

PRESS RELEASE

**BOARD OF DIRECTORS APPROVES  
FIRST-HALF FINANCIAL STATEMENTS TO 30 JUNE 2018**

- ***Strong cash generation from the Investment Portfolio with a positive net financial position of the Holding Companies of EUR 86.9 million at 30 June 2018, which rises to more than EUR 120 million taking into account the distributions received by the funds following the end of the first half of the year***
- ***Assets under management of approximately EUR 11.2 billion***
- ***NAV (net asset value) per share of EUR 1.87 at 30 June 2018, compared to EUR 1.80 on 31 December 2017***
- ***Net profit for the Group came in at EUR 17.1 million at 30 June 2018, compared with EUR 6.2 million in the same period last year***

Milan, 6 September 2018 - The Board of Directors of **DeA Capital S.p.A.**, chaired by Lorenzo Pellicoli, met today to examine and approve the Half-Year Report to 30 June 2018.

**Analysis of the Consolidated Results to 30 June 2018**

- The **net financial position** of the **holding companies** was positive at **EUR 86.9 million** at 30 June 2018, compared with EUR 61.8 million at 31 December 2017 (adjusted for the distribution of the extraordinary dividend totalling around EUR 30.5 million). The change of EUR +25.1 million is primarily due to the net liquidity generated by the investment portfolio (EUR +31.0 million).
- **Net asset value (NAV)** was **EUR 1.87 per share**, compared with EUR 1.80 at 31 December 2017 (the 2017 figure was restated in accordance with the provisions of the new accounting standard IFRS 15, effective from 1 January 2018, and adjusted for the distribution of the extraordinary dividend of EUR 0.12 per share carried out in May 2018). **Total NAV** (consolidated shareholders' equity) was **EUR 473.4 million** compared with EUR 459.4 million at end-2017 (the latter was adjusted for the distribution of the above-mentioned dividend and in accordance with the provisions of the new accounting standard IFRS 15, effective from 1 January 2018).
- **At 30 June 2018 assets under management** totalled approximately EUR 11.2 billion, largely the same as last year.

Turning to the other key financials:

- **Investment portfolio.** The investment portfolio totalled EUR 387.1 million at 30 June 2018, compared with EUR 397.0 million at 31 December 2017 (the latter figure restated in accordance with the provisions of the new accounting standards). The investment portfolio comprises Private Equity investments (EUR 62.6 million), units in funds (EUR 180.7 million) and holdings in the Alternative Asset Management segment (EUR 143.8 million). In the first half of 2018, DeA Capital S.p.A. invested a total of EUR 4.3 million in funds and received distributions totalling EUR 27.8 million, resulting in a net positive balance of **EUR 23.5 million**.

Moreover, the Alternative Asset Management business distributed dividends totalling **EUR 7.5 million** to the DeA Capital Group's holding companies (EUR 5.4 million in 2017), broken down as follows: EUR 4.8 million to DeA Capital Real Estate (pro-rata share of the total EUR 7.4 million), EUR 2.5 million to DeA Capital Alternative Funds (100% of the dividends approved) and EUR 0.2 million to YARD (pro-rata share of the total EUR 0.4 million).

In May 2018, the fund IDeA OF I signed binding agreements for the sale (later finalised in July 2018) of the minority shareholding in Corin to Permira, a leading global private equity operator. The transaction entailed a net payment for the fund of EUR 65.6 million, for a multiple of 4 times the investment, and a capital gain of about EUR 51 million (**approximately EUR 24 million for the DeA Capital S.p.A. portion**, which was already reported in the Income Statement to 30 June 2018 prepared according to the new IFRS 9 accounting standard).

- **Group net profit:**

- At 30 June 2018, the Group net profit was **EUR +17.1 million**, compared with a profit of EUR +6.2 million at 30 June 2017. The Group's net profit was broadly in line with Comprehensive Income or the Statement of Performance IAS 1, due to the application, from 1 January 2018, of accounting standard IFRS 9.
- As a result of applying IFRS 9 from 1 January 2018, all changes in the fair value of financial investments are recognized through profit or loss from the first half of 2018, but were recognized in part directly in shareholders' equity in the first half of 2017; the comparison at the level of the Consolidated Income Statement between the two periods is therefore not significant with regard to the performance of the income / expenses deriving from the investments recorded in the Investment Portfolio.

## **Significant events after the end of the period**

Following the end of the first half of 2018, the DeA Capital Group increased its investment in funds with payments totalling EUR 2.9 million, and received distributions from the funds of **EUR 40.4 million**.

In July 2018, DeA Capital Alternative Funds SGR completed the launch of the IDeA Agro Fund, which is to be used to acquire and enhance the value of environmentally sustainable agricultural companies operating in Italy with assets of EUR 80 million. As a part of the above closing, DeA Capital S.p.A. subscribed to a commitment of EUR 2.3 million.

## Outlook

With regard to the activities of **Private Equity Investment** and **Alternative Asset Management**, work continues on increasing the value of portfolio investments and the development of the business relating to the two asset management companies, in line with what has been announced in previous press releases.

In terms of its capital position, DeA Capital S.p.A. will continue to maintain a solid financial structure, ensuring that shareholders receive attractive cash returns, primarily dividends, based on the available liquidity.

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**The First-Half Financial Statements to 30 June 2018** will be made available to the public on 7 September 2018, at the Company's headquarters, on the authorised storage system 1info ([www.1info.it](http://www.1info.it)) and on the website at: <http://www.deacapital.com/IT/29/Bilanci%20e%20Relazioni.aspx>.

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### DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S ACCOUNTS

Manolo Santilli, Chief Financial Officer and the manager responsible for preparing the Company's accounts, hereby declares, pursuant to art. 154-*bis*, para. 2 of the Consolidated Finance Law (TUF), that the financial information contained in this press release accurately represents the figures in the Company's accounting records.

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**DeA Capital ([www.deacapital.com](http://www.deacapital.com))**. DeA Capital S.p.A., a De Agostini Group company, is one of the largest alternative investment companies in Italy. The Company, which operates in both Private Equity Investment and Alternative Asset Management, has about EUR 11.2 billion of assets under management and is listed in the STAR segment of the Milan stock exchange.

*The Group's operating performance and financial position, along with a summary of the financial results of the asset management companies, are summarised below.*

## Net Asset Value

	30 June 2018		1 January 2018 "adjusted"	
	M€	€/Sh.	M€	€/Sh.
<b>Private Equity Investment</b>				
- Kenan Inv. / Migros	30.2	0.12	45.6	0.18
- Funds - Private Equity / Real Estate	180.7	0.71	170.9	0.67
- Other (IDeaMI, Crescita,...)	32.4	0.13	33.4	0.13
<b>Total PEI (A)</b>	<b>243.3</b>	<b>0.96</b>	<b>249.9</b>	<b>0.98</b>
<b>Alternative Asset Management</b>				
- DeA Capital Real Estate SGR	98.1	0.39	101.2	0.40
- DeA Capital Alternative Funds SGR	39.2	0.15	39.9	0.16
- Other (YARD / SPC)	6.5	0.03	6.0	0.02
<b>Total AAM (B)</b>	<b>143.8</b>	<b>0.57</b>	<b>147.1</b>	<b>0.58</b>
<b>Investment Portfolio (A+B)</b>	<b>387.1</b>	<b>1.53</b>	<b>397.0</b>	<b>1.56</b>
<b>Other net assets (liabilities)</b>	<b>(0.6)</b>	<b>0.00</b>	<b>0.6</b>	<b>0.00</b>
<b>Net Financial Position Holdings</b>	<b>86.9</b>	<b>0.34</b>	<b>61.8</b>	<b>0.24</b>
<b>NAV</b>	<b>473.4</b>	<b>1.87</b>	<b>459.4</b>	<b>1.80</b>

## Consolidated Statement of Financial Position

(EUR thousand)	30.6.2018	1.1.2018 (*)	31.12.2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible and tangible assets</b>			
Goodwill	93,745	93,745	93,745
Intangible assets	22,660	23,488	23,488
Property, plant and equipment	1,116	1,458	1,458
Total intangible and tangible assets	117,521	118,691	118,691
<b>Investments</b>			
Investments valued at equity	28,512	29,293	29,293
Investments held by Funds	88,936	48,583	48,583
- Investments available for sale			
- Related companies and JV recognised in P&L			
- Other investments at Fair Value through P&L	88,936	48,583	
Other Investments available for sale			78,953
Other Investments at Fair Value through P&L	62,647	78,953	
Funds available for sale			169,776
Funds misured at Fair Value through P&L	150,846	169,776	
Other financial asset at Fair Value through P&L			13
	24	13	
Total financial Investments	330,965	326,618	326,618
<b>Other non-current assets</b>			
Deferred tax assets	1,612	2,173	2,173
Loans and receivables	179	684	684
Receivables for deferment of placement costs	535	587	0
Other non-current assets	4,199	5,403	5,403
Total other non-current assets	6,525	8,847	8,260
<b>Total non-current assets</b>	<b>455,011</b>	<b>454,156</b>	<b>453,569</b>
<b>Current assets</b>			
Trade receivables	12,876	16,069	16,069
Financial assets measured at Fair Value	5,323	4,385	4,385
Financial receivables	0	578	578
Tax receivables from parent companies	1,163	1,055	1,055
Other tax receivables	2,361	11,272	11,272
Other receivables	10,966	16,886	16,886
Cash and cash equivalents	147,370	127,916	127,916
Total current assets	180,059	178,161	178,161
<b>Total current assets</b>	<b>180,059</b>	<b>178,161</b>	<b>178,161</b>
<b>TOTAL ASSETS</b>	<b>635,070</b>	<b>632,317</b>	<b>631,730</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Net equity Group	473,443	489,877	489,431
Minority interests	123,338	95,182	95,182
Shareholders' equity	596,781	585,059	584,613
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	6,434	8,190	8,049
Provisions for employee termination benefits	4,173	4,204	4,204
Payables to staff	82	81	81
<b>Total non-current liabilities</b>	<b>10,689</b>	<b>12,475</b>	<b>12,334</b>
<b>Current liabilities</b>			
Trade payables	7,034	6,594	6,594
Payables to staff and social security organisations	5,179	8,330	8,330
Current tax	6,992	1,998	1,998
Other tax payables	2,539	5,564	5,564
Other payables	5,656	12,097	12,097
Short term financial loans	200	200	200
<b>Total current liabilities</b>	<b>27,600</b>	<b>34,783</b>	<b>34,783</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>635,070</b>	<b>632,317</b>	<b>631,730</b>

(\*) Data at 31.12.2017 reclassified / restated for the application of IFRS 9 and IFRS 15

## Summary Consolidated Income Statement

(EUR thousand)	First Half 2018	First Half 2017
Alternative Asset Management fees	29,965	27,674
Income (loss) from equity investments	1,500	5,324
Other investment income/expense	46,818	7,214
Income from services	1,119	213
Other income	33	136
Other expenses (*)	(28,118)	(35,296)
Financial income and expenses	295	(126)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>51,612</b>	<b>5,139</b>
Income tax	(3,741)	440
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>47,871</b>	<b>5,579</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>47,871</b>	<b>5,579</b>
- Group share	17,118	6,235
- Non controlling interests	30,753	(656)
Earnings per share, basic (€)	0.067	0.024
Earnings per share, diluted (€)	0.067	0.024

(\*) Includes items "personnel costs", "service costs", "depreciation, amortization and impairment" and "other expenses"

## Consolidated Statement of Comprehensive Income

(EUR thousand)	First Half 2018	First Half 2017
<b>Profit/(loss) for the period (A)</b>	<b>47,871</b>	<b>5,579</b>
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period (*)	(152)	16,756
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	122	114
<b>Other comprehensive income, net of tax (B)</b>	<b>(30)</b>	<b>16,870</b>
<b>Total comprehensive income for the period (A)+(B)</b>	<b>47,841</b>	<b>22,449</b>
<b>Total comprehensive income attributable to:</b>		
- Group Share	17,040	21,929
- Non Controlling Interests	30,801	520

(\*) For 2017 the item mainly refers to available for sale assets, whose change in fair value, in accordance with the IFRS 9 accounting standard, is recognised as from 1 January 2018 directly in the income statement

## Consolidated Cash Flow Statement

<i>(EUR thousand)</i>	<b>First Half 2018</b>	<b>First Half 2017</b>
<b>CASH FLOW from operating activities</b>		
Investments in funds and shareholdings	(4,553)	(12,617)
Capital reimbursements from funds	30,269	10,056
Proceeds from the sale of investments	15,078	18,479
Interest received	325	83
Interest paid	(19)	(13)
Cash distribution from investments	203	1,328
Realized gains (losses) on exchange rate derivatives	1	(2)
Taxes paid	(4,686)	(416)
Dividends received	183	607
Management and performance fees received	44,956	22,818
Revenues for services	1,148	671
Operating expenses	(26,368)	(24,635)
<b>Net cash flow from operating activities</b>	<b>56,537</b>	<b>16,359</b>
<b>CASH FLOW from investment activities</b>		
Acquisition of property, plant and equipment	(74)	(15)
Sale of property, plant and equipment	34	1
Purchase of licenses	(9)	(338)
<b>Net cash flow from investing activities</b>	<b>(49)</b>	<b>(352)</b>
<b>CASH FLOW from financing activities</b>		
Acquisition of financial assets	(1,458)	0
Sale of financial assets	200	0
Share capital issued	0	276
Own shares acquired	(3,186)	(5,142)
Dividends paid	(33,098)	(32,962)
Loan	508	2,590
<b>Net cash flow from financing activities</b>	<b>(37,034)</b>	<b>(35,239)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>19,454</b>	<b>(19,232)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>127,916</b>	<b>96,438</b>
Effect of change in basis of consolidation: cash and cash equivalents	0	0
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>147,370</b>	<b>77,206</b>

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

## **Summary of the financial results of the asset management companies**

### **DeA Capital Alternative Funds SGR**

DeA Capital Alternative Funds SGR operates in the management of private equity funds (funds of funds, co-investment funds and theme funds). At 30 June 2018, the asset management company managed ten closed-end private equity funds, including four funds of funds (IDeA I FoF, ICF II, ICF III and IDeA Crescita Globale, which serves the retail sector), a "direct" co-investment fund (IDeA OF I), four theme funds (IDeA EESS, which operates in energy efficiency, IDeA ToI, in the agricultural foods sector, IDeA CCR I and IDeA CCR II, debtor-in-possession financing funds) and, since April 2015, Investitori Associati IV (in liquidation).

With regard to operating performance, the company posted a year-on-year increase of more than EUR 200 million in assets under management at the end of the first half of 2018. This was broadly due to the launch of the IDeA CCR II fund at the end of 2017, which had a favourable impact on all the financial performance indicators compared with the figures for the first half of 2017.

<b>DeA Capital Alternative Funds SGR (EUR million)</b>	<b>First Half 2018</b>	<b>First Half 2017</b>
AUM	2,185 <sup>(*)</sup>	1,938
Management fees	9.8	8.5
Net profit	2.0	1.2



<sup>(\*)</sup> The figure refers to Asset Under Management calculated as the sum of total commitments.

The reference amount for the calculation of commissions, on the other hand, is Euro 1,569 million

### **DeA Capital Real Estate SGR**

DeA Capital Real Estate SGR is the largest independent real estate asset management company in Italy, with around EUR 9.0 billion in assets under management and 42 managed funds (including three listed funds). This makes it a benchmark operator for Italian and international institutional investors in the promotion, creation and management of mutual real estate investment funds.

With regard to operating performance, in the first half of 2018, assets under management totalled EUR 9.0 billion, a decrease of EUR -0.4 billion from the same period of the previous year due mainly to the liquidation of several maturing funds.

Despite the aforementioned change in AUM, the company reported an increase in fees compared with the same period of the previous year, mainly due to the contribution of variable fees recorded on sales of assets in the portfolio by several managed funds.

Net profit was negatively affected by the impact from measuring units held in funds at fair market value (totalling EUR -1.9 million, mainly attributable to the Conero and IDeA FIMIT Sviluppo funds).

<b>DeA Capital Real Estate SGR (EUR million)</b>	<b>First Half 2018</b>	<b>First Half 2017</b>
AUM	8,972 <sup>(*)</sup>	9,353
Management fees	20.8	20.0
Ordinary Net Profit <sup>(#)</sup>	4.8	4.4
Net profit	2.4	(1.0)
- of which:		
- Shareholders	2.4	3.5
- Owners of financial equity instruments	0.0	(4.5)



<sup>(\*)</sup> The figure refers to Asset Under Management calculated as the sum of the funds managed assets.

The reference amount for the calculation of commissions, on the other hand, is Eur 8,333 million

<sup>(#)</sup> Before the impact of Purchase Price Allocation ("PPA"), impairment, other non-recurring items