

DEA CAPITAL

BUY

SECTOR: Holdings & RE

Price (Eu):

1.22

Micaela Ferruta +39-02-77115.428
e-mail: ferruta@intermonte.it

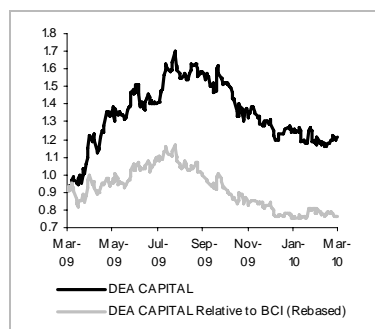
Target Price (Eu):

1.80

Now Trading at a Massive 54% Discount to NAV

- 4Q09 results: better than expected NAV.** NAV was indicated at Eu780mn, or Eu2.65p.s. (net of treasury shares), vs. Eu2.57p.s. in September, and expectations of Eu2.50, thanks to the increase in the valuation of Migros. The holding company's figures are relatively unimportant; at any rate, the quarter closed with a net loss of Eu29mn, vs. the expected loss of Eu32mn loss, burdened by the share of net loss at Santè SA. Net debt amounted to Eu34mn. The DeA capital BoD approved a plan to buy back up to 20% of the share capital (it currently owns 5.74% treasury shares.)
- Générale de Santé (37% of NAV) reported better than expected EBITDA** on 11th February. The healthcare company registered Eu2,046mn in FY09 revenues (+3.2% YoY). Revenues rose 3.6% YoY in 4Q, with a 0.5% improvement in prices and a 3.1% rise in volumes/mix. FY EBITDA came in at Eu237mn (+3.2% YoY), ahead of estimates, thanks to lower operating expenses. The net FY result was Eu42.5mn, thanks to a capital gain from disposals, while net debt came in at Eu885mn. We have fine-tuned estimates to incorporate the impact of the de-consolidation of clinics sold and the real estate disposal. Also, for 2010-12 we now assume a 0.5% price increase and 2% volume growth at MSO; this leads to 2009-12 revenue and EBITDA CAGRs of 4.4% and 8.5% respectively, and a DCF valuation of Eu19.5p.s., or 8.1x 2010 EV/EBITDA, in line with peers, but lower than recent M&A transactions.
- Migros Turk (27% of NAV): results are not out yet.** We expect revenues to be up 13% YoY to YTL5.7bn, and the EBITDA margin to be at around 6.8%. The total number of shops should now amount to 1600. After the merger with Moonlight, Migros's NFP should stand at YTL 1.3bn. We are fine-tuning estimates to account for the new openings. in 2011, however, estimates are little changed.
- Alternative Asset Management (IDEA AI and FARE, 22% of NAV) generated positive income of Eu6.8mn**, before PPA, net of which it would stand at Eu14.4mn. Overall, a total of Eu5.2bn of assets are under management, out of which IDEA AI had around Eu2.2bn and FARE First Atlantic R.E. Eu3bn. Idea AI posted a positive Eu12.4mn FY09 result, while FARE's net income stood at Eu10.5mn. We have revised our estimates to account for the persistently tough fund-raising environment, especially for medium-large private equity funds.
- BUY confirmed, target from Eu1.95 to Eu1.80;** the stock is trading at a 54% discount to its Eu2.65p.s. NAV, which is largely unjustified based on: visible and defensive businesses, limited and manageable debt and management's strong track record. If we were to take Generale de Santè and Migros Ticaret at market price, the NAV calculation would come to Eu2.4p.s. Our Eu1.80 target price is calculated by applying a 25% discount to our fair valuation of its assets, in line with other holding companies.

DEA CAPITAL - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 1.95 to 1.80

Change in EPS est: 2009A 2010E
53.0% 43.6%

STOCK DATA

Reuters code: DEA.MI
Bloomberg code: DEA IM

Performance	1m	3m	12m
Absolute	4.5%	-5.4%	32.4%
Relative	-1.9%	-7.2%	-26.6%
12 months H/L:	1.70/0.93		

SHAREHOLDER DATA

No. of Ord. shares (mn): 307
Total No. of shares (mn): 307
Mkt Cap Ord (Eu mn): 373
Total Mkt Cap (Eu mn): 373
Mkt Float - ord (Eu mn): 126
Mkt Float (in %): 33.7%
Main shareholder:
De Agostini 58.3%

BALANCE SHEET DATA

2010
Book value (Eu mn): 709
BVPS (Eu): 2.31
P/BV: 0.5
Net Debt (Eu mn): 27
NAV (Eu mn) 709

Key Figures	2007A	2008A	2009A	2010E	2011E
EBIT (Eu mn)	(4)	(2)	(1)	(2)	2
Net profit (Eu mn)	11	-39	-29	-16	-7
EPS - New (Eu)	0.04	-0.12	-0.10	-0.05	-0.02
EPS - Old (Eu)	0.04	-0.12	-0.06	-0.04	-0.01
DPS (Eu)	0.00	0.00	0.00	0.00	0.00
NAVPS (Eu)	2.77	2.49	2.43	2.31	2.23
Ratios & Multiples	2007A	2008A	2009A	2010E	2011E
P/E	27.5	nm	nm	nm	nm
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
P/NAVPS	0.4	0.5	0.5	0.5	0.5
ROCE					

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DEA CAPITAL - KEY FIGURES

		2007A	2008A	2009A	2010E	2011E	
	Fiscal year end	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	
PROFIT & LOSS (Eu mn)	Sales		0	9	32	40	50
	EBITDA		(4)	(2)	(1)	(2)	2
	EBIT		(4)	(2)	(1)	(2)	2
	Financial income (charges)		14	15	(4)	(3)	(3)
	Associates & Others		(7)	(15)	(28)	(10)	(4)
	Pre-tax profit (loss)		5	(31)	(32)	(15)	(5)
	Taxes		4	(7)	3	0	0
	Tax rate (%)		-69.1%	-22.7%	9.6%	0.0%	0.0%
	Minorities & discontinue activities		2	(0)	(0)	(1)	(1)
	Net profit		11	-39	-29	-16	-7
	Total extraordinary items						
	Ebitda excl. extraordinary items			(4)	(2)	(1)	(2)
Ebit excl. extraordinary items							
Net profit restated			11	(38)	(29)	(16)	(7)
PER SHARE DATA (Eu)	Total shares out (mn) - average fd		307	307	307	307	307
	EPS stated fd		0.04	-0.13	-0.10	-0.05	-0.02
	EPS restated fd		0.04	-0.12	-0.10	-0.05	-0.02
	BVPS fd		2.77	2.49	2.43	2.31	2.23
	NAVPS fd		2.77	2.49	2.43	2.31	2.23
	Dividend per share (ord)		0.00	0.00	0.00	0.00	0.00
	Dividend pay out ratio (%)		0.0%	0.0%	0.0%	0.0%	0.0%
CASH FLOW (Eu mn)	Change in NWC		0	0	0	1	
	Capital expenditure						
	Other cash items		0	0	0	0	0
	Free cash flow (FCF)						
	Acquisitions, divestments & other						
	Dividend						
Change in Net Financial Position		178	(399)	(49)	5	(6)	
BALANCE SHEET (Eu mn)	Total fixed assets		433	746	776	735	715
	Net working capital		0	0	0	0	0
	Long term liabilities						
	Net capital employed		433	746	776	736	715
	Net financial position		(416)	(17)	32	27	32
	Group equity		849	764	744	709	682
	Minorities		0	0	0	0	0
Net equity		849	764	744	709	682	
NAV DATA (Eu mn)	Properties and other assets - Book value						
	Properties and other assets - Market value						
	NAV		849	764	744	709	682
RATIOS(%)	EBITDA margin*		nm	nm	nm	nm	3.2%
	EBIT margin*						
	Gearing - Debt/equity		49.0%	2.3%	-4.3%	-3.8%	-4.7%
	Interest cover on EBIT		0.3	0.1	nm	nm	0.5
	Debt/Ebitda		nm	nm	43.94	13.94	nm
	Capex as % sales						
	ROCE*						
GROWTH RATES (%)	ROE*						
	Sales		-97.5%	23905.6%	273.4%	23.2%	26.2%
	EBITDA*		nm	nm	nm	nm	nm
	EBIT*						
Net profit		-87.6%	nm	nm	nm	nm	
EPS restated		-90.9%	nm	nm	nm	nm	

* Excluding extraordinary items

Source: Intermonte SIM estimates

Updated Net Asset Value

As at 31/12/09, DeA Capital's net asset value stood at Eu780mn, or Eu2.65 per share, net of treasury shares, vs. Eu2.57ps at the end of September.

Here are the main assets which make up DeA Capital's NAV:

- Santé SA, valued at Eu289mn (37% of NAV). This is the holding company of Générale de Santé, which is the leading player in the private hospital sector in France.
- Kenan (27% of NAV), the holding company to Migros Ticaret, the leading food retailer in Turkey. The NAV valuation of Migros increased by Eu50mn vs. 31/12/2008.
- Alternative asset management activities (29.5% of NAV), including the IDEA AI funds (private equity) and FARE (real estate).

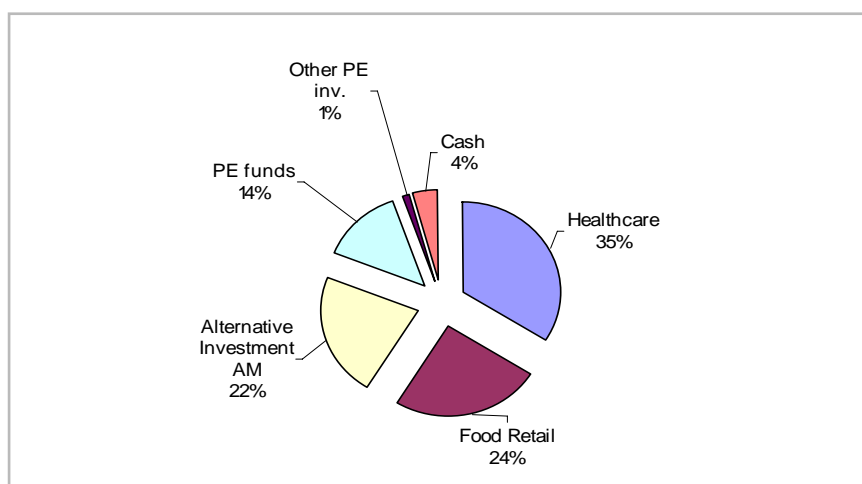
DeA Capital is trading at a 54% discount to its reported NAV. If we were to take Générale de Santé and Migros Ticaret at their market prices, the NAV calculation would be Eu2.4 per share and the discount would still be a sizeable 45%.

DeA Capital NAV at Pro-forma Book Value as of:			31/12/2009			31/9/09	
Asset	Activity	Stake	Value (€ mn)	per share €	% of NAV	Valuation method	vs. OLD Value
Santé SA	Healthcare	43.0%	289.1	0.98	37.1%	Net equity	-3%
Kenan (Migros TURK)	Food Retailer	17.1%	208.0	0.71	26.7%	9x 2010 Ebitda Fair value*	14%
FARE (ATLANTIC) SGR***	Alternative AM	100.0%	96.7	0.33	12.4%	Net equity/Fair Value	-3%
IDeA Alternative Inv. SGR	Alternative AM	44.4%	62.6	0.21	8.0%	3.5% P/AUM	-3%
Sigla	Consumer Credit	34.9%	21.8	0.07	2.8%	Net equity	5%
IDeA Funds (FOF & Colnv)	Private Equity	n.m.	104.6	0.35	13.4%	6.7% P/AUM	1%
Blue Skye	Alternative AM	n.m.	31.4	0.11	4.0%	Fair value*	41%
Venture Cap. Funds	Private Equity	n.m.	13.5	0.05	1.7%	Equity	9%
Minor participations			-12.6	-0.04	-1.6%	Fair value*	-2%
Fiscal Credit			0.0	0.00	0.0%		n.m.
Cash, credits and marketable sec. (treas)			-34.9	-0.12	-4.5%		n.m.
Total ex treasury Shares			780	2.65	100.0%		3%
# shares (mln) net of Buy Back				294.8			

*** including the exercise of 30% option
* updated quarterly by fund managers

<i>Current price</i>	1.22
<i>Discount to NAV</i>	-54%
<i>Discount to investment value</i>	-52%

Source: Intermonte SIM and Company Data



Valuations

We remind that our target price, which now stands at Eu1.82p.s., vs. Eu1.95 previously, is calculated by applying a 25% discount to our valuation of DeA's assets, in line with other holding companies, yielding a NAV of Eu2.43ps. This figure is 7% lower than our previous valuation due to a lower valuation of GDS and FARE, partially offset by a higher valuation of Migros. Without the holding discount, the valuation would be Eu2.81 p.s.

DeA Capital Valuation - Adjusted NAV				DeA Capital Valuation - NAV with assets at target valuation				% change vs OLD target Val	
Asset	Value (€ mn)	per share €	%	Valuation method	Value (€ mn)	per share €	%		
Santè SA	161	0.54	22.4%	DCF & Market Price@ Eu13	219	0.74	26.4%	DCF (@ 8.1x 2010 EBITDA)	-17%
Kenan (Migros TURK)	219	0.74	30.6%	Fair value and EXIT @ 8x EV/EBITDA	230	0.78	27.7%	EXIT @ 8.5x 2012 V/EBITDA	3%
FARE (ATLANTIC) SGR***	118.0	0.40	16.5%	2010 MULTIPLE & NAV	139	0.47	16.8%	2010 MULTIPLE	-19%
IDeA Alternative Inv. SGR	70.7	0.24	9.9%	2010 MULTIPLE & NAV	79	0.27	9.5%	2010 MULTIPLE	3%
Sigla	10.5	0.04	1.5%	2010 MULTIPLE & NAV	10	0.04	1.3%	2010 MULTIPLE	-17%
IDeA Funds (FOF & Colinv)	104.6	0.35	14.6%	Fair value*	105	0.35	12.6%	Fair value*	41%
Blue Skye	31.4	0.11	4.4%	Equity	31	0.11	3.8%	Equity	9%
Venture Cap. Funds	13.5	0.05	1.9%	Fair value*	14	0.05	1.6%	Fair value*	-2%
Minor participations	7.0	0.02	1.0%	Fair value	7	0.02	0.8%	Fair value	0%
Fiscal Credit	15.1	0.05	2.1%	5Y DCF & zero	30	0.10	3.6%	5Y DCF	0%
Cash, credits and marketable sec. 2008	-34.9	-0.12	-4.9%		-35	-0.12	-4.2%		
Total ex treasury Shares	715	2.43	100%		830	2.81	100%		-7%
% discount		25%				-35%		Discount of TP vs. Fair value	
Target price (Eu p.s.)		1.82				1.82			
Current Mkt Price		1.22				1.22			
% Upside/downside		49.2%				130.7%		% Upside/downside vs. market price	
# shares (mln) net of Buy Back		294.77							

* quarterly updated by fund managers

Current price 1.22 1.22

Discount to NAV -50% -57%
Discount to investment value -48% -56%

Source: Intermonte SIM and Company Data

Peer Group Comparison

DEA Capital		11/03/2009				
Peer group	Price	YTD % change	Volume (EUR k)	P/NAV (reported)	P/Adj. NAV	Mkt Cap (EUR mln)
Deutsche Beteiligungs	18.88	10.47%	868	1.05	1.05	271.9
Dinamia	9.84	-2.57%	122	0.60	0.49	117.8
Eurazeo	51.38	5.21%	5877	0.61	1.08	2771.3
GIMV	37.50	2.66%	922	0.83	0.83	869.1
Ratos	230.50	24.59%	71411	2.25	2.25	3820.0
Wendel	44.18	3.21%	3817	0.55	1.45	2222.6
3i (GBp)	277.20	-2.05%	12894	0.34	0.35	1182.5
Candover (GBp)	553.5	32.57%	896	0.54	0.25	132.8
SVG Capital (GBp)	147.20	15.91%	407	0.42	0.75	239.6
			avg.	0.85	0.97	
Peer group	Price	YTD % change	Volume (EUR k)	P/NAV (reported)	P/Adj. NAV	Mkt Cap (EUR mln)
M&Capitali	0.14	-6.25%	13	0.14		74.4
Tamburi	1.29	3.76%	22	0.59		141.4
Mid Industry Capital	13.50	-11.76%	0	0.69		67.5
Cape Live	0.39	19.27%	5	0.38		19.9
Sopaf	0.12	-6.33%	79	0.15		57.3
Gemina	0.65	13.16%	1598	0.43		947.6
Mittel	3.40	-14.57%	63	0.54		224.4
			avg.	0.42		
DeA Capital	1.22	-3.49%	817	0.43	0.53	373.4
LPX Europe (-1 day)	212.08	8.87%				
S&P/MIB	22540.85	-3.04%				

Source: Bloomberg

OPERATING COMPANIES' RESULTS

The chart below describes the main results of the operating companies owned by DeA Capital. We have also summarised the main changes in estimates, based on our assumptions, which we will outline later on.

DeA Capital main assets: Quarterly Results and FY estimates

DeA Capital main assets: Quarterly Results and FY estimates													% change vs OLD EST.				
Generale DE Santé	1H08	3Q08	4Q08A	2008A	1Q09 A	2Q09 A	3Q09 A	4Q09	4Q09 A	A-E	2009 A	2010E	2011E	2009E	2010E	2011E	
EU mn																	
Revenues	1,025	442	518	1,984	527	526	458	547	535	-2.2%	2,046	1,952	2,023	-1%	-8%	-12%	
YoY	4%	6%	3%	4.1%	2.8%	2.8%	3.6%	4%	3%		3.1%	-4.6%	3.6%				
Ebitda IFRS	138	29.7	62.6	230	71	62	33	63	71	12.7%	237	233	253	3%	-1%	-6%	
YoY	4.1%	2.8%	-19.5%	-3.8%	-8%	2%	12%	3%	13%		3.0%	-1.6%	8.4%				
% margin	13%	7%	12%	12%	13.4%	11.8%	7.3%	13.4%	13.2%		12%	12%	13%				
Ebit IFRS	80	55.5	24.9	160	40	34	-1	58	58	0.0%	131	113	133	20%	-3%	-11%	
YoY	21.4%	n.m.	n.m.	50.2%	-18%	9%	-101%	134%	134%		-18.1%	-13.8%	17.3%				
% margin	8%	13%	5%	8%	7.6%	6.5%	-0.2%	10.9%	10.9%		6%	5.8%	6.6%				
Net Income	25.7	49	12.5	87.2	13	11	-7	13	26	102.4%	42	22.0	44.7	48%	-37%	-24%	
YoY	-27.2%	88.3%	n.m.	91.2%	-27%	38%	-114%	84%	104%		-51.4%	-48.2%	103.8%				
NFP	-1,080	947	-913	-913	-921	-1,015	-1,047				-885	-815	-747	1%	-3%	-3%	
Source: Company Data and Intermonte SIM estimates											-885	32	63				
												-853	-791				
MIGROS TURK													% change vs OLD EST.				
YTL mn	1H08	3Q08	4Q08	2008A	1Q09	2Q09 A	3Q09 A	4Q09	4Q09 A		2009 E	2010E	2011E	2009E	2010E	2011E	
					before merger	post merg	post									vic	
Revenues	2,364	1,419	1,291	5,074	1,272	1,401	1,485	1,584	n.a.		5,835	6,750	8,140	-3%	-6%	3%	
YoY	16.6%	16.7%	8.7%	14%	10%	16%	5%	23%			15%	15.7%	20.6%				
Ebitda IFRS	117	182.5	77.0	376	89.9	98.0	106.6	101	n.a.		391	439	578	1%	-13%	4%	
YOY	-11.9%	54.8%	n.m.	21.9%	17%	148%	-42%	30.8%			4.0%	12.2%	31.7%				
% margin	5%	13%	6%	7.4%	7.1%	7.0%	7.1%	6.4%			6.7%	6.5%	7.1%				
D&A	-28.4	-32.6	-19.0	-80.0	-28.5	-30.5	-32.5	-32.6	n.a.		-110	-130	-140				
YoY		-17.9%	n.m.	0.0%	-63%	-23%	0%	72%			37.5%	18.2%	7.5%				
Ebit	88	150	58	296	61	68	74	68	n.a.		281	309	438	19%	-8%	18%	
YoY	-12%	133%	-75%	28%	n.a.	n.a.	0.7	-0.77			-5%	9.8%	41.9%				
% margin	4%	11%	4%	6%	5%	5%	5%	4%			5%	5%	5%				
Net income	127	68	195	262	61	51	-16	15	n.a.		120	93	219				
YoY	59.9%	n.a.	n.a.	51.4%	n.a.	n.a.					-54.2%	-22.4%	135.3%				
NFP											1,300	1,326	1,131				
* adj for the sale of Russian activities																	
Source: Company Data, consensus and Intermonte SIM estimates																	
IDEA ALTERNATIVE INV (1/1/08)													% change vs OLD EST.				
EU mn	1H08	3Q08	4Q08	2008A	1Q09 A	2Q09 A	3Q09 A	4Q08E	4Q09 A	A-E	2009A	2010E	2011E	2009E	2010E	2011E	
AUM				1797	1768	2209	2174	2074	2174		2174	2474.4	2674.4				
YoY											21%	14%	8%				
Commissions	4.2	2.6	1.4	8.20	2.1	3.3	3.0	3.0	3.0	0%	11.4	13.6	15.8	-10%	-7%	-4%	
YoY								15%	114%	114%	39%	19%	16%				
Associates (IA, YoY)	2.8	0.8	1.7	5.30	2.7	n.a.	n.a.	n.a.	n.a.		7.0	4.7	4.4	9%	-21%	-66%	
Net income	4.40	1.2	3.7	9.30	1.5	1.8	3.4	3.0	5.7	87%	12.4	9.9	9.2	3%	-20%	-49%	
YoY							183%	-18%	54%		33%	-20%	-7%				
Source: Company Data and Intermonte SIM estimates																	
First Atlantic R.E. cons.													% change vs OLD EST.				
EU mn	1H08	3Q08	4Q08	2008A	1Q09 A	2Q09 A	3Q09 A	4Q08E	4Q09 A	A-E	2009E	2010E	2011E	2009E	2010E	2009E	
AUM		n.a.	n.a.	2512	2823	2768	2768	2733	3102	14%	3102	3567	3997				
YoY											23%	15%	12%				
SGR	n.a.	n.a.	n.a.	15.0	4.6	4.5	4.5	4.6	5.1	12%	18.7	22.7	28.5	-7%	-12%	-8%	
YoY				45%							25%	21%	25%				
Property	n.a.	n.a.	n.a.	10.2	2.1	2.1	0.7	3.6	3.6	0%	8.5	11.0	13.7	-31%	-15%	0%	
YoY				-9%							-17%	29%	25%				
Revenues	n.a.	n.a.	n.a.	24.8	6.7	6.6	5.2	8.2	8.7	7%	27.2	33.7	42.2	-16%	-13%	-5%	
YoY				15%							10%	24%	25%				
Net income	n.a.	n.a.	n.a.	9.4	3.1	0.6	3.6	1.2	1.5	30%	8.8	9.3	11.6	-22%	-26%	-14%	
YoY				11%							-6%	5%	25%				
Source: Company Data and Intermonte SIM estimates																	

Générale de Santé

Established in 1987, Générale de Santé (GDS) is a listed company, market leader in private healthcare in France and DeA Capital owns indirectly, via Santé SA (36%), which was purchased in 2006 at Eu 31 p.s.; then a Eu 7.4 extraordinary dividend (capital distribution) was distributed.

GDS has a total of 170 health clinics/centres, which have a combined capacity of over 15,000 beds. The group has partially divested from health care services in Italy. Medical, surgery and obstetrics ("MSO") make up about 85% of the total revenues (new perimeter) for care provided in clinics the rest being Psychiatry, Rehabilitation, Diagnostics. In 2009, GDS posted Eu2046mn in revenue and Eu237mn in EBITDA. However, in 1Q10 GDS sold a few clinics, diagnostics, home care and refocused its activities even more on France and MSO.

We remind that the French healthcare sector is regulated by a national social security system, which sets tariffs and reimburses medical care, both to the public and to the private sector. Due to the fact that the French authorities have favoured the public over the private sector, there is a cost differential, and services provided by the public sector are now estimated to be around 30% more expensive in the French Social Security system, thus creating pressure on the budget for private firms. In order to limit healthcare expenditures, a tariff system called "DRG" (Diagnosis Related Group) was created in 2005. Under this new system, 750 GHS (Groupes Homogènes de Séjours) have been defined and clinics are paid by the Social Security system on the basis of the number of GHS they perform and the price attached to each GHS.

The new system should lead to a convergence of tariffs between the public and private sectors in the longer term (in 2014) but due to the huge public deficit, the recent price increases granted in the MSO segment have been limited to below-inflation amounts of 0.8% in 2008 and 0.5% in 2009.

Our estimates conservatively assume:

- an average tariff increase of around 0.5%
- an average 2.5% increase in volumes for 2010-2012
- a higher (2.5%) price increase in psychiatry
- positive effects from the grouping of some clinics: 3 in 2010-2011

As a result of these limited increases, GDS has been focusing on efficiency gains and OPEX reduction. We have fine-tuned estimates to take into account the de-consolidation of assets sold in 2009, as well as the increased focus on OPEX reduction. On top of this, we are taking into account a change in the accounting criteria of some taxes and duties, worth an estimated Eu15mn, which were previously accounted for above the EBITDA line and now should be accounted in the tax line, resulting in an increase in EBITDA.

DeA Capital main assets: Quarterly Results and FY estimates

Generale De Santé

EU mn	2006 A	2007 A	2008A	2009 A	2009E PF	2010E	2011E	2012E	2009-12 CAGR
MSO	1,332	1,455	1,504	1,606	1,562	1,608	1,661	1,718	3.2%
Rehab	124	136	143	158		165	172	180	4.4%
Psychiatry	94	104	109	115		121	130	141	7.2%
Diagnostics	37	44	47	52		0	0	0	
Home Care	34	44	47	48		0	0	0	
Italy	90	95	107	53		29	31	33	-14.9%
Revenues	1,742	1,906	1,984	2,047	1,936	2,026	2,116	2,205	4.4%
YoY	6%	9%	4.1%	3.2%	-5.4%	4.6%	14.7%	24.7%	
Purchase of Cr	-338	-373	-397	-394		-394	-398	-402	
Labour Cost	-787	-844	-894	-927		-884	-916	-950	
Taxes and duti	-95	-104	-108	-106		-86	-90	-93	
G&A	-224	-234	-239	-247		-232	-241	-248	
OPEX	-1,445	-1,555	-1,637	-1,675	-1,601	-1,596	-1,644	-1,693	1.9%
YoY		8%	5%	2%		0%	3%	3%	
EBITDAR	297	351	347	373	335	355	379	406	6.6%
% margin	17%	18%	17%	18%		18%	18%	18%	
Rental expens	-80	-112	-117	-135	-119	-122	-126	-129	3.0%
Ebitda IFRS	217	239	230	237	217	233	253	277	8.5%
YoY	0.0%	0.0%	-3.9%	3.2%		-6.2%	12.0%	30.1%	
% margin	12.5%	12.5%	12%	12%		12%	12%	13%	
D&A	96	-132	-69	-106	n.a.	-120	-120	-120	
YoY		-238.1%	-47.7%	52.6%		13.6%	0.0%	0.0%	
Ebit IFRS	313.1	106.8	160.4	131.4	n.a.	113	133	157	
YoY	-13.5%	4.3%	50.2%	-18.1%		-21.6%	25.9%	73.4%	
% margin	18.0%	5.6%	8%	6%		5%	6%	7%	
Net Income	225.4	45.6	87.2	42.4	n.a.	22	45	61	
YoY	193%	-80%	91.2%	-51.4%		-64.1%	182.4%	428.9%	
CAPEX	-126.1	-221.0	-163.3	-168.8		-135.0	-136.6	-101.1	
NFP	-439.0	-1001.0	-913.0	-885.5	-885.5	-814.6	-747.2	-669.0	

SOURCE: Company accounts and Intermonte SIM

As far as competition is concerned, it should be noted that over the past few years the private commercial sector has been consolidating, and large groups now represent an estimated 30% of the private commercial market (in terms of number of beds).

We value GDS based on a 10-year DCF (7.5% WACC and 2.5% T.G.), which yields a Eu19.5mn valuation. As shown below, the result would be Eu xxmn equity for Santé SA, which turns into Eu289ps in DeA Capital's NAV.

GDS DCF (Eu mn)

Discounted Free cash flows	416
Terminal value	1,569
Total EV (with DCF)	1,985
NET FINANCIAL POS. (end 2007)	-886
R.E. & Italian disposal	0
Minorities	-34.6
Total EQUITY	1,065
# of shares (000.000)	54.7
Value per share (Eu)	19.5
Price	13.0
Upside/downside	50%
WACC	7.5%
Terminal growth	2.5%

Source: Intermonte SIM

% stake of DeA Capital	36%
countervalue	381
Debt in GDS SA (43%)	-
Impact on DeaC NAV	219

	2,009	2,010	2,011	2,012
EV/SALES	1.0	0.9	0.9	0.9
EV/EBITDA	8.2	8.1	7.2	6.3
EV/Op FCF	19.0	19.4	11.9	10.1
PE	25.1	48.5	23.8	17.3

Source: Intermonte SIM

Looking at valuations, we underline that GDS is trading at a discount to sector multiples based on consensus estimates, and even more so if the comparison is based on our estimates. Our Eu19.5 valuation is closer to market averages, coming to 8.1x EV/EBITDA 2010. When looking at M&A multiples for recent transactions in the sector, the valuations would point to even greater upside:

- Medica, a French group of clinics and nursing homes with a total of 11,000 beds, which also has a small presence in Italy, was floated in February at 13 x 2010 EV/EBITDA pre-money, and is trading at over 11x based on our estimates;
- Ambea, a Nordic hospital and nursing home operator, owned by the private equity firm 3i, was sold to Triton in February for Eu850mn, or 13.6x 2009 EV/EBITDA;
- GDS has recently sold its 6 Italian clinics at an EV/EBITDA multiple of close to 13x ;
- GDS' recent disposal of non core assets (Labs and Home Care) were finalized at 9x Ebitda Multiple.

Peer group Générale de Santé

Minibase in EUR as of 10/03/10

Company	Crcy	Price	Mkt Cap (Eu mn)	EV/EBITDA				PE			
				2009	2010	2011	2012	2009	2010	2011	2012
Generale De Sante (INTERMONTE)	EUR - Euro	13.0	731	7.0x	6.6x	5.8x	5.1x	17.2x	33.3x	16.3x	11.9x
Generale De Sante (consensus)	EUR - Euro	13.0	731	6.7x	6.7x	6.2x	6.0x	24.9x	19.9x	16.6x	15.5x
Care UK	GBP - UK Pound Sterling	4.9	299	7.0x	6.7x	6.5x	5.8x	13.9x	13.3x	13.7x	12.8x
Curanum AG	EUR - Euro	2.6	84	8.3x	7.3x	6.6x	5.3x	12.9x	12.3x	9.4x	7.4x
Orpea SA	EUR - Euro	31.3	1,217	16.4x	14.1x	12.3x	10.5x	22.1x	19.0x	15.6x	14.4x
Rhoen Klinikum	EUR - Euro	19.1	2,639	9.5x	9.6x	8.8x	7.7x	18.1x	17.7x	15.5x	13.0x
Netcare Ltd.	ZAR - South African Rand	1.3	1,874	10.9x	10.1x	9.1x	8.5x	17.9x	13.1x	10.3x	8.2x
Athens Medical Centre	EUR - Euro	1.3	109	8.5x	8.3x	8.1x	6.1x	10.2x	9.8x	8.9x	6.5x
Mediclin AG	EUR - Euro	3.7	175	7.5x	7.7x	7.1x	6.4x	16.4x	15.2x	13.5x	11.4x
Marseille Kliniken AG	EUR - Euro	5.2	64	13.4x	7.6x	6.0x	5.7x		11.5x	8.0x	6.6x
Southern Cross Healthcare Group Plc	GBP - UK Pound Sterling	1.5	286	4.1x	3.4x	2.7x	2.0x	8.2x	7.5x	6.6x	5.8x
Iaso SA	EUR - Euro	3.6	192	8.2x	8.1x	7.7x	1.2x	11.2x	9.9x	9.4x	9.6x
Euromedica SA	EUR - Euro	4.2	183	12.4x	12.4x	11.4x		32.2x	59.9x	52.4x	29.9x
Medi Clinic	ZAR - South African Rand	2.6	1,521	9.2x	8.2x	7.3x	6.6x	19.1x	12.5x	10.1x	8.4x
Medica S.A.	EUR - Euro	14.4	691		11.2x	9.8x	8.2x				
Source: JCF Consensus											
Total			10,065								
Average				9.0x	8.5x	7.7x	6.1x	17.0x	18.2x	14.7x	11.5x
Median				8.3x	8.1x	7.3x	6.1x	16.8x	13.2x	11.9x	10.5x
Avg x mkt cap				9.5x	9.6x	8.7x	7.4x	17.4x	15.1x	12.8x	10.7x
Generale De Sante @ TP (INTERMONTE EUR - Euro)		19.5x	1,065	8.5x	8.1x	7.2x	6.3x	17.2x	33.3x	16.3x	11.9x

Source: JCF Consensus

We remind that shares in Santé Luxembourg are subject to a lock-up until 31 December 2011, according to which the parties shall not be entitled to transfer any Santé Luxembourg shares, with the exception of transfers to affiliates. Starting from 1st January 2012, Santé Holding and DeA Capital may ask for a whole or partial exit through the market, pursuant to technicalities to be defined, by means of either (i) an IPO of shares of Santé Luxembourg, SDE or GDS, should GDS no longer be listed on a regulated market, or (ii) a secondary placement of the GDS shares, if GDS is still listed. From 1st January 2014 onwards, DeA Capital will be entitled to transfer its shareholding in Santé Luxembourg, subject to a right of first refusal and to a tag along right. The agreement expires on 31st December 2025 or whenever Santé Holding or DeA Capital reduce their shareholding to less than 10% of Santé Luxembourg's corporate capital.

MIGROS TURK

DeA Capital owns a 16.8% stake in Migros Turk, which is held through the holding company Kenan Investment, an investment vehicle in which the majority is held by BC Partners. Kenan holds close to 98% of the Migros share capital.

Migros Turk T.S.A. is the leading food retailer in Turkey, with a market share of 23% in modern retail chains (Fast Moving Consumer Goods) at the end of 2009. It manages about 1,600 points of sale in Turkey, with an overall commercial surface area of 780,000sqm. This network has increased from around 900 points of sale at the time of the acquisition in 2007. Migros's strategy relies on increasing the sales network, which is mostly comprised of discount stores, and exploiting the low penetration of modern retail (40%), with the target of exceeding YTL10bn of sales in 2012.

The main competitors are Carrefour in the hypermarket segment, Tesco (supermarkets) and BIM (discount stores). Recently, competition has started to follow a similar strategy as Migros, and new points of sale are being opened. Migros, however, maintains its leading position in the Turkish market, a valuable asset for an industrial buyer.

Given the recent acceleration in new openings, to keep up with competitors, we have fine tuned estimates to take into account the more rapid increase in the sales network and initial start up costs when shops are opened. We assume that close to 400 new shops will be opened, around 85% of which will be discount shops. Migros should benefit from the expected 3.5% growth of Turkish GDP; an inflation rate of 6.5% is also expected.

MIGROS TURK						
YTL mn	2007*	2008A	2009E	2010E	2011E	2012E
# of Shops	900	950	1590	2010	2310	2410
YoY		6%	67%	26%	15%	4%
Rev/Shop	4.9	5.5	4.5	3.8	3.8	3.8
Revenues	4,438	5,074	5,710	6,750	8,140	9,020
YoY		14%	13%	18%	21%	11%
OPEX	-4,161	-4,698	-5,319	-6,311	-7,562	-8,344
YoY		13%	13%	19%	20%	10%
Ebitda IFRS	277	376	391	439	578	677
YOY		36%	4%	12%	32%	17%
% margin	6%	7%	7%	7%	7%	8%
D&A	-107	-80	-110	-130	-140	-155
YoY		-25%	38%	18%	7%	11%
Ebit	204	296	281	309	438	522
YoY		45%	-5%	10%	42%	19%
% margin		6%	5%	5%	5%	6%
Net income		262	120	93	219	328
YoY			-54%	-22%	135%	50%
TOTAL CAPEX	0	156	180	249	164	120
NFP	-700	-861	1,300	1,326	1,131	768

* adj for the sale of Russian activities

Source: Company Data, consensus and Intermonte SIM estimates

We value Migros based on an exit multiple of 8x 2012 EBITDA, which yields a valuation of Eu 230mn, compared to DeA Capital's valuation of Eu208mn.

MIGROS TURK
Peer group

Minibase in EUR as of 10/03/10

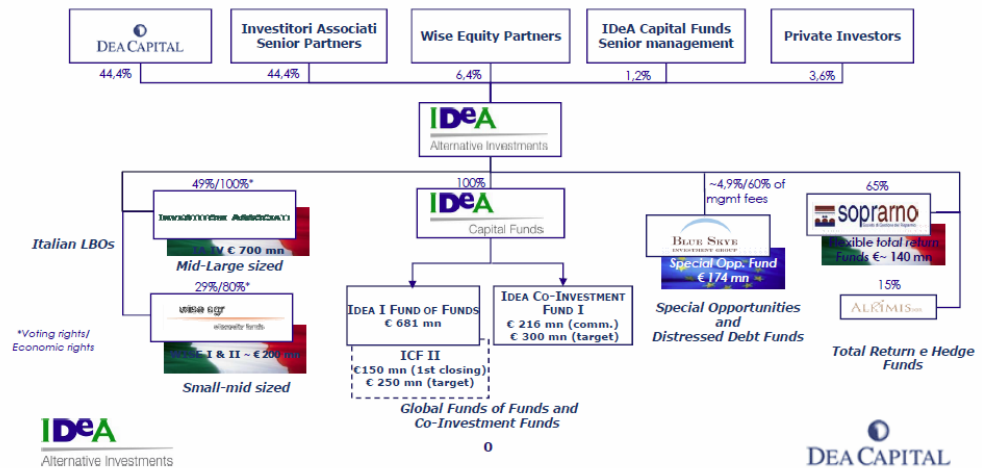
Company	Crcy	Price	Mkt Cap I.c.	EV / EBITDA			P / E		
				2009	2010	2011	2009	2010	2011
Ahold (Kon.)	EUR - Euro	9.79	11,666	6.2x	5.8x	1.8x	12.4x	11.7x	10.6x
Carrefour SA	EUR - Euro	36.79	25,930	7.0x	6.5x	5.7x	18.5x	15.6x	13.4x
Casino Guichard Perrachon SA	EUR - Euro	61.20	6,754	5.9x	5.4x	4.9x	13.0x	12.0x	10.8x
Colruyt SA	EUR - Euro	181.25	6,075	9.8x	9.0x	8.2x	17.5x	16.0x	14.6x
Delhaize Group SA	EUR - Euro	59.00	5,951	5.5x	5.3x	4.9x	11.8x	11.3x	10.4x
Metro AG	EUR - Euro	41.57	13,569	5.6x	5.2x	4.7x	17.4x	14.3x	11.8x
Tesco	GBP - UK Pound	4.77	38,095	8.9x	8.2x	7.5x	14.6x	13.4x	12.3x
Wal Mart Stores Inc	USD - US Dollar	39.24	149,456	7.9x	7.1x	6.5x	15.4x	13.4x	12.2x
Costco Wholesale Inc	USD - US Dollar	43.8	19,249	10.5x	8.7x	8.1x	24.8x	20.6x	18.5x
Total			69,945						
Average				7.5x	6.8x	5.8x	16.2x	14.3x	12.7x
Median				7.0x	6.5x	5.7x	15.4x	13.4x	12.2x
Average per CAP				6.6x	6.1x	4.9x	16.1x	14.0x	12.2x
Wal-Mart de Mexico S.A.B. de C.V.	MXN - Mexican	3.54	31,732	21.5x	16.0x	13.4x	33.2x	25.8x	21.9x
Grupo Famsa S.A. de C.V.	MXN - Mexican	1.3	591	11.0x	10.5x	8.5x	26.8x	25.7x	18.4x
X5 Retail Group N.V.	USD - US Dollar	24.66	6,696	15.3x	10.9x	8.3x	44.1x	27.2x	19.6x
Seventh Continent	USD - US Dollar	5.1	384	7.8x	6.1x	4.6x	20.6x	14.6x	8.6x
Magnit JSC	USD - US Dollar	53.90	4,796	14.2x	10.2x	8.0x	24.5x	18.2x	13.7x
Total			250,999						
Average				10.7x	8.8x	7.4x	22.9x	18.2x	14.7x
Median				8.9x	8.2x	7.5x	20.6x	14.6x	12.7x
<i>Deviazione standard</i>				<i>4.6x</i>	<i>3.0x</i>	<i>2.4x</i>	<i>9.2x</i>	<i>5.6x</i>	<i>4.7x</i>
Migros Ticaret A.S.	TRY - New Turkish	9.65	1,717	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
BIM Birlesik Magazalar A.S.	TRY - New Turkish	32.95	2,501	16.9x	14.0x	11.7x	25.8x	21.8x	18.6x
Total									
Average						11.7x	25.8x	21.8x	18.6x
Median						11.7x	25.8x	21.8x	18.6x

Source: Intermonte SIM estimates, JCF consensus

ASSET MANAGEMENT

IDEA AI

IDEA Alternative Investments is a holding company containing independent companies which are active in private equity and alternative asset management funds, with different focuses and specialisation. It was a joint venture set up at the end of 2006 by De Agostini (44.4%), managers of Investitori Associati (44.4%), managers of Wise (6.4%) and other investors (4.8%), with the aim of becoming a leader in the alternative investments industry in Southern Europe. DeA Capital acquired a 44.4% stake in IDEA Alternative Investments from DeA Invest (100% De Agostini SpA) for Eu57.7mn (valuing 100% at Eu130mn) in 2008.



IDEA Alternative Investments also owns 100% of IDEA Capital Funds, the SGR that manages the funds in which DeA Capital invests.

Idea Capital currently has about Eu2.xbn under management., as shown in the table below. 2009 was a tough year for fund raising activities, and 2010 looks set to follow a similar trend; however, in 2009 Idea Capital launched a Eu300mn fund of funds, between FOF I and COINV. In 2010-11, we are assuming

- the launch of another Wise equity fund (Eu200mn);
- another FOF for Eu190mn, and
- fund raising by Investitori Associati in 2011-2012

The net impact of distribution, however, leaves AuM largely unchanged.

We value IDEA AI and FARE based on a peer comparison, based on a 6.6% multiple of AUM (see table on next page).

IDEA ALTERNATIVE INV

EU mn	2007*	2008A	2009A	2010E	2011E	2012 E
AUM		1797	1968	2318	2513	2708
YoY			10%	18%	8%	-1%
Commissions	n.a.	8.20	11.40	13.62	15.82	16.37
YoY			39%	19%	8%	-3%
Associates (IA, Wise, oth	n.a.	5.30	7.00	4.66	4.36	3.92
YoY			1%	30%	38%	46%
Net income	n.a.	9.30	12.40	9.88	9.20	8.94
YoY			5%	27%	8%	-11%

Source: Company Data and Intermonte SIM estimates

IDEA ALTERNATIVE INV

Asset Under Management	2008A	2009E	2010E	2011E	2012E
Eu mn					
IDEa Capital Funds SGR	887	1088	1388	1488	1488
Investitori Associati SGR	700	700	700	700	950
Wise SGR	210	180	210	310	310
SOPRARNO	0	208	208	208	208
Totale "Aggregato"	1797	2176	2506	2706	2956

Source: Company Data and Intermonte SIM estimates

First Atlantic Real Estate

First Atlantic Real Estate (FARE) Holding is one of the largest companies in the Italian real estate sector, and was acquired by DeA Capital in December 2008. DeA Capital owns 70% of FARE.

FARE is composed of the following main companies

- **First Atlantic RE S.G.R.**, which manages five real estate funds: Atlantic 1 and Atlantic 2 (Berenice), and three reserved funds. Total assets under management amount to approximately Eu2.9bn; as of 2009, it had Eu18mn in revenues; we assume that AuM will grow to Eu3.7bn by 2012, with different dynamics related to the different funds. The Ippocrate fund is expected to increase by Eu300mn per year, while Berenice and Atlantic 1 will face gradual reductions. FARE is also planning to launch a Eu300mn foreign fund. Overall, revenues are expected to grow from around Eu18mn to around Eu30mn in 2012.
- **First Atlantic Real Estate S.p.A.**, which specialises in asset management, property management, project management and agency services, for funds managed by the Group and large international funds. We expect revenues to double and reach around Eu16mn.
- **First Atlantic Real Estate NPL**, which administers, manages and enhances the value of non-performing loans for the real estate sector.

We value IDEA AI and FARE based on a peer comparison, based on 2009 and 2010 AUM and reach a valuation of Eu 139mn, before holding discount .

First Atlantic R.E. cons.						
EU mn	2007	2008A	2009A	2010E	2011E	2012 E
AUM		2512	2733	2963	3053	3053
YoY			9%	8%	3%	3%
SGR	10.3	15.0	18.2	23.2	28.3	29.3
YoY		45%	21%	28%	22%	122%
Property	11.2	10.2	8.5	11.0	13.7	14.7
YoY		-9%	-17%	29%	25%	125%
Revenues	21.5	24.8	26.7	34.2	42.0	43.0
YoY		15%	8%	28%	23%	123%
Net income	8.5	9.4	8.5	9.6	11.9	12.9
YoY		11%	-10%	13%	24%	124%

Source: Company Data and Intermonte SIM estimates

First Atlantic R.E. cons.					
Eu mn	2008A	2009E	2010E	2011E	2012E
Atlantic 1	644	744	694	594	494
Atlantic 2	705	643	573	393	213
Atlantic 6-8	0	75	185	185	185
Ippocrate	1137	1497	1697	2097	2097
Foreign Fund	0	0	350	660	660
NPL		20	20	20	20
Totale	2512	2979	3519	3949	3669

Source: Company Data and Intermonte SIM estimates

IDEA AI & FARE
Peer group

Minibase (Local Currency) as of 10/03/10

Company	Crcy	Price	Mkt Cap I.c.	AUM Eu bn	P/AUM	EV/EBITDA		P / E	
						2009	2010	2009	2010
Traditional Asset Managers									
Aberdeen Asset Managem	EUR - Euro	122.90	1,359	103	1.3%	15.9x	8.2x	19.3x	11.5x
Anima S.G.R.p.A.	EUR - Euro			10		n.a.			
Azimut Holding SpA	EUR - Euro	9.18	1,315	15	8.9%	11.0x	11.1x	13.1x	12.4x
F&C Asset Management	GBP - UK F	65.80	321	99	0.3%	8.1x	5.8x	11.3x	9.3x
Henderson Group	EUR - Euro	134.70	1,111	10	11.7%	13.7x	10.6x	18.6x	14.5x
Rathbone Brothers	EUR - Euro	840.00	364	13	2.8%	10.1x	9.0x	17.0x	15.5x
Schroders	GBP - UK F	1338.00	3,706	138	2.7%	13.0x	7.2x	25.2x	16.5x
Alternative Asset Managers									
Blackstone Group Lp		14.89	16,781	94	17.9%	4.9x	2.3x	23.6x	14.5x
Fortress Investment Group L.L.C		4.64	2,105	31	6.8%	5.1x	4.9x	18.1x	10.6x
GLG Partners Inc.		2.95	747	23	3.2%			11.3x	16.4x
Man Group		248.10	4,247	41	10.3%	11.4x	7.4x	15.5x	11.5x
Partners Group Holding AG		143.70	3,837	25	15.3%	14.3x	12.9x	18.7x	15.1x
Ashmore Group Plc		244.90	1,723	20	8.8%	10.8x	8.5x	15.4x	13.7x
Bluebay Asset Management Plc		372.20	730	13	5.7%	22.5x	12.5x	49.8x	19.8x
Charlemagne Capital Ltd.		16.50	46	4	1.3%	9.6x	7.2x	16.9x	13.6x
Hargreaves Lansdown Plc		343.50	1,629	11	15.4%		18.5x	32.7x	26.5x
RAB Capital Plc		18.25	86	2	5.1%		177.0x		
Average						14.3x	44.7x	20.4x	18.4x
Median						10.8x	12.5x	18.1x	16.7x
RE service Co									
Colliers CRE PLC	EUR - Euro	24.50	36				8.7x		22.3x
Savills	EUR - Euro	352.50	465			12.3x	13.2x	26.1x	26.3x
DTZ Holdings PLC	GBP - UK F	80.00	212						
Rok Plc	GBP - UK F	42.25	76			4.1x	3.9x	5.2x	5.0x
			789						
Average							8.6x	15.6x	17.8x
Median							8.7x	15.6x	22.3x

Source: Intermonte SIM estimates, JCF consensus

SHORT SALES: PROHIBITION REVOKED, WITH EXCEPTIONS

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Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period ;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

The stock price indicated is the reference price on the day prior to the publication of the report.

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As at December 31st 2009 Intermonte's Research Department covered 130 companies. Intermonte's distribution of stock ratings is as follows:

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OUTPERFORM: 29.23%

NEUTRAL: 32.38%

UNDERPERFORM: 13.85%

SELL: 3.08%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (21 in total) is as follows:

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OUTPERFORM: 14.29%

NEUTRAL: 47.61%

UNDERPERFORM: 0.00%

SELL: 0.00%

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DETAILS ON STOCK RECOMMENDATION

Stock NAME	DEA CAPITAL		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	1.80	Previous Target (Eu):	1.95
Current Price (Eu):	1.22	Previous Price (Eu):	1.22
Date of report:	12/03/2010	Date of last report:	16/11/2009

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