DeA Capital S.p.A.

Annual Report at 31 December 2015

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 Shareholders' Meeting to be held at Spazio Chiossetto, Via Chiossetto 20, Milan:

☐ at 10 a.m. on Thursday, 21 April 2016, on first call;

☐ at 10 a.m. on Monday, 2 May 2016, on second call,

to discuss and resolve upon the following.

AGENDA

1. **Approval of the Annual Financial Statements for the year ended 31 December 2015. 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 2015.**
2. **Appointment of the Board of Directors and Chairman following determination of the number of members to be appointed; determination of the terms of office and relevant remuneration. Related and consequent resolutions.**
3. **Appointment of the Board of Auditors and Chairman; determination of the relevant remuneration. Related and consequent resolutions.**
4. **Authorisation to buy and sell treasury shares. 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.**

* * *

Presentation of proposals for resolution/addition to 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 **21 March 2016**), for items to be added to the meeting agenda, indicating on the request the additional 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 proposals for resolution/addition to the agenda of the new items or the additional proposals for resolution relating to items already on the agenda. The Company is responsible for notifying shareholders of the addition to the meeting agenda of any new items or additional proposals relating to 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 the publication of the notice confirming the addition to the agenda of new items or additional proposals for resolution on existing items, said proposals for addition/resolution, 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 58/1998.

With the exception of proposals relating to the issues listed in art. 125-*ter*, paragraph 1, of Legislative Decree 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 on the proposal of the Board of Directors or on the basis of a plan or report prepared by same.

Right to ask questions about items on the agenda

Those who are entitled to vote 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 **18 April 2016**). 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.

Entitlement 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 (**12 April 2016**) - 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. As a reminder, 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 an electronically signed digital document, 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 Corporate Governance/Shareholders' Meetings) or obtained from the Company's registered office or the registered office of Computershare S.p.A. The original of the proxy form, 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 **19 April 2016** for the first-call meeting or by **28 April 2016** for the second-call meeting). A copy of the proxy form, 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 attached 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 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.

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 10 March 2016 totalled 43,147,751, on which voting rights are suspended in accordance with the law).

Appointment of corporate bodies

The Board of Directors and Board of Auditors must be appointed in accordance with the procedures laid down in articles 11 and 18 of the articles of association, to which reference should be made.

Members of the Board of Directors and Board of Auditors are appointed by shareholders' meetings on the basis of lists submitted by shareholders.

The Board of Directors and Board of Auditors must be reappointed in accordance with the provisions relating to gender balance set out in Law 120 of 12 July 2011.

Lists may be presented by shareholders who, individually or jointly, hold at least 2.5% of the share capital. Ownership of the minimum equity interest required to submit a list is determined on the basis of the shares registered in the name of the shareholder on the date on which the lists are filed with the Company. No shareholders, including those belonging to the same group or covered by a relevant shareholders' agreement, as defined in art. 122 of Legislative Decree 58/1998, may submit or be involved in the submission of more than one list, whether directly, through another person or through a trust company, nor may they vote for more than one list Nominations filed and votes cast in breach of this provision will not be allocated to any list.

The lists of candidates presented by the shareholders, accompanied by the documentation required under articles 11 and 18 of the articles of association, must be filed at least twenty-five days before the date scheduled for the first-call meeting (i.e. Sunday, **27 March 2016**) at the Company's registered office, from Monday to Friday, 8.00 am to 7.00 pm and on Saturday from 8.00 am to 2.00 pm, or submitted by e-mail to the certified e-mail address deacapital@legalmail.it, together with information confirming the identities of the party submitting the lists. The lists must also be made available to the public at the Company's headquarters, on the Company's website, www.deacapital.it (under Corporate Governance/Shareholders' Meetings), and on the authorised storage system 1info, at www.1info.it, at least twenty-one days before the Shareholders' Meeting (i.e. by 31 March 2016).

Ownership of the minimum number of shares required to submit a list is determined on the basis of the certificates issued by the intermediary authorised under the relevant legislation and proving ownership of the number of shares represented, based on the shares registered in shareholders' names on the date on which the lists are filed with the Company.

Appointment of the Board of Directors

Under art. 11 of the articles of association, the office of director may only be held if the criteria laid down by law and under the applicable regulations are met.

The number of candidates on the lists may not exceed the number of members to be elected and each candidate must be assigned a sequential number. Candidates may appear on one list only or will be deemed ineligible.

Any list containing three or more candidates may not consist of candidates of one gender only (male or female). Of the total candidates on the lists, at least one third (rounded up) must be of the gender for which there are the fewest nominations.

The independent directors are selected from the list that obtains the highest number of votes.

Each list filed must be accompanied by: (i) declarations made by the individual candidates stating that they accept their nomination and undertake, if appointed to accept office; attesting, on their own responsibility, to the absence of any grounds for disqualification or ineligibility; and confirming that they satisfy the criteria for the roles concerned laid down in the legislation in force; (ii) CVs containing detailed information on the personal and professional characteristics of each candidate, and indicating that the candidate may be considered as independent; (iii) details of the identities of the shareholders who submitted the lists and their total shareholding as a percentage; and (iv) a copy of the certificates issued by the authorised intermediaries confirming ownership of the number of shares required to submit lists.

The recommendations made by Consob in its communication DEM/9017893 of 26 February 2009 also apply to those who present a "minority list".

Lists submitted that do not comply with the above are deemed to be null and void.

If only one or no lists are submitted, the shareholders' meeting must pass resolutions by the majority required by law.

Appointment of the Board of Auditors

At least one of the permanent auditors must be: (a) female, if the majority of the permanent auditors are male; or (b) male, if the majority of the permanent auditors are female.

Minority shareholders are entitled to appoint one permanent auditor and one deputy auditor.

Members of the Board of Auditors are appointed from lists, submitted by shareholders, in which the nominees have been assigned a sequential number. The lists must consist of two parts: one for nominees for the office of permanent auditor and the other for nominees for the office of deputy auditor.

Each list must contain the names of one or more candidates, with each candidate assigned a sequential number.

In lists with three or more candidates for the office of permanent or deputy auditor, at least one of the candidates for the office of permanent auditor must be different in gender from the other candidates.

The candidates for the office of permanent auditor must meet the requirements laid down by law, the articles of association and other applicable statutory and regulatory provisions.

Each list filed must be accompanied by: (i) information on the identity of the shareholders who submitted the lists, stating their total shareholding as a percentage; (ii) a declaration by shareholders other than those holding a controlling or relative majority interest, individually or jointly, certifying the absence of any association, as defined in art. 144-quinquies of Consob Issuer Regulation 11971; (iii) CVs containing detailed information on the personal and professional characteristics of each candidate, showing any director or auditor roles held in other companies, together with declarations from the individual candidates stating that they accept their nomination and undertake, if appointed, to accept the office; attesting, on their own responsibility, to the absence of any grounds for their disqualification or ineligibility; and confirming that they satisfy the requirements for holding office laid down by law and the articles of association. Shareholders submitting lists must also file a copy of the certificates issued by the authorised intermediaries confirming that they possess the number of shares required to submit lists according to the terms and conditions laid down in the legislation in force.

Lists which do not comply with the above provisions are deemed to be null and void.

If, by the closing date, only one list has been submitted or only lists from shareholders who are related to each other, as defined in the applicable legislation and regulations, additional lists may be submitted up to three days after that date (i.e. until 30 March 2016). Where this is the case, the minimum shareholding required for the submission of lists is reduced by half (i.e. 1.25% of the share capital). In the event that only one list has been submitted by the latter deadline, the entire Board of Auditors shall be appointed from that list and the first candidate shall be appointed Chairman of the Board of Auditors. If no lists have been submitted, the shareholders' meeting shall pass a resolution by majority vote, excluding abstentions.

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 (under 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:

- from today, at the same time as the publication of this notice, the Directors' Report on items 2 and 3;
- from 22 March 2016, the Directors' Report on item 1 and 5 of the agenda and the information document pursuant to art. 84-*bis* of Consob Issuer Regulation no. 11971;
- from 30 March 2016, the financial report and other documents referred to in art. 154-*ter* of Legislative Decree 58/1998 and the Remuneration Report, as well as the Directors' Report on item 4 of the agenda.

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 Legislative Decree 58/1998, on the Company's website (www.deacapital.it), according to the other procedures provided for under existing legislation, and as an excerpt in the newspaper Milano Finanza.

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Milan, 11 March 2016

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 coordination 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 42,688,945 treasury shares at 31 December 2015)

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
Donatella Busso (5)
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

Secretary to the Board of Directors
Diana Allegretti

Manager responsible for preparing the Company's accounts
Manolo Santilli

Independent Auditors
PricewaterhouseCoopers 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 NAV of the DeA Capital Group has remained broadly stable at EUR 2.07 per share, net of the extraordinary dividend paid in May. Thanks to the partial sale of the investment in Migros, we are now able to pay another extraordinary dividend, whilst retaining ample resources for buybacks and new investments."

to the Shareholders

Dear Shareholders,

European economic growth remained low in **2015**, despite the launch of even more expansionary monetary policies. This was partly due to the less favourable global environment and the impact this had on the prices of the main commodities.
The Italian economy began to expand for the first time in four years, but at rates still below 1% and hence not enough for Italy to shake off, once and for all, the economic and financial crisis that has dogged the last few years.
The European equity markets experienced a positive year in 2015, driven by the liquidity injected into the system by the ECB and bond yields at record lows. However, the recovery in early 2016 was sudden and only facilitated by a further intervention by the monetary authorities, and their toolkits are gradually becoming depleted and in need of assistance from fiscal policies.

DeA Capital has made further progress in its strategy to exit from its "historical" direct investment in private equity. Following the sale of its indirect holding in Générale de Santé, which generated proceeds of over EUR 160 million in 2014, half of its investment in Migros was sold to the Anadolu Group in July 2015, bringing in around EUR 108 million.

This additional inflow of financial resources has therefore enabled us to propose a new extraordinary dividend of EUR 0.12 per share to shareholders, on top of the dividend of EUR 0.30 per share paid in 2015, by distributing part of the share premium reserve. The total cost comes to over EUR 30 million, which allows the holding company to maintain a very healthy net financial position in its balance sheet.

It is the intention of DeA Capital's management to continue with the purchase of treasury shares, with the aim of creating value for shareholders, and take advantage of the opportunities offered by the size of the discount on the NAV at which the shares are trading.
Some of the cash will also be used for new investments to support the initiatives launched by the Group's asset management companies, as has always been done; this is partly aimed at aligning the interests of DeA Capital and those of external investors which rely on IDeA Capital Funds and IDeA FIMIT. Moreover, if any opportunities arise for co-investment in alternative assets, on a smaller scale than the main investments made by DeA Capital, they will be carefully considered, in order to create value in the medium to long term.

Your Company also expects to benefit from positive cash flows from its own private equity investments this year. The Group-managed funds in which the holding company invests made net distributions to the latter of over EUR 35 million in 2015 (EUR 14 million in 2014) and a positive contribution to the NAV. We still have some small investments that may be sold in the future.

In 2015, DeA Capital also continued to focus on developing activities in the Alternative Asset Management business, which generated revenues of EUR 85 million and around EUR 18 million in adjusted net profits.
Conditions for fundraising are still difficult, especially on the Italian market; IDeA Capital Funds and IDeA FIMIT continue to devote their efforts to identifying market opportunities and launching new products as they pursue the development of their business models. In 2015, the Italian property market at last began to show some clear signs of recovery in terms of both transaction values and prices, although this must be set against the continuing lack of Italian institutional investors and the sector's structural slowness in introducing the necessary changes. In this environment, the management considers that the conditions are nevertheless being created for DeA Capital to gradually strengthen its competitive positioning, and this objective will be consistently pursued.

Lorenzo Pellicioli
Chairman

Paolo Ceretti
Chief Executive Officer

Report on Operations

Profile of

With an investment portfolio of around EUR 455 million and assets under management of EUR 9,500 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, including 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.

Alternative Asset Management has been the Company's main focus for strategic development in recent years. In view of this, DeA Capital S.p.A. is expected to continue to concentrate its asset allocation in this business, partly through investments in funds managed by the above-mentioned private equity/real estate platform, with the aim of generating financial returns.

DeA Capital S.p.A.

PRIVATE EQUITY INVESTMENT

Direct investment
in companies mainly operating in Europe and Emerging Europe.

Indirect Investment
in private equity and real estate funds.

ALTERNATIVE ASSET MANAGEMENT

1.6 Bln €

IDeA Capital Funds SGR,
which manages private equity funds (funds of funds, co-investment funds and theme funds).

Assets under management: ***EUR 1.6 billion***

7.9 Bln €

IDeA FIMIT SGR,
which manages real estate funds.

Assets under management: ***EUR 7.9 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 2015, DeA Capital S.p.A. reported Group consolidated shareholders' equity of EUR 547.0 million (EUR 653.5 million at 31 December 2014, before the extraordinary dividend payout of EUR 79.9 million in May 2015), corresponding to a **net asset value (NAV) of EUR 2.07 per share**, with an investment portfolio of EUR 454.8 million (EUR 625.0 million at 31 December 2014).

More specifically, the investment portfolio consists of Private Equity Investment shareholdings of EUR 88.0 million, Private Equity Investment funds of EUR 194.1 million and net assets relating to the Alternative Asset Management business of EUR 172.7 million.

Investment Portfolio

	December 31, 2015	
	n.	EUR/mln
Equity investments	3	88.0
Funds (*)	13	194.1
Private Equity Investment	**16**	**282.1**
Alternative Asset Management (*)	**4**	**172.7**
Investment Portfolio	***20***	***454.8***

(*) Fully consolidated Private Equity funds and equity investments in subsidiaries relating to Alternative Asset Management are valued using the equity method in this table.

PRIVATE EQUITY INVESTMENT

● ***Main investments***

- **minority shareholding in Migros**, Turkey's leading food 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 17.11%);

- **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 funds IDeA Efficienza Energetica e Sviluppo Sostenibile (Energy Efficiency and Sustainable Development - IDeA EESS) and IDeA Taste of Italy (IDeA ToI);**

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

- units in six venture capital funds.

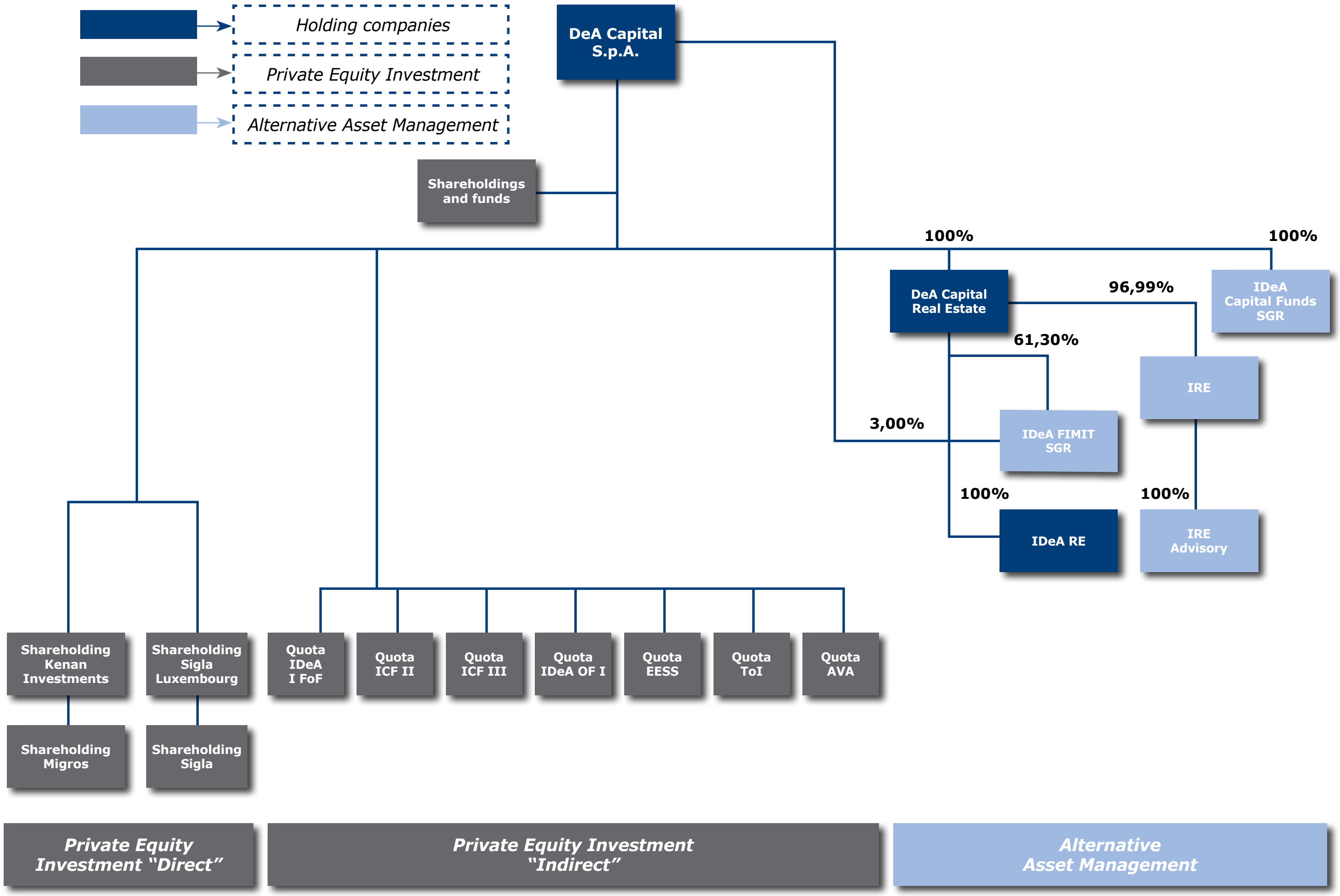
Alternative asset management

- **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 1.6 billion in assets under management and eight managed funds;

- **controlling interest in IDeA FIMIT SGR (64.30%),** Italy's largest independent real estate asset management company, with about EUR 7.9 billion in assets under management and 37 managed funds (including five listed funds);

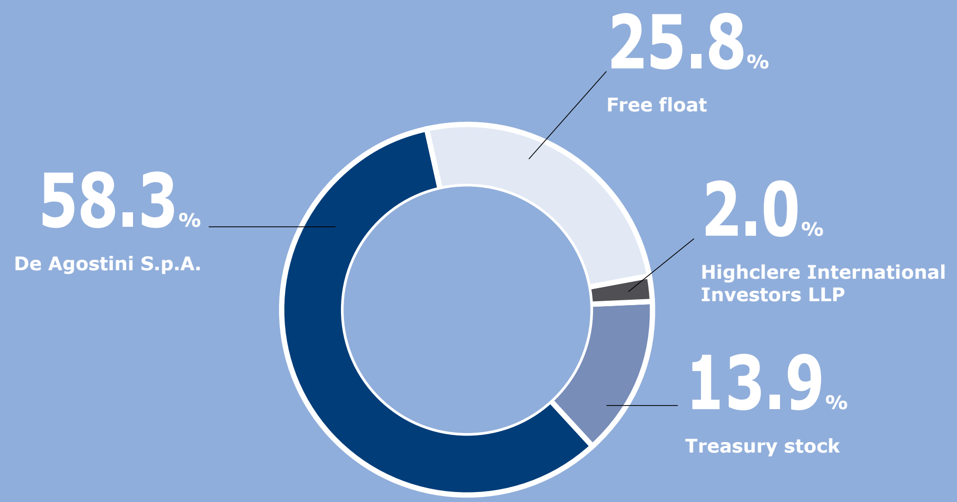
- **controlling interests in IRE/IRE Advisory (96.99%)**, which operate in project, property and facility management, as well as real estate brokerage.

At 31 December 2015, 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. (#)

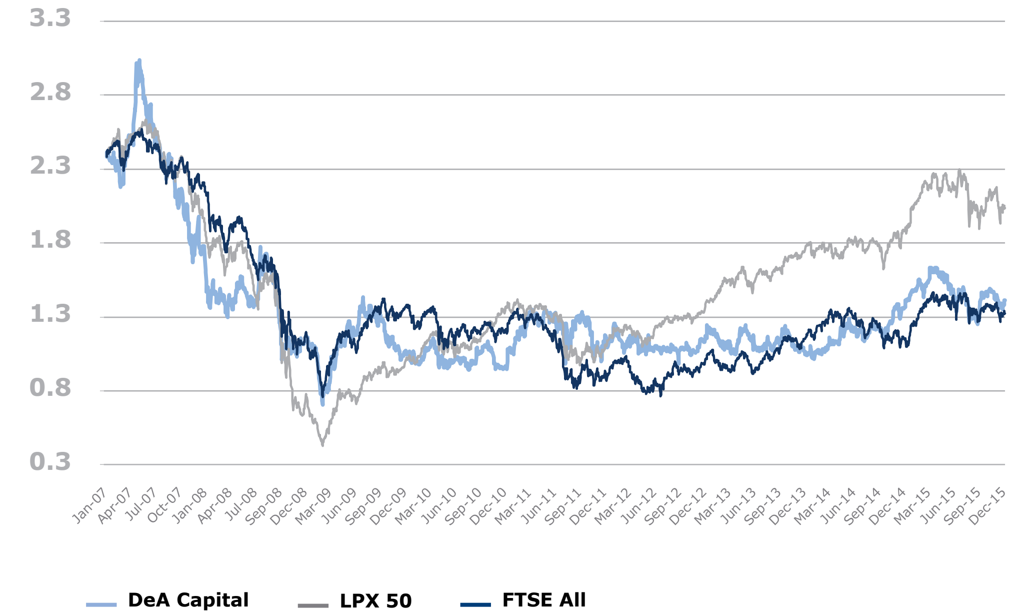


(#) Figures at 31 December 2015 based on the latest communications available
Note: At 9 March 2016, there were 43,147,751 treasury shares representing approximately 14.1% of share capital

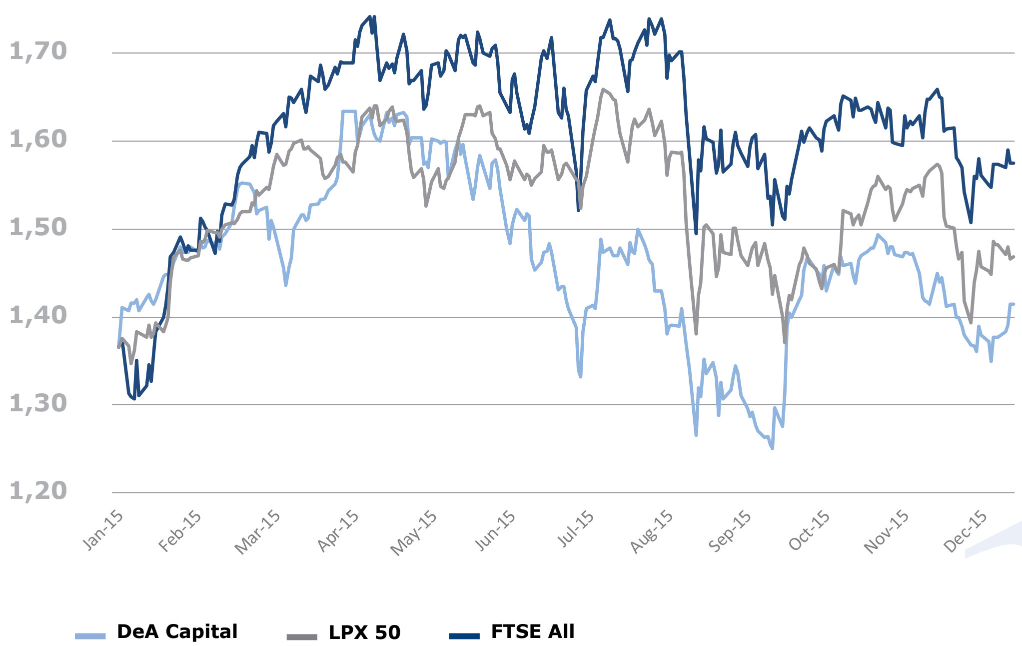
shareholders

SHARE PERFORMANCE *

Period from 11 January 2007, when DeA Capital S.p.A. began operations, to 31 December 2015



From 1 January 2015 to 31 December 2015



(*) 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 40.8% between 11 January 2007, when DEA Capital S.p.A. began operations, and 31 December 2015. In the same period, the FTSE All-Share® and LPX50® fell by 45.1% and 15.0% respectively.

The DeA Capital share rose by 3.6% in 2015, while the Italian market index FTSE All-Share® gained 15.4%, and the LPX50® 7.6%.
The share's liquidity was slightly lower than in 2014, with average daily trading volumes of more than 317,000 shares.

The prices and performance of the DeA Capital share have been adjusted by the amount paid to Shareholders (EUR 0.30 per share) in May 2015.

The share prices recorded in 2015 are shown below.

Figures in Euro/Share	2015
Maximum price	1.63
Minimum price	1.25
Average price	1.47
Price at 31 December 2015	**1.41**

(EUR million)	31 December 2015
Market capitalisation at 31 December 2015 (*)	434

(*) Capitalisation net of treasury shares: approximately EUR 372 million.

Investor Relations

DeA Capital S.p.A. maintains stable and structured relationships with institutional and individual investors. In 2015, as in previous years, the Company continued with its **communication activities**, including attendance at the STAR Conference held in Milan in March. The Company met with about ten institutional investors at this event. The Company 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. In early 2015, Edison Investment Research, an independent equities research specialist based in London, also began covering the share. In 2015, research relating to DeA Capital was read by more than 1,370 institutional investors and analysts from more than 34 countries, including Europe, Australia, North America and the rest of the world.

The research prepared by these intermediaries is available in the Investor Relations/Analyst Coverage section of the website www.deacapital.it.

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 construct 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 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)*.

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

In January 2015, the **new** DeA Capital S.p.A. **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 related to the DeA Capital Group's activities, strategy and investment portfolio. The social networks where DeA Capital S.p.A. has a presence can also be accessed from the homepage, and articles, communications and interesting sections selected by users can be shared on social media. DeA Capital S.p.A. has strengthened its presence on Wikipedia and the social networks Slideshare and LinkedIn, adding its most recent documents for institutional investors such as reports and presentations.

Since April 2014, DeA Capital S.p.A. has published an **interactive report** containing the annual results; the versions for 2013 and 2014 are available in the "Financial Statements and Reports" section of the website.

The website has always been the primary mode of contact for investors. They can subscribe to various mailing lists 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 quarterly results and share performance.

In this way, DeA Capital S.p.A. is 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 2015 are shown below, compared with the corresponding figures to 31 December 2014.

(EUR million)	**31.12.2015**	**31 12. 2014 *"adjusted"* (*)**	**31 12. 2014 *"as reported"***
NAV/share (EUR)	**2.07**	2.11	2.41
Group NAV	**547.0**	573.6	653.5
Investment portfolio	**454.8**	625.0	625.0
Net financial position - Holding companies	**90.0**	(39.3)	40.6
Consolidated net financial position	**133.8**	(22.1)	57.8

(*) The "adjusted" results at 31.12.2014 take into account the extraordinary dividend distribution of 0,30 € / share, for a total 79,9 million Euro, which was completed in May 2015

(EUR million)	**2015**	**2014**
Parent Company net profit/(loss)	**(18.9)**	(4.5)
Group net profit/(loss)	**41.1**	(57.6)
Comprehensive income (Group share) (Statement of Performance – IAS 1)	**(13.2)**	30.1

The table below shows the change in the NAV during 2015.

Change in Group NAV	**Total value (EUR m)**	**No. shares (millions)**	**Value per share (EUR)**
Group NAV "as reported" at 31.12.2014	**653.5**	**271.6**	**2.41**
Extraordinary dividend distributed	(79.9)		(0.30)
"Adjusted" Group NAV at 31.12.2014	**573.6**	**271.6**	**2.11**
Purchase of own shares	(13.0)	(7.7)	1.69*
Comprehensive income - Statement of Performance – IAS 1	(13.2)		
Other changes in NAV	(0.4)		
Group NAV at 31.12.2015	**547.0**	**263.9**	**2.07**

(*) Average price of purchases in 2015

The table below provides details of the Group's statement of financial position at 31 December 2015.

	December 31, 2015			December 31, 2014 "adjusted" (*)		
	M€	**% NIC**	**€/Sh.**	**M€**	**% NIC**	**€/Sh.**
Private Equity Investment						
- Kenan Inv. / Migros	**76.3**	17%	0.29	**209.1**	34%	0.77
- Funds - Private Equity / Real Estate	**194.1**	43%	0.74	**203.0**	33%	0.75
- Other (Sigla, ..)	**11.7**	3%	0.05	**11.4**	2%	0.04
Total PEI (A)	**282.1**	**62%**	**1.08**	**423.5**	**69%**	**1.56**
Alternative Asset Management						
- IDeA FIMIT SGR	**121.7**	27%	0.46	**144.6**	24%	0.53
- IDeA Capital Funds SGR	**39.7**	9%	0.15	**49.9**	8%	0.18
- IRE / IRE Advisory	**11.3**	3%	0.04	**7.0**	1%	0.03
Total AAM (B)	**172.7**	**38%**	**0.65**	**201.5**	**33%**	**0.74**
Investment Portfolio (A+B)	**454.8**	**100%**	**1.73**	**625.0**	**102%**	**2.30**
Other net assets (liabilities)	**2.2**	0%	0.00	**(12.1)**	-2%	(0.04)
NET INVESTED CAPITAL ("NIC")	**457.0**	**100%**	**1.73**	**612.9**	**100%**	**2.26**
Net Financial Position Holdings	**90.0**	20%	0.34	**(39.3)**	-6%	(0.15)
NAV	**547.0**	**120%**	**2.07**	**573.6**	**94%**	**2.11**

(*) The "adjusted" results at December 31, 2014 take into account the extraordinary dividend distribution of 0,30 € / share, for a total 79,9 million Euro, which was completed in May 2015.

4. Significant events during the year

The significant events that occurred in 2015 are reported below.

Private equity funds – paid calls/ distributions

In 2015, the DeA Capital Group increased its investment in the following funds by a total of EUR 19.9 million: IDeA I FoF (EUR 6.0 million), ICF II (EUR 2.5 million), ICF III (EUR 2.7 million), IDeA OF I (EUR 1.8 million), IDeA EESS (EUR 4.0 million), IDeA ToI (EUR 1.4 million) and AVA (EUR 1.5 million).

At the same time, the DeA Capital Group received capital reimbursements totalling EUR 54.6 million from IDeA I FoF (EUR 31.3 million), ICF II (EUR 4.7 million), IDeA OF I (EUR 17.0 million) and IDeA EESS (EUR 1.6 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 totalling EUR 34.7 million for the portion relating to the Group.

Share buyback plan

On **17 April 2015**, 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 revolving basis, a maximum number of ordinary shares in the Company representing a stake of up to 20% of the share capital.

April

The new plan replaces the previous plan approved by the shareholders' meeting on 17 April 2014 (which was scheduled to expire with the approval of the 2014 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 2015 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 Company's 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 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 (with certain exceptions specified in the plan). Sale transactions may also be carried out for trading purposes.

On the same date, the Board of Directors voted to implement 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 power of delegation, and set the maximum unit price above which purchases of treasury shares may not be made, at the NAV per share indicated in the most recent statement of financial position approved and disclosed to the market. At the same meeting, the Company's Board of Directors also voted to adopt market practice regarding the acquisition of treasury shares by setting up a "securities warehouse", as permitted by Consob Resolution 16839 of 19 March 2009.

New performance share plan

On **17 April 2015**, the DeA Capital S.p.A. Shareholders' Meeting approved the DeA Capital Performance Share Plan 2015-2017, under which a maximum of 675,000 units may be allocated. 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 2015-2017 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 515,000 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 and/or directors performing particular roles at the Company, its subsidiaries and the Parent Company De Agostini S.p.A.

On 27 August 2015, the Board of Directors allocated an additional 150,000 units to a new manager of the Company.

Shares allocated due to the vesting of units will be drawn from own shares already held by the company.

In addition, the Plan enables DeA Capital to oblige beneficiaries to return, in full or in part, shares received pursuant to the Plan, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the targets for the vesting of the units "*claw-back*").

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

Amendments to the performance share plan and the stock option plan for 2013-2015, 2014-2016 and 2015-2017

Pursuant to art. 114-*bis* of the TUF, on **17 April 2015**, the Shareholders' Meeting approved a number of amendments to the following current share-based incentive plans: (i) DeA Capital Performance Share Plan 2013-2015, (ii) DeA Capital Stock Option Plan 2013-2015, (iii) DeA Capital Performance Share Plan 2014-2016, and (iv) DeA Capital Stock Option Plan 2014-2016 (together, the Plans).

The amendments approved concern (i) the introduction of a second performance target, related to the total shareholder return of the DeA Capital share, and as an alternative to the target for growth of the Adjusted NAV, already provided for in the Plans, on which the conversion into shares of the units and the entitlement to exercise the options are dependent and (ii) the introduction of claw-back mechanisms that enable the Company to oblige beneficiaries to return shares received pursuant to the Plans, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the required performance targets.

Subsequently, on **5 November 2015**, in view of the distribution of the extraordinary dividend of EUR 0.30 approved by the Shareholders' Meeting on 17 April 2015 and the resulting reduction in the DeA Capital share value, the

Board of Directors of DeA Capital, as the competent body pursuant to the Plans' regulations, approved a number of amendments to the following incentive-based plans in order to keep the substance and financial content unchanged. Specifically:

- **Performance share plans**: the Board voted to compensate for the lower value of the Plans following the distribution of the extraordinary dividend, in the event that the vesting conditions are met, by allocating new units, to be determined on the vesting date. The new units, which will be valued at the price per share on the same date, will be allocated pro rata to the portion of units that have vested, up to the maximum number of units provided for under the above-mentioned Plans. The Board also resolved that where the lower value of the Plans cannot be compensated for by the allocation of new units, a one-off bonus will be paid as compensation in cash, commensurate with the portion of units that has vested;

- **Stock option plans**: the Board voted to adjust the strike price of the options commensurate with the extraordinary dividend, i.e. EUR 0.30 per share, subject to the lower limit represented by the nominal value of the DeA Capital share. Specifically, the Board voted to: reduce the strike price (i) from EUR 1.289 to EUR 1.000 for the Stock Option Plan 2013-2015 and (ii) from EUR 1.32 to EUR 1.020 for the Stock Option Plan 2014-2016.

Introduction of an increased voting rights mechanism (loyalty shares)

Also on **17 April 2015**, the Extraordinary Shareholders' Meeting of DeA Capital S.p.A. approved the amendment to article 9 of the Articles of Association, introducing a loyalty shares mechanism pursuant to article 127-*quinquies* of the TUF. Specifically, the mechanism will permit the allocation of two voting rights for every ordinary DeA Capital share held by the same shareholder of the Company for a continuous period of at least 24 months, starting from the registration of the shareholder on a special list, which will be set up and maintained by the Company. The introduction of the new mechanism is intended to encourage shareholders to retain their equity investments over the long term, and therefore promote the presence of long-term shareholders who are not geared towards short-termism and are endowed (through the increased voting rights) with more effective monitoring powers. This objective is particularly important for DeA Capital, whose business is traditionally characterised by medium- to long-term cycles.

Dividends from Alternative Asset Management

On **28 April 2015**, IDeA Capital Funds SGR paid dividends totalling EUR 3.5 million, attributable entirely to DeA Capital S.p.A.

On **6 May 2015**, IDeA FIMIT SGR paid dividends totalling EUR 7.2 million, of which approximately EUR 4.7 million was attributable to the DeA Capital Group.

In summary, dividends paid during 2015 by the Alternative Asset Management business to the DeA Capital Group's holding companies totalled EUR 8.2 million (EUR 12.5 million in 2014).

Distribution of the share premium reserve

On **13 May 2015**, in accordance with the vote of the Shareholders' Meeting on 17 April 2015, DeA Capital S.p.A. made a partial distribution of the share premium reserve in an amount of EUR 0.30 per share, i.e. based on the total number of shares net of treasury shares held, totalling around EUR 79.9 million.

Sale of stake in Migros and subsequent cash distribution by Kenan Investments

On **15 July 2015**, after approval from the Turkish antitrust authorities had been received (last condition precedent to completion of the transaction), Moonlight Capital S.A., a wholly-controlled special purpose vehicle of Kenan Investments S.A. (of which DeA Capital owns approximately 17%), completed the sale of a 40.25% stake in Migros to Anadolu Endüstri Holding, a leading Turkish conglomerate, based on the agreements entered into at the end of 2014.

Following the receipt of the proceeds from this sale, on **24 July 2015** Kenan Investments distributed a total of EUR 648.5 million to shareholders; DeA Capital's share amounted to EUR 107.7 million, generating a capital gain of EUR 46.3 million.

Given the proceeds already realised in previous years (EUR 79.8 million), the total cash-in from DeA Capital's investment in Migros is now EUR 187.5 million, in addition to the residual stake, valued at EUR 76.3 million at 31 December 2015 (corresponding to an indirect stake of approximately 6.9% in Migros' capital), against an initial investment of EUR 175 million (multiple of 1.51x on capital invested).

September

Second closing of IDeA Taste of Italy private equity fund

On **1 September 2015**, the IDeA Taste of Italy fund completed a second closing for a total of EUR 54 million, bringing the fund's total commitment to EUR 140 million.

DeA Capital S.p.A. took part in this closing via the subscription of commitments of up to EUR 5.65 million, taking its total commitment in the fund to EUR 14.25 million.

Definitive repayment of the credit facility with Mediobanca

On **2 September 2015**, the revolving credit facility in place with Mediobanca (EUR 40 million), already fully repaid at 31 July 2015, was definitively settled.

On 31 December 2015, the revolving credit facility of EUR 40 million with Intesa Sanpaolo, expiring on 30 June 2017, was still in place. This loan has not been drawn down and is therefore fully available.

October

Temporary extension of the credit facility granted to the Sigla Group

On **12 October 2015**, the agreement to extend the revolving credit facility in place between DeA Capital Group and the associate Sigla from 31 October 2015 to 21 September 2016 was finalised. This loan is secured by a lien on 51% of the shares of the borrowing company.

5. 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 dedicated to asset management activities and related services, with a focus on the management of private equity and real estate funds.

Private equity

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

There was keen interest in private equity ("PE") in 2015, with institutional and private investors increasing their allocation to this strategy, driven by the search for higher returns compared with traditional asset classes. Despite particularly buoyant demand for investment, certain contextual aspects need to be given careful consideration.

Investors' interest (limited partners, LP), fuelled i.a. by a steady flow of distributions received in recent years, has generated greater flows of capital to managers (general partners, GP); these, in turn, have found themselves having to manage an increasing amount of dry powder and invest the significant funds raised within defined timescales, as is common practice in PE. This has resulted in an increase in competition, which has pushed up valuations to particularly high levels and, in some markets in particular, has led to the need to extend the investment period. The current level of market multiples reflects this increase in competition, especially in buy-out strategies.

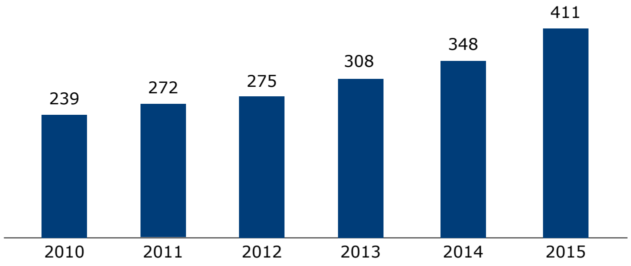
2015 was also a year of strong growth in the private credit market; fundraising rose by 10% compared with the previous year to its highest level since 2008 (USD 85 billion). Private credit is increasingly replacing loans from the banking sector, which is still mired in recession, especially in Europe; indeed the banking sector is proving to be a source of investment with very attractive risk/return profiles in the non-performing loans sector.

In the second half of the year, the state of euphoria that had pushed investments to record highs was dented by the continuing fall in the price of crude oil. This negatively impacted loans issued to support transactions funded by particularly aggressive financial structures; the high-yield bond and leveraged loan markets suffered outflows, with issues of these instruments slowing sharply. Fundraising by funds specialising in the energy sector slowed dramatically and many companies defaulted.

At the same time, the slowdown in the Chinese economy and, more generally, in all the BRIC countries – for different reasons in each – triggered an outflow of capital from emerging markets, causing currency depreciation against the dollar and valuation multiples to fall across the board. It also led to valuations of emerging market funds being denominated in dollars but invested in local currency. These markets also saw a sharp slowdown in fundraising from autumn, which will probably continue in 2016.

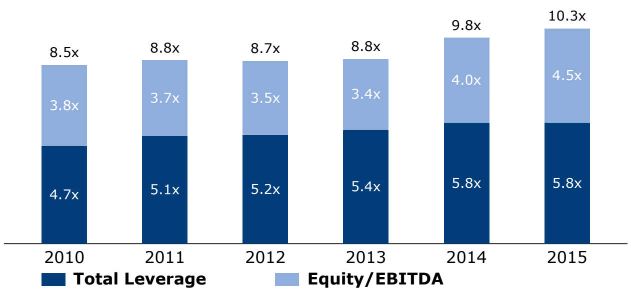
Investors honed their selection processes and concentrated their investments in a smaller number of higher-quality relationships. In addition, the financial structures of recent transactions involved a greater equity contribution (40%) compared with 2005-2007 (30-31%). Lastly, in terms of quality, GPs are increasingly focusing on making companies efficient using teams of operational partners.

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



Source: Preqin

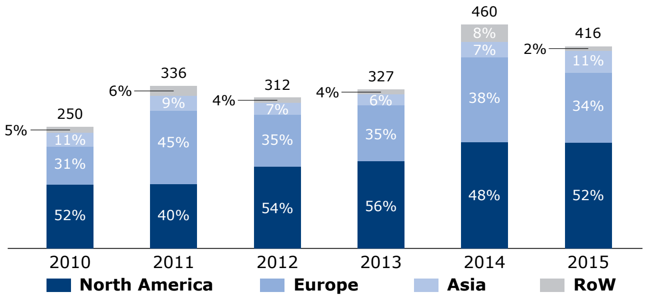
Prices and financial structures of LBO transactions



Source: S&P Capital IQ LCD

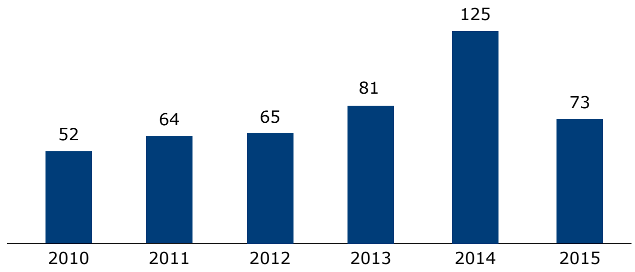
Investment also increased in 2015 (+10%). At USD 411 billion, the total value of transactions in 2015 was the highest since 2007.
The level of competition in larger transactions and the opportunity for GPs to complete transactions with a high level of low-cost debt have resulted in record valuations of LBO transactions. EV/EBITDA multiples in 2014 and 2015 topped the previous high in 2007

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



Source: Preqin

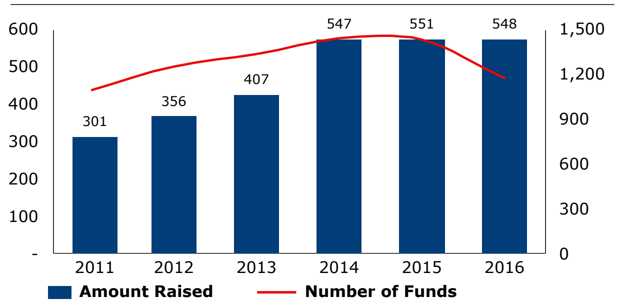
Volume of divestments of venture capital funds (USD billion)



Source: Preqin

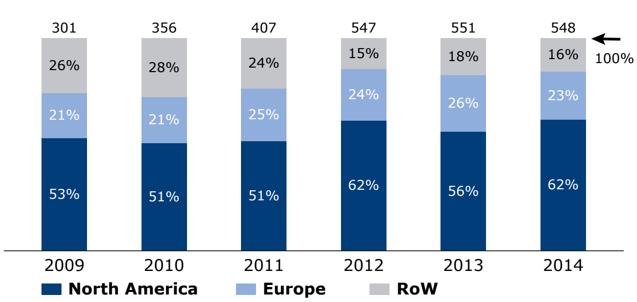
The volatility of the financial markets, especially in the second half of 2015, acted as a brake on disposals in the buy-out segment, which saw volumes fall by 10%. In geographical terms, the decline related mainly to Europe. The venture capital segment, however, was more stable, recording volumes similar to 2014.

Total PE fundraising (USD billion)



Source: Preqin

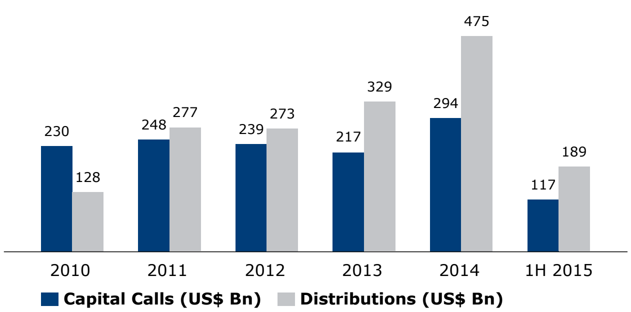
Global PE fundraising by region (USD billion)



Source: Preqin

Volumes of capital raised were very similar to those of the last two years. The main difference in 2015 was that the number of funds invested fell by 20%. Fundraising is gradually being concentrated in the hands of a small number of GPs which correspond to the selection criteria of the more sophisticated investors. In geographical terms, most capital has been raised for funds focused on North America, and has declined in Europe and emerging countries.

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



Source: Preqin

As the above chart shows, distributions in the first half of 2015 greatly exceeded capital calls at a global level in 2015. Given the volatility of the financial markets in the second half and the sustained level of investment activity reported in the current year, the net balance of distributions and capital calls may be lower at the end of the year.

It is also possible that 2016 will see a slowdown in both capital calls, given the current weakness of the high-yield debt and leveraged loans market, and distributions, where the main uncertainty is the volatility of the financial markets.

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

- In Europe, the pervasive uncertainty about the solidity of the financial sector could restrict banks' lending capacity. Some of the non-performing assets or limited-liquidity assets might also have to be transferred to specialist operators. Accordingly, the environment is particularly favourable for operators in private credit and special situations. Moreover, mid-market strategies in southern European countries may benefit from having lower valuations than comparable companies in continental Europe;
- The US has attractive strategies with opportunities outside the competitive arena. Mid-market funds aiming to achieve operating improvements in companies with lower-than-average performance can generate value without the use of leverage. Sector funds also have greater potential to generate and implement investment opportunities in shorter timescales. Lastly, restrictive monetary policies on particularly debt-oriented financial structures could trigger a new cycle of distressed debt. In this regard, defaults are already under way in the energy sector, a phenomenon which could create attractive investment opportunities for specialist funds.
- The deteriorating economic situation in emerging markets is reflected in reduced valuations, which are exacerbated by the depreciation of local currencies. The market favours funds with substantial capital still to invest because it is possible to access companies with better fundamentals in a less competitive environment. The increase in middle-class consumer spending is the investment theme that remains the main driver of opportunities in these countries.

Private equity in Italy

Statistics compiled by AIFI (Italian Private Equity and Venture Capital Association) up to the first half of 2015 show a sharp increase in fundraising compared with the same period in 2014. Capital raised in the market was EUR 1,328 million, a considerable increase on the EUR 434 million raised in the same period of 2014. The domestic component of capital rose to 57% of the total, with individual investors playing a significant role at 30% of fundraising.

There were 168 new investments worth a total of EUR 1,787 million (down by 5% compared with the same period in 2014). The bulk of the resources invested, as in previous years, went into buy-out transactions, which attracted EUR 1,142 million, on a par with the year-earlier figure.

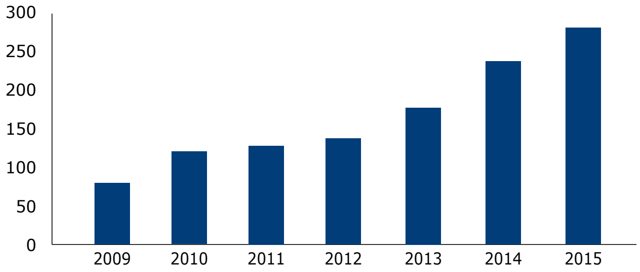
Divestment activity recovered significantly in the first half of 2015: 99 investments were sold, representing an increase of 45% on the same period in 2014. The amount divested, calculated at historical acquisition cost, totalled EUR 1,914 million, compared with EUR 886 million in the first half of 2014 (+116%).

Real Estate

Real Estate in Europe

Investment activity in Europe continued its recovery in 2015, increasing 18% on 2014 to EUR 263 billion; this even surpassed the previous peak of EUR 257 billion in 2007[1].

Non-residential sales and purchases in Europe (EUR billion)



Source: CBRE

Note, however, that activity slowed in the second half of the year, with a fall of 3% in the fourth quarter of 2015 compared with the same period in 2014. The biggest falls were in the UK, Spain, Sweden and eastern European countries, while Germany continued on its growth path.

The retail and hotel segments were the year's most dynamic performers, representing 26% and 8.6% of investment respectively. Investment activity in the US was the main source of non-European capital.

Yield compression continued but at a slower rate than in previous years.

Real Estate in Italy

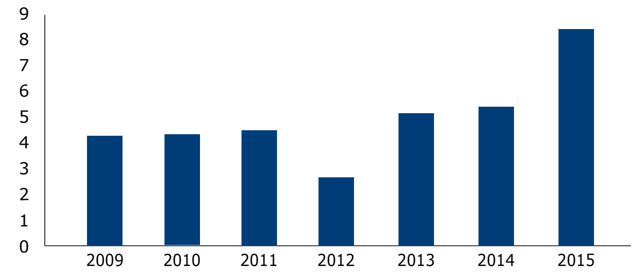
Real estate investment activity in Italy continued to improve in 2015, with growth of EUR 8.1 billion, a rise of 5% on 2014. Volumes mainly related to individual assets rather than portfolios (which fell to 28% of the total).

Foreign investment continued to account for a significant proportion of total capital invested, at 75%. This figure is, however, down on the 80% recorded in 2014, reflecting the recovery in Italian capital.

Of foreign investors, the US remains in pole position, followed by the Germans and then the Chinese, who were involved in some significant transactions in the year[2].

1 CBRE, *European Investment Quarterly - Market View* Q4 2015
2 CBRE, *Italian Investment Quarterly* Q4 2015

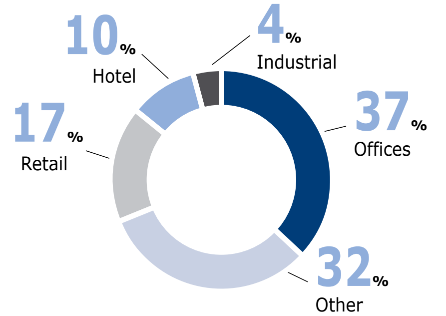
Sales and purchases by institutional investors (in EUR million)



Source: CBRE

In terms of the type of property bought or sold, the offices sector was still the largest in 2015, comprising 37% of the volume invested, followed by the retail sector with 17% (in decline) and hotels with 10%. The industrial/logistics sector also declined, with 4% of the total.

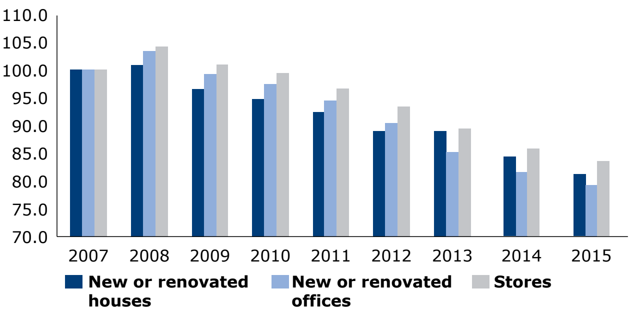
Breakdown of non-residential sales and purchases by intended use in 2015



Source: CBRE

Prices in the Italian real estate market continued to erode. Since 2008, a significant loss has built up, especially in the 13 main markets, with falls of 23.5% for offices, 19.6% for shops, 21.7% for new builds and 22.6% for existing property[3].

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



Source: Nomisma

3 Nomisma, Third Report on the Property Market 2015

Given the intense activity by institutional and speculative investors alike, together with the depleted stocks of prime properties, the general compression of prime net yields continued in 2015. Specifically, yields on offices contracted around 100 basis points on the previous year, to 4% in both Milan and Rome; the retail sector suffered too, with yields on high street shops, shopping centres and retail parks falling by 3.5%, 5% and 6% respectively compared with the previous year[4].

Real Estate funds in Italy

With an estimated EUR 48 billion at end-2015, Italian real estate funds represent about 10% of European real estate funds in terms of net assets. The expected increase in NAV (net asset value) for 2015 turned out at 11% compared with the previous year, slightly higher than the European average (9%)[5].

Eight new property funds for qualified or institutional investors become operational in the first half of 2015 (Assogestioni figures). Seven of the eight products plan to distribute income and their average duration is 20 years. Seven were created via a contribution and one in the normal manner. Two are speculative funds.

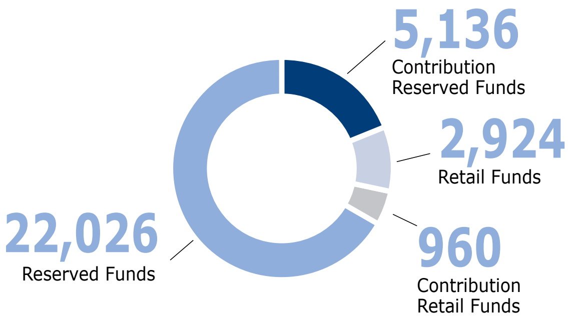
Gross fundraising in the first half of 2015 totalled EUR 791 million, a fall of 49.5% on the year-earlier period.

With regard to asset allocation, 48.8% of the funds' capital was invested in the offices sector, 13.4% in residential property, 13% in commercial property, 12.7% in property for other intended uses and the rest in real estate for the tourist and leisure industry (4.3%), the industrial sector (3.4%), logistics (2.9%) and nursing homes (1.5%). The biggest changes relate to real estate for nursing homes and industrial use, which rose by 21% and 12% respectively compared with the second half of 2014.

By geographical region, the main investments were in the North West (44%) and Central Italy (33.8%) with the remainder invested in the North East (12.4%), Southern Italy and the Islands (7.5%) and, lastly, abroad (2.4%).

In June 2015, the supply of real estate funds comprised 88% reserved funds with assets of around EUR 27 billion and 12% retail funds with assets of approximately EUR 4 billion.

Assets managed by various fund types (EUR million)



The breakdown of assets has changed slightly since 2014: property and real property rights accounted for 88.3% (a rise of 0.3% on December 2014), securities and liquidity 7.3% (a fall of 1.7% compared with December 2014), while the remaining portion comprised real estate companies and financial instruments representing securitisation transactions (down by 12% on December 2014).

At the end of the first half of 2015, 69% of funds used leverage to increase invested assets. The extent of leverage used (i.e. the ratio of each fund's debt to its debt capacity) was 55.7%, an increase of 0.7% on the last six months of the year.

Reserved funds, which were responsible for the majority of real estate portfolio movements in the period analysed, bought or transferred real estate worth over EUR 1.4 billion and sold property worth over EUR 900 million. Retail funds, however, bought or transferred property worth EUR 17 million and sold property worth EUR 145 million.

For the reserved funds, most of the movements in purchases were attributable to products that called up commitments during the period; however, these products were not the reason for the bulk of the disposals. Conversely, movements in retail funds related exclusively to products which did not call up commitments[6].

4 CBRE, *Marketview* Q4 2015
5 Source: Scenari Immobiliari – "Real Estate Funds in Italy and Abroad, 2015 Report"
6 Source: Assogestioni – Half-year report on Italian real estate funds, H2 2015

Private Equity Investment

In terms of shareholdings, at 31 December 2015, the DeA Capital Group was a shareholder of:

- Kenan Investments, the indirect parent company of Migros (valued at EUR 76.3 million);
- Sigla Luxembourg, the parent company of Sigla (valued at EUR 11.5 million);
- Harvip, which manages funds and investment vehicles used to purchase distressed investments (valued at EUR 0.2 million).

The DeA Capital Group is also a shareholder in other smaller companies 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 2015, the DeA Capital Group was subscribed to units in:

- IDeA I FoF (valued at EUR 77.2 million);
- ICF II (valued at EUR 41.7 million);
- ICF III (valued at EUR 4.8 million);
- IDeA OF I (valued at EUR 48.5 million);
- IDeA EESS (valued at EUR 7.3 million);
- IDeA ToI (valued at EUR 1.1 million);
- AVA (valued at EUR 3.8 million);
- six venture capital funds (with a total value of approximately EUR 9.7 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)

INVESTMENT DETAILS:

On 5 October 2007, the DeA Capital Group 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 salary-backed loans ("CQS") and personal 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 includes the servicing of portfolios of unsecured non-performing loans (personal loans and credit cards).

The investment in Sigla Luxembourg, which was reclassified under "assets held for sale" in light of the launch, in the fourth quarter of 2015, of a process to sell the shareholding, was reported at the lower of the initial carrying value and the estimated realisable value; its value in the Consolidated Financial Statements for the Year Ending 31 December 2015 was approximately EUR 11.5 million (EUR 11.2 million at 31 December 2014).

Sigla (mln €)	**2015**	**2014**	**Change**
Loans to customers*	**35.0**	41.5	(6.5)
Revenues from loans to customers	**0.4**	0.8	(0.4)
CQS granted	**152.5**	96.7	55.8
Revenues from CQS	**9.6**	5.0	4.6
Group net profit	**1.2**	(2.2)	3.4

* Receivables for personal loans net of impairment provisions

In terms of operating performance, Sigla recorded a net profit in 2015, a marked improvement on the result in 2014 (which had been impacted by extraordinary items totalling EUR -2.0 million). This was thanks to growth in salary-backed loans in connection with new funding raised in the second half of 2014 (totalling over EUR 500 million, including the additional agreements signed in October 2015), the full effects of which were felt from the second quarter of 2015.

REGISTERED OFFICE:

Italy

SECTOR:

Consumer credit

WEBSITE:

www.siglacredit.it

Innovative operator in credit for non-specific purpose

KENAN INVESTMENTS (HOLDER OF AN INDIRECT STAKE IN 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.

As of 15 July 2015, following the sale by Moonlight Capital, a wholly-controlled subsidiary of Kenan Investments, of a 40.25% stake in Migros to Anadolu Endüstri Holding, a leading Turkish conglomerate, Kenan Investments jointly controlled Migros with a stake of 40.25%.

BRIEF DESCRIPTION:

Migros was established in 1954 and is the leading company in the food retail sector in Turkey. The company has 1,410 sales outlets (at 31 December 2015), with a total net area of 1,016 thousand 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 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 stake in Kenan Investments is recorded in the Consolidated Financial Statements for the Year Ending 31 December 2015 at EUR 76.3 million (compared with EUR 209.1 million at 31 December 2014). This amount (indirectly corresponding to approximately 6.9% of Migros' capital, i.e. 40.25% of the latter's capital via the Group's interest in Kenan Investments) reflects a price per share of Migros of:

- TRY 26.00 (plus interest of 7.5% p.a. from 30 April 2015) for the stake subject to put/call options on 9.75% of Migros, as agreed with Anadolu and exercisable from 30 April 2017;
- TRY 17.45, being the market price on 31 December 2015, for the remaining stake (30.5% of Migros capital).

The change in the value of the stake in Kenan Investments at 31 December 2015 compared with 31 December 2014 reflects the following:

- net proceeds (EUR 107.7 million) received on 24 July 2015 following completion of the sale of a 40.25% stake in Migros;

- a decrease of EUR 25.2 million in the fair value reserve due to the fall in the share price (TRY 17.45 per share at 31 December 2015 compared with TRY 22.75 per share at 31 December 2014) and the depreciation of the Turkish lira against the euro (3.17 TRY/EUR at 31 December 2015 versus 2.83 TRY/EUR at 31 December 2014).

Note that the effect of the measurement of Migros at fair value on the NAV of the DeA Capital Group was partially offset by the reversal (EUR 11.4 million) of the payable for carried interest to be paid based on the achievement of certain performance parameters.

Migros (mln YTL)	**2015**	**2014**	**Change**
Revenues	**9,390**	8,123	15.6%
EBITDA	**602**	529	13.8%
Group net profit	**(371)**	96	n.a.
Net financial debt	**(1,748)**	(1,663)	-85 mln YTL

Funds

At 31 December 2015, 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 six venture capital funds, for a total carrying amount in the Consolidated Financial Statements for the Year Ending 31 December 2015 of EUR 194.1 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 92.6 million.

IDEA OPPORTUNITY FUND I >>

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, independently or via syndicates with a lead investor, by purchasing qualified minority interests.

At 31 December 2015, IDeA OF I had called up 81.2% of the total commitment and distributed 22.7% 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. In May 2015, IDeA OF I completed the sale of the entire stake in Giochi Preziosi for EUR 4.4 million (of which EUR 1.7 million was deferred until 31 December 2018), plus a potential earn-out conditional upon Giochi Preziosi achieving certain performance parameters. In addition to the above-mentioned transaction, IDeA OF I invested EUR 5.2 million to subscribe to a bond convertible into 5% of the shares of Giochi Preziosi (maturing on 31 December 2018);

- 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 pubblic authorities. 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. ("GNV"), 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 GNV 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 3.12%; Note that after 31 December 2015, the sale of the entire stake held in GNV to a company in the Marinvest Group, the main shareholder of GNV, was completed for a purchase price of EUR 3.4 million on 25 February 2016;

REGISTERED OFFICE:
Italy

SECTOR:
Private equity

WEBSITE:
www.ideasgr.com

Fund size:

217 million Euro

IDEA OF I

- 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 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. On 2 April 2015, a share capital increase totalling EUR 12.5 million (of which EUR 1.2 million was for IDeA OF I) was completed; this brought the stake held in the company to 7.8%;

- 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, which began in 2014, continued in 2015 for a total price of EUR 27.4 million (of which EUR 11.2 million was recorded at the end of 2014), generating a 3.5 times return on the original investment. Following the sale, IDeA OF I now owns approximately 1.1% 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%, 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 7 May 2015, a 45% partial stake in the subsidiary was sold as part of its listing on the Madrid stock exchange for net proceeds of EUR 24.3 million, a return of 3.6 times the investment. After this sale, IDeA OF I holds an indirect stake in Talgo of approximately 2.5%;

- on 12 December 2012, it acquired a stake of 29.34% in 2IL Orthopaedics, a Luxembourg-registered vehicle which, through a public takeover bid 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 services), 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 2015 at EUR 48.5 million, versus EUR 56.0 million at 31 December 2014. The change is attributable to capital calls of EUR 1.8 million, capital reimbursements of EUR 17.0 million, a pro-rata net gain for the period of EUR 13.1 million and a EUR 5.4 million decrease in fair value.

The table below shows a breakdown of the fund's NAV at 31 December 2015:

(EUR million)	100%	DeA Capital
Investments in Portfolio		
Giochi Preziosi	5.2	2.4
Manutencoop Facility Management	18.9	8.9
Lauro Cinquantasette (Euticals)	3.4	1.6
Telit Communications	13.0	6.1
Iacobucci HF Electronics	3.5	1.6
Pegaso Transportation Investments (Talgo)	6.0	2.8
2IL Orthopaedics LTD (Corin)	18.5	8.7
Elemaster	13.6	6.4
Grandi Navi Veloci	8.5	4.0
Total Investments in Portfolio	**90.6**	**42.5**
Other long term receivables	9.2	4.4
Other aseets (liabilities)	0.1	0.0
Cash and cash equivalents	3.4	1.6
Net equity	**103.3**	**48.5**

The table below shows the key figures for IDeA OF I at 31 December 2015.

IDeA OF I (€)	**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**		**19,129,000**	

IDeA I FoF

IDEA I FUND OF FUNDS

Capital Funds Sgr

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 41 funds with different investment strategies; these funds in turn hold 369 positions, with varying maturities, in companies active in geographical regions with different growth rates.

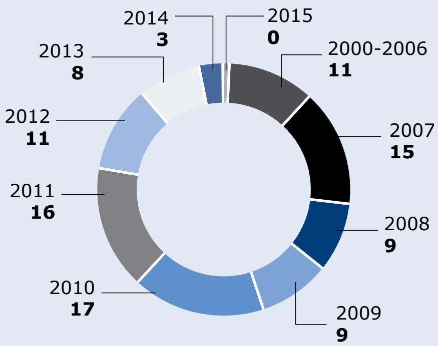
The funds are diversified in the buy-out (control) and expansion (minorities) categories, with overweighting towards medium- and small-scale transactions and special situations (distressed debt/equity and turnaround).

At 31 December 2015, IDeA I FoF had called up 84.7% of its total commitment and had made distributions totalling 65.6% of that commitment.

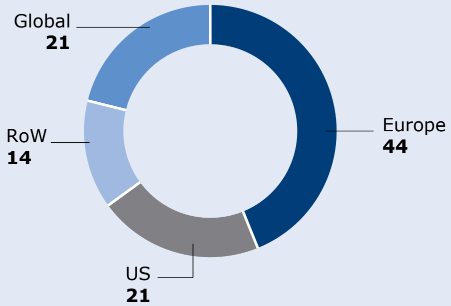
OTHER IMPORTANT INFORMATION:

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.

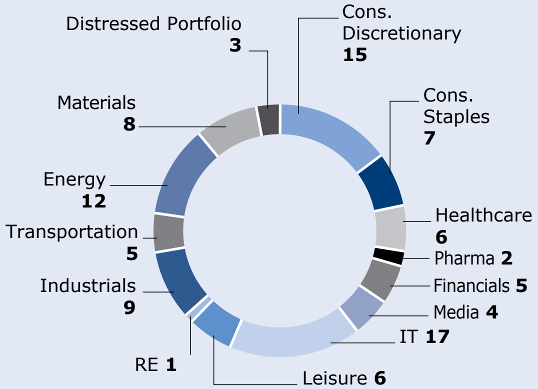
Breakdown by vintage[1] (%)



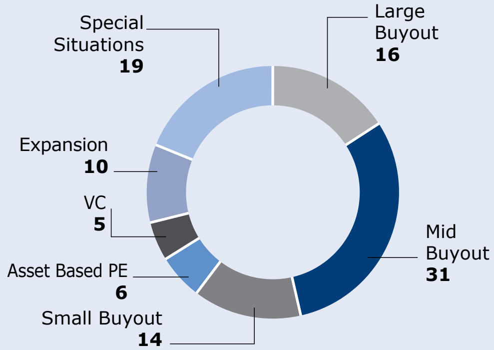
Breakdown by geography[2] (%)



Breakdown by industry[1] (%)



Breakdown by type[2] (%)



Notes:
1. % of the FMV of the investment at 31 December 2015;
2. % of fund size based on paid-in exposure (capital invested + residual commitments) at 31 December 2015

The units in IDeA I FoF had a value of approximately EUR 77.2 million in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 93.5 million at 31 December 2014). The change was due to capital calls of EUR 6.0 million, capital reimbursements of EUR 31.3 million and an increase in fair value of EUR 9.0 million.

The table below shows the key figures for IDeA I FOF at 31 December 2015.

IDeA I FoF (€)	**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**		**26,580,192**	

ICF II

REGISTERED OFFICE:
Italy

SECTOR:
Private Equity

WEBSITE:
www.ideasgr.com

Fund size:

281 million Euro

INVESTMENT DETAILS:

ICF II is a closed-end fund under Italian law for qualified investors, 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.

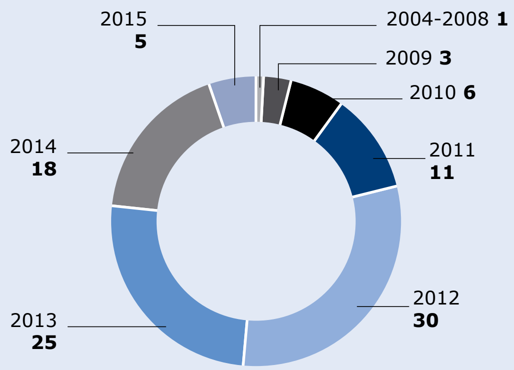
At the date of the latest report available, the ICF II portfolio was invested in 27 funds with different investment strategies; these funds in turn hold positions, with varying maturities, in around 348 companies active in various geographical regions.

At 31 December 2015, ICF II had called up around 68.8% of its total commitment and had made distributions totalling 21.6% of that commitment.

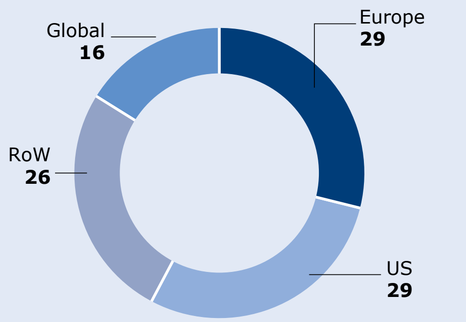
OTHER IMPORTANT INFORMATION:

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.

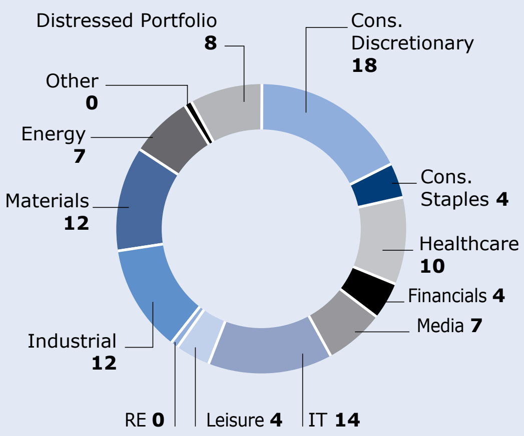
Breakdown by vintage(1) (%)



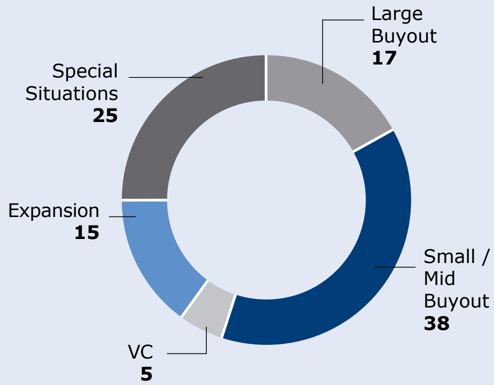
Breakdown by geography(2) (%)



Breakdown by industry(1) (%)



Breakdown by type(2) (%)



Notes:
1. % of the FMV of the investment at 31 December 2015;
2. % of fund size based on paid-in exposure (capital invested + residual commitments) at 31 December 2015

The units in ICF II had a value of approximately EUR 41.7 million in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 35.3 million at 31 December 2014). The increase was due to capital calls of EUR 2.5 million, capital reimbursements of EUR 4.7 million and a fair value increase of EUR 8.6 million.

The table below shows the key figures for ICF II at 31 December 2015:

ICF II (€)	**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**		**15,891,575**	

ICF III

IDeA Capital Funds Sgr

REGISTERED OFFICE:
Italy

SECTOR:
Private Equity

WEBSITE:
www.ideasgr.com

Fund size:

57 million Euro

INVESTMENT DETAILS:

ICF III is a closed-end fund under Italian law for qualified investors, 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 had total assets of approximately EUR 57 million at 31 December 2015, 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. After 31 December 2015, on 19 January 2016, the second and final closing of the fund was completed for EUR 9.9 million; this brought the final commitment of ICF III to EUR 67 million.

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 2015, ICF III had called up 46.4%, 54.3% and 25.0% in the Core, Credit & Distressed and Emerging Markets segments respectively.

The units in ICF III have a value of approximately EUR 4.8 million in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 1.7 million at 31 December 2014). The increase was the combined effect of capital calls of EUR 2.7 million and an increase in fair value of EUR 0.4 million.

The table below shows the key figures for ICF III at 31 December 2015.

ICF III (€)	**Registered office**	**Year of commitment**	**Fund Size**	**Subscribed commitment**	**% DeA Capital in fund**
ICF III	Italy	2014	57,050,000	12,500,000	21,91
of which:					
Segment Core			25,400,000	1,000,000	3,94
Segment Credit & Distressed			16,650,000	4,000,000	24,02
Segment Emerging Markets			15,000,000	7,500,000	50,00
Total residual commitment in:		**Euro**		**7,989,030**	

IDEA EFFICIENZA ENERGETICA E SVILUPPO SOSTENIBILE >>

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 of EUR 15.3 million in the fund.

BRIEF DESCRIPTION:

IDeA EESS, which has total assets of EUR 100 million, 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 solutions that are faster and cheaper in the use of renewable energy sources without compromising effectiveness in reducing CO_2 emissions, against a backdrop of sustained growth in global energy demand.

At 31 December 2015, IDeA EESS had called up 66.8% of its total commitment from subscribers, after making seven 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, investments that were written down in full at 31 December 2014. In view of the gradual deterioration in the company's results and financial position, it was put into liquidation on 9 March 2015;

- on 27 February 2013, the fund invested EUR 8.5 million to acquire a stake of 10% in Elemaster, a leading operator in ODM (original design manufacturing) and EMS (electronic manufacturing services), 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 carried out 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, as part of the latter's IPO. This investment breaks down as follows: 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

REGISTERED OFFICE:
Italy

SECTOR:
Private Equity

WEBSITE:
www.www.ideasgr.com

Fund size:

100 million Euro

IDEA EFFICIENZA ENERGETICA E SVILUPPO SOSTENIBILE

without voting rights. In December 2015, the fund increased its investment by EUR 3.1 million (of which EUR 0.1 million was for the above-mentioned special shares), bringing it to a total of EUR 7.0 million, for a holding of 18.57% in the SPAC. On 31 December 2015, in line with the SPAC's objectives, GreenItaly 1 completed the merger with Prima Vera S.p.A., an Italian leader in the energy efficiency sector and the supply of energy services via complex structures. After the merger, GreenItaly 1 held a stake of 8.1% in the company;

- During the first half of 2014, the fund invested in several further tranches in Meta System totalling EUR 12.5 million, representing a stake of 16.0% in the company; this subsequently increased to 21.5% through the reinvestment of its pro-rata proceeds of the sale of a subsidiary of Meta System. Meta System is active in the production of transmission equipment, electronic antennas and alarm systems for the automotive sector, as well as home telematics systems and battery chargers for electric vehicles. On 4 August 2015, an agreement was signed for the full disposal of the company in two tranches. The first tranche has been completed (60% of Meta System) for EUR 12.2 million, i.e. 1.6 times the initial investment, and the second tranche will take place via put/call mechanisms exercisable between October 2017 and February 2018;

- on 5 February 2015, the fund made its sixth investment, acquiring a shareholding in Baglioni via a first capital increase of EUR 8.0 million for a 35.9% stake in the Company. This was later increased to 41.2% through a further capital increase of EUR 2 million. Baglioni is a company involved in the design and manufacture of compressed air tanks for applications across a broad spectrum of industrial sectors;

- on 30 July 2015, the fund acquired a 26.81% stake in Italchimici S.r.l. for EUR 11.3 million. Italchimici is a pharmaceutical company specialising in the sale of respiratory and alimentary tract products; it has established itself as a leader in Italy in the paediatrics segment.

The units in IDeA EESS had a value of approximately EUR 7.3 million in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 4.3 million at 31 December 2014). The increase was due to capital calls of EUR 4.0 million, capital reimbursements of EUR 1.6 million and a fair value increase of EUR 0.8 million.

The table below shows the key figures for IDeA EESS at 31 December 2015.

IDeA EESS (€)	**Registered office**	**Year of commitment**	**Fund Size**	**Subscribed commitment**	**% DeA Capital in fund**
IDeA Efficienza Energetica e Sviluppo Sostenibile	Italy	2011	100,000,000	15,300,000	15.30
Residual Commitments					
Total residual commitment in:		**Euro**		**5,076,510**	

IDEA TASTE OF ITALY

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 of EUR 14.3 million in the fund.

BRIEF DESCRIPTION:

IDeA ToI, which had total assets of EUR 140 million at 31 December 2015, 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, either independently or with other co-investors.

The fund invests 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.

On 15 May 2015, IDeA ToI made its first investment, acquiring, together with co-investors, a total stake of 70% in a vehicle that wholly owns Gruppo La Piadineria; IDeA ToI's pro rata stake was EUR 10.6 million. Gruppo La Piadineria is Italy's largest chain of shops selling piadine (traditional flatbread sandwich wraps), with outlets in urban areas across northern and central Italy.

At 31 December 2015, IDeA ToI had called up 10.6% of the total commitment from subscribers.

The units in IDeA ToI had a value of approximately EUR 1.1 million in the Consolidated Financial Statements for the Year ending 31 December 2015 (close to zero at 31 December 2014). The increase was the combined effect of capital calls of EUR 1.4 million and a decrease in fair value of EUR 0.3 million.

The table below shows the key figures for IDeA ToI at 31 December 2015.

IDeA ToI (€)	**Registered office**	**Year of commitment**	**Fund Size**	**Subscribed commitment**	**% DeA Capital in fund**
IDeA Taste of Italy	Italy	2014	140,000,000	14,250,000	10.18
Residual Commitments					
Total residual commitment in:		**Euro**		**12,746,625**	

REGISTERED OFFICE:

Italy

SECTOR:

Private Equity

WEBSITE:

www.ideasgr.com

Fund size:

140 million Euro

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 S.p.A. has a commitment in the fund of up to EUR 5 million (corresponding to 9.1% of the total commitment), with payments of approximately EUR 4.8 million already made at 31 December 2015.

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.

From 29 December 2011 onwards, the fund successively invested a total of EUR 73.8 million to purchase/subscribe for units of the Venere fund, receiving capital reimbursements from the fund of EUR 13.9 million. The Venere fund is a closed-end speculative reserved real estate fund managed by IDeA FIMIT SGR.
The Venere fund's real estate portfolio consists of properties primarily for residential use located in northern Italy.

The units in the AVA fund had a value of approximately EUR 3.8 million in the Consolidated Financial Statements for the Year Ending 31 December 2015 (compared with EUR 2.6 million at 31 December 2014). The increase was the combined effect of net investments of EUR 1.5 million and the pro rata share for the period and other changes (EUR -0.3 million).

The table below shows the key figures for the AVA fund at 31 December 2015.

AVA (€)	**Registered office**	**Year of commitment**	***Fund Size***	**Subscribed commitment**	**% DeA Capital in fund**
Atlantic Value Added	Italy	2011	55,000,000	5,000,000	9.08
Residual Commitments					
Total residual commitment in:		**Euro**		**150,000**	

- Units in venture capital funds

The units in venture capital funds had a total value of approximately EUR 9.7 million in the Financial Statements for the Year Ending 31 December 2015 (EUR 9.6 million at 31 December 2014). The change was the combined effect of capital reimbursements of EUR 0.6 million, impairment of EUR 0.3 million and an increase in fair value of EUR 1.0 million.

The table below shows the key figures for venture capital funds in the portfolio at 31 December 2015.

Venture Capital Funds 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 III	Delaware U.S.A.	2003	417,172,000	5,000,000	1.20
Total Dollars				**21,925,000**	
Euro (€)					
Nexit Infocom 2000	Guernsey	2000	66,325,790	3,819,167	5.76
Sterlings (GBP)					
Amadeus Capital II	UK EU	2000	235,000,000	13,500,000	5.74
Residual Commitments					
Total residual commitment in:		**Euro**		**5,074,307**	

Alternative Asset Management

At 31 December 2015, 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

Assets under management:
1,6 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 2015, the asset management company managed eight closed-end private equity funds, including four funds of funds (IDeA I FoF, ICF II, ICF III and IDeA Crescita Globale, which targets the retail market), a "direct" co-investment fund (IDeA OF I), two theme funds (IDeA EESS, which operates in energy efficiency, and IDeA ToI, in the agricultural foods sector) and, since April 2015, Investitori Associati IV (in liquidation).

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 diversified portfolios 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 on diversification based on the appeal of individual sectors, while limiting early stage investments.

The investment philosophy of the **IDeA EESS** sector fund focuses on growth capital and buy-out private equity to support the growth of small and medium-sized enterprises with products/services of excellence in the energy efficiency and sustainable development. 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** fund is small and 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 2015.

(EUR million)	Assets under Management at 31 dec. 2015	Management fees at 31 dec. 2015
IDeA Capital Funds SGR		
IDeA I FoF	681	4.1
IDeA OF I	217	2.3
ICF II	281	2.2
IDeA EESS	100	2.0
IDeA Crescita Globale	55	1.4
ICF III	57	0.4
Taste of Italy	140	3.2
Investitori Associati IV	112	1.3
Total IDeA Capital Funds SGR	**1,643**	**16.9**

With regard to operating performance, IDeA Capital Funds SGR posted a year-on-year increase of approximately EUR 166 million in assets under management in 2015. This increase was due to the effects of the second closing of IDeA ToI (EUR 54 million, bringing the total commitment to EUR 140 million) and the takeover of the management of Investitori Associati IV, starting in April 2015.

IDeA Capital Funds SGR (EUR million)	**2015**	**2014**
AUM	1,643	1,477
Management fees	16.9	14.4
EBITDA	6.6	5.8
Net profit	4.2	3.6

IDEA FIMIT SGR

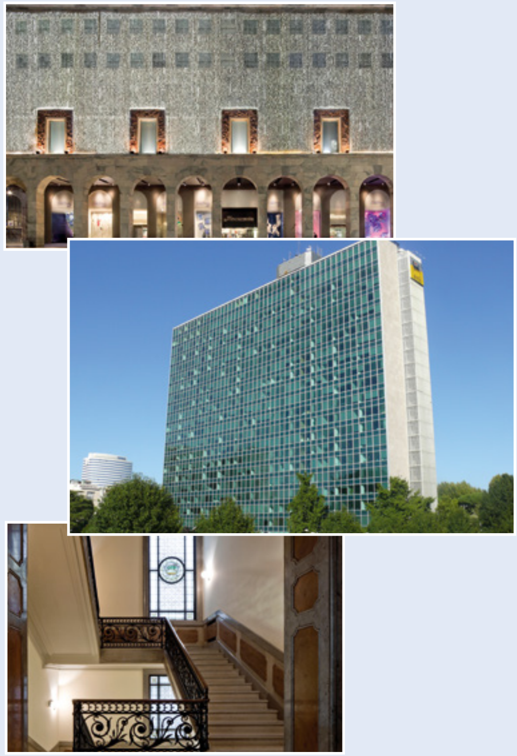
REGISTERED OFFICE:
Italy

SECTOR:
Alternative Asset Management - Real Estate

WEBSITE:
www.ideafimit.it

Assets under management:
7.9 billion

IDeA FIMIT sgr



INVESTMENT DETAILS:

IDeA FIMIT SGR is the largest independent real estate asset management company in Italy, with around EUR 7.9 billion in assets under management and 37 managed funds (including five listed funds). This puts it among the major partners of Italian and international investors in promoting, creating and managing 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 property value. In particular, the asset management company specialises in "core" and "core plus" properties, but its major investments also include "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 of high standing, such as pension funds, banking and insurance groups, companies and sovereign funds.

The table below summarises the value of assets under management and management fees for IDeA FIMIT SGR at 31 December 2015:

(EUR million)	**Assets under Management at 31 dec. 2015**	**Management fees at 31 dec. 2015**
Breakdown of funds		
Atlantic 1	604	2.7
Atlantic 2 Berenice	168	0.8
Alpha	376	4.2
Beta	84	0.8
Delta	215	2.5
Listed funds	**1,447**	**11**
Reserved funds	**6,437**	**36.7**
Total IDeA FIMIT SGR	**7,884**	**47.7**

Some of the key financials of the listed funds in the asset management portfolio are 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, i.e. Atlantic 1, Atlantic 2, Alpha, Beta and Delta (figures in EUR).

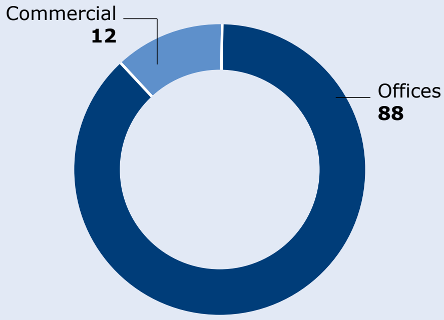
Atlantic 1	31.12.2015
Market value of properties	563,540,000
Historical cost and capitalised charges	611,870,324
Financing	341,647,526
Net Asset Value (NAV)	249,104,767
NAV/unit (EUR)	477.7
Market price/unit (EUR)	325.1
Dividend yield from investment*	5.72%

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

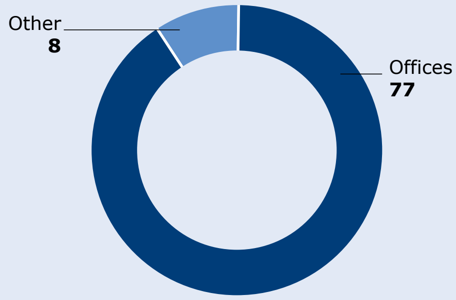
Atlantic 2 - Berenice	31.12.2015
Market value of properties	148,688,000
Historical cost and capitalised charges	181,327,320
Financing	66,400,766
Net Asset Value (NAV)	94,287,707
NAV/unit (EUR)	157.1
Market price/unit (EUR)	115.8
Dividend yield from investment*	9.12%

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

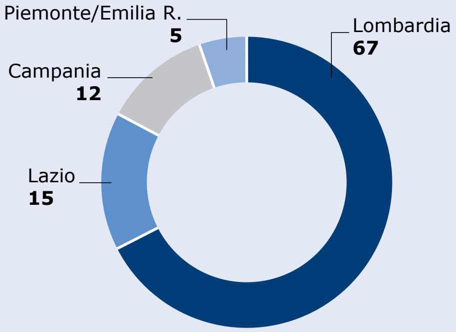
Atlantic 1:
Diversification by intended use (%)



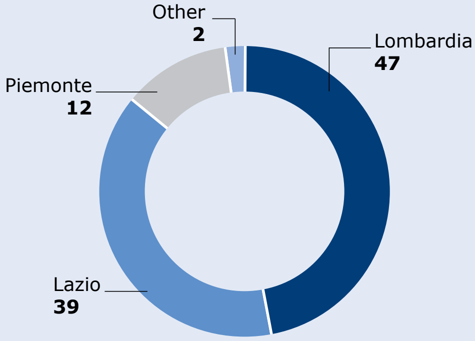
Atlantic 2:
Diversification by intended use (%)



Atlantic 1:
Diversification by geographical area (%)



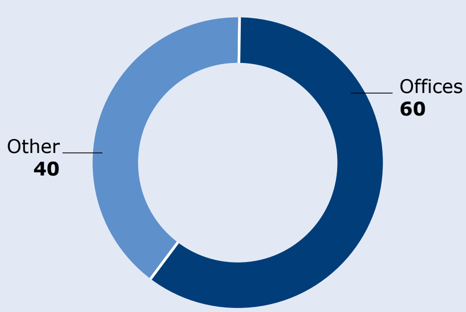
Atlantic 2:
Diversification by geographical area (%)



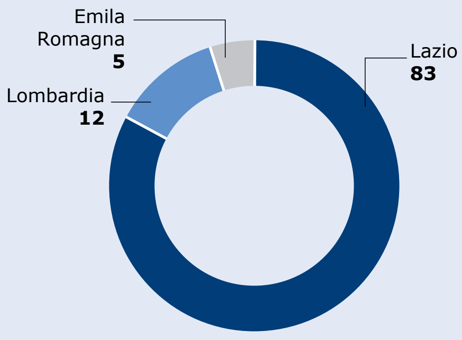
Alpha	31.12.2015
Market value of properties	321,050,000
Historical cost and capitalised charges	302,855,224
Financing	21,113,036
Net Asset Value (NAV)	346,542,613
NAV/unit (EUR)	3,336,2
Market price/unit (EUR)	1,100,0
Dividend yield from investment*	5.10%

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

Alpha:
Diversification by intended use (%)



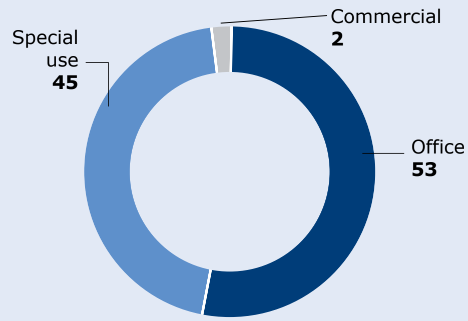
Alpha:
Diversification by geographical area (%)



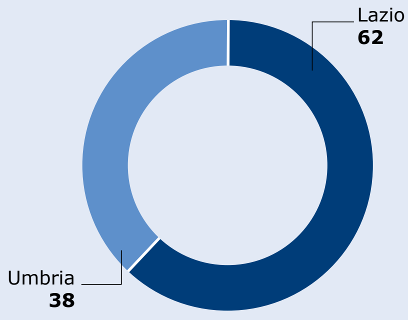
Beta	31.12.2015
Market value of properties	55,938,000
Historical cost and capitalised charges	71,863,316
Net Asset Value (NAV)	59,528,329
NAV/unit (EUR)	221,7
Market price/unit (EUR)	137,5
Dividend yield from investment*	8.12%

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

Beta:
Diversification by intended use (%)



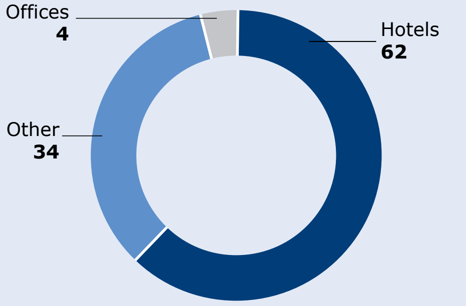
Beta:
Diversification by geographical area (%)



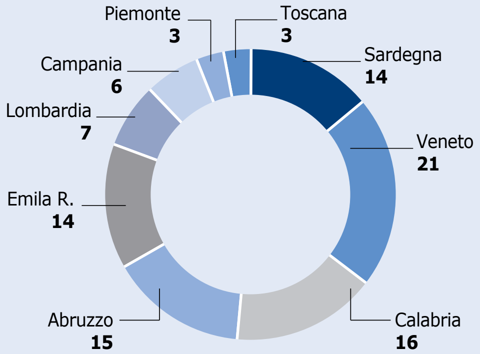
Delta	31.12.2015
Market value of properties	200,000,000
Historical cost and capitalised charges	256,333,538
Financing	19,421,882
Net Asset Value (NAV)	193,051,034
NAV/unit (EUR)	91.7
Market price/unit (EUR)	43.3
Dividend yield from investment*	n.a.

* No distribution from investment

Delta:
Diversification by intended use (%)



Delta:
Diversification by geographical area (%)



With regard to IDeA FIMIT SGR's operating performance, management fees in 2015 were down by EUR 6.4 million compared with 2014. This was mainly due to the revised fees agreed for some managed funds (amid a general market squeeze on management fees). The net result also suffered from the impairment, net of the tax effect, of EUR 14.3 million (impairment of EUR 5.1 million in 2014) 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)	2015	2014
AUM	7,884	8,983
Management fees	47.7	54.1
EBITDA	21.8	25.1
Net profit	(7.6)	4.4
- of which:		
- Shareolders	*6.7*	*9.5*
- Owner of financial equity instruments	*(14.3)*	*(5.1)*

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 refurbishment;
- property management (administrative and legal management of properties);
- facility & building management (services connected with buildings and related maintenance);
- due diligence (technical and environmental due diligence, town-planning regularisation 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 and the remainder split between commercial, tourist, logistics & industrial and residential property.

In terms of IRE's operating performance, the increase in the net result compared with 2014 (EUR 1.5 million) was mainly due to the dividend received by its subsidiary IRE Advisory (EUR 0.6 million) and one-off items.

Innovation Real Estate (EUR million)	**2015**	**2014**
Revenues	17.5	17.3
EBITDA	4.9	4.6
Net profit	4.4	2.9

REGISTERED OFFICE:
Italy

SECTOR:
Property Services

WEBSITE:
www.innovationre.it

Specialized in real estate services

Consolidated income statement

The Group reported net profit of approximately EUR 41.1 million for 2015, compared with a net loss of around EUR 57.6 million in 2014.

Revenues and other income break down as follows:

- alternative asset management fees of EUR 62.4 million (EUR 66.0 million in 2014);
- other investment income, net of expenses, totalling EUR 72.5 million (EUR -56.1 million in 2014), due to marking the value of the shareholding in Santé to market (EUR -59.0 million). This was mainly due to the capital gain of EUR 46.3 million arising from the disposal of the stakes in Migros and the resulting cash distribution by Kenan Investments, as well as net proceeds of EUR 25.4 million on the stakes held by the IDeA OF I fund;
- service revenues of EUR 18.5 million (compared with EUR 18.7 million recorded in 2014).

Operating costs totalled EUR 128.5 million (EUR 88.0 million in 2014), of which EUR 120.3 million was attributable to Alternative Asset Management, EUR 2.4 million to Private Equity Investment and EUR 5.8 million to holding company activities. Alternative Asset Management costs include the effects of:

- the amortisation and write-down of intangible assets, totalling EUR -25.6 million, recorded when a portion of the purchase price of the investments was allocated. Of this amount, EUR -20.5 million related to impairment, or EUR -14.3 million excluding the related tax effect;
- impairment of the goodwill relating to IDeA FIMIT SGR, totalling EUR -27.5 million;
- impairment of the goodwill relating to IDeA Capital Funds SGR, totalling EUR -9.3 million.

The impairment on the goodwill relating to IDeA FIMIT SGR and IDeA Capital Funds SGR was derived via an asset valuation process carried out on a regular basis by the Company, with the support of a leading Italian consultancy company and based on methodology applied consistently over the years and in line with accounting standards. Specifically, the asset valuation process for IDeA FIMIT SGR aligned the equity valuation of the management company to its shareholders' equity.

Net financial income, which amounted to EUR 5.0 million at 31 December 2015 (EUR 2.9 million in 2014), mainly relates to income generated from cash and cash equivalents, exchange rate gains on foreign investments and other financial income.

The full tax impact for 2015 (EUR 6.5 million, compared with EUR 1.7 million in 2014) is the result of taxes of EUR -0.4 million due in respect of Alternative Asset Management activities and EUR 6.9 million relating to holding activities.

Of the Group’s net profit of EUR 41.1 million, EUR 63.5 million was attributable to Private Equity Investment, EUR -20.6 million to Alternative Asset Management and EUR -1.8 million to holding company activities/eliminations.

Summary Consolidated Income Statement

(Dati in migliaia di Euro)	**2015**	**2014**
Alternative Asset Management fees	62,416	66,045
Income (loss) from equity investments	(539)	(786)
Other investment income/expense	72,464	(56,149)
Income from services	18,496	18,667
Other income	3,204	509
Other expenses	(128,514)	(87,957)
Financial income and expenses	4,982	2,905
PROFIT/(LOSS) BEFORE TAX	**32,509**	**(56,766)**
Income tax	6,452	1,720
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**38,961**	**(55,046)**
Profit (Loss) from discontinued operations/held-for-sale assets	286	(887)
PROFIT/(LOSS) FOR THE PERIOD	**39,247**	**(55,933)**
- Group share	41,072	(57,601)
- Non controlling interests	(1,825)	1,668
Earnings per share, basic (€)	0.154	(0.210)
Earnings per share, diluted (€)	0.154	(0.210)

Performance by business in 2015

(EUR thousand)	*Private Equity Investment*	*Alternative Asset Management*	**Holdings/ Eliminations**	**Consolidated**
Alternative Asset Management fees	0	64,672	(2,256)	62,416
Income (loss) from equity investments	(180)	(359)	0	(539)
Other investment income/expense	72,552	(88)	0	72,464
Income from services	3,054	18,549	97	21,700
Other expenses	(2,455)	(120,285)	(5,774)	(128,514)
Financial income and expenses	5,065	616	(699)	4,982
PROFIT/(LOSS) BEFORE TAXES	**78,036**	**(36,895)**	**(8,632)**	**32,509**
Income tax	0	(409)	6,861	6,452
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**78,036**	**(37,304)**	**(1,771)**	**38,961**
Profit (Loss) from discontinued operations/held-for-sale assets	286	0	0	286
PROFIT/(LOSS) FOR THE PERIOD	**78,322**	**(37,304)**	**(1,771)**	**39,247**
- Group share	63,516	(20,673)	(1,771)	41,072
- Non controlling interests	14,806	(16,631)	0	(1,825)

Performance by business in 2014

(EUR thousand)	*Private Equity Investment*	*Alternative Asset Management*	**Holdings/ Eliminations**	**Consolidated**
Alternative Asset Management fees	0	68,549	(2,504)	66,045
Income (loss) from equity investments	(262)	(524)	0	(786)
Other investment income/expense	(56,812)	663	0	(56,149)
Income from services	146	18,357	673	19,176
Other expenses	(5,930)	(71,152)	(10,875)	(87,957)
Financial income and expenses	3,006	155	(256)	2,905
PROFIT/(LOSS) BEFORE TAXES	**(59,852)**	**16,048**	**(12,962)**	**(56,766)**
Income tax	0	(6,584)	8,304	1,720
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(59,852)**	**9,464**	**(4,658)**	**(55,046)**
Profit (Loss) from discontinued operations/held-for-sale assets	(887)	0	0	(887)
PROFIT/(LOSS) FOR THE PERIOD	**(60,739)**	**9,464**	**(4,658)**	**(55,933)**
- Group share	(62,235)	9,292	(4,658)	(57,601)
- Non controlling interests	1,496	172	0	1,668

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 negative balance of approximately EUR 13.2 million compared with a net positive balance of approximately EUR 30.1 million in the same period of 2014. This comprised:

- net profit of EUR 41.1 million recorded on the income statement;
- losses posted directly to shareholders’ equity totalling EUR 54.3 million (including the "reversal" to the income statement of the fair value reserve after the partial disposal of Migros).

As regards the latter, the largest component was the decrease in fair value of Kenan Investments/Migros; specifically, the change compared with 31 December 2014 was due to the fall in the price per share and the depreciation of the Turkish lira against the euro.

Note that the effect of the measurement of Migros at fair value on the NAV of the DeA Capital Group was partially offset by the reversal (EUR 11.4 million) of the payable for carried interest to be paid based on the achievement of certain performance parameters.

(EUR thousand)	2015	2014
Profit/(loss) for the period (A)	**39,247**	**(55,933)**
Comprehensive income/ expense which might be subsequently reclassified within the profit (loss) for the period	(60,177)	88,547
Comprehensive income/ expense which will not be subsequently reclassified within the profit (loss) for the period	41	(320)
Other comprehensive income, net of tax (B)	**(60,136)**	**88,227**
Total comprehensive income for the period (A)+(B)	**(20,889)**	**32,294**
Total comprehensive income attributable to:		
- Group Share	(13,165)	30,089
- Non Controlling Interests	(7,724)	2,205

Consolidated statement of financial position

Below is the Group's statement of financial position at 31 December 2015, compared with 31 December 2014.

(EUR thousand)	December 31, 2015	December 31, 2014
ASSETS		
Non-current assets		
Intangible and tangible assets		
Goodwill	129,595	166,363
Intangible assets	37,539	63,348
Property, plant and equipment	3,119	3,908
Total intangible and tangible assets	*170,253*	*233,619*
Investments		
Investments valued at equity	11,467	19,066
Investments held by Funds	90,675	111,014
- available for sale investments	*52,536*	*71,209*
- invest. in associates and JV valued at FV through P&L	*38,138*	*39,805*
Other available-for-sale companies	76,464	209,320
Available-for-sale funds	173,730	176,736
Other avalaible-for-sale financial assets	26	306
Total Investments	*352,362*	*516,442*
Other non-current assets		
Deferred tax assets	3,676	5,039
Tax receivables from Parent companies	0	546
Other non-current assets	31,795	30,495
Total other non-current assets	*35,471*	*36,080*
Total non-current assets	**558,086**	**786,141**
Current assets		
Trade receivables	17,818	29,039
Available-for-sale financial assets	7,532	5,080
Financial receivables	3,467	2,678
Tax receivables from Parent companies	2,667	3,533
Other tax receivables	4,567	2,892
Other receivables	2,876	18,591
Cash and cash equivalents	123,468	55,583
Total current assets	*162,395*	*117,396*
Total current assets	**162,395**	**117,396**
Held-for-sale assets	**11,487**	**0**
TOTAL ASSETS	**731,968**	**903,537**
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	263,923	271,626
Share premium reserve	299,647	384,827
Legal reserve	61,322	61,322
Fair value reserve	62,178	116,415
Other reserves	(11,720)	(11,243)
Retained earnings (losses)	(169,434)	(111,833)
Profit (loss) for the year	41,072	(57,601)
Net equity Group	**546,988**	**653,513**
Minority interests	**138,172**	**173,109**
Shareholders' equity	**685,160**	**826,622**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	10,801	19,696
Provisions for employee termination benefits	4,713	4,618
Long term financial loans	0	5,201
Payables to staff	0	11,397
Total non-current liabilities	**15,514**	**40,912**
Current liabilities		
Trade payables	15,598	18,180
Payables to staff and social security organisations	7,341	8,122
Current tax	3,384	2,012
Other tax payables	1,571	2,037
Other payables	2,749	5,292
Short term financial loans	651	360
Total current liabilities	**31,294**	**36,003**
Held-for-sale liabilities	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**731,968**	**903,537**

At 31 December 2015, Group shareholders' equity was approximately EUR 547.0 million, compared with EUR 653.5 million at 31 December 2014. The decrease of about EUR 106.5 million in Group shareholders' equity in 2015 was due to the extraordinary dividend paid (EUR 79.9 million), the reasons already discussed in the Statement of Performance - IAS 1 (EUR -13.2 million) and the effects of the share buyback plan (EUR -13.0 million).

Consolidated net financial position

At 31 December 2015, the consolidated net financial position was approximately EUR 133.8 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 2014:

Net financial position (EUR million)	**31.12.2015**	**31.12.2014**	**Change**
Cash and cash equivalents	123.5	55.6	67.9
Available-for-sale financial assets	7.5	5.1	2.4
Financial receivables	3.5	2.7	0.8
Non-current financial liabilities	0.0	(5.2)	5.2
Current financial liabilities	(0.7)	(0.4)	(0.3)
TOTAL	**133.8**	**57.8**	**76.0**
of which:			
- Alternative Asset Management	*40.4*	*16.1*	*24.3*
- Private Equity Investment	*3.4*	*1.1*	*2.3*
- Holdings	*90.0*	*40.6*	*49.4*

The change in the consolidated net financial position in 2015 was due, in addition to the extraordinary dividend paid (EUR -79.9 million), to net receipts following the partial disposal of Migros and resulting distribution (EUR +107.7 million), the share buyback (EUR -13.0 million); net liquidity generated by investments in private equity funds in the portfolio (EUR +34.7 million); and 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.

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 2015 is shown below.

Income Statement of the Parent Company

(EUR)	Year 2015	Year 2014
Other investment income/expense	(30,601,165)	(3,640,681)
Income from services	1,767,185	1,868,506
Other income	9,106,713	252,730
Personnel costs	(7,155,543)	(10,395,642)
Financial income	(430,150)	(269,622)
PROFIT/(LOSS) BEFORE TAX	**(27,312,960)**	**(12,184,709)**
Income tax	8,413,374	7,665,490
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**(18,899,586)**	**(4,519,219)**
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
PROFIT/(LOSS) FOR THE YEAR	**(18,899,586)**	**(4,519,219)**

The Parent Company recorded a loss of approximately EUR 18.9 million for 2015 (a loss of EUR 4.5 million in 2014), mainly due to writedowns on shareholdings, which were partly offset by dividend flows and the positive tax effect.

Statement of Financial Position of the Parent Company

The Parent Company's Statement of Financial Position at 31 December 2015, compared with 31 December 2014, is shown below.

(EUR)	**31.12.2015**	**31.12.2014**
ASSETS		
Non-current assets		
Intangible and tangible assets		
Intangible assets	14,965	13,609
Tangible assets	469,416	586,918
Total intangible and tangible assets	*484,381*	*600,527*
Investments		
Subsidiaries and joint ventures	221,680,803	256,900,010
Associates	4,202,710	14,221,021
Available-for-sale investments	76,464,384	209,320,028
Available-for-sale funds	141,803,236	144,383,615
Total Investments	*444,151,133*	*624,824,674*
Other non-current assets		
Deferred tax assets		
Tax receivables from Parent companies		
Total other non-current assets	*0*	*546,152*
Total non-current assets	**444,635,514**	**625,971,353**
Current assets		
Trade receivables	140,239	557,069
Financial receivables	3,467,387	1,709,552
Tax receivables from Parent companies	1,263,489	2,782,826
VAT receivables from Parent companies	738,953	115,044
Other tax receivables	616,749	289,382
Other receivables	497,080	538,818
Cash and cash equivalents	88,388,171	37,961,858
Total current assets	*95,112,068*	*43,954,549*
Total current assets	**95,112,068**	**43,954,549**
Held-for-sale assets	**11,486,685**	**0**
TOTAL ASSETS	**551,234,267**	**669,925,902**
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	263,923,155	271,626,364
Share premium reserve	299,646,519	384,826,924
Legal reserve	61,322,420	61,322,420
Fair Value reserve	18,758,957	12,908,007
Other reserves	316,409	504,126
Retained earnings (losses)	(75,961,631)	(71,451,400)
Profit/(loss) for the year	(18,899,586)	(4,519,219)
Shareholders' equity	**549,106,243**	**655,217,222**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	0	0
Provisions for employee termination benefits	285,844	558,957
Other payables	0	11,396,404
Total non-current liabilities	**285,844**	**11,955,361**
Current liabilities		
Trade payables	1,200,066	1,325,359
Payables to staff and social security organisations	371,021	828,943
Current tax payables	63,926	63,926
VAT payables vs Parent companies	0	339,690
Other tax payables	198,561	184,324
Other payables	8,606	11,077
Total current liabilities	**1,842,180**	**2,753,319**
Held-for-sale liabilities	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**551,234,267**	**669,925,902**

At 31 December 2015, the parent company's shareholders' equity totalled about EUR 549.1 million compared with EUR 655.2 million at 31 December 2014, a decrease of about EUR 106.1 million (due largely to the partial distribution of the share premium reserve of around EUR 79.9 million and to the purchase of treasury shares totalling approximately EUR 13.0 million).

Pursuant to the Consob Communication of 28 July 2006, a reconciliation between the loss and shareholders' equity at 31 December 2015 reported by the Parent Company DeA Capital S.p.A. is shown below together with the corresponding consolidated figures.

(EUR thousand)	**Net Equity at 31.12.2015**	**Net Profit/ (Loss) 2015**	**Net Equity at 31.12.2014**	**Net Profit/ (Loss) 2014**
Equity and net profit/(loss) for the year, as reported in the Parent Company financial statement	**549,106**	**(18,900)**	**655,217**	**(4,519)**
Elimination of book values from consolidated shareholdings:				
- Surplus of net equity reported in financial statements compared to book values of shareholdings in consolidated companies	(2,118)	0	(1,704)	0
- Pro-rata results achieved by shareholdings	0	17,655	0	(45,824)
- Elimination of dividends received by shareholdings		(5,005)		(8,141)
- Pro-rata results achieved by associated companies, valued as Shareholders' Equity	0	(540)	0	(1,673)
- Elimination of revaluation / impairment of investments in DeA Capital S.p.A.	0	53,379	0	193,033
- Elimination of dividend received from DeA Capital S.p.A.	0	(5,517)	0	(190,477)
Equity and Group share of net profit/(loss)	**546,988**	**41,072**	**653,513**	**(57,601)**
Equity and minority interests share of net profit/(loss)	138,172	(1,825)	173,109	1,668
Equity and net profit for the year, as reported in the consolidated financial statements	**685,160**	**39,247**	**826,622**	**(55,933)**

7. Other information

Treasury shares and Parent Company shares

On 17 April 2015, 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 revolving 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 17 April 2014 (which was scheduled to expire with the approval of the 2014 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 2015 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 Company's 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 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 (with certain exceptions specified in the plan). Sale transactions may also be carried out for trading purposes.

On 17 April 2015, the Board of Directors held following the shareholders' meeting voted to implement the above mentioned plan to buy and sell treasury shares according to the operating practice as of the so called "Consob Practice" (the operating practice n. 2 as of the Consob Resolution n. 16838 issued on March 19, 2009, as of the article 180, subparagraph 1, letter c) of the TUF).

The treasury shares acquisition plan is aimed to the setup of a "securities warehouse" as permitted by the Consob Practice, to be used according to the shareholders' meeting decision as a means of payment for extraordinary corporate transactions (exchange of participations included).

According to article 5 of the Regolamento CE n. 2273/2003, the treasury shares purchase price can't be higher than the higher price between (i) the price of the latest independent transaction and (ii) current independent offer in the trading venues where the purchase is made. All such price limits are subject to the further condition of the price per share being within a -20%/+20% variance range compared to the public stock quote as of the latest stock market session preceding every treasury share purchase.
On top of that the Board of Directors also resolved to set the maximum unit price above which purchases of treasury shares may not be made at the NAV per share indicated in the most recent statement of financial position approved and disclosed to the market.

DeA Capital has a contract with independent authorised intermediary Intermonte SIM S.p.A., granting this company a mandate to buy and sell ordinary DeA Capital shares, pursuant to the Consob Practice.
For further details please refer to the above mentioned ordinary Shareholders' meeting notice, to the Directors' report and to the press release issued on 17 April 2015 available on the Company web site (www.deacapital.it), respectively in the Investor Relations/Shareholders' Meetings and the Investor Relations/Press Releases sections.

In 2015, DeA Capital S.p.A. purchased around 7,703,209 million shares for a price of about EUR 13.0 million.

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 2015 the Company owned 42,688,945 treasury shares (equal to about 13.9% of share capital).

As of the date of this document, based on purchases of 445,306 shares made after the end of 2015, the Company had a total of 43,147,751 treasury shares corresponding to about 14.1% of the share capital.

During 2015, 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..

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 implemented 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, 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 above-mentioned 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, investor relations, institutional and press services.

   This agreement, which is automatically renewed 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, DeA Capital Real Estate, IRE and IRE Advisory 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, IRE and IRE Advisory for the three-year period 2015-2017 and for DeA Capital Real Estate for the three-year period 2013-2015.

3) In order to enable 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/deposits.

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

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

Equity interests, remuneration,stock options and performance shares 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.

Information on remuneration and stock options and performance shares 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 2015.

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

Pursuant to Consob Communication 6064293 of 28 July 2006, in 2015 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" (found 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

- The **Board of Directors** consists of ten members, eight of whom are non-executive directors, four of whom are independent directors. It plays a key role in the corporate governance system of DeA Capital S.p.A. 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.

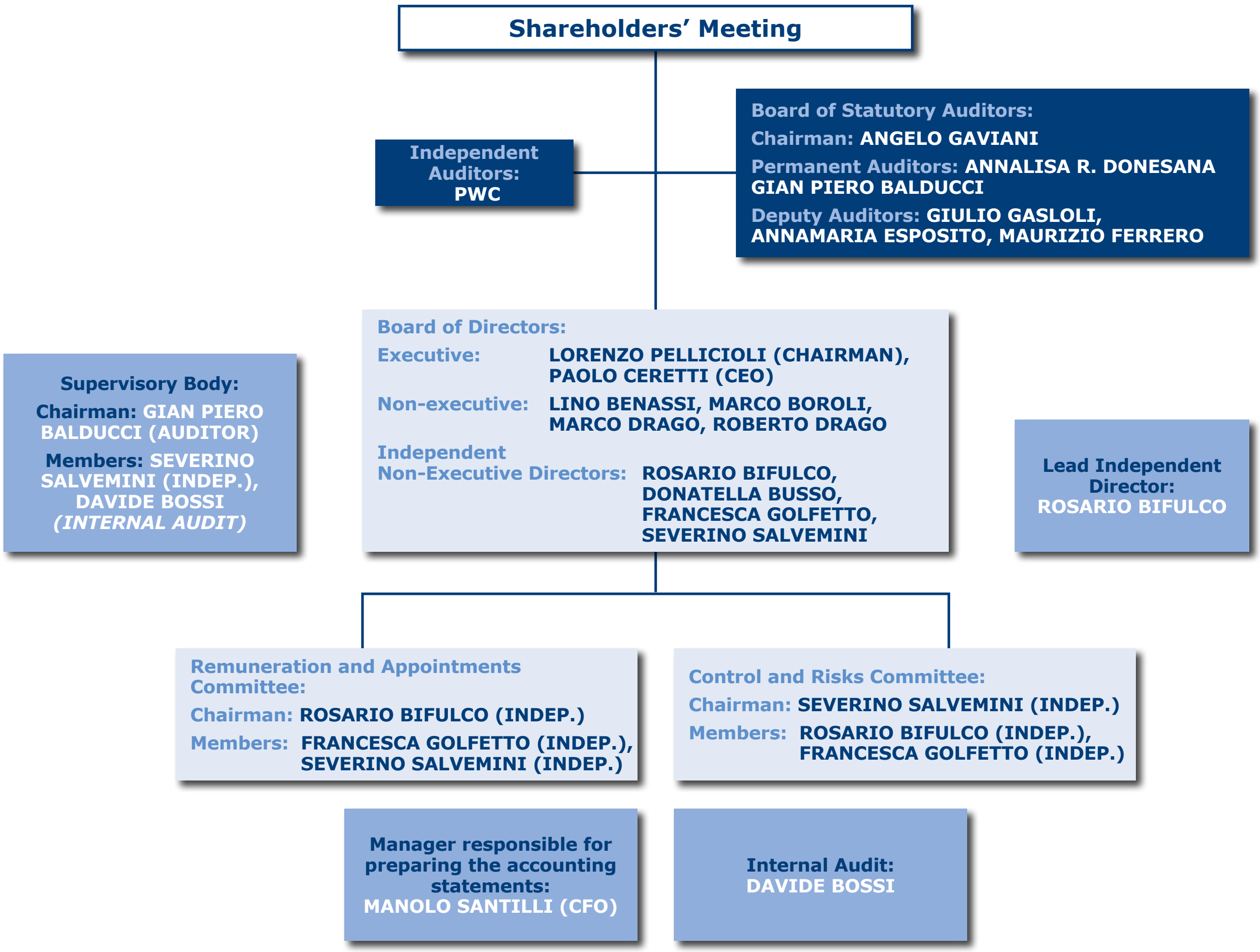
In 2015, the Board of Directors met five times.
For 2016, the calendar of scheduled meetings has been published in both Italian and English (also available on the website www.deacapital.it).

- 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 2015, the Board of Auditors met eight times.

- The **Remuneration and Appointments Committee** comprises three independent directors. The Committee: (i) as part of its remuneration duties, 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 responsibilities; (ii) as part of its duties with regard to the appointment and composition of the Board of Directors, submits recommendations to the Board on the appropriate professional profile of board members in order to ensure its optimal composition and efficient operation, formulates opinions on the size and composition of the Board and recommends candidates for the post of director in cases of co-option. In 2015, the Remuneration Committee met three times.

- The **Control and Risks Committee** comprises three independent directors. The Committee has a consultative role and makes proposals to the Board of Directors. In 2015, the Control and Risks Committee met six times.

Corporate Governance Chart as at 31 December 2015:



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 2015, 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 carried out by the organisational units and the directors confirm both the non-critical nature of these risks and uncertainties, and the DeA Capital Group's financial solidity.

With reference to the specific risks relating to Migros, the main private equity investment, 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 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, if a decision were made to cancel the asset management mandate for one or more funds;
  - concentration of the financial resources of the funds managed in a limited number of sectors and/or geographical areas, in the event of a currency, systemic or sector crisis;
  - for closed-end 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, if they were to 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 properties 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 asset diversification in the Alternative Asset Management business.

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 their 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 macroeconomic 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 the 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 arising 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 both by 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.

Other information

At 31 December 2015, the Group had 231 employees (224 at the end of 2014), including 35 senior managers, 65 middle managers and 131 clerical staff. Of these, 218 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.

Management

Lorenzo Pellicioli, Executive Chairman

Lorenzo Pellicioli (65 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 was Chairman of Gtech from August 2006 until April 2015 and, after the merger with IGT, he became Vice Chairman of IGT. He is a member of the Board of Directors of Assicurazioni Generali S.p.A..
He is also member of the Advisory Boards of 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 (61 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 IGT, Banijay Group and other companies of the Group.

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

Manolo Santilli, Chief Financial Officer

Manolo Santilli (47 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.

Gianandrea Perco, Head of Strategy and Management of existing shareholdings

Gianandrea Perco (42 years) joined DeA Capital in August 2015, reporting directly to the Chief Executive Officer, and supports top management in strategic investments, divestments and management of existing shareholdings.
His professional experience began in 1997 in Mediobanca, in the equity capital market team, and in 2000, he moved to Lehman Brothers Investment Banking team.
In 2001, he started his experience in UniCredit where he developed his carrier for 10 years in the Corporate and Investment Banking division, heading the Italian Corporate Finance Advisory team and the Multinational Financing team.
In 2011 he joined FondiariaSai as Deputy General Manager with the responsibility of the Real Estate business, of the diversified businesses and of the M&A team.
From 2013 to July 2015 he was a Partner at PwC Italy heading the M&A team. He graduated with full marks with honors in Management at Università Commerciale Luigi Bocconi in Milan.

Paolo Perrella, Investor Relations Director

Paolo Perrella (50 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 S.p.A., 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.
He holds a 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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Significant events after the end of 2015 and outlook

Significant events after the end of 2015

Private Equity funds – paid calls/capital distributions

After the end of 2015, the DeA Capital Group increased its investment in the IDeA I FoF, ICF II, ICF III, IDeA OF I, IDeA EESS and IDeA ToI funds following total payments of EUR 2.9 million (EUR 0.5 million, EUR 0.8 million, EUR 0.1 million, EUR 1.3 million, EUR 0.1 million and EUR 0.1 million respectively).

At the same time, the DeA Capital Group received capital reimbursements totalling EUR 8.6 million from the IDeA I FoF (EUR 4.5 million) and IDeA OF I (EUR 4.1 million) funds, to be used in full to reduce the carrying value of the units.

Second closing of ICF III private equity fund

On 19 January 2016, the second and final closing of the ICF III fund was completed for EUR 9.9 million; this brought the final commitment of the fund to EUR 67 million.

Outlook

The outlook continues to broadly 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 and half the stake in Migros, the Company will continue its efforts to increase the value of the investments in its portfolio, and evaluation new direct investment or co-investment initiatives.

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 cash return 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 2015 and the partial distribution of the share premium reserve

Dear Shareholders,

In submitting the Financial Statements for the Year Ending 31 December 2015 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 Financial Statements for the Year Ending 31 December 2015, which show a loss of EUR 18,899,586 (loss of EUR 4,519,219 in 2014);
- in acknowledgement of the Reports of the Board of Auditors and of the independent auditors, PricewaterhouseCoopers 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 2015 was EUR 334,338,793;

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 Financial Statements for the Year Ending 31 December 2015 and the related annexes;
3. to carry forward the loss of EUR 18,899,586 reported in the Financial Statements for the Year Ending 31 December 2015;
4. to make a partial distribution of the share premium reserve in an amount of EUR 0.12 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, 9 March 2016

FOR THE BOARD OF DIRECTORS
The Chairman
Lorenzo Pellicioli

Annual Financial Statements for the year ending 31 December 2015

- **Consolidated Statement of Financial Position**
- **Consolidated Income Statement**
- **Consolidated Statement of Comprehensive Income**
- **Consolidated Cash Flow Statement**
- **Consolidated Statement of Changes in Shareholders' Equity**
- **Notes to the Financial Statements**

Consolidated Statement of Financial Position

(Euro thousand)	Note	December 31, 2015	December 31, 2014
ASSETS			
Non-current assets			
Intangible and tangible assets			
Goodwill	1a	129,595	166,363
Intangible assets	1b	37,539	63,348
Property, plant and equipment	1c	3,119	3,908
Total intangible and tangible assets		*170,253*	*233,619*
Investments			
Investments valued at equity	2a	11,467	19,066
Investments held by Funds	2b	90,675	111,014
- available for sale investment		*52,536*	*71,209*
- invest. in associates and JV valued at FV through P&L		*38,138*	*39,805*
Other available-for-sale companies	2c	76,464	209,320
Available-for-sale funds	2d	173,730	176,736
Other avalaible-for-sale financial assets		26	306
Total Investments		*352,362*	*516,442*
Other non-current assets			
Deferred tax assets	3a	3,676	5,039
Tax receivables from Parent companies		0	546
Other non-current assets	3b	31,795	30,495
Total other non-current assets		*35,471*	*36,080*
Total non-current assets		**558,086**	**786,141**
Current assets			
Trade receivables	4a	17,818	29,039
Available-for-sale financial assets	4b	7,532	5,080
Financial receivables	4c	3,467	2,678
Tax receivables from Parent companies	4d	2,667	3,533
Other tax receivables	4e	4,567	2,892
Other receivables	4f	2,876	18,591
Cash and cash equivalents	4g	123,468	55,583
Total current assets		*162,395*	*117,396*
Total current assets		**162,395**	**117,396**
Held-for-sale assets	4h	**11,487**	**0**
TOTAL ASSETS		**731,968**	**903,537**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5a	263,923	271,626
Share premium reserve	5b	299,647	384,827
Legal reserve	5c	61,322	61,322
Fair value reserve	5d	62,178	116,415
Other reserves	5e	(11,720)	(11,243)
Retained earnings (losses)	5f	(169,434)	(111,833)
Profit(loss) for the year	5g	41,072	(57,601)
Net equity Group		**546,988**	**653,513**
Minority interests	5h	**138,172**	**173,109**
Shareholders' equity		**685,160**	**826,622**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	3a	10,801	19,696
Provisions for employee termination benefits	6a	4,713	4,618
Long term financial loans		0	5,201
Payables to staff		0	11,397
Total non-current liabilities		**15,514**	**40,912**
Current liabilities			
Trade payables	7a	15,598	18,180
Payables to staff and social security organisations	7b	7,341	8,122
Current tax	7c	3,384	2,012
Other tax payables	7d	1,571	2,037
Other payables	7e	2,749	5,292
Short term financial loans		651	360
Total current liabilities		**31,294**	**36,003**
Held-for-sale liabilities		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**731,968**	**903,537**

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

(Euro thousand)	Note	2015	2014
Alternative Asset Management fees	8	62,416	66,045
Income from equity investments	9	(539)	(786)
Other investment income/expense	10	72,464	(56,149)
Income from services	11	18,496	18,667
Other income	12	3,204	509
Personnel costs	13a	(32,519)	(33,579)
Service costs	13b	(22,397)	(30,734)
Depreciation, amortization and impairment	13c	(64,021)	(16,723)
Other expenses	13d	(9,577)	(6,921)
Financial income	14a	6,058	7,313
Financial expenses	14b	(1,076)	(4,408)
PROFIT/(LOSS) BEFORE TAX		**32,509**	**(56,766)**
Income tax	15	6,452	1,720
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**38,961**	**(55,046)**
Profit (Loss) from discontinued operations/held-for-sale assets		286	(887)
PROFIT/(LOSS) FOR THE PERIOD		**39,247**	**(55,933)**
- Group share		41,072	(57,601)
- Non controlling interests		(1,825)	1,668
Earnings per share, basic (€)	16	0.154	(0.210)
Earnings per share, diluted (€)	16	0.154	(0.210)

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 negative balance of approximately EUR 13.2 million compared with a net positive balance of approximately EUR 30.1 million in the same period of 2014. This comprised:

- net profit of EUR 41.1 million recorded on the income statement;
- losses posted directly to shareholders' equity totalling EUR 54.3 million (including the "reversal" to the income statement of the fair value reserve after the partial disposal of Migros).

As regards the latter, the largest component was the decrease in fair value of Kenan Investments/Migros; the change compared with 31 December 2014 was due to the fall in the price per share and the depreciation of the Turkish lira against the euro.

Note that the effect of the measurement of Migros at fair value on the NAV of the DeA Capital Group was partially offset by the reversal (EUR 11.4 million) of the payable for carried interest to be paid based on the achievement of certain performance parameters.

(EUR thousand)	**2015**	**2014**
Profit/(loss) for the period (A)	***39,247***	***(55,933)***
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	(60,177)	88,547
Gains/(Losses) on fair value of available-for-sale financial assets	*(60,177)*	*86,665*
Share of other comprehensive income of associates	*0*	*1,882*
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	41	(320)
Gains/(losses) on remeasurement of defined benefit plans	*41*	*(320)*
Other comprehensive income, net of tax (B)	***(60,136)***	***88,227***
Total comprehensive income for the period (A)+(B)	***(20,889)***	***32,294***
Total comprehensive income attributable to:		
- Group Share	(13,165)	30,089
- Non Controlling Interests	(7,724)	2,205

Consolidated Cash Flow Statement - Direct Method

(EUR thousand)	2015	2014
CASH FLOW from operating activities		
Investments in funds and shareholdings	(27,761)	(26,023)
Capital reimbursements from funds	42,099	29,030
Proceeds from the sale of investments	152,679	171,844
Interest received	317	292
Interest paid	(698)	(3,871)
Cash distribution from investments	5,069	6,846
Realized gains (losses) on exchange rate derivatives	16	5
Taxes paid	(4,610)	(14,911)
Dividends received	0	64
Management and performance fees received	66,787	57,658
Revenues for services	24,118	24,537
Operating expenses	(69,524)	(57,052)
Net cash flow from operating activities	**188,492**	**188,419**
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(143)	(534)
Sale of property, plant and equipment	337	14
Purchase of licenses	(124)	(956)
Net cash flow from investing activities	**70**	**(1,476)**
CASH FLOW from investing activities		
Acquisition of financial assets	(4,862)	(1,096)
Sale of financial assets	2,566	1,535
Share capital issued	2,090	3,214
Own shares acquired	(13,030)	(3,720)
Dividends paid	(101,603)	(9,165)
Loan	(1,741)	(27,537)
Quasi-equity loan	0	32,756
Bank loan paid back	(4,000)	(153,743)
Net cash flow from financing activities	**(120,580)**	**(157,756)**
CHANGE IN CASH AND CASH EQUIVALENTS	**67,982**	**29,187**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**55,583**	**26,396**
Cash and cash equivalents relating to held-for-sale assets	0	0
Cash and cash equivalents at beginning of period	55,583	26,396
Effect of change in basis of consolidation: cash and cash equivalents	(97)	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**123,468**	**55,583**
Held-for-sale assets and minority interests	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**123,468**	**55,583**

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 Changes in Shareholders' Equity

(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 profit/(loss)	0	0	0	87,690
Total at 31 December 2014	**271,626**	**384,827**	**61,322**	**116,415**

(EUR thousand)	Share capital	Share premium reserve	Legal Reserve	Fair value reserve
Total at 31 December 2014	**271,626**	**384,827**	**61,322**	**116,415**
Allocation of 2014 net profit	0	0	0	0
Cost of stock options	0	0	0	0
Purchase of own shares	(7,703)	(5,326)	0	0
Dividend distribution	0	(79,854)	0	0
Other changes	0	0	0	0
Total comprehensive income	0	0	0	(54,237)
Total at 31 December 2015	**263,923**	**299,647**	**61,322**	**62,178**

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
	(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**

	Other Reserves	Profit (loss) carried forward	Profit (loss) for the Group	Group total	Non-controlling interests	Consolidated shareholders' equity
	(11,243)	**(111,833)**	**(57,601)**	**653,513**	**173,109**	**826,622**
	0	(57,601)	57,601	0	0	0
	(276)	0	0	(276)	0	(276)
	0	0	0	(13,029)	0	(13,029)
	0	0	0	(79,854)	(2,583)	(82,437)
	(201)	0	0	(201)	(24,630)	(24,831)
	0	0	41,072	(13,165)	(7,724)	(20,889)
	(11,720)	**(169,434)**	**41,072**	**546,988**	**138,172**	**685,160**

Notes to the Financial Statements Consolidated Financial Statements for the year ending 31 December 2015

Notes to the Consolidated Financial Statements for the Year Ending 31 December 2015

A. Structure and content of the Consolidated Financial Statements

The Consolidated Financial Statements for the Year Ending 31 December 2015 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, and 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 "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;
- the materiality principle: when reporting operating events in accounting entries, preference is given to the principle of economic substance over form;
- the accounting comparability principle: 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.

The publication of the Consolidated Financial Statements for the Year Ending 31 December 2015 was authorised by resolution of the Board of Directors dated 9 March 2016.

Statement of compliance with accounting standards

The Consolidated Financial Statements for the Year Ending 31 December 2015 (2015 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 includes 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 from 1 January 2015

The IASB-approved international accounting standards and interpretations authorised for adoption in Europe that were applied for the first time from 1 January 2015 are detailed below.
The Group did not apply any IFRS in advance.

FRIC 21 - Levies

On 20 May 2013, the IASB published IFRIC Interpretation 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).

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.

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 changes 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).

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 **already approved** for adoption in the European Union as of 28 February 2016*

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 2016, are as follows:

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. This is 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 not 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 are effective for annual periods starting from 1 January 2016.

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.

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 associates and joint ventures in the separate financial statements.
The amendments will enter into force on 1 January 2016.

Improvements to IFRS - 2012-2014 cycle

On 25 September 2014, the IASB issued a set of amendments to IFRS ("Annual Improvements to IFRS - 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 reclassifies 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 no longer apply. 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 in the event that the information required is presented in the interim financial report but not in the interim financial statements.

The amendments will enter into force from 1 January 2016.

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 share of OCI (Other comprehensive income) of an associate company or joint venture is shown as a single item, regardless of its subsequent recycling in the income statement.

The amendment will enter into force from 1 January 2016.

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 2016*

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 2016 are as follows:

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 shown separately from other items.

The standard, which is awaiting ratification by the European Commission, will come into force on 1 January 2016.

IFRS 9 (Financial instruments)

On 24 July 2014, the IASB published IFRS 9 (Financial Instruments). 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).
Specifically, the standard contains a model for valuing financial instruments based on three categories: amortised cost, fair value and fair value with changes recognised in the Statement of Comprehensive Income. It also includes a new impairment model that is different from the one stipulated in IAS 39, based mainly on the concept of "expected losses".
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 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. It requires revenue to be recognised to depict the transfer of goods or services to customers in an amount that reflects the consideration expected to be received in exchange for those goods or services.

The new model for reporting revenues defines a new five-step model 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 2018, and must be fully or partially applied retrospectively.

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), controlled, in turn, by 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 required to present consolidated financial statements provided that its parent company drafted consolidated financial statements that comply with IFRS. Following this amendment, the exemption from preparing consolidated financial statements has been extended to intermediate parent companies, controlled, in turn, by an investment entity, even if the latter values its subsidiaries at fair value rather than consolidating them.

The standard, which is awaiting ratification by the European Commission, will come into force on 1 January 2016.

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 the accounting treatment, both in the event of a parent company 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 subject of the transaction is a business, as defined by IFRS 3. If the subject of the transaction is a business, the profit must be fully recognised in both cases, whereas if the subject of the transaction is not a business, only the profit relating to minority interests must be recognised.

On 10 August 2015, the IASB published the exposure draft, "Effective Date of Amendments to IFRS 10 and IAS 28", in which it proposed to defer the entry into force of the amendments until such time as any changes that might arise from the research project into the equity method had been finalised. Any proposed new date for its entry into force will be the subject of public consultation.

Amendments to IAS 12

On 19 January 2016, the IASB issued some amendments to IAS 12 (Income taxes).
The document aims to clarify how to account for deferred tax assets relating to debt instruments measured at fair value.

The amendments, which are awaiting ratification by the European Union, will enter into force on 1 January 2017.

Amendments to IAS 7

On 29 January 2016, the IASB issued some amendments to IAS 7 (Statement of cash flows: disclosure initiative).

The amendments, which are awaiting ratification by the European Union, will enter into force on 1 January 2017.

IFRS 16 – Leases

On 13 January 2016, the IASB issued IFRS 16 (Leases), which replaces the accounting rules contained in IAS 17.
Under the new accounting standard, all lease agreements must be shown as assets or liabilities whether they are financial leases or operating leases.
IFRS 16 takes effect on 1 January 2019. Companies adopting IFRS 15 in advance may also apply this standard in advance.

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. We do not currently 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.

Scope of consolidation

As a result of the events described in the Report on Operations, the scope of consolidation has changed compared with 31 December 2014: the IDeA FIMIT Sviluppo fund has been removed following the arrival of new investors who, by contributing capital or land, have diluted the DeA Capital Group's stake in said fund from 50% (held through the subsidiary IDeA FIMIT SGR) to 8.5%.

Therefore, at 31 December 2015, the following companies formed part of the DeA Capital Group's scope of consolidation:

Company	Registered office	Currency	Share capital	% holding	Consolidation method
DeA Capital S.p.A.	**Milan, Italy**	**Euro**	**306,612,100**	**Holding**	
IDeA Capital Funds SGR S.p.A.	Milan, Italy	Euro	1,200,000	100.00%	Full consolidation
IDeA OF I	Milan, Italy	Euro	-	46.99%	Full consolidation
Atlantic Value Added	Rome, Italy	Euro	-	27.27%	Equity accounted (Associate)
DeA Capital Real Estate S.p.A.	Milan, Italy	Euro	600,000	100.00%	Full consolidation
Innovation Real Estate S.p.A.	Milan, Italy	Euro	597,725	96.99%	Full consolidation
Innovation Real Estate Advisory S.r.l.	Milan, Italy	Euro	105,000	96.99%	Full consolidation
IDeA FIMIT SGR S.p.A.	Rome, Italy	Euro	16,757,574	64.30%	Full consolidation
Idea Real Estate S.p.A.	Milan, Italy	Euro	50,000	100.00%	Full consolidation

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.

IFRS 10 defines the concept of control, based on the simultaneous presence of three key elements:
- the power to decide on the entity's significant activities;
- the exposure or right to variable returns from its involvement with the investee;
- the ability to use that power over the investee to affect the amount of the investor's returns due to the parent company (connection between power and returns).

The financial statements to be consolidated, which were drawn up on 31 December 2015, were prepared and approved by the Boards of Directors of the individual companies, appropriately adjusted, where necessary, to harmonise them with the parent company's accounting standards.

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 apply, 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 full amount may be recorded as goodwill

including the portion relating to minority interests (full goodwill approach);
- 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.

Investee companies over which the Group exercises considerable influence ("associates"), which are presumed to exist when a stake of between 20% and 50% is held, are generally valued at equity.

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 2014 and the Summary Consolidated Half-year Financial Statements at 30 June 2015 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 a 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 of 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 of 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 after 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.

Goodwill

Goodwill is represented by the excess of the purchase cost incurred and the fair value of the net assets acquired and liabilities assumed on the date of acquisition. Goodwill is not amortised on a regular basis but is subject to a periodic impairment test to assess whether the carrying value is appropriate. Impairment tests are performed on goodwill at least annually. These tests are performed with reference to the cash generating unit to which goodwill is attributed. Any impairment of the goodwill value is reported if its recoverable value is lower than its carrying value. The recoverable value is the greater of the fair value of the cash generating unit, less any selling costs, and its value in use. The goodwill value may not be written back if it has previously been written down due to impairment.

If the write-down arising from the impairment test is higher than the value of goodwill allocated to the cash-generating unit, the excess amount is allocated to the tangible and intangible assets included in the cash-generating unit in proportion to their carrying value.

Intangible assets

Intangible assets are those assets with no identifiable physical form, controlled by the Group and which can 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 all other direct costs incurred in preparing 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, a 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 absence 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 all other direct costs incurred in preparing 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 full 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.

The loans and receivables category includes non-derivative financial instruments that are not listed on an active market, mainly relating to customer receivables, which have fixed or determinable expected payments. These are included in the current portion except for those due after one year from the balance sheet date, which are classified under the non-current portion. These assets are measured at fair value on initial recognition. Subsequently they are valued at amortised cost by applying the effective interest rate method. Where there is objective evidence indicating impairment, the asset concerned is written down to a carrying value equal to the discounted value of its future cash flows.

Impairment losses are recorded in the income statement. If in subsequent periods the reasons for the write-down no longer exist, the write-down is reversed up to the amount that would have resulted from the application of amortised cost had the asset not been written down.

Minority interests and investments in funds, which constitute the main, predominant area of the Group's operations, are classified under available-for-sale assets, and 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 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.

The DeA Capital Group therefore 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.

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, sight deposits and short-term, highly liquid financial investments that are readily convertible into cash within 90 days and are subject to a negligible risk of price variation. They are 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.

Financial liabilities
Financial liabilities comprise loans, trade payables and other payment obligations. These are valued at fair value on initial recognition and subsequently at amortised cost, applying the effective interest rate method. Where there is a change in the expected future cash flows and these can be reliably estimated, the value of the payables is recalculated to reflect this change on the basis of the present value of the new expected future cash flows and the internal rate of return originally determined.

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 meet 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. Revenues are recorded net of returns, discounts, allowances and premiums, and of directly related taxes.

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.

Share-based payments

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 and performance shares.
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.

Estimating fair value requires determining the most appropriate valuation model for granting equity instruments, which therefore depends on the terms and conditions under which these instruments are granted. This also requires the identification of data to input into the valuation model including assumptions on the expected life of the options, volatility and the share return.

The cost of stock options and performance shares for the Group'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 the tax liability, as derived by 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 retrospectively with the impact reflected in shareholders' equity in the first of the periods shown. Comparative reporting is adapted accordingly. The prospective approach is used only when it is not practical to restate the comparative information. 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.

The adoption of newly issued IAS principles and of any changes in the existing ones has not had any specific and/or cumulative effect neither on the determination of the Net Equity/Net Result nor on the Profit per Share.

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.

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 revision only affects 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.

On 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 investments, goodwill and intangible assets.

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.

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 2015:

(EUR million)	Note	Level 1	Level 2	Level 3	Total
Available-for-sale equity investments held by funds	2b	3.5	0.0	49.0	52.5
Investments in associates and JVs held by Funds (recognised on income statement)	2b	0.0	18.5	19.6	38.1
Available-for-sale investments in other companies	2c	0.0	76.3	0.2	76.5
Available-for-sale funds	2d	7.7	166.0	0.0	173.7
Other available-for-sale financial assets – non-current portion	-	0.0	0.0	0.0	0.0
Available-for-sale financial assets – current portion	4b	7.5	0.0	0.0	7.5
Total assets		**18.7**	**260.8**	**68.8**	**348.3**

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 2015, are identified separately:

(EUR thousand)	Balance at 1.1.2015	Increases	Decreases	Impairment and related exchange effect	Fair value adjustment	Fair value on income statement	Translation effect	Balance at 31.12.2015
Available-for-sale equity investments held by funds	53,705	6,341	(9,975)	(1,068)	0	0	0	49,003
Investments in associates and JVs held by Funds (recognised on income statement)	24,805	0	0	(6,000)	0	784	0	19,589
Other entities	184	0	0	0	0	0	0	184
Available-for-sale investments	**78,694**	**6,341**	**(9,975)**	**(7,068)**	**0**	**784**	**0**	**68,776**
Other available-for-sale financial assets – non-current portion	**306**	**0**	**0**	**0**	**5**	**0**	**0**	**311**

Valuation techniques and main unobservable input data

Available for sale investments held by Funds

At 31 December 2015, the DeA Capital Group held minority stakes in Giochi Preziosi, Manutencoop, Grandi Navi Veloci, Euticals, Telit and Elemaster through the IDeA Opportunity Fund I.

As regards the stake held in Telit, its fair value was based on the company price per share as quoted on the AIM market on the London Stock Exchange as of December 31, 2015, and on the GBP/EUR exchange rate as of the same date.

As regards the other participations held through IDeA OF I, their fair value was based on different valuation techniques (mainly Transaction Multiples, Market Multiples, Discounted Cash Flow) based on parameters which are not market based. The fair value of such investments was selected within the valuation range determined for each them based on the different valuation techniques, taking into account also their value as reported by the IDeA OF I report for the year ending 31 December 2015.

Investments in Associates and JVs valued at FV through P&L held by Funds

At 31 December 2015, the DeA Capital Group held minority stakes in Talgo, Corin and Iacobucci through the IDeA Opportunity Fund I. Such stakes were valued at fair value through profit and loss based on the IAS 28.18.

As regards the stake held in Talgo, the fair value of the vehicle through which the participation is held by IDeA OF I was based on the company price per share as quoted on the Madrid Stock Exchange as of December 31, 2015.

As regards the other participations held through IDeA OF I, their fair value was based on different valuation techniques (mainly Transaction Multiples, Market Multiples, Discounted Cash Flow) based on parameters which are not market based. The fair value of such investments was selected within the valuation range determined for each of them based on the different valuation techniques, taking into account also their value as reported by the IDeA OF I report for the year ending 31 December 2015.

Kenan Investments/Migros

The shareholding in Kenan Investments (the indirect parent company of Migros) is recorded in the Consolidated Financial Statements at 31 December 2015 in the amount of EUR 76.3 million.

The accelerated book building operation, completed on 8 April 2011, brought the company's total free float to 20.5%. This increased the significance of stock market prices for the purposes of identifying the fair value of the company.

The valuation of the equity investment in Kenan Investments at 31 December 2015 is based on (i) the equity value of Migros, (ii) an updated view of net debt at the various levels of the Company's control structure (Kenan Investments, Moonlight Capital, MH) and (iii) the TRY/EUR exchange rate (3.17 at 31 December 2015).

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 2015, the DeA Capital Group held units in:

- six venture capital funds (with a total value of approximately EUR 9.7 million).
- IDeA I FoF (valued at EUR 77.2 million);
- ICF II (valued at EUR 41.7 million);
- ICF III (valued at EUR 4.8 million);
- IDeA EESS (valued at EUR 7.3 million);
- IDeA ToI (valued at EUR 1.1 million);
- six unlisted real estate funds (with a total value of approximately EUR 32.4 million).

The carrying value represents the NAV advised by the management company in its annual report for the year ending 31 December 2015, drafted in accordance with the Bank of Italy's regulation of 19 January 2015 on collective asset management.

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 1.1.2015	Acquisitions	Impairment	Balance at 31.12.2015
Goodwill	**166,363**	**0**	**(36,768)**	**129,595**

The item, which totalled EUR 129,595 thousand at 31 December 2015 (EUR 166,363 thousand at 31 December 2014), mainly relates to the acquisition of IDeA Capital Funds SGR for EUR 31,324 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 in IDeA FIMIT SGR (real estate fund management) and IDeA Capital Funds SGR (private equity fund management), which represents 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 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 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 49.0 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 (2016-2018) 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 IRR projections made by the company for the various funds under management.

The valuation was based on a cost of capital of between 10.2% and 11.9%, depending on (i) the period of the flows (2016-2018 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%.

With reference to the CGU in question, note that since the recoverable amount is less than the carrying amount, an impairment of EUR 9,250 thousand (wholly attributable to the Group) was booked.

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 weighting of the probabilities of achieving the results linked to the new funds focused on credit recovery (known as CCR) leads to potential variations in the carrying value of EUR -2.7/+1.7 million (for changes in the risk free rate of +0.5% and -0.5% respectively) and of EUR -4.6 million/+4.7 million (for changes in the weighting of the probability of results of the CCR funds of -25% and +25% respectively).

Similarly, impairment testing was carried out on the IDeA FIMIT SGR CGU, with a carrying amount of EUR 197.8 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 (2016-2020) 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 the company's projections of future returns for the various funds under management.

The valuation was based on a cost of capital of 12.6% plus a terminal value based on growth ("g") assumptions of +0.75%.

With reference to the CGU in question, note that since the recoverable amount is less than the carrying amount, impairment of EUR 27,518 thousand (of which EUR 17,694 thousand related to the Group) was booked.

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 -4.3/+4.8 million (for changes of +0.5% and -0.5% in the discount rate) and EUR -2.9/+3.3 million (for changes of -0.5% and +0.5% in the rate of growth (g)).

1b - Intangible assets

Changes in intangible assets are shown in the tables below:

(EUR thousand)	Historical cost at 1.1.2015	Cum. amort. & write-downs at 1.1.2015	Net carrying value at 1.1.2015	Historical cost at 31.12.2015	Cum. amort. & write-downs at 31.12.2015	Net carrying value at 31.12.2015
Concessions, licences and trademarks	5,439	(4,180)	**1,259**	5,926	(4,789)	**1,137**
Software expenses	400	(138)	**262**	402	(218)	**184**
Development expenses	229	(220)	**9**	229	(225)	**4**
Other intangible assets	122,850	(61,032)	**61,818**	122,850	(86,636)	**36,214**
Total	**128,918**	**(65,570)**	**63,348**	**129,407**	**(91,868)**	**37,539**

(EUR thousand)	Balance at 1.1.2015	Acquisitions	Amort.	Write-downs	Decreases	Changes in consolidation area	Balance at 31.12.2015
Concessions, licences and trademarks	1,259	486	(608)	0	0	0	1,137
Software expenses	262	3	(81)	0	0	0	184
Development expenses	9	0	(5)	0	0	0	4
Other intangible assets	61,818	0	(5,104)	(20,500)	0	0	36,214
Total	**63,348**	**489**	**(5,798)**	**(20,500)**	**0**	**0**	**37,539**

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.

The revision of the business plans of the funds that make up the intangible assets from variable commissions, which caused the decrease of the related cash flows estimates, required such assets to be subject to an impairment test.

The impairment test performed on these intangibles, with a carrying amount of EUR 48,4 million (vs. the original value of EUR 68,7 million), was based on the determination of the value in use as present value (based on the discounted cash flow methodology) of the variable commissions expected by the related Funds originally managed by FIMIT SGR for the time range they are expected to be generated (2016-19).

Such commissions flows were determined based on a number of assumptions, among which the internal rate of return (“IRR”) of the Funds, as provided by IDeA FIMIT SGR.

The resulting valuation, based on a +9,6% cost of capital, showed a recoverable amount of EUR 27,9 million for such intangibles, causing an impairment of EUR 20,500 thousand (of which EUR 7.206 thousand pertaining the Group) in the income statement.

A sensitivity analysis performed on the most relevant variables affecting the recoverable amount of such intangibles (i.e. cost of capital and probability of the variable commissions) shows potential changes in valuation of EUR -0,5/+0,4 million (for changes of +0,5% and -0,5% of the cost of capital, respectively) and of EUR -3,2/+3,1 million (for changes of -10% and +10% of the probability of the variable commissions, respectively).

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 1.1.2015**	**Cum. amort. & write-downs at 1.1.2015**	**Net carrying value at 1.1.2015**	**Historical cost at 31.12.2015**	**Cum. amort. & write-downs at 31.12.2015**	**Net carrying value at 31.12.2015**
Leasehold improvements	3,714	(1,020)	**2,694**	3,723	(1,585)	**2,138**
Furniture and fixtures	1,729	(836)	**893**	1,774	(1,050)	**724**
Computer and office equipment	1,158	(952)	**206**	1,240	(1,039)	**201**
Company vehicles	475	(389)	**86**	413	(382)	**31**
Plant	39	(20)	**19**	40	(25)	**15**
Other assets	389	(379)	**10**	394	(384)	**10**
Total	**7,504**	**(3,596)**	**3,908**	**7,584**	**(4,465)**	**3,119**

(EUR thousand)	Balance at 1.1.2015	Acquisitions	Depreciation	Decreases	Balance at 31.12.2015
Leasehold improvements	2,694	9	(565)	0	2,138
Furniture and fixtures	893	47	(216)	0	724
Computer and office equipment	206	107	(107)	(5)	201
Company vehicles	86	0	(55)	0	31
Plant	19	1	(5)	0	15
Other assets	10	6	(6)	0	10
Total	**3,908**	**170**	**(954)**	**(5)**	**3,119**

The item "Leasehold improvements", totalling EUR 2,138 thousand, mainly relates to improvements made to the building at Via Brera 21 in Milan, which has been leased to the DeA Capital Group since 2013.

Depreciation of property, plant and equipment 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 516,442 thousand at 31 December 2014 to EUR 352,362 thousand at end-2015.

2a - Investments in associates

This item totalled EUR 11,467 thousand at 31 December 2015 (EUR 19,066 thousand at end-2014).

In light of the launch, in the fourth quarter of 2015, of a process to sell the shareholding in Sigla Luxembourg S.A., the value of the stake, of EUR 11,487 thousand (EUR 11,201 thousand at 31 December 2014) was reclassified under "held-for-sale assets" at 31 December 2015.

The units in the AVA fund had a value of approximately EUR 11,467 thousand in the Consolidated Financial Statements to 31 December 2015 (compared with EUR 7,865 thousand at 31 December 2014). The increase was the combined effect of net investments of EUR 4,413 thousand and the pro rata share of the net result for the period and other changes (EUR -811 thousand).

The table below provides details of the investments held in associates at
31 December 2015 by business:

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
AVA fund	3.8	7.7	11.5
Total	**3.8**	**7.7**	**11.5**

2b - Investments held by funds

At 31 December 2015, the DeA Capital Group was a minority shareholder, through the IDeA OF I fund, in Giochi Preziosi, Manutencoop, Grandi Navi Veloci, Euticals, Telit, Elemaster, Talgo, Corin and Iacobucci. The latter three companies were measured at fair value with changes recognised in the income statement pursuant to IAS 28.18.

This item, which totalled EUR 90,675 thousand at 31 December 2015 (EUR 111,014 thousand at 31 December 2014), relates to the assets set out below:

(EUR million)	31.12.2015
Investments in Portfolio	
Giochi Preziosi	5.2
Manutencoop Facility Management	18.9
Lauro Cinquantasette (Euticals)	3.4
Telit Communications	13.0
Elemaster	3.5
Grandi Navi Veloci	8.5
Investments available for sale	**52.5**
Iacobucci HF Electronics	6.0
Pegaso Transportation Investments (Talgo)	18.5
2IL Orthopaedics LTD (Corin)	13.6
Investments in associates and JV valued at FV through P&L	**38.1**
Total investments in Portfolio	**90.6**

2c - Available-for-sale investments in other companies

At 31 December 2015, 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 2015, the item totalled EUR 76,464 thousand compared with EUR 209,320 thousand at 31 December 2014.

The table below provides details of equity investments in other companies at 31 December 2015 by area of activity.

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
Kenan Investments	76.3	0.0	76.3
Minority interests	0.2	0.0	0.2
Total	**76.5**	**0.0**	**76.5**

The shareholding in Kenan Investments (the indirect parent company of Migros) was recorded in the Consolidated Financial Statements for the Year Ending 31 December 2015 at a value of EUR 76,280 thousand (compared with EUR 209,136 thousand at 31 December 2014).
This valuation is based on the percentage DeA Capital owns in Kenan Investments/Moonlight Capital and a Migros share price of:

- TRY 26.00 (plus interest of 7.5% p.a. from 30 April 2015) for the stake subject to put/call options on 9.75% of Migros, as agreed with Anadolu and exercisable from 30 April 2017;
- TRY 17.45, being the market price on 31 December 2015, for the remaining stake (30.5% of Migros capital).

The change in the value of the stake in Kenan Investments at 31 December 2015 compared with 31 December 2014 reflects the following:

- net proceeds (EUR 107.7 million) received on 24 July 2015 following completion of the sale of a 40.25% stake in Migros;
- a decrease of EUR 25.2 million in the fair value reserve due to the fall in the share price (TRY 17.45 per share at 31 December 2015 compared with TRY 22.75 per share at 31 December 2014) and the depreciation of the Turkish lira against the euro (3.17 TRY/EUR at 31 December 2015 versus 2.83 TRY/EUR at 31 December 2014).

Note that the effect of the measurement of Migros at fair value on the NAV of the DeA Capital Group was partially offset by the reversal (EUR 11.4 million) of the payable for carried interest to be paid based on the achievement of certain yield parameters.

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, ICF II and ICF III), two theme funds (IDeA EESS and IDeA ToI), six venture capital funds and 11 real estate funds, totalling approximately EUR 173,730 thousand at end-2015, compared with EUR 176,736 thousand at end-2014.

The table below shows changes to the funds during 2015.

(EUR thousand)	Balance at 1.1.2015	Change in consolidation area	Increases (Capital call)	Decreases (Capital distribution)	Impairment	Fair value adjustment	Translation effect	Balance at 31.12.2015
Venture capital funds	9,580	0	0	(570)	(326)	388	601	9,673
IDeA I FoF	93,476	0	6,020	(31,299)	0	9,020	0	77,217
ICF II	35,254	0	2,494	(4,723)	0	8,685	0	41,710
ICF III Core	271	0	190	0	0	80	0	541
ICF III Credit & Distressed	1,015	0	1,195	0	0	315	0	2,525
ICF III Emerging Markets	454	0	1,350	0	0	(53)	0	1,751
IDeA EESS	4,330	0	3,984	(1,613)	(152)	763	0	7,312
Taste of Italy	3	0	1,412	0	0	(341)	0	1,074
IDeA FIMIT SGR Funds	32,353	7,486	0	(5,750)	(1,767)	(395)	0	31,927
Total funds	**176,736**	**7,486**	**16,645**	**(43,955)**	**(2,245)**	**18,462**	**601**	**173,730**

During 2015, the Group received income distributions of EUR 1,425 thousand and capital reimbursements of EUR 38,206 thousand.

- Units in venture capital funds are valued at around EUR 9,673 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 9,580 thousand at end-2014).

The overall change in the investments is mainly due to capital reimbursements from these funds of EUR -570 thousand, an increase in fair value (and related exchange rate effects) of EUR 989 thousand, impairment (and related exchange rate effects) of certain funds totalling approximately EUR -326 thousand.

The fair value measurement of investments in venture capital funds at 31 December 2015, 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 326 thousand; the significant reduction to below cost was considered clear evidence of impairment.

- Units in IDeA I FoF are valued at around EUR 77,217 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 93,476 thousand at end-2014).

The change in the carrying value compared with 31 December 2014 was due to contributions made for capital calls totalling EUR 6,020 thousand, capital reimbursements of EUR 31,299 thousand and a net increase in fair value of around EUR 9,020 thousand.

- Units in ICF II are valued at around EUR 41,710 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 35,254 thousand at 31 December 2014).

The change in the carrying value compared with 31 December 2014 was due to contributions made for capital calls totalling EUR 2,494 thousand, capital reimbursements of EUR 4,723 thousand and a net increase in fair value of around EUR 8,685 thousand.

- Units in IDeA EESS are valued at around EUR 7,312 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 4,330 thousand at 31 December 2014).

The change in the carrying value compared with 31 December 2014 was due mainly to contributions made for capital calls totalling EUR 3,984 thousand, capital reimbursements of EUR 1,613 thousand and a net increase in fair value of around EUR 763 thousand.

- Units in ICF III are valued at around EUR 4,817 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 1,740 thousand at 31 December 2014).

The change in the carrying value compared with 31 December 2014 was due mainly to contributions made for capital calls totalling EUR 2,735 thousand and a net increase in fair value of around EUR 342 thousand.

- Units in IDeA Taste of Italy are valued at approximately EUR 1,074 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015, as a result of contributions made in the form of capital calls of EUR 1,412 thousand and the decrease in fair value of approximately EUR 341 thousand.

The financial assets relating 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 19 January 2015) 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 restricted 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 31,927 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015 (EUR 32,353 thousand at 31 December 2014).

The change in the carrying value versus end-2014 is due to capital reimbursements received of EUR 5,750 thousand, impairment of around EUR 1,767 thousand and a net decrease in fair value of approximately EUR 395 thousand. The change in the scope of consolidation is due to the removal of the "IDeA FIMIT Sviluppo" fund.

The table below provides a breakdown of the funds in the portfolio at 31 December 2015 by area of activity:

(EUR million)	Private Equity Investment	Alternative Asset Management	Total
Venture capital funds	9.7	0.0	9.7
IDeA I FoF	77.2	0.0	77.2
ICF II	41.7	0.0	41.7
ICF III	4.8	0.0	4.8
IDeA EESS	7.3	0.0	7.3
IDeA ToI	1.1	0.0	1.1
IDeA FIMIT SGR Funds	0.0	31.9	31.9
Total funds	**141.8**	**31.9**	**173.7**

3 - Other non-current assets

3a - Deferred tax assets

The balance on the item "deferred tax assets" totalled EUR 3,676 thousand (EUR 5,039 thousand at 31 December 2014) 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 15,960 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)	At 1.1.2015	Recognised in income statement	Recognised in equity	Change in consolidation area	Compensation/ other movements	At 31.12.2015
Deferred tax assets for:						
-personnel costs	907	149	14	0	0	1,070
-other	4,132	27	(735)	0	(820)	2,604
Losses carried forward available for offset against future taxable profits	7,484	7,586	0	0	(15,988)	(918)
Total deferred tax assets	**12,523**	**7,762**	**(721)**	**0**	**(16,808)**	**2,756**
Deferred tax liabilities for:						
- available-for-sale financial assets	(9,458)	373	(7,365)	0	16,808	358
- TFR discounting IAS	51	(50)	0	0	0	1
- intangible assets	(17,773)	754	6,779	0	0	(10,240)
Total deferred tax liabilities	**(27,180)**	**1,077**	**(586)**	**0**	**16,808**	**(9,881)**
Total deferred tax assets	**5,039**					**3,676**
Total deferred tax liabilities	**(19,696)**					**(10,801)**

The deferred tax liabilities of IDeA FIMIT SGR, amounting to EUR 9,227 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-2014 due to the release of EUR 6,779 thousand on the income statement following the write-down of intangible assets from final variable commissions of EUR 20,500 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. 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 - Other non-current assets

This item totalled EUR 31,795 thousand at 31 December 2015, compared with EUR 30,495 thousand at 31 December 2014, and mainly relates to:

- the receivable from Beta Immobiliare fund concerning the final variable commission, in the amount of EUR 22,523 thousand. The calculation was made according to the provisions of the operating regulations of the Beta Immobiliare fund, taking into account the NAV shown in the management report at 31 December 2015. This receivable corresponds to the portion of the overperformance commission accrued since the start of the fund’s operations, which the asset management fund will receive when liquidated only if certain conditions are met.
- a receivable of EUR 7,549 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 17,818 thousand, compared with EUR 29,039 thousand at 31 December 2014, and mainly included receivables from customers (EUR 17,740 thousand). These related mainly to the balances of IRE (EUR 11,846 million) and IDeA FIMIT SGR (EUR 5,496 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 4,380 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 69 thousand from De Agostini S.p.A. for the agreement to sub-let rented premises and the reimbursement of costs associated with said agreement.

The table below shows the maturities of outstanding trade receivables at 31 December 2015:

		expired				
(EUR thousand)	**Not expired**	**less than 90 days**	**Between 90 days and 180 days**	**Between 180 days and 360 days**	**More than 360 days**	**Total**
Trade reicevables	9,760	4,417	1,273	1,187	1,181	**17,818**

4b - Available-for-sale financial assets

At 31 December 2015, this item totalled EUR 7,532 thousand, compared with EUR 5,080 thousand at 31 December 2014, and relates to the portfolio of government securities and corporate bonds held by IDeA Capital Funds SGR.

4c - Financial receivables

At 31 December 2015, this item totalled EUR 3,467 thousand (compared with EUR 2,678 thousand at 31 December 2014) 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.

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

This item totalled EUR 2,667 thousand at 31 December 2015 (EUR 3,533 thousand at 31 December 2014) and relates to the receivable from the Parent Company De Agostini S.p.A. for the joining of the tax consolidation scheme by DeA Capital S.p.A. and DeA Capital Real Estate.

DeA Capital S.p.A., IDeA Capital Funds SGR, DeA Capital Real Estate, IRE and IRE Advisory 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, IRE and IRE Advisory for the three-year period 2015-2017 and for DeA Capital Real Estate for the three-year period 2013-2015.

4e - Other tax receivables

At 31 December 2015, this item totalled EUR 4,567 thousand, compared with EUR 2,892 thousand at 31 December 2014. It mainly includes:

- a receivable due to IDeA FIMIT SGR of EUR 1,620 thousand deriving from advance payments of IRES/IRAP during the year, net of provisions for taxes;
- 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 94 thousand;
- a total payment of EUR 433 thousand arising from tax inspections in the tax periods 2009-2010 recorded for IDeA Alternative Investments S.p.A. (a company that was merged by incorporation into DeA Capital S.p.A. with effect from 1 January 2012), against which the company filed an appeal;
- a receivable of EUR 739 thousand relating to December 2015 from Parent Company De Agostini S.p.A. (formerly B&D Holding di Marco Drago e C. S.a.p.A.) for its part in settling Group VAT;
- advance payments made in relation to foreign direct and indirect taxes in Luxembourg for EUR 12 thousand.

4f - Other receivables

This item, which totalled EUR 2,876 thousand at 31 December 2015 compared with EUR 18,591 thousand at 31 December 2014 (of which EUR 15,193 thousand relates to the receivable of the IDeA FIMIT Sviluppo fund). As a result of the events described in the Report on Operations, the scope of consolidation has changed compared with 31 December 2014: the IDeA FIMIT Sviluppo fund has been removed following the arrival of new investors who, by contributing capital or land, have diluted the DeA Capital Group's stake in said fund from 50% (held through the subsidiary IDeA FIMIT SGR) to 8.5%.
At 31 December 2015, this item mainly included receivables for guarantee deposits, advances to suppliers, prepaid expenses and other receivables from managed funds totalling EUR 1,220 thousand.
These receivables fall due within the next year.

4g - Cash and cash equivalents

This item comprises bank deposits and cash including interest accrued to 31 December 2015. This item totalled EUR 123,468 thousand at end-2015 compared with EUR 55,583 thousand at end-2014.

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

Cash deposited at banks accrues interest at floating rates, based on the prevailing overnight, 1-2-week and 1-3-month interest rates.

4h - Held-for-sale assets

In light of the launch, in the fourth quarter of 2015, of a process to sell the shareholding in Sigla Luxembourg S.A., the value of the stake (EUR 11,487 thousand) was reclassified under "held-for-sale assets" at 31 December 2015.

5 - Shareholders' equity

At 31 December 2015, Group shareholders' equity was approximately EUR 546,988 thousand, compared with EUR 653,513 thousand at 31 December 2014.

The decrease of about EUR 106,525 thousand in Group shareholders' equity in 2015 was mainly due to the extraordinary dividend paid (EUR 79,849 thousand) and to the reasons already discussed in the Statement of Performance - IAS 1 (EUR -13,165 thousand) and the impact of the plan to purchase treasury shares (EUR -13,030 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 42,688,945 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 2015 is deducted from total share capital, share capital of EUR 263,923,155 was reported in the Financial Statements.

Changes in share capital are shown in the table below:

	31.12.2015		31.12.2014	
(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	*(42,688,945)*	*(42,689)*	*(34,985,736)*	*(34,986)*
Share capital (excluding own shares)	**263,923,155**	**263,923**	**271,626,364**	**271,626**

The table below shows a reconciliation of the shares outstanding:

	Shares issued	Own shares in portfolio	Shares in issue
Shares at 31 December 2014	**306,612,100**	**(34,985,736)**	**271,626,364**
Changes in 2015			
Share capital increase	0	0	0
Own shares purchased	0	(7,703,209)	(7,703,209)
Own shares sold	0	0	0
Own shares disposed of	0	0	0
Used for stock options plan	0	0	0
Shares issued for stock options	0	0	0
Shares at 31 December 2015	**306,612,100**	**(42,688,945)**	**263,923,155**

5b - Share premium reserve

The item in question fell from EUR 384,827 thousand at 31 December 2014 to EUR 299,647 thousand at 31 December 2015, due to the posting to this reserve of the purchase of own shares (EUR 5,326 thousand) and the use of EUR 79,849 thousand to distribute dividends during the year.

5c - Legal reserve

This reserve, which was unchanged compared with the end of 2014, totalled EUR 61,322 thousand at 31 December 2015.

5d - Fair value reserve

The fair value reserve at 31 December 2015 was positive at EUR 62,178 thousand (EUR 116,415 thousand at 31 December 2014) and comprises the items below:

(EUR thousand)	Balance at 1.1.2015	Change in Fair Value	Tax Effect	Balance at 31.12.2015
Direct Investments / Shareholdings	84,778	(68,534)	0	16,244
Venture capital funds and funds of funds	30,653	19,457	(5,468)	44,642
First time adoption IFRS and other reserves	984	521	(213)	1,291
Total	**116,415**	**(48,556)**	**(5,682)**	**62,178**

5e - Other reserves

Other reserves totalled EUR -11,720 thousand at 31 December 2015 (EUR -11,243 thousand at 31 December 2014) and are made up of:

- a reserve for stock option costs totalling EUR +750 thousand;
- a reserve for the sale of option rights, unchanged from 31 December 2014, 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, that were sold by the Company;
- other reserves that are down by EUR 9,247 thousand relating to the associate of Santé, chiefly for the pro-rata reclassification of the minority interests in Santé connected with the 2008-2009 extraordinary dividend distribution by Générale de Santé, and changes in 2010-2012;
- other reserves by EUR -3,636 thousand.

5f - Retained earnings (losses) carried forward

This item totalled EUR -169,434 thousand at 31 December 2015, compared with EUR -111,833 thousand at 31 December 2014. The overall decrease of EUR 57,601 thousand was due to the allocation of profits for 2014.

5g - Profit (loss) for the year

The profit reported for the year of EUR 41,072 thousand is the consolidated loss attributable to the Group for 2015 (EUR -57,601 thousand at 31 December 2014).

5h - Minority interests

This item, which totalled EUR 138,172 thousand at 31 December 2015 (EUR 173,109 thousand at 31 December 2014) relates to the minority interest in shareholders' equity resulting from the line-by-line consolidation of IDeA FIMIT SGR and the IDeA OF I fund.

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 2015.

	IDeA FIMIT SGR		IDeA OF I Fund	
(EUR thousand)	**2015**	**2014**	**2015**	**2014**
Alternative Asset Management fees	47,725	54,116	0	0
Net profit/(loss) for the year	(7,605)	4,387	27,931	2,821
Profit/(loss) attributable to minorities	**(6,891)**	**83**	**14,806**	**1,495**
Other profit/(loss), net of tax effect	431	1,231	(11,537)	(30)
Total comprehensive profit/(loss) for the year	**(7,174)**	**5,618**	**16,394**	**2,791**
Total comprehensive profit/(loss) for the year attributable to minorities	**(6,737)**	**522**	**23,497**	**2,975**

(EUR thousand)	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Current assets	31,367	24,333	3,428	1,134
Non-current assets	199,225	230,281	99,903	118,037
Current liabilities	(13,247)	(10,685)	(40)	(51)
Non-current liabilities	(12,084)	(24,258)	0	0
Net assets	**205,261**	**219,671**	**103,291**	**119,120**
Net assets attributable to minorities	**83,479**	**92,800**	**54,755**	**63,146**

(EUR thousand)	**2015**	**2014**	**2015**	**2014**
CASH FLOW from operations	20,626	10,499	18,512	(1,082)
CASH FLOW from investment assets	(95)	(973)	0	0
CASH FLOW from financial assets	(6,583)	(9,972)	(15,230)	4,672
NET INCREASE IN CASH AND CASH EQUIVALENTS	**13,948**	**(446)**	**3,282**	**3,590**
Dividends paid to minorities during the year	**(2,583)**	**(3,229)**	**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 2015 are shown in the table below:

(EUR thousand)	Balance at 1.1.2015	Portion matured	Payments	Advances	Balance at 31.12.2015
Movement in provision	**4,618**	**968**	**(873)**	**0**	**4,713**

The amounts recognised in the item were calculated as follows:

(EUR thousand)	31.12.2015	31.12.2014
Nominal value of provision	4,148	3,871
Discounting effect	565	747
Total provision	**4,713**	**4,618**

7 - Current liabilities

Current payables amounted to EUR 31,294 thousand at 31 December 2015 (EUR 36,003 thousand at 31 December 2014) and are all due within the following year. These payables are not secured on any company assets.

7a - Trade payables

Trade payables were EUR 15,598 thousand at 31 December 2015 versus EUR 18,180 thousand at 31 December 2014.

This item mainly relates to an amount of EUR 5,005 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 46 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 7,341 thousand at 31 December 2015 versus EUR 8,122 thousand at end-2014, and is largely due to:

- payables to social security organisations of EUR 1,152 thousand, paid after the close of the Financial Year 2015, with the exception of payables for social security liabilities calculated on accrued bonuses;
- payables to employees and directors of EUR 5,774 thousand for holidays not taken and accrued bonuses;
- other payables to employees totalling EUR 415 thousand.

7c - Current tax payables

This item totalled EUR 3,384 thousand at 31 December 2015 (EUR 2,012 thousand at end-2014) and is largely due to the payable of EUR 2,914 thousand to the Parent Company De Agostini S.p.A. from IDeA Capital Funds SGR, IRE and IRE Advisory relating to their joining the tax consolidation scheme.

7d - Other tax payables

This item, which was EUR 1,571 thousand at 31 December 2015 (EUR 2,037 thousand at end-2014), 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 1,367 thousand, paid after the close of the 2015 financial year.

7e - Other payables

This item was EUR 2,749 thousand at 31 December 2015 (EUR 5,292 thousand at end-2014) and mainly relates to payables to IDeA FIMIT SGR (EUR 2,046 thousand), payables to managed funds (EUR 1,338 thousand) and payables to distributors (EUR 451 thousand).

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 totalling EUR 0.7 million.

Subsequently, on 10 November 2015, DeA Capital S.p.A. received another assessment notice for IDeA Alternative Investments S.p.A. relating to the 2010 tax period. The assessment alleged that revenues had been under-reported and that spin-off costs had been improperly deducted. The assessment was challenged in an appeal by DeA Capital before the Milan Provincial Tax Court. In the event of an adverse outcome, which is possible but not likely, DeA Capital could face liabilities consisting of taxes and fines totalling EUR 1.5 million.

INCOME STATEMENT

8 - Alternative asset management fees

Alternative asset management fees in 2015 were EUR 62,416 thousand compared with EUR 66,045 thousand in 2014.

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 the associate valued at equity for the period.

The item, which was EUR -539 thousand in 2015, compared with EUR -786 thousand in 2014, is attributable to the loss relating to the holding in AVA.

10 - Other investment income and expenses

The net income realised on investments in shareholdings and funds was positive at around EUR 72,464 thousand in 2015, compared with a loss of EUR 56,149 thousand in 2014.

Details are shown below:

(EUR thousand)	Year 2015	Year 2014
Gains from venture capital fund distributions	1,425	298
Gain from partial disposal of Kenan/Migros	46,315	0
Gains from real estate fund distributions	3,596	1,135
Gains from OF I Fund	32,496	8,749
Dividends from minor available-for-sale equity investments	50	108
Other gains	46	40
Gains from investments	**83,928**	**10,330**
Losses on disposals of equity investments in subsidiaries	0	0
Impairment venture capital funds	464	385
Impairment private equity funds	152	933
Impairment real estate funds	3,748	516
Impairment Santé	0	59,470
Impairment Iacobucci	6,000	0
Impairment Grandi Navi Veloci	1,068	0
Impairment Euticals	0	5,070
Other charges	32	105
Charges from investments	**11,464**	**66,479**
Total	**72,464**	**(56,149)**

Investment income
Income from available-for-sale venture capital funds was EUR 1,425 thousand and came from capital gains from distributions of venture capital funds.

The capital gains from IDeA OF I management mainly include a capital gain of EUR 27,891 thousand made by IDeA OF I from its sales of the Talgo equity investment.

The item also includes amounts of income distributed in 2015 (EUR 3,596 thousand) by the funds Omicron Plus (EUR 3,210 thousand) and Atlantic 1 (EUR 386 thousand).

Other net investment income from investments in shareholdings and funds mainly relate to the capital gain of EUR 46.3 million from the sale of shareholdings in Migros and the resulting cash distribution by Kenan Investments.

Impairment
The fair value measurement of investments in funds and shareholdings at 31 December 2015 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 2015, based on the documents received and the information available, made it necessary to record:
• impairment of EUR 326 thousand directly on the investments;
• impairment of EUR 138 thousand as a reclassification to profit or loss of the negative fair value reserves;
• impairment of EUR 152 thousand relating to 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 3,748 thousand on real estate funds relates to the reduction in the value of units in the Agris, Omicron Plus, IDeA FIMIT Sviluppo, Gamma, Senior and Theta Comparto Focus funds.

11 - Service revenues

In 2015, these revenues totalled EUR 18,496 thousand, compared with EUR 18,667 thousand in 2014, 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 3,204 thousand in 2015 (compared with EUR 509 thousand at end-2014) relate mainly to the reversal of the carried interest to be paid to the lead investor in Kenan, BC Partners, subject to the achievement of specific profitability parameters, of EUR 3,008 thousand.

13 - Operating costs

Operating costs in 2015 were EUR 128,514 thousand, compared with EUR 87,957 thousand in the previous year.

13a - Personnel costs
Total personnel costs were EUR 32,519 thousand in 2015, compared with EUR 33,579 thousand in 2014.

The item breaks down as follows:

(EUR thousand)	2015	2014
Salaries and wages	17,935	17,842
Social charges on wages	5,388	4,891
Board of directors' fees	5,032	4,806
Stock options	487	937
Employee severance indemnity	1,125	1,172
Other personnel costs	3,314	4,854
Long term incentive plans reversal	(762)	(923)
Total	**32,519**	**33,579**

The effect of the cost arising from the Stock Option Plans for 2015, of EUR 487 thousand (EUR 937 thousand in 2014), was more than offset by the reversal of the cost allocated to the reserve for the 2013-2015 Stock Options Plan, of EUR 762 thousand.

The Allocation Plan 2004 is to be considered lapsed as the conditions for exercising option rights were not met.

At 31 December 2015, the DeA Capital Group had a total of 231 employees (224 at 31 December 2014).

The table below shows the changes and average number of Group employees during 2015.

Position	1.1.2015	Recruits	Departures	Other changes	31.12.2015	Average
Senior Managers	38	7	(10)	0	35	36
Junior Managers	65	9	(11)	2	65	65
Staff	121	28	(16)	(2)	131	125
Total	**224**	**44**	**(37)**	**0**	**231**	**226**

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 2015 totalled 3,135,200 (3,163,200 at 31 December 2014).

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 2015, the DeA Capital S.p.A. Shareholders' Meeting approved the DeA Capital Performance Share Plan 2015-2017, under which a maximum of 675,000 units may be allocated. 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 2015-2017 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 515,000 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 and/or directors performing particular roles at the Company, its subsidiaries and the Parent Company De Agostini S.p.A.

On 27 August 2015, under the same Performance Share Plan 2015-2017, the Board of Directors allocated a further 150,000 units to employees with specific duties.

Shares allocated due to the vesting of units will be drawn from treasury shares already held by the company.

In addition, the Plan enables DeA Capital to oblige beneficiaries to return, in full or in part, shares received pursuant to the Plan, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the targets for the vesting of the units ("claw-back").

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

In addition, pursuant to art. 114-*bis* of the TUF, on 17 April 2015, the Shareholders' Meeting approved a number of amendments to the following current share-based incentive plans: (i) DeA Capital Performance Share Plan 2013-2015, (ii) DeA Capital Stock Option Plan 2013-2015, (iii) DeA Capital Performance Share Plan 2014-2016, and (iv) DeA Capital Stock Option Plan 2014-2016 (together, the Plans).

The approved amendments concern (i) the introduction of a second performance target, related to the total shareholder return of the DeA Capital share, and as an alternative to the target for growth in the adjusted NAV already provided for by the Plans, on which the conversion into shares of the units and the entitlement to exercise the options are dependent, and (ii) the introduction of claw-back mechanisms that enable the Company to oblige beneficiaries to return shares received pursuant to the Plans, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the required performance targets.

Subsequently, on 5 November 2015, in view of the distribution of the extraordinary dividend of EUR 0.30 approved by the Shareholders' Meeting on 17 April 2015 and the resulting reduction in the DeA Capital share value, the Board of Directors of DeA Capital, as the competent body pursuant to the Plans' regulations, approved a number of amendments to the following incentive-based plans in order to keep the substance and financial content unchanged. Specifically:

- Performance share plans: the Board voted to compensate for the lower value of the Plans following the distribution of the extraordinary dividend, in the event that the vesting conditions are met, by allocating new units, to be determined on the vesting date. The new units, which will be valued at the price per share on the same date, will be allocated pro rata to the portion of units that have vested, up to the maximum number of units provided for under the above-mentioned Plans. The Board also resolved that where the lower value of the Plans cannot be compensated for by the allocation of new units, a one-off bonus will be paid as compensation in cash, commensurate with the portion of units that has vested;

- Stock Option Plans: the Board voted to adjust the strike price of the options commensurate with the extraordinary dividend, i.e. EUR 0.30 per share, subject to the lower limit represented by the nominal value of the DeA Capital share. Specifically, the Board voted to: reduce the strike price (i) from EUR 1.289 to EUR 1.000 for the Stock Option Plan 2013-2015 and (ii) from EUR 1.32 to EUR 1.020 for the Stock Option Plan 2014-2016.

The terms and conditions of the above-mentioned Performance Share Plan 2015-2017 are 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 22,397 thousand in 2015 versus EUR 30,734 thousand in 2014.

A breakdown of these costs is shown in the table below:

(EUR thousand)	2015	2014
Admin. Consulting, Tax and Legal and other	9,146	11,202
Remuneration of internal committees	635	773
Maintenance	225	168
Travel expenses	1,036	1,226
Utilities and general expenses	1,431	1,623
Third-party rental, royalties and leasing	4,304	4,434
Bank charges	127	118
Books, stationery and conventions	418	534
Commission expense	1,269	4,351
Other expenses	3,806	6,305
Total	**22,397**	**30,734**

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 9,577 thousand (EUR 6,921 thousand in 2014) 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;
- an estimate of potential losses for activities in relation to the listing of IDeA Real Estate (approx. EUR 4,529 thousand). Note that, owing to adverse conditions in the equity markets at the start of 2016, the listing of IDeA Real Estate SIIQ has in fact been suspended for the time being.

14 - Financial income and charges

14a - Financial income

Financial income in 2015 amounted to EUR 6,058 thousand (EUR 7,313 thousand in 2014); this mainly includes interest receivable for the IDeA OF I fund on the sale of Talgo and Manutencoop (EUR 1,493 thousand), realised exchange rate differences relating to the IDeA OF I fund in the sale of the Telit stake (EUR 2,627 thousand), and unrealised exchange rate differences for the IDeA OF I fund relating to the valuation of the equity investment in 2IL Orthopaedics LTD (Corin) of EUR 784 thousand.

(EUR thousand)	2015	2014
Interest income	1,939	3,447
Income from financial instruments valued at fair value through profit and loss	0	0
Derivative income	0	302
Income earn-out adjustement	0	2,206
Foreign exchange gains	3,571	1,358
Other income	548	0
Total	**6,058**	**7,313**

14b - Financial charges

Financial charges in 2015 amounted to EUR 1,076 thousand (EUR 4,408 thousand in 2014), mainly due to interest payable on credit lines used from 30 April to 31 July 2015 with Mediobanca S.p.A. and Intesa SanPaolo S.p.A., totalling EUR 493 thousand, and fees of EUR 314 thousand.

(EUR thousand)	2015	2014
Interest expense	1,026	4,068
Exchange losses	7	267
Financial charge IAS 19	43	73
Other	0	0
Total	**1,076**	**4,408**

15 - Income tax for the period, deferred tax assets and deferred tax liabilities

This item, totalling EUR 6,452 thousand for 2015 (EUR 1,720 thousand in 2014), includes current income tax due for the year of EUR -6,845 thousandand deferred tax assets of EUR +13,297 thousand, mainly related to the use by IDeA FIMIT SGR of deferred tax liabilities of EUR 6.834 thousand (following the impairment of the intangible assets related to the variable commissions of EUR 20.500 thousand) and to the set-off of tax liabilities resulting from the funds valuation of EUR 5.468 thousand (due to the tax losses available for the Parent Company).

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)	2015	2014
Current taxes:		
Income from tax consolidation scheme	2,278	1,747
- IRES	(7,122)	(6,743)
- IRAP	(1,998)	(2,757)
- Other tax	(3)	(3)
Total Current taxes	**(6,845)**	**(7,756)**
Deferred taxes for the period:		
- Charges for deferred/prepaid taxes	(17)	(1,016)
- Income from deferred/prepaid taxes	6,579	9,792
- Use of deferred tax liabilities	7,556	722
- Use of deferred tax assets	(821)	(22)
Total deferred taxes	**13,297**	**9,476**
Total income tax	**6,452**	**1,720**

The table below shows a reconciliation of the tax charges recorded in the Consolidated Financial Statements and the theoretical tax charge for 2015 calculated using the corporate income tax (IRES) rate applicable in Italy.

	2015		2014	
(EUR thousand)	**Amount**	**Rate**	**Amount**	**Rate**
Profit before tax	**32,509**		**(56,766)**	
Tax on theoretical income	8,940	27.5%	(15,611)	27.5%
Tax on inter-company dividends	301	0.9%	432	(0.8%)
Intangible assets amortization	5,638	17.3%	1,348	(2.4%)
Write-downs of equity investments and loans	82	0.3%	1,160	(2.0%)
Effect of companies with different taxation from that of Italy	0	0.0%	23,220	(40.9%)
Use of tax losses not previously recognised	0	0.0%	0	0.0%
Net profit/(loss) from subsidiaries not subject to taxation	(7,062)	(21.7%)	(767)	1.4%
Net profit/(loss) from associates not subject to taxation	0	0.0%	216	(0.4%)
Non-deductible interest	182	0.6%	94	(0.2%)
Income from tax consolidation scheme	(678)	(2.1%)	(836)	1.5%
Other net differences	(3,080)	(9.5%)	(3,525)	6.2%
Net effect of prepaid/deferred taxes	(12,664)	(39.0%)	(9,375)	16.5%
IRAP and other taxes on foreign income	1,890	5.8%	1,924	(3.4%)
Income tax reported in the income statement	**(6,452)**	**(19.8%)**	**(1,720)**	**3.0%**

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)	**2015**	**2014**
Consolidated net profit/(loss) - Group share (A)	41,072	(57,601)
Weighted average number of ordinary shares outstanding (B)	266,557,823	273,806,403
Basic earnings/(loss) per share (€ per share) (C=A/B)	**0.154**	**(0.210)**
Restatement for dilutive effect	-	-
Consolidated net profit/(loss) restated for dilutive effect (D)	41,072	(57,601)
Weighted average number of shares to be issued for the exercise of stock options (E)	956,844	306,445
Total number of shares outstanding and to be issued (F)	267,514,667	274,112,848
Diluted earnings/(loss) per share (€ per share) (G=D/F)	**0.154**	**(0.210)**

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 2015

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	64,672	(2,256)	62,416
Income (loss) from equity investments	(180)	(359)	0	(539)
Other investment income/expense	72,552	(88)	0	72,464
Income from services	3,054	18,549	97	21,700
Other expenses	(2,455)	(120,285)	(5,774)	(128,514)
Financial income and expenses	5,065	616	(699)	4,982
PROFIT/(LOSS) BEFORE TAXES	**78,036**	**(36,895)**	**(8,632)**	**32,509**
Income tax	0	(409)	6,861	6,452
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**78,036**	**(37,304)**	**(1,771)**	**38,961**
Profit (Loss) from discontinued operations/held-for-sale assets	286	0	0	286
PROFIT/(LOSS) FOR THE PERIOD	**78,322**	**(37,304)**	**(1,771)**	**39,247**
- Group share	63,516	(20,673)	(1,771)	41,072
- Non controlling interests	14,806	(16,631)	0	(1,825)

Summary Group income statement - performance by business in 2014

(EUR thousand)	Private Equity Investment	Alternative Asset Management	Holdings/ Eliminations	Consolidated
Alternative Asset Management fees	0	68,549	(2,504)	66,045
Income (loss) from equity investments	(262)	(524)	0	(786)
Other investment income/expense	(56,812)	663	0	(56,149)
Income from services	146	18,357	673	19,176
Other expenses	(5,930)	(71,152)	(10,875)	(87,957)
Financial income and expenses	3,006	155	(256)	2,905
PROFIT/(LOSS) BEFORE TAXES	**(59,852)**	**16,048**	**(12,962)**	**(56,766)**
Income tax	0	(6,584)	8,304	1,720
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**(59,852)**	**9,464**	**(4,658)**	**(55,046)**
Profit (Loss) from discontinued operations/held-for-sale assets	(887)	0	0	(887)
PROFIT/(LOSS) FOR THE PERIOD	**(60,739)**	**9,464**	**(4,658)**	**(55,933)**
- Group share	(62,235)	9,292	(4,658)	(57,601)
- Non controlling interests	1,496	172	0	1,668

Notes to the Cash Flow Statement

Changes to the Cash Flow Statement have been reported using the direct method.

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 2015, operating activities, as defined above, generated cash and cash equivalents of EUR 188,492 thousand (EUR 188,419 thousand in 2014). Please see the Consolidated Cash Flow Statement for information on changes to this item.

In 2015, financial activities absorbed EUR 120,580 thousand (EUR 157,756 thousand in 2014). Please see the Consolidated Cash Flow Statement for information on changes to this item.

Cash and cash equivalents totalled EUR 123,468 thousand at end-2015, compared with EUR 55,583 thousand at the end of the 2014.

Other information

Commitments

At 31 December 2015, residual commitments for payments to funds totalled EUR 92.6 million, compared with EUR 106.5 million at end-2014. Changes in commitments are shown in the table below:

(EUR million)	
Residual Commitments to funds - 31.12.2014	**106.5**
Change in commitments of VC funds	0.0
New commitments	5.8
Capital Calls	(20.0)
Incorporated funds	0.0
Exchange differences	0.3
Residual Commitments to funds - 31.12.2015	**92.6**
Net Financial Position at 31.12.2015	**133.8**
NFP vs. Residual Commitments - 31.12.2015 (Overcommitment)	**41.2**

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 2015, 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 revolving 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 17 April 2014 (which was scheduled to expire with the approval of the 2014 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 2015 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 Company's 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 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 (with certain exceptions specified in the plan). Sale transactions may also be carried out for trading purposes.

On 17 April 2015, the Board of Directors held following the shareholders' meeting voted to implement the above mentioned plan to buy and sell treasury shares according to the operating practice as of the so called "Consob Practice" (the operating practice n. 2 as of the Consob Resolution n. 16838 issued on March 19, 2009, as of the article 180, subparagraph 1, letter c) of the TUF).

The treasury shares acquisition plan is aimed to the setup of a "securities warehouse" as permitted by the Consob Practice, to be used according to the shareholders' meeting decision as a means of payment for extraordinary corporate transactions (exchange of participations included).

According to article 5 of the Regolamento CE n. 2273/2003, the treasury shares purchase price can't be higher than the higher price between (i) the price of the latest independent transaction and (ii) current independent offer in the trading venues where the purchase is made. All such price limits are subject to the further condition of the price per share being within a -20%/+20% variance range compared to the public stock quote as of the latest stock market session preceding every treasury share purchase.
On top of that the Board of Directors also resolved to set the maximum unit price above which purchases of treasury shares may not be made at the NAV per share indicated in the most recent statement of financial position approved and disclosed to the market.

DeA Capital has a contract with independent authorised intermediary Intermonte SIM S.p.A., granting this company a mandate to buy and sell ordinary DeA Capital shares, pursuant to the Consob Practice. For further details please refer to the above mentioned ordinary Shareholders' meeting notice, to the Directors' report and to the press release issued on 17 April 2015 available on the Company web site (www.deacapital.it), respectively in the Investor Relations/Shareholders' Meetings and the Investor Relations/Press Releases sections.

In 2015, DeA Capital S.p.A. purchased around 7,703,209 million shares for a price of about EUR 13.0 million.

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 2015 the Company owned 42,688,945 treasury shares (equal to about 13.9% of share capital).

As of the date of this document, based on purchases of 445,306 shares made after the end of 2015, the Company had a total of 43,147,751 treasury shares corresponding to about 14.1% of the share capital.

During 2015, 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 2015, the DeA Capital S.p.A. Shareholders' Meeting approved the DeA Capital Performance Share Plan 2015-2017, under which a maximum of 675,000 units may be allocated. 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 2015-2017 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 515,000 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 and/or directors performing particular roles at the Company, its subsidiaries and the Parent Company De Agostini S.p.A.

On 27 August 2015, under the same Performance Share Plan 2015-2017, the Board of Directors allocated a further 150,000 units to employees with specific duties.

Shares allocated due to the vesting of units will be drawn from own shares already held by the company.

In addition, the Plan enables DeA Capital to oblige beneficiaries to return, in full or in part, shares received pursuant to the Plan, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the targets for the vesting of the units ("claw-back").

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

In addition, pursuant to art. 114-*bis* of the TUF, on 17 April 2015, the Shareholders' Meeting approved a number of amendments to the following current share-based incentive plans: (i) DeA Capital Performance Share Plan 2013-2015, (ii) DeA Capital Stock Option Plan 2013-2015, (iii) DeA Capital Performance Share Plan 2014-2016, and (iv) DeA Capital Stock Option Plan 2014-2016 (together, the Plans).

The amendments approved concern (i) the introduction of a second performance target, related to the total shareholder return of the DeA Capital share, and as an alternative to the target for growth in the Adjusted NAV, already provided for in the Plans, on which the conversion into shares of the units and the entitlement to exercise the options are dependent, and (ii) the introduction of claw-back mechanisms, according to the Corporate Governance Code recommendations, that enable the Company to oblige beneficiaries to return shares received pursuant to the Plans, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the required performance targets.

Morover, on 5 November 2015, following the extraordinary dividend distribution of EUR 0.30 per share resolved by the Shareholders' meeting of 17 April 2015 resulting in a reduction of the DeA Capital share value, the Board of Directors of DeA Capital, as enabled by the Plans regulations, approved some changes to the current incentive plans in order to maintain unchanged their substantial and economic contents. More specifically:

- As regards the Performance Shares Plans, the Board voted to compensate for the lower value of the Plans following the distribution of the extraordinary dividend, in the event that the vesting conditions are met, by allocating new units, to be determined on the vesting date. The new units, which will be valued at the price per share on the same date, will be allocated pro rata to the portion of units that have vested, up to the maximum number of units provided for under the above-mentioned Plans. Where the lower value of the Plans cannot be compensated for by the allocation of new units, a one-off bonus will be paid as compensation in cash, commensurate with the portion of units that has vested;

- As regards the Stock Option Plans, the Board voted to adjust the strike price of the options by an amount corresponding to the extraordinary dividend, i.e. EUR 0.30 per share, subject to the lower limit represented by the nominal value of the DeA Capital share. Specifically, the Board voted to: reduce the strike price (i) from EUR 1.289 to EUR 1.000 for the Stock Option Plan 2013-2015 and (ii) from EUR 1.32 to EUR 1.020 for the Stock Option Plan 2014-2016.

The tables below summarise the assumptions made in calculating the fair value of the plans:

Stock options	**Plan 2004**	**Plan 2005**	**Plan 2013**	**Plan 2014**
No. of options allocated	160,000	180,000	1,550,000	1,550,000
Average market price at allocation date	2.445	2.703	1.26	1.44
Value at allocation/ modification of regulation date	391,200	486,540	318,267	364,250
Average exercise price	2.03	2.46	1.00	1.02
Expected volatility	31,15%	29,40%	21,78%	22,06%
Option expiry date	31/08/15	30/04/16	31/12/18	31/12/19
Risk-free rate	4.25%	3.60%	0.71%	0.71%

The Allocation Plan 2004 is to be considered lapsed as the conditions for exercising option rights were not met.

Performance Share	**Plan 2013**	**Plan 2014**	**Plan 2015**	**Plan 2015**
N° units allocated	393,500	393,500	515,000	150,000
Unit value	1.60	1.44	1.46	1.34
Value at allocation/ modification date	249,217	228,230	302,477	66,750
Expected volatility	19.41%	22.06%	24.83%	25.54%
Option expiry date	31/12/15	31/12/16	30/06/19	30/06/19
Risk free rate	0.42%	0.42%	0.95%	0.82%

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 implemented 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 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 above-mentioned 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, investor relations, institutional and press services.

   This agreement, which is automatically renewed 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, DeA Capital Real Estate, IRE and IRE Advisory 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, IRE and IRE Advisory for the three-year period 2015-2017 and for DeA Capital Real Estate for the three-year period 2013-2015.

3) In order to enable 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/deposits.

   Deposit/financing operations falling within this Framework Agreement shall be activated only subject to verification that the terms and conditions, as determined from time to 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 automatically renewed annually.

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

Lastly, the Company did not hold, purchase or dispose of shares of related-party companies in 2015.

The table below summarises the amounts of trade-related transactions with related parties.

	31 december 2015						2015			
(EUR thousand)	Loans	Trade receivables	Tax receivables	Other tax receivables	Tax payables	Trade payables	Income from services	Financial income	Personnel costs	Service costs
Sigla S.r.l.	3,467	0	0	0	0	0	0	227	0	0
De Agostini S.p.A.	0	69	2,667	1,187	2,914	34	335	0	335	602
Gruppo De Agostini Editore S.p.A.	0	8	0	0	0	134	52	0	47	350
Lottomatica S.p.A.	0	1	0	0	0	0	26	0	0	0
DeA Factor S.p.A.	0	0	0	0	0	1,687	0	0	0	0
De Agostini Invest S.A.	0	0	0	0	0	25	0	0	0	22
Total related parties	**3,467**	**78**	**2,667**	**1,187**	**2,914**	**1,880**	**413**	**227**	**382**	**974**
Total financial statement line item	**3,467**	**17,818**	**2,667**	**2,892**	**3,384**	**15,598**	**18,496**	**6,058**	**32,519**	**22,397**
As % of financial statement line item	**100.0%**	**0.4%**	**100.0%**	**41.0%**	**86.1%**	**12.1%**	**2.2%**	**3.7%**	**1.2%**	**4.3%**

Remuneration: directors of the board, auditors, general managers and managers with strategic responsibilities

In 2015, remuneration payable to the directors and auditors of DeA Capital S.p.A. for the performance of their duties totalled EUR 267 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	2015	Approval fin. statements 2015	30	0	0	0	0
Paolo Ceretti	Chief Executive Officer	2015	Approval fin. statements 2015	30	0	450	0	70
Carlo Frau	Senior managers with strategic responsibilities	to 11 april 2015	-	0	0	150	0	8
Lino Benassi	Director	2015	Approval fin. statements 2015	26	0	0	0	64
Stefania Boroli	Director	to 12 march 2015	-	6	0	0	0	0
Busso Donatella	Director	to 17 april 2015	Approval fin. statements 2015	21	0	0	0	0
Rosario Bifulco	Director	2015	Approval fin. statements 2015	30	0	0	0	25
Francesca Golfetto	Director	2015	Approval fin. statements 2015	30	0	0	0	20
Roberto Drago	Director	2015	Approval fin. statements 2015	30	0	0	0	0
Marco Drago	Director	2015	Approval fin. statements 2015	30	0	0	0	0
Severino Salvemini	Director	2015	Approval fin. statements 2015	30	0	0	0	35
Marco Boroli	Director	2015	Approval fin. statements 2015	30	0	0	0	0
Angelo Gaviani	Chairman of the Board of Statutory Auditors	2015	Approval fin. statements 2015	75	0	0	9	0
Gian Piero Balducci	Permanent Auditor	2015	Approval fin. statements 2015	50	0	0	35	32
Annalisa Donesana	Permanent Auditor	2015	Approval fin. statements 2015	50	0	0	40	12

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 2015, annual salaries and bonuses, excluding benefits in kind, paid to managers with strategic responsibilities in the Parent Company totalled about EUR 689 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 1.1.2015	No. of shares purchased	No. of shares sold	No. of shares held at 31.12.2015
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.	205,000	100,000	0	305,000
Total		**5,330,904**	**100,000**	**0**	**5,430,904**

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, 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 and Marco Boroli – shares of De Agostini S.p.A., which control the Company both directly and indirectly, and are party 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 outstanding at 1 January 2015			Options granted during 2015			Options lapsed during 2015	Options outstanding at 31 December 2015		
Beneficiary	Position	Number of options	Average exercise price	Average expiry date	Number of options	Average exercise price	Average expiry date	Number of options	Number of options	Average exercise price	Average expiry date
Paolo Ceretti	CEO	950,000	1.00	5	0	0	0	0	950,000	1.00	5
Paolo Ceretti	CEO	950,000	1.02	5	0	0	0	0	950,000	1.02	5
Key Management		600,000	1.00	5	0	0	0	0	600,000	1.00	5
Key Management		600,000	1.02	5	0	0	0	0	600,000	1.02	5

Lastly, note that the Chief Executive Officer, Paolo Ceretti, and managers with strategic responsibilities were assigned 250,000 and 320,000 performance shares respectively in 2015, as shown in the table below.

		Options outstanding at 1 January 2015			Options granted during 2015			Options lapsed during 2015	Options outstanding at 31 December 2015		
Beneficiary	**Position**	**Number of options**	**Avrage Exercise Price**	**Average expiry date**	**Number of options**	**Avrage Exercise Price**	**Average expiry date**	**Number of options**	**Number of options**	**Avrage Exercise Price**	**Average expiry date**
Paolo Ceretti	CEO	120,000	1.60	3	0	0	3	0	120,000	1.60	3
Paolo Ceretti	CEO	120,000	1.44	3	0	0	3	0	120,000	1.44	3
Paolo Ceretti	CEO	0	0	0	250,000	1.46	4	0	250,000	1.46	4
Key Management		84,625	1.60	3	0	0	0	0	84,625	1.60	3
Key Management		84,625	1.44	3	0	0	0	0	84,625	1.44	3
Key Management		0	0	0	170,000	1.46	4	0	170,000	1.46	4
Key Management		0	0	0	150,000	1.34	4	0	150,000	1.34	4

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 2015, 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 carried out by the organisational units and the directors confirm both the non-critical nature of these risks and uncertainties, and the DeA Capital Group's financial solidity.

With reference to the specific risks relating to Migros, the main private equity investment, 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 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, if a decision were made to cancel the asset management mandate for one or more funds;
- concentration of the financial resources of the funds managed in a limited number of sectors and/or geographical areas, in the event of a currency, systemic or sector crisis;
- for closed-end 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, if they were to 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 properties 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 asset diversification in the Alternative Asset Management business.

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 their 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 macroeconomic 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 the 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 arising 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 both by 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 2015 Consolidated Financial Statements

Private Equity funds – paid calls/capital distributions

After the end of 2015, the DeA Capital Group increased its investments in the ICF II, IDeA OF I, IDeA EESS, ICF III, IDeA I FOF and IDeA ToI funds following total payments of EUR 2,909 thousand (EUR 764 thousand, EUR 1,374 thousand, EUR 76 thousand, EUR 69 thousand, EUR 555 thousand and EUR 71 thousand, respectively).

At the same time, DeA Capital received capital reimbursements from the IDeA I FoF and IDeA OF I funds of EUR 4,511 thousand and EUR 4,070 thousand respectively, to be used in full to reduce the value of the units.

Second closing of ICF III private equity fund

On 19 January 2016, the second and final closing of the ICF III fund was completed for EUR 9,900 thousand; this brought the final commitment of the fund to EUR 66,950 thousand.

Further information

Publication of the 2015 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 2015, there were no atypical or unusual transactions as defined by Consob Communication 6064293 of 28 July 2006.

Significant non-recurring events and transactions

In 2015, 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

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 DeA Capital S.p.A., 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 2015 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 2015 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 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 at 31 December 2015:

- 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.

9 March 2016

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 Regulation and reports the fees for 2015 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 FY 2015
Audit	PricewaterhouseCoopers S.p.A.	DeA Capital S.p.A.	55
	PricewaterhouseCoopers S.p.A.	DeA Capital Real Estate	10
	PricewaterhouseCoopers S.p.A.	Innovation Real Estate	13
	PricewaterhouseCoopers S.p.A.	IRE Advisory	8
Certification services (1)	PricewaterhouseCoopers Advisory S.p.A.	DeA Capital S.p.A.	15
Other services	PricewaterhouseCoopers Advisory S.p.A.	IDeA FIMIT SGR	60
	TLS Associazione professionale	IDeA FIMIT SGR	113
Total			**274**

1) Modello Unico / 770.

Financial Statements for the Year Ending 31 December 2015

- **Statement of Financial Position**
- **Income Statement**
- **Statement of Comprehensive Income**
- **Cash Flow Statement**
- **Statement of Changes in Shareholders' Equity**
- **Notes to the Financial Statements**

Balance Sheet - DeA Capital S.p.A.

(EUR)	Note	31.12.2015	31.12.2014
ASSETS			
Non-current assets			
Intangible and tangible assets			
Intangible assets	1a	14,965	13,609
Tangible assets	1b	469,416	586,918
Total intangible and tangible assets		484,381	600,527
Investments			
Subsidiaries and joint ventures	2a	221,680,803	256,900,010
Associates	2b	4,202,710	14,221,021
Available-for-sale investments	2c	76,464,384	209,320,028
Available-for-sale funds	2d	141,803,236	144,383,615
Total Investments		444,151,133	624,824,674
Other non-current assets			
Deferred tax assets			0
Tax receivables from Parent companies			546,152
Total other non-current assets		0	546,152
Total non-current assets		**444,635,514**	**625,971,353**
Current assets			
Trade receivables			557,069
Financial receivables			1,709,552
Tax receivables from Parent companies			2,782,826
VAT receivables from Parent companies			115,044
Other tax receivables			289,382
Other receivables			538,818
Cash and cash equivalents			37,961,858
Total current assets		95,112,068	43,954,549
Total current assets		**95,112,068**	**43,954,549**
Held-for-sale assets	5	**11,486,685**	**0**
TOTAL ASSETS		**551,234,267**	**669,925,902**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	6a	263,923,155	271,626,364
Share premium reserve	6b	299,646,519	384,826,924
Legal reserve	6c	61,322,420	61,322,420
Fair Value reserve	6d	18,758,957	12,908,007
Other reserves	6e	316,409	504,126
Retained earnings (losses)	6f	(75,961,631)	(71,451,400)
Profit/(loss) for the year	6g	(18,899,586)	(4,519,219)
Shareholders' equity		**549,106,243**	**655,217,222**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	3a	0	0
Provisions for employee termination benefits	7a	285,844	558,957
Other payables	7b	0	11,396,404
Total non-current liabilities		**285,844**	**11,955,361**
Current liabilities			
Trade payables	8a	1,200,066	1,325,359
Payables to staff and social security organisations	8b	371,021	828,943
Current tax payables	8c	63,926	63,926
VAT payables vs Parent companies	8d	0	339,690
Other tax payables	8e	198,561	184,324
Other payables	8f	8,606	11,077
Total current liabilities		**1,842,180**	**2,753,319**
Held-for-sale liabilities		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**551,234,267**	**669,925,902**

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.

Income Statement - DeA Capital S.p.A.

(EUR)	Note	Year 2015	Year 2014
Dividends from subsidiaries and joint ventures	9a	5,517,080	190,476,720
Gains from available-for-sale funds	9a	17,877,541	297,735
Subsidiaries and joint ventures impairment	9a	(53,379,363)	(192,148,356)
Impairment of associated companies	9a	0	(884,208)
Impairment of Investments in other companies-available-for-sale	9a	0	(65,190)
Impairment of funds available-for-sale	9a	(616,423)	(1,317,382)
Income from services	9b	1,767,185	1,868,506
Other income	9c	9,106,713	252,730
Personnel costs	10a	(2,452,009)	(4,978,154)
Service costs	10b	(4,475,056)	(4,818,879)
Depreciation, amortization and impairment	10c	(161,469)	(154,567)
Other expenses	10d	(67,009)	(444,042)
Financial income	11a	392,877	3,173,521
Financial expenses	11b	(823,027)	(3,443,143)
PROFIT/(LOSS) BEFORE TAX		**(27,312,960)**	**(12,184,709)**
Income tax	12a	855,513	908,140
Deferred tax	12b	7,557,861	6,757,350
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**(18,899,586)**	**(4,519,219)**
Profit (Loss) from discontinued operations/held-for-sale assets		0	0
PROFIT/(LOSS) FOR THE YEAR		**(18,899,586)**	**(4,519,219)**
Earnings per share, basic (€)	13	(0.07)	(0.02)
Earnings per share, diluted (€)	13	(0.07)	(0.02)

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 negative balance of approximately EUR 12,952 thousand compared with a net positive balance of around EUR 28,765 thousand in 2014. This comprises:

- a net loss of EUR 18,900 thousand recorded on the income statement;
- results posted directly to shareholders' equity totalling EUR +5,947 thousand, mainly due to the decrease in fair value of the equity investment in Kenan Investments, which was only partly offset by the increase in the value of units in portfolio funds.

(in EUR)	**31.12.2015**	**31.12.2014**
Profit/(loss) for the year (A)	**(18,899,586)**	***(4,519,219)***
Components that may be subsequently restated under profit/(loss) for the year	5,851,000	33,364,802
Gains/(losses) from recalculation of available-for-sale financial assets	*5,851,000*	*33,364,802*
Components that will not be subsequently restated under profit/(loss) for the year	96,467	(80,598)
Actuarial gains/(losses) to be revalued in defined benefit plans	*96,467*	*(80,598)*
Total other profit/(loss), net of tax effect (B)	***5,947,467***	***33,284,204***
Total comprehensive profit/(loss) for the year (A)+(B)	**(12,952,119)**	**28,764,985**

Cash flow statement - Parent Company - Direct method

(EUR thousand)	Financial year 2015	Financial year 2014
CASH FLOW from operating activities		
Investments in funds and shareholdings	**(19,967)**	(18,108)
Proceeds from the sale of investments	**107,670**	1,220
Capital reimbursements from funds and shareholdings	**55,199**	29,601
Interest received	**141**	24
Intragroup interest received	**0**	1,111
Interest paid	**(499)**	(3,073)
Intragroup interest paid	**0**	(152)
Income from distribution from investments	**1,423**	298
Exchange gains (losses)	**16**	5
Taxes paid	**(438)**	(3)
Taxes refunded	**3,111**	3,689
Dividends received	**5,517**	131,557
Revenues for services	**54**	369
Intragroup revenues for services	**2,104**	2,777
Intragroup operating expenses	**(942)**	(1,409)
Operating expenses	**(8,583)**	(8,870)
Net cash flow from operations	**144,806**	**139,036**
CASH FLOW from investment activities		
Acquisition of property, plant and equipment	(71)	(316)
Acquisition of intangible assets	(26)	(13)
Acquisition of property, plant and equipment ICO	(17)	0
Sale of property, plant and equipment ICO	354	45
Net cash flow from investments	**240**	**(284)**
CASH FLOW from financial activities		
Purchase of own shares	(13,030)	(3,719)
Dividends paid	(79,849)	0
Bank loans	0	(147,000)
Short-term intragroup loans	(1,741)	45,398
Net cash flow from financial activities	**(94,620)**	**(105,321)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**50,426**	**33,430**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**37,962**	**3,776**
Initial cash and cash equivalents of companies merged in the period	0	756
Cash and cash equivalents of assets at beginning of period	**37,962**	**4,532**
EXCHANGE EFFECT OF CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCY	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**88,388**	**37,962**
Held-for-sale assets	0	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**88,388**	**37,962**

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 shareholders' equity of the Parent Company DeA Capital S.p.A.

(EUR thousand)	Share capital	Share premium reserve	Legal reserve	Fair value reserves	Stock options reserve
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 at 31.12.2014	**271,626**	**384,827**	**61,322**	**12,908**	**1,033**
Allocation of profit	0	0	0	0	0
Cost of stock options	0	0	0	0	487
Stock Options Plan 2004 e 2013 reversal	0	0	0	0	(770)
Purchase of own shares	(7,703)	(5,326)	0	0	0
Dividend paid 2015	0	(79,854)	0	0	0
Total comprehensive profit/(loss) for 2015	0	0	0	5,851	0
Total at 31.12.2015	**263,923**	**299,647**	**61,322**	**18,759**	**750**

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)**	**(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**
0	0	0	(4,519)	4,519	0
0	0	0	0	0	487
0	0	0	9	0	(761)
0	0	0	0	0	(13,029)
0	0	0	0	0	(79,854)
0	0	95	0	(18,900)	(12,954)
413	**(831)**	**(16)**	**(75,961)**	**(18,900)**	**549,106**

Notes to the Financial Statements
Financial Statements for the Year Ending 31 December 2015

Notes to the Financial Statements
Financial Statements for the Year Ending 31 December 2015

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.

Following the merger by incorporation of Luxembourg company DeA Capital Investments S.A. in 2014, 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.;

- the materiality principle: when reporting operating events in accounting entries, preference is given to the principle of economic substance over form;

- the accounting comparability principle: annual 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 the 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 based on their nature.

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 at 31 December 2015.

In addition to the figures at 31 December 2015, the Financial Statement formats used also provide comparable figures for 31 December 2014.

The publication of the draft financial statements for the period ending 31 December 2015 was authorised by resolution of the Board of Directors dated 09 March 2016.

Statement of compliance with accounting standards

The Financial Statements for the Year Ending 31 December 2015 (2015 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 balance sheet, financial situation, income statement and cash flows for the period.

Accounting standards, amendments and interpretations applied as of 1 January 2015

The IASB-approved international accounting standards and interpretations authorised for adoption in Europe that were applied for the first time from 1 January 2015 are detailed below.
The Company did not apply any IFRS in advance.

IFRIC 21 - Levies

On 20 May 2013, the IASB published IFRIC Interpretation 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).

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.

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 changes 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).

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 2016*

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 2016, are as follows:

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. This is 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 not 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 are effective for annual periods starting from 1 January 2016.

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.

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 associates and joint ventures in the separate financial statements.

The amendments will enter into force from 1 January 2016.

Improvements to IFRS - 2012-2014 cycle

On 25 September 2014, the IASB issued a set of amendments to IFRS ("Annual Improvements to IFRS - 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 reclassifies 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 no longer apply. 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 in the event that the information required is presented in the interim financial report but not in the interim financial statements.

The amendments will enter into force from 1 January 2016.

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 share of OCI of an associate company or joint venture is presented as a single item, independently of its subsequent recycling in the income statement.

The amendment will enter into force from 1 January 2016.

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 2016*

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 2016 are as follows:

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.

IFRS 9 (Financial instruments)

On 24 July 2014, the IASB published IFRS 9 – Financial Instruments. 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).

Specifically, the standard contains a model for valuing financial instruments based on three categories: amortised cost, fair value and fair value with changes recognised in the Statement of Comprehensive Income. It also includes a new impairment model that is different from the one stipulated in IAS 39, based mainly on the concept of "expected losses".

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 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 2018, and must be fully or partially applied retrospectively.

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) controlled, in turn, by 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 required to present consolidated financial statements provided that its parent company drafted consolidated financial statements that comply with IFRS. Following this amendment, the exemption from preparing consolidated financial statements has been extended to intermediate parents, controlled, in turn, by an investment entity, even if the latter values its subsidiaries at fair value rather than consolidating them.

The standard, which is awaiting ratification by the European Commission, will come into force on 1 January 2016.

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 the accounting treatment, both in the event of a parent company 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, then the full gain must be recognised in both cases, while if the object of the transaction is not a business, then the gain must be recognised only for the portion relating to minority interests.

On 10 August 2015, the IASB published the exposure draft, "*Effective Date of Amendments to IFRS 10 and IAS 28*", in which it proposed to defer the entry into force of the amendments until such time as any changes that might arise from the research project into the equity method had been finalised. Any proposed new date for its entry into force will be the subject of public consultation.

Amendments to IAS 12

On 19 January 2016, the IASB issued some amendments to IAS 12 (Income taxes).
The document aims to clarify how to account for deferred tax assets relating to debt instruments measured at fair value.

The amendments, which are awaiting ratification by the European Union, will enter into force on 1 January 2017.

Amendments to IAS

On 29 January 2016, the IASB issued some amendments to IAS 7 (Statement of cash flows: disclosure initiative).

The amendments, which are awaiting ratification by the European Union, will enter into force on 1 January 2017.

IFRS 16 - Leases

On 13 January 2016, the IASB issued IFRS 16 (Leases), which replaces the accounting rules contained in IAS 17.
Under the new accounting standard, all lease agreements must be shown as assets or liabilities whether they are financial leases or operating leases.
IFRS 16 takes effect on 1 January 2019. Companies adopting IFRS 15 in advance may also apply this standard in advance.
The Company will adopt these new standards, amendments and interpretations on the basis of the stipulated date of application, and will assess their potential impact when they have been ratified by the European Union. At present, 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.

B. Key accounting principles and valuation criteria

The accounting principles and valuation criteria adopted for the 2015 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 a 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 of 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 after 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 of 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 after 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 all other direct costs incurred in preparing 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.

Impairment
Impairment always occurs when the carrying value of an asset is greater than its recoverable value. On each reporting date, a 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 acquired 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 all other direct costs incurred in preparing 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.

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.
The loans and receivables category includes non-derivative financial instruments that are not listed on an active market, mainly relating to customer receivables, which have fixed or determinable expected payments. These are included in the current portion except for those due after one year from the balance sheet date, which are classified under the non-current portion. These assets are measured at fair value on initial recognition. Subsequently they are valued at amortised cost by applying the effective interest rate method. Where there is objective evidence indicating impairment, the asset concerned is written down to a carrying value equal to the discounted value of its future cash flows.

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 has been 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 lack 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.

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

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, sight deposits and short-term, highly liquid financial investments that are readily convertible into cash and subject to a negligible risk of price variation. They are 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.

Financial liabilities

Financial liabilities comprise loans, trade payables and other payment obligations. These are valued at fair value on initial recognition and subsequently at amortised cost, applying the effective interest rate method. Where there is a change in the estimated future cash flows and these can be reliably estimated, the value of the payables is recalculated to reflect this change on the basis of the present value of the new estimated future cash flows and the internal rate of return originally determined.

Provisions for risks and future liabilities

If necessary, the Company 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 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 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:

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 Company's obligation to its employees. Thus, contributions are costs in the period in which they are due.

Share-based payments

In the Company, benefits were provided in the form of stock options or share-based payments. This applies to all employees eligible for stock option plans and performance shares.
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.

Estimating fair value requires determining the most appropriate valuation model for granting equity instruments, which therefore depends on the terms and conditions under which these instruments are granted. This also requires the identification of data to input into the valuation model including assumptions on the expected life of the options, volatility and the share return.

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 realized 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.

The adoption of newly issued IAS principles and of any changes in the existing ones has not had any specific and/or cumulative effect neither on the determination of the Net Equity/Net Result nor on the Profit per Share.

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.

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 revision only affects 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 assets could differ, perhaps and in some cases significantly, from those that could be obtained when the assets are sold.

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 2015:

(EUR m)	Level 1	Level 2	Level 3	Total
Investments in Subsidiaries	0	48.5	173.2	221.7
Investments in Associates	0	4.2	0.0	4.2
Other investments - Available-for-sale	0	76.3	0.2	76.5
Available-for-sale funds	0	141.8	0.0	141.8
Total	**0**	**270.8**	**173.4**	**444.1**

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 2015, are identified separately:

(EUR thousand)	Balance at 1.1.2015	Increases	Decreases	Restatements	Impairment	Fair value adjustment	Balance at 31.12.2015
Subsidiaries							
DeA Capital Real Estate S.p.A.	145,080	0	0	0	(16,741)	0	128,339
IDeA FIMIT SGR S.p.A.	5,939	0	0	0	(727)	(104)	5,108
IDeA Capital Funds SGR S.p.A.	49,910	0	0	0	(10,210)	0	39,700
Associates							
Sigla Luxembourg S.A.	11,201	0	0	(11,487)	0	286	0
Other investments							
Harvip Investimmenti S.p.A.	184	0	0	0	0	0	184
Total	**212,314**	**0**	**0**	**(11,487)**	**(27,678)**	**182**	**173,331**

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 S.p.A.
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 specific period covered by the forecasts (2016-2020) and for 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 +12.6% plus a terminal value based on growth ("g") assumptions of +0.75%.

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 -4.3/+4.8 million (for changes of +0.5% and -0.5% in the discount rate) and EUR -2.9/+3.3 million (for changes of -0.5% and +0.5% in the rate of growth "g").

DeA Capital Real Estate S.p.A.
The economic value of the subsidiary DeA Capital Real Estate was estimated on the basis of a "sum of the parts" approach whose key components are represented by the IDeA FIMIT SGR valuation as described in the previous section and the Innovation Real Estate valuation.

IDeA Capital Funds SGR S.p.A.
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), the specific period covered by the forecasts (2016-2018) and for 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 +10.2% and +11.9%, depending on (i) the period of the flows (2016-2018 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 recoverable value of IDeA Capital Funds SGR, i.e. the "risk free" rate and the weighting of the probabilities of achieving the results linked to the new funds focused on credit recovery (known as CCR) leads to potential variations in the carrying value of EUR -2.7/+1.7 million (for changes in the risk free rate of +0.5% and -0.5% respectively) and of EUR -4.6 million/+4.7 million (for changes in the weighting of the probability of results of the CCR funds of -25% and +25% respectively).

Kenan Investments/Migros

The shareholding in Kenan Investments (the indirect parent company of Migros) is recorded in the Consolidated Financial Statements at 31 December 2015 in the amount of EUR 76.3 million.

The accelerated book building operation, completed on 8 April 2011, brought the company's total free float to 20.5%. This increased the significance of stock market prices for the purposes of identifying the fair value of the company.

The valuation of the equity investment in Kenan Investments at 31 December 2015 is based on (i) the equity value of Migros, (ii) an updated view of net debt at the various levels of the Company's control structure (Kenan Investments, Moonlight Capital, MH) and (iii) the TRY/EUR exchange rate (3.17 at 31 December 2015).

Venture capital funds, funds of funds, co-investment fund, theme 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 2015, the DeA Capital Group held units in:

- six venture capital funds (with a total value of approximately EUR 9.7 million).
- IDeA I FoF (valued at EUR 77.2 million);
- ICF II (valued at EUR 41.7 million);
- ICF III (valued at EUR 4.8 million);
- IDeA EESS (valued at EUR 7.3 million);
- IDeA ToI (valued at EUR 1.1 million);
- Atlantic Value Added (valued at EUR 4.2 million).

As regards the venture capital funds, their fair value is based on their net asset value calculated according to the international valuation rules.

The carrying value represents the NAV advised by the management company in its annual report for the year ending 31 December 2015, drafted in accordance with the Bank of Italy's regulation of 19 January 2015 on collective asset management.

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 1.1.2015	Cum.amort. & write-downs at 1.1.2015	Net carrying value at 1.1.2015	Historical ù cost at 31.12.2015	Cum. amort. & write-downs at 31.12.2015	Net carrying value at 31.12.2015
Concessions, licences and trademarks	330	(316)	14	344	(329)	15
Total	**330**	**(316)**	**14**	**344**	**(329)**	**15**

(EUR thousand)	Balance at 1.1.2015	Acquisitions	Disposals	Disposals (provision)	Amort.	Balance at 31.12.2015
Concessions, licences and trademarks	14	14	0	0	(13)	15
Total	**14**	**14**	**0**	**0**	**(13)**	**15**

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 1.1.2015	Cum. depr. & write-downs at 1.1.2015	Net carrying value at 1.1.2015	Historical cost at 31.12.2015	Cum. depr. & write-downs at 31.12.2015	Net carrying value at 31.12.2015
Plant	7	(6)	1	7	(6)	1
Furniture and fixtures	418	(309)	109	418	(348)	70
Computer and office equipment	59	(53)	6	63	(53)	10
Leasehold improvements	663	(212)	451	663	(312)	351
Non-depreciable tangible assets	20	0	20	37	0	37
Total	**1,167**	**(580)**	**587**	**1,188**	**(719)**	**469**

(EUR thousand)	Balance at 1.1.2015	Acquisitions	Disposals (at cost)	Disposals (provision)	Depr.	Balance at 31.12.2015
Plant	1	0	0	0	0	1
Furniture and fixtures	109	2	(2)	2	(41)	70
Computer and office equipment	6	13	(9)	8	(8)	10
Leasehold improvements	451	0	0	0	(100)	351
Non-depreciable tangible assets	20	17	0	0	0	37
Total	**587**	**32**	**(11)**	**10**	**(149)**	**469**

Depreciation is calculated on a straight-line basis, according to the estimated useful life of the asset.

The depreciation rates used in the financial statements are:
• specific equipment 20%;
• furniture and furnishings 12%;
• computer and office equipment 20%;
• leasehold improvements 15%.

2 - Financial investments

2a - Investments in subsidiaries

Investments in subsidiaries are measured at fair value in accordance with IAS 27 and IFRS 13.

Details of the existing investments at 31 December 2015 are shown in the table below.

(EUR thousand)	% shareholding at 31.12.15	Value at 31.12.15	% shareholding at 31.12.14	Value at 31.12.14
DeA Capital Real Estate S.p.A.	100.00%	128,339	100.00%	145,080
IDeA Opportunity Fund I	46.99%	48,534	46.99%	55,971
IDeA FIMIT SGR S.p.A.	3.00%	5,108	3.00%	5,939
IDeA Capital Funds SGR S.p.A.	100.00%	39,700	100.00%	49,910
Total		**221,681**		**256,900**

The changes in the item in question at 31 December 2015 compared with end-2014 are detailed below, separately by asset.

DeA Capital Real Estate S.p.A.

The fair value measurement of the equity investment at 31 December 2015, which was based on the documents received and the information available, resulted in a decrease in fair value of EUR 16,741 thousand. This led to the creation of a negative fair value reserve totalling EUR 42,442 thousand. The negative fair value reserve, which was maintained for 24 months, was eliminated and an impairment of EUR 42,442 thousand was recorded for the investment.

In view of the calculation of the fair value of DeA Capital Real Estate S.p.A. using the sum of the parts model (including, in particular, the value of the investments held in IDeA FIMIT SGR S.p.A., Innovation Real Estate S.p.A. and IDeA Real Estate SIIQ S.p.A., and the value of the intangible assets connected with the variable fees of the funds managed by said asset management company), the write-down is largely the result of adjusting the fair value of the subsidiary IDeA FIMIT SGR S.p.A. to EUR 170.3 million (compared with a fair value of EUR 197.8 million reflected in the valuation of DeA Capital Real Estate S.p.A. at 31 December 2014).

The valuation of IDeA FIMIT SGR S.p.A. described above, was carried out, in turn, 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 S.p.A. 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 (2016-2020) 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 the company's projections of future returns for the various funds under management.

The valuation was based on a cost of capital of 12.6% plus a terminal value based on growth ("g") assumptions of +0.75%.

IDeA Opportunity Fund I (IDeA OF I)

The units in IDeA OF I are valued at around EUR 48,534 thousand in the financial statements to 31 December 2015. The change in the carrying value compared with 31 December 2014 was due to contributions made for capital calls totalling EUR +1,852 thousand, capital reimbursements of EUR -16,992 thousand and a net increase in fair value of around EUR +7,703 thousand.

The fair value of the Fund is represented by the NAV reported in the IDeA OF I Annual Report as at 31 December 2015, according to Banca d'Italia regulation as of 19 January 2015 relating to collective asset management.

IDeA FIMIT SGR S.p.A.

The fair value measurement of the equity investment at 31 December 2015, which was based on the documents received and the information available, using the approach described above, necessitated a write-down of EUR 727 thousand for the investee company.

IDeA Capital Funds SGR S.p.A.

The fair value measurement of the equity investment at 31 December 2015, which was based on the documents received and the information available, made it necessary to record impairment of EUR 10,210 thousand for the investee company.

The calculation of the fair value of IDeA Capital Funds SGR S.p.A. was carried out, in turn, 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 Capital Funds SGR S.p.A. and (ii) the present value of the carried interest flows expected from funds managed by the same company (DCF method), both for the specific period covered by the forecasts (2016-2018) 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 IRR projections made by the company for the various funds under management.

The valuation was based on a cost of capital of between 10.2% and 11.9%, depending on (i) the period of the flows (2016-2018 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%.

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							
IDeA Opportunity Fund I	Milan, Italy	Euro	126,638,440	103,291,382	27,931,709	46,99%	48,533,355	48,533,355
IDeA FIMIT SGR S.p.A.	Rome, Italy	Euro	16,757,557	205,260,975	7,604,895	3,00%	6,157,829	5,108,253
IDeA Capital Funds SGR S.p.A.	Milan, Italy	Euro	1,200,000	6,355,257	4,267,987	100,00%	6,355,257	39,700,000
Total					**42,849,906**		**123,158,407**	**221,680,803**

2b - Investments in associated companies and funds

At 31 December 2015, this item totalled EUR 4,203 thousand, as shown in the following table:

(EUR thousand)	Balance at 1.1.2015	Capital increases	Fair value adjustment	Impairment on income statement	Reclassification	Balance at 31.12.2015
Sigla Luxembourg S.A.	11,201	0	286	0	(11,487)	0
Atlantic Value Added	3,020	1,470	(287)	0	0	4,203
Total	**14,221**	**1,470**	**(1)**	**0**	**(11,487)**	**4,203**

The changes in the item under review at 31 December 2015 compared with end-2014 relate to:

- an increase of EUR 1,470 in the units of Atlantic Value Added due to the capital calls paid during the year;
- the fair value measurement of associated companies resulting in an increase of EUR +286 thousand for Sigla Luxembourg S.A. and a decrease of EUR -287 thousand for Atlantic Value Added;
- the reclassification of the investment in Sigla Luxembourg S.A. under " Held-for-sale assets" in light of the launch, in the fourth quarter of 2015, of a process to sell the shareholding.

2c - Investments in other companies

This item, which totalled EUR 76,464 thousand at 31 December 2015, includes the investments in Kenan Investments S.A. and Harvip Investimenti S.p.A., as shown in the following table.

(EUR thousand)	Balance at 1.1.2015	Distribution	Fair value adjustment	*Impairment on income statement*	Balance at 31.12.2015
Kenan Investments S.A.	209,136	(91,218)	(41,638)	0	76,280
Harvip Investimenti S.p.A.	184	0	0	0	184
Total	**209,320**	**(91,218)**	**(41,638)**	**0**	**76,464**

Note that the Company is also a shareholder in other smaller companies with a carrying value of zero, as said companies are in liquidation or dormant.

The changes in the item under review at 31 December 2015 compared with end-2014 relate to:

- a decrease of EUR 91,218 thousand in the equity investment in Kenan Investments S.A., due to the partial sale of the stake for a price of EUR 107,687 thousand;
- the measurement at fair value of Kenan Investments S.A., the value of which fell by EUR 41,638 thousand (of which EUR 16,452 thousand related to the conversion – due to the partial sale of Migros – of the pre-existing reserves).

2d - Available - for-sale funds

This item relates to investments in six venture capital funds totalling EUR 9,673 thousand, compared with EUR 9,580 thousand at the end of 2014, and five closed-end mutual investment funds in an amount of EUR 132,130 thousand compared with EUR 134,804 thousand at end-2014, as shown in the table below.

(EUR thousand)	Balance at 1.1.2015	Increases (capital call)	Decreases (capital distribution)	Impairment and related exchange effect	Fair value adjustment	Translation effect	Balance at 31.12.2015
Total venture capital funds	9,580	0	(570)	(326)	388	601	9,673
Closed-end mutual investment funds	134,804	16,645	(37,636)	(152)	18,469	0	132,130
Total funds	**144,384**	**16,645**	**(38,206)**	**(478)**	**18,857**	**601**	**141,803**

During 2015, the Company received income distributions of EUR 1,425 thousand and capital reimbursements of EUR 38,206 thousand.

Venture capital funds

The fair value measurement of investments in venture capital funds at 31 December 2015, 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 effect by EUR 326 thousand; the significant reduction to below cost was considered clear evidence of impairment.

The other changes were for the increase in fair value (and related exchange effect) of EUR 989 thousand.

Closed-end mutual investment funds

The units in closed-end mutual investment funds relate to:

- units in IDeA I FoF, which are valued at around EUR 77,217 thousand in the Financial Statements for the Year Ending 31 December 2015. The change in the carrying value compared with 31 December 2014 was due to contributions made for capital calls totalling EUR +6,020 thousand, capital reimbursements of EUR -31,299 thousand and a net increase in fair value of around EUR +9,020 thousand.

- units in ICF II, which are valued at around EUR 41,710 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015. The change in the carrying value compared with 31 December 2014 was due to contributions made for capital calls totalling EUR 2,494 thousand, capital reimbursements of EUR -4,724 thousand and a net increase in fair value of around EUR +8,686 thousand.

- units in IDeA EESS, which are valued at around EUR 7,312 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015. The change in the carrying value compared with 31 December 2014 was due to the combined effect of contributions made for capital calls totalling EUR 3,984 thousand, capital reimbursements of EUR -1,613 thousand, impairment of around EUR -152 thousand, and a net increase in fair value of around EUR +763 thousand.

- units in ICF III, which are valued at around EUR 4,817 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015. The change in the carrying value compared with 31 December 2014 was due mainly to contributions made for capital calls totalling EUR 2,735 thousand and a net increase in fair value of around EUR +342 thousand.

- units in IDeA ToI, which are valued at around EUR 1,074 thousand in the Consolidated Financial Statements for the Year Ending 31 December 2015. The change in the carrying value compared with 31 December 2014 was due mainly to contributions made for capital calls totalling EUR 1,412 thousand and a net decrease in fair value of around EUR 342 thousand.

3 - Other non-current assets

3a - Deferred tax assets

Deferred tax assets of EUR 15,960 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 1.1.2015**	**Recognised in income statement**	**Recognised in equity**	**Balance at 31.12.2015**
Losses carried forward available for offset against future taxable profits	8,402	7,558	0	15,960
Total deferred tax assets	**8,402**	**7,558**	**0**	**15,960**
Deferred tax liabilities for:				
- available-for-sale financial assets	(8,402)	0	(7,558)	(15,960)
Total deferred tax liabilities	**(8,402)**	**0**	**(7,558)**	**(15,960)**
Total deferred tax assets, net of deferred tax liabilities	**0**	**7,558**	**(7,558)**	**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.

4 - Current assets

At 31 December 2015, current assets were approximately EUR 95,112 thousand compared with EUR 43,955 thousand at 31 December 2014.

4a - Trade receivables

This item totalled EUR 140 thousand (EUR 557 thousand at 31 December 2014) and relates to:

- EUR 69 thousand from De Agostini S.p.A. for the agreement to sub-let 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 4 thousand from DeA Innovation Real Estate S.p.A. (IRE), EUR 41 thousand from IDeA FIMIT SGR S.p.A, EUR 24 thousand from IDeA Capital Funds SGR S.p.A., EUR 1 thousand from De Agostini Publishing Italia S.p.A., EUR 1 thousand from Lottomatica 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:
- 49.31% from Italian parent companies;
- 49.20% from Italian subsidiaries;
- 1.49% from Italian affiliates.

4b - Financial receivables

This item totalled EUR 3,467 thousand at 31 December 2015 (EUR 1,710 thousand at 31 December 2014) and relates to:

- an amount of EUR 3,455 thousand disbursed under a revolving credit line of up to EUR 5 million in favour of Sigla S.r.l. (a wholly-owned subsidiary of investee 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 12 thousand for interest accrued but not yet paid on this revolving credit line (variable rate of 1-month Euribor + spread).

4c - Tax receivables relating to the tax consolidation scheme due from parent companies

This item, totalling EUR 1,263 thousand at 31 December 2015 (EUR 2,783 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.

4d - VAT receivables from parent companies

This item, totalling EUR 739 thousand, relates to the receivable relating to December 2015 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 617 thousand (EUR 289 thousand at 31 December 2014), relates to:

- tax deductions in the form of advance payments on interest of EUR 78 thousand;
- a receivable arising from an application for an IRES refund due to the non-deduction of IRAP relating to personnel costs for 2010-2011, for EUR 94 thousand;
- advance payments made in relation to foreign direct and indirect taxes in Luxembourg for EUR 12 thousand;
- a payment of EUR 433 thousand arising from tax inspections for the tax periods 2009-2010 recorded for IDeA Alternative Investments S.p.A. (a company merged by incorporation into DeA Capital S.p.A. with effect from 1 January 2012), against which the Company has filed an appeal.

4f - Other receivables

These receivables, totalling EUR 497 thousand (EUR 539 thousand at 31 December 2014), 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 6 thousand), including interest accrued at 31 December 2015. This item totalled EUR 88,388 thousand at end-2015 compared with EUR 37,962 thousand at end-2014.

This increase is primarily due to the combined effect of the following factors:

- receipt of dividends of EUR 1,800 thousand from DeA Capital Real Estate S.p.A., EUR 217 thousand from IDeA FIMIT SGR S.p.A. and EUR 3,500 thousand from IDeA Capital Funds SGR S.p.A.
- payment of dividends to third parties of EUR 79,848 thousand;
- receipt of EUR +36,659 thousand for pay-outs from available-for-sale funds excluding capital calls paid
- receipt of EUR 2,929 thousand in remuneration for losses transferred to Parent Company De Agostini S.p.A. (formerly B&D Holding di Marco Drago e C. S.a.p.A.) for participation in the tax consolidation scheme;
- payment of taxes of EUR 434 thousand;
- receipt of EUR 107,670 thousand from the partial sale of the shareholding in Kenan Investments S.A.;
- bank interest and commission of EUR 493 thousand in relation to the credit lines taken out with Mediobanca and Intesa SanPaolo S.p.A.;
- service expenses net of reimbursements to parent companies and associates, of EUR 7,119 thousand;
- the purchase of treasury shares in the amount of EUR 13,030 thousand;
- an outlay of EUR 1,741 thousand for the credit line granted to Sigla S.r.l., a wholly-owned subsidiary of investee company Sigla Luxembourg S.A.

Please see the Company's Cash Flow Statement for further information on changes to this item.

5 - Held-for-sale assets

In light of the launch, in the fourth quarter of 2015, of a process to sell the holding in Sigla Luxembourg S.A., the value of the stake, of EUR 11,487 thousand was reclassified under "held-for-sale assets" at 31 December 2015.

6 - Shareholders' equity

At 31 December 2015, shareholders' equity totalled approximately EUR 549,106 thousand, compared with EUR 655,217 thousand at 31 December 2014.

The increase of around EUR -106,111 thousand in shareholders' equity in 2015 was mainly due to:

- an increase of EUR +5,850 thousand in the fair value reserve;
- the purchase of treasury shares in the amount of EUR 13,029 thousand;
- the distribution of a dividend of EUR -79,854 thousand;
- the loss of EUR 18,900 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 42,688,945 treasury shares) with a nominal value of EUR 1 each.

Given that the nominal value of the 42,688,945 treasury shares held at 31 December 2015 is deducted from total share capital, share capital of EUR 263,923,155 was reported in the Financial Statements.

Changes in share capital are shown in the table below:

	31.12.2015		31.12.2014	
(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	*(42,688,945)*	*(42,689)*	*(34,985,736)*	*(34,986)*
Share capital (excluding own shares)	**263,923,155**	**263,923**	**271,626,364**	**271,626**

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 2014	**306,612,100**	**(34,985,736)**	**271,626,364**
Changes in 2015			
Share capital increase	0	0	0
Own shares purchased	0	(7,703,209)	(7,703,209)
Own shares sold	0	0	0
Own shares disposed of	0	0	0
Used for stock options plan	0	0	0
Shares issued for stock options	0	0	0
Shares at 31 December 2015	**306,612,100**	**(42,688,945)**	**263,923,155**

6b - Share premium reserve (net of share issue costs reserve)

This item decreased by EUR 85,180 thousand (from EUR 384,827 thousand at 31 December 2014 to EUR 299,647 thousand at 31 December 2015) after using it for the distribution of dividends (EUR -79,854 thousand) and the purchase of treasury shares (EUR -5,326 thousand).

6c - Legal reserve

This reserve totalled EUR 61,322 thousand, which was unchanged from the figure at 31 December 2014.

6d - Fair value reserve

The fair value reserve is positive at EUR 18,759 thousand (compared with EUR 12,908 thousand at 31 December 2014) 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 2014);
- a positive fair value reserve of EUR 22,504 thousand compared with a positive value of EUR 16,653 thousand at 31 December 2014.

The table below shows a summary of the changes in this item during the year:

(EUR thousand)	Balance at 1.1.2015	Use of fair value reserve for impairment	Fair value adjustment	Tax effect	Balance at 31.12.2015
Direct investments/equity investments	(5,015)	25,702	(39,165)	28	(18,450)
Venture capital	1,576	0	989	(282)	2,283
Closed-end mutual investment funds	20,092	0	25,884	(7,305)	38,671
Reserve for IFRS first-time adoption to other reserves	(3,745)	0	0	0	(3,745)
Total	**12,908**	**25,702**	**(12,292)**	**(7,559)**	**18,759**

With reference to the fair value reserve relating to the Direct Investments/Shareholdings the reserve as of the beginning of the period, equivalent to EUR -5,015 thousand, was mainly related to the negative reserves connected to the shareholding in DeA Capital Real Estate (EUR -25,701 thousand) and to the positive reserves connected to the shareholding in Kenan Investments (EUR +20,611 thousand). In 2015 the former reserves have been impaired, the latter have been in part realized with a P&L impact (following the partial disposal of Migros by Kenan Investments and the subsequent reimbursement of capital by Kenan Investments itself) and in part decreased due to the fair value changes occurred to the Kenan Investments valuation.

6e - Other reserves

Other reserves, totalling EUR 317 thousand, comprise:

- a reserve for stock option costs totalling EUR +750 thousand;
- a reserve for the merger of the subsidiary IDeA Alternative Investments S.p.A. totalling EUR -831 thousand;
- a reserve for actuarial gains/losses on the end-of-service payment fund of EUR -15 thousand;
- a reserve for the sale of option rights, unchanged from 31 December 2014, 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 -75,961 thousand and includes profits/losses carried forward from previous periods.

6g - Profit/(loss) for the year

This item includes a loss of EUR 18,900 thousand for the year 2015, compared with a loss of EUR 4,519 thousand for 2014.

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 2015, with details of the origin of the items, their potential uses and whether or not they can be distributed, and their 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	**263,923,155**	=	=		
Share capital reserve:					
Share premium reserve	307,474,691	A,B,C	307,474,691	=	=
Profit reserves:					
Legal reserve	61,322,420	B	=	=	=
Reserve for costs relating to share issue	(7,828,172)	=	=	=	=
Stock options reserve	750,121	=	=	=	=
Reserve for sale of option rights	412,798	=	=	=	=
Merger reserve	(831,486)	=	=	=	=
Fair value reserves	18,758,957	=	=	=	=
Reserve for actuarial gains / losses	(15,024)	=	=	=	=
Earnings (losses) carried forward	**(75,961,631)**	**A,B,C**	=	**=**	**=**
Profit (loss) for the year	**(18,899,586)**	=	=	**=**	**=**
TOTAL	**549,106,243**		**307,474,691**		

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 2.03%; 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 1.1.2015**	**Portion accrued**	**Payments**	**Advances**	**Balance at 31.12.2015**
Change in end-of-service payment fund	559	1	(274)	0	286

The amounts concerned were calculated as follows:

(EUR thousand)	31.12.2015	31.12.2014
Nominal value of end-of-service payment fund	351	468
Discounting effect	(65)	91
Current value of end-of-service payment fund	**286**	**559**

7b - Other payables
This item was reduced to zero at 31 December 2015 (EUR 11,396 thousand at 31 December 2014) due to the reversal of the carried interest to be paid to the lead investor in Kenan, BC Partners, subject to the achievement of certain profitability parameters.

8 - Current liabilities

Total current liabilities amounted to EUR 1,842 thousand (EUR 2,753 thousand at 31 December 2014) 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 1,200 thousand, compared with EUR 1,325 thousand in the previous year, and stems from ordinary operations.

Payables in respect of related parties include:

- payables to affiliate De Agostini Editore S.p.A. of approximately EUR 46 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 Parent Company IDeA FIMIT SGR S.p.A. of approximately EUR 9 thousand.

A breakdown of these payables by region is set out below:
- 91.39% due to suppliers in Italy;
- 6.12% due to suppliers in respect of affiliates in Italy;
- 0.76% due to suppliers in respect of subsidiaries in Italy;
- 0.67% due to suppliers in Germany;
- 0.48% due to suppliers in Luxembourg;
- 0.46% due to suppliers in the US;
- 0.12% 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 371 thousand (EUR 829 thousand at 31 December 2014) and breaks down as follows:

- EUR 143 thousand for payables to social security organisations, paid after the end of financial year 2015;
- EUR 228 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 2014), 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.

8e - Other tax payables

This item amounted to EUR 199 thousand (EUR 184 thousand at 31 December 2014) 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 9 thousand (EUR 11 thousand at 31 December 2014) and mainly consists of a payable of EUR 5 thousand for dividends not yet paid.

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 totalling EUR 0.7 million.

Subsequently, on 10 November 2015, DeA Capital S.p.A. received another assessment notice for IDeA Alternative Investments S.p.A. relating to the 2010 tax period. The assessment alleged that revenues had been under-reported and that merger costs had been improperly deducted. The assessment was challenged in an appeal by DeA Capital before the Milan Provincial Tax Court. In the event of an adverse outcome, which is possible but not likely, DeA Capital could face liabilities consisting of taxes and fines totalling EUR 1.5 million.

Notes to the Income Statement

9 - Revenues and income

9a - Investment income and expenses

Net expenses arising from investments totalled EUR 30,601 thousand in 2015 (compared with EUR 3,641 thousand in 2014).

Details of this item are shown below:

(EUR thousand)	Financial year 2015	Financial year 2014
Dividends from subsidiaries and other income	5,517	190,477
Income from available-for-sale funds - Kenan Investments S.A.	16,452	0
Capital gains on disposals	1,425	298
Investment income	**23,394**	**190,775**
Impairment IDeA Capital Fund SGR S.p.A	10,210	1,903
Impairment IDeA FIMIT SGR S.p.A	727	0
Impairment DeA Capital Investments S.A.	0	190,246
Impairment Sigla Luxembourg S.A.	0	884
Impairment DeA Real Estate S.p.A.	42,442	0
Impairment venture capital funds	464	385
Impairment closed-end mutual investment funds	152	933
Capital losses on Soprarno SGR S.p.A. disposal	0	65
Investment charges	**53,995**	**194,416**
Total	**(30,601)**	**(3,641)**

Dividends from associates and other income

The item comprises dividends paid out by:

- IDeA Capital Funds SGR S.p.A., in the amount of EUR 3,500 thousand;
- DeA Capital Real Estate S.p.A., in the amount of EUR 1,800 thousand;
- IDeA FIMIT SGR S.p.A., in the amount of EUR 217 thousand;

Available-for-sale investments in other companies

This item totalled EUR 17,878 thousand (EUR 298 thousand in 2014) and comprises gains from distributions of venture capital funds totalling EUR 1,425 thousand and an amount of EUR 16,452 thousand stemming from the partial sale of Migros by Kenan Investments S.A.

Impairment of available-for-sale equity interests and funds

The fair value measurement of investments in funds at 31 December 2015, based on the documents received and the information available, made it necessary to record:

- impairment of EUR 326 thousand directly on the investments;
- impairment of EUR 138 thousand as a reclassification to profit or loss of the negative fair value reserves;
- impairment of EUR 152 thousand relating to closed-end mutual investment funds.

For these funds, the significant reduction below cost was considered clear evidence of impairment.

The valuations at fair value, at 31 December 2015, of the holdings in IDeA Capital Funds SGR S.p.A., IDeA FIMIT SGR S.p.A and DeA Capital Real Estate S.p.A., carried out on the basis of the documents received and the information available, made it necessary to record impairment of EUR 10,210 thousand, EUR 727 thousand and EUR 42,442 thousand for the holdings, as shown in note 2a above.

9b - Service revenues

Income of EUR 1,767 thousand was reported in 2015 (EUR 1,869 thousand in 2014), attributable to the reimbursement of costs or supply of services, in the following amounts:

- EUR 747 thousand to IDeA FIMIT SGR S.p.A.;
- EUR 455 thousand from IDeA Capital Funds SGR S.p.A.;
- EUR 335 thousand from De Agostini S.p.A.;
- EUR 93 thousand from IRE S.p.A.;
- EUR 35 thousand from DeA Capital Real Estate S.p.A.;
- EUR 32 thousand from De Agostini Editore S.p.A.;
- EUR 26 thousand from Lottomatica S.p.A.;
- EUR 20 thousand from De Agostini Publishing S.p.A.;
- EUR 20 thousand from IDeA Real Estate SIIQ S.p.A.;
- EUR 4 thousand from Innovation Real Estate Advisory S.r.l.

9c - Other revenues and income

Other revenues and income, totalling EUR 9,107 thousand (compared with EUR 253 thousand in 2014) relate mainly to the reversal of the carried interest to be paid to the lead investor in Kenan, BC Partners, subject to the achievement of specific profitability parameters.

10 - Operating costs

10a - Personnel costs

Personnel costs totalled EUR 2,452 thousand, compared with EUR 4,978 thousand in 2014.

The item breaks down as follows:

(EUR thousand)	**Financial year 2015**	**Financial year 2014**
Salaries and wages	1,453	1,526
Social security charges	407	338
Remuneration for the Board of Directors	646	149
Stock options figurative cost	487	937
Stock options reversal	(762)	(815)
End-of-service payment fund	137	106
Total personnel costs	84	2,737
Total	**2,452**	**4,978**

The effect of the cost arising from the Stock Option Plans for 2015, of EUR 487 thousand (EUR 937 thousand in 2014), was more than offset by the reversal of the cost allocated to the reserve for the 2013-2015 Stock Options Plan, of EUR 762 thousand.

The Allocation Plan 2004 is to be considered lapsed as the conditions for exercising option rights were not met.

The Parent Company has 13 employees (unchanged from 31 December 2014).

The table below shows changes and the average number of Parent Company employees during the year.

Employees	**1.1.2015**	**Recruits**	**Departures**	**31.12.2015**	**Average no.**
Senior managers	3	2	(1)	4	3
Senior managers on fixed-term contracts	1	0	(1)	0	1
Junior managers	4	0	0	4	4
Staff	5	0	0	5	5
Total	**13**	**2**	**(2)**	**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 2015 totalled 3,135,200 (3,163,200 at 31 December 2014).

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 2015, the DeA Capital S.p.A. Shareholders' Meeting approved the DeA Capital Performance Share Plan 2015-2017, under which a maximum of 675,000 units may be allocated. 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 2015-2017 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 515,000 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 and/or directors performing particular roles at the Company, its subsidiaries and the Parent Company De Agostini S.p.A.

On 27 August 2015, under the same Performance Share Plan 2015-2017, the Board of Directors allocated a further 150,000 units to employees with specific duties.

Shares allocated due to the vesting of units will be drawn from own shares already held by the company.

In addition, the Plan enables DeA Capital to oblige beneficiaries to return, in full or in part, shares received pursuant to the Plan, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the targets for the vesting of the units ("claw-back").

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

In addition, pursuant to art. 114-*bis* of the TUF, on 17 April 2015, the Shareholders' Meeting approved a number of amendments to the following current share-based incentive plans: (i) DeA Capital Performance Share Plan 2013-2015, (ii) DeA Capital Stock Option Plan 2013-2015, (iii) DeA Capital Performance Share Plan 2014-2016, and (iv) DeA Capital Stock Option Plan 2014-2016 (together, the Plans).

The amendments approved concern (i) the introduction of a second performance target, related to the total shareholder return of the DeA Capital share, and as an alternative to the target for growth of the Adjusted NAV, already provided for in the Plans, on which the conversion into shares of the units and the entitlement to exercise the options are dependent and (ii) the introduction of claw-back mechanisms that enable the Company to oblige beneficiaries to return shares received pursuant to the Plans, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the required performance targets.

Subsequently, on 5 November 2015, in view of the distribution of the extraordinary dividend of EUR 0.30 approved by the Shareholders' Meeting on 17 April 2015 and the resulting reduction in the DeA Capital share value, the Board of Directors of DeA Capital, as the competent body pursuant to the Plans' regulations, approved a number of amendments to the following incentive-based plans in order to keep the substance and financial content unchanged. Specifically:

- **Performance share plans:** the Board of Directors voted to compensate for the lower value of the Plans following the distribution of the extraordinary dividend, in the event that the vesting conditions are met, by allocating new units, to be determined on the vesting date. The new units, which will be valued at the price per share on the same date, will be allocated pro rata to the portion of units that have vested, up to the maximum number of units provided for under the above-mentioned Plans. The Board also resolved that where the lower value of the Plans cannot be compensated for by the allocation of new units, a one-off bonus will be paid as compensation in cash, commensurate with the portion of units that has vested;

- **Stock Option Plans:** the Board of Directors voted to adjust the strike price of the options commensurate with the extraordinary dividend, i.e. EUR 0.30 per share, subject to the lower limit represented by the nominal value of the DeA Capital share. Specifically, the Board voted to: reduce the strike price (i) from EUR 1.289 to EUR 1.000 for the Stock Option Plan 2013-2015 and (ii) from EUR 1.32 to EUR 1.020 for the Stock Option Plan 2014-2016.

The terms and conditions of the above-mentioned Performance Share Plan 2015-2017 are 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).

10b - Service costs

The table below shows a breakdown of service costs, which came in at EUR 4,475 thousand in 2015 (EUR 4,819 thousand in 2014):

(EUR thousand)	Financial year 2015	Financial year 2014
Management, tax, legal consultancy and other fees	1,406	1,626
Fees to corporate bodies	278	278
Ordinary maintenance	108	105
Travel expenses	25	98
Utilities and general expenses	2,522	2,577
Bank charges	32	24
Advertising, conferences, online subscriptions, office supplies	92	99
Other charges	12	12
Total	**4,475**	**4,819**

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 67 thousand (EUR 444 thousand in 2014) and mainly comprises registration tax and the non-deductible portion of VAT as a result of applying the new percentage of 99% against which VAT on purchases made during the year may be offset.

11 - Financial income and charges

11a - Financial income

Financial income totalled EUR 393 thousand, compared with EUR 3,173 thousand in 2014. This item included interest income of EUR 233 thousand and exchange rate gains of EUR 160 thousand.

A breakdown of interest income shows that EUR 6 thousand was earned on bank current accounts and EUR 227 thousand on loans to Sigla S.r.l., a wholly-owned subsidiary of investee company Sigla Luxembourg S.A.

(EUR thousand)	Financial year 2015	Financial year 2014
Interest income	233	892
Financial liabilities adjustment	0	2,206
Exchange gains	160	75
Total	**393**	**3,173**

11b - Financial charges

Financial charges totalled EUR 823 thousand, compared with EUR 3,443 thousand in 2014. These mainly included interest payable on loans and financial liabilities and losses on hedging derivatives and exchange rates.

Specifically, financial charges break down as follows:

- negative adjustment following the discounting to present value of the end-of-service provisions accrued in 2015, of EUR 7 thousand;
- interest payable from the readjustment to the IDeA ToI fund of EUR 2 thousand;
- interest payable on the Mediobanca and Intesa SanPaolo S.p.A. credit lines of EUR 493 thousand and fees of EUR 314 thousand;
- exchange rate losses of EUR 7 thousand.

(EUR thousand)	Financial year 2015	Financial year 2014
Interest expense	807	3,421
Interest's realignment on financial istruments - available for sale	2	0
Charges on financial liabilities	7	14
Exchange losses	7	8
Total	**823**	**3,443**

12 - Tax

12a - Income tax for the period

At 31 December 2015, no IRAP taxes were recorded because of the negative tax base. This item mainly includes current tax income, amounting to EUR 859 thousand, which relates to DeA Capital S.p.A.'s participation in the national tax consolidation scheme of the De Agostini S.p.A. Group (previously B&D Holding di Marco Drago e C. S.a.p.a.).

12b - Deferred tax assets and liabilities

This item came in at EUR 7,558 thousand and consists entirely of provisions for deferred tax assets during the year related to the deferred tax assets due to the set-off (due to the available tax losses) of the tax liability resulting from the Funds valuation.

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:

	2015		2014	
(EUR thousand)	**Amount**	**Rate**	**Amount**	**Rate**
Profit before tax	**(27,312)**		**(12,185)**	
Tax on theoretical income	(7,511)	27.50%	(3,351)	27.50%
Tax effect of permanent differences				
- Write-downs on equity investments	*14,680*	*-53.75%*	*53,156*	*-436.24%*
- Dividends	*(1,441)*	*5.28%*	*(52,045)*	*427.12%*
- Non-deductible interest	*161*	*-0.59%*	*635*	*-5.21%*
- Other changes	*(6,705)*	*24.55%*	*157*	*-1.29%*
Income from tax consolidation scheme (interest)	859	-3.15%	(546)	4.48%
Adjustment to income from tax consolidation scheme of previous years	(901)	3.30%	1,083	-8.89%
Deferred tax assets	(7,558)	27.67%	(6,757)	55.45%
Other net differences	0	0.00%	0	0.00%
Other taxes on foreign income	3	-0.01%	3	-0.02%
Income tax reported in the income statement	**(8,413)**		**(7,665)**	

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:

(in EUR)	**Financial year 2015**	**Financial year 2014**
Parent Company profit/(loss)(A)	(18,899,586)	(4,519,219)
Weighted average number of ordinary shares outstanding (B)	266,557,823	273,806,403
Basic earnings/loss per share (EUR per share) (C=A/B)	**(0.0709)**	**(0.0165)**
Adjustment for dilutive effect	-	-
Net profit/(loss) adjusted for diluted effect (D)	(18,899,586)	(4,519,219)
Weighted average number of shares to be issued for the	956,844	306,445
exercise of stock options (E)	267,514,667	274,112,848
Total number of shares outstanding and to be issued (F)	**(0.0706)**	**(0.0165)**
Diluted earnings/loss per share (EUR per share) (G=D/F)		

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”).

Notes to the Cash Flow Statement

Changes to the Cash Flow Statement have been reported using the direct method.

Given the type of activity carried out by the Company, cash flow from investment in companies and funds (the Company's normal activity) is included in cash flow from operating activities.

In 2015, operating activities, as defined above, generated cash and cash equivalents of EUR 144,806 thousand (EUR 139,036 thousand in 2014). Please see the Cash Flow Statement for information on changes to this item.

In 2015, financing activities absorbed EUR 94,620 thousand (and EUR 105,321 thousand in 2014) mainly in relation to the payment of dividends totalling EUR 79,849 thousand.

Cash and cash equivalents totalled EUR 88,388 thousand at end-2015, compared with EUR 37,962 thousand at the end of the 2014.

Other information

Commitments

At 31 December 2015, residual commitments to make paid calls to funds totalled EUR 92.6 million, compared with EUR 106.5 million in 2014.
Changes in commitments are shown in the table below.

(EUR m)	
Residual commitments to funds – 31.12.2014	**106.5**
New commitments	5.8
Capital Calls	(20.0)
Exchange differences	0.3
Residual commitments to funds – 31.12.2015	**92.6**

Treasury shares and Parent Company shares

On 17 April 2015, 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 revolving 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 17 April 2014 (which was scheduled to expire with the approval of the 2014 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 2015 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 Company's 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 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 (with certain exceptions specified in the plan). Sale transactions may also be carried out for trading purposes.

On 17 April 2015, the Board of Directors held following the shareholders' meeting voted to implement the above mentioned plan to buy and sell treasury shares according to the operating practice as of the so called "Consob Practice" (the operating practice n. 2 as of the Consob Resolution n. 16838 issued on March 19, 2009, as of the article 180, subparagraph 1, letter c) of the TUF).
The treasury shares acquisition plan is aimed to the setup of a "securities warehouse" as permitted by the Consob Practice, to be used according to the shareholders' meeting decision as a means of payment for extraordinary corporate transactions (exchange of participations included).
According to article 5 of the Regolamento CE n. 2273/2003, the treasury shares purchase price can't be higher than the higher price between (i) the price of the latest independent transaction and (ii) current independent offer in the trading venues where the purchase is made. All such price limits are subject to the further condition of the price per share being within a -20%/+20% variance range compared to the public stock quote as of the latest stock market session preceding every treasury share purchase.
On top of that the Board of Directors also resolved to set the maximum unit price above which purchases of treasury shares may not be made at the NAV per share indicated in the most recent statement of financial position approved and disclosed to the market.

DeA Capital has a contract with independent authorised intermediary Intermonte SIM S.p.A., granting this company a mandate to buy and sell ordinary DeA Capital shares, pursuant to the Consob Practice. For further details please refer to the above mentioned ordinary Shareholders' meeting notice, to the Directors' report and to the press release issued on 17 April 2015 available on the Company web site (www.deacapital.it), respectively in the Investor Relations/Shareholders' Meetings and the Investor Relations/Press Releases sections.

In 2015, as a part of the above plans, DeA Capital S.p.A. purchased 7,703,209 shares valued at approximately EUR 13,029,541 (at an average price of EUR 1.81 per share pre-dividend and EUR 1.4 per share post-dividend).

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 2015 the Company owned 42,688,945 treasury shares (equal to about 13.9% of the share capital).
As of the date of this document, based on purchases of 458,806 shares made after the end of 2015, the Company had a total of 43,147,751 treasury shares corresponding to about 14.07% of the share capital.

During 2015, 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

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 2015 totalled 3,135,200 (3,163,200 at 31 December 2014).

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 2015, the DeA Capital S.p.A. Shareholders' Meeting approved the DeA Capital Performance Share Plan 2015-2017, under which a maximum of 675,000 units may be allocated. 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 2015-2017 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 515,000 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 and/or directors performing particular roles at the Company, its subsidiaries and the Parent Company De Agostini S.p.A.

On 27 August 2015, under the same Performance Share Plan 2015-2017, the Board of Directors allocated a further 150,000 units to employees with specific duties.
Shares allocated due to the vesting of units will be drawn from own shares already held by the company.

In addition, the Plan enables DeA Capital to oblige beneficiaries to return, in full or in part, shares received pursuant to the Plan, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the targets for the vesting of the units ("claw-back").

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

In addition, pursuant to art. 114-*bis* of the TUF, on 17 April 2015, the Shareholders' Meeting approved a number of amendments to the following current share-based incentive plans: (i) DeA Capital Performance Share Plan 2013-2015, (ii) DeA Capital Stock Option Plan 2013-2015, (iii) DeA Capital Performance Share Plan 2014-2016, and (iv) DeA Capital Stock Option Plan 2014-2016 (together, the Plans).

The amendments approved concern (i) the introduction of a second performance target, related to the total shareholder return of the DeA Capital share, and as an alternative to the target for growth of the Adjusted NAV, already provided for in the Plans, on which the conversion into shares of the units and the entitlement to exercise the options are dependent and (ii) the introduction of claw-back mechanisms according to the Corporate Governance Code recommendations that enable the Company to oblige beneficiaries to return shares received pursuant to the Plans, should circumstances emerge that clearly show that incorrect data have been used to verify the achievement of the required performance targets.

Morover, on **5 November 2015**, following the extraordinary dividend distribution of EUR 0.30 per share resolved by the Shareholders' meeting of 17 April 2015 resulting in a reduction of the DeA Capital share value, the Board of Directors of DeA Capital, as enabled by the Plans regulations, approved some changes to the current incentive plans in order to maintain unchanged their substantial and economic contents. More specifically:

- **As regards the Performance Shares Plans**, the Board voted to compensate for the lower value of the Plans following the distribution of the extraordinary dividend, in the event that the vesting conditions are met, by allocating new units, to be determined on the vesting date. The new units, which will be valued at the price per share on the same date, will be allocated pro rata to the portion of units that have vested, up to the maximum number of units provided for under the above-mentioned Plans. Where the lower value of the Plans cannot be compensated for by the allocation of new units, a one-off bonus will be paid as compensation in cash, commensurate with the portion of units that has vested;

- **As regards the Stock Option Plans**, the Board voted to adjust the strike price of the options by an amount corresponding to the extraordinary dividend, i.e. EUR 0.30 per share, subject to the lower limit represented by the nominal value of the DeA Capital share. Specifically, the Board voted to: reduce the strike price (i) from EUR 1.289 to EUR 1.000 for the Stock Option Plan 2013-2015 and (ii) from EUR 1.32 to EUR 1.020 for the Stock Option Plan 2014-2016.

The tables below summarise the assumptions made in calculating the fair value of the plans:

Stock options	**Plan 2004**	**Plan 2005**	**Plan 2013**	**Plan 2014**
No. of options allocated	160,000	180,000	1,550,000	1,550,000
Average market price at allocation date	2.445	2.703	1.26	1.44
Value at allocation/modification date	391,200	486,540	318,267	364,250
Average exercise price	2.03	2.46	1.00	1.02
Expected volatility	31.15%	29.40%	21.78%	22.06%
Option expiry date	31/08/15	30/04/16	31/12/18	31/12/19
Risk-free rate	4.25%	3.60%	0.71%	0.71%

The Allocation Plan 2004 is to be considered lapsed as the conditions for exercising option rights were not met.

Performance Share	**Plan 2013**	**Plan 2014**	**Plan 2015**	**Plan 2015**
N° units allocated	393,500	393,500	515,000	150,000
Unit value	1.60	1.44	1.46	1.34
Value at allocation/modification date	249,217	228,230	302,477	66,750
Expected volatility	19.41%	22.06%	24.83%	25.54%
Option expiry date	31/12/15	31/12/16	30/06/19	30/06/19
Risk free yield	0.42%	0.42%	0.95%	0.82%

Transactions with parent companies, subsidiaries and related parties

Intercompany relationships with the Parent Company and its Group

Transactions with related parties, including intercompany transactions, were 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, investor relations, institutional and press services.

   This agreement, which is automatically renewed 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. and DeA Capital Real Estate S.p.A. 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 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/deposits.

   Deposit/financing operations falling within this Framework Agreement shall be activated only subject to verification that the terms and conditions, as determined from time to 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 automatically renewed annually.

   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 shares of related-party companies in 2015.

The table below shows the balances arising from transactions with related parties.

	31.12.2015					**Financial year 2015**				
(EUR thousand)	**Trade receivables**	**Financial receivables**	**Tax receivables**	**Tax payables**	**Trade payables**	**Revenues for services**	**Financial income**	**Tax income**	**Personnel costs**	**Service costs**
Sigla S.r.l.	-	3,467.4	-	-	-	-	226.7	-	-	-
Idea Real Estate SIIQ S.p.A.	-	-	-	-	-	20.0	-	-	-	-
IDeA Capital Funds SGR S.p.A.	23.7	-	-	63.9	-	455.0	-	-	(40.0)	-
IDeA FIMIT SGR S.p.A.	41.1	-	-	-	9.2	747.0	-	-	(12.4)	-
DeA Capital Real Estate S.p.A.	-	-	-	-	-	35.0	-	-	(5.0)	-
Innovation Real Estate S.p.A.	-	-	-	-	-	91.5	-	-	(8.0)	13.8
I.R.E. Advisory S.r.l.	4.2	-	-	-	-	4.0	-	-	(1.3)	-
De Agostini Invest S.A.	-	-	-	-	25.0	-	-	-	-	22.2
De Agostini S.p.A.	69.1	-	2,002.5	-	-	335.3	-	858.8	162.6	586.8
De Agostini Libri S.p.A.	-	-	-	-	1.7	-	-	-	-	2.3
De Agostini Publishing Italia S.p.A.	1.1	-	-	-	0.3	19.7	-	-	-	0.6
Lottomatica S.p.A.	1.0	-	-	-		26.2	-	-		-
De Agostini Editore S.p.A.	-	-	-	-	46.4	32.0	-	-	-	158.0
Total related parties	**140.2**	**3,467.4**	**2,002.5**	**63.9**	**82.6**	**1,765.7**	**226.7**	**858.8**	**95.9**	**783.7**
Total financial statement line item	**140.2**	**3,467.4**	**2,619.2**	**263.5**	**1,200.1**	**1,767.2**	**392.9**	**858.8**	**2,452.0**	**4,475.1**
as % of financial statement line item	**100.0%**	**100.0%**	**76.5%**	**24.3%**	**6.9%**	**99.9%**	**57.7%**	**100.0%**	**3.9%**	**17.5%**

Remuneration: directors of the board, auditors, general managers and directors with strategic responsibilities

In 2015, remuneration payable to the directors and auditors of DeA Capital S.p.A. for the performance of their duties totalled EUR 267 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	2015	Approval fin. statements 2015	30	0	0	0	0
Paolo Ceretti	Chief Executive Officer	2015	Approval fin. statements 2015	30	0	450	0	70
Carlo Frau	Senior managers with strategic responsibilities	to 11 april 2015	-	0	0	150	0	8
Lino Benassi	Director	2015	Approval fin. statements 2015	26	0	0	0	64
Stefania Boroli	Director	to 12 march 2015	-	6	0	0	0	0
Busso Donatella	Director	to 17 april 2015	Approval fin. statements 2015	21	0	0	0	0
Rosario Bifulco	Director	2015	Approval fin. statements 2015	30	0	0	0	25
Francesca Golfetto	Director	2015	Approval fin. statements 2015	30	0	0	0	20
Roberto Drago	Director	2015	Approval fin. statements 2015	30	0	0	0	0
Marco Drago	Director	2015	Approval fin. statements 2015	30	0	0	0	0
Severino Salvemini	Director	2015	Approval fin. statements 2015	30	0	0	0	35
Marco Boroli	Director	2015	Approval fin. statements 2015	30	0	0	0	0
Angelo Gaviani	Chairman of the Board of Statutory Auditors	2015	Approval fin. statements 2015	75	0	0	9	0
Gian Piero Balducci	Permanent Auditor	2015	Approval fin. statements 2015	50	0	0	35	32
Annalisa Donesana	Permanent Auditor	2015	Approval fin. statements 2015	50	0	0	40	12

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 2015, annual salaries and bonuses, excluding benefits in kind, paid to managers with strategic responsibilities in the Parent Company totalled about EUR 689 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 1.1.2015	No. of shares purchased	No. of shares sold	No. of shares held at 31.12.2015
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.	205,000	100,000	0	305,000
Total		**5,330,904**	**100,000**	**0**	**5,430,904**

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 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 outstanding at 1 January 2015			Options granted during 2015			Options lapsed during 2015	Options outstanding at 31 December 2015		
Beneficiary	**Position**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Number of options**	**Average exercise price**	**Average expiry date**
Paolo Ceretti	CEO	950,000	1.00	5	0	0	0	0	950,000	1.00	5
Paolo Ceretti	CEO	950,000	1.02	5	0	0	0	0	950,000	1.02	5
Key Management		600,000	1.00	5	0	0	0	0	600,000	1.00	5
Key Management		600,000	1.02	5	0	0	0	0	600,000	1.02	5

Lastly, note that the Chief Executive Officer, Paolo Ceretti, and managers with strategic responsibilities were assigned 250,000 and 320,000 performance shares respectively in 2015, as shown in the table below.

		Options outstanding at 1 January 2015			Options granted during 2015			Options lapsed during 2015	Options outstanding at 31 December 2015		
Beneficiary	**Position**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Average exercise price**	**Average expiry date**	**Number of options**	**Number of options**	**Average exercise price**	**Average expiry date**
Paolo Ceretti	CEO	120,000	1.6	3	0	0	3	0	120,000	1.6	3
Paolo Ceretti	CEO	120,000	1.44	3	0	0	3	0	120,000	1.44	3
Paolo Ceretti	CEO	0	0	0	250,000	1.46	4	0	250,000	1.46	4
Key Management		84,625	1.6	3	0	0	0	0	84,625	1.6	3
Key Management		84,625	1.44	3	0	0	0	0	84,625	1.44	3
Key Management		0	0	0	170,000	1.46	4	0	170,000	1.46	4
Key Management		0	0	0	150,000	1.34	4	0	150,000	1.34	4

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	**2014**	**2013**
Revenues	5,021,658	4,670,254
Cost of production	(39,692,428)	(63,003,708)
Financial income and charges	120,208,697	78,497,618
Adjustments to value of financial assets	(14,198,409)	4,935,778
Extraordinary income and charges	(109,232)	(68,798)
Taxes for the year	12,106,133	10,728,946
Net profit	83,336,419	35,760,090

STATEMENT OF FINANCIAL POSITION	**2014**	**2013**
Unpaid subscribed capital	0	0
Non-current assets	3,214,873,613	3,229,406,987
Current assets	539,055,462	399,854,115
Accruals and deferrals	16,517,487	9,790,449
Shareholders' equity	(2,739,282,218)	(2,691,130,778)
Provisions for risks and charges	(45,193,216)	(59,222,561)
End-of-service payment provision	(729,385)	(791,322)
Payables	(970,322,415)	(883,405,679)
Accruals and deferrals	(14,919,328)	(4,501,211)

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 a currency, systemic or sector crisis;
  - 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 in the property market concerned;
  - concentration in respect of certain major tenants, if they were to 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 properties 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 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 success of the Company 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 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 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 involved and the careful definition of shareholders' pacts in order to conclude agreements 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 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 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 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 arising 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 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 2015

Private equity funds – paid calls/distributions

After the end of 2015, the Company increased its investments in the ICF II, IDeA OF I, IDeA EESS, ICF III, IDeA I FOF and IDeA ToI funds following total payments of EUR 2,909 thousand (EUR 764 thousand, EUR 1,374 thousand, EUR 76 thousand, EUR 69 thousand, EUR 555 thousand and EUR 71 thousand, respectively).

At the same time, the Company received capital reimbursements from the IDeA I FOF fund of EUR 4,511 thousand and from the IDeA OF I fund of EUR 4,070 thousand, to be used in full to reduce the value of the units.

Second closing of ICF III private equity fund

On 19 January 2016, the second and final closing of the ICF III fund was completed for EUR 9,900 thousand; this brought the final commitment of the fund to EUR 66,950 thousand.

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 2015, there were no atypical or unusual transactions as defined by Consob Communication 6064293 of 28 July 2006.

Significant non-recurring events and transactions

In 2015, 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

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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 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 2015 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 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 to 31 December 2015:

- 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.

9 March 2016

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 2015 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 2015**
Audit	PricewaterhouseCoopers S.p.A.	DeA Capital S.p.A.	55
Other services	PricewaterhouseCoopers Advisory S.p.A.	DeA Capital S.p.A.	15
Total			**70**

Summary of Subsidiaries' Financial Statements to 31 December 2015

(EUR thousand)	DeA Capital Real Estate	IDeA Capital Funds SGR	IDeA FIMIT SGR	Innovation Real Estate	Innovation Real Estate Advisory	Idea Real Estate
Non-current assets	61,463	999	199,225	2,286	14	7
Current assets	1,895	11,103	31,367	20,067	1,774	3,127
Available-for-sale financial assets - non-current portion	-	-	-	-	-	-
Consolidated assets	**63,359**	**12,102**	**230,593**	**22,352**	**1,788**	**3,134**
Shareholders' equity	62,112	6,355	205,261	10,594	1,253	(109)
Non-current liabilities	970	891	12,084	1,170	118	-
Current liabilities	276	4,855	13,247	10,588	417	3,243
Consolidated liabilities	**63,359**	**12,102**	**230,593**	**22,352**	**1,788**	**3,134**
Alternative asset management fees	-	16,947	47,725	-	-	-
Service revenues	-	-	-	18,100	1,779	-
Other investment income/ charges	3,886	14	(472)	619	-	-
Other income	2	62	110	1	-	-
Personnel costs	(74)	(6,869)	(15,531)	(6,580)	(527)	(481)
External service costs	(221)	(3,514)	(9,760)	(6,548)	(399)	(169)
Depreciation and amortisation	-	(186)	(24,538)	(129)	(2)	(2)
Other charges	(971)	(4)	(8,084)	(103)	-	-
Financial income	1	175	30	552	-	-
Financial charges	(116)	-	(119)	(20)	(2)	(1)
Taxes	538	(2,355)	3,033	(1,459)	(262)	-
Profit/(loss) for the period from held-for-sale operations	-	-	-	-	-	-
Net profit/(loss)	**3,045**	**4,268**	**(7,605)**	**4,430**	**588**	**(653)**

Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the Shareholders of
DeA Capital SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the DeA Capital Group, which comprise the statement of financial position as of 31 December 2015, the income statement, the statement of comprehensive income, the cash flow statement and the statement of changes in shareholders' equity for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of DeA Capital SpA are responsible for the preparation of consolidated financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the DeA Capital Group as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Other aspects

The consolidated financial statements as of and for the year ended 31 Decembre 2014 were audited and reviewed, respectively, by other auditors, who on 26 March 2015 expressed an unqualified opinion on the consolidated financial statements.

Report on compliance with other laws and regulations

Opinion on the consistency with the consolidated financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, which are the responsibility of the directors of DeA Capital S.p.A., with the consolidated financial statements of the DeA Capital Group as of 31 December 2015. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the DeA Capital Group as of 31 December 2015.

Milan, 29 March 2016

PricewaterhouseCoopers S.p.A.

Signed by

Giovanni Ferraioli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF 27 JANUARY 2010

To the Shareholders of
DeA Capital SpA

Report on the financial statements

We have audited the accompanying financial statements of DeA Capital SpA, which comprise the statement of financial position as of 31 December 2015, the income statement, the statement of comprehensive income, the cash flow statement and the statement of changes in shareholders' equity for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of DeA Capital SpA are responsible for the preparation of financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree No. 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of DeA Capital SpA as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Other aspects

The financial statements as of and for the year ended 31 Decembre 2014 were audited and reviewed, respectively, by other auditors, who on 26 March 2015 expressed an unqualified opinion on the financial statements.

The company, as required by law, has included in the notes the key figures of the last financial statement of the parent company, which carries out management and coordination activity on Dea Capital SpA: our opinion on the financial statement of DeA Capital SpA does not cover such figures.

Report on compliance with other laws and regulations

Opinion on the consistency with the financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, which are the responsibility of the directors of DeA Capital SpA, with the financial statements of DeA Capital SpA as of 31 December 2015. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of DeA Capital SpA as of 31 December 2015.

Milan, 29 March 2016

PricewaterhouseCoopers SpA

Signed by

Giovanni Ferraioli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

Report of the Board of Statutory Auditors (Original available in Italian version only)

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