



BOARD OF DIRECTORS APPROVES INTERIM MANAGEMENT REPORT TO 30 SEPTEMBER 2016

- **NAV per share rose 4.1% in the first nine months of 2016**
- **Assets under management increased 13.3% compared with 31 December 2015, to EUR 10.8 billion**
- **EUR 28.7 million cash flow generated by the investment portfolio (funds and AAM platform) for the holding companies in the first nine months of 2016**
- **Consolidated net financial position was EUR +116.3 million at 30 September 2016, after the distribution of reserves of approximately EUR 31.6 million in May 2016**

Milan, 3 November 2016 - The Board of Directors of **DeA Capital S.p.A.** met today to examine and approve the Interim Management Report to 30 September 2016.

- **Net Asset Value.** At 30 September 2016, NAV was **EUR 2.03 per share**, compared with EUR 1.98 per share at 30 June 2016 and EUR 1.95 at 31 December 2015; the latter was adjusted for the distribution of the share premium reserve of EUR 0.12 per share in May 2016. **Total NAV** (Group shareholders' equity) was EUR 530.8 million, compared with EUR 520.0 million at 30 June 2016 and EUR 515.4 million at 31 December 2015 (also adjusted for the distribution of the share premium reserve). Treasury shares totalled 45,001,156 at 30 September 2016, equivalent to 14.7% of the share capital.
- **Group net profit.** In the first nine months of 2016, this amounted to EUR 9.8 million compared with EUR 72.8 million in the same period in 2015, which included the effects of the capital gain realised on the partial sale of Migros and those relating to the partial sale of a stake (Talgo) by one of the portfolio funds.
- **Group comprehensive income – IAS 1.** The figure of EUR 18.0 million in the first nine months of 2016 (EUR 13.8 million in the same period of the previous year) includes – in addition to the Group's net profit of EUR 9.8 million – fair value adjustments of EUR 8.2 million to the investment portfolio booked directly to shareholders' equity, due mainly to the increase in fair value of IDeA I FoF, ICF II and IDeA EESS.
- **Investment portfolio.** At 30 September 2016, this totalled EUR 447.4 million, compared with EUR 440.2 million at 30 June 2016 and EUR 454.8 million at 31 December 2015. The investment portfolio comprises private equity investments (EUR 87.0 million), units in funds (EUR 192.4 million) and holdings in the alternative asset management sector (EUR 168.0 million). During the first nine months of 2016, DeA Capital S.p.A. invested a total of EUR 6.8 million in funds and received capital reimbursements totalling EUR 17.8 million, resulting in a net positive balance of EUR 11.0 million. The main investments of DeA Capital in funds of funds managed by IDeA Capital Funds, IDeA I FoF (since the launch in January 2007) and ICF II (since the launch in February 2009) recorded an internal rate of return (IRR) of +6.0% and +13.5% respectively.
- **Assets under management.** Assets under management at 30 September 2016 amounted to EUR 10.8 billion, comprising: EUR 8.0 billion for IDeA FIMIT SGR, EUR 1.9 billion for IDeA Capital Funds SGR and EUR 0.9 billion for SPC (a company that specialises in debt recovery, with a focus on the banking, leasing, commercial and consumer sectors in Italy, in which DeA Capital S.p.A., via its subsidiary DeA Capital Real Estate, acquired an indirect stake of 66.3% in July 2016).

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Controlled and coordinated by De Agostini S.p.A., Registered Office in Novara, Via G. da Verrazano 15, 28100 Novara - Italy

Authorised 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

- **Net financial position.** This totalled EUR +116.3 million at 30 September 2016, compared with EUR +98.5 million at 30 June 2016 and EUR +133.8 million at 31 December 2015. The change in the first nine months of 2016 was mainly due to:
 - net receipts from portfolio funds of EUR +11.0 million;
 - distribution of the extraordinary dividend and share buy-backs totalling EUR -34.9 million.

The net financial position at **holding company** level was EUR 83.7 million at 30 September 2016, compared with EUR 78.2 million at 30 June 2016 and EUR 90.0 million at end-2015.

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

- On 14 October 2016, DeA Capital S.p.A. completed the acquisition from M&C S.p.A. of all the units and associated rights held by the latter in the IDeA Efficienza Energetica e Sviluppo Sostenibile fund (IDeA EESS), managed by IDeA Capital Funds SGR, for a price of EUR 5.35 million. This represents a discount of approximately 20% on the value of the units, as estimated according to the latest report available on the transaction date. This stake will be added to that already held by DeA Capital S.p.A.; therefore, following the transaction, the total stake held by DeA Capital S.p.A. in the EESS fund was 30.4%.
- The private equity funds in the portfolio generated further net reimbursements of EUR +5.3 million.

The Interim Management Report to 30 September 2016 will be made available to the public on 4 November 2016, at the Company's headquarters, on the authorised storage system *1info* (www.1info.it) and on <http://www.deacapital.it/IT/29/Bilanci%20e%20Relazioni.aspx>.

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 article 154-*bis*, para. 2, of the Consolidated Finance Law, 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.it). 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 around EUR 10.8 billion assets under management and is listed in the STAR segment of the Milan stock exchange.

The Group's operating performance and financial position at 30 September 2016, along with a summary of the financial results of the asset management companies, are summarised below.

Net Asset Value

	September 30, 2016		December 31, 2015 "adjusted" (*)	
	M€	€/Sh.	M€	€/Sh.
Private Equity Investment				
- Kenan Inv. / Migros	75,3	0,29	76,3	0,29
- Funds - Private Equity / Real Estate	192,4	0,74	194,1	0,74
- Other (Sigla, ..)	11,7	0,04	11,7	0,05
Total PEI (A)	279,4	1,07	282,1	1,08
Alternative Asset Management				
- IDeA FIMIT SGR	123,4	0,47	121,7	0,46
- IDeA Capital Funds SGR	38,7	0,15	39,7	0,15
- IRE / SPC	5,9	0,02	11,3	0,04
Total AAM (B)	168,0	0,64	172,7	0,65
Investment Portfolio (A+B)	447,4	1,71	454,8	1,73
Other net assets (liabilities)	(0,3)	0,00	2,2	0,00
Net Financial Position Holdings	83,7	0,32	58,4	0,22
NAV	530,8	2,03	515,4	1,95

(*) The "adjusted" results at December 31, 2015 take into account the extraordinary dividend distribution of 0,12 € / share, for a total 31,6 million Euro, which was completed in May 2016

Consolidated Income Statement

<i>(EUR thousand)</i>	Third Quarter 2016	First nine months of 2016	Third Quarter 2015	First nine months of 2015
Alternative Asset Management fees	15.477	43.938	17.009	48.222
Income from equity investments	547	444	0	(227)
Other investment income/expense	8.077	6.148	38.211	73.588
Income from services	810	8.302	4.796	13.441
Other income	53	120	3.040	3.162
Personnel costs	(5.586)	(21.870)	(7.342)	(23.834)
Service costs	(4.182)	(15.479)	(5.069)	(17.023)
Depreciation, amortization and impairment	(1.514)	(4.607)	(1.670)	(5.055)
Other expenses	(691)	(2.325)	(1.928)	(5.327)
Financial income	152	674	1.634	5.115
Financial expenses	(481)	(2.266)	(414)	(1.042)
PROFIT/(LOSS) BEFORE TAX	12.662	13.079	48.267	91.020
Income tax	(222)	(1.111)	(2.218)	(1.235)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	12.440	11.968	46.049	89.785
Profit (Loss) from discontinued operations/held-for-sale assets	0	0	116	286
PROFIT/(LOSS) FOR THE PERIOD	12.440	11.968	46.165	90.071
- Group share	7.945	9.849	49.141	72.785
- Non controlling interests	4.495	2.119	(2.976)	17.286
Earnings per share, basic (€)		0,038		0,275
Earnings per share, diluted (€)		0,038		0,275

Consolidated Statement of Comprehensive Income

<i>(EUR thousand)</i>	First nine months of 2016	First nine months of 2015
Profit/(loss) for the period (A)	11.968	90.071
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	9.809	(64.166)
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	111	24
Other comprehensive income, net of tax (B)	9.920	(64.142)
Total comprehensive income for the period (A)+(B)	21.888	25.929
Total comprehensive income attributable to:		
- Group Share	18.015	13.812
- Non Controlling Interests	3.873	12.117

Consolidated Cash Flow Statement

	First nine months of 2016	First nine months of 2015
<i>(EUR thousand)</i>		
CASH FLOW from operating activities		
Investments in funds and shareholdings	(17.071)	(22.536)
Capital reimbursements from funds	11.496	30.326
Proceeds from the sale of investments	16.752	152.363
Interest received	229	205
Interest paid	(26)	(746)
Cash distribution from investments	49	2.686
Realized gains (losses) on exchange rate derivatives	(1)	15
Taxes paid	(161)	768
Dividends received	1.500	0
Management and performance fees received	41.280	49.278
Revenues for services	12.123	17.824
Operating expenses	(43.901)	(54.551)
Net cash flow from operating activities	22.269	175.632
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(46)	(125)
Sale of property, plant and equipment	70	354
Purchase of licenses	(228)	(70)
Net cash flow from investing activities	(204)	159
CASH FLOW from financing activities		
Acquisition of financial assets	(1.939)	0
Sale of financial assets	4.503	982
Share capital issued	2.369	1.745
Own shares acquired	(3.327)	(11.634)
Dividends paid	(33.492)	(99.652)
Loan	1.404	(3.187)
Quasi-equity loan	0	0
Bank loan paid back	(466)	(4.000)
Net cash flow from financing activities	(30.948)	(115.746)
CHANGE IN CASH AND CASH EQUIVALENTS	(8.883)	60.045
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	123.468	55.583
Cash and cash equivalents relating to held-for-sale assets	0	0
Cash and cash equivalents at beginning of period	123.468	55.583
Effect of change in basis of consolidation: cash and cash equivalents	(8.520)	(97)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	106.065	115.531
Held-for-sale assets and minority interests	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	106.065	115.531

Summary of the financial results of the asset management companies

- IDeA Capital Funds SGR (wholly-owned)

IDeA Capital Funds SGR is one of Italy's leading asset management companies, specialising in Italian and global private equity direct funds and funds of funds. IDeA Capital Funds manages nine closed-end private equity funds, namely four funds of funds (IDeA I FoF, ICF II, ICF III and IDeA Crescita Globale, the latter aimed at the retail segment), one fund that invests in minority interests in predominantly Italian SMEs (IDeA OF I) and three theme funds ("Efficienza Energetica e Sviluppo Sostenibile", "Taste of Italy" and IDeA CCR I, Italy's leading debtor-in-possession financing fund).

At 30 September 2016, IDeA Capital Funds SGR had assets under management of approximately EUR 1.9 billion.

IDeA Capital Funds SGR (EUR M)	First nine months 2016	First nine months 2015
Assets under management (in EUR billion)	1.9	1.6
Management fees	15.1	12.8
EBITDA	6.0	6.5
Net profit (loss)	3.8	4.1



- IDeA FIMIT SGR (64.3%-owned)

IDeA FIMIT SGR is the largest real estate asset management company in Italy, with around EUR 8.0 billion in assets under management and 38 managed funds (including five listed funds). This makes it a benchmark operator, on behalf of Italian and international institutional investors, in the promotion, creation and management of 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 and independent technical, legal and tax advisors.

IDeA FIMIT SGR (EUR M)	First nine months 2016	First nine months 2015
Assets under management (in EUR billion)	8.0	8.6
Management fees	30.3	37.1
EBITDA	11.5	15.7
Net profit (loss)	3.9	6.5
of which:		
- attributable to shareholders	4.2	6.5
- attributable to holders of financial equity instruments	-0.3	0.0

