial statements.

3b - Tax receivables relating to the tax consolidation scheme entered into by the parent companies

This item totalled EUR 546 thousand at 31 December 2014 (EUR 2,984 thousand at 31 December 2013) and relates to the receivable from the Parent Company De Agostini S.p.A. for joining the tax consolidation scheme.

3c - Other non-current assets

This item totalled EUR 30,495 thousand at 31 December 2014, compared with EUR 32,468 thousand at 31 December 2013, and mainly relates to:

- The receivable from Beta Immobiliare fund concerning the final variable commission, in the amount of EUR 23,184 thousand. The calculation was done pursuant to the provisions of the operating regulations of the Beta Immobiliare fund, taking into account the NAV indicated in the management report at 31 December 2014. This receivable corresponds to the portion of the overperformance commission accrued since the beginning of the fund's operations that the asset management fund will receive when liquidated, but only if certain conditions are met;
- a receivable of EUR 7,023 thousand in favour of the IDeA OF I fund for the sale of 1% of Manutencoop.

4 - Current assets

4a - Trade receivables

Receivables amounted to EUR 29,039 thousand, compared with EUR 21,078 thousand at 31 December 2013, and mainly included receivables from customers (EUR 28,841 thousand). These related mainly to the balances of IRE (EUR 16,648 million) and IDeA FIMIT SGR (EUR 11,998 thousand). The latter amount mainly relates to receivables from managed funds for commission due but not yet received.

Receivables from customers due to IRE include EUR 8,297 thousand relating to the re-invoicing of expenses incurred by the company in its own name but on behalf of funds managed by IDeA FIMIT SGR. This activity was carried out by the company by virtue of a mandate without appointed representation, as provided for in the framework agreement signed by IRE and IDeA FIMIT SGR on 12 December 2012.

The item 'Transactions with Related Parties' includes EUR 147 thousand from De Agostini S.p.A. for the agreement to sublet rented premises and the reimbursement of costs associated with said agreement.

4b - Available-for-sale financial assets

At 31 December 2014, this item totalled EUR 5,080 thousand, compared with EUR 5,464 thousand at 31 December 2013, and relates to the portfolio of government securities and corporate bonds held by IDeA Capital Funds SGR.

4c - Financial receivables

At 31 December 2014, this item totalled EUR 2,678 thousand and relates mainly to an agreement for a 12-month revolving loan, of up to EUR 5 million, in favour of Sigla S.r.l., a wholly-owned subsidiary of associate company Sigla Luxembourg S.A., for EUR 1,699 million.

4d - Tax receivables relating to the tax consolidation scheme entered into by the parent companies

This item totalled EUR 3,533 thousand at 31 December 2014 (EUR 3,467 thousand at 31 December 2013) and relates to the receivable from the Parent Company De Agostini S.p.A. for joining the tax consolidation scheme.

DeA Capital S.p.A., IDeA Capital Funds SGR and DeA Capital Real Estate have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.a.). This option was exercised jointly by each company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. The option is irrevocable unless the requirements for applying the scheme are not met.

The option is irrevocable for DeA Capital S.p.A. for the three-year period 2014-2016, for IDeA Capital Funds SGR for the three-year period 2012-2014 and for DeA Capital Real Estate for the three-year period 2013-2015.

4e - Other tax receivables

At 31 December 2014, this item totalled EUR 2,892 thousand, compared with EUR 4,912 thousand at 31 December 2013. It mainly includes:

- a receivable due to IDeA FIMIT SGR of EUR 1,541 thousand deriving from advance payments of IRES/IRAP during the year (amounting to EUR 5,145 thousand and EUR 1,835 thousand respectively), net of provisions for potential taxes (amounting to EUR 3,861 thousand EUR 1,578 thousand respectively);
- a receivable arising from an application for an IRES refund from the Parent Company due to non-deduction of IRAP relating to personnel costs for 2010/2011, of EUR 93 thousand;
- advance payments made in relation to foreign direct and indirect taxes in Luxembourg for EUR 191 thousand.

4f - Other receivables

The item, which totalled EUR 18,591 thousand at 31 December 2014 (EUR 18,416 thousand at 31 December 2013), includes the receivable of the IDeA FIMIT Sviluppo fund of EUR 15,193 thousand and receivables for deposits, advances to suppliers and prepaid expenses.

The IDeA FIMIT Sviluppo fund began its activities on 20 December 2013 by signing a framework agreement that defines the terms and conditions and procedures of the initial investment planned for the fund, a development project in an area located in Marino (the "Area EcoVillage"), totalling EUR 115 million.
On the date it launched its activities, 600 class A units were issued, with a nominal value of EUR 25,000, following cash payments made, in equal measure, by the two subscribers, IDeA FIMIT SGR S.p.A. and De Agostini Invest S.A. On the same date, the fund also paid the company EcoVillage Tre S.r.l., EUR 14.9 million by way of a deposit for the future purchase of the fund's assets in the Area EcoVillage.

4g - Cash and cash equivalents

This item, which totalled EUR 55,583 thousand at 31 December 2014 (EUR 26,396 thousand at the end of the previous year) comprises bank deposits and cash, including interest accrued to 31 December 2013.

Please see the consolidated cash flow statement for further information on changes to this item.

The item 'cash and cash equivalents' relates to cash balances and bank deposits in the name of Group companies.
Cash deposited at banks accrues interest at floating rates, based on the prevailing overnight, 1-2-week and 1-3-month interest rates.

5 - Shareholders' equity

At 31 December 2014, Group shareholders' equity was approximately EUR 653,513 thousand, compared with EUR 629,489 thousand at 31 December 2013.

The increase of about EUR 24,024 thousand in Group shareholders' equity in 2014 was mainly due to the reasons already discussed in the Statement of Performance - IAS 1 (EUR +30,089 thousand) and to the impact of the plan to purchase treasury shares (EUR -3,720 thousand).

The main changes in shareholders' equity are described in more detail in the relevant table of changes included in the Consolidated Financial Statements.

5a - Share capital

The share capital (fully subscribed and paid up) totalled EUR 306,612,100, represented by 306,612,100 shares (of which 34,985,736 treasury shares) with a nominal value of EUR 1 each.

Given that the nominal value of the above-mentioned treasury shares held at 31 December 2014 is deducted from total share capital, share capital of EUR 271,626,364 was reported in the Financial Statements.

Changes in share capital are shown in the table below:

(EUR thousand)	31.12.2014 No. of shares	31.12.2014 amount	31.12.2013 No. of shares	31.12.2013 amount
Share capital	**306,612,100**	**306,612**	**306,612,100**	**306,612**
of which: Own shares	(34,985,736)	(34,986)	(32,637,004)	(32,637)
Share capital (excluding own shares)	**271,626,364**	**271,626**	**273,975,096**	**273,975**

The table below shows a reconciliation of the shares outstanding:

	Shares issued	Own shares in portfolio	Shares in issue
Shares at 31 December 2013	**306,612,100**	**(32,637,004)**	**273,975,096**
Changes in 2014			
Share capital increase	0	0	0
Own shares purchased	0	(2,348,732)	(2,348,732)
Own shares sold	0	0	0
Own shares disposed of	0	0	0
Used for stock option plan	0	0	0
Shares issued for stock options	0	0	0
Shares at 31 December 2014	**306,612,100**	**(34,985,736)**	**271,626,364**

5b - Share premium reserve

The item in question fell from EUR 386,198 thousand on 31 December 2013 to EUR 384,827 thousand at 31 December 2014, due to the posting to this reserve of the purchase of treasury shares (EUR 1,371 thousand).

5c - Legal reserve

This reserve, which was unchanged compared with the end of 2013, totalled EUR 61,322 thousand at 31 December 2014.

5d - Fair value reserve

The fair value reserve at 31 December 2014 was positive at EUR 116,415 thousand (positive at EUR 28,725 thousand at 31 December 2013) and comprises the following items:

(EUR thousand)	Balance at 1.1.2014	Fair value adjustment	Tax effect	Balance at 31.12.2014
Direct investments/equity investments	12,628	72,150	0	84,778
Venture capital and other funds	14,599	23,022	(6,968)	30,653
Reserve for IFRS first-time adoption and other reserves	1,498	(588)	74	984
Total	**28,725**	**94,584**	**(6,894)**	**116,415**

5e - Other reserves

Other reserves totalled EUR -11,243 thousand at 31 December 2014 (EUR -8,898 thousand at 31 December 2013) and are made up of:

- a reserve for stock option costs totalling EUR 1,034 thousand;
- a reserve for the sale of option rights, totalling EUR 413 thousand (these originated in the previous year from the sale of the remaining option rights to subscribe to a capital increase that had not been exercised by the shareholders, which were sold by the Company);
- other reserves of EUR -9,247 thousand relating to the associate GDS, which was sold in October 2014;
- other reserves of EUR -3,443 thousand (including EUR 1,968 million for the purchase of a 13.3% shareholding in Innovation Real Estate from minority shareholder Emanuele Caniggia).

5f - Retained earnings (losses) carried forward

This item totalled EUR -111,833 thousand at 31 December 2014, compared with EUR -80,703 thousand at 31 December 2013. The overall decrease of EUR 31,130 thousand was due to the allocation of profits for 2013.

5g - Profit (loss) for the year

The loss reported for the year of EUR -57,601 thousand is the consolidated loss attributable to the Group for 2014 (EUR -31,130 thousand at 31 December 2013).

5h - Minority interests

This item, which totalled EUR 173,109 thousand at 31 December 2014 (EUR 177,070 thousand at 31 December 2013) relates to the minority interest in shareholders' equity resulting from the line-by-line consolidation of IDeA FIMIT SGR and the IDeA FIMIT Sviluppo and IDeA OF I funds.

The table below summarises details of the financial information of IDeA FIMIT SGR and IDeA OF I, before elimination of the intercompany relationships with the Group's other companies, as at 31 December 2014.

	IDeA FIMIT SGR		**IDeA OF I**	
(EUR thousand)	**2014**	**2013**	**2014**	**2013**
Alternative Asset Management fees	54,116	64,573	0	0
Net profit/(loss) for the year	4,387	1,159	2,821	(7,919)
Profit/(loss) attributable to minorities	**83**	**(2,599)**	**1,495**	**(4,198)**
Other profit/(loss), net of tax effect	1,231	1,947	(30)	1,706
Total comprehensive profit/(loss) for the year	5,618	3,106	2,791	(6,213)
Total comprehensive profit/(loss) for the year attributable to minorities	522	(1,904)	2,975	(3,294)

(EUR thousand)	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**
Current assets	24,333	23,361	1,134	629
Non-current assets	230,281	245,492	118,037	120,525
Current liabilities	(10,685)	(14,126)	(51)	(83)
Non-current liabilities	(24,258)	(31,630)	0	0
Net assets	**219,671**	**223,097**	**119,120**	**121,071**
Net assets attributable to minorities	92,800	94,284	63,146	64,180

(EUR thousand)	**2014**	**2013**	**2014**	**2013**
CASH FLOW from operations	10,499	8,222	(1,082)	(10,324)
CASH FLOW from investment assets	(973)	(3,183)	0	0
CASH FLOW from financial assets	(9,972)	(14,316)	4,672	9,615
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(446)**	**(9,277)**	**3,590**	**(709)**
Dividends paid to minorities during the year	***(3,229)***	***(5,556)***	***0***	***0***

6 - Non-current liabilities

6a - End-of-service payment fund

The end-of-service payment fund (TFR) is a defined benefit plan, and as such was measured using actuarial methodology. This resulted in a liability calculated in demographic and financial terms on amounts owed to workers according to the number of years worked. The total present value of the liability is proportioned to the period of employment already completed at the calculation date, taking account of future salary increases and the employee's projected length of service.

Future TFR flows were discounted to the reporting date, using independent actuaries, based on the projected unit credit method. The valuation assumptions use an annual average discount rate that takes the iBoxx Eurozone Corporates AA 10+ index as a benchmark, maintaining this parameter as constant compared with previous valuations.

Changes in TFR in 2014 are shown in the table below:

(EUR thousand)	Balance at 1.1.2014	Portion accrued	Payments	Advances	Balance at 31.12.2014
Change in end-of-service payment fund	**3,529**	**1,572**	**(483)**	**0**	**4,618**

The amounts recognised in the item were calculated as follows:

(EUR thousand)	31.12.2014	31.12.2013
Nominal value of end-of-service payment fund	3,871	3,359
Discounting effect	747	170
Current value of end-of-service payment fund	**4,618**	**3,529**

6b - Non-current financial liabilities

The item totalled EUR 5,201 thousand (EUR 150,198 thousand at 31 December 2013) and mainly relates to an amount of EUR 4,000 thousand in connection with a medium-term loan taken out by IDeA FIMIT SGR with Banca Intermobiliare di Investimenti e Gestioni S.p.A. in 2009 (maturing on 31 March 2016 with a floating rate of 3-month Euribor + spread) for the purchase of units in the Omicron Plus fund.

6c - Other payables

This item totalled EUR 11,397 thousand at 31 December 2014 and relates to the allocation of carried interest to be paid to the lead investor BC Partners as a result of the total capital gain on the investment in Kenan.

7 - Current liabilities

Current payables amounted to EUR 36,003 thousand at 31 December 2014 (EUR 72,338 thousand at 31 December 2013) and are all due within the following year. These payables are not secured on any company assets.

7a - Trade payables

Trade payables were EUR 18,180 thousand at 31 December 2014 versus EUR 15,599 thousand at 31 December 2013.

This item mainly relates to an amount of EUR 8,843 thousand for expenses incurred by IRE in its own name but on behalf of the funds managed by IDeA FIMIT SGR and subsequently re-invoiced to them. This activity was carried out by virtue of a mandate without representation signed by IRE and IDeA FIMIT SGR on 12 December 2012.

In respect of transactions with related parties, this item includes payables to:

- the affiliate, De Agostini Editore S.p.A., of approximately EUR 42 thousand;
- the affiliate, De Agostini Libri S.p.A., of approximately EUR 2 thousand;
- the affiliate, De Agostini Invest S.A., of approximately EUR 25 thousand.

Trade payables do not accrue interest and are settled, on average, within 30 to 60 days.

7b - Payables in respect of staff and social security organisations

This item totalled EUR 8,122 thousand at 31 December 2014 versus EUR 6,833 thousand at end-2013, and is largely due to:

- payables to social security organisations of EUR 975 thousand, paid after the close of the Financial Year 2014, with the exception of payables for social security liabilities calculated on accrued bonuses;
- payables to employees and directors of EUR 6,597 thousand for holidays not taken and accrued bonuses;
- other payables to employees totalling EUR 550 thousand.

7c - Current tax payables

This item totalled EUR 2,012 thousand at 31 December 2014 (EUR 6,956 thousand at end-2013) and is largely due to the payable of EUR 1,587 thousand to the Parent Company De Agostini S.p.A. from IDeA Capital Funds SGR relating to its joining the tax consolidation scheme.

The latter amount relates to the payable connected with the option for DeA Capital S.p.A. and IDeA Capital Funds SGR to join the Italian tax consolidation scheme of the De Agostini S.p.A. Group. This was exercised jointly by each company and the Parent Company De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law.

7d - Other tax payables

This item, of EUR 2,037 thousand at 31 December 2014 (EUR 1,478 thousand at end-2013), mainly relates to the payable to the tax authorities in respect of taxes deducted from the income of employees and self-employed staff totalling EUR 1,502 thousand.

7e - Other payables

This item was EUR 5,292 thousand at 31 December 2014 (EUR 2,054 thousand at end-2013) and mainly relates to the allocation of a payable to the former shareholders of FIMIT SGR to compensate them for waiving the cash flows resulting from the property services platform created at IRE.

7f - Short-term financial payables

This item totalled EUR 360 thousand at 31 December 2014 (EUR 39,418 thousand at 31 December 2013) and reflects the remaining amount owed on the price for the business division transferred to IDeA FIMIT SGR by Duemme SGR.

Contingent liabilities

IAS 37 defines a contingent liability as a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Companies must not recognise contingent liabilities, but should still disclose them.

On 17 December 2014, DeA Capital S.p.A. received an assessment notice for the 2009 tax year of IDeA Alternative Investments S.p.A., a company which was merged into DeA Capital S.p.A. with effect from 1 January 2012. The assessment, which alleged that revenues had been under-reported, was challenged in an appeal by DeA Capital before the Milan Provincial Tax Court. An adverse outcome, which is possible but not likely, could result in taxes and penalties of EUR 0.7 million.

Income statement

8 - Alternative asset management fees

Alternative asset management fees in 2014 were EUR 66,045 thousand versus EUR 76,356 thousand in 2013.

These fees mainly relate to management fees paid to IDeA FIMIT SGR and IDeA Capital Funds SGR for the funds they manage.

9 - Income from investments valued at equity

This item includes income from companies valued at equity for the period.

The loss of EUR 1,673 thousand in 2014 compared with a gain of EUR 6,586 thousand in 2013 was mainly due to the loss reported for the stake in Sigla of about EUR -887 thousand and the loss related to the stake in AVA of EUR -786 thousand.

10 - Other investment income and expenses

The net expenses realised on investments in shareholdings and funds totalled around EUR 56,149 thousand in 2014, compared with expenses of EUR 24,617 thousand in 2013.

Details are shown below:

(EUR thousand)	Financial year 2014	Financial year 2013
Income from venture capital fund distributions	298	278
Income from real estate fund distributions	1,135	2,577
Capital gains on disposals	8,749	95
Dividends from minor available-for-sale investments	108	33
Other income	40	24
Investment income	**10,330**	**3,007**
Losses on disposals of equity investments in subsidiaries	0	201
Impairment venture capital funds	385	76
Impairment private equity funds	933	978
Impairment real estate funds	516	3,987
Impairment Santé	59,470	14,848
Impairment Alkimis	0	188
Impairment Harvip	0	557
Impairment Soprarno	0	389
Impairment Giochi Preziosi	0	5,400
Impairment Grandi Navi Veloci	0	1,000
Impairment Euticals	5,070	0
Other charges	105	0
Investment charges	**66,479**	**27,624**
Total	**(56,149)**	**(24,617)**

Investment income
Income from available-for-sale venture capital funds was EUR 298 thousand and came from capital gains from distributions of venture capital funds.

The 'capital gains on sales' item includes an amount of EUR 8,749 thousand relating to capital gains made on the partial sale of the shareholding in Telit by IDeA OF I.

The item also includes amounts totalling EUR 1,135 thousand of income distributed in 2014 to IDeA FIMIT SGR by the following funds: Beta (EUR 15 thousand), Omicron Plus (EUR 580 thousand), Atlantic 1 (EUR 226 thousand) and Conero (EUR 314 thousand).

Impairment
The fair value measurement of investments in funds and shareholdings at 31 December 2014 is based on information and documents received from the funds and shareholdings, and other available information.

The fair value measurement of investments in funds at 31 December 2014, carried out based on the documents received and the information available, made it necessary to record impairment of EUR 385 thousand in respect of the venture capital funds and EUR 933 thousand for the closed-end mutual investment funds.

For these funds, the significant reduction below cost was considered clear evidence of impairment, and necessitated these write-downs.

The impairment charge of EUR 516 thousand on real estate funds relates to the reduction in the value of units in the Agris, Gamma, Senior and Theta funds.

On 1 October 2014, Santé and SDE sold their stake in GDS at a price of EUR 16.00 per share after cashing in the dividend of EUR 0.75 per share due to them. The net proceeds for the DeA Capital Group from this transaction were EUR 164,095 thousand. The resulting loss from the sale totalled EUR 59,470 thousand.

11 - Service revenues

In 2014, these revenues totalled EUR 18,667 thousand, compared with EUR 16,329 thousand in 2013, and chiefly relate to services connected with consulting, management and the sale of real estate held in the portfolios of real estate funds.

12 - Other revenues and income

Other revenues and income, totalling EUR 509 thousand in 2014 (compared with EUR 4,032 thousand in 2013), relate mainly to directors' fees from Santé S.A. of EUR 245 thousand.

13 - Operating costs

Operating costs in 2014 were EUR 87,957 thousand, compared with EUR 129,426 thousand in the previous year.

13a - Personnel costs
Total personnel costs were EUR 33,579 thousand in 2014, compared with EUR 28,241 thousand in 2013.

(EUR thousand)	Financial year 2014	Financial year 2014
Salaries and wages	17,842	16,779
Social security contributions	4,891	4,559
Remuneration for the Board of Directors	4,806	4,633
Stock option figurative cost	937	1,194
End-of-service payment fund	1,172	894
Other personnel costs	4,854	2,786
Reversal stock options and long-term incentive plans	(923)	(2,604)
Total	**33,579**	**28,241**

The effect of the cost arising from the stock option plans for 2014, of EUR 937 thousand, was offset by the reversal of the cost allocated to the reserve for the Stock Option Plan 2012-2014 of the Parent Company, of EUR 815 thousand. The Parent Company's Allocation Plan 2012-2014 is to be considered lapsed as the conditions for exercising option rights were not met.

At 31 December 2014, the DeA Capital Group had a total of 224 employees (208 at 31 December 2013).

The table below shows the changes and average number of Group employees during 2014.

Employees	**1.1.2014**	**Recruits**	**Departures**	**31.12.2014**	**Average no.**
Managers	34	6	(2)	38	36
Junior managers	62	10	(7)	65	63
Office staff	112	21	(12)	121	118
Total	**208**	**37**	**(21)**	**224**	**217**

Share-based payments

Employees of DeA Capital S.p.A. and the Parent Company, De Agostini S.p.A. are beneficiaries of stock option plans based on the shares of DeA Capital S.p.A. Unexercised but valid call options on the Company's shares at 31 December 2014 totalled 3,163,200 (2,643,200 at 31 December 2013).

Stock option plans were valued using the numerical binomial tree procedure (the original Cox, Ross and Rubinstein method). Numerical analysis using binomial trees generates simulations of various possible developments in the share price in future periods.

On 17 April 2014, the shareholders' meeting of DeA Capital S.p.A. approved the DeA Capital Stock Option Plan 2014-2016. To implement the resolution of the shareholders' meeting, the Board of Directors voted *(i)* to implement the DeA Capital Stock Option Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all necessary powers, to be exercised jointly or severally and with full power of delegation; and *(ii)* to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital S.p.A. Stock Option Plan 2014-2016, the Board of Directors also set the exercise price for the options allocated at EUR 1.32, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 17 March 2014 and 16 April 2014.

The shareholders' meeting of 17 April 2014 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital S.p.A. Stock Option Plan 2014-2016.

The options can be allocated to the beneficiaries up to 31 December 2014 and exercised by the latter, in one or more tranches, but in any case for an amount per tranche of not less than 25% of the options assigned to each, with effect from the fifth calendar day following the date that the adjusted NAV figure at 31 December 2016 is announced, until 31 December 2019.
The adjusted NAV means the value of the assets, net of liabilities, calculated on the basis of the Company's Statement of Financial Position at 31 December 2016 and restated, where necessary, to take account of the measurement at fair value of all investments, as assessed by an independent third party.

The shareholders' meeting also approved the adoption of the Performance Share Plan 2014-2016, which provides for the allocation of a maximum of 500,000 units. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted *(i)* to launch the DeA Capital Performance Share Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and *(ii)* to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the treasury shares already held by the Company so that the allocation will not have a dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the Consolidated Finance Law.

The terms and conditions of the Stock Option Plan 2014-2016 and the Performance Share Plan 2014-2016 are described in the Information Prospectus prepared in accordance with art. 84-bis of Consob Resolution 11971 of 14 May 1999 (Issuer Regulations), available to the public at the registered office of DeA Capital S.p.A. and on the Company's website www.deacapital.it (in the section Corporate Governance/Incentive Plans).

No loans and/or guarantees in favour of directors and/or auditors of the Parent Company and its subsidiaries were issued.

13b - Service costs

Service costs were EUR 30,734 thousand in 2014 versus EUR 22,897 thousand in 2013.

A breakdown of these costs is shown in the table below:

(EUR thousand)	Financial year 2014	Financial year 2013
Management, tax, legal consultancy and other fees	11,202	8,845
Fees to corporate bodies	773	1,028
Ordinary maintenance	168	320
Travel expenses	1,226	1,209
Utilities and general expenses	1,623	2,292
Third-party rental, royalties and leasing	4,434	3,256
Bank charges	118	249
Books, office supplies and conferences	534	625
Commission expense	4,351	832
Other charges	6,305	4,241
Total	**30,734**	**22,897**

13c - Depreciation, amortisation and impairment losses

Please see the table on changes in intangible and tangible assets for details on this item.

13d - Other costs

This item totalled EUR 6,921 thousand (EUR 5,074 thousand in 2013) and mainly consisted of:

- an adjustment of the IDeA FIMIT SGR receivable from the Beta fund for final variable commission, and the write-down of receivables for fixed commissions of the Agris, Atlantic 6 and Eta funds, of EUR 4,044 thousand;
- the cost incurred by IDeA FIMIT SGR and DeA Capital totalling EUR 2,731 thousand resulting from the inability to deduct VAT released on purchase transactions on the basis of the pro-rata amount specified by art. 19 of Presidential Decree 633/1972.

14 - Financial income and charges

14a - Financial income

Financial income totalled EUR 7,313 thousand in 2014 (EUR 5,992 thousand in 2013) and included interest income of EUR 2,346 thousand on the quasi-equity loan provided to the subsidiary Santé and income of EUR 2,206 thousand from the cancellation of the earn-out payable to the seller of FARE Holding (currently DeA Capital Real Estate).

(EUR thousand)	Financial year 2014	Financial year 2013
Interest income	3,447	4,915
Income on derivatives	302	830
Other income on AFS instruments	0	205
Income from earn-out adjustment	2,206	0
Exchange gains	1,358	42
Total	**7,313**	**5,992**

14b - Financial charges

Financial charges totalled EUR 4,408 thousand in 2014, compared with EUR 6,430 thousand in 2013. These mainly included interest payable on loans and losses on hedging derivatives.

Specifically, financial charges mainly break down as follows:

- interest payable on the line of credit granted by Mediobanca and Intesa of EUR 2,750 thousand and fees of EUR 519 thousand;
- interest payable on the medium-term credit line taken out by the subsidiary IDeA FIMIT SGR with Banca Intermobiliare di Investimenti e Gestioni S.p.A. of EUR 255 thousand;
- interest payable relating to the vendor loan to acquire the tranche of mezzanine bonds issued by SDE, totalling EUR 441 thousand.

(EUR thousand)	Financial year 2014	Financial year 2013
Interest payable	4,068	4,271
Charges on derivatives	0	1,103
Exchange losses	267	396
Financial charges IAS 19	73	66
Other charges	0	594
Total	**4,408**	**6,430**

15 - Income tax for the period, deferred tax assets and deferred tax liabilities

This item, totalling EUR 1,720 thousand for 2014 (EUR -4,381 thousand in 2013), includes current income tax due for the year of EUR -7,756 thousand and deferred tax assets of EUR +9,476 thousand.

The table below shows the taxes determined on the basis of the rates and the Group's taxable income. The latter was calculated in light of applicable legislation.

(EUR thousand)	Financial year 2014	Financial year 2013
Current tax:		
- Income from tax consolidation scheme	1,747	3,281
- IRES	(6,743)	(13,136)
- IRAP	(2,757)	(3,594)
- Other taxes	(3)	0
Total current taxes	**(7,756)**	**(13,449)**
Deferred taxes for the period:		
- Charges for deferred/prepaid taxes	(1,016)	(45)
- Income from deferred/prepaid taxes	9,792	8,391
- Use of deferred tax liabilities	722	722
- Use of deferred tax assets	(22)	0
Total deferred taxes	**9,476**	**9,068**
Total income tax	**1,720**	**(4,381)**

The table below shows a reconciliation of the tax charges recorded in the Consolidated Financial Statements and the theoretical tax charge for 2014 calculated using the corporate income tax (IRES) rate applicable in Italy.

	2014		2013	
(EUR thousand)	Amount	rate	Amount	rate
Profit before tax	**(57,653)**		**(51,248)**	
Tax on theoretical income	(15,855)	27.5%	(14,093)	27.5%
Participation in participation exemption	304	(0.5%)	0	0.0%
Tax on intragroup dividends	432	(0.7%)	0	0.0%
Write-down of intangible assets - variable final commission	1,348	(2.3%)	5,540	(10.8%)
Write-downs of equity investments and receivables	856	(1.5%)	2,211	(4.3%)
Effect of companies with different tax systems from that of Italy	23,220	(40.3%)	0	0.0%
Use of tax losses not previously recognised	0	0.0%	0	0.0%
Net profit/(loss) from subsidiaries not subject to taxation	(767)	1.3%	1,465	(2.9%)
Net profit/(loss) from associates not subject to taxation	460	(0.8%)	(512)	1.0%
Non-deductible interest	94	(0.2%)	469	(0.9%)
Income from tax consolidation scheme	(836)	1.5%	(2,339)	4.6%
Other net differences	(3,525)	6.1%	19,452	(38.0%)
Net effect of pre-paid/deferred tax assets	(9,375)	16.3%	(11,407)	22.3%
IRAP and other taxes on foreign income	1,924	(3.3%)	3,595	(7.0%)
Income tax reported in the income statement	**(1,720)**	**+3.0%**	**4,381**	**(8.5%)**

16 - Basic earnings (loss) per share

Basic earnings per share are calculated by dividing net profit for the period attributable to the Group's shareholders by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated by dividing net profit for the period attributable to the Group's shareholders by the weighted average number of shares outstanding during the period including any diluting effects of existing stock option plans, in the event the allocated options are "in the money".

The table below shows the income and the share information used to calculate basic and diluted earnings per share:

(EUR thousand)	Financial year 2014	Financial year 2013
Consolidated profit/(loss) excluding minorities (A)	(57.601)	(31.130)
Weighted average number of ordinary shares outstanding (B)	273.806.403	273.994.870
Basic earnings/loss per share (EUR per share) (C=A/B)	**(0,210)**	**(0,114)**
Adjustment for dilutive effect	-	-
Consolidated net profit/(loss) adjusted for dilutive effect (D)	(57.601)	(31.130)
Weighted average number of shares to be issued for the exercise of stock options (E)	306.445	-
Total number of shares outstanding and to be issued (F)	274.112.848	273.994.870
Diluted earnings/loss per share (EUR per share) (G=D/F)	**(0,210)**	**(0,114)**

Options have a dilutive effect only when the average market price of the share for the period exceeds the strike price of the options or warrants (i.e. when they are "in the money").

Primary and secondary reporting formats

The information on businesses reflects the Group's internal reporting structure. These businesses are:

- **Private Equity Investment**, which includes the reporting units involved in investment activities and breaks down into equity investments (direct investments) and investments in funds (indirect investments);
- **Alternative Asset Management**, which includes reporting units involved in asset management activities and related services, with a current focus on the management of private equity and real estate funds.

Summary Group Income Statement - performance by business in 2014

(EUR thousand)	*Private Equity Investment*	*Alternative Asset Management*	Holding companies / Eliminations	Consolidated
Alternative Asset Management fees	0	68,549	(2,504)	66,045
Income from investments valued at equity	(1,149)	(524)	0	(1,673)
Other investment income/charges	(56,812)	663	0	(56,149)
Other revenues and income	146	18,357	673	19,176
Other costs and charges	(5,930)	(71,152)	(10,875)	(87,957)
Financial income and charges	3,006	155	(256)	2,905
PROFIT (LOSS) BEFORE TAXES	**(60,739)**	**16,048**	**(12,962)**	**(57,653)**
Income tax	0	(6,584)	8,304	1,720
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(60,739)**	**9,464**	**(4,658)**	**(55,933)**
Profit/(loss) from assets held-for-sale/sold	0	0	0	0
Profit/(loss) for the year	**(60,739)**	**9,464**	**(4,658)**	**(55,933)**
- Profit/(loss) attributable to the Group	(62,235)	9,292	(4,658)	(57,601)
- Profit/(loss) attributable to minorities	1,496	172	0	1,668

Summary Group Income Statement - performance by business in 2013

(EUR thousand)	*Private Equity Investment*	*Alternative Asset Management*	Società *Holdings/* Elisioni	Consolidated
Alternative Asset Management fees	0	78,810	(2,454)	76,356
Income from investments valued at equity	6,940	(354)	0	6,586
Other investment income/charges	(23,264)	(1,353)	0	(24,617)
Other revenues and income	3,181	16,750	430	20,361
Other costs and charges	(4,797)	(121,962)	(2,737)	(129,496)
Financial income and charges	927	(190)	(1,175)	(438)
PROFIT (LOSS) BEFORE TAXES	**(17,013)**	**(28,299)**	**(5,936)**	**(51,248)**
Income tax	1,294	(9,213)	3,538	(4,381)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(15,719)**	**(37,512)**	**(2,398)**	**(55,629)**
Profit/(loss) from assets held-for-sale/sold	0	0	0	0
Profit/(loss) for the year	**(15,719)**	**(37,512)**	**(2,398)**	**(55,629)**
- Profit/(loss) attributable to the Group	(10,389)	(18,343)	(2,398)	(31,130)
- Profit/(loss) attributable to minorities	(5,330)	(19,169)	0	(24,499)

Alternative Asset Management costs include the effects of the amortisation and write-down of intangible assets, totalling EUR -14.7 million, recorded when a portion of the purchase price of the investments was allocated.

Notes to the Cash Flow Statement

Given the type of activity carried out by the Group, cash flow from investment in companies and funds (one of the Group's typical activities) is included in cash flow from operating activities.

In 2014, operating activities, as defined above, generated cash and cash equivalents of EUR 188,419 thousand (while EUR 49,664 thousand was absorbed in 2013). Please see the Consolidated Cash Flow Statement for information on changes to this item.

In 2014, financial activities absorbed EUR 157,756 thousand (while in 2013 they generated EUR 50,274), mainly connected with the final repayment of the credit lines in place with Mediobanca – Banca di Credito Finanziario S.p.A. and Intesa Sanpaolo of EUR 147,000 thousand.

Cash and cash equivalents totalled EUR 55,583 thousand at end-2014, compared with EUR 26,396 thousand at the end of the previous year.

Changes to the Cash Flow Statement have been reported using the direct method.

Other information

Commitments

At 31 December 2014, residual commitments for payments to funds totalled EUR 106.5 million, compared with EUR 104.8 million at end of 2013. Changes in commitments are shown in the table below:

(EUR million)	
Residual commitments to funds - 31.12.2013	**104.8**
Distributions reclassified from callable to non-callable	(1.2)
Change in commitmentsof VC funds	0.1
New commitments	21.1
Capital Calls	(18.6)
Exchange differences	0.3
Residual commitments to funds – 31.12.2014	**106.5**
Net financial position at 31 December 2014	**57.8**
NFP vs. Residual Commitments - 31.12.2014 (Overcommitment)	**(48.7)**

With regard to these overcommitments, the management believes that the funds and credit lines currently available, as well as funds that will be generated by its operating and financing activities, will enable the DeA Capital Group to meet the financing required for its investment activity, manage working capital and repay debts when they become due.

Treasury shares and Parent Company shares

On 17 April 2014, the shareholders' meeting of DeA Capital S.p.A. authorised the Board of Directors to buy and sell, on one or more occasions and on a rotating basis, a maximum number of ordinary shares in the Company representing a stake of up to 20% of the share capital.

The new plan replaces the previous plan approved by the shareholders' meeting on 19 April 2013 (which was scheduled to expire with the approval of the 2013 Annual Financial Statements), and will pursue the same objectives as the previous plan, including purchasing treasury shares to be used for extraordinary transactions and share incentive schemes, offering shareholders a means of monetising their investment, stabilising the share price and regulating trading within the limits of current legislation.

The authorisation specifies that purchases may be carried out up to the date of the shareholders' meeting to approve the Financial Statements for the Year Ending 31 December 2014 and, in any case, not beyond the maximum duration allowed by law, in accordance with all the procedures allowed by current regulations, and that DeA Capital S.p.A. may also sell the shares purchased for the purposes of trading, without time limits. The unit price for the purchase of the shares is set on a case-by-case basis by the Company's Board of Directors, but in any case must not be more than 20% above or below the share's reference price on the trading day prior to each individual purchase. In contrast, the authorisation to sell treasury shares already held in the Company's portfolio, and any shares bought in the future, was granted for an unlimited period, to be implemented using the methods considered most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to each individual sale (apart from in certain exceptional cases specified in the plan). Sale transactions may also be carried out for trading purposes.

On the same date, the Board of Directors voted to launch the plan to buy and sell treasury shares authorised by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised jointly or severally and with full power of delegation.

On 6 November 2014, the Board of Directors, voted to adhere to the markets practice intended for the purchase of own shares to be used to create the securities "stock", pursuant Consob resolution 16839 of 19 march 2009.

In 2014, DeA Capital S.p.A. purchased around 2,348,732 million shares valued at about EUR 3.7 million (at an average price of approximately EUR 1.58 per share).

Taking into account purchases made in previous years for plans in place from time to time, and the use of treasury shares to service purchases of controlling interests in FARE Holding and IDeA Alternative Investments, at 31 December 2014 the Company owned 34,985,736 treasury shares (equal to about 11.4% of share capital).

As of the date of this document, based on purchases of 2,383,540 shares made after the end of 2014, the Company had a total of 37,369,276 treasury shares corresponding to about 12.2% of the share capital.

During 2014, the Company did not hold, purchase or sell, on its own account or through a trust company, any shares in the Parent Company De Agostini S.p.A.

Stock option and performance share plans

On 17 April 2014, the shareholders' meeting of DeA Capital S.p.A. approved the DeA Capital Stock Option Plan 2014-2016. To implement the resolution of the shareholders' meeting, the Board of Directors voted (i) to launch the DeA Capital Stock Option Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all necessary powers, to be exercised jointly or severally and with full power of delegation; and *(ii)* to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital S.p.A. Stock Option Plan 2014-2016, the Board of Directors also set the exercise price for the options allocated at EUR 1.32, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 17 March 2014 and 16 April 2014.

The shareholders' meeting of 17 April 2014 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital S.p.A. Stock Option Plan 2014-2016.

The shareholders' meeting also approved the adoption of the Performance Share Plan 2014-2016, which provides for the allocation of a maximum of 500,000 units. On the same date, in implementation of the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted *(i)* to launch the DeA Capital Performance Share Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and *(ii)* to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the treasury shares already held by the Company so that the allocation will not have a dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the Consolidated Finance Law.

The terms and conditions of the Stock Option Plan 2014-2016 and the Performance Share Plan 2014-2016 are described in the Information Prospectus prepared in accordance with art. 84-*bis* of Consob Resolution 11971 of 14 May 1999 (Issuer Regulations), available to the public at the registered office of DeA Capital S.p.A. and on the Company's website *www.deacapital.it* (in the section Corporate Governance/Incentive Plans).

The tables below summarise the assumptions made in calculating the fair value of the plans:

Stock Option	**2004 plan**	**2005 plan**	**2012 plan**	**2013 plan**	**2014 plan**
N° options allocated	160,000	180,000	1,030,000	1,550,000	1,550,000
Average market price at allocation date	2.445	2.703	1.38	1.26	1.44
Value at allocation date	391,200	486,540	1,421,400	1,953,000	2,232,000
Average exercise price	2.026	2.459	1.3363	1.289	1.32
Expected volatility	31.15%	29.40%	33.84%	32.94%	31.63%
Option expiry date	31/08/15	30/04/16	31/12/17	31/12/18	31/12/19
Risk free yield	4.25%	3.60%	2.47%	1.55%	1.56%

The Allocation Plan 2012-2014 is to be considered lapsed as the conditions for exercising option rights were not met.

Performance Share	**2012 plan**	**2013 plan**	**2014 plan**
N° options allocated	302,500	393,500	393,500
Average market price at allocation date	1.380	1.260	1.44
Value at allocation date	417,450	495,810	566,640
Expected volatility	33.84%	32.94%	31.63%
Option expiry date	31/12/14	31/12/15	31/12/16
Risk free yield	2.47%	1.55%	1.56%

Transactions with parent companies, subsidiaries and related parties

Transactions with related parties

Transactions with related parties, including those with other Group companies, were carried out in accordance with the Procedure for Related Party Transactions adopted by the Company with effect from 1 January 2011 in accordance with the provisions of the Regulation adopted pursuant to art. 2391-bis of the Italian Civil Code with Consob Resolution 17221 of 12 March 2010 as subsequently amended. During the year, the Company did not carry out any atypical or unusual transactions with related parties but only those that are part of the normal business activities of Group companies. It also did not carry out any "significant transactions" as defined in the aforementioned procedure. Transactions with related parties during the year were concluded under standard market conditions for the nature of the goods and/or services offered.

With regard to transactions with parent companies, note the following:

1) DeA Capital S.p.A. signed a service agreement with the controlling shareholder, De Agostini S.p.A., for the latter to provide operating services in the administration, finance, control, legal, corporate and tax areas.

This agreement, which is renewable annually, is priced at market rates and is intended to allow the Company to maintain a streamlined organisational structure in keeping with its development policy, while obtaining sufficient operational support.

At the same time, on 1 January 2013, DeA Capital S.p.A. signed an "Agreement to sub-let property for use other than residential use" with the controlling shareholder, De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera, 21, Milan, comprising space for office use, warehousing and car parking.

This agreement is renewable every six years after an initial term of seven years.

2) DeA Capital S.p.A., IDeA Capital Funds SGR and DeA Capital Real Estate have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.a.). This option was exercised jointly by each company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. The option is irrevocable unless the requirements for applying the scheme are not met.

The option is irrevocable for DeA Capital S.p.A. for the three-year period 2014-2016, for IDeA Capital Funds SGR for the three-year period 2012-2014 and for DeA Capital Real Estate for the three-year period 2013-2015.

3) In order to enable the more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions compared with those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement (Framework Agreement) with the Parent Company De Agostini S.p.A. for the provision of short-term intercompany loans.

Deposit/financing operations falling within this Framework Agreement shall only be activated subject to verification that the terms and conditions determined at any time are advantageous, and will be provided on a revolving basis, and with maturities of not more than three months. The Framework Agreement shall have a duration of one year and is renewable.

The amounts involved in the deposit/financing operations will, however, be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (transactions with Related Parties) and the internal procedure on Transactions with Related Parties adopted by DeA Capital S.p.A.

Lastly, the Company did not hold, purchase or dispose of the shares of any related parties in 2014.

The table below summarises the amounts of trade-related transactions with related parties.

(EUR thousand)	31.12.2014					Year 2014			
	Financial receivables	Trade receivables	Tax receivables	Tax payables	Trade payables	Revenues for services	Financial income	Personnel costs	Service costs
Sigla S.r.l.	1,710	0	0	0	0	0	17	0	0
De Agostini S.p.A.	0	147	4,079	1,927	17	349	0	142	0
Santé S.A.	0	0	0	0	0	0	0	0	0
De Agostini Editore S.p.A.	0	0	0	0	23	0	0	0	77
De Agostini Libri S.p.A.	0	0	0	0	7	0	0	0	5
Gtech S.p.A.	0	39	0	0	0	29	0	0	0
De Agostini Publishing S.p.A.	0	5	0	0	0	24	0	0	1
De Agostini Invest S.A.	0	0	0	0	0	0	0	0	0
Total related parties	**1,710**	**191**	**4,079**	**1,927**	**47**	**403**	**17**	**142**	**84**
Total financial statement line item	**30,372**	**21,078**	**4,079**	**6,956**	**15,599**	**18,667**	**7,313**	**33,579**	**30,734**
as % of financial statement line item	**5.6%**	**0.9%**	**100.0%**	**27.7%**	**0.3%**	**2.2%**	**0.2%**	**0.4%**	**0.3%**

Remuneration: directors of the board, auditors, general managers and managers with strategic responsibilities

In 2014, remuneration payable to the directors and auditors of DeA Capital S.p.A. for the performance of their duties totalled EUR 300 thousand and EUR 175 thousand respectively.

Remuneration paid to directors and auditors is shown in the table below:

Director	**Position**	**Period position held**	**Position expires**	**Fees for position at company preparing the financial statements in EUR thousand**	**Non-cash benefits**	**Bonuses and other incentives**	**Statutory auditors' fees for positions held at subsidiaries**	**Other remuneration EUR/000**
Lorenzo Pellicioli	Chairman	2014	Approval fin. statements 2015	30	0	0	0	0
Paolo Ceretti	Chief Executive Officer	2014	Approval fin. statements 2015	30	0	0	0	73
Lino Benassi	Director	2014	Approval fin. statements 2015	30	0	0	0	112
Stefania Boroli	Director	2014	To 12 March 2015	30	0	0	0	0
Rosario Bifulco	Director	2014	Approval fin. statements 2015	30	0	0	0	25
Francesca Golfetto	Director	2014	Approval fin. statements 2015	30	0	0	0	20
Roberto Drago	Director	2014	Approval fin. statements 2015	30	0	0	0	0
Marco Drago	Director	2014	Approval fin. statements 2015	30	0	0	0	0
Severino Salvemini	Director	2014	Approval fin. statements 2015	30	0	0	0	35
Marco Boroli	Director	2014	Approval fin. statements 2015	30	0	0	0	0
Angelo Gaviani	Chairman of the Board of Statutory Auditors	2014	Approval fin. statements 2015	75	0	0	9	0
Gian Piero Balducci	Permanent Auditor	2014	Approval fin. statements 2015	50	0	0	48	34
Annalisa Donesana	Permanent Auditor	2014	Approval fin. statements 2015	50	0	0	32	10

In contrast to the data contained in the Remuneration Report prepared pursuant to art. 123-ter of the TUF in accordance with art. 84-quater of the Issuer Regulation, the emoluments and compensation indicated above do not include social security contributions where applicable.

'Other remuneration' relates to remuneration received for other positions held in either DeA Capital S.p.A. or other Group companies.

In 2014, annual salaries and bonuses, excluding benefits in kind, paid to managers with strategic responsibilities in the Parent Company totalled about EUR 621 thousand.

Shareholdings held by directors, auditors, general managers and managers with strategic responsibilities

Details of shareholdings held in DeA Capital S.p.A. and its subsidiaries by members of the boards of directors and auditors and by managers with strategic responsibilities are provided in aggregate format in the table below.

No shareholdings were reported for general managers, since to date, this position does not exist.
All those who held positions on the boards of directors or auditors, or as managers with strategic responsibilities, for the whole or part of the year in question, are included.

Name and surname	Investee company	No. of shares held at 1.1.14	No. of shares purchased	No. of shares sold	No. of shares held at 31 December 2014
Lorenzo Pellicioli	DeA Capital S.p.A.	2,566,323	0	0	2,566,323
Paolo Ceretti	DeA Capital S.p.A.	1,000,000	0	0	1,000,000
Rosario Bifulco	DeA Capital S.p.A.	1,536,081	0	0	1,536,081
Lino Benassi	DeA Capital S.p.A.	23,500	0	0	23,500
Senior managers with strategic responsibilities	DeA Capital S.p.A.	105,000	100,000	0	205,000
Total		**5,230,904**	**100,000**	**0**	**5,330,904**

Other than the shares indicated above, no DeA Capital shares are held by other directors or auditors who are currently in office; furthermore, no shares are held in companies controlled by DeA Capital.

Directors Lorenzo Pellicioli, Marco Drago, Marco Boroli and Roberto Drago own shares of B&D Holding di Marco Drago e C. S.a.p.a. and, in the case of directors Marco Drago, Roberto Drago, Stefania Boroli and Marco Boroli, shares of De Agostini S.p.A., which controls the Company both directly and indirectly, and are parties to a shareholders' agreement covering these shares.

Stock options allocated to members of the boards of directors and auditors, general managers and managers with strategic responsibilities

Details of stock options held by members of the boards of directors and auditors and by managers with strategic responsibilities in DeA Capital S.p.A. and its subsidiaries are provided in aggregate format in the table below.

		Options held at 1 January 2014			Options allocated during 2014			Options expired in 2014	Options held at 31 December 2014		
Beneficiary	**Position**	**No. options**	**Average exercise price**	**Average expiry**	**No. options**	**Average exercise price**	**Average expiry**	**No. options**	**No. options**	**Average exercise price**	**Average expiry**
Paolo Ceretti	CEO	630,000	1,3363	5	0	0	0	630,000	0	0	0
Paolo Ceretti	CEO	950,000	1,289	5				0	950,000	1,289	5
Paolo Ceretti	CEO	0	0	0	950,000	1,32	5	0	950,000	1,32	5
Senior managers with strategic responsibilities		400,000	1,3363	5	0	0	0	400,000	0	0	0
Senior managers with strategic responsibilities		600,000	1,289	5	0	0	0	0	600,000	1,289	5
Senior managers with strategic responsibilities		0	0	0	600,000	1,32	5	0	600,000	1,32	5

Lastly, note that the Chief Executive Officer, Paolo Ceretti, and managers with strategic responsibilities were assigned 120,000 and 84,625 performance shares respectively in 2014, as shown in the table below:

		Options held at 1 January 2014			Options allocated during 2014			Options expired in 2014	Options held at 31 December 2014		
Beneficiary	**Position**	**No. options**	**Average exercise price**	**Average expiry**	**No. options**	**Average exercise price**	**Average expiry**	**No. options**	**No. options**	**Average exercise price**	**Average expiry**
Paolo Ceretti	CEO	80,000	1,38	2	0	0	0	80,000	0	0	0
Paolo Ceretti	CEO	120,000	1,26	2	0	0	0	0	120,000	1,26	2
Paolo Ceretti	CEO	0	0	0	120,000	1,44	2	0	120,000	1,44	2
Senior managers with strategic responsibilities		52,500	1,38	2	0	0	0	52,500	0	0	0
Senior managers with strategic responsibilities		84,625	1,26	2	0	0	0	0	84,625	1,26	2
Senior managers with strategic responsibilities		0	0	0	84,625	1,44	2	0	84,625	1,44	2

Information on the fair value hierarchy

IFRS 13 stipulates that financial instruments reported at fair value should be classified based on a hierarchy that reflects the importance and quality of the inputs
used in calculating fair value. Three levels have been determined:

- **Level 1:** includes quoted prices on active markets for assets or liabilities identical to those being valued;

- **Level 2:** includes observable inputs other than those included in level 1, for example:
  - quoted prices on active markets for similar assets and liabilities;
  - quoted prices on inactive markets for identical assets and liabilities;
  - interest rate curves, implicit volatility, credit spreads;

- **Level 3:** unobservable data. These input data may be used if no observable input data are available. IFRS 13 specifies that unobservable input data used to measure fair value must reflect the assumptions used by market participants when fixing the price for the assets or liabilities being valued.

The table below shows assets valued at fair value by hierarchical level at 31 December 2014:

(EUR million)	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale equity investments held by funds	17.5		53.7	71.2
Investments in associates and JVs held by Funds (recognised on income statement)			39.8	39.8
Available-for-sale investments in other companies		209.1	0.2	209.3
Available-for-sale funds	8.4	168.3		176.7
Other available-for-sale financial assets - non-current portion			0.3	0.3
Available-for-sale financial assets - current portion	5.1			5.1
Total assets	**31.0**	**377.4**	**94.0**	**502.4**

For level 3, a reconciliation of the opening and closing balances is shown in the table below. Income and expenses posted to the Income Statement or shareholders' equity, and purchases and sales made during 2014, are identified separately:

(EUR thousand)	Balance at 1.1.2014	Increases	Decreases	Impairment and related exchange effect	Fair value adjustment	Fair value on income statement	Translation effect	Balance at 31.12.2014
Available-for-sale equity investments held by funds	58,400	375	0	(5,070)	0	0	0	53,705
Investments in associates and JVs held by Funds (recognised on income statement)	35,964	3,000	0	0	0	0	842	39,806
Other entities	184	0	0	0	0	0	0	184
Available-for-sale investments	**94,547**	**3,375**	**0**	**(5,070)**	**0**	**0**	**842**	**93,694**
Other available-for-sale financial assets - non-current portion	**330**	**0**	**0**	**(24)**	**0**	**0**	**0**	**306**

Valuation techniques and main unobservable input data

Kenan Investments / Migros

The shareholding in Kenan Investments (the indirect parent company of Migros) is recorded in the Consolidated Financial Statements for the Year Ending 31 December 2014 at EUR 209.1 million.

The valuation of the shareholding in Kenan Investments at 31 December 2014, calculated on the basis of the percentage owned by DeA Capital S.p.A., is based on a stock price of Migros, whose shares are listed on the Istanbul Stock Exchange, of:

(i) TRY 26.00 for the stake in Migros that is the subject of the transaction with Anadolu (described in the section 'Significant Events' above), i.e. both the 40.25% of Migros shares being sold immediately and the 9.75% of Migros shares subject to put and call options agreed by the parties);
(ii) TRY 22.75, being the market price on 31 December 2014, for the remaining stake (30.5% of Migros capital);

and, in addition to the exchange rate effect of TRY/EUR (2.83 at 31 December 2014), on an updated view of net debt at the various levels of the Company's control structure (Kenan Investments, Moonlight Capital, MH).

Venture capital funds, funds of funds, co-investment fund, theme funds and property funds

Valuations of shareholdings and funds in the portfolio reflect estimates made using the information available on the date this document was prepared.

With regard to funds, at 31 December 2014, the DeA Capital Group held units in:

- seven venture capital funds (with a total value of approximately EUR 9.6 million);
- IDeA I FoF (valued at EUR 93.5 million);
- ICF II (valued at EUR 35.2 million);
- ICF III (valued at EUR 1.7 million);
- IDeA EESS (valued at EUR 4.3 million);
- IDeA ToI (value not significant);
- six unlisted property funds (with a total value of approximately EUR 32.4 million).

The carrying value of the funds represents the NAV advised by the management company in its annual report at 31 December 2014, drafted in accordance with the Bank of Italy's regulation of 14 April 2005 on collective asset management, as amended and supplemented by the Bank of Italy's regulation of 8 May 2012.

Main risks and uncertainties to which the Parent Company and consolidated Group companies are exposed

As described in the Report on Operations, the DeA Capital Group operates through, and is structured as, two business areas, Private Equity Investment and Alternative Asset Management.

The risks set out below take into account the features of the market and the operations of Parent Company DeA Capital S.p.A. and the companies included in the Group's Consolidated Financial Statements, the main findings of a risk assessment carried out in 2014, as well as the periodic monitoring conducted partly through the regulatory policies adopted by the Group.

The Group has adopted a modern corporate governance system that provides effective management of the complexities of its operations, and enables both individual companies and the Group to achieve their strategic objectives. Furthermore, the assessments conducted by the organisational units and the directors confirm both the non-critical nature of these risks and uncertainties and the financial solidity of the DeA Capital Group.

With reference to the specific risks relating to the main private equity investment, i.e. Migros, please see the Migros Annual Report (available on the Migros website).

A. Contextual risks

A.1. Risks relating to general economic conditions

The operating performance and financial position of the DeA Capital Group are affected by the various factors that make up the macro-economic environment in the countries in which the Group has invested, including GDP performance, investor and consumer confidence, interest rates, inflation, the costs of raw materials and unemployment.
The ability to meet medium- to long-term objectives could be affected by general economic trends, which could slow the development of sectors the Group has invested in, and at the same time, the business of the investee companies.

A.2. Socio-political events

In line with its own strategic growth guidelines, one of the DeA Capital Group's activities is private equity investment in companies and funds in different jurisdictions and countries around the world, which, in turn, invest in a number of countries and geographical areas. The DeA Capital Group may have invested in foreign countries whose social, political and economic conditions put the achievement of its investment objectives at risk.

A.3. Regulatory changes

Many Group companies conduct their operations in regulated sectors and markets. Any changes to or developments in the legislative or regulatory framework that affect the costs and revenues structure of investee companies or the tax regime applied could have negative effects on the Group's financial results and necessitate changes to the Group's strategy. To combat this risk, the Group has established procedures to constantly monitor sector regulation and any changes thereto, in order to take advantage of business opportunities and respond promptly to any changes in the prevailing legislation and regulations.

A.4. Performance of the financial markets

The Company's ability to meet its strategic and management objectives could depend on the performance of financial markets. A negative trend in financial markets could have an effect on the Private Equity Investment sector in general, making investment and divestment transactions more complex, and on the Group's capacity to increase the NAV of investments in particular. The value of shareholdings held directly or indirectly through funds in which the Company has invested could be affected by factors such as comparable transactions concluded on the market, sector multiples and market volatility. These factors that cannot be directly controlled by the Group are constantly monitored in order to identify appropriate response strategies that involve both the provision of guidance for the management of Group companies, and the investment and value enhancement strategy for the assets held.

A.5. Exchange rates

Holding investments in currencies other than the euro exposes the Group to changes in exchange rates between currencies. The investment in Kenan Investments is managed as a special case, since although it was made in euros, the underlying asset is expressed in Turkish lira. Taking into account the time horizon of the investment, it is believed that the expected return on the investment can absorb any devaluation of the underlying currency, if this is in line with the outlook for the currency.

A.6. Interest rates

Financing operations that are subject to variable interest rates could expose the Group to an increase in related financial charges, in the event that the reference interest rates rise significantly.

B. Strategic risks

B.1. Concentration of the Private Equity Investment portfolio

The Private Equity Investment strategy adopted by the Group includes:

- Direct investments;
- Indirect investments (via funds).

Within this strategy, the Group's overall profitability could be adversely affected by an unfavourable trend in one or a few investments, if there were insufficient risk diversification, resulting from the excessive concentration of investment in a small number of assets, sectors, countries, currencies, or of indirect investments in funds with limited investment targets/types of investment.

To combat these risk scenarios, the Group pursues an asset allocation strategy intended to create a balanced portfolio with a moderate risk profile, investing in sectors and in companies with an appealing current and future risk/return ratio. Furthermore, the combination of direct and indirect investments, which by their nature provide a high level of diversification, helps reduce the level of asset concentration.

B.2. Concentration of Alternative Asset Management activities

In the Alternative Asset Management business, events could arise as a result of excessive concentration and hinder achievement of the level of expected returns. These events could be due to:

• Private equity funds
  - concentration of the management activities of asset management companies across a limited number of funds, in the event that the decision were made in respect of one or more funds to cancel the associated asset management mandate;
  - concentration of the financial resources of the funds managed in a limited number of sectors and/or geographical areas, in the event of currency, systemic or sector crises;
  - for closed funds, the concentration of the commitment across just a few subscribers.

• Real estate funds
  - concentration of real estate present in the portfolio of managed funds in a few cities and/or in limited types of property (management/commercial), in the event of a crisis in the property market concerned;
  - concentration in respect of certain major tenants, in the event that these withdraw from the rental contracts, which could lead to a vacancy rate that has a negative impact on the funds' financial results and the valuation of the property managed;
  - concentration of the maturities of numerous real estate funds within a narrow timeframe, with related high availability of property on the market, leading to a decrease in property values and an increase in selling times.

For each of the risk scenarios outlined above, the Group has defined and implemented appropriate strategies that include strategic, operational and management aspects, as well as a system monitoring the level of diversification of Alternative Asset Management activities.

B.3. Key resources (governance/organisation)

The success of the DeA Capital Group depends to a large extent on its executive directors and certain key management figures, their ability to efficiently manage the business and the ordinary operations of the Group, as well as knowledge of the market and the professional relationships established. The departure of one or more of these key resources, without a suitable replacement being found, as well as an inability to attract and retain new and qualified resources, could impact growth targets and have a negative effect on the Group's operating performance and financial results. To mitigate this risk, the Group has put in place HR management policies that correspond closely to the needs of the business, and incentive policies that are periodically reviewed, in light of, among other things, the general economic climate and the results achieved by the Group.

C. Operating risks

C.1. Investment operations

Investment operations conducted by the Group are subject to the risks typical of private equity activities, such as the accurate valuation of the target company and the nature of the transactions carried out. The Group has implemented a structured process of due diligence on target companies and the careful definition of shareholders' agreements in order to conclude agreements in line with the investment strategy and the risk profile defined by the Group.

C.2. Compliance with covenants

Some investment operations were concluded using financial leverage to invest in the target companies. For financing contracts signed by investee companies, specific covenants generally backed by collateral are in place; failure to comply with these could necessitate recapitalisation operations for investee companies and lead to an increase in financial charges relating to debt refinancing. Failure to comply with covenants attached to loans could have negative effects on both the financial situation and operations of investee companies, and on the value of the investment.
The Group constantly monitors the significant reference parameters for the financial obligations taken on by investee companies, in order to identify any unexpected variance in good time.

C.3. Divestment operations

In its Private Equity Investment business, the Group generally invests over a medium-/long-term time horizon. Over the investment management period, external situations could arise that might have a significant impact on the operating results of the investee companies, and consequently on the value of the investment itself. Furthermore, in the case of co-investment, guiding the management of an investee company could prove problematic or infeasible, and it may ultimately prove impossible to dispose of the stakes held owing to lock-up clauses. The divestment strategy could therefore be negatively affected by various factors, some of which cannot be foreseen at the time the investments are made. There is therefore no guarantee that expected earnings will be realised, given the risks deriving from the investments made.

To combat these risk situations, the Group has defined a process to monitor the performance of its investee companies, facilitated by its representation on the management bodies of significant investee companies, with a view to identifying any critical situations in good time.

C.4. Funding Risk

The income flows expected from the Alternative Asset Management business depend on the capacity of the Group's asset management companies to stabilise/grow their assets under management. In this environment, fundraising activity could be harmed by both external factors, such as the continuation of the global economic crisis or the trend in interest rates, and internal factors, such as bad timing in respect of fundraising activities by the asset management companies, or the departure of key managers from the companies. The Group has established appropriate risk management strategies in relation to fundraising, with a view to both involving new investors and retaining current investors.

Significant events after the reporting date for the 2014 Consolidated Financial Statements

After the end of 2014, the DeA Capital Group increased its investment in the IDeA I FoF, ICF II, ICF III, IDeA OF I, IDeA EESS and AVA funds following total payments of EUR 9.2 million (EUR 5.2 million, EUR 1.5 million, EUR 0.1 million, EUR 0.3 million, EUR 1.3 million and EUR 0.8 million respectively).

At the same time, the DeA Capital Group received capital reimbursements totalling EUR 15.2 million from the IDeA I FoF (EUR 13.6 million) and ICF II (EUR 1.6 million) funds, to be used in full to reduce the carrying value of the units.

Further information

Publication of the 2014 Financial Statements

In accordance with the provisions of IAS 10, the Parent Company authorised the publication of these Financial Statements within the terms set by the laws in force.

Atypical or unusual transactions

In 2014, there were no atypical or unusual transactions as defined by Consob Communication 6064293 of 28 July 2006.

Significant non-recurring events and transactions

In 2014, the DeA Group did not undertake any significant non-recurring transactions as defined by the above-mentioned Consob Communication.

Statement of responsibilities for the consolidated financial statements pursuant to art. 154-*bis* of Legislative Decree 58/98

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Statement of responsibilities for the Consolidated Financial Statements pursuant to art. 154-*bis* of Legislative Decree 58/98

The undersigned, Paolo Ceretti, as Chief Executive Officer, and Manolo Santilli, as the manager responsible for preparing the accounting statements of, hereby certify, pursuant to art. 154-*bis*, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, that based on the characteristics of the Company,
the administrative and accounting procedures for preparing the Consolidated Financial Statements during 2014 were suitable and were effectively applied.

The assessment as to the suitability of the administrative and accounting procedures for preparing the Consolidated Financial Statements for the Year Ending 31 December 2014 was based on a process established by DeA Capital S.p.A. in keeping with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is the generally accepted reference framework at international level.

Note in this regard, that as described in the notes to the Annual Financial Statements, a significant portion of the assets are investments stated at fair value. Fair values were determined by directors based on their best estimates and judgement using the knowledge and evidence available at the time the Financial Statements were prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

The undersigned further certify that the Consolidated Financial Statements for the Year Ending 31 December 2014:

- correspond to the companies' accounting records;
- have been prepared in compliance with the International Financial Reporting Standards adopted by the European Union, and the measures issued to implement art. 9 of Legislative Decree 38/2005;
- to the best of their knowledge, provide a true and fair view of the operating performance and financial position of the issuer and the group of companies included in the basis of consolidation.

The Report on Operations contains a reliable analysis of operating performance and results and of the position of the issuer and all companies included in the basis of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

12 March 2015

Paolo Ceretti
Chief Executive Officer

Manolo Santilli
Manager responsible for preparing the Company's accounts

Information pursuant to art. 149-*duodecies* of the Consob Issuer Regulations

The table below was prepared in accordance with art. 149-*duodecies* of the Consob Issuer Regulations and reports the fees for 2014 for auditing and other services provided by the independent auditors and entities belonging to the independent auditors' network. The fees reported below do not include VAT and out-of-pocket expenses.

(Euro thousand)	**Party that provided the service**	**Recipient**	**Compensation for 2014**
Audit	KPMG S.p.A.	DeA Capital S.p.A.	98
	KPMG S.p.A.	DeA Capital Real Estate	36
	KPMG S.p.A.	Innovation Real Estate	24
	KPMG S.p.A.	IRE Advisory	11
	KPMG S.p.A.	IDeA Capital Funds SGR	12
	KPMG S.p.A.	IDeA FIMIT SGR	16
Certification services (1)	KPMG S.p.A.	DeA Capital S.p.A.	7
	KPMG S.p.A.	DeA Capital Real Estate	3
	KPMG S.p.A.	Innovation Real Estate	1
	KPMG S.p.A.	IRE Advisory	1
	KPMG S.p.A.	IDeA Capital Funds SGR	3
Other services	KPMG Advisory S.p.A.	IDeA FIMIT SGR	290
Total			**502**

1) Single model subscription/770

Annual Financial Statements for DeA Capital S.p.A. for the period 1 January to 31 December 2014

- **Statement of Financial Position**
- **Income Statement**
- **Statement of Comprehensive Income**
- **Cash Flow Statement**
- **Statement of Changes in Shareholders' Equity**
- **Notes to the Accounts**

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Statement of Financial Position-DeA Capital S.p.A.

(Euro thousand)	Note	31.12.2014	31.12.2013
ASSETS			
Non-current assets			
Intangible and tangible assets			
Intangible assets	1a	13,609	7,183
Tangible assets	1b	586,918	804,965
Total intangible and tangible assets		600,527	812,148
Investments			
Subsidiaries and joint ventures		256,900,010	592,580,468
Associates		14,221,021	0
Available-for-sale investments		209,320,028	184,443
Available-for-sale funds		144,383,615	133,146,396
Total Investments		624,824,674	725,911,307
Other non-current assets			
Deferred tax assets	3a	0	0
Tax receivables from Parent companies	3b	546,152	2,983,813
Total other non-current assets		546,152	2,983,813
Total non-current assets		**625,971,353**	**729,707,268**
Current assets			
Trade receivables	4a	557,069	646,711
Financial receivables	4b	1,709,552	42,549,349
Tax receivables from Parent companies	4c	2,782,826	3,106,824
Other tax receivables	4d	115,044	558,488
Other tax receivables	4e	289,382	778,432
Other receivables	4f	538,818	524,323
Cash and cash equivalents	4g	37,961,858	3,776,078
Total current assets		43,954,549	51,940,205
Total current assets		**43,954,549**	**51,940,205**
Held-for-sale assets	5	**0**	**1,285,190**
TOTAL ASSETS		**669,925,902**	**782,932,663**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	6a	271,626,364	273,975,096
Share premium reserve	6b	384,826,924	386,197,724
Legal reserve	6c	61,322,420	61,322,420
Fair Value reserve	6d	12,908,007	(20,456,795)
Other reserves	6e	504,126	462,873
Retained earnings (losses)	6f	(71,451,400)	(8,585,197)
Profit/(loss) for the year	6g	(4,519,219)	(62,866,203)
Shareholders' equity		**655,217,222**	**630,049,918**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	3a	0	0
Provisions for employee termination benefits	7a	558,957	384,413
Long term financial loans	7b	0	122,206,023
Other payables	7c	11,396,404	0
Total non-current liabilities		**11,955,361**	**122,590,436**
Current liabilities			
Trade payables	8a	1,325,359	1,859,878
Payables to staff and social security organisations	8b	828,943	859,470
Current tax payables	8c	63,926	63,926
VAT payables vs Parent companies	8d	339,690	0
Other tax payables	8e	184,324	184,763
Other payables	8f	11,077	975
Short term financial loans	8g	0	27,323,297
Total current liabilities		**2,753,319**	**30,292,309**
Held-for-sale liabilities		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**669,925,902**	**782,932,663**

Income Statement-DeA Capital S.p.A.

(Euro)	Note	Year 2014	Year 2013
Gains from subsidiaries		0	0
Dividendi da Società Controllate e altri proventi	9a	190,476,720	134,468,235
Dividends from subsidiaries and joint ventures	9a	297,735	373,087
Gains from available-for-sale funds	9a	(192,148,356)	(194,284,007)
Impairment of associated	9a	(884,208)	0
Impairment of Investments in other companies-available-for-sale	9a	(65,190)	(188,495)
Available for sale impairment	9a	(1,317,382)	(1,348,369)
Income from services	9b	1,868,506	1,132,082
Other income	9c	252,730	171,624
Personnel costs	10a	(4,978,154)	(1,315,866)
Service costs	10b	(4,818,879)	(4,110,260)
Depreciation, amortization and impairment	10c	(154,567)	(156,169)
Other expenses	10d	(444,042)	(213,492)
Financial income	11a	3,173,521	3,646,797
Financial expenses	11b	(3,443,143)	(4,775,564)
PROFIT/(LOSS) BEFORE TAX		***(12,184,709)***	***(66,600,397)***
Income tax	12a	908,140	2,926,467
Deferred tax	12b	6,757,350	807,727
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		***(4,519,219)***	***(62,866,203)***
Profit (Loss) from discontinued operations/held-for-sale assets		0	0
PROFIT/(LOSS) FOR THE YEAR		***(4,519,219)***	***(62,866,203)***
Earnings per share, basic (€)	13	(0.02)	(0.23)
Earnings per share, diluted (€)	13	(0.02)	(0.23)

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the notes to the Financial Statements.

Statement of Comprehensive Income (Statement of Performance - IAS 1)

Comprehensive income or the Statement of Performance (IAS 1), in which performance for the year is reported including results posted directly to shareholders' equity, reflects a net positive balance of approximately EUR 28,765 thousand compared with a net negative balance of around EUR 109,442 thousand in 2013.

(in EUR)	**31.12.2014**	**31.12.2013**
Profit/(loss) for the year (A)	***(4,519,219)***	***(62,866,203)***
Components that may be subsequently restated under profit/(loss) for the year	33,364,802	(46,544,859)
Gains/(losses) from recalculation of available-for-sale financial assets	33,364,802	(46,544,859)
Components that will not be subsequently restated under profit/(loss) for the year	(80,598)	(30,893)
Actuarial gains/(losses) to be revalued in defined benefit plans	(80,598)	(30,893)
Total other profit/(loss), net of tax effect (B)	***33,284,204***	***(46,575,752)***
Total comprehensive profit/(loss) for the year (A)+(B)	**28,764,985**	**(109,441,955)**

Cash flow statement - Parent Company - Direct method

(EUR thousand)	Financial year 2014	Financial year 2013
CASH FLOW from operating activities		
Investments in funds and shareholdings	(18,108)	(52,171)
Proceeds from the sale of investments	1,220	81
Capital reimbursements from funds and shareholdings	29,601	8,866
Interest received	24	79
Intragroup interest received	1,111	618
Interest paid	(3,073)	(2,515)
Intragroup interest paid	(152)	0
Income from distribution from investments	298	0
Realised gains (losses) on exchange rate derivatives	0	(827)
Exchange gains (losses)	5	(4)
Taxes paid	(3)	(16)
Taxes refunded	3,689	4,379
Dividends received	131,557	13,880
Revenues for services	369	252
Intragroup revenues for services	2,777	2,982
Intragroup operating expenses	(1,409)	(803)
Operating expenses - cash movements	0	0
Operating expenses	(8,870)	(8,260)
Net cash flow from operations	**139,036**	**(33,459)**
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(316)	(3,454)
Sale of property, plant and equipment	0	729
Acquisition of intangible assets	(13)	(7)
Sale of property, plant and equipment ICO	45	2,399
Net cash flow from investments	**(284)**	**(333)**
CASH FLOW from financial activities		
Acquisition of financial assets	0	0
Sale of financial assets	0	270
Share capital issued	0	0
Share capital issued for stock option plan	0	0
Purchase of own shares	(3,719)	(885)
Own shares sold	0	0
Warrants	0	0
Bank loan repayments	0	0
Bank loans	(147,000)	47,000
Short-term intragroup loans	45,398	(10,971)
Medium-/long-term iintragroup loans	0	0
Increase in equity investments	0	0
Net cash flow from financial activities	**(105,321)**	**35,414**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**33,430**	**1,622**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**3,776**	**2,154**
Initial cash and cash equivalents of companies merged in the period	756	0
Cash and cash equivalents of assets at beginning of period	**4,532**	**2,154**
EXCHANGE EFFECT OF CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCY	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**37,962**	**3,776**
Held-for-sale assets	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**37,962**	**3,776**

Statement of changes in shareholders' equity of the Parent Company DeA Capital SpA

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Fair value reserves	Stock option reserve
Total at 31.12.2012	**274,606**	**386,452**	**61,322**	**26,088**	**919**
Allocation of profit	0	0	0	0	0
Cost of stock options	0	0	0	0	(7)
Purchase of own shares	(631)	(254)	0	0	0
Total comprehensive profit/(loss) for 2013	0	0	0	(46,545)	0
Total at 31.12.2013	**273,975**	**386,198**	**61,322**	**(20,457)**	**912**
Allocation of profit	0	0	0	0	0
Cost of stock options	0	0	0	0	121
Purchase of own shares	(2,349)	(1,371)	0	0	0
Total comprehensive profit/(loss) for 2014	0	0	0	33,365	0
Total al 31.12.2014	**271,626**	**384,827**	**61,322**	**12,908**	**1,033**

Pursuant to Consob Resolution 15519 of 27 July 2006, the impact of dealings with related parties on the Statement of Financial Position, Income Statement and Cash Flow Statement is explained in the notes to the Financial Statements.

Reserve for sale of option rights	Reserve for the IDeA AI merger	Reserve for actuarial gains / losses	Profit/(loss) carried forward	Profit/ (loss)	Total
413	**(831)**	**0**	**(10,854)**	**2,269**	**740,384**
0	0	0	2,269	(2,269)	0
0	0	0	0	0	(7)
0	0	0	0	0	(885)
0	0	(31)	0	(62,866)	(109,442)
413	**(831)**	**(31)**	**(8,585)**	**(62,866)**	**630,050**
0	0	0	(62,866)	62,866	0
0	0	0	0	0	121
0	0	0	0	0	(3,720)
0	0	(80)	0	(4,519)	28,766
413	**(831)**	**(111)**	**(71,451)**	**(4,519)**	**655,217**

Notes to the Accounts Annual Financial Statements for the Year Ending 31 December 2014

Notes to the Accounts
Annual Financial Statements for the Year Ending 31 December 2014

A. Structure and content of the Financial Statements

DeA Capital S.p.A. (hereinafter also the Company or the Parent Company or DeA Capital) is a company limited by shares with its registered office in Via Brera 21, Milan.
On 14 November 2014, the Luxembourg company DeA Capital Investments S.A., a wholly-owned subsidiary, was merged into the Company and, at the same time a Luxembourg branch was opened as a secondary office.

The Financial Statements were prepared in accordance with the general principles of IAS 1, specifically:
- the matching principle: the effect of events and transactions is recorded when they occur, and not when payment is made or received;
- the going concern principle: the Financial Statements are prepared under the assumption that business operations will continue for the foreseeable future. In this regard, the directors have evaluated this assumption with particular scrutiny in light of the current economic and financial crisis. As indicated in the section 'Uncertainties and the management of financial risks' in the Report on Operations, the directors believe that the risks and uncertainties described therein are not critical in nature, confirming the financial solidity of the Parent Company, DeA Capital S.p.A.;
- materiality: when reporting operating events in accounting entries, preference is given to the principle of economic substance over form;
- comparative information: the Financial Statements must show comparative information for the previous period.

The DeA Capital Financial Statements consist of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income (Statement of Performance - IAS 1), the Cash Flow Statement, the Statement of Changes in Shareholders' Equity and these Notes to the Financial Statements.

The Statement of Financial Position provides a breakdown of current and non-current assets and liabilities with separate reporting for those resulting from discontinued or held-for-sale operations.

In the Income Statement, the Company has adopted the nature of expense method, whereby costs and revenues are classified according to type.

The Cash Flow Statement is prepared using the "direct method".

Unless otherwise indicated, all tables and figures included in these notes to the Financial Statements are reported in EUR thousand.
As Parent Company, DeA Capital S.p.A. has also prepared the Consolidated Financial Statements for the DeA Capital Group for the Year Ending 31 December 2014.
In addition to the figures at 31 December 2014, the Financial Statement formats used also provide comparable figures for 31 December 2013.

The publication of the draft Financial Statements for the Year Ending 31 December 2014 was authorised by resolution of the Board of Directors dated 12 March 2015.

Statement of compliance with accounting standards

The Financial Statements for the Year Ending 31 December 2014 (2014 Financial Statements) have been prepared in accordance with the International Accounting Standards adopted by the European Union and approved by the date the Financial Statements were prepared (International Accounting Standards, or individually IAS/IFRS, or collectively IFRS (International Financial Reporting Standards)). "IFRS" also means all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC), and approved by the European Union.

The Financial Statements were prepared with a focus on clarity, and provide a true and fair view of the assets, financial situation, operating results and cash flows for the period.

Accounting standards, amendments and interpretations applied as of 1 January 2014

The IASB-approved international accounting standards and interpretations authorised for adoption in Europe that were applied for the first time from 1 January 2014 are detailed below. None of these had a significant impact on the Financial Statements for the Year Ending 31 December 2014. The Company did not apply any IFRS in advance.

IFRS 10 (Consolidated Financial Statements)

On 12 May 2011, the IASB published the accounting standard IFRS 10 (Consolidated financial statements), which is intended to replace IAS 27 (Consolidated and separate financial statements) and SIC 12 (Consolidation – special purpose entities). The new standard sets out a single model of consolidation that identifies control as the basis for the consolidation of all types of entities.

The new standard defines the concept of control on the basis of the concurrence of three essential elements:

- power over the investee company;
- exposure to or the right to variable returns from its involvement with the investee company;
- the ability to use that power over the investee to affect the amount of the investor's returns.

IFRS 11 (Joint arrangements)

On 12 May 2011, the IASB published the accounting standard IFRS 11 (Joint arrangements), which is intended to replace IAS 31 (Interests in joint ventures) and SIC 13 (Jointly controlled entities – non-monetary contributions by venturers). The new standard governs the principles for reporting all joint arrangements. These are divided into two categories, according to the economic substance of the arrangements between the parties:

- joint operations, whereby the parties to the arrangement acquire rights to certain assets and assume obligations for certain liabilities;
- joint ventures, whereby the parties have rights to the net value of a set of jointly controlled assets and liabilities.

In the first case, the investor recognises the assets and liabilities acquired (along with the associated income and expenses) according to the IAS/IFRS standards governing the individual elements; in the second, the pro-rata interest in the joint venture is recognised using the equity method.

IFRS 12 (Disclosure of interests in other entities)

On 12 May 2011, the IASB published the accounting standard IFRS 12 (Disclosure of interests in other entities) regarding the information to be provided in the financial statements on interests in other entities, including subsidiaries, associates and joint ventures. This information must enable users of the financial statements to understand the nature of the risks associated with the investments in strategic shareholdings that will form part of the company's assets over the long term. The information must also indicate the effects of these investments on the assets, financial position, operating result and cash flows.

Amendments to IAS 32 (Offsetting financial assets and financial liabilities)

On 16 December 2011, the IASB published a number of amendments to IAS 32 (Financial instruments: presentation), clarifying how certain criteria for offsetting financial assets and liabilities, as set out in IAS 32, should be applied.

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

On 28 June 2012, the IASB published "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)".

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

On 31 October 2012, the IASB published "Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)". The change introduced an exception to IFRS 10, which stipulates that investment entities should value certain subsidiaries at fair value on the income statement instead of consolidating them.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
On 29 May 2013, the IASB published the document "Recoverable Amount Disclosures for Non-Financial Assets". This clarifies that the disclosure to be made concerning the recoverable value of assets that have undergone a fall in value only concerns those assets whose recoverable value is based on fair value net of sales costs.

Future accounting standards, amendments and interpretations

*Accounting standards, amendments and interpretations that are not yet applicable and have not been adopted in advance by the Company, but **were approved** for adoption in the European Union as of 28 February 2015*

The International Accounting Standards, together with the interpretations and changes to existing IASB-approved accounting standards and interpretations that were ratified for adoption in the European Union on 28 February 2015, are as follows:

IFRIC 21 - Levies
On 20 May 2013, the IASB published the interpretation "IFRIC 21 – Levies", to describe the accounting of levies imposed by the tax authorities, as well as current taxes. The interpretation deals with the issue of recognising costs that companies must sustain for tax payments. IFRIC 21 is an interpretation of IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

IFRIC 21 applies to financial periods commencing on or after 17 June 2014.

IAS 19 - Employee benefits
On 21 November 2013, the IASB published some minor amendments to IAS 19 (Employee benefits), entitled "Defined benefit plans: employee contributions". The amendments simplify the accounting requirements for contributions to defined benefit plans from employees or, in certain cases, third parties.

The amendments are applicable retrospectively for financial periods starting from 1 July 2014, but may be applied in advance.

Improvements to IFRS - 2010-2012 and 2011-2013 cycles
On 12 December 2013, the IASB issued a set of amendments to the IFRS ("Annual Improvements to IFRS - 2010-2012 Cycle" and "Annual Improvements to IFRS - 2011-2013 Cycle"). The most important issues dealt with in these amendments were:
- the amendments to the definitions of vesting conditions and market conditions as well as to the definitions of performance conditions and service conditions (previously included in the definition of vesting conditions) in IFRS 2 (Share-based payment);
- information on estimates and assessments used in aggregating operating segments in IFRS 8 (Operating segments);
- the identification and disclosure of a transaction with a related party that arises when a management entity provides key management personnel services to the company that prepares the accounts in IAS 24 (Related party transactions);
- the exclusion of all types of joint arrangements from the scope of application of IFRS 3 (Business combinations).

These amendments take effect for annual periods starting from 1 July 2014, but can be applied in advance.

We do not anticipate that any adoption of the standards and interpretations noted above will have a material impact on the valuation of the Company's assets, liabilities, costs and revenues.

*Accounting principles, amendments and interpretations that are not yet applicable, have not been adopted in advance by the Company and **are not yet approved** for adoption in the European Union as of 28 February 2015*

The International Accounting Standards, interpretations and amendments to existing IASB-approved accounting standards and interpretations that had not been ratified for adoption in the European Union as of 28 February 2015 are as follows:

IFRS 9 (Financial instruments)

On 12 November 2009, the IASB published the first part of IFRS 9 (Financial instruments). It was subsequently reissued in October 2010 and amended in November 2013. The standard, which introduces changes to both the recognition and the measurement of financial assets and liabilities, and hedge accounting, will fully replace IAS 39 (Financial instruments: recognition and measurement).
The standard, which is awaiting ratification by the European Commission, will come into force on 1 January 2018, but can be applied in advance.

IFRS 14 (Regulatory Deferral Accounts)

On 30 January 2014, the IASB published IFRS 14 (Regulatory Deferral Accounts), which allows only those adopting the IFRS for the first time to continue to report amounts relating to rate regulation according to the previously adopted accounting standards. In order to improve comparability with companies that already apply the IFRS and that do not report these amounts, the standard requires the effect of rate regulation to be presented separately from other items.

The standard, which is awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Amendments to IFRS 11 (Joint arrangements)

On 6 May 2014, the IASB issued some amendments to IFRS 11 (Joint arrangements: accounting for acquisitions of interests in joint operations) to clarify the accounting requirements for acquisitions in joint operations that constitute a business.

The amendments are applicable retrospectively for annual periods starting from 1 January 2016, but can be applied in advance.

Amendments to IAS 16 (Property, plant and equipment), and to IAS 38 (Intangible assets)

On 12 May 2014, the IASB issued an amendment to IAS 16 (Property, plant and equipment) and to IAS 38 (Intangible assets). The IASB clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

These amendments take effect for annual periods starting from 1 January 2016, but can be applied in advance.

IFRS 15 (Revenue from contracts with customers)

On 28 May 2014, the IASB issued IFRS 15 (Revenue from contracts with customers). The standard replaces IAS 18 (Revenue), IAS 11 (Construction contracts), and the interpretations SIC 31, IFRIC 13 and IFRIC 15, and requires revenues reported when the control of assets or services is transferred to clients to reflect the amount that is expected to be received in exchange for these goods and services.

The new model for reporting revenues has five steps for recognising revenue from contracts with customers:
- identifying contracts with the customer;
- identifying performance obligations, i.e. contractual commitments to transfer goods or services to a customer;
- determining the transaction price;
- allocating transaction prices to performance obligations;
- reporting the revenues when the relevant performance obligation has been fulfilled.

The standard is applicable for annual periods starting after 1 January 2017, and must be fully or partially applied retrospectively.

Amendments to IAS 27 (Equity Method in Separate Financial Statements)

On 12 August 2014, the IASB issued an amendment - "Equity Method in Separate Financial Statements" - to IAS 27.
The objective of the amendment to IAS 27 is to allow parent companies to use the equity method to account for investments in associate companies and joint ventures in the separate financial statements.

The amendments, which are awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Improvements to IFRS - 2012-2014 cycle

On 25 September 2014, the IASB issued a set of amendments to IFRSs (Annual Improvements to IFRSs - 2012-2014 Cycle). The most important issues dealt with in these amendments were:

- the amendment that introduces some specific guidance to IFRS 5 for cases in which an entity reassigns an asset from the held-for-sale category to the held-for-distribution category (or vice versa), or when the requirements for classifying an asset as held-for-distribution are not met. The amendments specify that these reclassifications should not be considered as a change to a sales plan or to a distribution plan and that the criteria for classification and valuation remain valid;
- as regards IFRS 7, the amendment covers the introduction of further guidance to clarify whether a servicing contract constitutes a continuing involvement in a transferred asset for the purposes of transfer disclosure requirements;
- the amendment introduced in IAS 19 clarifying that the high quality corporate bonds used to determine the discount rate for post-employment benefits should be issued in the same currency in which the benefits are paid;
- the amendments to IAS 34 to clarify the requirements if the requested information is presented in the interim financial report but not in the interim financial statements.

The amendments, which are awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Amendments to IAS 1 (Disclosure Initiative)

On 18 December 2014, the IASB issued an amendment - "Disclosure Initiative" - to IAS 1.
The most important issues dealt with in these amendments were:

- clarification that the items on the statement of financial position, the income statement and the statement of comprehensive income can be disaggregated or aggregated depending on their materiality;
- clarification that the OCI stake in an associate company or joint venture is presented as a single item, independently of its subsequent recycling in the income statement.

The amendment, which is awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Amendments to IFRS 10, IFRS 12 and IAS 28 (Investment Entities - Applying the Consolidation Exception)

On 18 December 2014, the IASB issued the amendment - "Investment Entities: Applying the Consolidation Exception (amendments to IFRS 10, IFRS 12 and IAS 28)" with the objective of clarifying issues relating to the consolidation of an investment entity. More specifically the amendment to IFRS 10 specifies that a parent company (an intermediate parent, i.e. not an investment entity), in turn a subsidiary of an investment entity, is not obliged to prepare consolidated financial statements, even if the investment entity measures subsidiaries at fair value, in accordance with IFRS 10. Prior to this amendment, under IFRS 10 a parent company was not obliged to present consolidated financial statements on condition that its parent company draft consolidated financial statements that comply with IFRS. Following this amendment, the exemption from preparing consolidated financial statements has been extended to intermediate parents which in turn are subsidiaries of an investment entity, even if the latter values its subsidiaries at fair value rather than consolidating them.

The amendment, which is awaiting ratification by the European Commission, will come into force on 1 January 2016, but can be applied in advance.

Amendments to IFRIC 10 and IAS 28 (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

On 11 September 2014, the IASB published the document "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)".
The objective of the amendments is to clarify accounting treatment, both in the event of a parent losing control of a subsidiary

(governed by IFRS 10) and in the case of downstream transactions (governed by IAS 28), according to whether or not the object of the transaction is a business, as defined by IFRS 3. If the object of the transaction is a business, the profit must be reported in full in both the above cases, whereas if the object of the transaction is not a business, the profit must be reported only for the portion relating to minority interests.

The Company will adopt these new standards, amendments and interpretations based on the stipulated date of application, and will assess their potential impact when they have been ratified by the European Union.

B. Most important accounting principles and valuation criteria

The accounting principles and valuation criteria adopted for the 2014 Annual Financial Statements of DeA Capital are the same as those used in drawing up the Consolidated Financial Statements, with the exception of specific principles and criteria relating to the Consolidated Financial Statements and methods for valuing subsidiaries and joint ventures, as specified below. Investments in subsidiaries and joint ventures are classified as available-for-sale assets and are measured at fair value with appropriate reserves of shareholders' equity as a balancing entry.

Current and non-current assets and liabilities

An asset is considered current if it meets at least one of the following conditions:

- it is expected to be converted during the company's normal operating cycle. The "company's operating cycle" means the period from the acquisition of an asset to its conversion to cash and cash equivalents. When the company's operating cycle cannot be clearly identified, its duration is assumed to be twelve months;
- it is held mainly for trading purposes;
- its conversion is expected to occur within 12 months following the end of the financial year;
- it consists of cash and cash equivalents which have no restrictions that would limit its use in the twelve months following the end of the financial year.

All other assets are carefully analysed to separate the "current" portion from the "non-current" portion.

Furthermore, deferred tax assets are recorded under non-current components.

A liability is considered current if it meets at least one of the following conditions:

- it is expected to be settled during the company's normal operating cycle;
- it is held mainly for trading purposes;
- its settlement is expected to occur within 12 months following the end of the financial year;
- the company does not have an unconditional right to defer payment of the liability for at least 12 months following the end of the financial year.

All other liabilities are carefully analysed to separate the "current portion" from the "non-current" portion.

Furthermore, deferred tax liabilities are recorded under non-current components.

Intangible assets

Intangible assets are those assets with no identifiable physical form that are controlled by the company and produce future economic benefits. They are recorded under assets when it is likely that their use will generate future economic benefits and when their cost can be reliably determined. The above assets are recorded at purchase cost, or at production cost if they are generated internally.

The purchase cost is represented by the fair value of the price paid to acquire the asset and by all other direct costs incurred to prepare the asset for use.
The carrying value of intangible assets is maintained in the Financial Statements to the extent that there is evidence that this value can be recovered through use or if it is likely that these assets will generate future economic benefits.

The useful life of intangible assets is assessed as finite or indefinite.
Intangible assets with an indefinite useful life are tested to check that their value is still appropriate whenever there are indications of possible impairment, as required by IAS 36 (Impairment of assets). Intangible assets with an indefinite useful life are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to check that the underlying conditions for the classification continue to apply.

Intangible assets with a finite useful life are amortised on a straight-line basis over their expected useful life. The useful life of these intangible assets is tested to check that their value is still appropriate whenever there are indications of possible impairment.

Tangible assets

Tangible assets are recorded at purchase price or production cost adjusted for accumulated depreciation and any impairment. Their cost includes ancillary costs and direct and indirect costs incurred at the time of purchase necessary to make the asset usable. The purchase cost is represented by the fair value of the price paid to acquire the asset and by all other direct costs incurred to prepare the asset for use. Tangible assets are depreciated on a straight-line basis over their remaining useful life, using the depreciation rates indicated in the notes on the item relating to similar groups of assets. If factors are discovered that lead the Company to believe that it may be difficult to recover the net carrying value, an impairment test is performed. If the reasons for the impairment cease to exist, the carrying value of the asset is increased to its recoverable amount.

Impairment

Impairment always occurs when the carrying value of an asset is greater than its recoverable value. On each reporting date, the company determines whether there are any indications that an asset may be impaired. If such indications exist, the recoverable value of the asset is estimated (impairment test) and any write-down is recorded. The recoverable value of an asset is the higher of its fair value less costs to sell the asset and its value in use.

IAS 36 provides instructions on determining fair value less costs to sell an asset, as follows:

- if there is a binding sales agreement, the asset’s fair value is the negotiated price;
- if there is no agreement, but the asset is marketed in an active market, the fair value is the current bid price (thus, the exact price on the value date and not the average price);
- if no prices can be found in active markets, fair value must be determined based on valuation methods that incorporate the best information available including any recent transactions involving the same asset, after verifying that there were no significant changes in the economic environment between the date of the transactions under consideration and the valuation date.

IAS 36 defines value in use as the present value of future cash flows that an asset is projected to produce. The estimate of the value in use must include the items listed below:

- an estimate of future cash flows that the company expects to derive from the asset;
- expectations of potential changes in value and the timing of such cash flows;
- the time value of money;
- other factors such as the volatility of the asset’s value and the lack of a liquid market for it.

For more information on determining value in use, please see Appendix A of IAS 36. However, the main elements for accurately estimating the value in use are an appropriate calculation of projected cash flows (for which the investee company’s business plan is essential) and their timing, as well as the application of the right discount rate that accounts for both the present value of money and the specific risk factors for the asset to be valued.
In all cases, when calculating the value it is important to:

- base cash flow projections on reasonable and sustainable assumptions that provide the best estimate of the economic conditions that are likely to exist over the remaining useful life of the asset;
- base cash flow projections on the most recent budget/plan approved by the investee company, which, however, must exclude any future inflows or outflows of cash that are expected to come from the future restructuring, improvement or optimisation of operating performance. Projections based on these budgets/plans must cover a maximum period of five years unless a longer period of time can be justified;

- estimate higher cash flow projections for the period covered by the most recent budgets/plans by extrapolating projections based on the budgets/plans taken into consideration, and using a stable or declining growth rate for subsequent years unless a rising rate can be justified. This growth rate must not exceed the average long-term growth rate for production in the country or countries in which the investee company operates or for markets in which the asset used is placed unless a higher rate can be justified.

The assumptions used to determine cash flow projections must be reasonable, and based partly on an analysis of the factors that generated differences between projections of past and current cash flows. In addition, the assumptions used to determine current cash flow projections must be checked to ensure that they are consistent with actual past results, unless in the meantime changes have occurred in the investee company's business model or in the economic environment in which it operates that justify changes in respect of the past.

Financial assets

Based on the classification of financial assets required by IAS 39, the Company classified its financial assets at the time of the transition to International Accounting Standards, and subsequently when individual financial assets were acquired.

Minority interests and investments in funds, which constitute the main, predominant area of the Parent Company's operations, are classified under available-for-sale assets, which are recorded at fair value with a balancing item in shareholders' equity.

IFRS 13.9 provides a "new" definition of fair value. It represents "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".
The concept of fair value is characterised by the following features:

1. it is fundamentally related to the free market and the values reflected therein;
2. it is calculated using the exit price as the relevant price;
3. it relates to the date on which the measurement is made;
4. it relates to an "orderly" transaction, i.e. it is not a forced transaction, such as a compulsory administrative liquidation or a sale at below cost.

Assets and liabilities measured at fair value may be:

- stand-alone assets or liabilities (financial or non-financial instruments);
- a group of assets, a group of liabilities or a group of assets and liabilities.

In the case of assets not listed on active markets, such as the Company's direct investments in companies and its investments in venture capital funds, the fair value reported in the Financial Statements is determined by the directors based on their best estimate and judgement, using the knowledge and evidence available when the Financial Statements are prepared.
In these cases, it is provided that:

- if there are recent transactions related to the same financial instrument, these may be used to determine fair value after verifying that there have been no significant changes in the economic environment between the date of the transactions being considered and the valuation date;
- if there are transactions involving similar financial instruments, these may be used to determine fair value after verifying the similarity (as a function of the type of business, size, geographic market, etc.) between the instrument for which transactions have been found and the instrument to be valued;
- if no prices can be found in active markets, fair value must be determined using valuation models that account for all factors that market participants would consider in setting a price.

However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

Direct investments in companies that are neither subsidiaries nor associates and in venture capital funds are classified as available-for-sale financial assets, which are initially reported at fair value on the date of the original posting. These assets are measured at fair value when all interim and full-year Financial Statements are prepared.

Gains and losses from fair value measurement are posted to a special shareholders' equity reserve called the "fair value reserve" until the investment is sold or otherwise disposed of, or until impairment occurs, in which cases the gain or loss previously recorded in the fair value reserve is posted to the Income Statement for the period.

At each reporting date, a test is performed as to the existence of objective evidence of impairment following one or more events that have occurred after the initial recording of the asset, and that this event (or events) has an impact on the estimated cash flow from the financial asset.

For equity instruments, a significant or prolonged reduction in fair value below their cost is considered to be objective evidence of impairment.

Although International Accounting Standards introduced an important reference to quantitative parameters that must be adhered to, they do not govern quantitative limits to determine when a loss is significant or prolonged.

Thus, DeA Capital S.p.A. has adopted an accounting policy that defines these parameters. In particular, "significant" means there has been an objective reduction in value when fair value is more than 35% below its historical cost. In this case, impairment is recorded in the Income Statement without further analysis.

The duration of the reduction in value is deemed to be prolonged when the reduction of fair value below historical cost continues for a period of over 24 months. After exceeding 24 months, impairment is recorded in the Income Statement without further analysis.

Derivatives

Derivatives contracts are recorded in the Statement of Financial Position at fair value. Fair value changes are reported differently depending on their designation (hedging or speculative) and the nature of the risk hedged (fair value hedge or cash flow hedge).

For contracts designated for hedging purposes, the Company documents this relationship when the hedge is established. The documentation incorporates the identification of the hedging instrument, the item or transaction hedged, the nature of the risk hedged, the criteria used to ascertain the effectiveness of the hedging instrument as well as the risk. The hedge is considered effective when the projected change in fair value or in the cash flows of the hedged instrument is offset by the change in fair value or in the cash flows of the hedging instrument, and the net results fall within the range of 80% to 125%. If the instruments are not, or cannot be, designated as hedging instruments, they must be considered "speculative"; in this case, fair value changes are posted directly to the Income Statement.

In the case of fair value hedges, changes in the fair value of the hedging instrument and the hedged instrument are posted to the Income Statement regardless of the valuation criterion used for the hedged instrument. In the case of cash flow hedges, the portion of the fair value change in the hedging instrument that is recognised as an effective hedge is posted to shareholders' equity, while the portion that is not effective is posted to the Income Statement.

Receivables and payables

A receivable is first reported at fair value on the date it is agreed.
After initial reporting, receivables are valued at amortised cost. Payables that fall due within normal contractual terms are initially posted at fair value and later valued at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include cash at hand, demand deposits and short-term, highly liquid financial investments that are readily convertible to cash and subject to a negligible risk of price variation. Their value is reported at fair value.

Held-for-sale assets

A non-current asset or disposal group is classified as held for sale if the carrying value will mainly be recovered from its sale or disposal instead of its ongoing use. In order for this to occur, the asset or disposal group must be available for immediate sale in its current condition, and the sale must be highly likely. Assets meeting the criteria to be classified as held-for-sale assets are valued at the lower of carrying value and sales value adjusted for any related costs.

Treasury shares

Treasury shares are not considered financial assets of the company that issued the shares. The purchase and sales value of treasury shares is recorded as a change to shareholders' equity. No gain or loss is reported in the Income Statement for the sale, purchase, issue or cancellation of treasury shares.

Fair value reserve

The fair value reserve incorporates fair value changes to entries measured at fair value with a balancing entry in shareholders' equity.

Warrants

Warrants issued by the Company, which do not meet the requirements either for being classified as share-based payments to employees pursuant to IFRS 2 or as financial liabilities, are treated as company equity instruments.

Provisions for risks and charges

If necessary, the Company records provisions for risks and future provisions when:

- it has a legal or implicit obligation to third parties resulting from a past event;
- it is likely that it will be necessary to use company resources to fulfil the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are recorded based on the projected value and discounted as necessary to present value if the time value is considerable. Changes in estimates are recognised in the Income Statement of the period in which the change occurs.

Revenues and income

Service revenues are recognised at the time the services are rendered based on the progress of the activity on the reporting date.

Income from equity investments for dividends or for their full or partial sale is reported when the right to receive payment is determined, with a balancing item (receivable) at the time of the sale or decision to distribute dividends by the entity or appropriate body.
Interest is reported using the effective interest rate method.

Employee benefits

Short-term employee benefits, whether in cash or in kind (meal vouchers) are reported in the income statement in the period when the work is performed.

Employee benefits related to participation in a defined benefit plan are determined by an independent actuary using the projected unit credit method.

On 16 June 2011, the IASB published a revised version of IAS 19 "Employee Benefits". Among other things, this document modified the accounting rules of defined benefit plans ("Post-employment benefits: defined benefit plans") and termination benefits.

Specifically:

- For "Post-employment benefits: defined benefit plans", the option to use the "corridor approach" to account for actuarial gains and losses was eliminated. These must now be recognised in the Statement of Performance. The resulting remeasurement effect cannot be recycled through P&L but should be accumulated asa separate account within equity. No other option is available;
  Actuarial gains and losses include profits and losses of a technical nature due to changes in the actuarial assumptions adopted and/or the fact that experience may differ from the actuarial assumptions adopted (e.g. staff turnover, early retirement, mortality, change in the discount rate);
- past service costs and the effects generated by curtailments and/or plan settlement (caused, for example, by a significant reduction in the number of employees covered by the plan, changes to the plan's terms and conditions) are recorded immediately in the income statement under Personnel costs;

- The interest cost (resulting from the discounting to present value process) and the expected returns on assets servicing the plan are replaced by a net interest figure reported in the income statement under financial charges and calculated by applying a discount rate (based on the high-quality corporate bonds rate at the end of the year) to the balance of the existing plan at the beginning of the year.

Employee benefits in respect of participation in a defined contribution plan only relate to those plans under mandatory government administration. The payment of contributions fulfils the company's obligation to its employees. Thus, contributions are costs in the period in which they are due.

Benefits have been provided in the form of stock options and share-based payments. This applies to all employees eligible for stock option plans. The cost of these transactions is determined with reference to the fair value of the options on the date allocation is made and is reported over the period from such date until the expiry date with a balancing entry in shareholders' equity.
The cost of stock options for the company's directors and employees is determined in the same way.

Income tax

Current income taxes are determined and reported on the basis of a reasonable forecast of tax liability by applying the tax rates in force to taxable income, taking into account any exemptions and tax credits to which the company may be entitled.

Deferred tax liabilities are allocated for all temporary differences between the carrying value of the assets and liabilities and the corresponding amount for tax purposes.
Deferred tax assets are recorded for all deductible temporary differences and for tax assets and liabilities carried forward to the extent that it is likely there will be sufficient future taxable profit against which the deductible temporary differences and the tax assets and liabilities carried forward can be used.
Deferred taxes are classified under non-current assets and liabilities and are determined using tax rates expected to be applicable in the years when the temporary differences will be realised or will expire.

The carrying values of deferred tax assets are analysed periodically and reduced if it is not likely that sufficient taxable income will be generated against which the benefits resulting from such deferred assets can be used.

Earnings per share

In accordance with IAS 33, basic earnings per share is determined as the ratio of net profit for the period attributable to holders of parent company shares to the weighted average number of shares outstanding during the period. Treasury shares in the portfolio are, of course, not included in this calculation.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding for all potential ordinary shares resulting from the potential exercise of assigned stock options, which may therefore result in a diluting effect.

C. Changes in accounting principles and the treatment of errors

Accounting principles are changed from one year to another only if the change is dictated by an accounting standard or if it contributes to providing more reliable information or more complete reporting of the impact of transactions on the company's balance sheet, income statement and cash flow.

Changes in accounting principles are applied retrospectively with the impact reflected in shareholders' equity in the first of the periods presented. Comparative reporting is adapted accordingly. The prospective approach is used only when it is not practical to restate comparative reporting. The application of a new or amended accounting standard is recorded as required by the standard itself. If the standard does not specify transition methods, the change is reflected retrospectively, or if impractical, prospectively.

If there are significant errors, the same treatment dictated for changes in accounting principles is used. If there are minor errors, corrections are posted to the income statement in the period when the error is discovered.

D. Use of estimates and assumptions in preparing the financial statements

The Company's management must make assessments, estimates and assumptions that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues recorded in the financial statements. Estimates and related assumptions are based on past experience and other factors deemed reasonable in the case concerned; these have been used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources.
These estimates and assumptions are reviewed regularly. Any changes resulting from revisions to accounting estimates are recorded in the period when the revision is made if such revisions only affect that period. If the revision affects current and future periods, the change is recorded in the period in which the revision is made and in related future periods.

Financial statement balances are reported and valued using the valuation criteria described above. At times, the application of these criteria involves the use of estimates that may have a significant impact on amounts reported in the financial statements. Estimates and related assumptions are based on past experience and factors deemed reasonable in the case concerned; these are used to estimate the carrying value of assets and liabilities that cannot be easily obtained from other sources. However, since these are estimates, the results obtained should not necessarily be considered definitive.

With the understanding that the use of reasonable estimates is an essential part of preparing financial statements, the items where the use of estimates is most prevalent are stated below:

• valuation of financial assets not listed in active markets;
• valuation of financial assets listed in active markets but considered illiquid on the reference market;
• valuation of equity investments.

The process described above is made particularly complicated by the unusual levels of volatility in the current macroeconomic and market environment, which affect financial indicators that have a bearing on the above valuations.

An estimate may be adjusted as a result of changes in the circumstances on which it was based, or as a result of new information. Any change in the estimate is applied prospectively and has an impact on the income statement in the period in which the change occurred and potentially on income statements in future periods.

As highlighted earlier, a significant proportion of the assets shown in the annual financial statements of DeA Capital S.p.A. is represented by unlisted financial investments. These investments are valued at their fair value, calculated by directors based on their best estimate and judgement using the knowledge and evidence available at the time the financial statements are prepared. However, due to objective difficulties in making assessments and the lack of a liquid market, the values assigned to such investments could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

Notes to the balance sheet

NON-CURRENT ASSETS

1 - Intangible and tangible assets

1a - Intangible assets

Changes in intangible assets are shown in the tables below:

(EUR thousand)	Historical cost at 1.1.2014	Cum.amort. & write-downs at 1.1.2013	Net carrying value at 1.1.2014	Historical cost at 31.12.2014	Cum. amort. & write-downs at 31.12.2014	Net carrying value at 31.12.2014
Concessions, licences and trademarks	313	(306)	7	330	(316)	14
Total	**313**	**(306)**	**7**	**330**	**(316)**	**14**

(EUR thousand)	Balance at 1.1.2014	Acquisitions	Disposals	Disposals (provision)	Amort.	Balance at 31.12.2014
Concessions, licences and trademarks	7	17	0	0	(10)	14
Total	**7**	**17**	**0**	**0**	**(10)**	**14**

The increase in "Concessions, licences and trademarks" relates to the acquisition of new software licences, the cost of which will be amortised over three years.

1b - Tangible assets

Changes in tangible assets are shown in the tables below:

(EUR thousand)	Historical cost at 1.1.2014	Cum. depr. & write-downs at 1.1.2014	Net carrying value at 1.1.2014	Historical cost at 31.12.2014	Cum. depr. & write-downs at 31.12.2014	Net carrying value at 31.12.2014
Plant	86	(86)	0	7	(6)	1
Furniture and fixtures	483	(353)	130	418	(309)	109
Computer and office equipment	178	(170)	8	59	(53)	6
Leasehold improvements	752	(113)	639	663	(212)	451
Non-depreciable tangible assets	28	0	28	20	0	20
Total	**1,527**	**(722)**	**805**	**1,167**	**(580)**	**587**

(EUR thousand)	Balance at 1.1.2014	Acquisitions	Disposals (at cost)	Disposals (provision)	Depr.	Balance at 31.12.2014
Plant	0	1	(80)	80	0	1
Furniture and fixtures	130	19	(84)	84	(40)	109
Computer and office equipment	8	4	(123)	122	(5)	6
Leasehold improvements	639	0	(89)	0	(99)	451
Non-depreciable tangible assets	28	0	(8)	0	0	20
Total	**805**	**24**	**(384)**	**286**	**(144)**	**587**

Depreciation is calculated on a straight-line basis, according to the estimated useful life of the asset.

The depreciation rates used in the financial year were: 20% for specific plant assets, 12% for furniture and furnishings, 20% for electronic office machines and 15% for leasehold improvements.

2 - Financial investments

2a - Investments in subsidiaries

Investments in subsidiaries are measured at fair value in accordance with IAS 39 and IFRS 13.

Details of the existing investments at 31 December 2014 are shown in the table below:

(EUR thousand)	% shareholding at 31.12.2014	Value at 31.12.2014	% shareholding at 31.12.2013	Value at 31.12.2013
DeA Capital Investments S.A.	0.00%	0	100.00%	385,202
DeA Capital Real Estate S.p.A.	100.00%	145,080	100.00%	89,300
I.F.IM. S.r.l.	0.00%	0	100.00%	60,430
IDeA Opportunity Fund I	46.99%	55,971	0.18%	0
IDeA FIMIT SGR S.p.A.	3.00%	5,939	3.00%	5,835
IDeA Capital Funds SGR S.p.A.	100.00%	49,910	100.00%	51,813
Total		**256,900**		**592,580**

DeA Capital Investments S.A.

On **14 November 2014**, the Luxembourg company DeA Capital Investments S.A., a wholly-owned subsidiary, was merged into the Company. The adjustment of the equity investment to merger value resulted in a write-down of EUR 190,246 thousand.

The above merger will make it possible to optimise the organisational structure.

DeA Capital Real Estate S.p.A./ I.F.IM. S.r.l.

On **14 November** 2014, DeA Capital Real Estate S.p.A. completed the merger by incorporation of the wholly-owned subsidiary I.F.IM. S.r.l., with a resulting increase of EUR 60,430 thousand in the equity investment in DeA Capital S.p.A.

The fair value measurement of the equity investment at 31 December 2014, which was based on the documents received and the information available, resulted in a decrease in fair value of EUR 4,650 thousand.

IDeA Opportunity Fund I (IDeA OF I)

On **10 March 2014**, the Company received an in-kind distribution of fund units from the Luxembourg company DeA Capital Investments S.A.

The units in IDeA OF I are valued at around EUR 55,971 thousand in the financial statements to 31 December 2014. The change in the carrying value compared with 31 December 2013 was due to an in-kind distribution of approximately EUR 56,359 thousand, contributions made for capital calls totalling EUR +2,399 thousand, thousand, capital reimbursements of EUR - 5,077 thousand and a net increase in fair value of around EUR +1,311 thousand.

IDeA FIMIT SGR S.p.A.

The fair value measurement of the equity investment at 31 December 2014, which was based on the documents received and the information available, required the investee company to be revalued by EUR 104 thousand.

IDeA Capital Funds SGR S.p.A.

The fair value measurement of the equity investment at 31 December 2014, which was based on the documents received and the information available, made it necessary to record impairment of EUR 1,903 thousand for the investee company.

Due to the above, the changes in the item under review at 31 December 2014 compared with end-2013 relate to:

- a decrease of EUR 385,202 thousand, due to the merger of DeA Capital Investments S.A. into the Company;
- a decrease of EUR 60,430 thousand, due to the merger of I.F.IM. S.r.l. into DeA Real Estate S.p.A., and a resulting increase of EUR 60,430 thousand in the equity investment in DeA Real Estate S.p.A.;
- an increase of EUR 56,359 thousand due to the in-kind distribution of IDeA OF I made by DeA Capital Investments S.A. in the year, and reclassification of the entire investment in the item in question;
- the measurement at fair value of the subsidiaries, which entailed decreases of EUR 190,246 thousand for DeA Capital

Investments S.A., EUR 4,650 thousand for DeA Capital Real Estate S.p.A., and EUR 1,903 thousand for IDeA Capital Funds SGR S.p.A., and increases of EUR 104 thousand for IDeA Fimit SGR S.p.A. and EUR 1,311 thousand for IDeA Opportunity Fund I.

A list of the equity investments with the information required under art. 2427 of the Italian Civil Code is shown in the table below:

Company	Registered office	Currency	Share capital	Consolidated shareholders' equity	Consolidated net profit/ (loss) for the year	% holding	Share of shareholders' equity (EUR)	Carrying value (EUR)
DeA Capital Real Estate S.p.A.	Milan, Italy	Eur	600,000	60,866,649	5,341,615	100,00%	60,866,649	145,080,270
IDeA Opportunity Fund I	Milan, Italy	Eur	158,861,080	119,119,677	7,890,790	46,99%	55,970,571	55,970,571
IDeA FIMIT SGR S.p.A.	Rome, Italy	Eur	16,757,557	219,670,671	4,386,570	3,00%	6,590,120	5,938,800
IDeA Capital Funds SGR S.p.A.	Milan, Italy	Eur	1,200,000	5,803,944	3,605,179	100,00%	5,803,944	49,910,370
Total					**21,224,154**		**129,231,284**	**256,900,011**

2b - Investments in associated companies and funds

At 31 December 2014, this item totalled EUR 14,221 thousand, as shown in the following table.

(EUR thousand)	Balance at 1.1.2014	Distribution S.A.	Dea Capital Inv. S.A. merger	Capital increases	Fair value adjustment	Impairment on income statement	Balance at 31.12.2014
Sigla Luxembourg S.A.	0	0	12,085	0	(884)	0	11,201
Atlantic Value Added	0	2,560	0	750	(290)	0	3,020
Total	0	**2,560**	**12,085**	**750**	**-1,174**	**0**	**14,221**

LThe changes in the item under review at 31 December 2014 compared with end-2013 relate to:

- an increase of EUR 2,560 in the units of Atlantic Value Added due to the in-kind distribution made by DeA Capital Investments S.A. on 10 March 2014;

- an increase of EUR 12,085 thousand in the equity investment in Sigla Luxembourg S.A. resulting from the merger of DeA Capital Investments S.A. on 14 November 2014;

- the fair value measurement of associated companies resulting in decreases of EUR 884 thousand for Sigla Luxembourg S.A. and EUR 290 thousand for Atlantic Value Added.

2c - Investments in other companies

This item, which totalled EUR 209,320 thousand at 31 December 2014, includes three direct minority interests in foreign companies, the investment in Harvip Investimenti S.p.A. and the investment in Kenan Investments S.A., as shown in the following table.

(EUR thousand)	Balance at 1.1.2014	Dea Capital Inv. S.A. merger	Fair value adjustment	Impairment on income statement	Balance at 31.12.2014
Kenan Investments S.A.	0	186,235	22,901	0	209,136
Harvip Investimenti S.p.A.	184	0	0	0	184
Total	**184**	**186,235**	**22,901**	**0**	**209,320**

Changes in this item at 31 December 2014 compared with end-2013 were for the EUR 186,235 thousand increase in the investment in Kenan Investments S.A. resulting from the merger of DeA Capital Investments S.A. on **14 November 2014**, and the increase in fair value of this equity investment (EUR 22,901 thousand).

2d - Available-for-sale funds

This item relates to investments in seven venture capital funds totalling EUR 9,580 thousand, compared with EUR 10,682 thousand at the end of 2013, and five closed-end mutual investment funds in an amount of EUR 134,804 thousand compared with EUR 122,464 thousand at end-2013, as shown in the table below:

(EUR thousand)	Balance at 1.1.2014	Restatements	Increases (capital call)	Decreases (capital distribution)	Impairment and related exchange effect	Fair value adjustment	Translation effect	Balance at 31.12.2014
Total venture capital funds	10,682	0	0	(193)	(323)	(1,424)	838	9,580
Closed-end mutual investment funds	122,464	(978)	14,959	(24,331)	(933)	23,623	0	134,804
Total funds	**133,146**	**(978)**	**14,959**	**(24,524)**	**(1,256)**	**22,199**	**838**	**144,384**

Over 2014, the Company received income distributions of EUR 298 thousand and capital reimbursements of EUR 24,524 thousand.

The fair value measurement of investments in venture capital funds at 31 December 2014, carried out based on the information and documents received from the funds, as well as other available information, meant that the amount had to be written down, along with the related exchange rate effect, by EUR 323 thousand; the significant reduction to below cost was considered clear evidence of impairment.

The other changes related to the decrease in fair value (and associated exchange rate effect) of EUR 586 thousand.

The units in closed-end mutual investment funds relate to:

- The units in IDeA I FoF are valued at around EUR 93,476 thousand in the financial statements to 31 December 2014. The change in the carrying value compared with 31 December 2013 was due to contributions made for capital calls totalling EUR 3,518 thousand, capital reimbursements of EUR 21,424 thousand and a net increase in fair value of around EUR 16,677 thousand;

- The units in IDeA ICF II are valued at around EUR 35,254 thousand in the financial statements to 31 December 2014. The change in the carrying value compared with 31 December 2013 was due to contributions made for capital calls totalling EUR 7,304 thousand, capital reimbursements of EUR 2,907 thousand and a net increase in fair value of around EUR 7,069 thousand;

- The units in IDeA EESS are valued at around EUR 4,330 thousand in the financial statements to 31 December 2014. The change compared with 31 December 2013 was due to contributions made for capital calls totalling EUR 2,269 thousand and a write-down of around EUR 933 thousand due to a permanent loss in value;

- On **9 April 2014**, units totalling EUR 1,777 thousand were subscribed in the new fund IDeA ICF III. At end-2014, the value was EUR 1,740 thousand due to the decrease in fair value of about EUR 37 thousand;

- Lastly, on **29 December 2014**, units were subscribed in the new fund IDeA ToI totalling EUR 91 thousand. At end-2014, the value was EUR 4 thousand due to the decrease in fair value of about EUR 87 thousand.

3 - Other non-current assets

3a - Deferred tax assets

Deferred tax assets of EUR 8,402 thousand were fully offset against deferred tax liabilities.

The changes in deferred tax assets and deferred tax liabilities are shown in the table below:

(EUR thousand)	Balance at 1.1.2014	Recognised in income statement	Recognised in equity	Balance at 31.12.2014
Total deferred tax assets	**0**	**0**	**0**	**0**
Deferred tax liabilities for:				
- available-for-sale financial assets	(1,644)	0	(6,758)	(8,402)
Total deferred tax liabilities	**(1,644)**	**0**	**(6,758)**	**(8,402)**
Losses carried forward available for offset against future taxable profits	1,644	6,758	0	8,402
Total deferred tax assets, net of deferred tax liabilities	**0**	**6,758**	**(6,758)**	**0**

No deferred tax assets were allocated against the significant tax losses of DeA Capital S.p.A. of around EUR 108,074 thousand, which are fully usable, and about EUR 879 thousand, which are usable on a limited basis; the entire amount cannot be transferred to the tax consolidation scheme. This was because there was insufficient information for the group to believe that taxable income would be generated in future periods against which such tax losses could be recovered.

Deferred taxes were calculated using the liability method based on the temporary differences at the reporting date between the tax amounts used as a reference for the assets and liabilities and the amounts reported in the financial statements.

3b - Tax receivables relating to the tax consolidation scheme entered into by the parent companies

This item, totalling EUR 546 thousand at 31 December 2014, relates to the receivable from the Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) for participation in the tax consolidation scheme.

4 - Current assets

At 31 December 2014, current assets were approximately EUR 43,955 thousand compared with EUR 51,940 thousand at 31 December 2013.

4a - Trade receivables

This item totalled EUR 557 thousand (EUR 647 thousand at 31 December 2013) and relates to:

- EUR 147 thousand from De Agostini S.p.A. for the agreement to sublet rented premises and the reimbursement of costs associated with said agreement, and the pro rata reimbursement for improvements to leased assets incurred for the building at Via Brera, 21;

- EUR 44 thousand from DeA Innovation Real Estate S.p.A. (IRE), EUR 223 thousand from IDeA FIMIT SGR S.p.A, EUR 99 thousand from IDeA Capital Funds SGR S.p.A., EUR 5 thousand from De Agostini Publishing Italia S.p.A., EUR 39 thousand from Gtech S.p.A. for the pro rata reimbursement for improvements to leased assets incurred for the building at Via Brera, 21.

These receivables break down by region as follows:

- 65.80% from Italian subsidiaries;
- 26.40% from Italian parent companies;
- 7.80% from Italian affiliates.

4b - Financial receivables

This item totalled EUR 1,710 thousand at 31 December 2014 and relates to:

- EUR 1,699 thousand disbursed under a 12-month revolving credit line of up to EUR 5 million in favour of Sigla S.r.l., a wholly-owned subsidiary of associate company Sigla Luxembourg S.A., which focuses on the sale of salary-backed loans; the line is secured by a lien on 51% of the financed company's shares and signed on **26 September 2014**;

- EUR 11 thousand for interest accrued but not yet paid on this revolving credit line (variable rate of 1-month Euribor + spread).

At 31 December 2013, the item amounted to EUR 42,549 thousand and relates to a revolving credit line with the subsidiary DeA Capital Investments S.A., which was repaid before the merger by incorporation.

4c - Tax receivables from parent companies relating to the tax consolidation scheme

This item, totalling EUR 2,783 thousand (EUR 3,107 thousand at 31 December 2013) relates to the receivable from the Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) for participation in the tax consolidation scheme.

4d - VAT receivables from parent companies

This item, totalling EUR 115 thousand, relates to the receivable in December 2014 from the Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) for its part in settling Group VAT.

4e - Other tax receivables

This item, totalling EUR 289 thousand (EUR 778 thousand at 31 December 2013), relates to:

- tax deductions in the form of advance payments on interest of EUR 5 thousand;
- a receivable arising from an application for an IRES refund due to non-deduction of IRAP relating to personnel costs for 2010/2011, of EUR 93 thousand;
- advance payments made in relation to foreign direct and indirect taxes in Luxembourg for EUR 191 thousand.

4f - Other receivables

These receivables, totalling EUR 539 thousand (EUR 524 thousand at 31 December 2013), relate mainly to prepaid expenses, receivables for guarantee deposits and advances to suppliers.
These receivables fall due within the next year.

4g - Cash and cash equivalents

Cash and cash equivalents consist of bank deposits and cash (EUR 4 thousand), including interest accrued at 31 December 2014. This item totalled EUR 37,962 thousand at end-2014 compared with EUR 3,776 thousand at end-2013.
This increase is primarily due to the combined effect of the following factors:

- receipt of dividends of EUR 5,322 thousand from DeA Capital Real Estate S.p.A. and of EUR 120,000 thousand from DeA Capital Investments S.A., EUR 1,900 thousand from I.F.IM. S.r.l., EUR 271 thousand from IDeA FIMIT SGR S.p.A., EUR 4,000 thousand from IDeA Capital Funds SGR S.p.A., and EUR 64 thousand from Soprarno SGR S.p.A.;
- repayment of EUR 120,000 from the credit line with Mediobanca;
- repayment of EUR 27,000 thousand from the credit line taken out with Intesa SanPaolo S.p.A.;
- receipt of EUR 11,791 thousand for distributions received from available-for-sale funds excluding capital calls paid;
- receipt of EUR 3,689 thousand in remuneration for losses transferred to Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) for participation in the tax consolidation scheme;
- receipt of EUR 1,220 thousand from the sale of the shareholding in Soprarno SGR S.p.A.;
- bank interest and commission of EUR -3,073 thousand in relation to the credit lines taken out with Mediobanca and Intesa SanPaolo S.p.A.;
- service expenses net of reimbursements to subsidiaries and associates of EUR 7,469 thousand;
- the purchase of treasury shares in the amount of EUR 3,720 thousand;
- outlay of EUR 95,152 thousand for the credit line received from the subsidiary DeA Capital Investments S.A.;
- outlay of EUR 138,412 thousand for the credit line granted to the subsidiary DeA Capital Investments S.A.

Please see the Company's Cash Flow Statement for further information on changes to this item.

5 - Held-for-sale assets

This item is zero at 31 December 2014 (was 1,285 thousand Euro at 31 December 2013) following the sale of the shareholding in Soprarno SGR S.p.A. on 9 May 2014.

6 - Shareholders' equity

At 31 December 2014, shareholders' equity totalled approximately EUR 655,217 thousand, compared with EUR 630,050 thousand at 31 December 2013.

The increase of around EUR 25,167 thousand in shareholders' equity in 2014 was mainly due to:

- an increase of EUR 33,365 thousand in the fair value reserve;
- the purchase of treasury shares in the amount of EUR 3,720 thousand;
- the loss of EUR 4,519 thousand for the period.

Please see the Statement of Changes in Shareholders' Equity for more information on the main changes in this item.

6a - Share capital

The share capital (fully subscribed and paid up) totalled EUR 306,612,100, represented by 306,612,100 shares (of which 34,985,736 treasury shares) with a nominal value of EUR 1 each.

Given that the nominal value of the 34,985,736 treasury shares held at 31 December 2014 is deducted from total share capital, share capital of EUR 271,626,364 was reported in the Financial Statements.

Changes in share capital are shown in the table below:

	31.12.2014		31.12.2013	
(EUR thousand)	**No. of shares**	**amount**	**No. of shares**	**amount**
Share capital	**306,612,100**	**306,612**	**306,612,100**	**306,612**
of which: Own shares	*(34,985,736)*	*(34,986)*	*(32,637,004)*	*(32,637)*
Share capital (excluding own shares)	**271,626,364**	**271,626**	**273,975,096**	**273,975**

The table below shows a reconciliation of the shares outstanding:

(EUR thousand)	**Shares issued**	**Own shares in portfolio**	**Shares in issue**
Shares at 31 December 2013	**306,612,100**	**(32,637,004)**	**273,975,096**
Changes in 2014			
Share capital increase	0	0	0
Own shares purchased	0	(2,348,732)	(2,348,732)
Own shares sold	0	0	0
Own shares disposed of	0	0	0
Used for stock option plan	0	0	0
Shares issued for stock options	0	0	0
Shares at 31 December 2014	**306,612,100**	**(34,985,736)**	**271,626,364**

6b - Share premium reserve (net of share issue costs reserve)

This item decreased by EUR 1,371 thousand (from EUR 386,198 thousand at 31 December 2013 to EUR 384,827 thousand at 31 December 2014) after the posting of the purchase of treasury shares to this reserve

6c - Legal reserve

This reserve totalled EUR 61,322 thousand, which was unchanged from the figure at 31 December 2013.

6d - Fair value reserve

The fair value reserve is positive at EUR 12,908 thousand (compared with a negative balance of EUR 20,457 thousand at 31 December 2013) and comprises:

- the reserve for first-time adoption of IAS/IFRS, which has a negative balance of EUR 3,745 thousand (unchanged from 31 December 2013);
- a positive fair value reserve of EUR 16,653 thousand compared with a negative value of 16,712 thousand at 31 December 2013.

The table below shows a summary of the changes in this item during the year:

(EUR thousand)	Balance at 1.1.2014	Restatements	Use of fair value reserve for impairment	Fair value adjustment	Tax effect	Balance at 31.12.2014
Direct investments/equity investments	(21,052)	55	0	17,086	(389)	(4,300)
Venture capital	1,990	0	0	(587)	173	1,576
Closed-end mutual investment funds	2,350	(55)	0	23,649	(6,567)	19,377
Reserve for IFRS first-time adoption to other reserves	(3,745)	0	0	0	0	(3,745)
Total	**(20,457)**	**0**	**0**	**40,148**	**(6,783)**	**12,908**

6e - Other reserves

Other reserves, totalling EUR 504 thousand, comprise:

- a reserve for stock option costs totalling EUR 1,034 thousand;
- a reserve for the merger of the subsidiary IDeA AI totalling EUR -831 thousand;
- a reserve for actuarial gains/losses on the end-of-service payment fund of EUR -112 thousand;
- a reserve for the sale of option rights, unchanged from 31 December 2013, totalling EUR +413 thousand. This originated from the sale of the remaining option rights to subscribe to a capital increase that had not been exercised by the shareholders, and were sold by the Company.

6f - Retained earnings (losses) carried forward

This item totalled EUR -71,451 thousand and includes profit carried forward from previous periods.

6g - Profit/(loss) for the year

This item includes a loss of EUR 4,519 thousand for the year 2014, compared with a loss of EUR 62,866 for the year 2013.

Art. 2427, para. 1, 7-bis of the Italian Civil Code: details of shareholders' equity items

The table below shows a breakdown of shareholders' equity at 31 December 2014, with details of their origin, how they can be used and paid out, and use in previous years:

				Summary of use in the three previous years	
Description (in EUR)	**Amount**	**Potential use**	**Amount available**	**to cover losses**	**for other reasons**
Share capital	**271,626,364**	=	=		
Share capital reserve:					
Share premium reserve	392,655,096	A,B,C	392,655,096	=	=
Profit reserves:					
Legal reserve	61,322,420	B	=	=	=
Reserve for costs relating to share issue	(7,828,172)	=	=	=	=
Stock option reserve	1,034,305	=	=	=	=
Reserve for sale of option rights	412,798	=	=	=	=
Merger reserve	(831,486)	=	=	=	=
Fair value reserves	12,908,007	=	=	=	=
Reserve for actuarial gains / losses	(111,491)	=	=	=	=
Earnings (losses) carried forward	**(71,451,400)**	**A,B,C**	=	**=**	**=**
Profit (loss) for the year	**(4,519,219)**	=	=	**=**	**=**
TOTAL	**(655,217,222)**		**392,655,096**		

Key: A = capital increase, B = to cover loss, C = distribution to shareholders

7 - Non-current liabilities

7a - End-of-service payment fund

The end-of-service payment fund is a defined benefit plan, and has therefore been valued using actuarial assessments. The assumptions used in calculating the fund were: a discount rate of 1.50%; an annual rate of inflation of 1.75%; annual salary growth of 2.75%; and an annual fund growth rate of 2.81%.

Changes in the end-of-service payment fund were as follows:

(EUR thousand)	**Balance at 1.1.2014**	**Portion accrued**	**Payments**	**Advances**	**Balance at 31.12.2014**
Change in end-of-service payment fund	384	175	0	0	559

The amounts concerned were calculated as follows:

(EUR thousand)	**31.12.2014**	**31.12.2013**
Nominal value of end-of-service payment fund	468	348
Discounting effect	91	36
Current value of end-of-service payment fund	**559**	**384**

7b - Financial liabilities

This item was reduced to zero at 31 December 2014 (EUR 122,206 thousand at 31 December 2013) following:

- the cancellation of the payable to the seller of FARE Holding (now DeA Capital Real Estate) of EUR 2,206 thousand, inclusive of interest calculated at present value accrued from the closing date (12 December 2008) to 30 June 2014, of EUR 50 thousand;
- the full repayment of the existing credit line with Mediobanca - Banca di Credito Finanziario S.p.A. (EUR 120 million), with the resulting elimination of the bullet loan (EUR 80 million), and simultaneous restoration of its availability up to a maximum of EUR 40 million, extended for one year, and hence until 16 December 2016.

7c - Other payables

This item totalled EUR 11,407 thousand (EUR 1 thousand at 31 December 2013) and mainly relates to the allocation of carried interest to be paid to the lead investor BC Partners as a result of the total capital gain on the investment in Kenan.

8 - Current liabilities

Total current liabilities amounted to EUR 14,150 thousand (EUR 30,292 thousand at 31 December 2013) and are all due within the following year. These payables are not secured on any company assets.

These liabilities are made up of the items detailed below:

8a - Trade payables

This item totalled EUR 1,325 thousand, compared with EUR 1,860 thousand in the previous year, and stems from ordinary operations.

With regard to transactions with related parties, this item includes:

- payables to affiliate De Agostini Editore S.p.A. of approximately EUR 42 thousand;
- payables to affiliate De Agostini Invest S.A. of approximately EUR 25 thousand;
- payables to affiliate De Agostini Libri S.p.A. of approximately EUR 2 thousand;
- payables to the subsidiary IDeA FIMIT SGR S.p.A. of approximately EUR 33 thousand;
- payables to the parent company IRE S.p.A. of approximately EUR 17 thousand.

A breakdown of these payables by region is set out below:
- 89.84% due to suppliers in Italy;
- 5.23% due to suppliers in respect of affiliates in Italy;
- 3.85% due to suppliers in respect of subsidiaries in Italy;
- 1.04% due to suppliers in Luxembourg;
- 0.04% due to suppliers in the UK.

Trade payables do not accrue interest and are settled, on average, within 30 to 60 days.

8b - Payables to staff and social security organisations

This item amounted to EUR 829 thousand (EUR 859 thousand at 31 December 2013) and breaks down as follows:

- EUR 247 thousand for payables to social security organisations, paid after the end of financial year 2014;
- EUR 582 thousand for payables to staff for holidays not taken, and accrued bonuses.

8c - Tax payables to subsidiaries

This item, which amounts to EUR 64 thousand (unchanged on 31 December 2013), relates to the payable to subsidiary IDeA Capital Funds SGR S.p.A. regarding the application for an IRES refund due to the non-deduction of IRAP in respect of personnel costs for 2010/2011..

8d - VAT payables to parent companies

This item consists of a payable of EUR 340 thousand generated through the application of the percentage of 64% against which VAT on purchases made during the year may be offset. The amount is due to Parent Company De Agostini S.p.A. (previously B&D Holding di Marco Drago e C. S.a.p.A.) for its part in settling Group VAT.

8e - Other tax payables

This item amounted to EUR 184 thousand (EUR 185 thousand at 31 December 2013) and consists of payables to the tax authorities in respect of taxes deducted from the income of employees and self-employed staff.

8f - Other payables

This item amounted to EUR 11 thousand (EUR 1 thousand at 31 December 2013) and consists of various payables for municipal taxes.

8g - Short-term financial payables

Financial payables were eliminated (EUR 27,323 thousand at 31 December 2013) due to the repayment of the Intesa SanPaolo S.p.A. credit line in October 2014.

Notes to the Income Statement

9 - Revenues and income

9a - Investment income and expenses

Net expenses arising from investments totalled EUR 3,641 thousand in 2014 (compared with EUR 60,979 thousand in 2013).

Details of this item are shown below:

(EUR thousand)	Financial year 2014	Financial year 2013
Dividends from subsidiaries and other income	190,477	134,468
Income from available-for-sale funds	298	278
Capital gains on disposals	0	95
Investment income	**190,775**	**134,841**
Impairment IDeA Consulenza S.r.l. (previously IDeA SIM S.p.A.)	0	201
Impairment Soprarno SGR S.p.A.	0	312
Impairment IDeA Capital Fund SGR S.p.A.	1,903	9,586
Impairment IDeA FIMIT SGR S.p.A.	0	115
Impairment I.F.IM. S.r.l.	0	16,782
Impairment DeA Capital Investments S.A.	190,246	167,288
Impairment Sigla Luxembourg S.A.	884	0
Impairment Alkimis SGR S.p.A.	0	188
Impairment Harvip S.p.A.	0	816
Impairment venture capital funds	385	76
Impairment closed-end mutual investment funds	933	456
Capital losses on Soprarno SGR S.p.A. disposal	65	0
Investment charges	**194,416**	**195,820**
Total	**(3,641)**	**(60,979)**

Dividends from associates and other income

On 10 march 2014, DeA Capital Investments S.A. made an in-kind distribution of the fund units of IDeA Opportunity Fund I and Atlantic Value Added held by it for a total amount of EUR 58,919 thousand. Subsequently, on 13 November 2014, it made a second distribution totalling EUR 120,000 thousand.

The item also comprises dividends paid out by:
- IDeA Capital Funds SGR S.p.A., in the amount of EUR 4,000 thousand;
- DeA Capital Real Estate S.p.A., in the amount of EUR 5,322 thousand;
- I.F.IM. S.r.l., in the amount of EUR 1,900 thousand;
- IDeA FIMIT SGR S.p.A., in the amount of EUR 272 thousand;
- Soprarno SGR S.p.A., in the amount of EUR 64 thousand.

Income from available-for-sale funds

Income from available-for-sale funds was EUR 298 thousand (EUR 278 thousand in 2013) and came from capital gains from distributions of venture capital funds.

Impairment of available-for-sale shareholdings and funds

The merger by incorporation of the subsidiary DeA Capital Investments S.A. took place on 14 November 2014. The fair value measurement of the shareholding at pre-merger stage made it necessary to record impairment of EUR 190,246 thousand for the investee company. This impairment was due to the distribution of reserves made by the investee company during the year, totalling EUR 178,919 thousand.

The fair value measurement of investments in funds at 31 December 2014, carried out based on the documents received and the information available, made it necessary to record impairment of EUR 385 thousand in respect of the venture capital funds and EUR 933 thousand for the closed-end mutual investment funds.

For these funds, the significant reduction below cost was considered clear evidence of impairment.

The fair value measurement of the equity investment in IDeA Capital Funds SGR S.p.A. at 31 December 2014, which was based on the documents received and the information available, made it necessary to record impairment of EUR 1,903 thousand for the investee company.

The fair value measurement of the shareholding in Sigla at 31 December 2014, which was based on the documents received and the information available, made it necessary to record impairment of EUR 884 thousand for the investee company.

9b - Service revenues

Income of EUR 1,869 thousand was reported in 2014 (EUR 1,132 thousand in 2012), attributable to the reimbursement of costs or supply of services, in the following amounts:

- EUR 864 thousand to IDeA FIMIT SGR S.p.A.;
- EUR 409 thousand from IDeA Capital Funds SGR S.p.A.;
- EUR 349 thousand from De Agostini S.p.A.;
- EUR 124 thousand from IRE S.p.A.;
- EUR 60 thousand from DeA Capital Real Estate S.p.A.;
- EUR 30 thousand from GTECH S.p.A.;
- EUR 24 thousand from De Agostini Publishing S.p.A.;
- EUR 9 thousand from Innovation Real Estate Advisory S.r.l.

9c - Other revenues and income

Other revenues and income, totalling EUR 253 thousand (compared with EUR 172 thousand in 2013), related mainly to directors' fees from Générale de Santé S.A. of EUR 245 thousand.

10 - Operating costs

10a - Personnel costs

Personnel costs totalled EUR 4,978 thousand, compared with EUR 1,316 thousand in 2013.

The item breaks down as follows:

(EUR thousand)	**Financial year 2014**	**Financial year 2013**
Salaries and wages	1,526	1,740
Social security charges	338	264
Remuneration for the Board of Directors	149	110
Stock options figurative cost	937	884
Stock option reversal	(815)	(890)
End-of-service payment fund	106	25
Total personnel costs	2,737	290
Reversal of other personnel costs	0	(1,107)
Total	**4,978**	**1,316**

The effect of the cost arising from the stock option plans for 2014, of EUR 937 thousand (EUR 884 thousand in 2013), was more than offset by the reversal of the cost allocated to the "Stock Options 2012-2014" reserve of EUR 815 thousand. The Allocation Plan 2012-2014 is to be considered lapsed as the conditions for exercising option rights were not met.

The Parent Company has 13 employees (14 at 31 December 2013).

The table below shows changes and the average number of Parent Company employees during the year.

(Euro thousand)	1.1.2014	Recruits	Departures	31.12.2014	Average no.
Senior managers	4	0	(1)	3	3
Senior managers on fixed-term contracts	1	0	0	1	1
Junior managers	4	0	0	4	4
Staff	5	0	0	5	5
Total	**14**	**0**	**(1)**	**13**	**13**

Share-based payments

Employees of DeA Capital S.p.A. and the Parent Company, De Agostini S.p.A., are beneficiaries of stock option plans based on the shares of DeA Capital S.p.A. Unexercised but valid call options on the Company's shares at 31 December 2014 totalled 3,163,200 (2,643,200 at 31 December 2013).

Stock option plans were valued using the numerical binomial tree procedure (the original Cox, Ross and Rubinstein method). Numerical analysis using binomial trees generates simulations of various possible developments in the share price in future periods.

On **17 April 2014**, the shareholders' meeting approved the DeA Stock Option Plan 2014-2016. To implement the resolution of the shareholders' meeting, the Board of Directors voted (i) to implement the DeA Capital Stock Option Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer will all necessary powers, to be exercised severally and with full powers of delegation; and (ii) to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of the parent company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital Stock Option Plan 2014-2016, the Board of Directors also set the exercise price for the options allocated at EUR 1.320, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 17 March 2014 and 16 April 2014.

The options can be allocated to the beneficiaries, in one or more tranches, up to 31 December 2014 and exercised by the latter, but in any case for an amount per tranche of not less than 25% of the options assigned to each, with effect from the fifth calendar day following the date that the adjusted NAV figure at 31 December 2016 is announced, until 31 December 2019. The adjusted NAV means the value of the assets, net of liabilities, calculated on the basis of the company's balance sheet at 31 December 2016 and restated, where necessary, to take account of the measurement at fair value of all investments, as assessed by an independent third party.

The shareholders' meeting of 17 April 2014 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital S.p.A. Stock Option Plan 2014-2016.

The shareholders also approved the adoption of the Performance Share Plan 2014-2016. On the same date, to implement the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to launch the DeA Capital Performance Share Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the parent company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the Company's existing treasury shares so that the allocation will not have a nominally dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the Consolidated Finance Law.

The terms and conditions of the Stock Option Plan 2014-16 and the Performance Share Plan 2014-16 are described in the Information Prospectus prepared in accordance with art. 84-bis of Consob Resolution 11971 of 14 May 1999 (Issuer Regulations), available to the public at the registered office of DeA Capital S.p.A. and on the Company's websitewww. deacapital.it (in the section Corporate Governance/Incentive Plans).

10b - Service costs

The table below shows a breakdown of service costs, which came in at EUR 4,819 thousand in 2014 (EUR 4,110 thousand in 2013):

(EUR thousand)	Financial year 2014	Financial year 2013
Management, tax, legal consultancy and other fees	1.626	1.524
Fees to corporate bodies	278	276
Ordinary maintenance	105	138
Travel expenses	98	114
Utilities and general expenses	2.577	1.895
Bank charges	24	30
Advertising, conferences, online subscriptions, office supplies	99	101
Other charges	12	32
Total	**4.819**	**4.110**

10c - Depreciation and amortisation

Please see the table on changes in intangible and tangible assets for details on this item.

10d - Other charges

This item totalled EUR 444 thousand (EUR 213 thousand in 2013) and mainly comprises registration tax and the non-deductible portion of VAT as a result of applying the percentage of 64% against which VAT on purchases made during the year may be offset.

11 - Financial income and charges

11a - Financial income

IFinancial income totalled EUR 3,173 thousand (EUR 3,647 thousand in 2013) and included interest income of EUR 892 thousand, income from the cancellation of the payable to the seller of FARE Holding of EUR 2,206 thousand, and exchange rate gains of EUR 75 thousand.

A breakdown of interest income shows that EUR 11 thousand was earned on bank current accounts, EUR 862 thousand on loans to subsidiaries and EUR 19 thousand on loans to associated companies.

(EUR thousand)	Financial year 2014	Financial year 2013
Interest income	892	2,587
Financial liabilities adjustment	2,206	0
Income from financial instruments available for sale	0	0
Income from financial instruments at fair value through income statement	0	1,018
Exchange gains	75	42
Total	**3,173**	**3,647**

11b - Financial charges

Financial charges totalled EUR 3,443 thousand, compared with EUR 4,776 thousand in 2013. These mainly included interest payable on loans and financial liabilities and losses on hedging derivatives and exchange rates.

Specifically, financial charges mainly break down as follows:

- negative adjustment following the discounting to present value of the end-of-service provisions accrued in 2014, of EUR 14 thousand;
- interest payable on loans granted by DeA Capital Investments S.A. of EUR 152 thousand;
- interest payable on the Mediobanca and Intesa SanPaolo S.p.A. credit line of EUR 2,750 thousand and fees of EUR 519 thousand.

(EUR thousand)	Financial year 2014	Financial year 2013
Interest expense	3,421	3,314
Charges on financial liabilities	14	239
Charges on derivatives and securities	0	827
Exchange losses	8	396
Total	**3,443**	**4,776**

12 - Tax

12a - Income tax for the period

At 31 December 2014, no IRAP taxes were recorded because of the negative tax base. This item mainly includes current tax income, amounting to EUR 911 thousand, which relates to the decision by DeA Capital S.p.A. (previously B&D Holding di Marco Drago e C.S.a.p.A.) to join the national tax consolidation scheme of the De Agostini S.p.A. Group.

12b - Deferred tax assets and liabilities

This item came in at EUR 6,757 thousand and consists entirely of provisions for deferred tax assets during the year.
The table below shows a reconciliation of the tax charges recorded in the Financial Statements and the theoretical tax charge calculated using the IRES rate applicable in Italy:

	31.12.2014		**31.12.2013**	
(EUR thousand)	**Amount**	**Rate**	**Amount**	**Rate**
Profit before tax	**(12,185)**		**(66,600)**	
Tax on theoretical income	(3,351)	27.50%	(18,315)	27.50%
Tax effect of permanent differences				
- Write-downs on equity investments	53,156	-436.24%	53,653	-80.56%
- Dividends	(52,045)	427.12%	(36,789)	55.24%
- Non-deductible interest	635	-5.21%	458	-0.69%
- Other changes	157	-1.29%	128	-0.19%
Income from tax consolidation scheme (interest)	(546)	4.48%	(1,979)	2.97%
Adjustment to income from tax consolidation scheme of previous years	1,083	-8.89%	(30)	0.05%
Deferred tax assets	(6,757)	55.45%	(808)	1.21%
Other net differences	0	0.00%	(53)	0.08%
Other taxes on foreign income	3	-0.02%	0	0.00%
Income tax reported in the income statement	**(7,665)**		**(3,735)**	

13 - Basic earnings (loss) per share

Basic earnings per share are calculated by dividing net profit or loss for the period attributable to the parent company by the weighted average number of ordinary shares outstanding during the period.
Diluted earnings per share are calculated by dividing net profit for the period attributable to shareholders by the weighted average number of ordinary shares outstanding during the period, including any dilutive effects of stock options.

The table below shows the share information used to calculate basic and diluted earnings per share:

(EUR thousand)	**Financial year 2014**	**Financial year 2013**
Parent Company profit/(loss)(A)	(4.519.219)	(62.866.203)
Weighted average number of ordinary shares outstanding (B)	273.806.403	273.994.870
Basic earnings/loss per share (EUR per share) (C=A/B)	**(0,0165)**	**(0,2294)**
Adjustment for dilutive effect	-	-
Net profit/(loss) adjusted for diluted effect (D)	(4.519.219)	(62.866.203)
Weighted average number of shares to be issued for the exercise of stock options (E)	306.445	-
Total number of shares outstanding and to be issued (F)	274.112.848	273.994.870
Diluted earnings/loss per share (EUR per share) (G=D/F)	**(0,0165)**	**(0,2294)**

Options have a dilutive effect only when the average market price of the share for the period exceeds the strike price of the options or warrants (i.e. when they are "in the money").

Other information

Commitments

At 31 December 2014, residual commitments to make paid calls to funds totalled EUR 107.7 million, compared with EUR 76.4 million in 2013.
Changes in commitments are shown in the table below.

(EUR m)	
Residual commitments to funds – 31.12.2013	**104.8**
Distributions reclassified from callable to non-callable	(1.2)
Change in commitmentsof VC funds	0.1
New commitments	21.1
Capital Calls	(18.6)
Exchange differences	**0.3**
Residual commitments to funds – 31.12.2014	**106.5**

Treasury shares and Parent Company shares

On **17 April 2014**, the shareholders' meeting authorised the Board of Directors to buy and sell, on one or more occasions, on a rotating basis, a maximum number of ordinary shares in the Company representing a stake of up to 20% of its share capital.

The plan replaces the previous plan approved by the shareholders' meeting on 19 April 2013 (which was scheduled to expire with the approval of the 2013 Annual Financial Statements), and will pursue the same objectives as the previous plan, including purchasing treasury shares to be used for extraordinary transactions and share incentive schemes, offering shareholders a means of monetising their investment, stabilising the share price and regulating trading within the limits of current legislation.

The authorisation specifies that purchases may be carried out up to the date of the shareholders' meeting to approve the Financial Statements for the Year Ending 31 December 2014 and, in any case, not beyond the maximum duration allowed by law, in accordance with all the procedures allowed by current regulations, and that DeA Capital S.p.A. may also sell the shares purchased for the purposes of trading, without time limits. The unit price for the purchase of the shares will be set on a case-by-case basis by the Board of Directors, but must not be more than 20% above or below the share's reference price on the trading day prior to each purchase. In contrast, the authorisation to sell treasury shares already held in the Company's portfolio, and any shares bought in the future, was granted for an unlimited period, to be implemented using the methods considered most appropriate and at a price to be determined on a case-by-case basis by the Board of Directors, which must not, however, be more than 20% below the share's reference price on the trading day prior to each individual sale (apart from in certain exceptional cases specified in the plan). Sale transactions may also be carried out for trading purposes.

On the same date, the Board of Directors voted to launch the plan to buy and sell treasury shares authorised by the shareholders' meeting, and to this end vested the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full powers of delegation.

In 2014, as a part of the above plans, DeA Capital S.p.A. purchased 2,348,732 shares valued at approximately EUR 3,719,532 (at an average price of EUR 1.584 per share).

Taking into account purchases made in previous years for plans in place from time to time, and the use of treasury shares to service acquisitions of controlling interests in FARE Holding and IDeA AI, at 31 December 2014 the Company owned 34,985,736 treasury shares (equal to about 11.4% of the share capital).
As of the date of this document, based on purchases of 2,383,540 shares made after the end of 2014, the Company had a total of 37,369,276 treasury shares corresponding to about 12.2% of the share capital.

During 2014, the Company did not hold, purchase or sell, on its own account or through a trust company, any shares in the Parent Company De Agostini S.p.A.

Stock Option and Performance Share Plans

On **17 April 2014**, the shareholders' meeting approved the DeA Stock Option Plan 2014-2016. To implement the resolution of the shareholders' meeting, the Board of Directors voted (i) to implement the DeA Capital Stock Option Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer will all necessary powers, to be exercised severally and with full powers of delegation; and (ii) to allocate a total of 1,550,000 options to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

In line with the criteria specified in the regulations governing the DeA Capital Stock Option Plan 2014-2016, the Board of Directors also set the exercise price for the options allocated at EUR 1.320, which is the arithmetic mean of the official price of ordinary DeA Capital shares on the Mercato Telematico Azionario, the Italian screen-based trading system organised and managed by Borsa Italiana S.p.A., on the trading days between 17 March 2014 and 16 April 2014.

The shareholders' meeting of 17 April 2014 also approved a paid capital increase, in divisible form, without option rights, via the issue of a maximum of 2,000,000 ordinary shares to service the DeA Capital S.p.A. Stock Option Plan 2014-2016.

The shareholders also approved the adoption of the Performance Share Plan 2014-2016. On the same date, to implement the shareholders' resolution, the Board of Directors of DeA Capital S.p.A. voted (i) to launch the DeA Capital Performance Share Plan 2014-2016 approved by the shareholders' meeting, vesting the Chairman of the Board of Directors and the Chief Executive Officer with all the necessary powers, to be exercised severally and with full power of delegation; and (ii) to allocate a total of 393,500 units (representing the right to receive ordinary shares in the Company free of charge, under the terms and conditions of the plan) to certain employees of the Company, its subsidiaries and of the Parent Company De Agostini S.p.A. who carry out important roles for the Company.

The shares allocated due to the vesting of units will be drawn from the Company's existing treasury shares so that the allocation will not have a nominally dilutive effect.

The shareholders' meeting also approved the Company's Remuneration Policy pursuant to art. 123-ter of the Consolidated Finance Law.

The tables below summarise the assumptions made in calculating the fair value of the plans:

Stock Option	**plan 2004**	**plan 2005**	**plan 2012**	**plan 2013**	**plan 2014**
No. of options allocated	160,000	180,000	1,030,000	1,550,000	1,550,000
Average market price at allocation date	2.445	2.703	1.38	1.26	1.44
Value at allocation date	391,200	486,540	1,421,400	1,953,000	2,232,000
Average exercise price	2.026	2.459	1.3363	1.289	1.32
Expected volatility	31.15%	29.40%	33.84%	32.94%	31.63%
Option expiry date	31/08/15	30/04/16	31/12/17	31/12/18	31/12/19
Risk-free rate	4.25%	3.60%	2.47%	1.55%	1.56%

The Allocation Plan 2012-2014 is to be considered lapsed as the conditions for exercising option rights were not met.

Performance share	Plan 2012	Plan 2013	Plan 2014
No. of options allocated	302,500	393,500	393,500
Average market price at allocation date	1,380	1,260	1,44
Value at allocation date	417,450	495,810	566,640
Expected volatility	33.84%	32.94%	31.63%
Option expiry date	31/12/14	31/12/15	31/12/16
Risk-free yield	2.47%	1.55%	1.56%

Transactions with parent companies, subsidiaries and related parties

Intercompany relationships with the Parent Company and its Groups

Transactions with related parties, including intercompany transactions, are typical, usual transactions that are part of the normal business activities of Group companies. Such transactions are concluded at standard market terms for the nature of the goods and/or services offered.

With regard to transactions with parent companies, note the following:

1) DeA Capital S.p.A. signed a service agreement with the controlling shareholder, De Agostini S.p.A., for the latter to provide operating services in the administration, finance, control, legal, corporate and tax areas.

   This agreement, which is renewable annually, is priced at market rates, and is intended to allow the Company to maintain a streamlined organisational structure in keeping with its development policy, while obtaining sufficient operational support.

   At the same time, on 1 January 2013, DeA Capital S.p.A. signed an "Agreement to sub-let property for intended use other than residential use" with the controlling shareholder, De Agostini S.p.A. The agreement relates to parts of a building located at Via Brera, 21, Milan, comprising space for office use, warehousing and car parking.

   This agreement, which is renewable every six years after an initial term of seven years, is priced at market rates.

2) DeA Capital S.p.A., IDeA Capital Funds SGR S.p.A., DeA Capital Real Estate S.p.A. and I.F.IM. S.r.l. have adopted the national tax consolidation scheme of the De Agostini Group (the Group headed by De Agostini S.p.A., formerly B&D Holding di Marco Drago e C. S.a.p.a.). This option was exercised jointly by each company and De Agostini S.p.A. by signing the "Regulation for participation in the national tax consolidation scheme for companies in the De Agostini Group" and notifying the tax authorities of this option pursuant to the procedures and terms and conditions set out by law. The option is irrevocable unless the requirements for applying the scheme are not met.

   The option for DeA Capital S.p.A. is irrevocable for the three-year period 2014-2016.

3) In order to enable a more efficient use of liquidity and the activation of credit lines with potentially better terms and conditions compared with those that may be obtained from banks, DeA Capital S.p.A. has signed a framework agreement (Framework Agreement) with the Parent Company De Agostini S.p.A. for the provision of short-term intercompany loans.

   Deposit/financing operations falling within this Framework Agreement shall only be activated subject to verification that the terms and conditions determined at any time are advantageous, and will be provided on a revolving basis, and with maturities of not more than three months. The Framework Agreement shall have a duration of one year and is renewable.

   The amounts involved in the deposit/financing operations will, however, be below the thresholds defined for "transactions of lesser importance" pursuant to Consob Regulation 17221/2010 (Transactions with Related Parties) and the internal procedure on Transactions with Related Parties adopted by DeA Capital S.p.A.

   Lastly, the Company did not hold, purchase or dispose of the shares of any related parties in 2014.

The table below shows the balances arising from transactions with related parties.

(EUR thousand)	31.12.2014					Financial year 2014				
	Trade receivables	**Trade receivables**	**Tax receivables**	**Tax payables**	**Trade payables**	**Revenues for services**	**Financial income**	**Tax income**	**Personnel costs**	**Service costs**
Sigla S.r.l.	-	1.709,6	-	-	-	-	17,3	-	-	-
IDeA Real Estate S.p.A.	-	-	-	-	-	-	-	-	-	-
IDeA Capital Funds SGR S.p.A.	99,3	-	-	63,9	-	408,7	-	-	(40,0)	-
IDeA FIMIT SGR S.p.A.	223,3	-	-	-	33,5	864,5	-	-	48,1	-
DeA Capital Real Estate S.p.A.	-	-	-	-	-	59,8	-	-	(13,4)	-
Innovation Real Estate S.p.A.	43,9	-	-	-	17,5	123,8	-	-	(25,0)	12,0
I.R.E. Advisory S.r.l.	-	-	-	-	-	9,0	-	-	93,5	-
DeA Investments S.A.	-	-	-	-	25,0	-	-	-	-	-
De Agostini S.p.A.	147,1	-	3.444,0	339,7	-	349,2	-	911,0	120,0	490,0
De Agostini Libri S.p.A.	-	-	-	-	1,9	-	-	-	-	2,1
De Agostini Publishing Italia S.p.A.	4,9	-	-	-	-	24,1	-	-	-	-
GTECH S.p.A.	38,6	-	-	-		29,4	-	-		-
De Agostini Editore S.p.A.	-	-	-	-	42,4	-	-	-	-	128,4
Total related parties	**557,1**	**1.709,6**	**3.444,0**	**403,6**	**120,3**	**1.868,5**	**17,3**	**911,0**	**183,2**	**632,5**
Total financial statement line item	**557,0**	**1.709,6**	**3.733,4**	**587,9**	**1.325,4**	**1.868,5**	**3.171,5**	**911,0**	**4.978,2**	**4.818,9**
as % of financial statement line item	**100,0%**	**100,0%**	**92,2%**	**68,7%**	**9,1%**	**100,0%**	**0,5%**	**100,0%**	**3,7%**	**13,1%**

In 2014, the pro-rata expenses for improvements to leased assets, incurred in the name of and on behalf of third parties, were reimbursed and allocated as follows:

- EUR 139 thousand to IDeA FIMIT SGR S.p.A.;
- EUR 45 thousand to De Agostini S.p.A.;
- EUR 60 thousand to IDeA Capital Funds SGR S.p.A.;
- EUR 40 thousand to GTECH S.p.A.;
- EUR 11 thousand to IRE S.p.A.;
- EUR 3 thousand to De Agostini Publishing Italia S.p.A.

Remuneration: directors of the board, auditors, general managers and directors with strategic responsibilities

In 2014, remuneration payable to the directors and auditors of DeA Capital S.p.A. for the performance of their duties totalled EUR 300 thousand and EUR 175 thousand respectively.

Remuneration paid to directors and auditors is shown in the table below:

Director	Position	Period position held	Position expires	Fees for position at company preparing the financial statements in EUR thousand	Non-cash benefits	Bonuses and other incentives	Statutory auditors' fees for positions held at subsidiaries	Other remuneration EUR/000
Lorenzo Pellicioli	Chairman	2014	Approval fin. statements 2015	30	0	0	0	0
Paolo Ceretti	Chief Executive Officer	2014	Approval fin. statements 2015	30	0	0	0	73
Lino Benassi	Director	2014	Approval fin. statements 2015	30	0	0	0	112
Stefania Boroli	Director	2014	To 12 March 2015	30	0	0	0	0
Rosario Bifulco	Director	2014	Approval fin. statements 2015	30	0	0	0	25
Francesca Golfetto	Director	2014	Approval fin. statements 2015	30	0	0	0	20
Roberto Drago	Director	2014	Approval fin. statements 2015	30	0	0	0	0
Marco Drago	Director	2014	Approval fin. statements 2015	30	0	0	0	0
Severino Salvemini	Director	2014	Approval fin. statements 2015	30	0	0	0	35
Marco Boroli	Director	2014	Approval fin. statements 2015	30	0	0	0	0
Angelo Gaviani	Chairman of the Board of Statutory Auditors	2014	Approval fin. statements 2015	75	0	0	9	0
Gian Piero Balducci	Permanent Auditor	2014	Approval fin. statements 2015	50	0	0	48	34
Annalisa Donesana	Permanent Auditor	2014	Approval fin. statements 2015	50	0	0	32	10

In contrast to the data contained in the Remuneration Report prepared pursuant to art. 123-ter of the TUF in accordance with art. 84-quater of the Issuer Regulation, the emoluments and compensation indicated above do not include social security contributions where applicable.

"Other remuneration" relates to remuneration received for other positions held in either DeA Capital S.p.A. or other Group companies.

In 2014, annual salaries and bonuses, excluding benefits in kind, paid to managers with strategic responsibilities in the Parent Company, totalled about EUR 621 thousand.

Shareholdings held by directors, auditors, general managers and managers with strategic responsibilities

Details of shareholdings held in DeA Capital S.p.A. and its subsidiaries by members of the boards of directors and auditors and by managers with strategic responsibilities are provided in aggregate format in the table below.

No shareholdings were reported for general managers, since to date, this position does not exist.
All those who held positions on the boards of directors or auditors, or as managers with strategic responsibilities, for the whole or part of the year in question, are included.

Name and surname	Investee company	No. of shares held at 1.1.14	No. of shares purchased	No. of shares sold	No. of shares held at 31 December 2014
Lorenzo Pellicioli	DeA Capital S.p.A.	2,566,323	0	0	2,566,323
Paolo Ceretti	DeA Capital S.p.A.	1,000,000	0	0	1,000,000
Rosario Bifulco	DeA Capital S.p.A.	1,536,081	0	0	1,536,081
Lino Benassi	DeA Capital S.p.A.	23,500	0	0	23,500
Senior managers with strategic responsibilities	DeA Capital S.p.A.	105,000	100,000	0	205,000
Total		**5,230,904**	**100,000**	**0**	**5,330,904**

No DeA Capital shares are held by other directors or auditors who are currently in office; furthermore, no shares are held in companies controlled by DeA Capital.
Directors Lorenzo Pellicioli, Marco Drago, Marco Boroli, Stefania Boroli (resigned on 12 March 2015) and Roberto Drago hold treasury shares of B&D Holding di Marco Drago e C. S.a.p.A. and – in the case of directors Marco Drago, Roberto Drago, Stefania Boroli (resigned on 12 March 2015) and Marco Boroli – shares of De Agostini S.p.A., which control the Company both directly and indirectly, and are parties to a shareholders' agreement covering these shares.

Stock options allocated to members of the boards of directors and auditors, general managers and managers with strategic responsibilities

Details of stock options held by members of the boards of directors and auditors and by managers with strategic responsibilities in DeA Capital S.p.A. and its subsidiaries are provided in aggregate format in the table below.

		Options held at 1 January 2014			Options allocated during 2014			Options expired in 2014	Options held at 31 December 2014		
Beneficiary	Position	No. options	Average exercise price	Average expiry	No. options	Average exercise price	Average expiry	No. options	No. options	Average exercise price	Average expiry
Paolo Ceretti	CEO	630,000	1.3363	5	0	0	0	630,000	0	0	0
Paolo Ceretti	CEO	950,000	1.289	5				0	950,000	1.289	5
Paolo Ceretti	CEO	0	0	0	950,000	1.32	5	0	950,000	1.32	5
Senior managers with strategic responsibilities		400,000	1.3363	5	0	0	0	400,000	0	0	0
Senior managers with strategic responsibilities		600,000	1.289	5	0	0	0	0	600,000	1.289	5
Senior managers with strategic responsibilities		0	0	0	600,000	1.32	5	0	600,000	1.32	5

Lastly, note that the Chief Executive Officer, Paolo Ceretti, and managers with strategic responsibilities were assigned 120,000 and 84,625 performance shares respectively in 2014, as shown in the table below:

		Options held at 1 January 2014			Options allocated during 2014			Options expired in 2014	Options held at 31 December 2014		
Beneficiary	Position	No. options	Average exercise price	Average expiry	No. options	Average exercise price	Average expiry	No. options	No. options	Average exercise price	Average expiry
Paolo Ceretti	CEO	80,000	1.38	2	0	0	0	80,000	0	0	0
Paolo Ceretti	CEO	120,000	1.26	2	0	0	0	0	120,000	1.26	2
Paolo Ceretti	CEO	0	0	0	120,000	1.44	2	0	120,000	1.44	2
Senior managers with strategic responsibilities		52,500	1.38	2	0	0	0	52,500	0	0	0
Senior managers with strategic responsibilities		84,625	1.26	2	0	0	0	0	84,625	1.26	2
Senior managers with strategic responsibilities		0	0	0	84,625	1.44	2	0	84,625	1.44	2

Information on the "Fair Value Hierarchy"

IFRS 13 stipulates that financial instruments reported at fair value should be classified based on a hierarchy that reflects the importance and quality of the inputs
used in calculating fair value. Three levels have been determined:

- **level 1:** includes quoted prices on active markets for assets or liabilities identical to those being valued;

- **level 2:** includes observable inputs other than those included in level 1, for example:
  - quoted prices on active markets for similar assets and liabilities;
  - quoted prices on inactive markets for identical assets and liabilities;
  - interest rate curves, implicit volatility, credit spreads.

- **level 3:** unobservable data. These input data may be used if no observable input data are available. IFRS 13 specifies that unobservable input data used to measure fair value must reflect the assumptions used by market participants when fixing the price for the assets or liabilities being valued.

The table below shows assets valued at fair value by hierarchical level at 31 December 2014:

(EUR thousand)	Level 1	Level 2	Level 3	Total
Investments in subsidiaries	0.0	0.0	256.9	256.9
Investments in associates	0.0	3.0	11.2	14.2
Investments in avalaible for sale	0.0	209.1	0.2	209.3
Funds avalaible for sale	0.0	144.4	0.0	144.4
Total	0.0	356.5	268.3	624.8

A reconciliation of the opening and closing balances is shown in the table below for level 3. Income and expenses posted to the income statement or shareholders' equity, and purchases and sales made during 2014 are identified separately.

(EUR thousand)	Balance at 1.1.2014	Increases	Decreases	Restatements	Distribuzione S.A.	Mergers	Impairment	Fair value adjustment	Balance at 31.12.2014
Subsidiaries									
DeA Capital Investments S.A.	385,202	0	0	0	0	(194,956)	(190,246)	0	0
DeA Capital Real Estate S.p.A.	89,300	0	0	0	0	60,430	0	(4,650)	145,080
I.F.IM. S.r.l.	60,430	0	0	0	0	(60,430)	0	0	0
IDeA Opportunity Fund I	0	2,399	(5,077)	979	56,359	0	0	1,311	55,971
IDeA FIMIT SGR S.p.A.	5,835	0	0	0	0	0	0	104	5,939
IDeA Capital Funds SGR S.p.A.	51,813	0	0	0	0	0	(1,903)	0	49,910
Associates									
Sigla Luxembourg S.A.	0	0	0	0	12,085	0	0	(884)	11,201
Other investments									
Harvip Investimmenti S.p.A.	184	0	0	0	0	0	0	0	184
Total	**592,764**	**2,399**	**(5,077)**	**979**	**68,444**	**(194,956)**	**(192,149)**	**(4,119)**	**268,285**

Valuation techniques and main unobservable input data

Subsidiaries

Valuations of shareholdings and funds in the portfolio reflect estimates made using the information available on the date this document was prepared.

Equity investments are valued using calculation methodologies based on specific assumptions concerning:

- the growth of future cash flows contingent upon future events that can be assigned probabilities based on historical experience;
- the level of specific input parameters that are not listed on active markets; in all cases, the prices and spreads observed in the market are preferred for estimating these

IDeA FIMIT SGR

The economic value of the subsidiary IDeA FIMIT SGR was estimated with the help of a specific report by an independent expert. The report was based on the sum of the parts model and calculated the value, defined as the sum of (i) the present value of dividend flows (DDM method) expected from IDeA FIMIT SGR and (ii) the present value of the carried interest flows expected from the same company (DCF method), both for the forecasting period in question (2015-2017) and future periods (using a projected terminal value based on normalised cash flows).

A number of assumptions were used in determining these flows, including estimates of future increases in revenues, based on expected trends in managed assets, EBITDA and net income, or in the case of carried interest, on the basis of the company's projections of future returns for the various funds under management.

The valuation was based on a cost of capital of +9.5% plus a terminal value based on growth ("g") assumptions of +1.0%.

Sensitivity analysis performed on the most significant variables in terms of sensitivity to the value of IDeA FIMIT SGR, i.e. the risk-free rate and the rate of growth (g) used, leads to a potential change in the company's overall value of EUR -8.5/+9.7 million (for changes of +0.5% and -0.5% in the discount rate) and EUR -7.1/+8.0 million (for changes of -0.5% and +0.5% in the rate of growth (g)).

DeA Capital Real Estate

The economic value of the subsidiary DeA Capitale Real Estate was estimated on the basis of an internal valuation, which mainly includes the valuation of the investment in IDeA FIMIT SGR, as described in the previous section.

IDeA Capital Funds SGR

The economic value of the subsidiary IDeA Capital Funds SGR was estimated with the help of a specific report by an independent expert. The report was based on the sum of the parts model and calculated the value, defined as the sum of (i) the current value of dividend flows (DDM method) expected from IDeA Capital Funds SGR and (ii) the current value of the carried interest flows expected from the same company (DCF method), both for the forecasting period in question (2015-2017) and future periods (using a projected terminal value based on normalised cash flows).

A number of assumptions were used in determining these flows, including estimates of future increases in revenues, based on expected trends in managed assets, EBITDA and net income, or in the case of carried interest, on the basis of IRR projections made by the company for the various funds under management.

The valuation was based on a cost of capital of between 10.4% and 11.7%, depending on (i) the period of the flows (2015-2017 or later) and (ii) the nature of these flows (dividends from the asset management company or carried interest from the managed funds), supplemented by a terminal value based on a growth assumption of 1.0%.

Sensitivity analysis performed on the most significant variables in terms of sensitivity to the value of IDeA Capital Funds SGR, i.e. the risk-free rate and the rate of return for the managed funds used, leads to a potential change in the carrying value of EUR -2.1/+2.5 million (for changes of +0.5% and -0.5% in the risk-free rate) and EUR -1.8/+1.9 million (for changes of -1.5% and +1.5% in the expected IRR rate on the managed funds).

Kenan Investments/Migros

The shareholding in Kenan Investments (the indirect parent company of Migros) is recorded in the Consolidated Financial Statements for the Year Ending 31 December 2014 at EUR 209.1 million.

The valuation of the shareholding in Kenan Investments at 31 December 2014, calculated on the basis of the percentage owned by DeA Capital S.p.A., is based on a stock price of Migros, whose shares are listed on the Istanbul Stock Exchange, of:

(iii) TRY 26.00 for the stake in Migros that is the subject of the transaction with Anadolu (described in the section 'Significant Events' above), i.e. both the 40.25% of Migros shares being sold immediately and the 9.75% of Migros shares subject to put and call options agreed by the parties);
(iv) TRY 22.75, being the market price on 31 December 2014, for the remaining stake (30.5% of Migros capital);

and, in addition to the exchange rate effect of TRY/EUR (2.83 at 31 December 2014), on an updated view of net debt at the various levels of the Company's control structure (Kenan Investments, Moonlight Capital, MH).

Venture capital funds, funds of funds, co-investment fund, theme funds and property funds
Valuations of shareholdings and funds in the portfolio reflect estimates made using the information available on the date this document was prepared.

With regard to funds, at 31 December 2014, the DeA Capital Group held units in:

- seven venture capital funds (with a total value of approximately EUR 9.6 million);
- IDeA I FoF (valued at EUR 93.5 million);
- ICF II (valued at EUR 35.2 million);
- ICF III (valued at EUR 1.7 million);
- IDeA EESS (valued at EUR 4.3 million);
- IDeA ToI (value not significant);
- IDeA OF I (valued at EUR 56.0 million);
- AVA Fund (valued at EUR 3.0 million).

The carrying value of the funds represents the NAV advised by the management company in its annual report at 31 December 2014, drafted in accordance with the Bank of Italy's regulation of 14 April 2005 on collective asset management, as amended and supplemented by the Bank of Italy's regulation of 8 May 2012.

Management and coordination
The Parent Company is subject to the management and coordination of De Agostini S.p.A.

Key figures from the latest approved Financial Statements of De Agostini S.p.A. are shown below.

(in EUR)

INCOME STATEMENT	**2013**	**2012**
Revenues	4,670,254	327,050
Cost of production	(63,003,708)	(2,153,253)
Financial income and charges	78,497,618	17,183,719
Adjustments to value of financial assets	4,935,778	0
Extraordinary income and charges	(68,798)	(24,076)
Taxes for the year	10,728,946	467,307
Net profit	35,760,090	15,800,747

STATEMENT OF FINANCIAL POSITION	**2013**	**2012**
Unpaid subscribed capital	0	0
Non-current assets	3,229,406,987	2,401,637,583
Current assets	399,854,115	114,112,569
Accruals and deferrals	9,790,449	28
Shareholders' equity	(2,691,130,778)	(2,324,711,398)
Provisions for risks and charges	(59,222,561)	0
End-of-service payment provision	(791,322)	0
Payables	(883,405,679)	(191,035,987)
Accruals and deferrals	(4,501,211)	(2,795)

Risks

As described earlier in the Report on Operations, the Company operates through, and is structured as, two business areas, Private Equity Investment and Alternative Asset Management.
The risks set out below stem from a consideration of the characteristics of the market and the Company's operations, and the main findings of a risk assessment, and from periodic monitoring, including that carried out through the regulatory policies adopted by the Group. There could, however, be risks that are currently unidentified or not considered significant that could have an impact on the Company's operations.
The company has adopted a modern corporate governance system that provides effective management of the complexities of its operations and enables its strategic objectives to be achieved. Furthermore, the assessments conducted by the organisational units and the directors confirm both the non-critical nature of these risks and uncertainties and the financial solidity of the Company.

A. Contextual risks

A.1. Risks relating to general economic conditions

The operating performance and financial position of the company are affected by the various factors that make up the macro-economic environment, including increases or decreases in GDP, investor and consumer confidence, interest rates, inflation, the costs of raw materials and unemployment.

The ability to meet medium- to long-term objectives could be affected by general economic trends, which could slow the development of sectors the Group has invested in, and at the same time, the business of the investee companies.

A.2. Socio-political events

In line with its strategic growth guidelines, one of the Company's activities is private equity investment in companies and funds in different jurisdictions and countries around the world, which, in turn, invest in a number of countries and geographical areas. The Company may have invested directly and indirectly in foreign countries whose social, political and economic conditions put the achievement of its investment objectives at risk.

A.3. Regulatory changes

Many of the Company's investee companies conduct their operations in highly regulated sectors and markets. Any changes to or developments in the legislative or regulatory framework that affect the costs and revenues structure of investee companies or the tax regime applied, could have negative effects on the company's financial results, and necessitate changes in the Company's strategy.
To combat this risk, the Company has established procedures to constantly monitor sector regulation and any changes thereto, in order to seize business opportunities and respond to any changes in the prevailing legislation and regulations in good time.

A.4. Performance of the financial markets

The Company's ability to meet its strategic and management objectives could depend on the performance of public markets. A negative trend on the public markets could have an effect on the private equity sector in general, making investment and divestment transactions more complex, and on the Company's ability to increase the NAV of investments in particular.

The value of shareholdings held directly or indirectly through funds in which the Company has invested could be affected by factors such as comparable transactions concluded on the market, sector multiples and market volatility.

These factors that cannot be directly controlled by the Company are constantly monitored in order to identify appropriate response strategies that involve both the provision of guidance for the management of investee companies, and the investment and value enhancement strategy for the assets held.

A.5. Exchange rates

Holding investments in currencies other than the euro exposes the Company to changes in exchange rates between currencies.

A.6. Interest rates

Ongoing financing operations that are subject to variable interest rates could expose the Company to an increase in related financial charges, in the event that the reference interest rates rise significantly.

The Company has established appropriate strategies to hedge against the risk of fluctuations in interest rates. Given the partial hedge of the underlying, the Company classifies these securities as speculative instruments, even though they are put in place for hedging purposes.

B. Strategic risks

B.1. Concentration of the Private Equity investment portfolio

The private equity investment strategy adopted by the company includes:
- Direct investments;
- Indirect investments (in funds).

Within this strategy, the Company's overall profitability could be adversely affected by an unfavourable trend in one or a few investments, if there were insufficient risk diversification, resulting from the excessive concentration of investment in a small number of assets, sectors, countries, currencies or of indirect investments in funds with limited investment targets/types of investment.

To combat these risk scenarios, the Company pursues an asset allocation strategy intended to create a balanced portfolio with a moderate risk profile, investing in attractive sectors and in companies with an appealing current and future risk/return ratio.

Furthermore, the combination of direct and indirect investments, which by their nature provide a high level of diversification, helps reduce the level of asset concentration.

B.2. Concentration of Alternative Asset Management activities

In the Alternative Asset Management business, events could arise as a result of excessive concentration that would hinder the achievement of the level of expected returns. These events could be due to:

• Private equity funds
  - concentration of the management activities of asset management companies across a limited number of funds, in the event that one or more funds decides to cancel its asset management mandate;
  - concentration of the financial resources of the funds managed in a limited number of sectors and/or geographical areas, in the event of currency, systemic or sector crises;
  - for closed-end funds, the concentration of commitment across just a few subscribers.

• Real estate funds
  - concentration of real estate present in the portfolio of managed funds in a few cities and/or in limited types of property (management/commercial), in the event of a crisis on the property market concerned;
  - concentration in respect of certain major tenants, in the event that these withdraw from the rental contracts, which could lead to a vacancy rate that has a negative impact on the funds' financial results and the valuation of the property managed;
  - concentration of the maturities of numerous real estate funds within a narrow timeframe, with the related high availability of property on the market, leading to a decrease in property values and an increase in selling times.

For each of the risk scenarios outlined above, the Company has defined and implemented appropriate strategies that include strategic, operational and management aspects, as well as a system monitoring the level of diversification of Alternative Asset Management assets.

B.3. Key resources (governance/organisation)

The Company's success depends to a large extent on its executive directors and key management figures, their ability to efficiently manage the business and the normal activities of individual Group companies, as well as knowledge of the market and the professional relationships established.

The departure of one or more of these key resources, without a suitable replacement being found, as well as any inability to attract and retain new and qualified resources, could impact growth targets and have a negative effect on the Group's operating performance and financial results.

To mitigate this risk, the Group has put in place HR management policies that correspond closely to the needs of the business, and incentive policies that are periodically reviewed, in light of, among other things, the general economic climate and the results achieved by the Group.

C. Operating risks

C.1. Investment operations

Investment operations conducted by the Company are subject to the risks typical of private equity activities, such as an accurate valuation of the target company and the nature of the transactions carried out, which require the acquisition of strategic shareholdings, but not controlling interests, governed by appropriate shareholders' agreements.

The Company implements a structured process of due diligence on target companies, which requires the involvement of the different levels of Group management concerned and the careful definition of shareholders' agreements in order to make sure that agreements are in line with the investment strategy and the risk profile defined by the company.

C.2. Compliance with covenants

Some investment operations were concluded using financial leverage to invest in the target companies. For financing contracts signed by investee companies, specific covenants backed by real guarantees are in place; failure to comply with these could require investee companies to carry out recapitalisation operations and lead to an increase in financial charges associated with debt refinancing. Failure to comply with covenants attached to loans could have negative effects on both the financial situation and operations of investee companies, and on the value of the investment.

The Company constantly monitors the significant reference parameters for the financial obligations taken on by investee companies, in order to identify any unexpected variance in good time.

C.3. Divestment operations

The Company invests over a medium- to long-term horizon.

Over the investment management period, external situations could arise that might have a significant impact on the operating results of the investee companies, and consequently on the value of the investment itself. Furthermore, in the case of co-investment, guiding the management of an investee company could prove problematic or unfeasible, and it may ultimately prove impossible to dispose of the stakes held owing to lock-up clauses.

The divestment strategy could therefore be negatively affected by various factors, some of which cannot be foreseen at the time the investments are made. There is therefore no guarantee that expected earnings will be realised given the risks resulting from the investments made.

To combat these risk situations, the Company has defined a process to monitor the performance of its investee companies, facilitated by its representation on the management bodies of significant investee companies, with a view to identifying any critical situations in good time.

C.4. Funding Risk

The income flows expected from the Alternative Asset Management business depend on the capacity of the ability of the asset management companies in which the Company invests to stabilise/grow their assets under management.

In this environment, fundraising activity could be harmed by both external factors, such as the continuation of the global economic crisis or the trend in interest rates, and internal factors, such as bad timing in respect of fundraising activities by the asset management companies, or the departure of key managers from the companies.

The Company has established appropriate risk management strategies in relation to fund raising, with a view to both involving new investors and retaining current investors.

Significant events after the end of 2014

Private equity funds - paid calls/distributions

After the end of 2014, the Company increased its investments in the IDeA I FoF, IDeA ICF II, IDeA OF I, IDeA EESS, IDeA ICF III and Atlantic Value Added funds following total payments of EUR 9,223 thousand (EUR 5,212 thousand, EUR 1,529 thousand, EUR 326 thousand, EUR 1,342 thousand, EUR 44 thousand and EUR 770 thousand, respectively).

At the same time, DeA Capital received capital reimbursements from the IDeA I FoF and IDeA ICF II funds of EUR 13,602 thousand and EUR 1,632 thousand respectively, to be used in full to reduce the value of the units.

Further information

In accordance with the provisions of IAS 10, the Company authorised the publication of these Financial Statements within the terms set by the laws in force.

Atypical or unusual transactions

In 2014, there were no atypical or unusual transactions as defined by Consob Communication 6064293 of 28 July 2006.

Significant non-recurring events and transactions

In 2014, the Company did not undertake any significant non-recurring transactions as defined by the above-mentioned Consob Communication.

Statement of responsibilities for the annual financial statements pursuant to article 154-*bis* of Legislative Decree 58/98

Statement of responsibilities for the Annual Financial Statements pursuant to article 154-bis of Legislative Decree 58/98

The undersigned, Paolo Ceretti, as Chief Executive Officer, and Manolo Santilli, as the manager responsible for preparing the accounting statements, hereby certify, pursuant to art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, that based on the characteristics of the Company, the administrative and accounting procedures for preparing the Annual Financial Statements during the year were suitable, and were effectively applied.

The assessment as to the suitability of the administrative and accounting procedures for preparing the Financial Statements for the Year Ending 31 December 2014 was based on a process established by DeA Capital S.p.A. in keeping with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is the generally accepted reference framework at the international level.

Note in this regard, that as described in the notes to the Annual Financial Statements, a significant portion of the assets are investments stated at fair value. Fair values were determined by directors based on their best estimate and judgment using the knowledge and evidence available at the time the Financial Statements were prepared. However, due to objective difficulties in making assessments and the absence of a liquid market, the values assigned to such assets could differ, and in some cases significantly, from those that could be obtained when the assets are sold.

The undersigned further certify that the Annual Financial Statements for the Year Ending 31 December 2014:

- correspond to the Company's accounting records;
- have been prepared in compliance with the International Financial Reporting Standards adopted by the European Union, and the measures issued to implement art. 9 of Legislative Decree 38/2005;
- to the best of their knowledge, provide a true and fair view of the operating performance and financial position of the issuer.

The Report on Operations contains a reliable analysis of operating performance and results and of the position of the issuer and all companies included in the basis of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

12 March 2015

Paolo Ceretti
Chief Executive Officer

Manolo Santilli
Manager responsible for preparing the Company's accounts

Information pursuant to art. 149-*duodecies* of the Consob Issuer Regulations

The table below was prepared in accordance with art. 149-duodecies of the Consob Issuer Regulations and reports the fees for 2014 for auditing and other services provided by the independent auditors and entities belonging to the independent auditors' network. The fees reported below do not include VAT and out-of-pocket expenses.

(EUR thousand)	**Company providing the service**	**Beneficiary**	**Compensation paid for FY 2014**
Audit	KPMG S.p.A.	DeA Capital S.p.A.	98
Certification services (1)	KPMG S.p.A.	DeA Capital S.p.A.	7
Total			**105**

(1) Single model subscription/770

Summary of Subsidiaries' Financial Statements to 31 December 2014

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(EUR thousand)	DeA Capital Real Estate	IDeA Capital Funds SGR	IDeA FIMIT SGR	Innovation Real Estate	Innovation Real Estate Advisory
Non-current assets	62,335	902	230,281	2,922	13
Current assets	2,692	9,741	24,333	20,201	1,891
Available-for-sale financial assets - non-current portion	-	-	-	-	-
Consolidated assets	**65,026**	**10,643**	**254,613**	**23,123**	**1,905**
Shareholders' equity	60,867	5,804	219,671	6,116	1,242
Non-current liabilities	-	552	24,258	1,919	114
Current liabilities	4,160	4,287	10,685	15,088	549
Consolidated liabilities	**65,026**	**10,643**	**254,613**	**23,123**	**1,905**
Alternative Asset Management fees	-	14,432	54,116	-	-
Service revenues	19	-	-	18,697	1,957
Other investment income/charges	8,205	26	619	17	-
Other income	0	38	50	23	3
Personnel costs	(1,138)	(5,587)	(14,894)	(6,401)	(662)
External service costs	(3,308)	(3,113)	(11,983)	(7,554)	(439)
Amortisation/depreciation	-	(221)	(14,021)	(93)	(1)
Other charges	(5)	(2)	(6,236)	(197)	(1)
Financial income	13	202	363	8	0
Financial charges	-	(0)	(377)	(37)	(2)
Taxes	1,555	(2,170)	(3,251)	(1,591)	(293)
Profit/(loss) for the period from held-for-sale operational assets	-	-	-	-	-
Net profit	**5,342**	**3,605**	**4,387**	**2,871**	**561**

Independent Auditors' Report (Original available in Italian version only)

Report of the Board of Statutory Auditors (Original available in Italian version only)

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