

Company Update

BUY (prev. HOLD)

Target: € 1.67 (prev. € 1.83)

Risk: High

STOCK DATA

Price €	Ord	1.17
Bloomberg Code	DEA IM	
Market Cap. (€ mn)		361
Free Float		32%
Shares Out. (mn)		307
52-week range		0.8 - 1.72
Daily Volumes (mn)		- 0.1

PERFORMANCE (ord)

	1M	3M	12M
Absolute	-6.7%	-15.3%	-9.5%
Rel. To Mibtel Index	-1.6%	-14.9%	-31.6%

MAIN METRICS

	2008	2009E	2010E
EPS - € cents	-12.5	-6.8	-0.1
DPS ord - € cents	0.0	0.0	0.0

NAV

	2008	2009E	2010E
Nav (Equita) ps ord - €	1.64	2.00	1.85
Nav (Reported) ps ord - €	2.55	2.61	2.61
BVPS - € cents	2.49	2.40	2.40

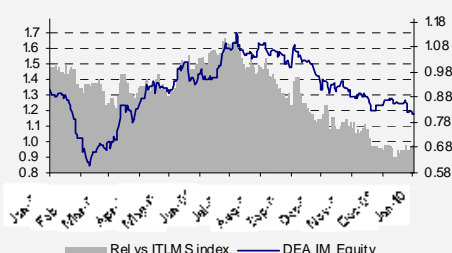
MULTIPLES

	2008	2009E	2010E
P/NAV (Equita)	0.8 x	0.6 x	0.6 x
P/NAV Reported	0.5 x	0.5 x	0.5 x
P/BV	0.5 x	0.5 x	0.5 x

INDEBTNESS

	2008	2009E	2010E
NFP	17	-28	-28
Debt to assets ratio	n.m.	n.m.	n.m.
D/E	n.m.	0.0 x	0.0 x

PRICE ORD. LAST 365 DAYS



ANALYSTS

Luigi de Bellis +39 02 6204 375 - l.debellis@equitasim.it

February 1, 2010

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STOCK DOWN, RATING UP

Quality and soundness of assets is intact. With the stock having lost 26% in the last 6 months (underperforming the LPX50 index by -50%), we are upgrading to a positive view.

■ Focus On Extracting Value From Gds And Migros

DeA Capital (DEA) has completed its investment phase and is now focusing on extracting value from its main assets Générale de Santé (GDS) and Migros Turk, respectively accounting for 19% and 33% of NAV, and on strengthening its asset management business (20% of NAV).

The companies' main investments achieved satisfactory results in 2009, benefiting from their exposure to defensive sectors (healthcare and food retailing). We believe that 2010 will feature further growth both for Migros (thanks to new store openings and growth of its core market) and for GDS (mainly due to cost cutting and disposals).

■ Stock poised for recovery after weak 2009 performance

In the last 6 months DEA stock's performance slipped by -26%, underperforming the FTSE MIB index by -35% and the LPX50 Total Return Index (index for the 50 largest and most liquid private equity funds worldwide) by -50%.

We believe this performance was due to fears of:

- **Over-commitment**, fears of which were common to the private equity world in general
- **Write-down of private equity/fund shareholdings**
- **A capital increase** in the sub-holding company that controls GDS
- **Devaluation** of the Turkish lira, to which DEA is exposed via its stake in Migros Turk ...

... which overrode the fact that:

- The company has a sound NFP
- The company's commitments are fully sustainable, diluted over time and partly offset by the distributions expected in the next 3 years
- GDS has some € 600 mn of property assets that could be used to reduce debt at operating and holding-company level
- The TL/€ exchange rate has remained fairly stable, oscillating in the 2.3-2.0 range notwithstanding the -5.3% decrease in Turkish GDP in 2009. Moreover, for 2010 is expected a recovery for the Turkish economy, with forecasted real GDP growth of around 4%.

■ Investment case: we upgrade to buy

We are upgrading to a positive view of the stock in the light of:

- High discount on Equita NAV (37% vs. an avg of 19% since January 2009).
- Sound holding-system financial structure: holding system net cash 2009E of € 2 mn and € 150 mn of undrawn credit facilities, covering 3 years of commitments.
- Exposure to defensive sectors (52% of Equita NAV).
- Stable cash flow from alternative asset management (AUM = € 5 bn+).
- Virtually no listed assets (the 2 listed assets have very limited free float).
- Experienced management

Updated Equita NAV is € 1.85 PS (-9%), due to reductions of valuation for Migros and GDS (de-rating of sector multiples and reduction of estimates), partially offset by the increase of First Atlantic valuation. Applying a 10% discount to our NAV, we set our target price at € 1.67 PS.

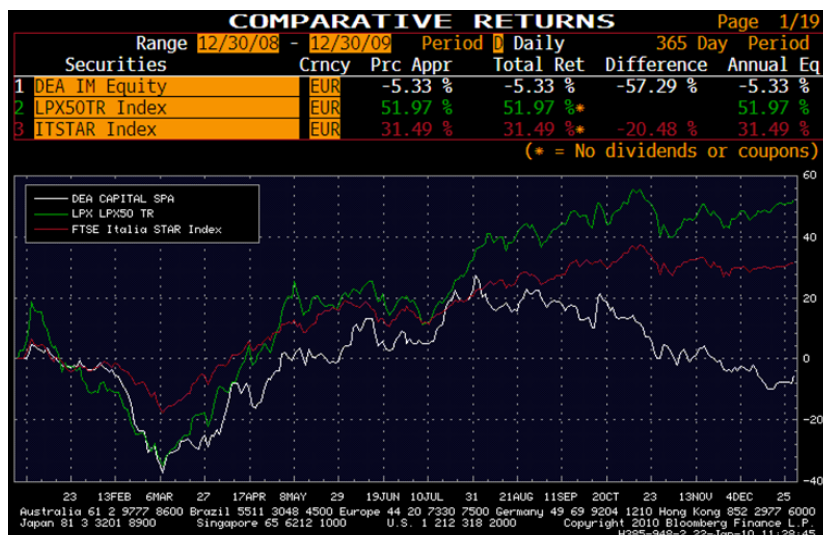
MAIN FIGURES € mn	2007	2008	2009E	2010E	2011E	2012E
AM Commissions	0.0	3.8	24.0	36.5	37.0	37.4
Profit (Loss) on equity	-7.2	-14.8	-14.0	-5.4	-6.4	-7.5
Other investment income (charges)	2.4	-28.9	-1.0	0.3	0.3	0.3
Other income	0.0	4.8	9.0	0.2	0.2	0.2
Other expenses	-4.1	-10.8	-33.0	-28.6	-24.2	-24.6
Tot. income and expenses	-8.9	-45.9	-15.0	3.0	6.8	5.8
Growth	n.m.	n.m.	n.m.	n.m.	128%	-14%
Financial Income	14.4	14.8	-4.2	3.5	3.5	3.5
Profit before tax	5.4	-31.1	-19.2	6.5	10.3	9.3
Growth	n.m.	n.m.	n.m.	n.m.	59%	-9%
Results from Discontinued op	1.5	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	10.7	-38.2	-20.9	-0.2	2.0	1.4
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	-33%
Net income adjusted	10.7	-38.2	-20.9	-0.2	2.0	1.4
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	-33%
SHARE DATA	2007	2008	2009E	2010E	2011E	2012E
Nav (Reported) ps ord - €	2.78	2.55	2.61	2.61	2.61	2.61
Nav (Equita) ps ord - €	2.40	1.64	2.00	1.85	1.85	1.85
EPS - € cents	5.5	-12.5	-6.8	-0.1	0.7	0.4
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	-33%
Adj. EPS - € cents	5.5	-12.5	-6.8	-0.1	0.7	0.4
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	-33%
DPS ord - € cents	0.00	0.00	0.00	0.00	0.00	0.00
MARKET RATIOS	2007	2008	2009E	2010E	2011E	2012E
P/NAV Reported	0.78 x	0.50 x	0.45 x	0.45 x	0.45 x	0.45 x
P/NAV (Equita)	0.90 x	0.79 x	0.59 x	0.63 x	0.63 x	0.63 x
P/BV	0.8 x	0.5 x	0.5 x	0.5 x	0.5 x	0.5 x
P/E	39.6 x	n.m.	n.m.	n.m.	176.0 x	263.1 x
P/E Adj	39.6 x	n.m.	n.m.	n.m.	176.0 x	263.1 x
REMUNERATION	2007	2008	2009E	2010E	2011E	2012E
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	1.2%	-5.0%	-2.8%	0.0%	0.3%	0.2%
INDEBTNESS - €mn	2007	2008	2009E	2010E	2011E	2012E
NFP	415.9	17.2	-27.5	-27.8	-25.7	-24.3
Holding system NFP	n.a.	n.a.	2	2	4	5
Debt to assets ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
D/E	n.m.	n.m.	0.04	0.04	0.03	0.03

Source: EQUITA SIM estimates and company data

PERFORMANCE AND VALUATION

In 2009 DEA stock's performance slipped by -5%, underperforming the FTSE Italy Star Index by -36% and the LPX50 Total Return Index (index for the 50 largest and most liquid private equity funds worldwide) by -57%.

DEA CAPITAL: 2009 PERFORMANCE VS LPX50 INDEX



DEA COMPARABLES – PERFORMANCE LAST 4 YEARS

		Mkt	Perf. ytd		Performance last 4 years			
		(€ mn)	Abs	Rel	2009	2008	2007	2006
DEA IM	Dea Capital spa	362	-6%	-2%	-5%	-37%	-26%	13%
MIT IM	Mittel spa	285	2%	6%	36%	-43%	-10%	18%
TIP IM	Tamburi Investment Partners	155	9%	13%	-12%	-29%	-6%	0%
MEC IM	Management & Capitali spa	65	-4%	0%	89%	-38%	-19%	n.m.
CL IM	Cape Listed Investment Vehic	18	7%	12%	-27%	-51%	n.m.	n.m.
CIR IM	Cir spa	1.373	-4%	0%	149%	-71%	1%	7%
Average			0%	5%	38%	-45%	-12%	10%
European Private Equity								
III LN	3i Group plc	2.992	-6%	-3%	67%	-73%	-1%	9%
CDI LN	Candover Investments Public	127	20%	24%	-50%	-54%	-4%	12%
ELTA LN	Electra Private Equity plc	521	5%	9%	113%	-64%	10%	17%
SVI LN	Svg Capital plc	512	12%	15%	43%	-88%	-9%	8%
RF FP	Eurazeo	2.897	8%	11%	46%	-66%	-15%	31%
GIMB BB	Gimv nv	855	1%	4%	18%	-34%	2%	1%
RATOB SS	Ratos ab-b shs	3.325	11%	14%	37%	-23%	11%	79%
MF FP	Wendel	2.016	-7%	-3%	21%	-64%	-12%	27%
Average			6%	9%	37%	-58%	-2%	23%
Pure holding								
ITM IM	Italmobiliare spa	1.063	2%	7%	9%	-55%	-22%	36%
COF IM	Cofide spa	492	4%	8%	79%	-66%	-1%	7%
PF IM	Premafin Finanziaria	432	-1%	4%	-16%	-35%	-21%	9%
CMF IM	Cam Finanziaria spa	176	-15%	-10%	63%	-79%	-5%	-22%
Average			-2%	2%	34%	-59%	-12%	7%
Alternative Asset Mgmt								
BX US	Blackstone Group Ip/the	10.027	-3%	1%	101%	-70%	n.m.	n.m.
FIG US	Fortress Investment grp-cl a	1.554	8%	13%	345%	-94%	n.m.	n.m.
GLG US	Glg Partners inc	555	-3%	1%	42%	-83%	n.m.	n.m.
EMG LN	Man Group plc	4.922	-20%	-15%	30%	-58%	10%	50%
PGHN SW	Partners Group Holding ag	2.407	2%	6%	74%	-51%	3%	n.m.
RAB LN	Rab Capital plc	109	10%	14%	62%	-87%	-16%	44%
Average			-1%	3%	109%	-74%	-1%	47%

Source: EQUITA SIM estimates

We believe this performance was due to fears of:

- **Over-commitment**, fears of which were common to the private equity world in general
- **Write-down of private equity/fund shareholdings**
- **A capital increase** in the holding company that controls GDS
- **Devaluation** of the Turkish lira, to which DEA is exposed via its stake in Migros Turk ...

NFP EVOLUTION UP TO 2012

NFP 2009E	-27
cash out commitment	-150
cash in (expected fund distribution)	45
Total	-132

Source: EQUITA SIM estimates

In our opinion the market overestimated these fears if one considers that:

- **The company's NFP is sound** (€ 3 mn of net cash at holding-company level 2009E and € 27 mn of net debt at consolidated level)
- Residual commitments associated with the funds in which DEA has invested total some € 230 mn, with related cash-out estimated to take place gradually over the next 3-5 years (we estimate 150 mn in the next 3 years). Moreover, we estimate that these commitments are set against potential distributions in the next 3 years of around € 45 mn.

In practice, at the end of 2012E DEA should have net debt of about € 132 mn. Based on this, the 2012E year-end Debt/Asset (LTV) ratio would rise to about 15% (vs. 0% today), without there being any critical features.

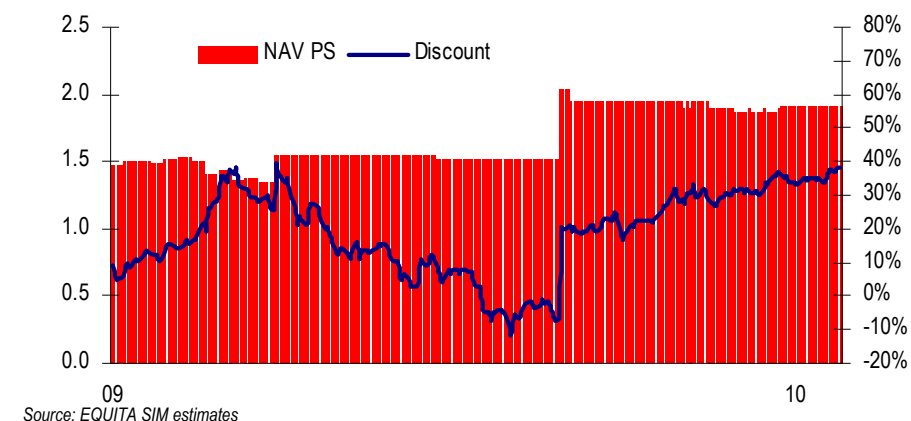
- Based on our estimates, **coverage of finance expense relating to the debt in Santé/SDE** (Santé Développement Europe) – estimated by us to be about € 35 mn p.a. – **is covered by the dividends paid by GDS (we estimates € 1 PS at GDS level)**. However it must be remembered that **GDS owns property assets worth some € 600 mn** that could be used in sale & leaseback deals to reduce debt both at operating and holding-company level (see next section)
- Even although Turkish GDP declined by -5.5% in 2009, the **TL/€ exchange rate remained fairly stable**, oscillating in a range of 2.3-2.0.

DEA CAPITAL: NAV (@ target price)

Asset	Sector	Stake %	Shares (mn)	€ PS*	€ mn	%	Valuation method
Santé (Générale de Santé)	Healthcare	43.0%		13.2	105	19%	Equity - Avg.DCF & Multiples (Impl.EV/EBITDA 10E 7x)
Kenan (Migros Turk)	Food retail	16.8%		12.9	189	33%	Equity - Multiples (EV/EBITDA 10E 8.8x)
Dea Capital	Treasury shares	5.6%	17.1	1.3	22	4%	Market Value
TOTAL LISTED SHAREHOLDINGS (1)					316	56%	
First Atlantic Real Estate Holding	Alternative Asset Management	70.0%			83	15%	P/E 10-11E 10 - 9x - P/AUM 3,7%
Sigla	Consumer credit	35.0%			11	2%	P/BV 9M09 0.5x
IdeA Alternative Investment	Alternative Asset Management	44.4%			32	6%	P/E 11E 10x - P/AUM 3.5%
IdeA I Fund of Funds	Fund of Funds	n.m.			52	7%	Book Value 9M09
IdeA CoIF I and II	Funds	n.m.			39	5%	Book Value 9M09
Venture Capital funds	Funds	n.m.			13	2%	Book Value 9M09
Blue Skye	Funds	n.m.			29	4%	Book Value 9M09
Others participations		n.m.			0.5	0%	Book Value 9M09
TOTAL UNLISTED SHAREHOLDINGS (2)					259	47%	
ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)					2	1%	Pro-forma as today
CAPITALISED HOLDING COSTS (4)					-29	-5%	Perpetuity @ 10% net of tax effect
TAXES / TAX CREDITS (5)					20	4%	5yr PV of tax loss carryforwards
STOCK OPTIONS DILUTION (6)					0	0%	
TOTAL (1+2+3+4+5+6)					568	100%	
Nr. Shares (mn)					306.6		
NAV per share					1.85		
Current discount / (premium)					37%		

Source: EQUITA SIM estimates * implied price of GDS and Migros Turk (in YTL)

In fixing out target price we apply a 10% discount to NAV (as defined in appendix 2). As a consequence, starting from a NAV of € 1.85 PS our target price is € 1.67 PS (vs prev. 1.83 due to reduction of valuations for Migros and GDS - de-rating of sector multiples and reduction of estimates - partially offset by the increase of First Atlantic valuation). The table below shows the trend in DEA's NAV and DEA's discount vs. NAV since January 09. In the last 2 years DEA has traded at an average discount vs. NAV of about 19%.



The tables below show the current and historical discount (premium) to NAV of the main European Private Equity and Italian Holding companies. At the current price, DEA is trading at 54% discount to reported NAV and 37% to Equita NAV, compared to a Private Equity sector average of 20% and 36% of the Italian holdings (ex Premafin).

EUROPEAN PRIVATE EQUITY: PERFORMANCE AND DISCOUNT (PREMIUM) TO NAV

Company	Currency	DESCRIPTION		PERFORMANCE					Reported NAV (local currency)	NAV		Div. yield
		Price	Mkt cap (local currency)	Mkt cap (€ mn)	1 m	3 m	6 m	1 y		Discount (Prem.) to NAV	Last reported	
DEA CAPITAL SPA	EUR	1,2	362	362	-4,5	-11,5	-25,6	-11,1	786	54%	as today	0,0%
MITTEL SPA	EUR	4,0	285	285	3,2	23,1	44,6	34,8	358	20%	as today	4,9%
3I GROUP PLC	GBp	266,1	2.582	2.992	-4,6	-1,6	5,2	70,1	2.746	6%	June 30, 2009	1,0%
CANDOVER INVEST	GBp	503,0	110	127	18,4	-7,5	34,3	-11,0	197	44%	June 30, 2009	n.m.
ELECTRA PRIVATE	GBp	1.285,0	454	526	7,4	4,2	26,5	81,1	534	15%	June 30, 2009	n.m.
SVG CAPITAL PLC	GBp	142,2	441	511	13,3	14,7	25,3	45,1	531	17%	June 30, 2009	n.m.
EURAZEO	EUR	52,6	2.897	2.897	6,6	25,6	69,9	94,8	2.917	1%	June 30, 2009	2,4%
GIMV NV	EUR	37,0	858	858	1,3	0,8	5,0	21,8	971	12%	June 30, 2009	6,4%
RATOS AB-B SHS	SEK	205,5	34.042	3.336	11,7	28,0	23,4	82,3	33.816	-1%	Market price	4,5%
WENDEL	EUR	40,1	2.023	2.023	-6,5	10,5	50,3	14,9	2.833	29%	June 30, 2009	2,8%
AVERAGE				1.392	4,6	8,6	25,9	42,3		20%		3,2%
MEDIAN				692	4,9	7,3	25,9	40,0		16%		2,8%

Source: Bloomberg prices, EQUITA SIM elaboration *MITTEL is Equita NAV; * RATOS NAV is at market price and Equita SIM estimates

ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company		Val. method	NAV (€ PS) *							Disc. / (Prem.) to NAV							
		listed assets	2004	2005	2006	2007	2008	2009	2010	2004	2005	2006	2007	2008	2009	Avg. **	2010
ASTM		market price	n.a.	n.a.	n.a.	20.9	10.7	13.4	13.4	n.a.	n.a.	n.a.	28%	47%	26%	34%	25%
COFIDE		see through	1.32	1.47	1.52	1.64	1.03	1.21	1.19	36%	30%	28%	35%	68%	40%	39%	42%
CIR		market price	2.66	2.91	3.05	3.28	2.15	2.50	2.45	22%	22%	18%	24%	65%	25%	29%	30%
DEA CAPITAL		market price	n.a.	n.a.	2.61	2.40	1.64	2.00	1.85	n.a.	n.a.	-8%	22%	50%	51%	28%	37%
EXOR ord.	(1)	market price	4.6	5.2	8.2	9.2	15.9	25.2	23.2	34%	31%	25%	28%	50%	45%	35%	49%
IMMSI		market price	n.a.	n.a.	2.88	2.12	1.23	1.57	1.64	n.a.	n.a.	25%	35%	44%	47%	38%	49%
ITALMOBILIARE	(2)	market price	77.1	97.4	122.3	93.1	53.1	56.4	55.3	37%	42%	36%	32%	49%	47%	41%	45%
MEDIOBANCA	(3)	market price	12.8	16.4	17.4	16.4	14.3	11.1	12.0	21%	12%	13%	10%	40%	36%	22%	33%
MITTEL		market price	n.a.	n.a.	n.a.	5.0	4.5	5.2	5.1	n.a.	n.a.	n.a.	-5%	49%	30%	25%	21%
CAMFIN		see through	2.39	1.86	1.79	2.37	0.49	0.46	0.46	24%	1%	20%	40%	40%	34%	27%	42%
PIRELLI & C.	(4)	market price	0.97	0.86	0.82	0.98	0.44	0.52	0.52	12%	10%	10%	20%	41%	14%	18%	19%
PREMAFIN		market price	1.72	2.26	3.29	2.67	0.68	0.52	0.59	28%	11%	28%	26%	-88%	-102%	-16%	-79%
AVERAGE										27%	20%	19%	25%	38%	24%	26%	26%
AVERAGE excluding PREMAFIN (trading at very high premium)														49%	36%	28%	36%

(1) IFIL ord. until 2007 (assuming total n. shares ord+sav), EXOR ord. (IFIL+IFI) since merger announcement (Sep-08), assuming 30% pref. discount vs ord.

(2) adj. number shares: before Nov-07 based on market discount; after Nov-07 applying avg. between 3-month and market discounts

(3) year-end: June

(4) using total n. of shares (ord. + sav.)

* based on estimated year-end net debt and listed assets valued at December avg. market price

** historical 6-year arithmetical average (2004-09 where available)

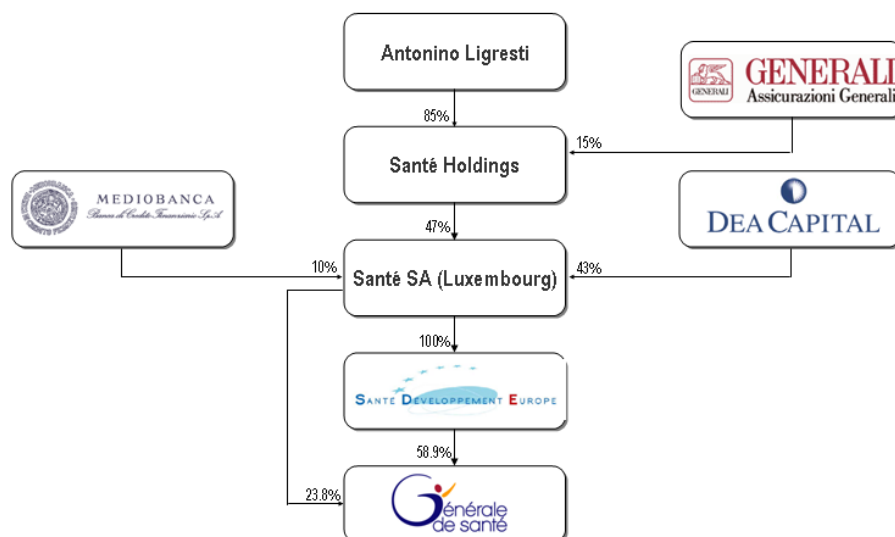
Source: EQUITA SIM estimates

PRIVATE EQUITY INVESTMENTS

1. Générale de Santé (GDS)

DEA controls 43% of Santé, a holding company that in turn owns 82.8% (84% net of treasury shares) of Générale de Santé (GDS), a leader in private healthcare. Most of the remainder of Santé is owned by Antonio Ligresti (40%), Mediobanca (10%) and Generali (7%). **DEA therefore indirectly controls 35.6% of GDS.**

GENERALE DE SANTE: SHAREHOLDER STRUCTURE



Source: Company data

With € 1,983 mn of revenues in 2008 (2006-08 CAGR = 12% sales, 9% EBITDA), GDS is leader in the private hospital sector in France with:

- Market share of approximately 20%
- About 180 facilities and centres based in France
- Inpatient capacity of 16,138 beds.

After initially focusing on short day care, the group now offers a full range of medical services, which can be segmented as follows:

GENERALE DE SANTE: MARKET SEGMENT AS OF 31 DECEMBER 2008

Activity	Consolidated historic turnover (€m)	% of the total
Activity in France		
Healthcare provided in clinics	1,794.5	90.5%
of which acute care	1,508.4	76.0%
of which radiotherapy	25.5	1.3%
of which psychiatry	109.3	5.5%
of which after-care and rehabilitation	151.3	7.6%
Other activities	189.3	9.5%
TOTAL ACTIVITES	1,983.8	100.0%

Source: DAF Générale de Santé March 2009

GDS's shareholder base is formed by:

- **Santé Holdings** (DEA, Mediobanca, Generali, and Ligresti) = 82.8%
- **Attia Villard** = 9.9%
- **Free float** = 9.4%

The stock's free float is just 5.3% because a private French shareholder, Attia Villard, the previous owner of some clinics sold to GDS, who decided to retain his stake, owns 9.9% of GDS. Because of this, the stock's trading volumes are very limited. We do not rule out future delisting of the stock.

The shares in Santé Luxembourg are subject to lock-up until 31 December 2011, saving the possibility of sale to other shareholders.

As from 1 January 2012 Santé Holding and DEA can sell their stakes to subsidiary/associate companies or dispose of them by going public via:

- 1) A PTO of Santé Luxembourg, Santé Development Europe or GDS shares, if GDS were no longer listed at that time
- 2) Placement of GDS shares, if GDS were instead still listed.

From 2014 onwards DEA will be free to transfer its Santé Luxembourg shares, saving the other shareholders right of first refusal and tag-along.

Besides owning the stake in GDS, Santé also has net debt of some € 380 mn (we estimate average cost of debt between 9-10%).

SANTÉ / SDE: TOTAL LEVERAGE		
Total Leverage	2010E	2011E
Santé + SDE debt	377	396
GDS debt	871	890
Total Net debt structure	1248	1286
EBITDA GDS	218	222
Net Debt / EBITDA	5.7 x	5.8 x

Source: EQUITA SIM estimates

The funding lines in Santé/SDE have a long-term time span (maturity in 2014/2017) consistent with the Générale de Santé business plan and with the investment exit strategy.

Based on our estimates, coverage of finance expense relating to the debt in Santé/SDE (Santé Développement Europe) – estimated by us to be about € 35 mn p.a. – is covered by the dividends paid by GDS. However it must be remembered that:

- GDS owns property assets worth some € 600 mn that could be used in sale & leaseback deals to reduce debt (see later on);
- The clinic unification plans currently underway are outsourced, i.e. executed by outside general contractors. GDS bears only the capex relating to equipment/furnishings of the new clinics;
- GDS could decide to exit from the psychiatry sector and focus on the strategic business of MSO (Medical, Surgery and Obstetrics). The psychiatry business has sales of € 110 mn in 2009E and an EBITDAR margin of 19%+, with a potential cash-in of above € 150 mn from the sale;
- GDS could reduce the CAPEX plan, from 120/105/100 mn scheduled in 2010/11/12 to only maintenance of € 75 mn per year.

■ GDS: Disposal of assets at good multiples

With the aim of (1) focusing GDS's development on France and on strategic businesses (specifically MSO (Medical, Surgery and Obstetrics) and psychiatry) and (2) reducing the group's debt, on 11 January this year GDS completed sale of its Italian medical laboratories (Flemings), of its home-care business, of 2 dialysis centres and of 2 buildings.

The combined total of these disposals amounted to just under € 180 mn, which reduced group debt from € 1,047 mn at the end of 9M09 to about € 832 mn at 2009 year-end (2010E D/EBITDA is now 3.9x).

In terms of valuation, we estimate that the average multiple of these transactions corresponded to an EV/EBITDA multiple of about 9x vs. the 7.3x that we apply for valuation of GDS.

Moreover, in 4Q08 GDS completed sale of 6 Italian clinics for € 53 mn (EV), corresponded to an EV/Sales multiple of about 1.4x and EV/EBITDA of about 13x.

■ GDS: M&A deals in the hospital markets

The European hospital market has recently featured numerous M&A deals. It is interesting to note that, on average, the deals were done at EV/EBITDA (LTM) multiples in the 10-12x range.

HEALTHCARE TRANSACTION MULTIPLES						
Date	Acquirer	Target	EV (€mm)	EV/LTM Sales	EV/LTM EBITDA	Margin (%) EBITDA
France						
Mar-07	Santé Holding	Générale de Santé	2,227	1.3x	10.2x	12.5%
Feb-07	LBO France / Barclays PE	Medi-Partenaires	600	2.0x	12.0x	14.8%
Aug-06	Capio	Tonkin Group	146	1.4x	10.4x	13.3%
Apr-06	Capio	Arvita Group	71	1.3x	N/A	N/A
Dec-05	Générale de Santé	10 Hexagone clinics	430	2.1x	10.5x	30.3%
Apr-05	Barclays PE	Medi-Partenaires	323	1.6x	10.3x	15.5%
Mean				1.6x	10.7x	17.3%
Median				1.5x	10.4x	14.8%
Europe ex-France						
Jan-09	Bridgepoint	Terveystalo	321	1.5x	11.0x	13.8%
Feb-08	Spire (Cinven)	Classic Hospitals	193	1.5x	n.a.	n.a.
Dec-07	Netcare / GHG	9 Nuffield hospitals	209	2.2x	13.6x	15.9%
Sep-07	Ramsay Healthcare	Capio UK	294	0.8x	10.0x	12.4%
Aug-07	Medi-Clinic	Hirslanden	2,263	4.3x	18.0x	24.1%
Jul-07	Cinven	USP Hospitales	675	2.6x	16.0x	16.0%
Jun-07	Cinven	BUPA Hospitals	2,130	3.4x	15.6x	22.0%
Sep-06	Apax / Nordic Capital	Capio	2,620	1.9x	13.4x	14.4%
Apr-06	Netcare / Apax	GHG	3,450	3.5x	14.0x	25.0%
Mar-06	Fresenius	Humaine Kliniken	200	1.0x	N/A	N/A
Oct-05	Fresenius	Helios Kliniken	1,500	1.3x	10.0x	12.5%
Jan-05	Capio	Grupo Sanitario IDC	469	1.6x	10.2x	15.7%
Jul-05	LGV Capital	Classic Hospitals	123	1.1x	9.8x	11.2%
Mean				2.1x	12.9x	16.6%
Median				1.6x	13.4x	15.7%

Source: Equita SIM elaborations on Industry sources

GDS: VALUATION SUMMARY					
	Transaction multiples	20% discount	30% discount	DEA BV	Equita
Exit Multiples (a)	11.0 x	8.8 x	7.7 x	10.7 x	7.9 x
EBITDA 2012E (b)	223				
EV (€ mn) 100% GDS (c = a x b)	2455	1964	1718	2394	1769
Net debt 2012E (d)	-905	-905	-905	-905	-905
Equity Value (€ mn) 100% GDS (e = c + d)	1550	1059	813	1489	864
Discount factor	0.87	0.87	0.87	0.87	0.87
Present Value	1348	921	707	1295	751
# shares	56.2	56.2	56.2	56.2	56.2
GDS € PS	24.0	16.4	12.6	23.0	13.4
% stake DEA (f)	35.6%				
Equity pro quota Dea (€ mn) (g = e x f)	480	328	252	461	268
Pro quota debt in Santé SA (43.01%) (h)	-162	-162	-162	-162	-162
Net Equity DEA (€ mn) (i = g - h)	318	166	90	299	105
IMPLIED EQUITA DEA NAV PS	2.6	2.1	1.9	2.5	1.85
Current discount / (premium)	55%	44%	36%	53%	37%

Source: EQUITA SIM estimates

If we were to apply an EV/EBITDA multiple of 11x (in line with deals in the industry) to 2012E EBITDA, we would get a valuation for GDS of € 24 PS, i.e. substantially in line with the € 24.9 PS paid by DEA in April 2007 and with the € 23 PS that is the investment's book value.

Taking DEA's stake in GDS capital net of the debt of the holding companies Santé/SDE, we get NAV PS for DEA of €2.7 PS vs. our estimate of €1.85 PS and vs. the €2.57 PS stated by the company.

Going into greater detail as regards our valuation of GDS:

We have set a value on the GDS stake using the average between DCF (getting €13.0 PS of valuation) and multiples valuation (avg. multiples of our European Core Hospital panel - setting €13.3 PS), getting a valuation for GDS of €13.1 PS or a total of €101 mn pro-quota for DEA. However, we believe that the valuation does not reflect the potential extractable from the sale to a strategic investor.

GDS: VALUATION SUMMARY

DCF (a)	13.4
Multiples (b)	13.3
Average (a; b): GDS € PS	13.4
Equity Value (€ mn) 100% GDS (c)	751
EV (€ mn) 100% GDS (c)	1622
Implied P/E 10E	39 x
Implied EV/EBITDA 10E	7.4 x
% stake DEA (d)	35.6%
Equity pro quota Dea (€ mn) (e = c x d)	268
Pro quota debt in Santé SA (43.01%) (f)	-162
Net Equity DEA (€ mn) (g = e - f)	105

Source: EQUITA SIM estimates

GDS: DCF MODEL (€ mn)

€ mn year end Dec 31	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	TV
Revenues	2.032	1.921	1.978	2.037	2.099	2.162	2.226	2.293	2.362	2.433	2.469
growth	2,4%	-5,5%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	1,5%
EBITDA	226,9	218,4	223,6	223,2	227,6	233,9	231,9	230,3	236,2	243,3	246,9
EBITDA margin	11,2%	11,4%	11,3%	11,0%	10,8%	10,8%	10,4%	10,0%	10,0%	10,0%	10,0%
D&A	-122,0	-123,0	-124,0	-120,0	-120,0	-115,0	-105,0	-95,0	-94,5	-97,3	-98,8
D&A % on sales	-6,0%	-6,4%	-6,3%	-5,9%	-5,7%	-5,3%	-4,7%	-4,1%	-4,0%	-4,0%	-4,0%
EBIT	104,9	95,4	99,6	103,2	107,6	118,9	126,9	135,3	141,7	146,0	148,2
EBIT margin	5,2%	5,0%	5,0%	5,1%	5,1%	5,5%	5,7%	5,9%	6,0%	6,0%	6,0%
Taxes	-36,2	-32,9	-34,3	-35,6	-37,1	-41,0	-43,8	-46,7	-48,9	-50,4	-51,1
Tax rate	34,5%	34,5%	34,5%	34,5%	34,5%	34,5%	34,5%	34,5%	34,5%	34,5%	34,5%
NOPAT	68,7	62,5	65,2	67,6	70,5	77,9	83,1	88,6	92,8	95,6	97,0
Depreciation & other prov.	122	123	124	120	120	115	105	95	94	97	99
Operating Cash Flow	190,7	185,5	189,2	187,6	190,5	192,9	188,1	183,6	187,3	192,9	195,8
(-) Capex	136,3	120,0	105,0	100,0	95,0	86,5	89,1	91,7	94,5	97,3	98,8
CAPEX % on sales	6,7%	6,2%	5,3%	4,9%	4,5%	4,0%	4,0%	4,0%	4,0%	4,0%	4,0%
wkc percentage on sales	2,3%	2,4%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%
wkc	46,7	46,8	50,0	51,5	53,1	54,0	55,7	57,3	59,0	60,8	61,7
CCN	-29,9	-0,2	-3,2	-1,5	-1,5	-1,0	-1,6	-1,7	-1,7	-1,8	-0,9
Free Op. Cash Flow (FOCF)	24,6	65,3	81,0	86,1	94,0	105,4	97,4	90,2	91,1	93,8	96,1

Source: EQUITA SIM estimates

DCF ANALYSIS

Perpetual Growth Rate	1,5%	Total Enterprise Value	1,576.5
WACC	7,3%	2009 NFP	-833
Implied TV EV/EBITDA	6,8	Adjustment to NFP (Dividend) and others	0
Terminal Value	54,9	GDS Equity Value (€ mn)	743.8
TV margin	6,0%	Peripherals & others	9.8
NPV of Terminal Value	952,8	Total Equity (€ mn)	753.5
NPV of Free Cash Flows	608,7	# of fully diluted shares out.	56.2
		Value per share (€)	13.4
		Price as today	13.1

Source: EQUITA SIM estimates

HEALTH CARE SERVICES SECTOR: MULTIPLES COMPARISON

European Core Hospital		DESCRIPTION		EV/SALES			EV/EBITDA			EV/EBIT			P/E		
Company	Currency	Price	Mkt cap (€ mn)	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
GENERALE DE SANT	EUR	12.7	713	0.8 x	0.8 x	0.8 x	7.2 x	6.8 x	6.6 x	15.7 x	14.5 x	13.1 x	25.8 x	21.6 x	17.4 x
RHOEN-KLINIKUM	EUR	17.6	2,427	1.2 x	1.1 x	1.0 x	9.7 x	9.1 x	7.8 x	14.9 x	14.1 x	12.2 x	16.9 x	16.6 x	14.7 x
ATHENS MEDICAL	EUR	1.2	104	0.9 x	0.9 x	0.8 x	7.4 x	7.5 x	8.2 x	14.0 x	13.4 x	12.7 x	8.6 x	8.6 x	12.0 x
EUROMEDICA SA	EUR	4.6	199	2.3 x	2.3 x	2.1 x	13.2 x	13.9 x	12.7 x	20.3 x	21.7 x	18.3 x	35.1 x	65.1 x	57.0 x
IASO S.A.	EUR	3.3	174	1.7 x	1.6 x	1.4 x	7.6 x	7.1 x	6.4 x	10.8 x	11.0 x	10.1 x	10.2 x	8.9 x	7.9 x
Average				1.4 x	1.3 x	1.2 x	9.0 x	8.9 x	8.3 x	15.1 x	14.9 x	13.3 x	19.3 x	24.1 x	21.8 x
Median				1.2 x	1.1 x	1.0 x	7.6 x	7.5 x	7.8 x	14.9 x	14.1 x	12.7 x	16.9 x	16.6 x	14.7 x
Max				2.3 x	2.3 x	2.1 x	13.2 x	13.9 x	12.7 x	20.3 x	21.7 x	18.3 x	35.1 x	65.1 x	57.0 x
Min				0.8 x	0.8 x	0.8 x	7.2 x	6.8 x	6.4 x	10.8 x	11.0 x	10.1 x	8.6 x	8.6 x	7.9 x

Other Core Hospital		DESCRIPTION		EV/SALES			EV/EBITDA			EV/EBIT			P/E		
Company	Currency	Price	Mkt cap (€ mn)	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
RAMSAY HEALTH	AUD	11.7	1,520	1.2 x	1.0 x	0.9 x	9.2 x	8.1 x	7.1 x	12.7 x	11.2 x	9.9 x	16.2 x	15.3 x	13.8 x
NETCARE LTD	ZAr	1,276.0	1,719	2.2 x	2.0 x	1.8 x	10.2 x	9.2 x	8.3 x	13.7 x	12.1 x	10.7 x	16.9 x	12.6 x	10.2 x
MEDI-CLINIC CORP	ZAr	2,435.0	1,285	2.4 x	2.2 x	1.9 x	11.1 x	10.2 x	8.7 x	13.8 x	12.6 x	10.6 x	20.5 x	17.1 x	12.6 x
Average				1.9 x	1.7 x	1.5 x	10.2 x	9.2 x	8.0 x	13.4 x	12.0 x	10.4 x	17.9 x	15.0 x	12.2 x
Median				2.2 x	2.0 x	1.8 x	10.2 x	9.2 x	8.3 x	13.7 x	12.1 x	10.6 x	16.9 x	15.3 x	12.6 x
Max				2.4 x	2.2 x	1.9 x	11.1 x	10.2 x	8.7 x	13.8 x	12.6 x	10.7 x	20.5 x	17.1 x	13.8 x
Min				1.2 x	1.0 x	0.9 x	9.2 x	8.1 x	7.1 x	12.7 x	11.2 x	9.9 x	16.2 x	12.6 x	10.2 x

Nursing Home		DESCRIPTION		EV/SALES			EV/EBITDA			EV/EBIT			P/E		
Company	Currency	Price	Mkt cap (€ mn)	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
LE NOBLE AGE	EUR	15.7	134	1.1 x	1.1 x	1.0 x	13.5 x	11.2 x	9.6 x	17.2 x	14.1 x	12.3 x	21.2 x	16.3 x	13.6 x
CARE UK PLC	GBp	425.0	305	1.1 x	0.9 x	0.9 x	7.1 x	6.7 x	6.7 x	11.0 x	10.0 x	9.4 x	14.1 x	12.6 x	13.2 x
CURANUM AG	EUR	2.7	88	0.8 x	0.8 x	0.7 x	7.4 x	6.6 x	6.2 x	11.7 x	9.7 x	8.8 x	14.0 x	10.8 x	9.0 x
MARSEILLE-KLINIK	EUR	4.8	58	0.7 x	0.7 x	0.7 x	12.7 x	8.2 x	7.4 x	36.2 x	14.9 x	12.4 x	-475.0 x	10.0 x	7.2 x
SOUTHERN CROSS	GBp	151.8	331	0.3 x	0.3 x	0.2 x	4.5 x	3.6 x	2.9 x	6.2 x	5.2 x	4.1 x	8.6 x	8.0 x	7.0 x
KORIAN	EUR	19.3	605	1.3 x	1.2 x	1.1 x	11.2 x	9.9 x	9.0 x	16.0 x	13.8 x	12.3 x	23.2 x	18.3 x	15.3 x
ORPEA	EUR	31.5	1,162	2.8 x	2.4 x	2.1 x	15.7 x	13.4 x	11.7 x	20.7 x	17.3 x	14.9 x	21.9 x	18.5 x	15.4 x
Average				1.2 x	1.0 x	1.0 x	10.3 x	8.5 x	7.6 x	17.0 x	12.2 x	10.6 x	-53.1 x	13.5 x	11.5 x
Median				1.1 x	0.9 x	0.9 x	11.2 x	8.2 x	7.4 x	16.0 x	13.8 x	12.3 x	14.1 x	12.6 x	13.2 x
Max				2.8 x	2.4 x	2.1 x	15.7 x	13.4 x	11.7 x	36.2 x	17.3 x	14.9 x	23.2 x	18.5 x	15.4 x
Min				0.3 x	0.3 x	0.2 x	4.5 x	3.6 x	2.9 x	6.2 x	5.2 x	4.1 x	-475.0 x	8.0 x	7.0 x

Source: Bloomberg prices and estimates

HEALTHCARE SERVICES SECTOR MULTIPLES

	2010	2011
EV/Sales	1.3 x	1.3 x
EV/EBITDA	9.0 x	8.3 x
EV/EBIT	15.0 x	13.3 x
PE	17.0 x	15.0 x

GDS VALUATION

	2010	2011	AVG	weight
EV/Sales	1,702	1,681	1,692	15%
EV/EBITDA	1,095	965	1,030	20%
EV/EBIT	560	434	497	45%
P/E	322	334	328	20%
Avg. Equity Value (€ mn)			749	100%
# of fully diluted shares out.			56.2	
Value per share (€)			13.3	

Source: EQUITA SIM estimates

■ GDS: 2010 outlook and estimates

After the good top-line growth achieved in 2009 (we estimate +2.4% YoY in FY09E following +3% YoY in 9M09) notwithstanding a tariff increase of just +0.5%, **we believe that in 2010E GDS will confirm the same growth rate.** We conservatively assume like-for-like growth of +2.6% thanks to:

- +0.5% of tariff increase
- Growth of the relevant market and of market share.

While on the one hand the limited tariff increase (today tariffs in the private sector are 30% lower than in the public sector) constrains the company's growth potential, on the other hand it is causing financial problems for some private clinics, thus enabling GDS to capture market share.

In terms of margins, for 2010E we estimate (a) a further increase of EBITDAR margin vs. 2009 thanks to the cost efficiency improvement policy implemented by the company (pushing margin up from 19.2% to 18.7%) and (b) stabilisation of EBITDA and EBIT margins thanks to the steadiness of rental expenses and depreciation & amortisation costs.

We take a positive view of the group's focus on strategic activities (specifically, on MSO and psychiatry, with the latter featuring an unregulated tariff system). We take a similarly positive view of its heightened focus on de-leverage and FCF generation, together with cost efficiency improvement.

At present, the main risk we see is that of any stalemate regarding strategic decisions, which might slowdown the strategic processes outlined above.

As regards estimates, we have increased our 2009E bottom-line estimate to take into account the € 60-mn capital gain (our estimate) relating to € 180 mn of disposals (outlined earlier). This gives rise to 2009E NFP of € -833 mn vs. previous € -992 mn. For 2010E we have reduced the top line (by about € 170 mn) and EBITDA (by about € 10 mn) to reflect these disposals.

GDS: CHANGE IN ESTIMATES (€ mn)															
Group/€ mn	2009E Prev.	%	2009E Curr.	%	Chg	2010E Prev.	%	2010E Curr.	%	Chg	2011E Prev.	%	2011E Curr.	%	Chg
Revenues	2.032	100	2.032	100	0%	2.093	100	1.921	100	-8%	2.213	100	1.978	100	-11%
Incr. %	2%		2%			3%		-6%			6%		3%		
EBITDA	227	11	227	11	0%	228	11	218	11	-4%	250	11	224	11	-10%
Incr. %	-1%		-1%			0%		-4%			10%		2%		
Net Income	22	1	61	3	179%	24	1	19	1	-20%	37	2	22	1	-39%
Incr. %	-75%		-30%			8%		-69%			55%		18%		
Adj. Net Income	22	1	22	1	0%	24	1	19	1	-20%	37	2	22	1	-39%
Incr. %	-6%		-6%			8%		-14%			55%		18%		
NF Position	(992)		(833)		19%	(979)		(871)		12%	(936)		(890)		5%

Source: EQUITA SIM estimates

GÉNÉRALE DE SANTÉ: P&L ACCOUNT (€ MN)

	2008	%	2009E	%	2010E	%	2011E	%
Revenues	1,983.8		2,032.3		1,920.5		1,978.1	
Change%	4.1%	12%	2.4%		-5.5%		3.0%	
Labour cost	-894.1	-45.1%	-921.3	-45.3%	-860.1	-44.8%	-887.8	-44.9%
Purchases of consumables	-396.6	-20.0%	-398.3	-19.6%	-376.4	-19.6%	-383.8	-19.4%
Taxes and duties	-107.6	-5.4%	-101.6	-5.0%	-97.9	-5.1%	-100.9	-5.1%
Other operating income and expenses	-238.6	-12.0%	-242.2	-11.9%	-227.6	-11.9%	-232.2	-11.7%
EBITDAR	346.9	17.5%	368.9	18.2%	358.4	18.7%	373.5	18.9%
Change%	-1.1%		6.3%		-2.8%		4.2%	
Rental expenses	-117.3	-5.9%	-141.9	-7.0%	-140.0	-7.3%	-149.9	-7.6%
Change%	5.0%		21.0%		-1.4%		7.1%	
EBITDA	229.6	11.6%	226.9	11.2%	218.4	11.4%	223.6	11.3%
Change%	-4.0%		-1.2%		-3.8%		2.4%	
Depreciation and amortization	-114.8	-5.8%	-122.0	-6.0%	-123.0	-6.4%	-124.0	-6.3%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBIT recurring	114.8	5.8%	104.9	5.2%	95.4	5.0%	99.6	5.0%
Change%	-12.6%		-8.6%		-9.1%		4.4%	
Others income and expenses	45.6	2.3%	60.0	3.0%	0.0	0.0%	0.0	0.0%
EBIT	160.4	8.1%	164.9	8.1%	95.4	5.0%	99.6	5.0%
Change%	50.2%		2.8%		-42.2%		4.4%	
Financial charges	-72.5	-3.7%	-67.0	-3.3%	-62.0	-3.2%	-61.0	-3.1%
Other financial expenses	-2.9	-0.1%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Associates	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Pre tax profit	85.0	4.3%	97.9	4.8%	33.4	1.7%	38.6	1.9%
Change%	8.7%		15.2%		-65.9%		15.4%	
Taxes	5.1	0.3%	-33.8	-1.7%	-11.5	-0.6%	-13.3	-0.7%
Minorities	-2.9	-0.1%	-2.9	-0.1%	-3.0	-0.2%	-3.0	-0.2%
Net Profit	87.2	4.4%	61.2	3.0%	18.9	1.0%	22.2	1.1%
Change%	91.2%		-29.8%		-69.1%		17.5%	
Adjusted Net Profit	23.3	1.2%	21.9	1.1%	18.9	1.0%	22.2	1.1%
Change%	-61.7%		-5.9%		-13.8%		17.5%	
Cash-flow	202.0	10.2%	183.2	9.0%	141.9	7.4%	146.2	7.4%
Change%	31.7%		-9.3%		-22.6%		3.0%	
Adjusted Cash-Flow	138.1		143.9	7.1%	141.9	7.4%	146.2	7.4%
Change%	-18.1%		4.2%		-1.4%		3.0%	
NFP	-913.0		-832.8		-871.1		-890.1	

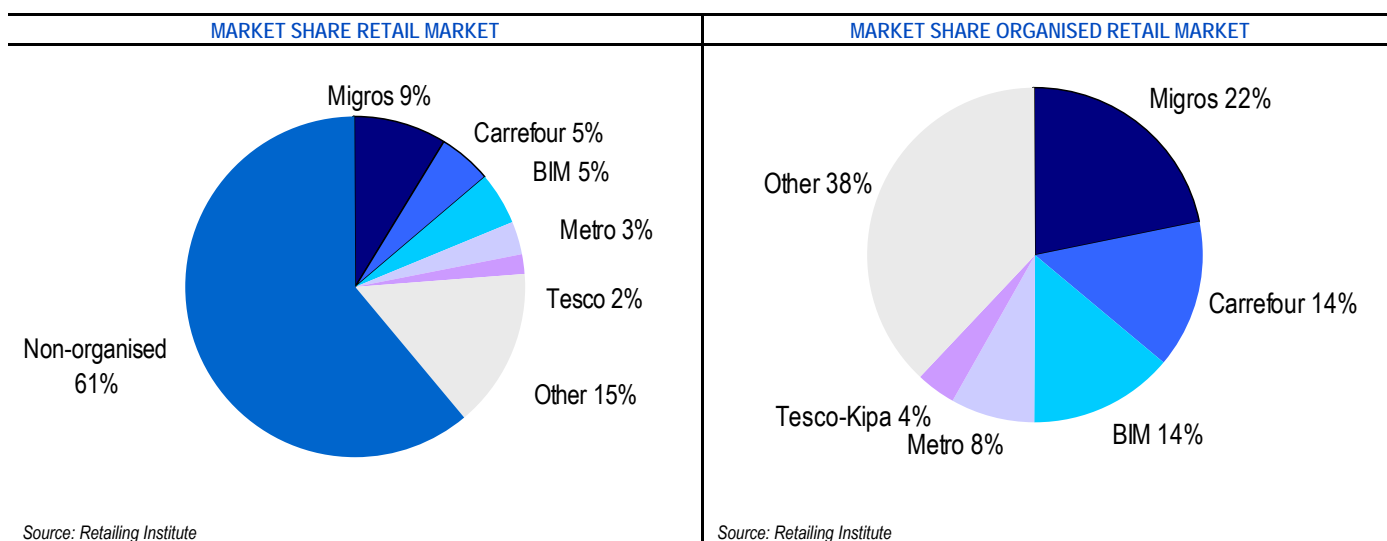
Source: EQUITA SIM estimates and company data

2. Migros Turk (via Kenan Investments)

DEA owns 17.1% of Kenan Investments, a vehicle led by BC Partners, which in turn owns 97.9% of Migros Turk. DEA therefore indirectly controls 16.8% of Migros Turk.

Migros Turk is food-retailing leader in Turkey with a 23-24% market share of organised market (9% of total market). As at 31 December 2008 Migros operated 1,175 stores in Turkey (mainly) and in some neighbouring countries (Azerbaijan, Kazakhstan, Macedonia and Kyrgyzstan).


Migros Turk is currently listed on the Istanbul stock exchange with a market cap of some € 1.5 bn. If certain legislative changes were to occur, Kenan may soon ask for delisting of Migros.



Following the good top-line growth achieved in 2009E (we estimate +12.8% in FY09E, following +12.4% in 9M09) despite the decline of Turkish GDP by -5.3% in year, for 2010E we conservatively assume growth of +15% driven by:

- Opening of 400/420 new stores, increasing the total from 1,530 at 2009 year-end to 1,930/1950 at the end of 2010E
- Growth of the relevant market
- Expected recovery of the Turkish economy, with forecasts of real GDP growth in 2010E of around 4%.

TURKEY: ECONOMIC FORECAST

Country	Turkey		Contributor	Contributor Composite	Period	Yearly					
Actual / Forecasts											
Indicator	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Economic Activity											
1) Real GDP (yoy %)	8.80	11.70	9.50	7.00	5.70	4.90	5.20	3.90	4.23	--	
2) CPI (yoy %)	25.55	10.66	8.19	9.59	8.78	10.44	6.28	6.70	6.15	--	
3) Unemployment (%)	10.50	10.30	10.20	9.90	9.90	10.80	14.60	14.50	14.00	--	
External Balance											
4) Curr. Acct. (% of GDP)	--	--	--	--	--	--	-2.00	-3.10	-4.00	--	
Fiscal Balance											
5) Budget (% of GDP)	--	--	--	--	--	--	-6.50	-5.20	-4.40	--	
Interest Rates											
6) Central Bank Rate (%)	26.00	18.00	13.50	17.50	15.75	15.00	6.50	8.00	--	--	
7) 3-Month Rate (%)	26.40	20.90	14.82	18.63	16.20	16.99	7.21	8.28	--	--	
8) 2-Year Note (%)	--	--	--	22.52	17.34	15.91	9.23	10.25	--	--	
9) 10-Year Note (%)	--	--	12.38	19.39	16.51	17.30	10.71	--	--	--	
Exchange Rates											
10) USDTRY	1.41	1.34	1.35	1.42	1.17	1.54	1.50	1.50	1.55	1.53	

Source: Bloomberg

MIGROS: P&L ACCOUNT (€ MN)

Migros Turk	2008	%	2009E	%	2010E	%	2011E	%
Revenues	5,073.7		5,723.5		6,582.0		7,371.8	
Change%	5.8%		12.8%		15.0%		12.0%	
Cost of sales	-3,767.0	-74.2%	-4,292.6	-75.0%	-4,936.5	-75.0%	-5,528.9	-75.0%
Gross Profit	1,306.8	25.8%	1,430.9	25.0%	1,645.5	25.0%	1,843.0	25.0%
Change%	9.4%		9.5%		15.0%		12.0%	
Operating expense	-1024.7	-20.2%	-1,034	-18.1%	-1,224	-18.6%	-1,356	-18.4%
EBITDA	382.7	7.5%	397.0	6.9%	421.2	6.4%	486.5	6.6%
Change%	18.2%		3.7%		6.1%		15.5%	
Depreciation and amortization	-100.6	-2.0%	-110.0	-1.9%	-140.0	-2.1%	-175.0	-2.4%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBIT	282.1	5.6%	287.0	5.0%	281.2	4.3%	311.5	4.2%
Change%	32.2%		1.7%		-2.0%		10.8%	
Net financial income	117.2	2.3%	-100.0	-1.7%	-130.0	-2.0%	-82.2	-1.1%
Due date difference on sale (purchase)	-91.7	-1.8%	-60.1	-1.1%	-59.2	-0.9%	-66.3	-0.9%
Net other income/expense	14.0	0.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Associates	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Pre tax profit	321.6	6.3%	126.9	2.2%	92.0	1.4%	163.0	2.2%
Change%	-49.6%		-60.5%		-27.5%		77.2%	
Taxes	-60.0	-1.2%	-25.4	-0.4%	-18.4	-0.3%	-32.6	-0.4%
Minorities	-0.1	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Net Profit	261.5	5.2%	101.5	1.8%	73.6	1.1%	130.4	1.8%
Change%	-52.7%		-61.2%		-27.5%		77.2%	
Adjusted Net Profit	261.5	5.2%	101.5	1.8%	73.6	1.1%	130.4	1.8%
Change%	51.2%		-61.2%		-27.5%		77.2%	
Cash-flow	362.1	7.1%	211.5	3.7%	213.6	3.2%	305.4	4.1%
Change%	-45.4%		-41.6%		1.0%		43.0%	
Adjusted Cash-Flow	362.1		211.5	3.7%	213.6	3.2%	305.4	4.1%
Change%	27.9%		-41.6%		1.0%		43.0%	
NFP	1,01233		-1,335.8		-1,344.6		-1,212.9	

Source: EQUITA SIM estimates and company data

■ Migros: M&A Deals In The Food Retail Sector

Deals in the Food Retail sector have historically been completed at an EV/EBITDA (LTM) multiple of 12.6x, which rises to 14.1x if we consider only emerging countries, where expected growth rates are higher than in developed countries.

SELECT FOOD RETAIL TRANSACTIONS MULTIPLES

Announcement Date	Acquirer	Target	Target Nationality	Transaction Value (€mm)	EV		% margin		
					Sales	EBITDA	EBIT	EBITDA	EBIT
Feb-08	BC Partners	Migros	Turkey	1,789	0.74x	10.1x	15.5x	7.40%	4.80%
Jan-08	Delhaize	Plus Greece	Greece	70	1.20x	N/A	N/A	N/A	N/A
Dec-07	JMR	Plus Portugal/Poland	Portugal	320	0.70x	N/A	N/A	N/A	N/A
Sep-07	Sonae	Carrefour Portugal	Portugal	662	1.25x	N/A	N/A	N/A	N/A
Jul-07	Dia Spain (Carrefour)	Plus Supermercado (Tengelmann)	Spain	200	0.46x	N/A	N/A	N/A	N/A
Jun-07	Eroski	Caprabo	Spain	1,500	0.76x	16.9x	N/M	4.50%	0.50%
Mar-07	Great Atlantic & Pacific Tea	Pathmark Stores	USA	939	0.32x	13.3x	N/A	2.40%	N/A
Dec-06	Carrefour	Ahold Poland	Poland	375	0.63x	N/A	N/A	N/A	N/A
Oct-06	Triode Investments	BWG Foods	Ireland	390	0.34x	7.2x	9.1x	4.70%	3.70%
Apr-06	XS retail group	Perekryostok	Russia	1,127	1.35x	16.9x	24.0x	8.00%	5.60%
Apr-06	Eland corporation	Carrefour Korea operations	South Korea	1,500	1.05x	18.1x	74.1x	5.80%	1.40%
Oct-05	Violet Acquisitions	Somerfield	UK	1,760	0.26x	7.0x	18.1x	3.70%	1.40%
Oct-05	Giant Bidoo	Big Food Group	UK	869	0.12x	4.1x	11.3x	2.80%	1.00%
Nov-04 ²	Auchan	La Rinascente	Italy	1,484	0.62x	10.1x	23.6x	6.10%	2.60%
Oct-04 ³	Permira	Ahold Supermercados	Spain	640	0.32x	11.2x	N/M	2.90%	N/M
Oct-04 ⁴	Permira	Ahold Supermercados	Spain	443	0.22x	9.6x	N/M	2.30%	N/M
Mar-04	Albertson	JS USA Holdings	USA	2,994	0.50x	7.1x	9.9x	7.10%	5.10%
Dec-03	Morrison	Safeway	UK	5,875	0.49x	7.0x	10.4x	7.10%	4.80%
Apr-02	Casino	Laurus (37%)	Netherlands	1,123	0.18x	N/M	N/A	N/A	N/A

SELECT FOOD RETAIL TRANSACTIONS MULTIPLES

Announcement Date			Target Nationality	Transaction Value (€mm)	EV			% margin	
Sep-00	Ahold	Supercipro	Spain	1,962	1.56x	25.0x	32.8x	6.20%	4.80%
Jul-00	Carrefour	GB Supermarket	Belgium	724	0.20x	19.6x	N/M	1.00%	N/M
May-00	Iceland	Booker	UK	1,010	0.18x	7.0x	N/A	2.60%	N/A
May-00	Casino	Monoprox (50%)	France	2.21	0.69x	18.1x	N/A	3.80%	N/A
Mar-00	Carrefour	GS SpA (64%)	Italy	3,984	0.80x	N/A	N/A	N/A	N/A
Dec-99	Ahold	ICA Group	Scandinavia	3,600	0.54x	N/A	N/A	N/A	N/A
Aug-99	Carrefour	Promodes	France	17,887	0.91x	21.0x	36.0x	4.30%	2.50%
Jun-99	Walmart	ASDA	UK	10,852	0.92x	12.9x	17.0x	7.10%	5.40%
Aug-98	Carrefour	Comptoirs Modernes	France	3,389	0.68x	11.8x	19.6x	5.80%	3.50%
Nov-98	Metro AG	Makro 1 (Metro Holding) ⁵	Germany	2,413	0.64x	14.2x	N/A	4.50%	N/A
Dec-97	Metro AG	Makro 2 (SVH-Makro) ⁶	Germany	2,454					
Dec-97	Wal-Mart	Wertkauf	Germany	1,000	0.77x	19.2	N/A	4.00%	N/A
Sep-97	Rallye	Casino	France	6,656	0.57x	12.2x	20.2x	4.70%	2.80%
Sep-97	Casino	Leader Price/Franprix	France	534	0.37x	N/A	7.9x	N/A	4.60%
May-97	Intermarche	Spar Handels AG	Germany	1,441	0.22x	6.4x	N/A	3.40%	N/A
Jun-96	Auchan	Dooks De France SA	France	2,628	0.34x	9.9x	N/A	3.50%	N/A
Mean					0.61x	12.6x	21.7x	4.60%	3.40%
Median					0.60x	11.8x	18.1x	4.50%	3.60%
Average emerging markets:					0.80x	14.1x	37.9x	6.00%	3.90%
Median emerging markets:					0.72x	14.1x	24.0x	6.60%	4.80%

Source: Equita SIM elaborations on Industry sources

Note: Highlighted denotes emerging markets transactions

If we were to apply an EV/EBITDA multiple of 12.6x (in line with deals in the industry) to 2012E EBITDA, we would get a valuation for MIGROS of TL 24.8 PS or € 358 mn pro-quota for DEA vs the € 182 mn that is the DEA investment's book value.

MIGROS: VALUATION SUMMARY

	Transaction multiples	20% discount	30% discount	DEA BV	Equita
Exit Multiples (a)	12.6 x	10.1 x	8.8 x	7.2 x	7.4 x
EBITDA 2012E (b)	560				
EV (TRY mn) 100% MIGROS (c = a x b)	7050	5640	4935	4039	4162
Net debt 2012E (d)	-1035	-1035	-1035	-1035	-1035
Equity Value (TRY mn) 100% GDS (e = c + d)	6015	4605	3900	3004	3127
Discount factor	0.73	0.73	0.73	0.73	0.73
Present Value	4419	3383	2865	2207	2297
% stake DEA (f)	16.8%				
Equity pro quota Dea (TRY mn) (g = e x f)	740	567	480	370	385
Pro quota cash in Kenan (17.1%) in TRY (h)	14	14	14	14	14
Net Equity DEA (TRY mn) (i = g + h)	754	580	494	383	399
FX TRY/€ (f)	2.1	2.1	2.1	2.1	2.1
Net Equity DEA (€ mn) (g = e/f)	358	276	234	182	189
IMPLIED EQUITA DEA NAV PS	2.5	2.2	2.1	1.9	1.85
Current discount / (premium)	49%	42%	39%	33%	38%

Source: EQUITA SIM estimates

Going into greater detail as regards our valuation of MIGROS:

We have set a value on the Migros stake using the multiples valuation (avg. multiples of our Emerging Market Food Retailer panel) getting a valuation for Migros of € 189 mn pro-quota for DEA (TL/€ = 2.1, 10-11E EV/EBITDA = 8.6-7.2x).

FOOD RETAILING SECTOR: MULTIPLES COMPARISON

DESCRIPTION			PERFORMANCE					EV/EBITDA			EV/EBIT			P/E		
Company	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	2009	2010	2011	2009	2010	2011	2009	2010	2011
TURKISH FOOD RETAILER																
BIM BIRLESIK MAG	TRY	69.0	2,483	0.0	18.8	22.0	88.9	16.8 x	13.9 x	11.5 x	21.0 x	17.5 x	13.9 x	23.1 x	21.8 x	17.8 x
AVERAGE			2,483	0.0	18.8	22.0	88.9	16.8 x	13.9 x	11.5 x	21.0 x	17.5 x	13.9 x	23.1 x	21.8 x	17.8 x
MEDIAN			2,483	0.0	18.8	22.0	88.9	16.8 x	13.9 x	11.5 x	21.0 x	17.5 x	13.9 x	23.1 x	21.8 x	17.8 x
EUROPEAN FOOD RETAILER																
AHOLD NV	EUR	9.1	10,899	-1.3	4.5	13.7	-1.0	5.9 x	5.5 x	4.9 x	9.2 x	8.4 x	7.5 x	12.1 x	11.4 x	10.2 x
AXFOOD AB	SEK	216.5	1,113	3.1	3.1	22.0	34.5	7.2 x	6.8 x	6.3 x	10.6 x	10.0 x	9.4 x	14.1 x	13.4 x	12.9 x
CARREFOUR SA	EUR	35.9	25,317	6.7	20.7	9.5	32.6	7.0 x	6.4 x	5.7 x	12.8 x	10.9 x	9.3 x	19.1 x	15.7 x	13.1 x
CASINO GUICHARD	EUR	59.2	6,528	-5.2	8.5	24.3	19.1	6.0 x	5.5 x	5.1 x	9.2 x	8.5 x	7.8 x	13.1 x	11.9 x	10.7 x
COLRUYT SA	EUR	174.0	5,832	3.1	10.2	11.3	2.6	10.0 x	9.3 x	8.6 x	12.6 x	12.0 x	11.0 x	18.2 x	16.9 x	15.6 x
DELHAIZE GROUP	EUR	55.2	5,568	2.7	18.1	9.7	10.6	5.3 x	5.1 x	4.7 x	8.1 x	7.7 x	7.2 x	11.1 x	10.8 x	10.1 x
JERONIMO MARTINS	EUR	6.7	4,204	-5.0	11.2	33.6	67.4	9.7 x	8.4 x	7.4 x	14.7 x	12.6 x	11.3 x	21.7 x	17.9 x	15.5 x
KESKO OYJ-B	EUR	23.9	2,348	5.0	6.4	27.6	26.6	8.4 x	8.0 x	7.0 x	14.4 x	13.7 x	11.1 x	28.1 x	20.1 x	15.7 x
METRO AG	EUR	40.0	13,077	-7.2	6.6	2.7	39.1	5.5 x	5.0 x	4.5 x	9.6 x	8.3 x	7.3 x	16.5 x	13.9 x	11.6 x
WM MORRISON SUP	GBp	293.5	9,016	6.0	5.8	9.8	9.8	9.0 x	7.9 x	7.0 x	13.0 x	11.0 x	9.6 x	17.6 x	14.5 x	12.8 x
SAINSBURY PLC	GBp	327.5	7,030	2.0	-1.4	2.6	-0.5	7.0 x	6.8 x	6.5 x	12.7 x	11.6 x	10.8 x	15.8 x	14.2 x	13.2 x
TESCO PLC	GBp	421.3	38,810	-1.3	4.4	13.9	16.4	10.0 x	8.8 x	8.0 x	13.6 x	12.1 x	10.8 x	15.5 x	14.2 x	12.8 x
AVERAGE			10,812	0.7	8.2	15.0	21.4	7.6 x	7.0 x	6.3 x	11.7 x	10.6 x	9.4 x	16.9 x	14.6 x	12.8 x
MEDIAN			6,779	2.3	6.5	12.5	17.8	7.1 x	6.8 x	6.4 x	12.7 x	10.9 x	9.5 x	16.2 x	14.2 x	12.8 x
LATAM FOOD RETAILER																
WALMART DE MEX-V	MXN	58.5	27,051	0.3	26.5	33.4	84.6	17.7 x	14.3 x	11.9 x	21.2 x	17.1 x	14.2 x	29.7 x	24.9 x	20.7 x
SORIANA-B	MXN	30.8	3,060	-11.1	-3.8	-6.8	32.7	9.6 x	8.6 x	7.6 x	14.1 x	12.5 x	10.5 x	20.9 x	17.9 x	14.7 x
LOJAS AMERIC-PRF	BRL	13.4	3,668	-13.4	21.8	31.1	106.5	13.0 x	10.6 x	8.7 x	16.5 x	13.3 x	11.2 x	58.3 x	36.1 x	26.7 x
AVERAGE			11,259	-8.0	14.8	19.2	74.6	13.4 x	11.2 x	9.4 x	17.3 x	14.3 x	12.0 x	36.3 x	26.3 x	20.7 x
MEDIAN			3,668	-11.1	21.8	31.1	84.6	13.0 x	10.6 x	8.7 x	16.5 x	13.3 x	11.2 x	29.7 x	24.9 x	20.7 x
MGNT RU EQUITY																
7 CONTINENT-CLS	USD	7.9	422	6.8	-11.2	12.9	33.9	3.7 x	2.6 x	1.8 x	5.6 x	3.9 x	2.6 x	0.9 x	0.4 x	0.3 x
X 5 RETAIL-GDR	USD	32.8	6,350	2.5	47.7	110.1	331.6	14.5 x	10.4 x	7.9 x	21.0 x	14.5 x	10.9 x	41.3 x	24.6 x	17.6 x
AVERAGE			3,386	4.6	18.3	61.5	182.7	9.1 x	6.5 x	4.9 x	13.3 x	9.2 x	6.8 x	21.1 x	12.5 x	8.9 x
MEDIAN			3,386	4.6	18.3	61.5	182.7	9.1 x	6.5 x	4.9 x	13.3 x	9.2 x	6.8 x	21.1 x	12.5 x	8.9 x
AVERAGE			9,599	-0.3	11.0	21.3	52.0	9.2 x	8.0 x	6.9 x	13.3 x	11.4 x	9.8 x	20.9 x	16.7 x	14.0 x
MEDIAN			6,091	1.2	7.6	13.8	32.7	8.7 x	8.0 x	7.0 x	12.9 x	11.8 x	10.6 x	17.9 x	15.1 x	13.1 x
AVERAGE Emerging Market			7,172	-2.5	16.6	33.8	113.0	12.5 x	10.1 x	8.2 x	16.6 x	13.1 x	10.6 x	29.0 x	20.9 x	16.3 x
MEDIAN Emerging Market			3,364	0.2	20.3	26.5	86.7	13.7 x	10.5 x	8.3 x	18.7 x	13.9 x	11.0 x	26.4 x	23.2 x	17.7 x

Source: Bloomberg prices and estimates

FOOD RETAILING SECTOR AVG. MULTIPLES

	2010	2011
EV/EBITDA	10.1 x	8.2 x
EV/EBIT	13.1 x	10.6 x
P/E	20.9 x	16.3 x

MIGROS RESULTING VALUATION

	2010	2011	AVG
EV/EBITDA	2,910	2,782	2,846
EV/EBIT	2,340	2,089	2,215
P/E	1,538	2,125	1,832
Avg. Equity Value (TRY mn) (a)			2,297
# of fully diluted shares out.			178.0
Value per share (TRY)			12.9
% stake DEA (b)			16.8%
Equity pro quota Dea (TRY mn) (c = a x b)			385
Pro quota debt in Kenan (17.1%) in TRY (d)			14
Net Equity DEA (TRY mn) (e = c + d)			399
FX TRY/€ (f)			2.1
Net Equity DEA (€ mn) (g = e/f)			189

Source: EQUITA SIM estimates

FIRST ATLANTIC REAL ESTATE HOLDING (FARE)

In July 2008 DEA acquired 70% of **First Atlantic Real Estate (FARE)**, one of the leading players in the Italian real estate sector, where it operates in the capacity of **asset manager, fund manager, and advisor**.

Call options are envisaged for DEA and put options for Daniel Buaron (FARE's CEO and founder) on the remaining 30% of FARE, at market values.

The FARE Group is the fourth player in Italy in terms of AUM. It consists of the following companies (100% owned by FARE Holding):

- **First Atlantic Real Estate SGR:** it manages 5 real estate funds, of which 2 listed - Atlantic 1 and Atlantic 2-Berenice and 3 reserved, with 2009E AUM of about €2,8 bn;
- **First Atlantic Real Estate:** specialised in project, property & facility management services for the funds managed by the FARE Holding Group and for other major international funds;
- **First Atlantic Real Estate NPL (FARE NPL):** which is active in administering, managing and enhancing the value of non-performing loans for the real estate sector.

■ FARE: investment pipeline and 2010-12E estimates

We estimate that FARE ended 2009 with AUM of about €3 bn. We expect AUM to grow to €3.1 bn by the end of 2012E. The specific drivers of AUM are expected to be:

- €250-300 mn of annual inflows from the Ippocrate fund (reserved for institutional investors)
- Ongoing gradual distribution of the Berenice and Atlantic 1 funds (with annual asset reduction of about €300-350 mn), which should respectively close in 2012 and 2014
- Launch of a European fund of €300 mn dedicated to institutional investors and scheduled for 2010.

In the period 2010-12E we therefore expect FARE's revenues to grow at 5% CAGR. 2010E net profit is expected to be €9 mn, slightly lower than 2009E levels because of some €6 mn of marketing costs relating to launch of the European fund. We estimate that in 2011E the company's net profit will rise to approximately €13.5 mn.

FIRST ATLANTIC REAL ESTATE CONSOLIDATED								
	2008		2009E		2010E		2011E	
Revenues	25.2		26.6		29.6		31.2	
Change %	17%		6%		11%		6%	
Total costs	-11.6	-46%	-15.5	-58%	-18.3	-62%	-13.1	-42%
Ebitda	13.6	54%	12.9	48%	13.1	44%	20.0	64%
Change %	0%		-5%		1%		52%	
Fin. Income/charges	0.80		1.76		0.40		0.40	
Pretax	14.4	57%	14.6	55%	13.5	46%	20.3	65%
Change %	4%		2%		-8%		51%	
taxes	-5.0		-4.4		-4.5		-6.8	
tax rate %	36%		30%		34%		34%	
Net Income	9.4	37%	10.3	39%	9.0	30%	13.5	43%
Change %	11%		9%		-13%		51%	
Adj. Net Income	9.4		8.5		12.3		13.5	
Change %	11%		-10%		45%		10%	

Source: EQUITA SIM estimates

VALUATION

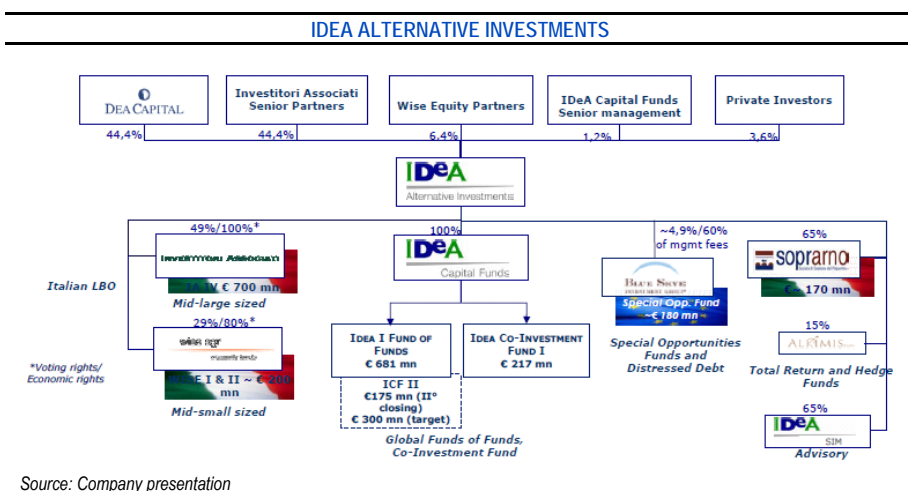
In our valuation we value the FARE stake using multiples getting a valuation of € 83 mn (10-11E P/E = 10-9x, P/AUM = 3.7%)

TARGET MULTIPLES			
	2010	2011	
P/E	10 x	9 x	
Source: EQUITA SIM estimates			
FARE RESULTING VALUATION			
	2010	2011	AVG
P/E	122	114	118
Avg. Equity Value (€ mn) 100%			118
Implied P/AUM			3.7%
DEA stake			70%
Avg. Equity Value (€ mn) 70%			83
DEA # of shares (mn)			306,6
VALUE PS			0.3
Source: EQUITA SIM estimates			

IDEA ALTERNATIVE INVESTMENT

IDeA Alternative Investments (IDeA) is a holding company of independent asset management companies active in managing private equity funds and alternative investment, each with its own specialisation and with aggregate AUM of about € 2 bn.

IDeA is a joint venture created at the end of 2006 by De Agostini (44.4%), the managers of Investitori Associati (44.4%), the managers of Wise (6.4%) and other investors (4.6%) with the **objective of becoming a leader in alternative investments in the South European area.**



■ IDEA: investment pipeline and 2010-12E estimates

We estimate that IDeA ended 2009 with AUM of about € 2.1 bn. We expect AUM to remain substantially stable by the end of 2012E. In IDeA's case the specific drivers of AUM are expected to be:

- Launch of a new FoF of € 200-300 mn by IDeA Capital Fund in 2011
- Launch of a new fund of € 200 mn by Wise in 2010 (we have conservatively factored in only € 100 mn)

- Ongoing gradual distribution of the funds of Wise (at a rate of about € 50 mn/year) and Investitori Associati (at a rate of about € 200 mn/year).

We consequently expect 2010E net profit of € 10.5 mn, slightly less than in 2009E (€ 10.5 mn), mainly because expected fund distributions are not totally offset by the launch of new funds. In 2011E the company's estimated profit descends to € 7 mn, because we have conservatively assumed no significant recovery in Investitori Associati's AUM.

IDEA ALTERNATIVE INVESTMENTS CONSOLIDATED (€ mn)								
	2008		2009E		2010E		2011E	
Management Fees	8.2	60%	11.8	64%	15.7	73%	12.9	79%
Change %	23%		43%		33%		-18%	
Associates	5.4	40%	6.7	36%	5.7	27%	3.4	21%
Change %	-6%		23%		-14%		-40%	
Total Revenues	13.6	100%	18.4	100%	21.4	100%	16.4	100%
Costs	-2.3	-17%	-5.1	-28%	-8.1	-38%	-7.4	-45%
Pretax	11.3	83%	13.3	72%	13.2	62%	9.0	55%
Change %	18%		18%		-1%		-32%	
taxes	-2.0		-2.8		-2.8		-1.9	
tax rate %	18%		21%		21%		21%	
Net Income	9.3	68%	10.5	57%	10.5	49%	7.1	43%
Change %	22%		13%		-1%		-32%	
Net Income (44.36% Dea Capital stake)	4.1		4.7		4.6		3.2	
Change %	22%		13%		-1%		-32%	

Source: Equita SIM estimates and Company Data

VALUATION

In our NAV we value the stake in IDeA using market multiples, which gives us a valuation of € 32 mn (11E P/E = 10x, P/AUM = 3.5%)

ASSET GATHERERS & ASSET MANAGERS SECTOR: MULTIPLES COMPARISON

Traditional Asset Managers				DESCRIPTION				PERFORMANCE				P/E		P/AUM
Company	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	2010	2011	2012				
SCHRODERS PLC	GBp	1,275.0	4,072	-3.1	15.8	40.3	65.5	16.8 x	13.5 x	11.7 x				2.5%
ABERDEEN ASSET	GBp	127.5	1,634	-5.2	-2.3	-1.9	-1.2	11.9 x	10.1 x	8.7 x				1.0%
AZIMUT HOLDING	EUR	9.1	1,306	0.1	14.5	29.3	144.2	11.6 x	10.1 x	9.0 x				8.3%
F&C ASSET MANAGE	GBp	70.8	400	-4.5	-2.1	-6.2	-5.6	10.0 x	8.0 x	7.9 x				0.3%
HENDERSON GROUP	GBp	124.2	1,187	-1.0	-7.0	19.4	85.4	13.6 x	11.4 x	9.6 x				1.9%
RATHBONE BROS	GBp	840.5	421	5.9	-9.7	7.1	13.6	15.3 x	12.8 x	12.7 x				3.0%
Average				-1.3	1.5	14.6	50.3	13.2 x	11.0 x	9.9 x				2.8%
Median				-2.1	-2.2	13.2	39.5	12.8 x	10.8 x	9.3 x				2.2%
Max								16.8 x	13.5 x	12.7 x				8.3%
Min								10.0 x	8.0 x	7.9 x				0.3%

Italian Asset Managers				DESCRIPTION				PERFORMANCE				P/E		P/AUM
Company	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	2010	2011	2012				
AZIMUT HOLDING	EUR	9.1	1,306	0.1	14.5	29.3	144.2	11.6 x	10.1 x	9.0 x				8.3%
BANCA GENERALI S	EUR	7.9	881	-5.5	3.1	22.1	180.2	14.9 x	11.0 x	n.m.				4.0%
MEDIOLANUM SPA	EUR	4.2	3,056	-5.2	-0.3	11.0	40.4	15.2 x	13.6 x	n.m.				7.9%
Average				-3.5	5.8	20.8	121.6	13.9 x	11.6 x	9.0 x				6.7%
Median				-5.2	3.1	22.1	144.2	14.9 x	11.0 x	9.0 x				7.9%
Max								15.2 x	13.6 x	9.0 x				8.3%
Min								11.6 x	10.1 x	9.0 x				4.0%

Alternative Asset Managers				DESCRIPTION				PERFORMANCE				P/E		P/AUM
Company	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	2010	2011	2012				
BLACKSTONE GROUP	USD	12.7	10,030	-3.5	-1.3	10.4	149.6	13.0 x	8.7 x	4.7 x				14.6%
FORTRESS INVES-A	USD	4.8	1,555	3.9	16.2	24.9	261.7	10.7 x	7.7 x	n.m.				6.8%
GLG PARTNERS INC	USD	3.1	555	-5.5	10.3	-21.9	15.6	16.1 x	7.4 x	n.m.				3.6%
MAN GROUP PLC	GBp	248.6	4,932	-18.5	-17.4	-11.8	12.1	9.5 x	6.9 x	5.3 x				15.7%
PARTNERS GROUP J	CHF	132.8	2,408	3.4	7.4	27.7	65.8	14.1 x	12.2 x	9.9 x				13.8%
ASHMORE GROUP PL	GBp	224.6	1,832	-16.2	-16.8	13.4	66.7	14.1 x	12.4 x	10.4 x				8.1%
BLUEBAY ASSET MA	GBp	349.7	787	12.8	-1.3	44.8	259.6	19.0 x	13.3 x	10.1 x				3.2%
Average				-3.4	-0.4	12.5	118.7	13.8 x	9.8 x	8.1 x				9.4%
Median				-3.5	-1.3	13.4	66.7	14.1 x	8.7 x	9.9 x				8.1%
Max								19.0 x	13.3 x	10.4 x				15.7%
Min								9.5 x	6.9 x	4.7 x				3.2%

Real Estate Services Company				DESCRIPTION				PERFORMANCE				P/E		P/AUM
Company	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	2010	2011	2012				
SAVILLS PLC	GBp	316.6	484	4.5	-3.8	-4.1	26.6	23.5 x	16.2 x	n.m.				
DTZ HOLDINGS PLC	GBp	84.0	258	25.4	0.0	60.8	229.4	n.m.	33.6 x	13.3 x				
ROK PLC	GBp	45.0	94	3.4	-5.3	-6.3	40.6	5.4 x	5.0 x	n.m.				
Average				11.1	-3.0	16.8	98.9	14.4 x	18.3 x	13.3 x				
Median				4.5	-3.8	-4.1	40.6	14.4 x	16.2 x	13.3 x				
Max								23.5 x	33.6 x	13.3 x				
Min								5.4 x	5.0 x	13.3 x				

Source: Bloomberg prices and estimates

IDeA RESULTING VALUATION

	Multiple	AVG
P/E	10x	71
EQUITY VALUE € mn		71
DEA stake		44%
AVG EQUITY VALUE € mn		32
DEA Nr. Shares		307
VALUE PER SHARE		0.1

Source: EQUITA SIM estimates

FUNDS

DEA is an investor in some funds. Today the profile of its investments in funds is as follows:

DEA CAPITAL: INVESTMENTS IN FUNDS					
	Fund Size	DEA Fair Value	Residual Commitments	Asset Manager	Type
IDeA I Fund of Funds	681	36.6	101	IDeA Capital Funds SGR	Global Funds of Funds / Large-Mid-Small Buyout, Asset-Based PE, Expansion-VC, Special Situations
IDeA CoIF I	216	52.1	62	IDeA Capital Funds SGR	Global Funds of Funds / Large-Mid-Small Buyout, Asset-Based PE, Expansion-VC, Special Situations
IDeA ICF II	175	2.3	47	IDeA Capital Funds SGR	Mid market buy-out, distressed & special situations, turnaround
Venture Capital Funds	1153	13.3	1.7	Various	Venture Capital
Blue Skye	250	28.9	n.a.	IDeA Capital Funds SGR and managers	Distressed assets - Special opportunities
Total		133	212		

Source: EQUITA SIM estimates

Residual commitments associated with these funds amount to about € 212 mn over 4/5 years. It must be pointed out that the venture capital fund participations were already present in the CdB Web Tech portfolio prior to acquisition. The investment phase of these funds has now ended (we are therefore in the phase of return of investment capital).

In our NAV we have valued these investments in line with the fair value.

CONCLUSIONS

We upgrade the stock to Buy (from Hold) after the recent weak performance. We think that the quality and soundness of assets is intact. The companies' main investments achieved satisfactory results in 2009, benefiting from their exposure to defensive sectors (healthcare and food retailing). We believe that 2010 will feature further growth both for Migros (thanks to new store openings and growth of its core market) and for GDS (mainly due to cost cutting and disposals).

Currently trading at a 37% discount to NAV, at our price target DEA would be trading at a 10% discount to its NAV.

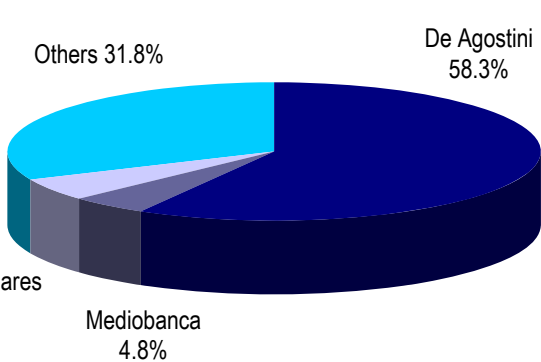
APPENDIX 1: GROUP OVERVIEW AND SHAREHOLDER STRUCTURE

DeA Capital (DEA) is a STAR listed investment company (started-up in 2007 through the takeover of a listed entity -CdB Web Tech- by DeAgostini) and a best-in-class **player in Italian private equity, focusing on 2 areas:**

- **Private Equity Investments:**
 - **Direct investments in the services sector** (healthcare, retail, and financial services) **in Europe currently via stakes** in the main Turkish food retailer **Migros Turk (33% of our NAV)** and in the leader in private healthcare in France, **Générale de Santé (19%)**.
 - **Indirect investments in private equity funds, funds of funds, and venture capital funds (17% of NAV)** featuring excellent performance (e.g. FoF I = top tier performance in 2008).
- **Alternative asset management (20% of NAV): €5bn+ of AUM** between private equity (€2 bn) and real estate funds (€3 bn), which assure stable cash flow generation (around €50mn of revenues and 18mn of net income in 2008).

DEA aims to become one of the European leaders in private equity and alternative investment, exploiting its membership of the De Agostini group (which controls 58.3% of DEA) which assures a contribution in terms of:

- Experience in diversification, expansion and corporate restructuring.
 - A network of international relations able to assure a continuous deal flow.
 - Credibility/reputation vis-à-vis financial institutions and the market ...
- ... and has an enviable track record in the creation of value headed by the investments in Seat (IRR 235%), Eutelsat (IRR 31%) and Toro (IRR 37%).

DEA: SHAREHOLDERS STRUCTURE	DEA: CORPORATE GOVERNANCE
 <p>A 3D pie chart illustrating the ownership structure of DEA. The largest portion is held by De Agostini at 58.3%, represented by a dark blue slice. Others hold 31.8%, shown in light blue. Treasury shares account for 5.1% in grey, and Mediobanca holds 4.8% in a darker grey.</p> <p>Source: Consob</p>	<ul style="list-style-type: none"> ▪ Independent Board members: 3 out of 9 ▪ Remuneration Committee (2/3 independent) ▪ Audit Committee (2/3 independent) ▪ Investments for 100+ mln need to be approved by the BoD. All investments are preliminarily reviewed by an internal committee. ▪ Voting system: slate system. Slates can be presented by shareholders that own at least 2,5% of the share capital and entitle the 2nd largest slate to appoint one Board member ▪ Star segment listing: commitment to open and constant communication, stock liquidity <p>Source: Consob</p>

APPENDIX 2: GENERAL RULES FOR CALCULATING DISCOUNT TO NAV IN FIXING TARGET PRICES

In order to achieve uniform definition of discounts, below we describe our methodology for defining target price. The discount applied to NAV (calculated according to the rules indicated in Appendix 1) is the result of the **summing of the discounts attributed to each of the following variables**, which we consider relevant. **The rationale is a lower discount**

VARIABLES TO FIX DISCOUNTS

1	The higher	... the weight of the controlling stake is (on total assets, including any net cash, but excluding net debt)
2	The lower	... the weight of listed assets is (on total assets, including any net cash, but excluding net debt)
3	The stronger	... the financial structure is (based on net debt/total assets ratio, credit lines available, and compliance with any covenants, etc.)
4	The more positive	... our fundamental view of the main listed asset is. If the main asset is not listed (and thus has already been included with a valuation that we consider consistent), the second asset is considered (if its weight is significant). For holding companies of listed holding companies, it is not considered because we use see-through NAV
5	The more active	... the management is (meaning, for example, the ability to create value, portfolio turnover rate, outcome of the most recent deals, openness vis-à-vis the financial community, etc.)
6	The greater	... speculative appeal is (including M&A deals, extraordinary dividend, rationalisation of chain of control, changes in tax system, significant buy-back etc.)

Source: EQUITA SIM estimates

For each of these variables, we have defined a ranking of discounts, **the summing of which defines the discount to be applied to NAV when establishing the target price.**

VARIABLES TO FIX DISCOUNTS

1. Controlling stake as a % of NAV		4. Fundamental view main asset (representing at least 50% of NAV) * vis-à-vis lever	
	Discount		
More than 90%	0.0%	Positive	10.0%
Between 70% and 90%	-5.0%	Neutral	-5.0%
Less than 70%	-10.0%	Negative	-10.0%
		Not listed	0.0%
2. Listed stake as a % of NAV		5. Management style	
	Discount		
More than 80%	-20.0%	Active	+5%/+10%
Between 60% and 80%	-15.0%	Neutral	0%
Between 40% and 60%	-10.0%	Passive	-5%/-10%
Between 20% and 40%	-5.0%		
Less than 20%	0.0%		
3. Financial structure based on debt to assets		6. Speculative appeal	
	Discount		
Sound / efficient	0.0%	Positive	+5%/+10%
Sound but inefficient	-2.5%	None	0.0%
Limited flexibility	-5.0%	Negative	-5%/-10%
Stressed	-10.0%		

Source: EQUITA SIM estimates

Consequently, this is the **list of the discounts applied to DEA's NAV when fixing target prices:**

DEA HOLDING DISCOUNT IN FIXING TARGET PRICE

	Controlling % (1)	Listed % (2)	Fin. structure (3)	Fund. View (4)	Active mgmt (5)	Speculative (6)	TOTAL Discount
DEA	-10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-10%

Source: EQUITA SIM estimates

These values may of course vary over time, **in theory causing changes to target prices/recommendations even in the absence of changes to NAV.**

APPENDIX 3: DEA NAV REPORTED

DEA CAPITAL: NAV							
Asset	Sector	Stake %	Shares (mn)	€ PS*	€ mn	%	Valuation method
Santé (Générale de Santé)	Healthcare	43.0%			299	38%	Book Value 9M09
Kenan (Migros Turk)	Food retail	16.8%			182	23%	Book Value 9M09
Dea Capital	Treasury shares	5.6%	17.1	1.3	22	3%	Market Price
TOTAL LISTED SHAREHOLDINGS (1)					502	64%	
First Atlantic Real Estate Holding	Alternative Asset Management	70.0%			69	9%	Book Value 9M09
Sigla	Consumer credit	35.0%			22	3%	Book Value 9M09
IdeA Alternative Investment	Alternative Asset Management	44.4%			60	8%	Book Value 9M09
IdeA I Fund of Funds	Fund of Funds	n.m.			52	7%	Book Value 9M09
IdeA CoIF I and II	Funds	n.m.			39	5%	Book Value 9M09
Venture Capital funds	Funds	n.m.			13	2%	Book Value 9M09
Blue Skye	Funds	n.m.			29	4%	Book Value 9M09
Others participations		n.m.			2	0%	Book Value 9M09
TOTAL UNLISTED SHAREHOLDINGS (2)					286	37%	
ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)					6	1%	
CAPITALISED HOLDING COSTS (4)					-29	-4%	Perpetuity @ 10% net of tax effect
TAXES / TAX CREDITS (5)					20	3%	5yr PV of tax loss carryforwards
STOCK OPTIONS DILUTION (6)					0	0%	
TOTAL (1+2+3+4+5+6)					782	100%	
Nr. Shares (mn)					306,6		
NAV per share					2,55		
Current discount / (premium)					51%		

Source: EQUITA SIM elaborations on company data

SENSITIVITY (LEVERAGE EFFECT ON GDS AND MIGROS TURK)

DEA: Sensitivity to Générale de Santé valuation

GDS (€ mn)	% change in GDS Valuation	GDS (€ PS)	Implied GDS EV/EBITDA 10E	DEA NAV	Discount (Premium)	Dea Target Price
256	56,1%	20,9	9,4 x	2,34	50%	26,4%
235	48,7%	19,9	9,1 x	2,28	48%	22,9%
215	41,2%	18,9	8,8 x	2,21	47%	19,4%
195	33,7%	17,9	8,6 x	2,15	45%	15,9%
175	26,2%	16,9	8,3 x	2,08	43%	12,3%
155	18,7%	15,9	8,1 x	2,02	42%	8,8%
135	11,2%	14,9	7,8 x	1,95	40%	5,3%
105	Current Valuation	13,4	7,4 x	1,85	37%	0,0%
75	-11,2%	11,9	7,0 x	1,76	33%	-5,3%
45	-22,5%	10,4	6,7 x	1,66	29%	-10,6%
15	-33,7%	8,9	6,3 x	1,56	25%	-15,9%
0	-44,9%	7,4	5,9 x	1,51	22%	-18,5%
0	-56,1%	5,9	5,5 x	1,51	22%	-18,5%
0	-67,4%	4,4	5,1 x	1,51	22%	-18,5%

Source: EQUITA SIM estimates

DEA: Sensitivity on MIGROS valuation

		EV/EBITDA 2010 multiple				
TR/€		8,0 x	9,0 x	10,0 x	11,0 x	12,0 x
	1,1	340	351	361	372	383
	1,6	234	241	248	256	263
	2,1	178	184	189	195	200
	2,6	144	148	153	157	162
	3,1	121	124	128	132	136
	3,6	104	107	110	114	117

DEA NAV: SENSITIVITY TO MIGROS VALUATION

		EV/EBITDA 2010 multiple				
TR/€		8,0 x	9,0 x	10,0 x	11,0 x	12,0 x
	1,1	2,35	2,38	2,42	2,45	2,49
	1,6	2,00	2,02	2,05	2,07	2,10
	2,1	1,82	1,84	1,85	1,87	1,89
	2,6	1,71	1,72	1,74	1,75	1,77
	3,1	1,63	1,64	1,66	1,67	1,68
	3,6	1,58	1,59	1,60	1,61	1,62

Source: EQUITA SIM estimates

STATEMENT OF RISK

The primary elements that **could negatively impact DEA include:**

- Significant deterioration in the main assets reference macroeconomic scenario
- Significant increase in short term interest rates
- Eventual participation to rights issue of main controlled assets just to restore
- Financial flexibility.
- Depreciation of the Turkish lira
- Deterioration of private equity and alternative AM portfolio valuations

INFORMATION PURSUANT TO ARTICLE 69 ET SEQ. OF CONSOB (Italian securities & exchange commission) REGULATION no. 11971/1999

This publication has been prepared by Luigi de Bellis on behalf of EQUITA SIM SpA (licensed to practice by CONSOB resolution no. 11761 of December 22nd 1998 and registered as no. 67 in the Italian central register of investment service companies and financial intermediaries)

In the past EQUITA SIM has published studies on DeaCapital.

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The prices of the financial instruments shown in the report are the reference prices posted on the day before publication of the same.

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EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% <ETR < 7.5%	-5% <ETR < 10%	0% <ETR < 15%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

The methods preferred by EQUITA SIM to evaluate and set a value on the stocks forming the subject of the publication, and therefore the Expected Total Return in 12 months, are those most commonly used in market practice, i.e. multiples comparison (comparison with market ratios, e.g. P/E, EV/EBITDA, and others, expressed by stocks belonging to the same or similar sectors), or classical financial methods such as discounted cash flow (DCF) models, or others based on similar concepts. For financial stocks, EQUITA SIM also uses valuation methods based on comparison of ROE (ROEV – return on embedded value – in the case of insurance companies), cost of capital and P/BV (P/EV – ratio of price to embedded value – in the case of insurance companies).

MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE (OLD ONES IN BRACKETS):

Date	Rec.	Target Price (€)	Risk	Comment
6 April 2009	BUY (n.a.)	1.35 (n.a.)	High	Initiation of coverage
31 August 2009	HOLD (BUY)	1.83 (1.40)	High	change in upside/downside potential because of stock performance

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EQUITY RATING DISPERSION AS DECEMBER 31 2009 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	53.6%	60.0%
HOLD	35.7%	28.0%
REDUCE	9.5%	8.0%
NOT RATED	1.2%	4.0%