

PRESS RELEASE

**BOARD OF DIRECTORS APPROVES  
INTERIM MANAGEMENT REPORT TO 31 MARCH 2018**

- ***Assets under management rose by around 6% compared with 31 March 2017, to over EUR 11.6 billion***
- ***Strong cash generation by the investment portfolio; the net financial position of the holding companies increased to EUR +105.8 million at 31 March 2018 (approximately 22% of the NAV), compared with EUR +92.3 million at 31 December 2017***
- ***Net asset value (NAV) was EUR 1.90 per share at 31 March 2018, compared with EUR 1.92 at 31 December 2017 (the 2017 figure was restated in accordance with the provisions of the new accounting standards IFRS 9 and IFRS 15, effective from 1 January 2018)***

Milan, 10 May 2018 - The Board of Directors of **DeA Capital S.p.A.**, chaired by Lorenzo Pellicoli, met today to examine and approve the Interim Management Report to 31 March 2018.

**Analysis of the Consolidated Results to 31 March 2018**

- **Assets under management** totalled over EUR 11.6 billion at **31 March 2018**, up 6.4% on the figure of EUR 10.9 billion at 31 March 2017:
  - **Real Estate (DeA Capital Real Estate SGR) totalled EUR 9.4 billion**, up by around 5% on 31 March 2017;
  - **Private Equity (DeA Capital Alternative Funds SGR) was EUR 2.2 billion**, an increase of around 12% on the figure at 31 March 2017.
- The **net financial position** of the **holding companies** was positive at EUR 105.8 million at 31 March 2018, an improvement on the EUR 92.3 million at 31 December 2017, corresponding to approximately 22% of the total NAV for the Group. The increase was primarily due to the distribution received by IDeA ToI associated with the sale of the La Piadineria Group. The consolidated net financial position rose to EUR 170.5 million at 31 March 2018, compared with EUR 128.9 million at 31 December 2017.
- **Net asset value (NAV)** was **EUR 1.90 per share**, compared with EUR 1.92 at 31 December 2017 (the 2017 figure was restated in accordance with the provisions of the new accounting standards IFRS 9 and IFRS 15, effective from 1 January 2018). The overall decrease in NAV in the first quarter of 2018 was around EUR 7.2 million (of which EUR 2.9 million relates to purchases of treasury shares) was mainly due to the fall in fair value of the Migros stock of EUR -8.2 million.

**Total NAV** (consolidated shareholders' equity) was **EUR 482.7 million**.

Turning to the other key financials:

- **Investment portfolio.** The investment portfolio totalled EUR 375.9 million at 31 March 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 70.4 million), units in funds (EUR 156.7 million) and holdings in the Alternative Asset Management segment (EUR 148.8 million). In the first quarter of 2018, DeA Capital S.p.A. invested a total of EUR 3.5 million in funds and received capital reimbursements totalling EUR 21.4 million, resulting in a net positive balance of EUR 17.9 million.

On 20 March 2018, the extraordinary shareholders' meeting of **Crescita SPAC** approved the business combination with Gruppo Cellular, brand holder of Cellularline and Italian leader in the development and sale of accessories for smartphones and tablets. On completion of the business combination – expected by the end of summer 2018 – DeA Capital S.p.A. will hold approximately 4% of the combined entity, taking into account the conversion of a portion (35%) of the special shares held.

- **Group Net Loss.** At 31 March 2018, the Group net loss was EUR -4.7 million, compared with a profit of EUR +6.8 million at 31 March 2017. The loss made in the first quarter of 2018 is primarily connected with the decrease in fair value of the Migros stock (EUR -8.2 million), which was partly offset by the performance of the funds' investments. The Group's net loss 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, which, for DeA Capital, entailed the recording in the income statement of changes in the fair value of shares and funds in the portfolio.

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

- During the first quarter of 2018, the Alternative Asset Management business distributed/approved dividends of a total of 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 from DeA Capital Real Estate (pro-rata share of the total EUR 7.4 million), EUR 2.5 million from DeA Capital Alternative Funds (100% of the dividends paid) and EUR 0.2 million from IRE (pro-rata share of the total amount of EUR 0.4 million).
- On 21 May 2018 (the ex-date), in accordance with the vote of the Shareholders' Meeting on 19 April 2018, DeA Capital will make an extraordinary partial distribution of the share premium reserve in an amount of approximately EUR 30.4 million, i.e. EUR 0.12 per share.

### **Outlook**

With regard to the **Private Equity Investment** area, the Group will continue its efforts to increase the value of the investments in its portfolio, and at the same time evaluate opportunities for new co-investment/club deal initiatives – including with funds managed by the Alternative Asset Management platform – that are smaller in size than in the past. The Group will also continue to sponsor new initiatives promoted by the platform and invest in funds it has launched, using the capital already available, as well as capital from the sale of portfolio assets and the reimbursements of funds in which DeA Capital S.p.A. has invested.

Turning to **Alternative Asset Management**, the Group will continue to develop its activities, aimed at consolidating its leadership in Italy and selectively exploring the opportunities for expansion in Europe. Development will be pursued through expansion of the investor base and a more extensive product range, with a stronger presence in the NPL segment.

Within this framework, in order to best capitalise on its internal know-how, the Group will strengthen and integrate its investor development/coverage functions, with the aim of raising awareness of DeA Capital S.p.A. as an integrated platform comprising private equity, real estate and NPL.

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 **Interim Management Report to 31 March 2018** will be made available to the public on 11 May 2018, at the Company's headquarters, on the authorised storage system 1info ([www.1info.it](http://www.1info.it)) and on page <http://www.deacapital.com/EN/29/Annual%20and%20Quarterly%20Reports.aspx> of the website.

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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 Italy's largest alternative investment companies. The Company, which operates in both Private Equity Investment and Alternative Asset Management, has about EUR 11.6 billion 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**

	31 March 2018		31 december 2017 "restated" (*)	
	M€	€/Sh.	M€	€/Sh.
<b>Private Equity Investment</b>				
- Kenan Inv. / Migros	37.4	0.15	45.6	0.18
- Funds - Private Equity / Real Estate	156.7	0.62	170.9	0.67
- Other (IDeaMI, Crescita,...)	33.0	0.13	33.4	0.13
<b>Total PEI (A)</b>	<b>227.1</b>	<b>0.90</b>	<b>249.9</b>	<b>0.98</b>
<b>Alternative Asset Management</b>				
- DeA Capital Real Estate SGR	101.9	0.40	101.2	0.40
- DeA Capital Alternative Funds SGR	40.8	0.16	39.9	0.16
- Other (IRE / SPC)	6.1	0.02	6.0	0.02
<b>Total AAM (B)</b>	<b>148.8</b>	<b>0.58</b>	<b>147.1</b>	<b>0.58</b>
<b>Investment Portfolio (A+B)</b>	<b>375.9</b>	<b>1.48</b>	<b>397.0</b>	<b>1.56</b>
<b>Other net assets (liabilities)</b>	<b>1.0</b>	<b>0.00</b>	<b>0.6</b>	<b>0.00</b>
<b>Net Financial Position Holdings</b>	<b>105.8</b>	<b>0.42</b>	<b>92.3</b>	<b>0.36</b>
<b>NAV</b>	<b>482.7</b>	<b>1.90</b>	<b>489.9</b>	<b>1.92</b>

(\*) Adjusted in accordance with the new accounting principles IFRS 9 and IFRS 15, effective as of January 1, 2018

## Consolidated Statement of Financial Position

(EUR thousand)	31.3.2018	31.12.2017 (*)
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible and tangible assets</b>		
Goodwill	93,745	93,745
Intangible assets	23,070	23,488
Property, plant and equipment	1,272	1,458
Total intangible and tangible assets	118,087	118,691
<b>Investments</b>		
Investments valued at equity	27,440	29,293
Investments held by Funds	38,179	48,583
- Investments valued at Fair Value through P&L	38,179	48,583
Other Investments valued at Fair Value through P&L	70,385	78,953
Funds valued at Fair Value through P&L	154,648	169,776
Other financial asset valued at Fair Value through P&L	13	13
Total Investments	290,665	326,618
<b>Other non-current assets</b>		
Deferred tax assets	2,421	2,173
Loans and receivables	628	684
Receivables for deferment of placement costs	561	587
Other non-current assets	10,750	5,403
Total other non-current assets	14,360	8,847
<b>Total non-current assets</b>	<b>423,112</b>	<b>454,156</b>
<b>Current assets</b>		
Trade receivables	15,689	16,069
Financial assets measured at Fair Value through OCI	4,204	4,385
Financial receivables	578	578
Tax receivables from Parent companies	1,214	1,055
Other tax receivables	6,908	11,272
Other receivables	6,562	16,886
Cash and cash equivalents	165,760	127,916
<b>Total current assets</b>	<b>200,915</b>	<b>178,161</b>
<b>Held-for-sale assets</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>624,027</b>	<b>632,317</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	253,659	255,670
Share premium reserve	233,829	234,713
Legal reserve	61,322	61,322
Fair value reserve	18	(6)
Other reserves	(10,191)	(10,536)
Retained earnings (losses)	(51,286)	(39,634)
Profit(loss) for the year	(4,697)	(11,652)
<b>Net equity Group</b>	<b>482,654</b>	<b>489,877</b>
<b>Minority interests</b>	<b>97,159</b>	<b>95,182</b>
<b>Shareholders' equity</b>	<b>579,813</b>	<b>585,059</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	6,433	8,190
Provisions for employee termination benefits	4,159	4,204
Long term financial loans	0	0
Payables to staff	82	81
<b>Total non-current liabilities</b>	<b>10,674</b>	<b>12,475</b>
<b>Current liabilities</b>		
Trade payables	6,019	6,594
Payables to staff and social security organisations	10,344	8,330
Current tax	5,156	1,998
Other tax payables	857	5,564
Other payables	10,964	12,097
Short term financial loans	200	200
<b>Total current liabilities</b>	<b>33,540</b>	<b>34,783</b>
<b>Held-for-sale liabilities</b>	<b>0</b>	<b>0</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>624,027</b>	<b>632,317</b>

(\*) Restated in accordance with the provisions of the new accounting standards IFRS 9 and IFRS 15

## Summary Consolidated Income Statement

(EUR thousand)	First Quarter 2018	First Quarter 2017
Alternative Asset Management fees	15,141	13,856
Income (loss) from equity investments	(476)	5,187
Other investment income/expense	(3,516)	2,049
Income from services	319	321
Other income	35	54
Other expenses (*)	(13,477)	(12,824)
Financial income and expenses	373	193
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(1,601)</b>	<b>8,836</b>
Income tax	(1,119)	(505)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>(2,720)</b>	<b>8,331</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(2,720)</b>	<b>8,331</b>
- Group share	(4,697)	6,754
- Non controlling interests	1,977	1,577
Earnings per share, basic (€)	(0.018)	0.047
Earnings per share, diluted (€)	(0.018)	0.047

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

## Consolidated Statement of Comprehensive Income

(EUR thousand)	First Quarter 2018	First Quarter 2017
<b>Profit/(loss) for the period (A)</b>	<b>(2,720)</b>	<b>8,331</b>
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period (*)	24	4,819
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	10	178
<b>Other comprehensive income, net of tax (B)</b>	<b>34</b>	<b>4,997</b>
<b>Total comprehensive income for the period (A)+(B)</b>	<b>(2,686)</b>	<b>13,328</b>
<b>Total comprehensive income attributable to:</b>		
- Group Share	(4,664)	13,054
- Non Controlling Interests	1,977	274

(\*) 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 Quarter 2018</b>	<b>First Quarter 2017</b>
<b>CASH FLOW from operating activities</b>		
Investments in funds and shareholdings	(3,626)	(10,014)
Capital reimbursements from funds	21,979	292
Proceeds from the sale of investments	8,500	88
Interest received	28	45
Interest paid	(16)	(9)
Cash distribution from investments	203	142
Realized gains (losses) on exchange rate derivatives	0	0
Taxes paid	(4,085)	(63)
Dividends received	0	0
Management and performance fees received	27,247	8,325
Revenues for services	589	292
Operating expenses	(10,286)	(10,942)
<b>Net cash flow from operating activities</b>	<b>40,533</b>	<b>(11,844)</b>
<b>CASH FLOW from investment activities</b>		
Acquisition of property, plant and equipment	(57)	(12)
Sale of property, plant and equipment	8	1
Purchase of licenses	0	(6)
<b>Net cash flow from investing activities</b>	<b>(49)</b>	<b>(17)</b>
<b>CASH FLOW from financing activities</b>		
Acquisition of financial assets	(3)	0
Sale of financial assets	200	0
Share capital issued	0	0
Own shares acquired	(2,895)	(2,092)
Share capital issued for Stock Option Plan	0	0
Dividends paid	0	0
Loan	58	75
Financial receivables/payables	0	0
Bank loan paid back	0	0
<b>Net cash flow from financing activities</b>	<b>(2,640)</b>	<b>(2,017)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>37,844</b>	<b>(13,878)</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>165,760</b>	<b>82,560</b>

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.

## **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 31 March 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 220 million in assets under management at the end of the first quarter of 2018. This was broadly due to the launch of the IDeA CCR II fund, completed at the end of 2017, which had a favourable impact on all the financial performance indicators compared with the year-earlier figures.

<b>DeA Capital Alternative Funds SGR (EUR million)</b>	<b>First Quarter 2018</b>	<b>First Quarter 2017</b>
AUM	2,160	1,937
Management fees	5.0	4.2
Net profit	0.9	0.7



(\*) 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 1,549 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 9.4 billion in assets under management and 43 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, the company posted a year-on-year increase of more than EUR 500 million in assets under management at the end of the first quarter of 2018. This was due to development activities in 2017 (notably, the launch of Phase 2 of the "Trophy Value Added" fund).

The net profit made by DeA Capital Real Estate SGR in the first quarter of 2018 was negatively affected by extraordinary liabilities of EUR -1.0 million.

<b>DeA Capital Real Estate SGR (EUR million)</b>	<b>First Quarter 2018</b>	<b>First Quarter 2017</b>
AUM	9,453 <sup>(*)</sup>	8,983
Management fees	10.4	10.1
Ordinary Net Profit <sup>(#)</sup>	2.1	2.3
Net profit	1.0	1.8
-of which:		
- Shareholders	1.0	1.9
- Owners of financial equity instruments	0.0	(0.1)



(\*) The figure refers to Asset Under Management calculated as the assets of the funds managed.

The reference amount for the calculation of commissions, on the other hand, is Euro 8,526 million

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