

# **DeA Capital:**

- Balanced business model**
- Exposure to defensive sectors**
- Big discount to NAV**

**STAR Conference, Milan**  
**24 March, 2009**



- **2008 achievements and key messages**
- Backup

- **Diversified private equity, permanent capital investor with two lines of business:**

### **① Private Equity investments**

- **Direct:**
  - Exposure to defensive sectors
  - International footprint (Western and emerging Europe)
- **Indirect**
  - Private equity Funds and funds of funds, for diversification purposes and as a "seed" for Group's management companies

### **② Alternative asset management business: 4.8 bln € under mgmt**

- Private equity (2.0 bln € AuM) and real estate funds (2.8 bln € ):
  - Stable cash flow generation
- **DeA Capital is De Agostini Group's vehicle for alternative investments. Stock exchange listing allows greater size of investments, diversification, flexibility**

# A balanced business model: investments and alternative AM



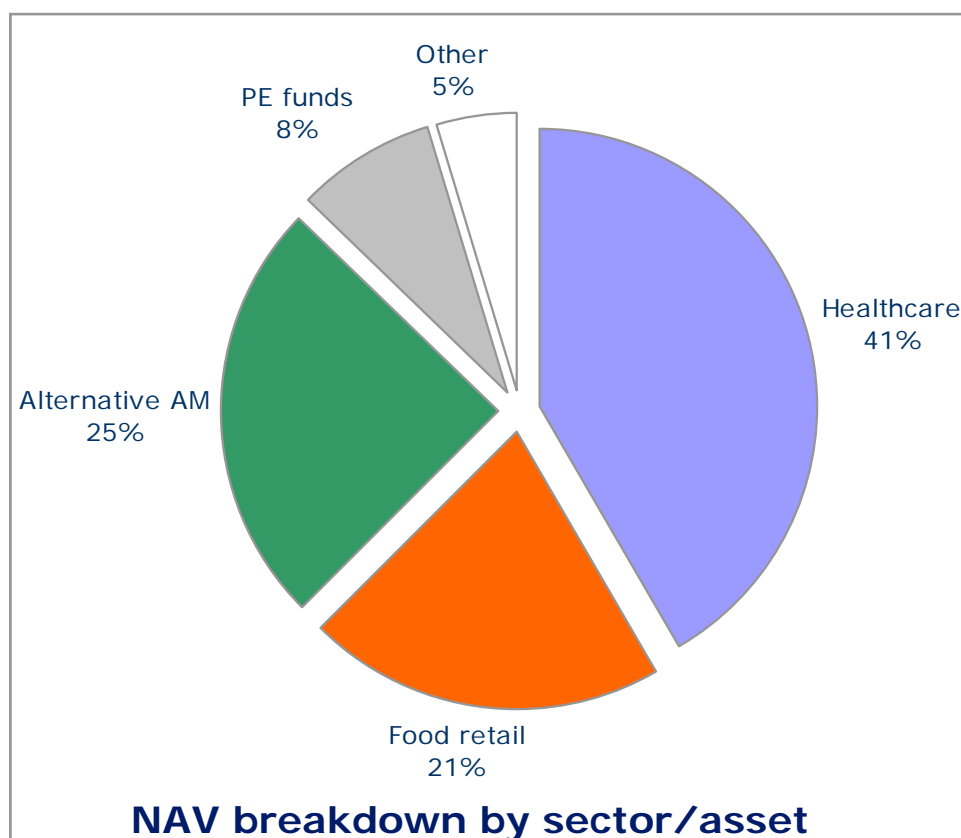
## Key 2008 financials

€ mln	2008	2007
Net equity (NAV)	763.6	853.0
Investments	758.8	433.2
Net financial position	17.2	415.9
Net fees and income - Asset management	4.0	0
Result from private equity investments	(40.4)	(4.8)
Net financial income on current assets	12.3	14.3
Operating expenses	(6.9)	(4.1)
Pre-tax profit	(31.1)	5.4
Result from discontinued operations	0.0	1.5
Taxes	(7.1)	3.8
Group Net profit	(38.2)	10.7
Group Statement of performance (IAS 1)	(72.4)	5.6

▪ Net profit contribution of Asset Mgmt +3.2 € mln in 2008. Pro-forma from 1/1/08: +5.5 € mln (or 10.7 mln before PPA).

▪ Result from PE Investments includes impairments and negative result from equity-accounted investments.

- NAV ps - reported: € 2.55
- Available liquidity + committed credit lines: ~ 200 mln €



## Our investments: GdS results and outlook



Results	2008	2007	% change
Revenues mln €	1,984	1,906	+4.1%
EBITDA adj.	230	233	-1.3%
Net profit	87	46	+91.2%
Net fin. debt	913	1,001	-8.8%

### 2009 outlook:

Pressure on tariffs continues : more efficiency measures to be implemented

Portfolio review: possible disposal of unprofitable/low margin MSO clinics, non core assets

Capex: gradually decreasing, supporting FCF generation

- 2008 results confirm sector's resilient profile and sound business model
- Long term objective: capitalizing the full value of GdS leadership in the French healthcare market



## Our investments: Migros Turk results and outlook

**MIGROS**

Results	2008	2007	% change
Revenues mln YTL	5,101	4,438	~ +15%
EBITDA	378	301	~ +25%
Net profit	223	175	+27.5%
Net cash	900	708	+27%

2008: consensus, data in mln YTL

### 2009 outlook:

09E growth at around 20%, also thanks to >400 new openings

Margins: slightly affected by new shop startups in '09

Cash to be used for financial structure optimization and M&A opportunities

- 2008 results confirm the huge potential of the Turkish market: 70+ mln people and low penetration of modern retail
- Long term objective: strengthening Migros leading position in the Turkish market and maintaining high growth rates. 2012E sales > 10 bln YTL



7



  
DEA CAPITAL

# Asset management: IDeA Alternative Investments



Results	2008	2007	% change
AuM - bln € EOP	2.0	1.8	+11.1%
Management fees - mln €	26.1	25	+5.2%
Net result	9.3	7.7	+20.8%

## 2009 outlook:

Fundraising difficult but still feasible on specific products

Stable outlook

Expected to increase, thanks to the contribution of new, recent initiatives

- Positive 2008 results achieved in a difficult environment for private equity fund managers
- 2009 likely to be difficult for fundraising. Lower availability of funding and greater focus of fund managers on business issues should accelerate consolidation in the alternative asset management sector
- In such context, IDeA's long term strategy to aggregate management companies looks even more appropriate





# Asset management: First Atlantic RE

**FIRST ATLANTIC**  
REAL ESTATE

Results	2008	2007	% change	2009 outlook:
AuM - bln € EOP	2.8	1.8	+55.6%	Launch of new initiatives to bring AuM at >3 bln
Management fees - mln €	15	10	+45.6%	Full year contribution of Atlantic 2 fund
Service revenues	10.2	11	-8.9%	Stable outlook
Net result	9.4	7.8	+20.5%	Expected to increase

- Positive 2008 results. AuM growth achieved thanks to Atlantic 2 – Berenice fund, and Ippocrate.
- Although RE market conditions remain challenging, FARE's integrated business model and its focus on A-grade and renovation of B-grade assets in prime locations gives it a strong competitive position
- Launch of new, value-added funds expected, open to international investors

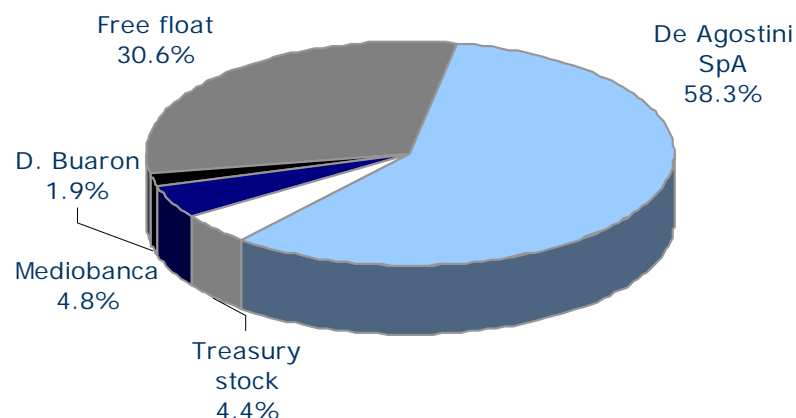


- DeA Capital's main investments reported satisfactory 2008 results. The 2009 outlook is stable and provides opportunities for improvement
- DeA Capital benefits from exposure to defensive sectors
- It has a balanced business model: stable cash flows from alternative asset management (4.8 bln AuM)
- It maintains a safe financial position: ~€200 mln to be invested mainly in own funds
- Discount to reported 2008 NAV is > 60%\*
- A new buyback plan is to be approved by shareholders at the end of April

\* As of 20 March 2009

- **Backup**
  - **Company structure**
  - DeA Capital Investments portfolio
  - Alternative Asset management
  - Safe funding position

# DeA Capital: shareholder structure and corporate governance



- **Only ordinary shares** outstanding (306.6 mln), no special categories or privileges

- **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

## Experienced and qualified non-executive Board members:

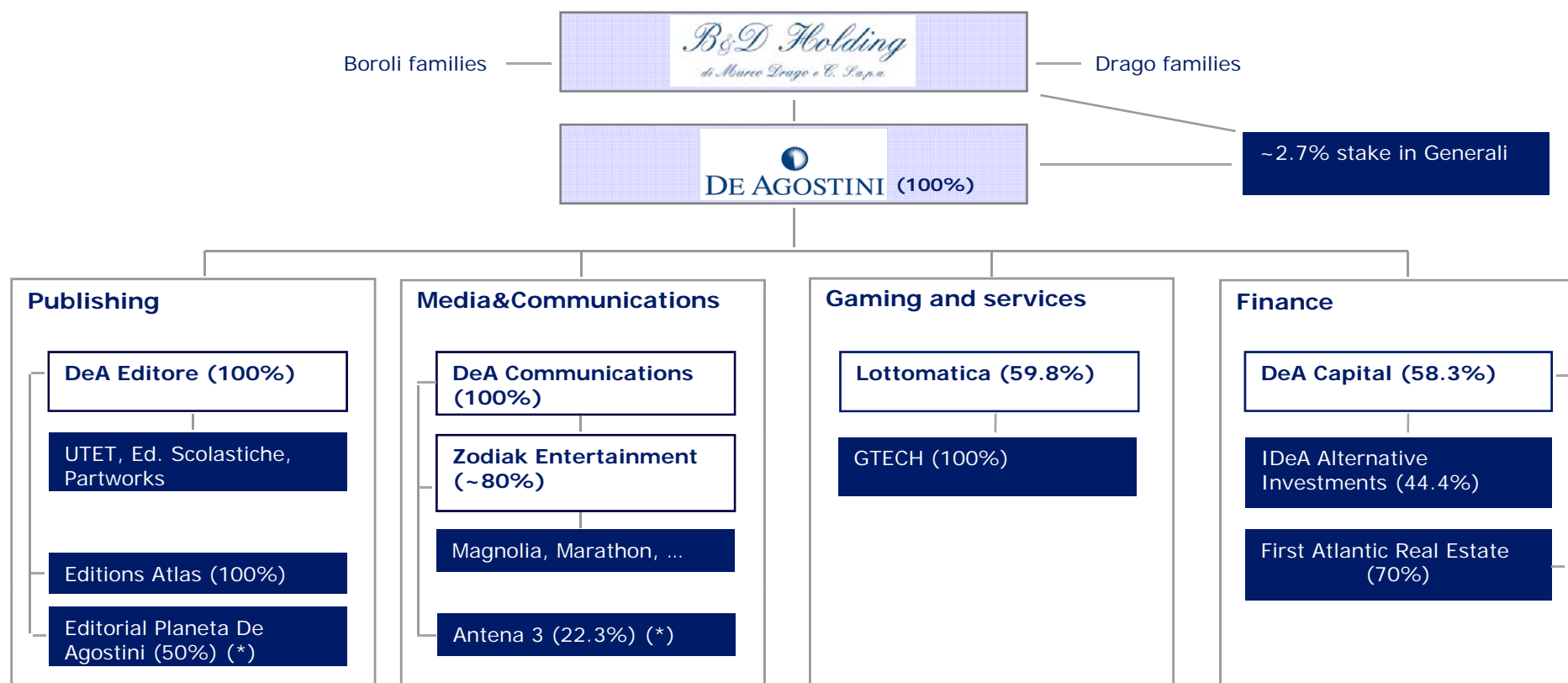
- **Lino Benassi:** Banca Italease Chairman, member of the Executive Committee of De Agostini SpA, former CEO of Intesa/BCI and INA
- **Rosario Bifulco:** past President/CEO and current Board member of Lottomatica, founder/vice Chairman of Humanitas (hospital), now Chairman of Pierrel (pharma)
- **Claudio Costamagna:** former head of EMEA Investment banking of Goldman Sachs, previously at Citigroup and Montedison
- **Alberto Dessy:** professor of business management and corporate finance at Università L. Bocconi in Milan
- **Andrea Guerra:** CEO of Luxottica Group, former CEO of Merloni Elettrodomestici (now Indesit)

## Included in LPX50 Index

- Since December 2008 Dea capital was included in the LPX50 Index.
- LPX 50 is the most widely used global listed private equity stock index. Its geographical composition is: 35% Europe ex-UK, 32% North America, 15% UK, 7% Asia, 2% South America.
- Among the main index components are: Eurazeo, Wendel, Ratos, Partners Group, Onex, 3i, Apollo, Jafco, Blackstone, GIMV, China Merchants, Electra, SVG, Pantheon, Ares Capital, Gladstone Capital.
- LPX GmbH is a provider of Private Equity Research and a family of indices representing the Listed Private Equity (LPE) universe. Due to the liquidity of the underlying constituents LPX indices are the foremost investable, tradable and transparent benchmarks for the Private Equity asset class. Based on profound academic research and a comprehensive network in practice, LPX GmbH provides services in the following areas: Benchmarking, Asset Allocation, Research and Financial Products. [www.lpx.ch](http://www.lpx.ch)



De Agostini is a family-owned financial conglomerate active in 66 countries worldwide with 2007 revenues of over € 3.6 bln. The Group is focused on 4 key sectors



(\*) DeA actual exposure. Stakes held through a joint venture with Spanish Grupo Planeta

## De Agostini financial investment track record

10-year track record in PE investment (Seat, Toro, Eutelsat, funds). Alternative investments, PE in particular, traditionally contributed to the optimal allocation of the Group's resources, enhancing shareholder returns and created a valuable network of relationships with major sector players.

Main direct investments	Year	Investment	Exit	IRR
Seat (yellow pages, info services)	1997-99	~€ 285 mln	2000	235%
Matrix (web portal, services)	1999-03	~€ 50 mln	2004	104%
Eutelsat (satellite)	2003	~€ 200 mln	2004	31%
Limoni (retail)	2000	~€ 30 mln	2006	13%
Toro (insurance)	2003	~€ 800 mln	2006	37%
Indirect investments	Period	Investment		
PE funds and F. of Funds	2001-current	>€ 400 mln		

# A strong network of relationships

## Links with Private Equity Funds



Baring Vostok Capital Partners Limited

BC Partners

The Blackstone Group\*

Colony Capital

Invest industrial

INVESTITORI ASSOCIATI



Platinum Equity



21 Centrale Partners

De Agostini has traditionally acted as an investor in global private equity funds and as a coinvestor along with them

High-profile senior management and Board members



- High-quality deal flow
- No need to rely solely on competitive bidding



Strong relationship with major commercial and investment banks

Strategic presence in key sectors



De Agostini holds controlling or significant stakes in companies operating in key sectors in Southern Europe



## Management team

- **Lorenzo Pellicoli (Chairman), 57.** CEO of the De Agostini Group since 2005. He is also Chairman and CEO of Lottomatica and Board and Executive Committee member of Assicurazioni Generali. In the past he has been Board member of ENEL, INA-Assitalia, Toro Assic. and in the Advisory Board of Lehman Brothers Merchant Banking. Before joining the De Agostini group he was CEO of Seat Pagine Gialle, General Manager of Costa Crociere and CEO of Manzoni & C., after a career in the TV, publishing and advertising sectors.
- **Paolo Ceretti (CEO), 53.** General Manager of the De Agostini Group since 2004 and board member of De Agostini Editore, Lottomatica, De Agostini Communications and other companies of the Group. Before joining the De Agostini Group he was CEO of Global Value (IT joint venture between Fiat and IBM) after making a long career in the Ifil/Fiat Group, firstly in the finance department, then as Strategic planning and development Director of Ifil and finally as CEO of the Fiat group internet B2C business.
- **Manolo Santilli (CFO), 39.** 10+ yrs. experience in various areas of Finance & Administration, M&A and Strategic Planning & Control. He is De Agostini S.p.A.'s Head of administration, and has responsibility over Group's reporting, portfolio valuation and relationship with rating agencies. Manolo acts as Board member in some Group's companies. Before joining De Agostini Group, he worked at Finmeccanica, at Fiat Group's B2C Internet Operations and at STET International. He is Chartered Accountant and Auditor.
- **Tommaso Micaglio (Investment Director), 43.** Over 18 years' experience in business strategy and equity investment, developed at international strategy and mgmt consulting firms (ATK, Arthur D.Little, KPMG, E&Y), as well as investment banks (Citibank, MPS), where he acted as Ceo and Board member for several portfolio companies. Experience in international business development and Small Caps with a focus on cleantech technologies, media & communication.
- **Roberto Bonacina (Investment Director), 41.** Over 11 years as an investment banker at Lazard where, with increasing responsibilities, he advised clients in corporate finance and m&a transactions in various sectors, including energy, transportation/infrastructure, real estate, leisure, consumer goods and services. Experience also in capital market transactions in Italy and abroad, and in major privatization processes. Holds a degree in Business Administration and is also Chartered Accountant and Auditor.



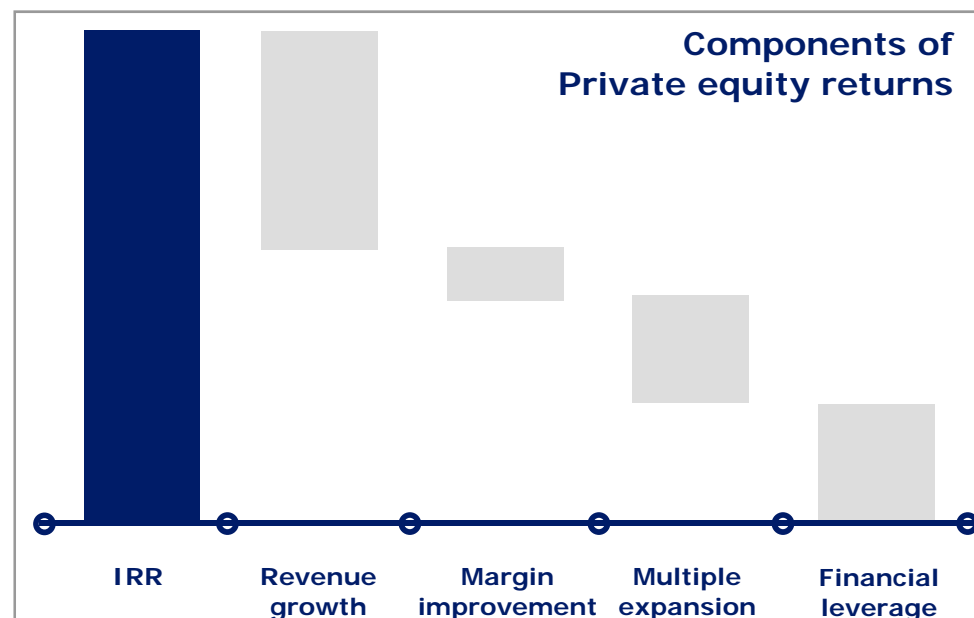
- **Backup**
  - Company structure
  - **DeA Capital Investments portfolio**
  - Alternative Asset management
  - Safe funding position

# Direct investments: strategic focus and key strengths

## Strategy and strengths

- DeA Capital Investments aims at creating value through active management, leveraging on:
  - experience in managing diversified businesses
  - corporate governance rights and clearly defined exit strategies
  - strong network of relationships with top-tier PE funds/investment banks, providing a **high-quality deal flow**
- 3-6 year investment horizon, no aim for “holding-style” stable control. Exit strategy, governance rights and expected returns are key to investment decisions
- Moderate risk profile, due to sector focus/investment selection

## Our view on leverage



Source: Boston Consulting Group

- Leverage is not the main component of PE returns
- Still, DeA Capital has been able to raise funds close to 6x EBITDA on both GdS and Migros transactions, thus also retaining the benefits of leverage on expected returns

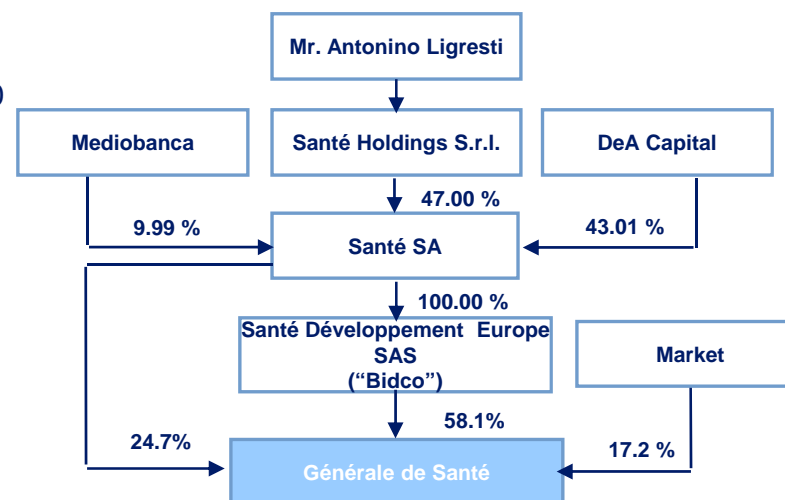
# Generale de Santé: leader in French private healthcare

## ▪The largest French network of private healthcare clinics:

- 87 clinics and radiotherapy centres in total, located in France; 23 psychiatric clinics; 17 rehabilitation centres; 30 home care centres
- 19 medical analysis laboratories and 17 medical imaging centres
- wide coverage of France with a marked concentration in nine regions
- a capacity of over 15,000 beds and places
- 5,200 independent doctors specialising in all fields

## ▪Covering a wide range of hospital care services:

- Healthcare services including acute care (76% of revenues), oncology/dialysis (6%), psychiatry (5%), home care (2%) and rehabilitation (7%), labs (4%).



## 2008 GDS key figures

Revenues '08	Organic revenue growth	EBITDA	Net Debt	Total leverage (incl. Holdcos)
€ 1,984 mln +4.1%	+3.7% vs 3.2% hospital expenditure	€ 230 mln	913 mln	~5.5x EBITDA



# Generale de Santé: refocusing the growth model

## Investment attractions

- **Safe sector:** ~100% social security coverage; systematic use of additional healthcare insurance policies (ca. 80% of French pop.)
- **Healthy growth:** ~4% growth p.a. in past 5 yrs, due to medical progress, ageing population
- **Barriers to entry:** due to heavy regulations, cost of new hospitals
- **Increasing importance of role of private sector** (but still only slightly over 20% of hospital care expenditure)
- **GDS strong market position** (~16% private mkt share) and influential status vs public bodies
- **Further sector consolidation expected:** 80% of structures have less than 100 beds.



## Value drivers

- **Disposal of non core hospitals, restructuring** (disposal of 6 clinics in Italy following strategy to modernise network in France by setting up "medical excellence" centres)
- **Regrouping of** structures to achieve economies of scale and grow revenues. 7 projects underway
- **Efficiency improvement** in purchases/ overheads (mainly for acute care), and in capex
- **Real estate 'sale and rental':** second large deal signed in July '08, worth ~200 mln €
- **Revenue growth:** market share, capacity increases, regroupings; annual price increases
- **Management:** New Chairman/CEO (Frederic Rostand, 45 – Chase, CFO at Worms & Cie, DG and Chairman of Saint-Louis). Key management remained loyal

## Long term potential

- **organic revenue growth and EBITDA margin improvement**
- **free cash flow, real estate and facilities can be used to fund focused expansion**



# Migros Turk: Turkey's largest food retail chain

## ▪Turkey's largest food retailer:

- 1,175 stores in Turkey (from 938 YE 07), of which roughly half are supermarkets and half are (smaller) discount stores.
- Market share at ~22% of organized retail sales
- Selling area: ca 669k sqm
- Presence in other neighbouring countries (Azerbaijan, Kazakhstan, Macedonia, Kyrgyzstan)

## ▪Market:

- Organized retail market expected to grow at ~7% p.a. in the next 4-5 years
- Share of organized retail on total grocery sales ca. 40% vs >80% in the main Western European countries
- Turkish economy still has a significant growth potential, in spite of current global crisis

## ▪Deal structure:

- DeA Capital has a 17.11% stake in a consortium led by BC Partners that acquired a 50.83% stake in Migros Turk from Koc Holding in May 2008 at a price of 21.24 TRY
- In October, the consortium completed a PTO on Migros Turk, and together with shares acquired in the market, it reached 97.9%
- DeA Capital equity investment: 175 mln €
- Leverage: Debt/EBITDA (incl. OpCo) ca. 3x

## ▪Strategy:

- Through new store openings, maintain and strengthen its leading position among supermarket chains, strengthen its discount chain and enter the hypermarkets segment.
- Revenue target: over 10 bln YTL by 2012.

## 2008E Migros Turk financials (TRY, IFRS; consensus)

Sales	EBITDA	Adj EPS	Net Fin. Position	Market Cap*
5.101 bln ~+15%	378 mln ~+25%	1.25 (>+25%)	~900 mln (cash)	YTL 3.8 bln

\*At purchase price

**MiGROS**



22



  
DEA CAPITAL



# Sigla: a new player in the Italian consumer credit market

## ▪ A fast-growing, undeveloped market\*:

- 2002-07. Personal loans and salary guaranteed loans outstanding (cessione del quinto): CAGR ca 30%. Personal loans up 11% in 2008.
- Italian Consumer credit market at € 73.6 bln, or ~5% of GDP vs ~16% in the UK.
- Sigla's "niche" is worth 29 bln.
- Near-prime >50% of Italy's personal loan new production.

- **Focus on personal loans for the "near-prime" segment**, a niche still under-penetrated by banks and established players.

- DeA Capital has a **35% stake** in Sigla, with a total investment of around € 42 mln.

- **Management team one of the key strengths:** CEO Vieri Bencini (6 yrs at McKinsey); Risk Manager Martin Jackson (6 yrs at Equifax, UK); the CFO Mauro Tartaglia (14 years at Fiat Fidis) and other managers from Ducato, Neos, Amex.

- **A proprietary, sophisticated, highly discriminating credit scoring system.** Fully developed internally, it gives a competitive advantage in terms of speed and performance.

\* Assofin, Eurofinas data.

## Key 2008E figures

- Outstanding personal loans: 154 mln
- Salary guaranteed loans: 67 mln
- Revenues: 30 mln
- Net profit: profitable
- Risk cost/Avg. Loans: 4% (It GAAP)

## Main drivers

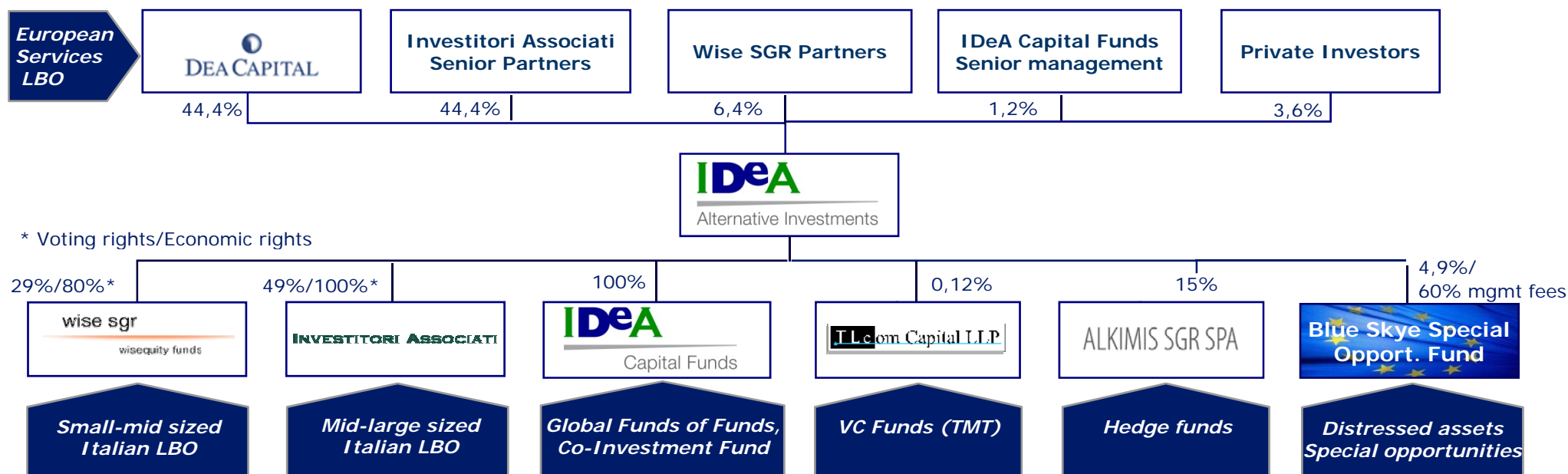
- Changing distribution channels' mix (from large to medium-small sized brokers). Currently ~230 brokers/~300 PoS, 90 direct agents
- Increasing volumes on salary guaranteed loans
- Balancing acquisition costs and tight management of credit losses. Improving cost control
- Enhancing the product range, including insurance on loans

- **Backup**
  - Company structure
  - DeA Capital Investments portfolio
  - **Alternative Asset management**
  - Safe funding position



# IDeA Alternative Investments: developing the asset mgmt business

- IDeA Alternative Investments is a **holding for independent management companies**, active in the management of private equity and alternative investment funds, each with a distinctive focus
- With €2.0 bn under management (Wise, Inv. Associati, Idea) in aggregate, it is **now the largest private equity investment group in Italy**. 2008: 26 mln € revenues, ~9 mln € net profit.



- **DeA Capital acts as an investor** in products managed by IDeA Capital Funds **and as a shareholder**, through Idea AI, in the mgmt companies, thus benefiting from AuM growth
- DeA Capital proportionately consolidates IDeA Alternative Investments (44.4% of revenues and costs)
- All mgmt companies remain independent and their managers receive carried interest on funds' realizations

# First Atlantic Real Estate: a further step in the asset mgmt business

- On 12 december 2008 DeA finalised the acquisition of a **70% stake in First Atlantic Real Estate** Holding S.p.A.. The First Atlantic Real Estate Group, ("FARE"), founded in 1998, is the fourth largest operator in Italy in terms of managed assets (FARE SGR), and comprises:



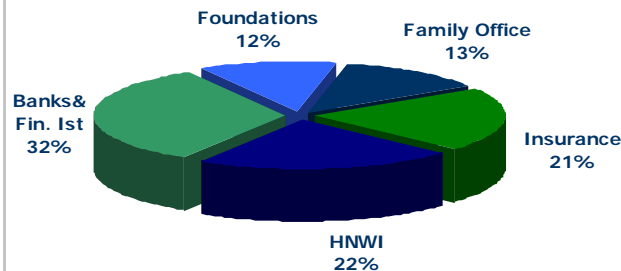
- In 2008**, First Atlantic RE SGR and First Atlantic Real Estate S.p.A. recorded record a profit of over € 9 million, on around 15 mln management fees and 10 mln service revenues. From 2009 onwards DeA Capital will fully consolidate FARE line by line
- FARE is now ready for a **new phase of expansion**, thanks to the launch of new funds, on both the domestic and international markets

## Asset management contribution to the P&L

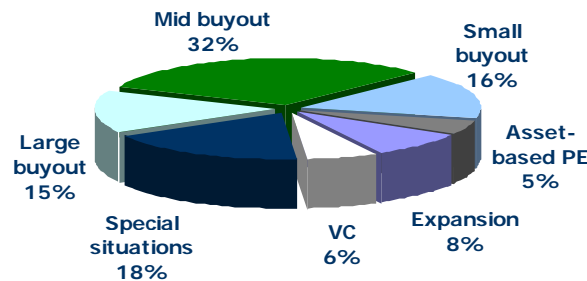
- DeA Capital has interests in alternative asset management firms that in aggregate manage around € 4.8 bln, and generated around € 50 mln revenues and 18 mln net income in 2008.
- The 2008 contribution of the asset management business to DeA Capital P&L in 2008 was limited (+3.2 mln net profit), due to the timing of the acquisitions. IDeA contribution was based on a 9-month period, while FARE contributed for less than 1 month.
- Considering the stakes held (44.4% IDeA; 70% FARE), on a full year basis, DeA Capital expects a significant positive impact on the bottom line in 2009 (>10 mln € before PPA).

# DeA Capital's seed investment in own funds: IDeA I Fund of Funds

## LP Breakdown after final closing



## Current\* Asset Allocation by Type



- IDEA I FUND OF FUNDS has reached a final closing of €681 million at the final closing (April 2008)
- Largest Italian fund of funds program, subscribed by banks, insurance companies, foundations, family offices, HNWI
- The fund has already subscribed commitments in 35 funds worth around €480 mln
- Roughly half of the funds have been acquired on the secondary market (total commitment 250 mln)
- Exposure to ca. 250 companies with wide sector/country diversification
- >€ 50 mln distributions already received by fund since launch

## Access to top-performing private equity funds

### European Private Equity



### US Private Equity



### Rest of the World Private Equity/VC



\* End 2008; based on existing commitments

# DeA Capital's seed investment in own funds: I DeA Co-investment Fund

- **Élite partnerships:** IDEA CO-INVESTMENT FUND I makes minority private equity co-investments alongside top-tier professional investors
- **Type of deal:** mainly medium/large LBOs including expansion capital, change of control, refinancings, follow-on investments, corporate re-organizations and build-ups

<i>Target Companies</i>	<i>Industry/Geo Diversification</i>
<ul style="list-style-type: none"> <li>▪ leaders in their particular market segment or near leadership</li> <li>▪ strong recurring revenues and proven ability to generate strong cash flows</li> <li>▪ strong management team and highly qualified CEO</li> </ul>	<ul style="list-style-type: none"> <li>▪ diversified across a wide spectrum of industries</li> <li>▪ limited investments in early stage</li> <li>▪ no investments in pure real estate</li> <li>▪ international geographic focus mainly in European countries. Particular focus on Italy, France, Spain and Greece</li> </ul>

- **No overlap** with DeA Capital's direct co-investments, based on :
  - **Size** – max 50 mln € vs generally larger for DeA Capital. **First investments: 5% stake in Giochi Preziosi** (other investors: Clessidra, Intesa Sanpaolo); **4% stake in Manutencoop Facility Management** (other investors: PEP, 21 Partners, MPS Venture)
  - **Investment horizon** – generally up to 3-4 years, while DeA Capital has flexibility to take longer commitments
- Authorized by Banca d'Italia on 3<sup>rd</sup> January 2008. First closing at € ~200 mln, target ~250 mln. Management team: IDeA Capital Funds.

- **Backup**
  - Company structure
  - DeA Capital Investments portfolio
  - Alternative Asset management
  - **Safe funding position**

## Safe funding position

### EXISTING COMMITMENTS 2009-11

€ 252 mln

FARE funds € 18 mln

FARE acquisition  
€ 23 mln

Idea Funds\*  
(FoF I, CoIF, FoF II)

€ 211 mln

### AVAILABLE RESOURCES

€ 317 mln

Expected fund distributions  
€ 79 mln

5-year senior term loan facility  
€ 150 mln

Liquid assets\*\*  
(2008E)

€ 88 mln

NOTE: internal estimates (unaudited)

\* Capital calls expected, based on total commitments; \*\* includes treasury shares

# Disclaimer

This presentation contains statements that constitute forward-looking statements regarding the intent, belief or current expectations of the DeA Capital ("the Company") with respect to the financial results and other aspects of the Company's activities and strategies.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors.

Analysts and investors are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. DeA Capital Spa undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in the Company's business or investment strategy or to reflect the occurrence of unanticipated events.

Analysts and investors are encouraged to consult the Company's Annual Report as well as periodic filings, press releases and all documentation made publicly available on the website [www.deacapital.it](http://www.deacapital.it).

The Manager responsible for the preparation of company accounting statements, Manolo Santilli, declares in accordance with paragraph 2 of article 154 of the Consolidated Finance Act that the accounting information on DeA Capital included in this document corresponds to registered company accounts, books and records.