

Company update

BUY (Unchanged)

Target: € 1.75 (Unchanged)

Risk: High

STOCK DATA

Price €	1.3
Bloomberg code	DEA IM
Market Cap. (€ mn)	399
Free Float	37%
Shares Out. (mn)	306.6
52-week range	1.17 - 1.48
Daily Volumes (mn)	0.05

PERFORMANCE

	1M	3M	12M
Absolute	-4.6%	-4.3%	0.0%
Rel. to FTSE all shares	-5.1%	-3.3%	3.9%

MAIN METRICS

	2012	2013E	2014E
EPS - € cents	-9.6	-4.2	-3.3
DPS ord - € cents	0.0	0.0	0.0

NAV

	2012	2013E	2014E
Nav (Equita) ps ord - €	2.2	2.1	2.1
Nav (Reported) ps ord - €	2.63	2.63	2.63
BVPS - € cents	2.36	2.32	2.29

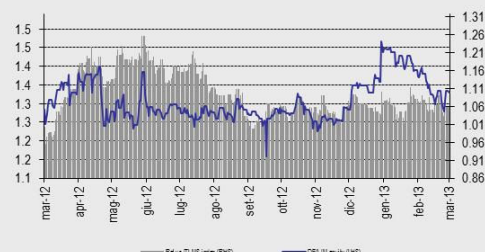
MULTIPLES

	2012	2013E	2014E
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

	2012	2013E	2014E
NFP	-124	-121	-123
Debt to assets ratio	0.2 x	0.2 x	0.2 x
D/E	0.1 x	0.1 x	0.1 x

PRICE ORD LAST 365 DAYS



ANALYSTS

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WAITING FOR EXIT FROM MIGROS

NAV reported at € 2.63ps, +2% vs. 9M12 and +10% vs. FY11 as a result of the positive change in Migros' fair value following the stock's excellent performance (+34% in the last 12 months). The investee companies' results confirm Migros' extraordinary good shape on the one hand and the difficulties experienced by the GDS structure on the other hand. The exit from Migros (expected during 2013) remains the main catalyst for the stock, with a potentially extraordinary dividend and a possibly lower financial leverage. Stock at 37% discount to NAV (50% on reported NAV)

■ The performance enjoyed by Migros drives NAV increase

NAV reported at € 2.63ps vs. € 2.57ps in 9M12 (and vs. € 2.38 ps FY12), mainly as a result of the positive change in Kenan's (Migros) fair value following Migros' stock price performance (from TL 12.6ps to TL 21.5ps during 2012). **Consolidated NFP €-123.6mn vs. €-111mn expected:** the difference is the result of higher investments in funds and of the buyback. However, the NFP quality is less brilliant than expected, since its financial loans also include a subordinated loan for €25.8mn (expiring in Oct-2018) issued by Santé SA (the holding company that has a 83.5% stake in GDS, in which DEA holds a 43% stake). The purpose of the loan was to strengthen the financial structure of the holding pending debt refinancing.

■ Upside in case of exit from Migros with an extraordinary dividend

The exit from Migros combined with the payment of an extraordinary dividend represents a strong positive catalyst for the stock. If we assume an extraordinary dividend of €160mn or €0.58ps, the discount to NAV would shift from the curr. 36% to 50% after dividend distribution with a 35% potential upside (assuming that the stock goes back to 37% discount to NAV). In our view, **there is high visibility on DEA exiting from the Migros investment during 2013** via its sale to an industrial player (e.g. Walmart) or a merger with Carrefour whereby DEA would have the possibility to sell its own stake.

■ GDS (16% of NAV): results ok, but we were led to correct our estimates downwards because of tough economic context

GDS results showed that its top-line was able to hold up despite the very tough economic context. Organic growth improved in 4Q12 vs. 3Q12 (+3.1% vs. +2.6% and +2.5% on FY12). FY12 EBITDA FY12 was basically flat YoY (LFL) at € 240mn, where cost cutting did not entirely offset inflation. The net debt at € 769mn was better than exp. thanks to disposals and lower capex. We have fine-tuned our 2013-15E EBITDA estimates by 10% on avg. GDS valuation goes to € 93mn (or €12.5ps, Ev/Ebitda 13E 6x and vs. € 10ps GDS market price).

■ BUY recommendation confirmed

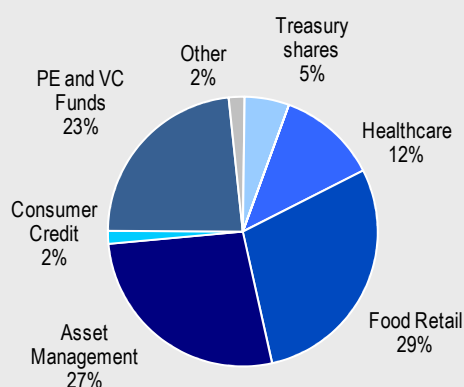
We confirm our positive view on the stock in light of the:

- **High discount on Equita NAV:** ~37% (50% on reported) and its exposure to defensive sector (healthcare and food retailing);
- **Potential upside in case of exit from Migros with an extraordinary dividend;**
- **Focus on alternative asset management:** Alternative AM's contribution to 2012 net profit reached approx. €17mn (ex-minorities) thanks to Idea-Fimit (in which DEA holds a majority stake of 61.3%) consolidation.

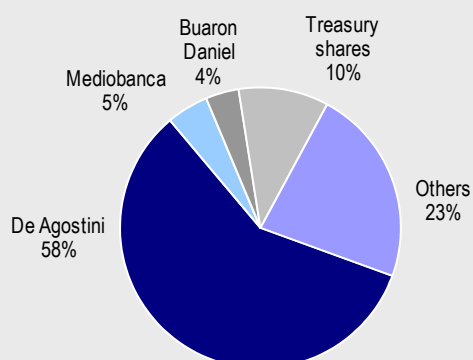
BUSINESS DESCRIPTION

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 - 2013



SHAREHOLDER STRUCTURE - 2013



MAIN FIGURES € mn	2010	2011	2012	2013	2014E	2015E
AM Commissions	27.8	47.8	82.0	80.3	82.7	85.2
Profit (Loss) on equity	-15.5	-55.5	-18.4	-9.9	-9.0	-6.3
Other investment income (charges)	-3.4	13.5	-7.9	0.0	0.0	0.0
Other income	10.5	10.7	12.5	12.9	13.2	13.4
Other expenses	-36.8	-51.4	-81.3	-70.4	-70.7	-49.0
Tot. Income & exp.	-17.3	-34.9	-13.1	12.9	16.1	43.3
Growth	n.m.	n.m.	n.m.	n.m.	24%	170%
Financial Income	-4.6	-2.8	-6.8	-5.1	-4.2	-3.5
Profit before tax	-22.0	-37.7	-19.8	7.8	11.9	39.8
Growth	n.m.	n.m.	n.m.	n.m.	52%	236%
Results from Discontinued op	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.9	-2.1	-8.1	-5.9	-6.5	-9.7
Net Income	-26.3	-43.6	-26.3	-11.6	-9.1	10.5
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Net income adjusted	-26.3	-43.6	-26.3	-11.6	-9.1	10.5
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

SHARE DATA	2010	2011	2012	2013	2014E	2015E
Nav (Reported) ps ord - €	2.60	2.60	2.63	2.63	2.63	2.63
Nav (Equita) ps ord - €	2.0	2.1	2.2	2.1	2.1	2.1
EPS - € cents	-8.8	-15.5	-9.6	-4.2	-3.3	3.8
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS - € cents	-9.1	-15.1	-9.6	-4.2	-3.3	3.8
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	2010	2011	2012	2013	2014E	2015E
P/NAV Reported	0.44 x	0.49 x	0.50 x	0.49 x	0.49 x	0.49 x
P/NAV (Equita)	0.57 x	0.61 x	0.62 x	0.63 x	0.63 x	0.63 x
P/BV	0.5 x	0.6 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.	33.8 x
P/E Adj	n.m.	n.m.	n.m.	n.m.	n.m.	33.8 x

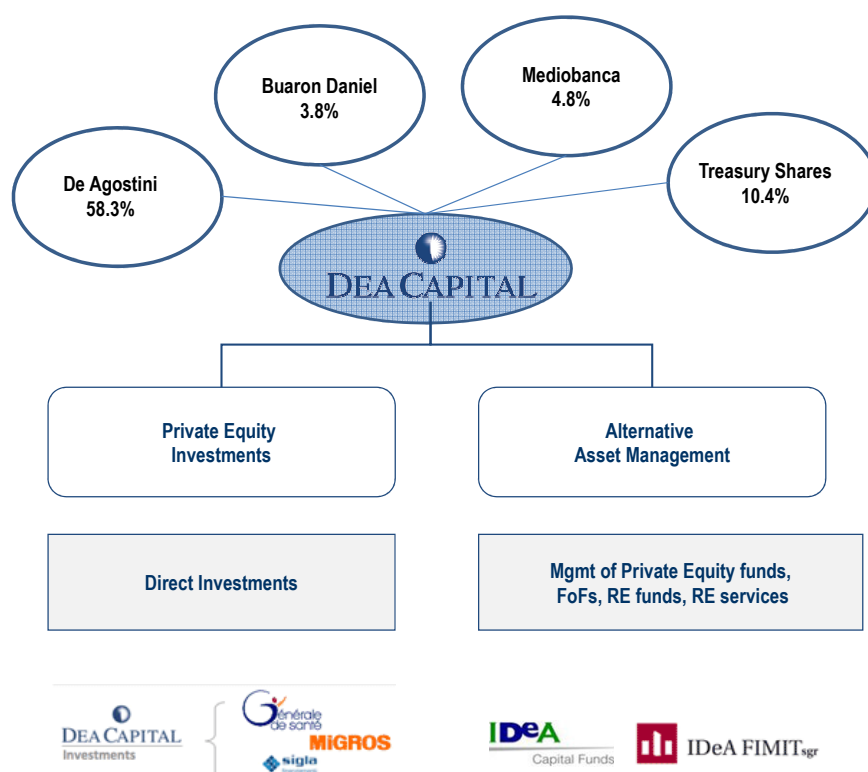
REMUNERATION	2010	2011	2012	2013	2014E	2015E
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	-3.4%	-6.5%	-3.6%	-1.6%	-1.3%	1.5%

INDEBTNESS - €mn	2010	2011	2012	2013	2014E	2015E
NFP	-20.4	-102.5	-123.6	-121.4	-123.3	-125.3
Holding system NFP	20.9	19.6	-141.6	-150.0	-141.3	-143.3
Debt to assets ratio	n.m.	n.m.	18.2%	19.3%	18.2%	18.4%
D/E	0.03	0.13	14.4%	14.3%	14.7%	14.7%

Source: company data and EQUITA SIM estimates

VALUATION: TARGET PRICE TO € 1.75 PS. DISCOUNT TO OUR NAV @ 37% (50% 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%		€ 12.5	93	16%	Equity - Avg.DCF&Multiples (Impl.Ev/Ebitda 13E 6x)
Migros Turk (via Kenan)	Food retail	13.7%	24.4	TL 21.8	225	37%	Market Price
Dea Capital	Treasury shares	10.4%	32.0	€ 1.3	42	7%	Market Price
TOTAL LISTED SHAREHOLDINGS (1)					360	60%	
Idea-Fimit	Real Estate Asset	61.3%			161	26%	P/E 14E 11.5x - P/AUM 2.4%
Sigla	Consumer credit	35.0%			12	2%	P/BV FY12 1x
Idea Capital Funds SGR	Altern. Asset Mgmt	100.0%			49	8%	P/E 13E 10.5x - P/AUM 3.5%
PE funds and Fund of Funds	Funds	n.m.			181	24%	Book Value FY12
Innovation Real Estate	Funds	n.m.			12	1%	P/E 2013E 6x
Other investments*	-	n.m.			3	0%	Book Value FY12
TOTAL UNLISTED SHAREHOLDINGS (2)					418	68%	
ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)					-150	-20%	Pro-forma as today
CAPITALISED HOLDING COSTS (4)					-29	-5%	Perpetuity @ 10% net of tax effect
TAXES / TAX CREDITS (5)					10	2%	5yr PV of tax loss carryforwards
STOCK OPTIONS DILUTION (6)					0	0%	
TOTAL NAV (1+2+3+4+5+6)					608	100%	
TOTAL NAV ex treasury shares					567		
Nr. Shares (mn)					306.6		
Nr. Shares (mn) ex treasury shares					274.6		
NAV per share					2.1		
Current discount / (premium)					37%		
P/NAV					0.63		

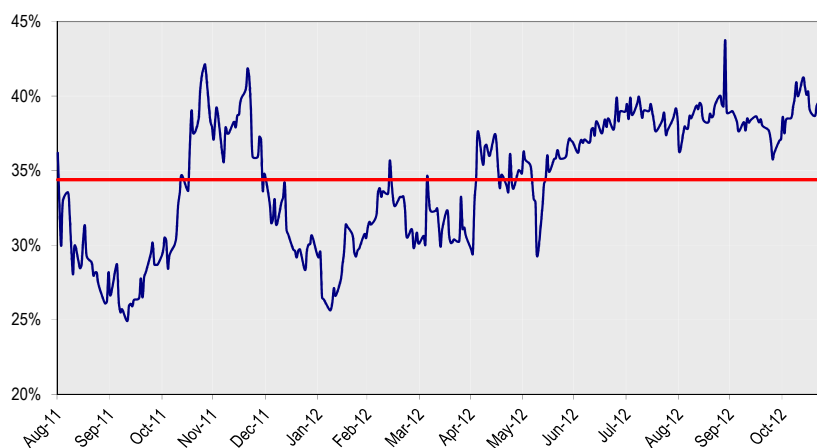
Source: company data and EQUITA SIM estimates

NAV REVISION (€ mn)				
Asset	Previous € mn	Current € mn	Change %	Change abs
Santé (Générale de Santé)	113	93	-18%	-20
Kenan (Migros Turk)	199	225	13%	26
Dea Capital	39	42	7%	3
TOTAL LISTED SHAREHOLDINGS (1)	351	360	2%	9
Idea-Fimit	161	161	0%	0
Sigla	13	12	-8%	-1
IdeA Capital Funds SGR	46	49	7%	3
PE funds and Fund of Funds	173	181	5%	8
Innovation Real Estate	8	12	52%	4
Other investments*	1	3	170%	2
TOTAL UNLISTED SHAREHOLDINGS (2)	402	418	4%	16
ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)	-125	-150	20%	-25
CAPITALISED HOLDING COSTS (4)	-29	-29	0%	0
TAXES / TAX CREDITS (5)	10	10	-3%	0
STOCK OPTIONS DILUTION (6)	0	0	0%	0
TOTAL (1+2+3+4+5+6)	609	608	0%	-1
TOTAL NAV ex treasury shares	570	567		
Nr. Shares (mn)	306.6	306.6	306.6	306.6
Nr. Shares (mn) ex treasury shares	276.1	274.6		
NAV per share	2.1	2.1	0%	0.00
Current discount / (premium)	37%	37%		
P/NAV	0.63	0.63		

Source: 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 (unchanged – lower valuation for GDS 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 is the valuation of GDS (€ 12.5 PS in our NAV or € 99 mn vs. € 19.1 PS or € 226.1 mn reported in DEA accounts).

DEA CAPITAL: EQUITA VS REPORTED NAV

Asset	Sector	Stake %	Target Price € mn	Cost € mn
Santé (Générale de Santé)	Healthcare	43.0%	93	226
Kenan (Migros Turk)	Food retail	13.7%	225	224
Dea Capital	Treasury shares	10.4%	42	42
TOTAL LISTED SHAREHOLDINGS (1)			360	491
Idea-Fimit	Real Estate Asset Management	61.3%	161	169
Sigla	Consumer credit	41.0%	12	15
IdeA Capital Funds SGR	Alternative Asset Management	100.0%	49	54
PE funds and Fund of Funds	Funds	n.m.	181	181
Innovation Real Estate	Funds	n.m.	12	5
Other investments*	-	n.m.	3	0
TOTAL UNLISTED SHAREHOLDINGS (2)			418	423
ATTRIBUTABLE NET CASH / (DEBT) + HLD SEVERANCE INDEMNITY (3)			-150	-150
CAPITALISED HOLDING COSTS (4)			-29	0
TAXES / TAX CREDITS (5)			10	0
STOCK OPTIONS DILUTION (6)			0	0
TOTAL NAV (1+2+3+4+5+6)			608	765
TOTAL NAV ex treasury shares			567	723
Nr. Shares (mn)			306.6	306.6
Nr. Shares (mn) ex treasury shares			274.6	274.6
NAV per share			2.1	2.6
Current discount / (premium)			37%	50%
P/NAV			0.63	0.50

Source: EQUITA SIM estimates

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 50% discount to reported NAV and 37% discount to Equita NAV, compared to the 40% of Italian holding companies.

ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company	Val. method listed assets	NAV (€ PS) *									Disc. / (Prem.) to NAV								Avg.**	2013
		2006	2007	2008	2009	2010	2011	2012	2013	2006	2007	2008	2009	2010	2011	2012				
ASTM		market price	n.a.	20.9	10.7	12.5	14.5	11.7	14.5	16.4	n.a.	31%	50%	23%	33%	38%	48%	37%	43%	
CAMFIN	(1)	market price	1.79	2.37	0.49	0.65	0.56	0.56	0.90	0.81	20%	40%	40%	54%	34%	58%	39%	36%	5%	
CIR		market price	3.05	3.28	2.15	2.50	2.18	2.20	1.75	1.66	18%	24%	65%	30%	36%	44%	55%	37%	30%	
COFIDE		see through	1.52	1.64	1.03	1.21	1.06	1.08	0.81	0.77	28%	35%	68%	48%	38%	49%	51%	43%	49%	
DEA CAPITAL		market price	2.61	2.40	1.64	1.88	1.99	2.10	2.15	2.10	-8%	10%	22%	33%	43%	39%	38%	25%	37%	
EXOR ord.	(2)	market price	8.2	9.2	15.9	25.2	36.6	25.8	31.8	33.4	25%	28%	50%	48%	36%	42%	40%	37%	34%	
IMMSI		market price	2.88	2.12	1.12	1.57	1.86	1.30	0.97	0.86	25%	35%	38%	47%	55%	56%	55%	45%	39%	
ITALMOBILIARE	(3)	market price	122.3	93.1	53.1	56.4	42.3	29.1	25.8	28.0	36%	32%	49%	47%	41%	50%	43%	43%	47%	
MEDIOBANCA	(4)	market price	17.4	16.4	14.3	11.1	11.6	7.9	6.0	7.2	13%	10%	40%	36%	44%	15%	10%	23%	42%	
MITTEL		market price	n.a.	5.0	4.5	5.0	4.2	3.3	3.6	3.5	n.a.	-5%	49%	27%	20%	51%	64%	34%	56%	
VIANINI LAVORI			n.a.	13.44	10.86	11.22	11.32	8.29	7.69	8.59	n.a.	15%	63%	58%	65%	52%	57%	52%	61%	
AVERAGE											20%	23%	48%	41%	40%	45%	46%	37%	40%	

(1) see-through until 2009; at market price starting from 2010

(2) IFIL ord. until 2007 (assuming total n. shares ord+sav), EXOR ord. (IFIL+IFI) since merger announcement (Sep-08)

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

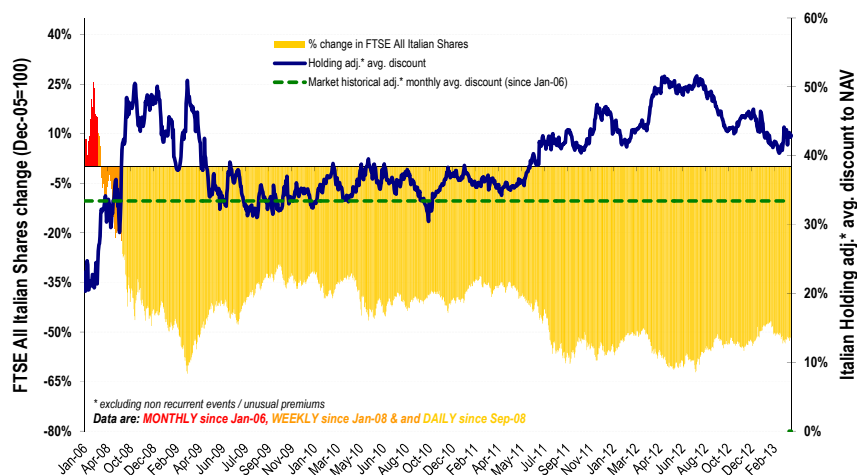
(4) year-end: June

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

** historical 9-year arithmetical average (2004-12 when available)

Source: EQUITA SIM estimates

ITALIAN HOLDING ADJ. AVERAGE DISCOUNT TREND

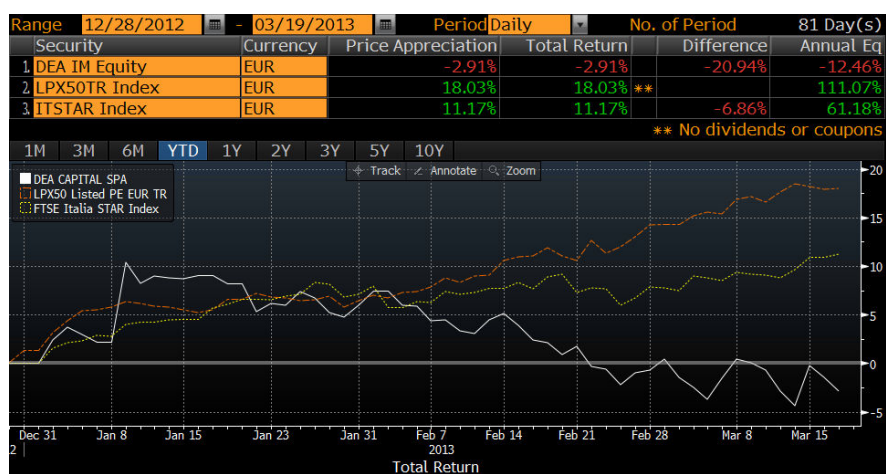


Source: Equita SIM estimates

SECTOR PERFORMANCE

DEA stock is down 3% YTD, significantly underperforming the LPX50TR index by 21% and the STAR index by 13%. We think this is caused by the refinancing risk for Santè/GDS.

DEA: STOCK PRICE PERFORMANCE



Source: Bloomberg

The main Italian listed holdings have posted a positive performance YTD (on average +11%), outperforming 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	9.4	826	-0.3	20.0	43.1	55.0	20.2
CIR SPA	EUR	0.8	615	-2.6	-4.3	-15.0	-33.4	-2.5
COFIDE SPA	EUR	0.4	278	-0.3	-4.7	-12.3	-28.5	-4.1
DEA CAPITAL	EUR	1.3	399	-4.9	-3.8	1.6	-0.5	-2.9
EXOR	EUR	22.3	5,468	0.2	16.8	13.7	10.3	17.4
IMMSI	EUR	0.5	182	0.0	18.3	27.7	-13.1	18.4
ITALMOBILIARE	EUR	14.8	494	-1.1	17.6	-5.6	-17.8	15.8
MEDIOBANCA	EUR	4.3	3,711	-20.8	-5.0	2.0	-13.5	-7.6
CAM FINANZIARA	EUR	0.8	602	-1.8	40.9	78.9	101.8	40.9
TIP	EUR	1.6	215	5.9	6.6	7.6	4.4	4.8
MITTEL	EUR	1.5	134	12.4	17.8	3.9	1.3	17.4
Average				-1.2	10.9	13.2	6.0	10.7
Median				-0.3	16.8	3.9	-0.5	15.8

Source: EQUITA SIM estimates

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

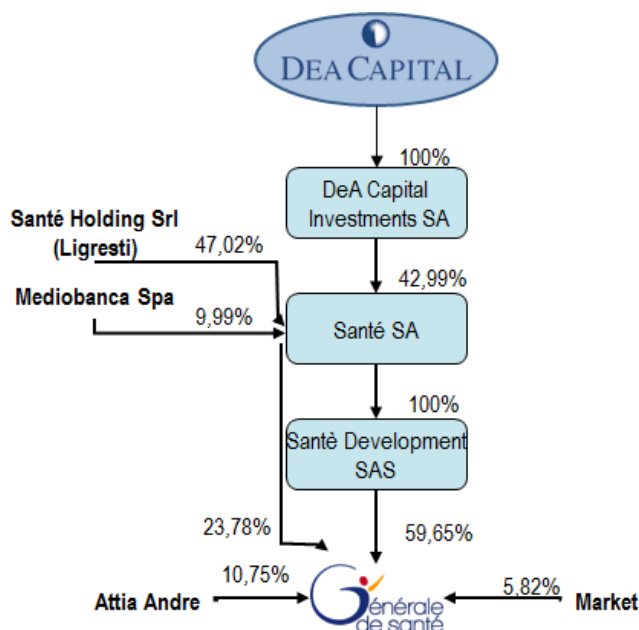
DESCRIPTION				PERFORMANCE				NAV		
Company	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	NAV PS (Reported)	Discount (Premium) to NAV	Last reported
DEA CAPITAL SPA	EUR	1.30	399	-4.6	-4.3	2.4	0.0	2.63	51%	Dec 31, 2012
MITTEL SPA	EUR	1.50	132	11.4	13.8	4.3	-0.7	3.50	57%	as today
TAMBURI INVESTME	EUR	1.59	216	6.1	7.1	8.2	2.8	1.82	13%	as today
3I GROUP PLC	GBp	316.2	3,588	5.1	44.0	38.8	51.3	286	-11%	Dec 31, 2012
CANDOVER INVEST	GBp	395.0	101	-6.4	17.9	11.6	-10.6	608	35%	Dec 31, 2012
ELECTRA PRIVATE	GBp	2,373.0	980	4.9	20.5	36.5	38.0	2,468	4%	Dec 31, 2012
SVG CAPITAL PLC	GBp	411.5	1,305	10.0	43.7	49.1	47.6	391	-5%	Dec 31, 2012
EURAZEO	EUR	41.4	2,735	-0.2	14.2	9.5	12.1	57	27%	Dec 31, 2012
GIMV NV	EUR	39.6	948	-4.8	6.0	6.1	3.9	41	3%	Dec 31, 2012
RATOS AB-B SHS	SEK	64.0	2,512	-2.0	1.3	8.0	-29.9	39	-64%	Dec 31, 2012
WENDEL	EUR	84.7	4,195	3.5	11.4	25.3	26.9	107	21%	Nov 27, 2012
AVERAGE			1,555	2.1	16.0	18.2	12.9		12%	
MEDIAN			980	3.5	13.8	9.5	3.9		13%	

Source: EQUITA SIM estimates, Bloomberg prices

Générale de Santé (French private healthcare – 16% of our NAV: results ok, but we were led to correct our estimates downwards because of tough economic context)

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)

GDS results showed that its top-line was able to hold up despite the very tough economic context. Organic growth improved in 4Q12 vs. 3Q12 (+3.1% vs +2.6%). On 2012 (+2.5% organic growth), the company was able to overperform the private clinic market (by approximately 2x) thanks to the opening of new clinics. EBITDA for FY12 was basically flat YoY at € 240 mn (same perimeter), where cost containment did not entirely offset inflation. The net debt at € -769mn was definitely better than expected thanks to disposals and lower capex.

■ **FY12 results**

GDS reported broadly in line with expectations FY12 results, with net debt that surprised on the upside.

- Revenues = € 1,928mn (-1.4% and +2.5% LFL) vs €1,935mn exp. (-1%) - (4Q12 +3.1%)
- EBITDA = € 239mn (-3.7%) vs € 243mn exp. - (4Q12 € 65mn +2.8%)
- EBIT recurrent = €115.2mn (-8.1%) vs €120.2mn exp.
- Net Income = € 55.7mn (from € -28.5mn FY11) vs € 52.7mn exp.
- Net Debt = € 769.1mn (from € -854.4mn FY11) vs € 804mn exp.

In more details:

FY revenues up by +2.5% YoY on a LFL basis (excluding the effect of sold clinics) mainly thanks to:

- An increase in number of short-term stays (+1.2% YoY);
- A continuous effort to optimize the business mix (i.e. pushing on Psychiatry).

From a division standpoint we underline:

- Acute care revenues increased by +1.2% YoY on a LFL basis. Surgery (+1% YoY) and general medicine (+2.7% YoY) were able to offset the declining trend for Obstetric (-2.8% YoY) where the competition from public sector was particularly strong;
- Psychiatry reported good results (+3.3% YoY in days billed) thanks to the continued higher occupancy rates (~100%), the solid offer and the increasing number of expansions completed in several establishments.

Noteworthy, GDS was able to over-perform the private hospital sector (by ~2x) also thanks to the new organization around local healthcare centres and the Group's dynamism (i.e. opening of new rehabilitation and psychiatry clinics - #4 in total during the year).

As far as tariffs are concerned, the trend in 2012 was broadly flat.

EBITDA was broadly flat YoY (at same perimeter), where the efficiencies were not able to fully offset persisting cost inflation.

Net Debt at € 769mn was better than estimates mainly thanks to disposals and capex control. 2012 NFP/EBITDA down to 3.2x (from 3.4x in 2011) and 4.6x including the Santé's debt.

■ Outlook for 2013

Management's outlook for 2013 was cautious due to the still persistent economic crisis. However they were confident **to deliver positive organic growth and maintain profitability in a pricing environment that will remain tight**. The focus will continue to be on improving mix and deleveraging.

■ 2013-15E Estimates Revision

Following the cautious management indications we prefer to be more prudent on estimates. Overall, we have fine-tuned our 2013-15E EBITDA estimates by 10% on average; however, we have improved our NFP estimate by 2% as a result of 2012 good cash generation. In more details:

- Top-line: we lower our estimates (to +0.3% YoY from +2.2% YoY) decreasing volumes growth assumption and incorporating a slightly decline in tariffs (~-0.5% YoY);
- EBITDA: we trim estimates by ~8% to Euro 240.4mn (+0.3% YoY) being more cautious on efficiencies improvements and accounting a rental cost inflation similar to the 2012's one (+3%).

GDS valuation therefore goes down to € 93mn (or €12.5 PS, i.e. Ev/Ebitda 2013E 6x) from the previous € 113mn (against a €10ps GDS market price).

GDS: ESTIMATES REVISIONS (€ MN)								
	2012E Exp	2012A Act	2013E Exp	2013A Act	2014E Exp	2014A Act	2015E	2015A
Sales	1935.0	1928.6	1977.9	1934.9	2017.5	1973.6	2057.8	2013.1
%chg		-0.3%		-2.2%		-2.2%		-2.2%
Abs Chg		-6.4		-43.0		-43.8		-44.7
EBITDAR	399.3	393.5	423.5	398.8	437.7	407.8	454.9	419.0
%chg		-1.5%		-5.8%		-6.8%		-7.9%
Abs Chg		-5.8		-24.7		-29.9		-36.0
EBITDA	243.3	239.7	261.6	240.4	272.5	246.2	286.5	254.2
%chg		-1.5%		-8.1%		-9.7%		-11.3%
Abs Chg		-3.6		-21.2		-26.4		-32.3
Net Income	52.7	55.7	51.0	44.0	57.7	45.9	66.2	52.4
%chg		5.7%		-13.7%		-20.4%		-20.8%
Abs Chg		3.0		-7.0		-11.8		-13.8
NFP	-804.1	-769.1	-774.3	-744.4	-732.9	-717.8	-682.9	-689.7
%chg		-4.4%		-3.9%		-2.1%		1.0%
Abs Chg		35.0		29.9		15.1		-6.7

Source: Equita SIM and Company data

GÉNÉRALE DE SANTÉ: MAIN FIGURES (€ MN)								
P&L account (€ mn.)	2012	%	2013E	%	2014E	%	2015E	%
Revenues	1,928.6		1,934.9		1,973.6		2,013.1	
Change%	-1.4%		0.3%		2.0%		2.0%	
Labour cost	-873.5	-45.3%	-881.7	-45.6%	-889.6	-45.1%	-907.4	-45.1%
Purchases of consumables	-362.0	-18.8%	-361.8	-18.7%	-375.0	-19.0%	-380.5	-18.9%
Taxes and duties	-85.1	-4.4%	-81.3	-4.2%	-86.8	-4.4%	-88.6	-4.4%
Other op. income and expenses	-214.5	-11.1%	-211.3	-10.9%	-214.5	-10.9%	-217.7	-10.8%
EBITDAR	393.5	20.4%	398.8	20.6%	407.8	20.7%	419.0	20.8%
Change%	-1.2%		1.4%		2.2%		2.8%	
Rental expenses	-153.8	-8.0%	-158.4	-8.2%	-161.6	-8.2%	-164.8	-8.2%
Change%	3.1%		3.0%		2.0%		2.0%	
EBITDA	239.7	12.4%	240.4	12.4%	246.2	12.5%	254.2	12.6%
Change%	-3.7%		0.3%		2.4%		3.2%	
Depreciation and amortization	-124.5	-6.5%	-120.0	-6.2%	-120.0	-6.1%	-115.0	-5.7%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBIT recurring	115.2	6.0%	120.4	6.2%	126.2	6.4%	139.2	6.9%
Change%	-8.1%		4.5%		4.8%		10.3%	
Others income and expenses	19.1	1.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBIT	134.3	7.0%	120.4	6.2%	126.2	6.4%	139.2	6.9%
Change%	167.0%		-10.3%		4.8%		10.3%	
Financial charges	-32.8	-1.7%	-37.9	-2.0%	-40.3	-2.0%	-41.9	-2.1%
Other financial expenses	-5.9	-0.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Associates	0.2	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Pre tax profit	95.8	5.0%	82.5	4.3%	85.9	4.4%	97.3	4.8%
Change%	n.m.		-13.9%		4.1%		13.3%	
Taxes	-36.5	-1.9%	-35.5	-1.8%	-36.9	-1.9%	-41.8	-2.1%
Minorities	-3.6	-0.2%	-3.0	-0.2%	-3.0	-0.2%	-3.0	-0.1%
Net Profit	55.7	2.9%	44.0	2.3%	45.9	2.3%	52.4	2.6%
Change%	n.m.		-21.0%		4.4%		14.2%	
Adjusted Net Profit	36.6	1.9%	44.0	2.3%	45.9	2.3%	52.4	2.6%
Change%	-21.5%		20.2%		4.4%		14.2%	
Cash-flow	180.2	9.3%	164.0	8.5%	165.9	8.4%	167.4	8.3%
Change%	89.7%		-9.0%		1.2%		0.9%	
Adjusted Cash-Flow	161.1	8.4%	164.0	8.5%	165.9	8.4%	167.4	8.3%
Change%	-5.3%		1.8%		1.2%		0.9%	
Tax rate	38.1%		43.0%		43.0%		43.0%	
Capital Expenditure	54.9	2.8%	95.0	4.9%	95.0	4.8%	95.0	4.7%
Other net investments	-66.5		0.0		0.0		0.0	
NFP	-769.1		-744.4		-717.8		-689.7	

Source: Company data and Equita SIM estimates

■ Main risk: Debt Refinancing

Debt expiring in 2014 in GDS amounts to € 800mn and the company may renegotiate its debt this year; however, the debt refinancing in Santé is the priority because it is less sustainable: this represents the main risk related to DEA, in our view.

We estimate that GDS could generate between 67-70mn in FCF in 2013-2015E before dividends and disposals. FCF is currently earmarked for the payment of interest charges at Santé.

Total debt of the entire structure is €1.1bn, with 2012/13E EBITDA = ~€ 240mn, implying ND/EBITDA for the entire structure of 4.6x-4.5x: **the estimated headroom is limited** (the company did not disclose its covenants).

However, we point out that there are some potential disposals that can exclude a capital increase in Santé in the short-term:

- There is a possibility that the psychiatric business (a business very well run and that it is delivering outstanding results) will be sold with a potential cash-in of around € 150-160mn (using an EV/EBITDA multiple of ~8x – EBITDA ~20mn);
- We estimate that ~1/3 of total RE assets (~€600mn) could be sold.

■ GDS's stock performance

GDS's 1-year performance is positive and basically in line with that of the main French index (+12.3% absolute and -1% relative to French main index), despite the fact that market prices are of little significance in light of the stock's low free-float. Our valuation for GDS is above market prices.

GDS trades at a discount to the sector in terms of multiples (2013/14E EV/EBITDA = 5.5x-5.2x and P/E 13x-12.4x vs. Rhoen-Klinikum EV/EBITDA = 9.2x-8.1x and P/E 19.2x-14.5x, Medica EV/EBITDA 9.4x-8.5x and P/E 15x-13.1x) as, in our view, the market is including the refinancing risk for Santé/GDS.

GDS: STOCK PRICE PERFORMANCE



Source: Bloomberg data

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

An exit from GDS represents one of the main catalysts for the reduction in the discount to NAV for DEA. However, we believe such an event is more likely in the short/medium term.

Migros (Turkish mass-market retailing – 37% of our NAV): Upside in case of exit from Migros with an extraordinary dividend

The exit from Migros combined with the payment of an extraordinary dividend represents a strong positive catalyst for the stock. If we assume an extraordinary dividend of €160mn or €0.58ps, the discount to NAV would shift from the curr. 36% to 50% after dividend distribution with a 35% potential upside (assuming that the stock goes back to 37% discount to NAV).

In our view, there is high visibility on DEA exiting from the Migros investment during 2013, with two more likely scenarios: its sale to an industrial player (e.g. Walmart) or a merger with Carrefour whereby DEA would have the possibility to sell its own stake.

Migros is scheduled to report FY12 results next 10th April. We expect a top-line double-digit growth on 2012 (+13%), with a guidance for 2013 confirming the same growth rate.

MIGROS TURK: MAIN FIGURES (YTL, mn)

P&L account (TRY mn.)	2011	%	2012E	%	2013E	%	2014E	%
Revenues	5,753		6,501		7,346		8,228	
Change%	-9.6%	11.4%	13.0%		13.0%		12.0%	13%
Cost of sales	-4,781.4	-83.1%	-4,827.0	-74.3%	-5,436.2	-74.0%	-6,072.0	-73.8%
Gross Profit	1,494.5	26.0%	1,674.0	25.8%	1,910.0	26.0%	2,155.7	26.2%
Change%	-5.6%		12.0%		14.1%		12.9%	
Operating expense	-1,108	-19.3%	-1,258	-19.4%	-1,425	-19.4%	-1,596	-19.4%
EBITDA	386.0	6.7%	416.1	6.4%	484.8	6.6%	559.5	6.8%
Change%	8.0%	-2.9%	7.8%		16.5%		15.4%	
Depreciation and amortization	-123.7	-2.2%	-163.0	-2.5%	-160.0	-2.2%	-160.0	-1.9%
Others	-29.9	-0.5%	-10.0	-0.2%	0.0	0.0%	0.0	0.0%
EBIT	232.4	4.0%	243.1	3.7%	324.8	4.4%	399.5	4.9%
Change%	6.5%		4.6%		33.6%		23.0%	
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%	-78.0	-1.2%	-80.8	-1.1%	-82.3	-1.0%
FX	-382.6	-6.7%	99.1	1.5%	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%	139.1	2.1%	153.0	2.1%	240.2	2.9%
Change%	n.m.		-144.1%		10.0%		57.0%	
Taxes	-53.4	-0.9%	-40.0	-0.6%	-45.9	-0.6%	-72.1	-0.9%
Profit on continuing operations	-369.2	-6.4%	99.1		107.1		168.1	
Change%	n.m.		-126.9%		8.1%		57.0%	
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%	99.1	1.5%	107.1	1.5%	168.1	2.0%
Change%	n.m.		-160.7%		8.1%		57.0%	
Cash-flow	-9.6	-0.2%	272.1	4.2%	267.1	3.6%	328.1	4.0%
Change%	n.m.		-2920.7%		-1.8%		22.8%	
NFP	-1,578.0		-1,477.8		-1,378.0		-1,136.2	

Source: company data and EQUITA SIM estimates

EMERGING MARKET FOOD RETAILERS

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	54.3	1,791	0.5 x	0.5 x	0.4 x	17.2 x	14.1 x	12.2 x	22.2 x	17.8 x	15.4 x	31.0 x	23.3 x	19.6 x
WOOLWORTHS LTD	AUD	34.0	33,894	0.8 x	0.8 x	0.8 x	10.9 x	10.0 x	9.5 x	13.5 x	12.7 x	11.9 x	19.0 x	17.9 x	16.9 x
LOTTE SHOPPING	KRW	384,500	8,401	0.5 x	0.3 x	0.3 x	5.6 x	3.7 x	3.0 x	8.1 x	5.5 x	4.4 x	11.2 x	10.7 x	9.3 x
MAGNIT	USD	186.9	13,664	1.3 x	1.1 x	0.9 x	13.4 x	11.1 x	9.1 x	17.7 x	15.1 x	12.4 x	24.2 x	19.5 x	16.0 x
PICK'N PAY STORE	ZAr	4,287	1,715	0.4 x	0.4 x	0.3 x	9.8 x	11.7 x	9.7 x	15.4 x	22.4 x	17.6 x	26.4 x	34.1 x	25.0 x
SHOPRITE HLDGS	ZAr	17,900	8,500	1.2 x	1.0 x	0.9 x	17.6 x	14.6 x	12.4 x	21.4 x	18.1 x	15.3 x	28.6 x	25.3 x	21.5 x
WALMART DE MEX-V	MXN	37.6	41,569	1.5 x	1.4 x	1.2 x	15.7 x	13.4 x	11.7 x	19.5 x	16.5 x	14.4 x	28.2 x	24.6 x	21.5 x
SORIANA-B	MXN	47.1	5,294	0.8 x	0.7 x	0.7 x	11.1 x	10.0 x	8.7 x	15.2 x	13.4 x	11.3 x	22.6 x	19.9 x	17.3 x
LOJAS AMERIC-PRF	BRL	17.7	6,721	1.8 x	1.5 x	1.3 x	13.5 x	11.1 x	9.3 x	16.0 x	12.9 x	10.7 x	43.9 x	29.7 x	23.8 x
BIM BIRLESIK MAG	TRY	88.5	5,705	1.3 x	1.1 x	0.9 x	26.3 x	21.6 x	17.8 x	32.4 x	26.5 x	21.6 x	39.5 x	32.8 x	27.4 x
X 5 RETAIL-GDR	USD	18.2	3,818	0.5 x	0.5 x	0.4 x	7.8 x	7.1 x	6.2 x	13.5 x	12.5 x	10.8 x	19.8 x	16.5 x	12.8 x
JERONIMO MARTINS	EUR	15.8	9,943	1.0 x	0.9 x	0.8 x	13.6 x	11.9 x	10.3 x	19.3 x	16.8 x	14.5 x	25.2 x	21.9 x	18.8 x
Average				1.0 x	0.8 x	0.7 x	13.5 x	11.7 x	10.0 x	17.9 x	15.8 x	13.4 x	26.6 x	23.0 x	19.2 x
Median				0.9 x	0.8 x	0.8 x	13.4 x	11.4 x	9.6 x	16.8 x	15.8 x	13.4 x	25.8 x	22.6 x	19.2 x
Max				1.8 x	1.5 x	1.3 x	26.3 x	21.6 x	17.8 x	32.4 x	26.5 x	21.6 x	43.9 x	34.1 x	27.4 x
Min				0.4 x	0.3 x	0.3 x	5.6 x	3.7 x	3.0 x	8.1 x	5.5 x	4.4 x	11.2 x	10.7 x	9.3 x
MIGROS TURK	TRY	21.8	1,648	0.8 x	0.7 x	0.6 x	13.0 x	10.8 x	9.0 x	22.0 x	16.2 x	12.5 x	32.2 x	30.4 x	22.1 x

Source: Bloomberg prices and consensus

In our NAV we now value the Migros stake at market prices, i.e. TL 22.3 or € 232mn, 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 a strong performance in the last 12 months (+34%), slightly underperforming the Turkish ISE-100 index by ~3%.

MIGROS: STOCK PRICE PERFORMANCE



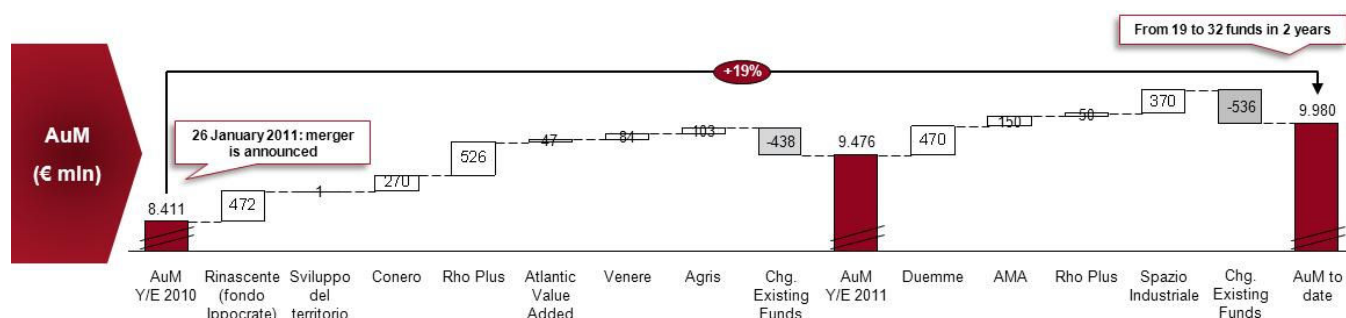
Source: Bloomberg data

■ **Idea Fimit (Real Estate Asset Management – 26% of our NAV): FY12 broadly in line with estimates**

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

- AUM = € 9.4bn (-1% YoY) versus 10bn at end-2012, but as today the amount is close to 10bn thanks to new deals (i.e. AMA, Spazio Industriale).

IDEA-FIMIT: AUM DEVELOPMENT (2010- as today)



Source: Company presentation

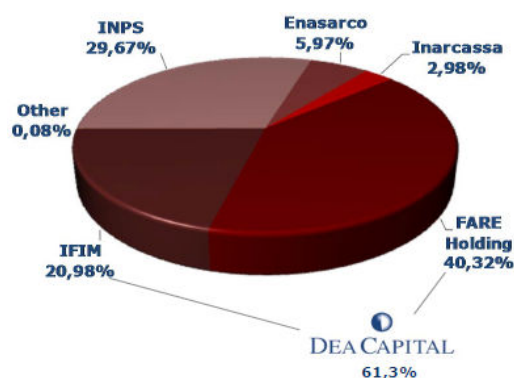
- Management fees = € 65.4mn (+12%) vs. € 64.2mn expected; the annualized management fee is equal to 69bps against the expected 66bps.
- Net income adj. (for PPA) = € 21.6mn vs. € 20.9mn expected.

IDEA-FIMIT: MAIN FIGURES

	2010PF	2011PF	2012	2013E	2014E
Management fees	56.3	58.2	65.4	66.7	69.0
Variable fees and others	1.5	0.0	0.0	0.0	0.0
Net commission	57.8	58.2	65.4	66.7	69.0
%change	24%	1%	12%	2%	3%
Operating costs	-30.2	-32.1	-31.5	-32.0	-32.0
Merger costs	0.0	-3.4	0.0	0.0	0.0
PPA amortization	0.0	-2.9	-11.6	-11.0	-11.0
EBIT	27.6	19.8	22.3	23.7	26.0
margin%	48%	34%	34%	36%	38%
EBIT adj.	27.6	26.1	33.9	34.7	37.0
margin%	48%	45%	52%	52%	54%
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
Pre tax	29.1	21.6	23.3	24.7	27.0
taxes	-10.4	-7.7	-3.9	-9.4	-10.2
tax rate	36%	36%	17%	38%	38%
Net Income	18.7	13.9	19.4	15.3	16.7
%change	17%	-26%	40%	-21%	9%
Adj. Net Income	18.7	18.0	21.6	22.1	23.5
%change	4%	-4%	21%	2%	6%
Total AUM (€ mn)	8,241	9,375	9,410	10,351	10,869
%change	-2%	14%	-1%	10%	5%
Equity value (100%)	263	263	263	263	263
P/E	14.0	14.6	12.1	11.9	11.2
P/AUM	3.2%	2.8%	2.8%	2.5%	2.4%

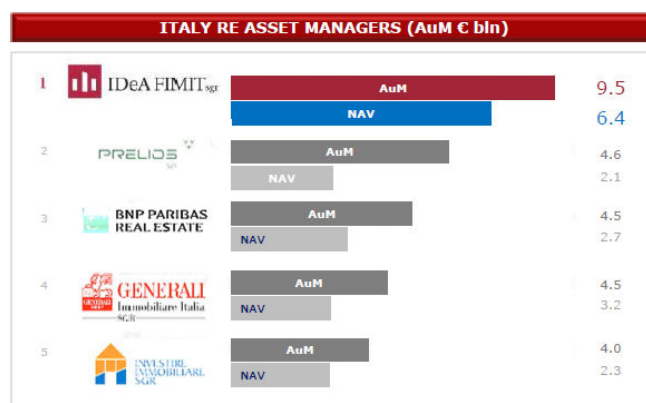
Source: EQUITA SIM estimates and company data

IDEA-FIMIT: SHAREHOLDER BASE



Source: Company presentation

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



Source: Company presentation

■ **IDEa Capital Funds Sgr (Alternative Asset Management - 8% of our NAV):**
FY12 in line with expectations

IDEA Capital Funds SGR's results were in line with expectations. In more detail:

- AUM = € 1.2bn (flat YoY);
- Management fees = € 13.5mn (+5%) vs € 12.9mn expected;
- Net income = € 4.5mn (-8%) in line;

IDEA CAPITAL FUNDS SGR

	2010	2011	2012	2013E	2014E
Management fees	12.9	12.8	12.2	13.6	13.7
Variable fees and others	0.0	0.0	1.3	0.0	0.0
Net commission	12.9	12.8	13.5	13.6	13.7
%change		-1%	5%	1%	1%
Costs	-5.2	-5.2	-6.6	-6.6	-6.7
Extraordinary costs (restructuring costs)	0.0	0.0	0.0	0.0	0.0
<i>total costs ex extr</i>	<i>-5.2</i>	<i>-5.2</i>	<i>-6.6</i>	<i>-6.6</i>	<i>-6.7</i>
EBIT	7.7	7.6	6.9	7.0	7.0
margin%	60%	59%	51%	52%	51%
Interest charges	0.0	0.0	0.0	0.2	0.3
Others and extraord.	0.0	0.0	0.0	0.0	0.0
Pre tax	7.7	7.6	6.9	7.2	7.3
taxes	-2.6	-2.7	-2.4	-2.6	-2.6
tax rate	34%	36%	35%	36%	36%
Net Income	5.1	4.9	4.5	4.6	4.7
%change	-	-4%	-8%	3%	2%
Adj. Net Income	5.1	4.9	4.5	4.6	4.7
%change	-	-4%	-8%	3%	2%
Total AUM (€ mn)	1,179	1,232	1,238	1,238	1,257
%change	-	4%	0%	0%	2%

Source: company data and EQUITA SIM estimates

CONCLUSION

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

- **High discount on Equita NAV:** ~37% (50% on reported) and its **exposure to defensive sector** (healthcare and food retailing);
- **Potential upside in case of exit from Migros with an extraordinary dividend;**
- **Focus on alternative asset management:** Alternative AM's contribution to 2012 net profit reached 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 16.8 PS	TL 21.8 PS	TL 26.8 PS
€ 9.5 PS	1.7	1.9	2.1
€ 12.5 PS	1.9	2.1	2.3
€ 15.5 PS	2.1	2.3	2.5

Source: EQUITA SIM estimate

DEA: TARGET SENSITIVITY TO MIGROS AND GENERALE DE SANTE PRICE

GDS STOCK PRICE	MIGROS STOCK PRICE		
	TL 16.8 PS	TL 21.8 PS	TL 26.8 PS
€ 9.5 PS	1.40	1.60	1.70
€ 12.5 PS	1.60	1.75	1.90
€ 15.5 PS	1.80	1.95	2.10

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

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

Date	Rec.	Target Price (€)	Risk	Comment
Nil				

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	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	45.1%	51.1%
HOLD	49.1%	44.4%
REDUCE	5.8%	4.4%
NOT RATED	0.0%	0.0%