

## Company update

**BUY** (Unchanged)

**Target: € 1.75** (Prev. 1.80)

Risk: High

### STOCK DATA

Price €	1.3
Bloomberg code	DEA IM
Market Cap. (€ mn)	391
Free Float	37%
Shares Out. (mn)	306.6
52-week range	1.16 - 1.49
Daily Volumes (mn)	0.07

### PERFORMANCE

	1M	3M	12M
Absolute	-1.9%	-3.3%	-5.2%
Rel. to FTSE all shares	-4.6%	-9.0%	-6.7%

### MAIN METRICS

	2011	2012E	2013E
EPS - € cents	-15.5	-6.7	-2.4
DPS ord - € cents	0.0	0.0	0.0

### NAV

	2011	2012E	2013E
Nav (Equita) ps ord - €	2.1	2.1	2.1
Nav (Reported) ps ord - €	2.60	2.57	2.57
BVPS - € cents	2.18	2.10	2.08

### MULTIPLES

	2011	2012E	2013E
P/NAV (Equita)	0.6 x	0.6 x	0.6 x
P/NAV Reported	0.5 x	0.5 x	0.5 x
P/BV	0.6 x	0.6 x	0.6 x

### INDEBTNESS

	2011	2012E	2013E
NFP	-103	-111	-105
Debt to assets ratio	n.m.	0.2 x	0.2 x
D/E	0.1 x	0.1 x	0.1 x

### PRICE ORD LAST 365 DAYS



### ANALYSTS

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

December 5, 2012

# 413

## PLAYING THE TURKISH GAME

*We believe that M&A involving Migros could pave the way for DEA's exit from the investment and a significant reduction in the discount to NAV. DEA trades at a ~40% discount to our NAV (51% to reported), from 33% at the start of the year, and above the 2008-2011 average of 34%.*

### ■ Carrefour SA (Turkey) prepared to consider merger with Migros

According to Bloomberg news released on 1 October 2012, **Carrefour SA (Turkey) is considering a merger with Migros**. Talks are still in the early stages and the merger is one of many options on the table for Carrefour. Migros (the most important asset in DEA's portfolio) is 80.5% controlled by a consortium led by BC Partners, of which **DEA owns 17%** (therefore DEA indirectly owns 13.7% of Migros, which at current prices and €/TL rates is valued at **€200mn or 32% of NAV**).

### ■ M&A action involving Migros would heavily reduce DEA's discount to NAV.

A merger between Migros and Carrefour would pave the way for DEA's exit from Migros in our view, given that:

1. the investment dates back to 2008 (PE typically hold assets for 3-5 years before selling) and offers a very positive IRR;
2. the deal would keep the possibility for DEA to sell its stake open since BC would maintain the majority of the new entity and potentially continue to invest in Migros.

**We believe M&A involving Migros could significantly reduce DEA's discount to NAV** (currently at 40%, above the 2008-2011 average of 34%).

### ■ Strong performance from investee companies' and refinancing risk for GDS increases discount to NAV

Despite a **solid performance from the main listed assets** (Migros +52% YTD, GDS +12.5%) and the **positive operating performances of non-listed investee companies'**, DEA stock is down 5% YTD, underperforming the LPX50TR index by -29% and the STAR index by -21%, which we believe is partly due to **concerns about GDS's debt refinancing**. This has caused the discount to NAV to widen, from 33% at the start of the year to the current, appealing level of 40%, considering that over 50% of NAV is generated by defensive businesses outside Italy (of which 32% in Turkey, which is growing at a steady pace).

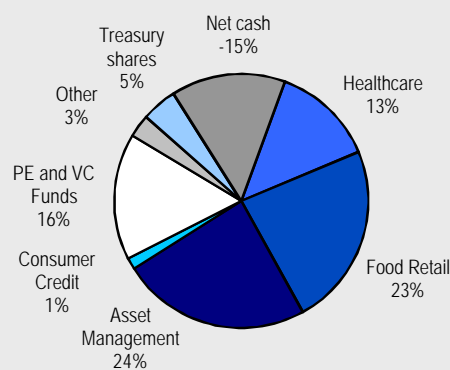
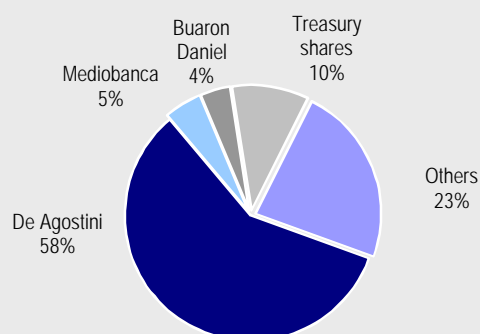
### ■ BUY recommendation confirmed

We confirm our positive view on the stock in the light of:

- **The high discount on Equita NAV:** ~40% (51% on reported) and its **exposure to defensive sector** (healthcare and food retailing);
- **Further M&A deals:** for Migros exit in the next 6-12 months is likely while for GDS it is likely as from 2014
- **Potential distribution of liquidity** via buybacks and/or extraordinary dividends
- **Focus on alternative asset management:** Alternative AM's contribution to net profit over 2012 reaches approx. €17mn (ex minorities) thanks to Idea-Fimit (in which DEA holds a majority stake of 61.3%) consolidation.

**BUSINESS DESCRIPTION**

DeA Capital is an investment company (started-up in 2007 through the takeover of a listed entity -CdB Web Tech- by DeAgostini) focusing on direct and indirect private equity investments and alternative asset management.

**NAV BUSINESS SEGMENTATION - 2012****SHAREHOLDER STRUCTURE - 2012**

MAIN FIGURES € mn	2009	2010	2011	2012E	2013E	2014E
AM Commissions	25.3	27.8	47.8	77.1	79.6	82.5
Profit (Loss) on equity	-27.9	-15.5	-55.5	-6.9	-6.9	-4.0
Other investment income (charges)	-1.8	-3.4	13.5	-7.4	0.0	0.0
Other income	10.2	10.5	10.7	9.9	9.9	10.1
Other expenses	-34.3	-36.8	-51.4	-73.1	-65.6	-66.3
<b>Tot. Income &amp; exp.</b>	<b>-28.6</b>	<b>-17.3</b>	<b>-34.9</b>	<b>-0.4</b>	<b>17.0</b>	<b>22.3</b>
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	31%
Financial Income	-3.6	-4.6	-2.8	-8.7	-5.3	-4.4
<b>Profit before tax</b>	<b>-32.1</b>	<b>-22.0</b>	<b>-37.7</b>	<b>-9.1</b>	<b>11.7</b>	<b>17.9</b>
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	53%
Results from Discontinued op	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.3	-0.9	-2.1	-6.3	-6.0	-6.5
<b>Net Income</b>	<b>-29.4</b>	<b>-26.3</b>	<b>-43.6</b>	<b>-18.8</b>	<b>-6.7</b>	<b>-2.0</b>
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Net income adjusted</b>	<b>-29.4</b>	<b>-26.3</b>	<b>-43.6</b>	<b>-18.8</b>	<b>-6.7</b>	<b>-2.0</b>
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

SHARE DATA	2009	2010	2011	2012E	2013E	2014E
Nav (Reported) ps ord - €	2.65	2.60	2.60	2.57	2.57	2.57
Nav (Equita) ps ord - €	1.9	2.0	2.1	2.1	2.1	2.1
EPS - € cents	-10.1	-8.8	-15.5	-6.7	-2.4	-0.7
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS - € cents	-10.1	-9.1	-15.1	-6.7	-2.4	-0.7
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
DPS ord - € cents	0.00	0.00	0.00	0.00	0.00	0.00

MARKET RATIOS	2009	2010	2011	2012E	2013E	2014E
P/NAV Reported	0.47 x	0.44 x	0.49 x	0.50 x	0.50 x	0.50 x
P/NAV (Equita)	0.67 x	0.57 x	0.61 x	0.62 x	0.62 x	0.62 x
P/BV	0.5 x	0.5 x	0.6 x	0.6 x	0.6 x	0.6 x
P/E	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/E Adj	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

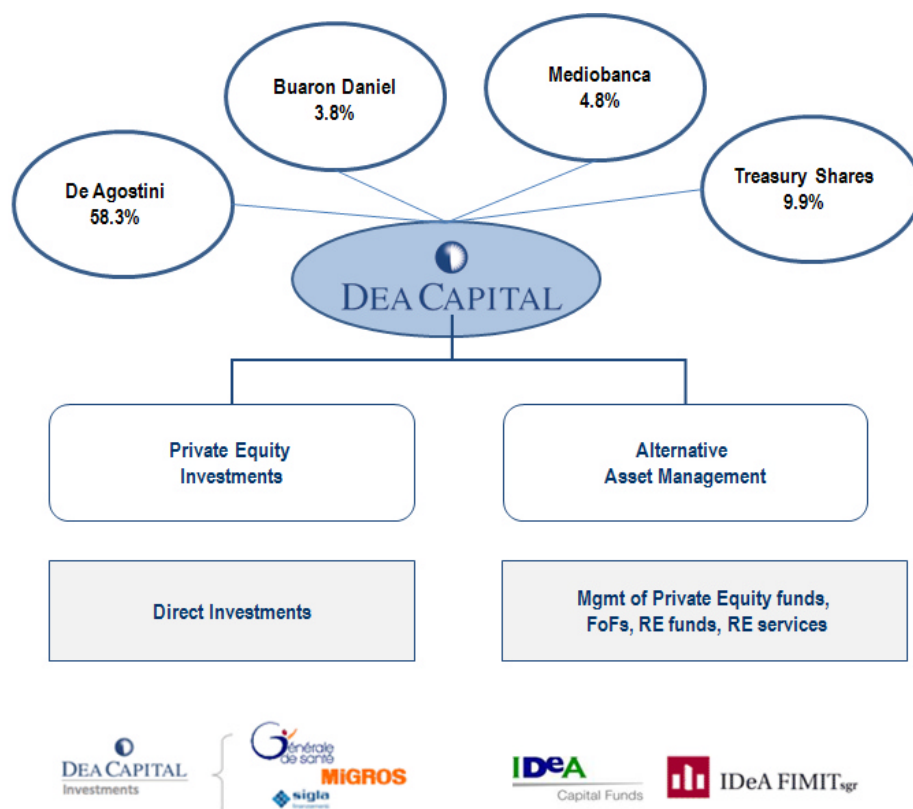
REMUNERATION	2009	2010	2011	2012E	2013E	2014E
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	-3.8%	-3.4%	-6.5%	-2.9%	-1.1%	-0.3%

INDEBTNESS - €mn	2009	2010	2011	2012E	2013E	2014E
NFP	-34.9	-20.4	-102.5	-110.8	-104.6	-102.5
Holding system NFP	-10.2	20.9	19.6	-124.6	-118.6	-116.5
Debt to assets ratio	0.02	n.m.	n.m.	16.6%	15.8%	15.5%
D/E	0.04	0.03	12.8%	14.2%	13.5%	13.3%

Source: company data and EQUITA SIM estimates

**VALUATION: TARGET PRICE TO €1.8 PS. DISCOUNT TO OUR NAV @ 40% (51% ON REPORTED).**

**DEA CAPITAL: GROUP STRUCTURE**



Source: Equita SIM

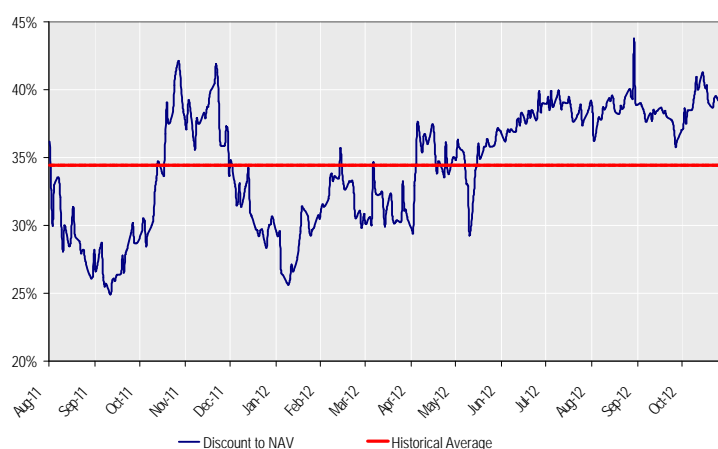
**DEA CAPITAL: NAV (@ target price)**

Asset	Sector	Stake %	Shares (mn)	PS	€ mn	%	Valuation method
Santé (Générale de Santé)	Healthcare	43.0%		€ 13.1	113	18%	Equity - Avg.DCF&Multiples (Impl.Ev/Ebitda 12E 6.6x)
Migros Turk (via Kenan)	Food retail	13.7%	24.4	TL 19.2	199	32%	Market Price
Dea Capital	Treasury shares	9.2%	30.5	€ 1.3	39	6%	Market Price
<b>TOTAL LISTED SHAREHOLDINGS (1)</b>					<b>351</b>	<b>57%</b>	
Idea-Fimit	Real Estate AM	61.3%			161	26%	P/E 13E 11x - P/AUM 2.4%
Sigla	Consumer credit	35.0%			13	2%	P/BV 3Q12 1x
Idea Capital Funds SGR	Alternative AM	100.0%			46	9%	P/E 12E 10.5x - P/AUM 3.7%
PE funds and Fund of Funds	Funds	n.m.			161	21%	Book Value 3Q12
Venture Capital funds	Funds	n.m.			12	2%	Book Value 3Q12
FARE services	Funds	n.m.			8	1%	EV/EBITDA 2012E 2.5x
Other investments	-	n.m.			1	0%	Book Value 3Q12
<b>TOTAL UNLISTED SHAREHOLDINGS (2)</b>					<b>401</b>	<b>66%</b>	
<b>ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)</b>					<b>-125</b>	<b>-20%</b>	Pro-forma as today
<b>CAPITALISED HOLDING COSTS (4)</b>					<b>-29</b>	<b>-5%</b>	Perpetuity @ 10% net of tax effect
<b>TAXES / TAX CREDITS (5)</b>					<b>10</b>	<b>2%</b>	5yr PV of tax loss carryforwards
<b>STOCK OPTIONS DILUTION (6)</b>					<b>0</b>	<b>0%</b>	
<b>TOTAL NAV (1+2+3+4+5+6)</b>					<b>608</b>	<b>100%</b>	
<b>TOTAL NAV ex treasury shares</b>					<b>570</b>		
Nr. Shares (mn)					306.6		
Nr. Shares (mn) ex treasury shares					276.1		
<b>NAV per share</b>					<b>2.1</b>		
Current discount / (premium)					39%		
<b>P/NAV</b>					<b>0.61</b>		

Source: company data and EQUITA SIM estimates

In fixing out target price we apply a 15% discount to NAV. As a consequence, **starting from a NAV of €2.1 PS our target price is €1.75 PS (from prev. 1.8ps** – lower valuation for IdeA Capital Funds SGR for lower management fees estimates partly offset by the increased valuation of Migros).

#### DEA HISTORICAL DISCOUNT TO NAV



Source: Equita SIM estimates

The main differences between Equita NAV and the company's reported NAV are the valuations of:

- GDS = € 13 PS in our NAV or € 113 mn vs. € 19 PS or € 229.7 mn reported in DEA accounts
- Migros = TL 19.2 PS in our NAV or € 200 mn vs. TL 18.8 PS or € 198.2 mn reported in DEA accounts.

The tables below show the current and historical discount (premium) to NAV of the main Italian holding companies. At the current price, DEA is trading at a 51% discount to reported NAV and 40% discount to Equita NAV, compared to the 48% of Italian holding companies.

#### ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company	Val. method	NAV (€ PS) *							Disc. / (Prem.) to NAV							
		2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	Avg. **	2012
ASTM	market price	n.a.	20.9	10.7	12.5	14.5	11.2	<b>13.8</b>	n.a.	31%	50%	23%	33%	35%	34%	<b>61%</b>
CAMFIN	(1) market price	1.79	2.37	0.49	0.65	0.66	0.56	<b>0.92</b>	20%	40%	40%	54%	45%	58%	34%	<b>63%</b>
CIR	market price	3.05	3.28	2.15	2.50	2.18	2.20	<b>1.75</b>	18%	24%	65%	30%	36%	45%	33%	<b>58%</b>
COFIDE	see through	1.52	1.64	1.03	1.21	1.06	1.08	<b>0.81</b>	28%	35%	68%	48%	38%	49%	41%	<b>56%</b>
DEA CAPITAL	market price	<b>2.61</b>	<b>2.40</b>	<b>1.64</b>	<b>1.88</b>	<b>1.99</b>	<b>2.10</b>	<b>2.10</b>	<b>-8%</b>	<b>10%</b>	<b>22%</b>	<b>33%</b>	<b>43%</b>	<b>39%</b>	<b>23%</b>	<b>40%</b>
EXOR ord.	(2) market price	8.2	9.2	15.9	25.2	36.6	25.8	<b>31.5</b>	25%	28%	50%	48%	36%	42%	37%	<b>42%</b>
IMMSI	market price	2.88	2.12	1.24	1.57	1.86	1.30	<b>1.05</b>	25%	35%	44%	47%	55%	56%	44%	<b>62%</b>
ITALMOBILIARE	(3) market price	122.3	93.1	53.1	56.4	42.3	29.2	<b>26.6</b>	36%	32%	49%	47%	41%	50%	41%	<b>54%</b>
MEDIOBANCA	(4) market price	17.4	16.4	14.3	11.1	7.1	7.1	<b>6.8</b>	13%	10%	40%	36%	8%	5%	15%	<b>46%</b>
MITTEL	market price	n.a.	5.0	4.5	5.0	4.2	3.3	<b>3.3</b>	n.a.	-5%	49%	27%	20%	51%	29%	<b>61%</b>
<b>AVERAGE</b>									<b>20%</b>	<b>24%</b>	<b>36%</b>	<b>27%</b>	<b>23%</b>	<b>44%</b>	<b>28%</b>	<b>48%</b>

(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

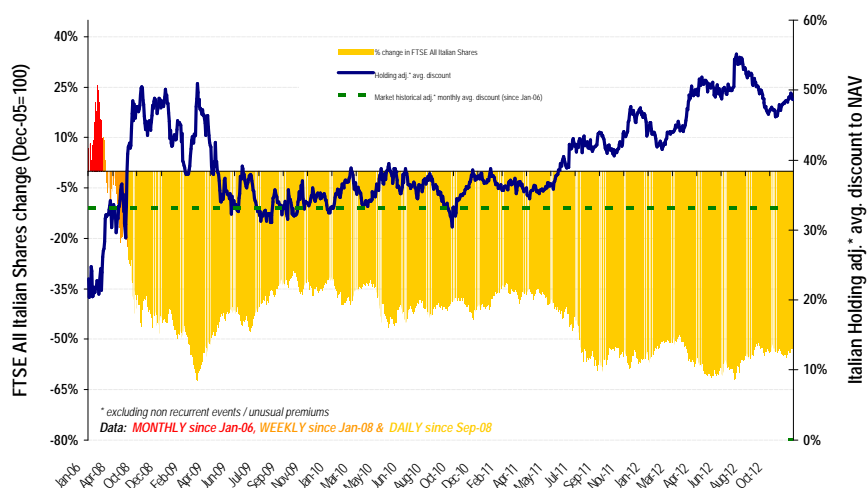
(4) using total n. of shares (ord. + sav.)

\* 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

## ITALIAN HOLDING ADJ. AVERAGE DISCOUNT TREND



Source: Equita SIM estimates

## SECTOR PERFORMANCE

Despite a **solid performance from the main listed assets** (Migros +52% YTD, GDS +12.5%) and the **positive operating performances of non-listed investee companies**, DEA stock is down 5% YTD, underperforming the LPX50TR index by -29% and the STAR index by -21%. We think this is caused not only by the increased country and liquidity risk due to the sovereign debt crisis in Southern European countries, but also by the refinancing risk for Santé/GDS.

This has caused the discount to NAV to widen, from 33% at the start of the year to the current, appealing level of 40%, considering that over 50% of NAV is generated by defensive businesses outside Italy (of which 32% in Turkey, which is growing at a steady pace).

## DEA: STOCK PRICE PERFORMANCE



Source: Bloomberg

The main Italian listed holdings have posted a slightly positive performance YTD (on average +2%), but underperforming the Italian market as a whole.

## ITALIAN HOLDING COMPANIES: STOCK PERFORMANCE

DESCRIPTION				PERFORMANCE				
Company	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	YTD
AUTOSTRADA TO-MI	EUR	7.5	648	-7.0	28.1	84.4	1.4	-1.6
CIR SPA	EUR	0.8	653	-8.2	-11.3	4.3	-34.6	-33.4
COFIDE SPA	EUR	0.4	291	-6.1	-9.7	8.8	-27.8	-27.3
<b>DEA CAPITAL</b>	<b>EUR</b>	<b>1.3</b>	<b>387</b>	<b>-2.6</b>	<b>-3.3</b>	<b>-0.3</b>	<b>-1.1</b>	<b>-5.2</b>
EXOR	EUR	19.2	4,495	-7.7	1.8	15.6	22.8	23.3
IMMSI	EUR	0.4	139	3.5	-9.5	-14.0	-30.8	-27.5
ITALMOBILIARE	EUR	11.8	385	-0.8	-12.9	6.6	-26.7	-18.6
MEDIOBANCA	EUR	4.4	3,792	-5.7	12.0	47.3	-10.0	-0.9
CAM FINANZIARA	EUR	0.5	418	7.5	38.6	93.3	114.3	136.6
TIP	EUR	1.5	204	0.6	2.7	2.0	4.8	-0.4
MITTEL	EUR	1.3	114	-5.8	0.9	8.3	-23.8	-22.6
<b>Average</b>				<b>-2.9</b>	<b>3.4</b>	<b>23.3</b>	<b>-1.0</b>	<b>2.0</b>
<b>Median</b>				<b>-5.7</b>	<b>0.9</b>	<b>8.3</b>	<b>-10.0</b>	<b>-5.2</b>

Source: EQUITA SIM estimates

## EUROPEAN PRIVATE EQUITY AND INVESTMENT COMPANIES: PERFORMANCE AND DISCOUNT TO REPORTED NAV

DESCRIPTION				PERFORMANCE				NAV		
Company	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	NAV PS (Reported)	Discount (Premium) to NAV	Last reported
DEA CAPITAL SPA	EUR	1.26	387	-2.6	-3.3	-0.3	-1.1	2.57	51%	Sept 30, 2012
MITTEL SPA	EUR	1.30	114	-5.8	0.9	8.3	-23.8	3.70	65%	as today
TAMBURI INVESTME	EUR	1.50	204	0.6	2.7	2.0	4.8	1.61	7%	as today
3I GROUP PLC	GBp	211.9	2,539	-3.9	3.0	21.6	11.4	273	22%	Sept 30, 2012
CANDOVER INVEST	GBp	333.0	89	-6.2	-3.2	-17.6	-30.6	642	48%	June 30, 2012
ELECTRA PRIVATE	GBp	1,857.0	809	0.9	11.7	15.6	31.2	2,474	25%	Nov 23, 2012
SVG CAPITAL PLC	GBp	274.5	927	3.3	-1.6	6.0	43.0	370	26%	October 18, 2012
EURAZEO	EUR	36.9	2,436	-0.1	5.4	21.7	21.3	55	33%	Sept 30, 2012
GIMV NV	EUR	37.8	905	2.8	4.2	1.1	5.4	41	7%	Sept 30, 2012
RATOS AB-B SHS	SEK	65.2	2,479	13.8	14.2	3.7	-18.4	40	-63%	Sept 30, 2012
WENDEL	EUR	72.6	3,664	5.3	20.1	40.8	36.8	91	20%	August 21, 2012
<b>AVERAGE</b>			<b>1,323</b>	<b>0.7</b>	<b>4.9</b>	<b>9.4</b>	<b>7.3</b>		<b>22%</b>	
<b>MEDIAN</b>			<b>905</b>	<b>0.6</b>	<b>3.0</b>	<b>6.0</b>	<b>5.4</b>		<b>25%</b>	

Source: EQUITA SIM estimates, Bloomberg prices

## INVESTEE COMPANIES' 3Q12

DEA CAPITAL INVESTMENTS: THIRD QUARTER AND 9 MONTHS RESULTS															
		2010	2011	3Q12 Exp.	3Q12 Actual	Change abs	Change %	9M12 Exp.	9M12 Actual	2012E Prev.	2012E Current	Change %	2013E Prev.	2013E Current	Change %
Générale de Santé	Revenues (€ mn)	1,926.1	1,955.0	426.9	427.2	0.3	0%	1,441.0	1,441.3	1,935.3	1,935.3	0%	1,977.9	1,977.9	0%
	% change		1.5%	-1.0%	-1.0%			-1.4%	-1.3%	-1.0%	-1.0%		2.2%	2.2%	
	% change LFL				2.6%				2.4%		2.0%			2.2%	
	EBITDA	229.2	248.9	29.7	28.8	-0.9	-3%	175.4	174.5	243.2	243.2	0%	261.6	261.6	0%
	% change		8.6%	-28.6%	-30.8%			-5.4%	-5.9%	-2.3%	-2.3%		7.6%	7.6%	
	% change LFL				-8.9%				-2.5%		0.5%			7.6%	
	Net Profit	35.0	-28.5	-10.1	14.7	24.8	-246%	18.0	42.8	52.7	52.7	0%	51.0	51.0	0%
	% change		n.m.	n.m.	n.m.			n.m.	n.m.	-285.1%	-285.1%		-3.3%	-3.3%	
	Net Profit adj.	40.2	46.6	-10.2	-14.4	-4.2	41%	23.0	18.8	39.1	39.1	0%	51.0	51.0	0%
% change		15.9%	n.m.	n.m.			-39.9%	-50.9%	-16.2%	-16.2%		30.6%	30.6%		
Net Debt	871.4	854.4	855.0	834.8	-20.2	-2%	855.0	834.8	799.0	804.0	1%	762.3	774.3	2%	
Migros	Revenues (YTL mn)	6,365.1	5,753.1	1,790.3	1,825.4	35.1	2%	4,797.5	4,832.7	6,501.0	6,616.1	2%	7,313.6	7,476.2	2%
	% change		-9.6%	11.0%	13.1%			12.8%	13.6%	13.0%	15.0%		12.5%	13.0%	
	EBITDA	357.4	386.0	114.6	123.8	9.2	8%	310.8	319.9	418.0	425.4	2%	482.7	493.4	2%
	% change		8.0%	0.5%	8.6%			8.3%	11.5%	8.3%	10.2%		15.5%	16.0%	
	Net Profit	42.7	-163.2	-3.0	-17.4	-14.4	481%	131.4	117.0	169.8	136.0	-20%	122.3	106.4	-13%
	% change		n.m.	n.m.	-117.5%			n.m.	-149.6%	n.m.	n.m.		n.m.	-21.8%	
Net Debt	1,520.4	1,578.0	1,400.7	1,359.6	-41.1	-3%	1,400.7	1,359.6	1,430.2	1,429.7	0%	1,333.0	1,321.7	-1%	
Asset management IDEA-FIMIT	AuM - € mn	8,241	9,375	9,750	9,813	63.0	1%	9,750	9,813	10,125	10,125	0%	10,834	10,834	0%
	% change		13.8%	10.8%	11.5%			10.8%	11.5%	8.0%	8.0%		7.0%	7.0%	
	Management fees	57.8	58.2	15.8	16.7	0.9	6%	48.1	49.0	64.2	64.2	0%	68.0	68.0	0%
	% change		0.7%	12.1%	18.4%			12.4%	14.5%	10.4%	10.4%		5.8%	5.8%	
	Net Profit	18.7	13.9	4.8	2.7	-2.1	-44%	16.4	14.3	17.4	17.4	0%	16.4	16.4	0%
	% change		-25.7%	-	-			20.6%	5.1%	25.2%	25.2%		-5.6%	-5.6%	
	Net Profit adj.	18.7	18.0	4.8	4.5	-0.3	-6%	15.6	15.3	20.9	20.9	0%	23.2	23.2	0%
% change		-4.0%	-	-			-	-	16.5%	16.5%		11.1%	11.1%		
Idea Capital Funds SGR	AuM - € mn	1,179	1,232	1,232	1,238	6.0	0%	1,232	1,238	1,232	1,232	0%	1,232	1,232	0%
	% change		4.5%	0.2%	0.7%			0.2%	0.7%	0.0%	0.0%		0.0%	0.0%	
	Management fees	12.9	12.8	2.9	4.7	1.8	62%	8.8	10.6	12.0	12.9	8%	12.0	11.6	-3%
	% change		-0.8%	-19.4%	30.6%			-7.4%	11.6%	-6.6%	0.6%		0.0%	-10.1%	
	Net Profit	5.1	4.9	1.0	2.3	1.3	130%	3.5	4.3	4.6	5.0	8%	4.6	4.0	-12%
% change		-3.9%	-37.5%	143.8%			-14.6%	4.9%	-6.1%	1.8%		-0.1%	-18.9%		

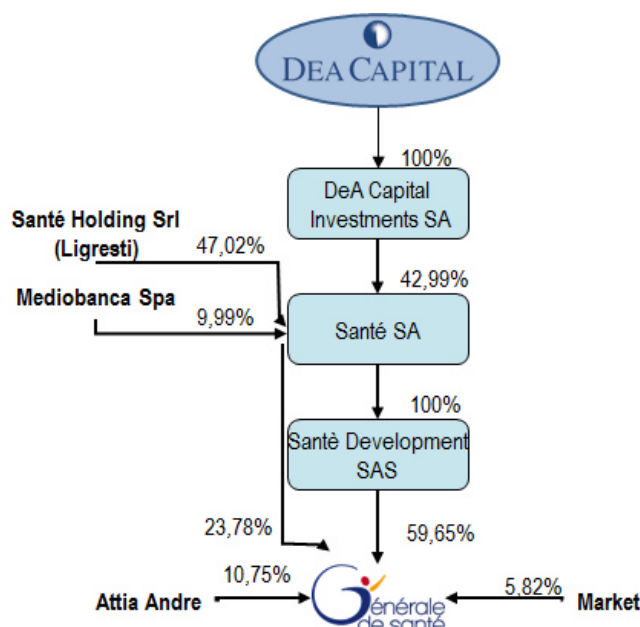
Source: EQUITA SIM estimates and company data



- **Générale de Santé (French private healthcare – 18% of our NAV): de-leveraging continues thanks to disposals. Negotiations with banks for debt refinancing. 2013 focus on efficiency improvements**

DEA controls 43% of Santé, a holding company that in turn owns 83.9% of Générale de Santé (GDS), a leader in private healthcare. Most of the remainder of Santé is owned by Antonio Ligresti (40%), Mediobanca (7%) and Generali (7%). DEA therefore indirectly controls 36.1% of GDS.

#### GENERALE DE SANTE: SHAREHOLDER STRUCTURE



Source: Equita SIM elaborations on company data \*stakes ex-treasury shares in GDS (419k treasury shares or 0.7% of capital)

#### Operating results fall slightly short. FCF better partly thanks to disposals

**GDS reported organic top-line growth of +2.6% in 3Q12** at €427mn (+2.4% in 9M12), in line with our estimates, and **EBITDA of €28.8mn** (€174.5mn in 9M12, -2.5% LFL), slightly below our estimate of €29.7mn on account of higher property costs. The bottom line result, at €14.7mn (from -10.3mn in 3Q12 and vs -10mn estimate) benefited from capital gains on some disposals. **NFP was better than expected thanks to the disposal of some clinics: -835mn** (from -855mn at year-end 2011) vs -855mn estimate. We expect 2012E net debt to 800mn with ND/Ebitda = 3.3x, and another reduction to 774mn at year-end 2013E (ND/Ebitda 3x), from 1,001mn at the end of 2007 (ND/Ebitda 4.2x) and with a dividend distribution during the period of €265mn.

**Management's outlook for 2012 was cautious due to the economic crisis.** As for 2013, in terms of top line, we expect growth to be more or less in line with 2012 (+2.2%) with a slight slowdown in volumes growth (from +2.2% to +1.5%) due to the financial crisis, no tariff increases but with a positive impact from the opening of new rehabilitation and psychiatry clinics in 2012 (#3 in 2012) which should also continue in 2013 (another #4 expected in 2013).

As for profitability, **over the next two years GDS management will continue with the efficiency improvements launched in 2012, with cost savings estimated at roughly €30mn at full capacity in 2015**, of which €20-25mn in 2013. The key drivers will be:

- **Renegotiation of contracts with suppliers** (of which 35% by the end of 2012 and the remainder by the end of 2013) for a stock of 600/650mn, with savings of around 5-7%;



- **Centralisation of purchasing and review of supply process;**
- **Reverse auctions** (electronic auctions)

The effects of this strategy will become clearer as of 2013 (in the absence of any positive surprises on the tariff front, which we have not included in our estimates). More specifically, we expect EBITDA (on a like-for-like basis) to move from 243mn in 2012E to 272mn in 2014, with EBITDA margin from 12.6% in 2012 to 13.5% in 2014E, and ROCE from 5.7% to 7.4%

**DEA's exit from the investment is more complex than with Migros in light of the level of debt at GDS and the holdings Santé/SDE.**

**Total debt of the entire structure at €1.1bn.**

SANTÉ/ SDE: GROSS DEBT STRUCTURE				
Name	Amount (€ mn)	Financial charges	Repayment	Expiry
Other debt	95.0	Euribor 3M + > 300 bps	Bullet	2018
Term B Facility	58.5	Euribor 3M + 250 bps	Bullet	01/10/2015
Term C Facility	58.5	Euribor 3M + 250 bps	Bullet	01/10/2016
Mezzanine Bonds	165.0	Euribor 3M + >300 bps	Bullet	01/10/2017
Revolving Credit Facility	0.0	Euribor 3M + 250 bps	Bullet	
Other net borrowing	-17.0			
<b>Net debt at Santé/SDE level</b>	<b>360.0</b>			
<b>ND net of other debt</b>	<b>265.0</b>			
<b>Grossed-up net debt</b>	<b>317.4*</b>	83.5% Santé share in GDS		

Source: EQUITA SIM estimates and company data \*265mn/83.5% = 317mn

GDS: DEBT STRUCTURE			
Name			
A1 tranche	415.0	bullet	24/10/2014
A2 tranche	419.8	amortising	24/10/2014
Revolving tranche	50.0	bullet	24/10/2014
Other net borrowing	-80.8		-
<b>Net debt at GDS level</b>	<b>804.0</b>		

Source: EQUITA SIM estimates and company data

SANTÉ/ SDE / GDS: TOTAL LEVERAGE			
Total Leverage	2012E	2013E	2014E
Santé debt	317	317	317
GDS debt	804	774	733
<b>Total Net debt structure</b>	<b>1121</b>	<b>1092</b>	<b>1050</b>
<b>EBITDA GDS</b>	<b>243</b>	<b>262</b>	<b>273</b>
Net Debt / EBITDA GDS	3.3	3.0	2.7
Net Debt / EBITDA total structure	4.6	4.2	3.9
Covenants (est.)	5.0 x	4.5 x	4.0 x
<b>Headroom</b>	<b>8%</b>	<b>8%</b>	<b>4%</b>

Source: EQUITA SIM estimates and company data

In more detail, **debt expiring in 2014 amounts to €600mn and the company will renegotiate its debt next year** (which represents the main risk related to DEA, in our view). Total debt of the entire structure at €1.1bn, with 2012/13E EBITDA = 243mn-263mn, RE assets of €600mn (of which we estimate €200mn could be sold without breaching covenants), implying ND/EBITDA for the entire structure of 4.8x-4.3x. We also believe there is a possibility that the psychiatric business will be sold with a potential cash-in of around 120mn (using an EV/EBITDA multiple of 8x – turnover 121mn, EBITDA 15mn). The company did not disclose its covenants, but based on our estimates the headroom is limited.

We estimate that GDS could generate between 45 and 75mn in FCF in 2012-2014E before dividends and disposals. FCF is currently earmarked for the payment of interest charges at Santé, thus if DEA does not exit GDS it will also be required to refinance the Santé debt that expires between 2015 and 2018.

**The shareholder structure situation is also complex.** The shareholders' agreement between DEA, Ligresti and Mediobanca expires in 2014 and it is hard to imagine any changes in the short term. More in details:

1. As from 1 January 2013 Santé Holding and DEA can sell their stakes to subsidiary/associate companies or dispose of them by going public via:
  - A PTO of Santé Luxembourg, Santé Development Europe or GDS shares, if GDS were no longer listed at that time
  - Placement of GDS shares, if GDS were instead still listed.
2. From 2014 onwards DEA will be free to transfer its Santé Luxembourg shares, saving the other shareholders right of first refusal and tag-along.

According to a Sole24Ore article on 30 November 2012, Ligresti described himself as an industrial shareholder, underlining that DEA is a financial shareholder that plans to sell, and that he is hoping that French industrial investors will enter the sector (e.g. companies within the insurance sector, the "mutuelles"), possibly replacing DEA. The article also mentions that the company is working towards refinancing its debt and does not expect any problems there. **An exit from GDS represents one of the main catalysts for a reduction in the discount to NAV for DEA.**

GÉNÉRALE DE SANTÉ: MAIN FIGURES (€ MN)								
P&L account (€ mn.)	2011	%	2012E	%	2013E	%	2014E	%
<b>Revenues</b>	<b>1,955</b>		<b>1,935.3</b>		<b>1,977.9</b>		<b>2,017.5</b>	
Change%	1.5%		-1.0%		2.2%		2.0%	
Labour cost	-874.4	-44.7%	-867.0	-44.8%	-879.5	-44.5%	-891.7	-44.2%
Purchases of consumables	-374.0	-19.1%	-363.8	-18.8%	-371.9	-18.8%	-383.3	-19.0%
Taxes and duties	-81.7	-4.2%	-85.2	-4.4%	-83.1	-4.2%	-84.7	-4.2%
Other op. income and expenses	-226.8	-11.6%	-220.0	-11.4%	-220.0	-11.1%	-220.0	-10.9%
<b>EBITDAR</b>	<b>398.1</b>	<b>20.4%</b>	<b>399.3</b>	<b>20.6%</b>	<b>423.5</b>	<b>21.4%</b>	<b>437.7</b>	<b>21.7%</b>
Change%	9.3%		0.3%		6.1%		3.4%	
Rental expenses	-149.2	-7.6%	-156.2	-8.1%	-161.9	-8.2%	-165.2	-8.2%
Change%	10.6%		4.7%		3.7%		2.0%	
<b>EBITDA</b>	<b>248.9</b>	<b>12.7%</b>	<b>243.2</b>	<b>12.6%</b>	<b>261.6</b>	<b>13.2%</b>	<b>272.5</b>	<b>13.5%</b>
Change%	8.6%		-2.3%		7.6%		4.2%	
Depreciation and amortization	-123.5	-6.3%	-123.0	-6.4%	-123.0	-6.2%	-123.0	-6.1%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
<b>EBIT recurring</b>	<b>125.4</b>	<b>6.4%</b>	<b>120.2</b>	<b>6.2%</b>	<b>138.6</b>	<b>7.0%</b>	<b>149.5</b>	<b>7.4%</b>
Change%	14.9%		-4.2%		15.3%		7.9%	
Others income and expenses	-75.1	-3.8%	24.0	1.2%	0.0	0.0%	0.0	0.0%
<b>EBIT</b>	<b>50.3</b>	<b>2.6%</b>	<b>144.2</b>	<b>7.4%</b>	<b>138.6</b>	<b>7.0%</b>	<b>149.5</b>	<b>7.4%</b>
Change%	-51.6%		186.6%		-3.9%		7.9%	
Financial charges	-46.1	-2.4%	-38.0	-2.0%	-43.8	-2.2%	-43.0	-2.1%
Other financial expenses	-4.6	-0.2%	-6.6	-0.3%	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%
<b>Pre tax profit</b>	<b>-0.4</b>	<b>0.0%</b>	<b>99.6</b>	<b>5.1%</b>	<b>94.8</b>	<b>4.8%</b>	<b>106.5</b>	<b>5.3%</b>
Change%	n.m.		n.m.		-4.8%		12.4%	
Taxes	-25.3	-1.3%	-42.8	-2.2%	-40.8	-2.1%	-45.8	-2.3%
Minorities	-2.8	-0.1%	-4.0	-0.2%	-3.0	-0.2%	-3.0	-0.1%
<b>Net Profit</b>	<b>-28.5</b>	<b>-1.5%</b>	<b>52.7</b>	<b>2.7%</b>	<b>51.0</b>	<b>2.6%</b>	<b>57.7</b>	<b>2.9%</b>
Change%	n.m.		n.m.		-3.3%		13.2%	
<b>Adjusted Net Profit</b>	<b>46.6</b>	<b>2.4%</b>	<b>39.1</b>	<b>2.0%</b>	<b>51.0</b>	<b>2.6%</b>	<b>57.7</b>	<b>2.9%</b>
Change%	15.9%		-16.2%		30.6%		13.2%	
<b>Cash-flow</b>	<b>95.0</b>	<b>4.9%</b>	<b>175.7</b>	<b>9.1%</b>	<b>174.0</b>	<b>8.8%</b>	<b>180.7</b>	<b>9.0%</b>
Change%	-38.7%		85.0%		-1.0%		3.9%	
<b>Adjusted Cash-Flow</b>	<b>170.1</b>	<b>8.7%</b>	<b>162.1</b>	<b>8.4%</b>	<b>174.0</b>	<b>8.8%</b>	<b>180.7</b>	<b>9.0%</b>
Change%	6.1%		-4.7%		7.4%		3.9%	
<b>Tax rate</b>	<b>n.m.</b>		<b>43.0%</b>		<b>43.0%</b>		<b>43.0%</b>	
<b>Capital Expenditure</b>	<b>61.1</b>	<b>3.1%</b>	<b>100.0</b>	<b>5.1%</b>	<b>95.0</b>	<b>4.7%</b>	<b>95.0</b>	<b>4.6%</b>
<b>Other net investments</b>	<b>-73.4</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>	
<b>NFP</b>	<b>-854.4</b>		<b>-804.0</b>		<b>-774.3</b>		<b>-737.9</b>	

Source: Company data and Equita SIM estimates

GDS's YTD performance is positive and basically in line with that of the main French index (+14.6% absolute and -1.6% in relative terms), despite the fact that market prices are of little significance in light of the stock's small float. Our valuation for GDS is above market prices.

GDS trades at a discount to the sector in terms of multiples (2012/13E EV/EBITDA = 5.5x-4.5x vs sector 7.5x-7x) as, in our view, the market is including the refinancing risk for Santé/GDS. With the GDS stake at market prices, DEA's NAV drops from €2.1 ps to 1.8 ps (-15%).

#### GDS: STOCK PRICE PERFORMANCE



Source: Bloomberg data

#### ■ Migros (Turkish mass-market retailing – 29% of our NAV): strong operating results

**Migros reported 3Q12 results broadly in line with consensus on a top-line level but better than expected on the margins side** (EBITDA = TL 124mn vs TL 115mn consensus). Bottom line was negative due to FX losses (strong Euro versus TL).

**The 3Q trend was perfectly in line with the last company's guidance.**

- Sales = TL 1.825 mn (+13,1% YoY) vs TL 1.845 mn consensus;
- EBITDA = TL 124 mn (+5,2% YoY) vs TL 115 mn consensus;
- Net Income = TL -17 mn vs TL -3,5 mn consensus ;
- Net Debt = TL 1.36bn (from TL 1.58bn of 2011 year-end).

In more details:

- **Revenues increased by +13.1% YoY to TL 1.825mn.** The company reported robust revenue growth in line with previous quarters (+13.9% YoY in 1H) and reiterated FY guidance (double digit growth YoY). **Migros posted another strong quarter in terms of store openings** (Net New stores in 3Q = 34), reaching 874 stores (+20% YoY). This increase the visibility on the FY12 target of 150 new stores: at end of 9M Migros has already opened 129 stores;
- **Gross profit increased by 15.2% YoY to TL 468mn**, which corresponds to a margin of 25.6% (+40bps YoY). The Gross margin improvement was driven by higher margins in goods sold;
- **EBITDA increased by 8.1% YoY to TL 124mn**, which corresponds to a margin of 6.8% (-50 bps YoY). Accelerated new store expansion incremental costs caused margin variation from last year;

- **The net result was negative (TL -17 mn) and significantly lower YoY (TL 91 mn in 3Q11) partly due to FX losses given the appreciation of Euro versus Turkish Lira (€TRY FX = +8.8% YoY).** The company has a large part of its debt in Euro.

**The company confirmed its FY12 guidance and set another strong expansion plan with 100-150 new supermarket and 1-2 hypermarket openings per year between 2013 and 2015.**

- Sales growth: Double digit growth is targeted in 2012 and 2013;
- Gross Profit: Full-Year Gross Margin range 25.5%-26.0%;
- EBITDA margin: FY12 EBITDA margin range 6.0%-6.5%;
- Expansion target: 150 supermarkets (approximately) and 2 hypermarkets in 2012, 100-150 supermarket and 1-2 hypermarket openings per year between 2013 and 2015.

Some of the company's key strategies as follows:

- Focusing on fresh products which enjoy higher sales growth in comparison to company top-line growth;
- Strengthening the space programme, but, at the same time, moving towards smaller "mini" supermarkets;
- Participating in the likely consolidation of the Turkish market as the gap between "winners" /big Groups and "losers"/Small Groups is expected to continue to widen materially;
- Focusing on loyalty programs and CRM: 80% of Migros' domestic sales are made with the Money Club Card;
- Growing the penetration of own label (Private Label Category);
- Increasing control over the supply chain.

#### **Carrefour SA (Turkey) prepared to consider merger with Migros**

According to Bloomberg news released on 1 October 2012, Carrefour SA (Turkey) is considering a merger with Migros. Talks are still in the early stages and the merger is one of many options on the table for Carrefour. Migros (the most important asset in DEA's portfolio) is 80.5% controlled by a consortium led by BC Partners, of which DEA owns 17% (therefore DEA indirectly owns 13.7% of Migros, which at current prices and €/TL rates is valued at €200mn or 30% of NAV).

Carrefour operates in Turkey via the listed company Carrefour SA (58.2% controlled by Carrefour, 38.2% by Sabanci Holding and with 3% float). Carrefour SA and Migros are multi-format players, with respective market shares of 20%+ and 20% in the hypermarket segment, and 3% and 20% in supermarkets, with Carrefour at below 10% in discount markets. A merger between Carrefour SA and Migros would give rise to Turkey's largest food retailer, with the possibility to exploit cost synergies and heavily reduce competitive pressure.

A merger between Migros and Carrefour would pave the way for DEA's exit from Migros in our view, given that:

1. the investment dates back to 2008 (PE typically hold assets for 3-5 years before selling) and offers a very positive IRR;
2. the deal would keep the possibility for DEA to sell its stake open since BC would maintain the majority of the new entity and potentially continue to invest in Migros.

**MIGROS + CARREFOUR SA: MAIN FIGURES**

MIGROS + CARREFOUR SA MAIN FIGURES						
	Migros		Carrefour SA		Migros + Carrefour SA	
Market cap (TL mn)	3,418		1,855		5,273	
TL / €	2.34					
Market cap (€ mn)	1,462		794		2,256	
# of shares (mn)	178		113		275	
Price PS	19.2		16.35			
Main figures (TL mn)	2012E	2013E	2012E	2013E	2012E	2013E
Revenues	6,616	7,476	2,606	2,809	9,222	10,285
EBITDA	425	493	76	101	501	595
NFP	-1430	-1322	0	0	-1,430	-1,322

Source: Bloomberg data and Equita SIM estimates

**MIGROS + CARREFOUR SA: SHAREHOLDERS BASE**

<b>Shareholders Migros</b>		<b>Shareholders Carrefour SA</b>	
Kenan	80.5%	Carrefour BV	58.2%
BC Partners + Turkven	<b>66.8%</b>	Sabancı	38.8%
DEA Capital	<b>13.7%</b>		
Others	19.5%	Others	3.0%

Source: Bloomberg data and Equita SIM estimates

**SHAREHOLDERS BASE NEW ENTITY**

<b>Shareholders new entity</b>	<b>Ratio based on market cap</b>	<b>Ratio based on revenues</b>
Kenan	52%	60%
BC Partners + Turkven	<b>43.3%</b>	<b>50.0%</b>
DEA Capital	<b>8.9%</b>	<b>10.3%</b>
Carrefour BV	20%	15%
Sabancı	14%	10%
Others	14%	15%

Source: Bloomberg data and Equita SIM estimates

**We believe M&A involving Migros could significantly reduce DEA's discount to NAV (currently at 40%, above the 2010-2012 average of 34%).**

## MIGROS TURK: MAIN FIGURES (YTL MN)

P&L account (TRY mn.)	2011	%	2012E	%	2013E	%	2014E	%
Revenues	5,753		6,616		7,476		8,448	
Change%	-9.6%	11.4%	15.0%		13.0%		13.0%	14%
Cost of sales	-4,781.4	-83.1%	-4,912.4	-74.3%	-5,532.4	-74.0%	-6,234.7	-73.8%
Gross Profit	1,494.5	26.0%	1,703.6	25.8%	1,943.8	26.0%	2,213.4	26.2%
Change%	-5.6%		14.0%		14.1%		13.9%	
Operating expense	-1,108	-19.3%	-1,278	-19.3%	-1,450	-19.4%	-1,639	-19.4%
EBITDA	386.0	6.7%	425.4	6.4%	493.4	6.6%	574.5	6.8%
Change%	8.0%	-2.9%	10.2%		16.0%		16.4%	
Depreciation and amortization	-123.7	-2.2%	-163.0	-2.5%	-169.0	-2.3%	-180.0	-2.1%
Others	-29.9	-0.5%	-10.0	-0.2%	-10.0	-0.1%	-10.0	-0.1%
EBIT	232.4	4.0%	252.4	3.8%	314.4	4.2%	384.5	4.6%
Change%	6.5%		8.6%		24.6%		22.3%	
Net financial income	-124.1	-2.2%	-125.0	-1.9%	-91.0	-1.2%	-77.0	-0.9%
Due date difference on sale (purchase)	-52.7	-0.9%	-79.4	-1.2%	-59.8	-0.8%	-67.6	-0.8%
FX	-382.6	-6.7%	104.8	1.6%	0.0	0.0%	0.0	0.0%
Net other income/expense	11.1	0.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Pre tax profit	-315.9	-5.5%	152.8	2.3%	163.6	2.2%	239.9	2.8%
Change%	n.m.		-148.4%		7.1%		46.6%	
Taxes	-53.4	-0.9%	-16.8	-0.3%	-57.3	-0.8%	-84.0	-1.0%
Profit on continuing operations	-369.2	-6.4%	136.0		106.4		155.9	
Change%	n.m.		-136.8%		-21.8%		46.6%	
Profit/(loss) on disc. operations	206.0	3.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Minorities	-0.1	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Net Profit	-163.2	-2.8%	136.0	2.1%	106.4	1.4%	155.9	1.8%
Change%	n.m.		-183.3%		-21.8%		46.6%	
Adjusted Net Profit	13.3	0.2%	31.2	0.5%	106.4	1.4%	155.9	1.8%
Change%	n.m.		134.6%		240.7%		46.6%	
Cash-flow	-9.6	-0.2%	309.0	4.7%	285.4	3.8%	345.9	4.1%
Change%	n.m.		-3302.5%		-7.6%		21.2%	
Adjusted Cash-Flow	166.9	2.9%	204.2	3.1%	285.4	3.8%	345.9	4.1%
Change%	55.2%		22.4%		39.7%		21.2%	
NFP	-1,578.0		-1,429.7		-1,321.7		-1,064.5	

Source: company data and EQUITA SIM estimates

## EMERGING MARKET FOOD RETAILER

Company	DESCRIPTION			EV/SALES			EV/EBITDA			EV/EBIT			P/E		
	Currency	Price	Mkt cap (€ mn)	2012E	2013E	2014E	2012E	2013E	2014E	2012E	2013E	2014E	2012E	2013E	2014E
EUROCASH	PLN	44.7	1,492	0.4 x	0.4 x	0.3 x	14.7 x	12.1 x	10.5 x	18.9 x	15.1 x	13.0 x	26.3 x	20.0 x	16.8 x
LIANHUA SUPERM-H	HKD	6.1	676	0.1 x	0.1 x	0.0 x	1.5 x	1.5 x	1.0 x	2.8 x	2.7 x	1.6 x	12.8 x	11.7 x	10.7 x
WOOLWORTHS LTD	AUD	29.3	29,137	0.7 x	0.7 x	0.7 x	9.5 x	8.9 x	8.4 x	12.0 x	11.2 x	10.6 x	16.4 x	15.5 x	14.7 x
LOTTE SHOPPING	KRW	357,000	7,318	0.5 x	0.4 x	0.2 x	5.3 x	4.3 x	2.7 x	7.8 x	6.3 x	3.8 x	10.9 x	10.0 x	8.6 x
MAGNIT	USD	144.3	10,436	1.0 x	0.8 x	0.7 x	11.0 x	9.2 x	7.6 x	15.3 x	13.4 x	10.7 x	23.7 x	18.8 x	15.1 x
PICK'N PAY STORE	ZAr	4,099	1,704	0.3 x	0.3 x	0.3 x	9.4 x	10.3 x	8.2 x	14.8 x	19.9 x	14.9 x	25.2 x	27.9 x	20.3 x
SHOPRITE HLDGS	ZAr	18,880	8,741	1.2 x	1.0 x	0.9 x	17.4 x	14.2 x	12.1 x	21.2 x	17.6 x	15.0 x	30.2 x	25.8 x	21.7 x
WALMART DE MEX-V	MXN	41.5	43,371	1.7 x	1.5 x	1.3 x	17.2 x	14.9 x	12.8 x	21.4 x	18.3 x	15.3 x	30.6 x	26.5 x	22.6 x
SORIANA-B	MXN	46.3	4,911	0.8 x	0.7 x	0.6 x	10.8 x	9.4 x	8.0 x	15.0 x	12.7 x	10.4 x	21.6 x	18.7 x	16.0 x
LOJAS AMERIC-PRF	BRL	18.9	6,558	1.9 x	1.6 x	1.4 x	14.3 x	11.7 x	10.1 x	16.9 x	13.6 x	11.7 x	47.1 x	31.8 x	26.6 x
BIM BIRLESIK MAG	TRY	82.0	5,333	1.2 x	1.0 x	0.8 x	23.7 x	19.0 x	15.6 x	29.1 x	23.2 x	18.7 x	36.0 x	29.2 x	24.5 x
X 5 RETAIL-GDR	USD	17.1	3,543	0.5 x	0.5 x	0.4 x	7.4 x	6.5 x	5.8 x	12.5 x	11.0 x	9.5 x	17.5 x	13.6 x	10.6 x
JERONIMO MARTINS	EUR	14.1	8,901	0.9 x	0.8 x	0.7 x	12.2 x	10.5 x	9.1 x	17.4 x	15.0 x	12.9 x	22.5 x	19.0 x	16.2 x
Average				0.9 x	0.7 x	0.6 x	11.9 x	10.2 x	8.6 x	15.8 x	13.9 x	11.4 x	24.7 x	20.6 x	17.3 x
Median				0.8 x	0.7 x	0.7 x	11.0 x	10.3 x	8.4 x	15.3 x	13.6 x	11.7 x	23.7 x	19.0 x	16.2 x
Max				1.9 x	1.6 x	1.4 x	23.7 x	19.0 x	15.6 x	29.1 x	23.2 x	18.7 x	47.1 x	31.8 x	26.6 x
Min				0.1 x	0.1 x	0.0 x	1.5 x	1.5 x	1.0 x	2.8 x	2.7 x	1.6 x	10.9 x	10.0 x	8.6 x
MIGROS TURK	TRY	19.2	1,464	0.7 x	0.6 x	0.5 x	11.8 x	9.8 x	8.4 x	17.4 x	13.9 x	11.8 x	25.7 x	26.2 x	17.9 x

Source: Bloomberg prices and consensus

In our NAV we now value the Migros stake at market prices, i.e. TL 19.2 or € 200mn, believing that the price is now meaningful as floating stock has been restored to about 19.5% (the other 80.5% is held by Kenan).

Migros has posted an impressive performance YTD (+50%), thus overperforming both the Turkish ISE-100 index by c6% and a panel of European Food Retailers by ~55%.

We believe the over-performance was also due to improvements in corporate results (top-line +13.6%, EBITDA +8.1%), structural growth opportunities and M&A potential. The stock trades at interesting 1-year forward multiples (EV/EBITDA 2013 =9,7x - source: Bloomberg consensus) at discount versus its main Turkish peer BIM BIRLESİK (EV/EBITDA 2013 = 18,7x) and at premium versus the avg. European Food Retailers (avg. EV/EBITDA 2013 = c6x).

#### MIGROS: STOCK PRICE PERFORMANCE



Source: Bloomberg data

Moreover, a macro-scenario more favourable to Turkey than Europe resulted in the Turkish lira appreciating against the euro from TL/€ 2.44 at 2011 year-end to current 2.33.

#### TURKISH LIRA VS EURO: YTD TREND



Source: Bloomberg data



■ **Idea Fimit (Real Estate Asset Management – 27% of our NAV): 3Q12 in line with estimates**

IDEA FIMIT's 3Q results were more or less in line with expectations:

- AUM = €9.8bn (+11.5% YoY) versus 9.37bn at end-2011
- Management fees = 16.7mn (+18%) vs 15.8mn expected; the annualized management fee is equal to 68bps against the expected 65bps.
- Net income adj. (for PPA) = 4.5mn vs 4.8mn expected.

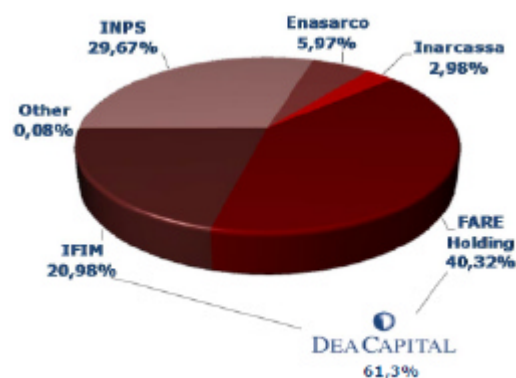
It is worth noting that IDEA FIMIT cash generation was very strong in 3Q, with an improvement in NFP from -8mn at the end of 1H12 to +0.7mn

**IDEA-FIMIT: MAIN FIGURES**

	2010PF	2011PF	2012E	2013E	2014E
Management fees	56.3	58.2	64.2	68.0	70.9
Variable fees and others	1.5	0.0	0.0	0.0	0.0
<b>Net commission</b>	<b>57.8</b>	<b>58.2</b>	<b>64.2</b>	<b>68.0</b>	<b>70.9</b>
%change	24%	1%	10%	6%	4%
Operating costs	-30.2	-32.1	-31.5	-31.5	-32.0
Merger costs	0.0	-3.4	-3.0	0.0	0.0
PPA amortization	0.0	-2.9	-11.4	-11.0	-11.0
<b>EBIT</b>	<b>27.6</b>	<b>19.8</b>	<b>18.3</b>	<b>25.5</b>	<b>27.9</b>
margin%	48%	34%	29%	37%	39%
<b>EBIT adj.</b>	<b>27.6</b>	<b>26.1</b>	<b>32.7</b>	<b>36.5</b>	<b>38.9</b>
margin%	48%	45%	51%	54%	55%
Interest charges	1.5	1.8	1.0	1.0	1.0
Others and extraord.	0.0	0.0	0.0	0.0	0.0
<b>Pre tax</b>	<b>29.1</b>	<b>21.6</b>	<b>19.3</b>	<b>26.5</b>	<b>28.9</b>
taxes	-10.4	-7.7	-1.9	-10.1	-11.0
tax rate	36%	36%	10%	38%	38%
<b>Net Income</b>	<b>18.7</b>	<b>13.9</b>	<b>17.4</b>	<b>16.4</b>	<b>17.9</b>
%change	17%	-26%	25%	-6%	9%
<b>Adj. Net Income</b>	<b>18.7</b>	<b>18.0</b>	<b>20.9</b>	<b>23.2</b>	<b>24.8</b>
%change	4%	-4%	16%	11%	7%
<b>Total AUM (€ mn)</b>	<b>8,241</b>	<b>9,375</b>	<b>10,125</b>	<b>10,834</b>	<b>11,376</b>
%change	-2%	14%	8%	7%	5%
Equity value (100%)	263	263	263	263	263
P/E	14.0	14.6	12.6	11.3	10.6
P/AUM	3.2%	2.8%	2.6%	2.4%	2.3%

Source: EQUITA SIM estimates and company data

**IDEA-FIMIT: SHAREHOLDER BASE**



Source: Company presentation

**IDEA-FIMIT: ITALIAN REAL ESTATE MANAGERS (AUM € BN)**

ITALY RE ASSET MANAGERS (AUM € bln)			
1	IDEA FIMIT	AUM	9.5
		NAV	6.4
2	PRELIS	AUM	4.6
		NAV	2.1
3	BNP PARIBAS REAL ESTATE	AUM	4.5
		NAV	2.7
4	GENERALI	AUM	4.5
		NAV	3.2
5	UNIVERSITY MICROFIL	AUM	4.0
		NAV	2.3

IRR to 31 December 2011						
FondoAlpha	FondoBeta	FondoOmega	FondoOrion	FondoRho	FondoAtlantic	FondoAtlantic
10.34%	10.36%	16.56%	16.97%	11.18%	8.46%	13.62%

Source: Company presentation

■ **IDEA Capital Funds Sgr (Alternative Asset Management - 9% of our NAV):**  
**3Q12 slightly better thanks to a one-off item**

IDEA Capital Funds SGR's results were slightly better than expected partly thanks to a one-off item (non-recurring fees from an extraordinary transaction). In more detail:

- AUM = € 1.2bn (+0.7% YoY)
- Management fees = 4.7mn (+30.6%) vs 2.9mn expected
- Net income = 2.3mn (+144%) vs 1mn expected.

We have slightly increased net commission for 2012E to include the positive one-off item registered in 3Q12, but we have reduced the management fees for 2013/2014 (-3% vs prev. est. and bottom line -12%) due to delays in the launch of FoF III for weaker than expected macro scenario.

IDEA CAPITAL FUNDS SGR					
	2010	2011	2012E	2013E	2014E
Management fees	12.9	12.8	11.6	11.6	11.6
Variable fees and others	0.0	0.0	1.3	0.0	0.0
<b>Net commission</b>	<b>12.9</b>	<b>12.8</b>	<b>12.9</b>	<b>11.6</b>	<b>11.6</b>
%change		-1%	1%	-10%	0%
<b>Costs</b>	-5.2	-5.2	-5.2	-5.3	-5.4
Extraordinary costs (restructuring costs)	0.0	0.0	0.0	0.0	0.0
<i>total costs ex extr</i>	-5.2	-5.2	-5.2	-5.3	-5.4
<b>EBIT</b>	<b>7.7</b>	<b>7.6</b>	<b>7.7</b>	<b>6.3</b>	<b>6.2</b>
margin%	60%	59%	60%	54%	53%
Interest charges	0.0	0.0	0.2	0.1	0.2
Others and extraord.	0.0	0.0	0.0	0.0	0.0
<b>Pre tax</b>	<b>7.7</b>	<b>7.6</b>	<b>7.9</b>	<b>6.4</b>	<b>6.3</b>
taxes	-2.6	-2.7	-2.9	-2.4	-2.3
tax rate	34%	36%	37%	37%	37%
<b>Net Income</b>	<b>5.1</b>	<b>4.9</b>	<b>5.0</b>	<b>4.0</b>	<b>4.0</b>
%change	-	-4%	2%	-19%	-1%
<b>Adj. Net Income</b>	<b>5.1</b>	<b>4.9</b>	<b>5.0</b>	<b>4.0</b>	<b>4.0</b>
%change	-	-4%	2%	-19%	-1%
<b>Total AUM (€ mn)</b>	<b>1,179</b>	<b>1,232</b>	<b>1,232</b>	<b>1,232</b>	<b>1,232</b>
%change	-	4%	0%	0%	0%

Source: company data and EQUITA SIM estimates

## CONCLUSION

We confirm our positive view on the stock in the light of:

- **The high discount on Equita NAV:** 40% (51% on reported) and its **exposure to defensive sector** (healthcare and food retailing);
- **Further M&A deals:** for Migros exit in the next 6-12 months is likely while for GDS it is likely as from 2014
- **Potential distribution of liquidity** via buybacks and/or extraordinary dividends
- **Focus on alternative asset management:** Alternative AM's contribution to net profit over 2012 reaches approx. €17mn (ex minorities) thanks to Idea-Fimit (in which DEA holds a majority stake of 61.3%) consolidation.

**SENSITIVITY**

DEA: NAV SENSITIVITY TO MIGROS AND GENERALE DE SANTE PRICE			
GDS STOCK PRICE	MIGROS STOCK PRICE		
	TL 14.1 PS	TL 19.1 PS	TL 24.1 PS
€ 11.1 PS	1.7	1.9	2.1
<b>€ 13.1 PS</b>	1.9	<b>2.1</b>	2.3
€ 15.1 PS	2.0	2.2	2.4

Source: EQUITA SIM estimate

DEA: TARGET SENSITIVITY TO MIGROS AND GENERALE DE SANTE PRICE			
GDS STOCK PRICE	MIGROS STOCK PRICE		
	TL 14.1 PS	TL 19.1 PS	TL 24.1 PS
€ 11.1 PS	1.5	1.6	1.8
<b>€ 13.1 PS</b>	1.6	<b>1.75</b>	1.9
€ 15.1 PS	1.7	1.9	2.0

Source: EQUITA SIM estimate

**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 valuation

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

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In the past EQUITA SIM has published studies on Dea Capital.

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RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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Date	Rec.	Target Price (€)	Risk	Comment
Nil				

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**EQUITY RATING DISPERSION AS OF SEPTEMBER 30, 2012 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)**

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	51.7%	61.7%
HOLD	42.4%	36.2%
REDUCE	5.2%	2.1%
NOT RATED	0.6%	0.0%