



## PRESS RELEASE

### BOARD OF DIRECTORS APPROVES FIRST-HALF FINANCIAL STATEMENTS TO 30 JUNE 2017

- ***The Net Asset Value (NAV) per share was EUR 2.00 at 30 June 2017 (EUR 1.91 at 31 December 2016, adjusted for the extraordinary dividend of EUR 0.12 per share paid in May 2017)***
- ***Assets under Management of over EUR 11,500 million, up by around 20% compared with the same period of the previous year***
- ***IAS 1 comprehensive income amounted to EUR 21.9 million at 30 June 2017, compared with EUR 6.7 million in the same period of the previous year***
- ***The net financial position of the holding companies was EUR 60.4 million at 30 June 2017, after distribution of reserves of approximately EUR 31.2 million, compared with EUR 79.7 million at 31 December 2016.***

Milan, 8 September 2017 - The Board of Directors of **DeA Capital S.p.A.**, chaired by Lorenzo Pellicoli, met today to examine and approve the Half-Year Report to 30 June 2017.

#### **Analysis of Consolidated Results to 30 June 2017**

- **Net Asset Value.** At 30 June 2017, the NAV of the DeA Capital Group was **EUR 2.00 per share**, compared with EUR 1.96 per share at 31 March 2017 and EUR 1.91 at 31 December 2016. (The latter figures have been adjusted to take account of the distribution of the share premium reserve of EUR 0.12 per share in May 2017.)  
**Total NAV** (consolidated shareholders' equity) for the period was EUR 515.4 million, compared with EUR 498.0 million at the end of 2016. (The latter figure has been adjusted to take account of the distribution of the above-mentioned dividend).  
Treasury shares totalled 48,702,930 at 30 June 2017, equivalent to 15.9% of the share capital, compared with 14.8% at 31 December 2016. At today's date, there are 49,630,561 treasury shares in the portfolio, equivalent to 16.2% of the share capital.
- **Assets under Management.** Assets under management at 30 June 2017 amounted to over EUR 11,500 million, of which approximately EUR 9,400 million for IDeA FIMIT SGR and EUR 1,900 million for IDeA Capital Funds SGR. In the first six months of 2017, IDeA FIMIT SGR completed the launch of the "Broggi" fund (Piazza Cordusio) and phase 2 of the "Trophy Value Added" fund, with assets under management up by around EUR 9,400 million (vs EUR 8,700 million at 31 December 2016 and EUR 7,800 million at 30 June 2016).
- **IAS 1 Comprehensive Income** – which reflects fair value adjustments to the investment portfolio, booked directly under shareholders' equity in accordance with IAS/IFRS – amounted to EUR 21.9 million at 30 June 2017, compared with EUR 6.7 million in the corresponding period of the previous year. In addition to the Group Net Profit (EUR 6.2 million), the result includes fair value adjustments of EUR 15.7 million to the investment portfolio booked directly to shareholders' equity, due mainly to the increase in fair value of Migros.

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- **Investment Portfolio.** At 30 June 2017, this totalled EUR 453.4 million, compared with EUR 448.8 million at 31 December 2016. The investment portfolio comprises Private Equity investments (EUR 87.2 million), units in Funds (EUR 204.4 million) and holdings in the Alternative Asset Management sector (EUR 161.8 million).  
With regard to the main investments of DeA Capital S.p.A. in funds managed by IDeA Capital Funds, at 30 June 2017, IDeA I FoF (since the launch in January 2007) and ICF II (since the launch in February 2009) recorded an Internal Rate of Return (IRR) of +6.0% and +13.5% respectively.
- **Net Financial Position.** The consolidated net financial position was EUR 81.8 million at 30 June 2017, compared with EUR 103.1 million at 31 December 2016, while at **holding company** level, the net financial position was EUR 60.4 million at 30 June 2017, compared with EUR 79.7 million at the end of 2016.

The change in the net financial position was mainly due to the distribution of the extraordinary dividend of EUR 31.2 million and the liquidity generated by the partial sale of a stake in Migros for EUR 17.8 million.

With reference to the latter transaction, in May 2017, Kenan Investments, a subsidiary of which DeA Capital owns around 17% and which at the time held a 40.25% stake in Migros, completed the transactions relating to the exercise of the put option on a 9.75% stake in Migros.

The terms and conditions of the option were defined in the agreements entered into in 2015 with Turkish group Anadolu when the latter acquired a 40.25% co-controlling stake in the supermarket chain, out of the total 80.5% stake held at the time by Kenan Investments.

The transaction, which was completed at a price of TRY 30.2 per Migros share, generated proceeds of around EUR 105 million for Kenan Investments, net of expenses, taxes and sums held in escrow until 2020 to cover potential tax liabilities. On 1 June 2017, the above transaction generated proceeds of around EUR 17.8 million for DeA Capital, with the group realising a capital gain of EUR 3.8 million.

Following the transaction, Kenan Investments holds a 30.5% stake in Migros, with an indirect pro-rata stake of approximately 5.2% held by DeA Capital.

## **Significant events after the end of the period: Sale of investments in Sigla and SiCollection**

On 7 July 2017, Sigla Luxembourg S.A., a 41.4%-owned subsidiary of DeA Capital S.p.A., signed an agreement for the sale of two shareholdings (100% of capital) held in Sigla and SiCollection to Alchemy Special Opportunities Fund.

The deal includes, *inter alia*, the standard reps and warranties for this type of agreement and is subject to conditions precedent, which include obtaining the necessary approvals from the supervisory authorities. Completion is expected by the end of 2017.

The consideration for the sale, net of transaction costs and expenses relating to the management equity plan (for Sigla Luxembourg), is expected to generate a pro-rata share of around EUR 11.8 million for DeA Capital (slightly higher than the book value of the investment in Sigla Luxembourg).

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**The First-Half Financial Statements to 30 June 2017** will be made available to the public on 11 September 2017 at the Company's registered office, on the authorised 1info storage system ([www.1info.it](http://www.1info.it)) and on the website <http://www.deacapital.it/IT/29/Bilanci%20e%20Relazioni.aspx>.

## **DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S ACCOUNTS**

Manolo Santilli, Chief Financial Officer and manager responsible for preparing the Company's accounts, hereby declares, pursuant to Art. 154-*bis*, para. 2 of the Consolidated Finance Law (TUF), that the financial information contained in this press release accurately reflects the figures contained in the Company's accounting records.

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**DeA Capital ([www.deacapital.it](http://www.deacapital.it))**. DeA Capital S.p.A., a De Agostini Group company, is one of Italy's largest alternative investment companies. The Company, which operates in both Private Equity Investment and Alternative Asset Management, has Assets under Management of more than EUR 11,500 million and is listed in the STAR segment of the Mercato Telematico Azionario [electronic stock exchange] managed by Borsa Italiana.

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## **Net Asset Value**

	June, 30 2017		December 31, 2016 "adjusted" (*)	
	ME	€/Sh.	ME	€/Sh.
<b>Private Equity Investment</b>				
- Kenan Inv. / Migros	66.8	0.26	66.9	0.26
- Funds - Private Equity / Real Estate	204.4	0.79	202.9	0.78
- Other (Sigla, Crescita,...)	20.4	0.08	11.7	0.04
<b>Total PEI (A)</b>	<b>291.6</b>	<b>1.13</b>	<b>281.5</b>	<b>1.08</b>
<b>Alternative Asset Management</b>				
- IDEa FIMIT SGR	121.2	0.47	122.7	0.47
- IDEa Capital Funds SGR	37.4	0.15	37.7	0.14
- Other (IRE / SPC)	3.2	0.01	6.9	0.03
<b>Total AAM (B)</b>	<b>161.8</b>	<b>0.63</b>	<b>167.3</b>	<b>0.64</b>
<b>Investment Portfolio (A+B)</b>	<b>453.4</b>	<b>1.76</b>	<b>448.8</b>	<b>1.72</b>
<b>Other net assets (liabilities)</b>	<b>1.6</b>	<b>0.01</b>	<b>0.7</b>	<b>0.00</b>
<b>Net Financial Position Holdings</b>	<b>60.4</b>	<b>0.23</b>	<b>48.5</b>	<b>0.19</b>
<b>NAV</b>	<b>515.4</b>	<b>2.00</b>	<b>498.0</b>	<b>1.91</b>

(\*) The "adjusted" results at 31.12.2016 take into account the extraordinary dividend distribution of 0,12 € / share, for a total 31,2 million Euro, which was completed in May 2017

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## Consolidated Statement of Financial Position

<i>(EUR thousand)</i>	<b>June 30, 2017</b>	<b>December 31, 2016</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Intangible and tangible assets</b>		
Goodwill	127,923	129,399
Intangible assets	24,168	27,184
Property, plant and equipment	1,804	2,145
Total intangible and tangible assets	153,895	158,728
<b>Investments</b>		
Investments valued at equity	36,023	33,449
Investments held by Funds	86,764	84,084
- available for sale investments	48,531	47,845
- invest. in associates and JV valued at FV through P&L	38,233	36,239
Other available-for-sale companies	75,681	67,166
Available-for-sale funds	181,528	182,787
Other available-for-sale financial assets	22	22
Total Investments	380,018	367,508
<b>Other non-current assets</b>		
Deferred tax assets	1,805	1,992
Loans and receivables	506	960
Tax receivables from Parent companies	755	0
Other non-current assets	25,375	30,147
Total other non-current assets	28,441	33,099
<b>Total non-current assets</b>	<b>562,354</b>	<b>559,335</b>
<b>Current assets</b>		
Trade receivables	17,089	11,191
Available-for-sale financial assets	4,216	4,242
Financial receivables	578	2,715
Tax receivables from Parent companies	2,282	2,282
Other tax receivables	3,290	9,190
Other receivables	5,401	3,976
Cash and cash equivalents	77,206	96,438
Total current assets	110,062	130,034
<b>Total current assets</b>	<b>110,062</b>	<b>130,034</b>
<b>Held-for-sale assets</b>	<b>11,487</b>	<b>11,487</b>
<b>TOTAL ASSETS</b>	<b>683,903</b>	<b>700,856</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
<b>Net equity Group</b>	<b>515,440</b>	<b>529,203</b>
<b>Minority interests</b>	<b>130,627</b>	<b>131,844</b>
<b>Shareholders' equity</b>	<b>646,067</b>	<b>661,047</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	8,569	8,588
Provisions for employee termination benefits	3,874	4,016
Long term financial loans	19	19
Payables to staff	206	207
<b>Total non-current liabilities</b>	<b>12,668</b>	<b>12,830</b>
<b>Current liabilities</b>		
Trade payables	5,824	6,019
Payables to staff and social security organisations	5,413	7,033
Current tax	2,789	2,941
Other tax payables	1,190	1,429
Other payables	9,255	8,335
Short term financial loans	697	1,222
<b>Total current liabilities</b>	<b>25,168</b>	<b>26,979</b>
<b>Held-for-sale liabilities</b>	-	-
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>683,903</b>	<b>700,856</b>

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## Summary Consolidated Income Statement

<i>(EUR thousand)</i>	<b>First Half 2017</b>	<b>First Half 2016</b>
Alternative Asset Management fees	27,674	28,461
Income (loss) from equity investments	5,324	(103)
Other investment income/expense	7,214	(1,929)
Income from services	213	7,492
Other income	136	67
Other expenses (*)	(35,296)	(32,308)
Financial income and expenses	(126)	(1,263)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>5,139</b>	<b>417</b>
Income tax	440	(889)
<b>PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>5,579</b>	<b>(472)</b>
Profit (Loss) from discontinued operations/held-for-sale assets	0	0
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>5,579</b>	<b>(472)</b>
- Group share	6,235	1,904
- Non controlling interests	(656)	(2,376)
Earnings per share, basic (€)	0.024	0.007
Earnings per share, diluted (€)	0.024	0.007

(\*) Includes items "personnel costs", "service costs", "depreciation, amortization and impairment" and "other expenses"

## Consolidated Statement of Comprehensive Income

<i>(EUR thousand)</i>	<b>First Half 2017</b>	<b>First Half 2016</b>
<b>Profit/(loss) for the period (A)</b>	<b>5,579</b>	<b>(472)</b>
Comprehensive income/expense which might be subsequently reclassified within the profit (loss) for the period	16,756	8,029
Comprehensive income/expense which will not be subsequently reclassified within the profit (loss) for the period	114	(142)
<b>Other comprehensive income, net of tax (B)</b>	<b>16,870</b>	<b>7,887</b>
<b>Total comprehensive income for the period (A)+(B)</b>	<b>22,449</b>	<b>7,415</b>
<b>Total comprehensive income attributable to:</b>		
- Group Share	21,929	6,744
- Non Controlling Interests	520	671

## Consolidated Cash Flow Statement

<i>(EUR thousand)</i>	<b>First Half 2017</b>	<b>First Half 2016</b>
<b>CASH FLOW from operating activities</b>		
Investments in funds and shareholdings	(12,617)	(14,882)
Capital reimbursements from funds	10,056	4,128
Proceeds from the sale of investments	18,479	8,694
Interest received	83	187
Interest paid	(13)	(4)
Cash distribution from investments	1,328	234
Realized gains (losses) on exchange rate derivatives	(2)	(1)
Taxes paid	(416)	(815)
Dividends received	607	0
Management and performance fees received	22,818	26,515
Revenues for services	671	10,798
Operating expenses	(24,635)	(33,208)
<b>Net cash flow from operating activities</b>	<b>16,359</b>	<b>1,646</b>
<b>CASH FLOW from investment activities</b>		
Acquisition of property, plant and equipment	(15)	(36)
Sale of property, plant and equipment	1	3
Purchase of licenses	(338)	(234)
<b>Net cash flow from investing activities</b>	<b>(352)</b>	<b>(267)</b>
<b>CASH FLOW from financing activities</b>		
Acquisition of financial assets	0	(1,939)
Sale of financial assets	0	3,506
Share capital issued	276	2,154
Own shares acquired	(5,142)	(2,804)
Dividends paid	(32,962)	(33,492)
Loan	582	(128)
Quasi-equity loan	0	0
Bank loan paid back	2,007	0
<b>Net cash flow from financing activities</b>	<b>(35,239)</b>	<b>(32,703)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(19,232)</b>	<b>(31,324)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>96,438</b>	<b>123,468</b>
Cash and cash equivalents relating to held-for-sale assets	0	0
<b>Cash and cash equivalents at beginning of period</b>	<b>96,438</b>	<b>123,468</b>
Effect of change in basis of consolidation: cash and cash equivalents	0	(8,035)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>77,206</b>	<b>84,109</b>
Held-for-sale assets and minority interests	0	0
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>77,206</b>	<b>84,109</b>

## **Summary of the financial results of the companies included in the Alternative Asset Management platform**

### **- IDeA Capital Funds SGR**

IDeA Capital Funds SGR is one of Italy's leading alternative asset management companies, specialising in private equity direct funds and funds of funds. IDeA Capital Funds manages nine closed-end private equity funds, including four funds of funds (IDeA I FoF, ICF II, ICF III and IDeA Crescita Globale, the latter aimed at the retail segment), one fund that invests in minority interests in predominantly Italian SMEs (IDeA OF I), three thematic funds ("Efficienza Energetica e Sviluppo Sostenibile", "Taste of Italy" and IDeA CCR I, Italy's leading debtor-in-possession financing fund) and, since April 2015, Investitori Associati IV (in liquidation).

At 30 June 2017, IDeA Capital Funds SGR had Assets under Management of over EUR 1.9 billion.

<b>IDeA Capital Funds SGR (EUR million)</b>	First half 2017	First half 2016
<i>Assets under Management (EUR billion)</i>	1.9	1.9
Management fees	8.5	9.0
EBITDA	1.8	2.3
Net profit (loss)	1.2	1.4



### **- IDeA FIMIT SGR**

IDeA FIMIT SGR is the largest independent real estate asset management company in Italy, with around EUR 9.4 billion in Assets under Management and 41 managed funds (including five listed funds). This makes it a benchmark operator, for Italian and international institutional investors, in the promotion, creation and management of closed-end mutual real-estate investment funds.

IDeA FIMIT SGR is engaged in three main lines of business:

- the development of mutual real estate investment funds designed for institutional clients and private investors;
- the promotion of innovative real estate financial instruments to satisfy investors' increasing demands;
- the professional management (technical, administrative and financial) of real estate funds with the assistance of in-house experts and independent technical, legal and tax advisors.

<b>IDeA FIMIT SGR (EUR million)</b>	First half 2017	First half 2016
<i>Assets under Management (in EUR billion)</i>	9.4	7.8
Management fees	20.0	20.4
EBITDA	6.9	7.6
Net profit (loss)	-1.0	2.4
<i>of which:</i>		
- attributable to shareholders	3.5	2.7
- attributable to holders of financial equity instruments	-4.5	-0.3

