

MITTEL S.P.A.
Offices in Milan - Piazza A. Diaz 7
Share Capital EUR 87,907,017, fully paid-in
Tax Code - Milan Register of Companies - VAT no. 00742640154
R.E.A. (Economic and administrative register) of Milan no. 52219

PRESS RELEASE

Milan, 13 January 2014 - The Board of Directors of Mittel S.p.A., convened today and chaired by Franco Dalla Sega:

- examined and approved the Directors' Report on Operations, the draft separate financial statements and the consolidated financial statements for the year ended 30 September 2013, the 128th since the establishment of Mittel S.p.A.:
 - ✓ The annual results for the year ended 30 September 2013 recorded a net consolidated loss of EUR 38,1 million (from EUR -17,9 million of the 2012 financial year) mainly due to write-downs in investments, receivables and private equity funds (totalling EUR 28,8 million) as well as adjustments of property inventories
 - ✓ The Group consolidated statement of comprehensive income of the financial year, taking into account the economic components of a valuation nature deriving from changes in fair value of equity investments booked to shareholders' equity in the valuation reserve, recorded a consolidated profit of EUR 9 million (compared to a loss of EUR 10,7 million in the 2012 financial year) mainly due to the investments in Sorin and BP2/Moncler
 - ✓ The strong equity strength of the Group is confirmed with a shareholders' equity pertaining to the Group of EUR 327 million (down by EUR 15 million), expressed net of treasury shares held in the portfolio of EUR 26,5 million; the net financial position was a negative EUR 226,4 million
 - ✓ The results of the Group were consistent with the strategic lines of development approved at the beginning of 2013 for the 2013-2015 three-year period focused on exiting from Credit granting activities, on the growth of the Advisory sector, on activities with low capital intensity and high income prospects and on the enhancement of the assets in the portfolio
 - ✓ The Company, on the assumption of an improvement in the Italian economic and financial situation in 2014, taking account of the operations already occurred during the financial year and without considering other potential extraordinary transactions as well as any value adjustment on investments or receivables, believes that the current financial year may record a significant improvement of the consolidated net income at around break-even
- approved the Corporate Governance Report and the Report on remuneration policy of the Mittel Group
- replaced the member of the Remuneration and Appointment Committee by appointing Paolo Battocchi
- agreed to submit to the Shareholders the appointment of 3 members of the Board of Directors in order to replace the members of the administrative body.

(Thousands of Euro)	30.09.2013	30.09.2012
Revenues	59.036	66.078
Purchases, provision of services, sundry costs	(51.114)	(58.491)
Personnel costs	(11.809)	(9.625)
Operating costs	(62.923)	(68.116)
Income (expenses) from investments	4.295	6.240
Operating margin (EBITDA)	407	4.202
<i>EBITDA %</i>	<i>0,69%</i>	<i>6,36%</i>
Amortisation/depreciation, allocations and adjustments to non-curr	(19.649)	(22.756)
Value adjustments to financial assets and receivables	(28.836)	(9.826)
Share of income (loss) of investments	325	18.076
Operating result (EBIT)	(47.753)	(10.305)
<i>EBIT %</i>	<i>(80,89)%</i>	<i>(15,59)%</i>
Income (loss) from financial management	11.399	(4.519)
Income (loss) from trading of financial assets	(1.178)	(1.750)
Income (loss) before taxes	(37.532)	(16.574)
Taxes	(3.717)	214
Income (loss) from continuing operations	(41.248)	(16.360)
Income (loss) from discontinued operations	143	(5.748)
Net income (loss) for the year	(41.105)	(22.108)
Income (loss) pertaining to non controlling interests	3.018	4.187
Income (loss) pertaining to the Group	(38.087)	(17.921)

1. Financial statements for the year ended 30 September 2013

The income statement consolidated results

The trends of the main income statement items are reported below:

- **Revenues:** include ordinary revenues of EUR 49,7 million (increasing by EUR 2,7 million), other income of EUR 3,6 million (essentially in line), and the increase in property inventories of EUR 5,6 million. Ordinary revenues benefited by EUR 6,0 million from the consolidation for nine months of Mittel Advisory S.p.A., acquired during the financial year, whereas they were affected by the drop in revenues of the Real Estate sector of EUR 3 million, due to the persistent negative economic situation that especially involved the construction sector. The increase in property inventories was due to the completion of some real-estate initiatives, partially offset by the alignment at market value, resulting from the expert report of a professional independent third party, of the property developments of the companies Breme S.r.l. and Santa Rosa S.r.l.
- **Operating costs:** include costs for purchases of EUR 11,5 million, down by EUR 8,4 million reflecting the low building activity of the Real Estate sector due to the completion of some real-estate initiatives, costs for services of EUR 33,7 million (EUR 32,0 million in the previous financial year) and other costs of EUR 5,8 million (EUR 6,6 million in the previous financial year).
- **Personnel costs:** amounted to EUR 11,8 million, increasing by EUR 2,2 million mainly due to the consolidation of Mittel Advisory S.p.A. for the period from 1 January to 30 September 2013 and to the costs deriving from the newly set-up Mittel Management S.r.l..
- **Income and expenses from investments:** include dividends of EUR 1,9 million (EUR 6,1 million in the previous financial year) and profits from management of financial activities and investments of EUR 2,3 million (EUR 0,2 million in the previous financial year), of which EUR 1,1 million derive from the disposal activities of the subsidiary Mittel Partecipazioni Stabili S.r.l., EUR 0,7 million from Earchimede S.p.A. and EUR 0,7 million from Mittel S.p.A.
- **Operating Margin (EBITDA):** EUR 0,4 million, marking a decrease of EUR 3,8 million compared to the previous year.

- **Amortisation/depreciation, allocations and adjustments to non-current assets:** decreased by EUR 3,2 million to EUR 19,6 million in that last year they included the full impairment of goodwill of EUR 4,7 million recorded by the subsidiary Earchimede S.p.A. as a result of the business combination of the group headed up by the company Fashion District Group S.p.A., realised in previous years.
- **Value adjustments to financial assets and receivables:** amounted to EUR 28,8 million compared to EUR 9,8 million in the previous year; the increase of EUR 19,0 million is primarily due to higher adjustments made by Mittel Partecipazioni Stabili S.r.l. on its own financial assets of EUR 5,1 million, adjustments of the Outlet sector of EUR 7,6 million, mainly due to the impairment of the investment in Alfa Park S.r.l. as a result of the negative trend of the managed amusement parks, and higher adjustments recorded by Mittel S.p.A. and Earchimede S.p.A., of EUR 2,5 million and EUR 3,2 million, respectively, with regard to their investments in private equity funds and foreign investment vehicles.
- **Share of income (loss) of investments:** the decrease of EUR 17,8 million to EUR 0,3 million is mainly due to the absence of profits achieved in the previous financial year by Brands Partners 2 S.p.A. of EUR 16,5 million.
- **Operating result (EBIT):** there is a loss of EUR 47,8 million compared to EUR 10,3 million in the previous financial year.
- **Income (loss) from financial management:** the income of EUR 11,4 million, up by EUR 15,9 million, is mainly due to the greater present value of the receivable of Ghea S.r.l. with regard to Bios S.p.A. of EUR 12,7 million.
- **Income (loss) from discontinued operations:** income of EUR 0,1 million compared to a loss of EUR 5,7 million in the previous financial year, marking an increase of EUR 5,8 million mainly due to the loss suffered in the previous financial year by the discontinued operations of Mittel Generale Investimenti S.p.A..

The consolidated statement of financial position as at 30 September 2013

(Thousands of Euro)	30.09.2013	30.09.2012
Intangible assets	29.943	21.751
Property, plant and equipment	137.659	147.376
Investments	77.301	39.099
Non-current financial assets	274.917	300.220
Non-current assets (liabilities) held for sale	-	2.356
Provisions for risks, employee severance indemnity and	(8.095)	(6.011)
Other non-current assets (liabilities)	(2.639)	(1.570)
Tax assets (liabilities)	(14.625)	(9.701)
Net working capital (*)	115.377	100.869
Net invested capital	609.838	594.389
Shareholders' equity	(327.046)	(342.009)
Non controlling interests	(56.389)	(55.525)
Total shareholders' equity	(383.435)	(397.534)
Net financial position	(226.403)	(196.855)

(*) comprised of the sum of property inventories and sundry receivables (payables) and other current assets (liabilities)

Intangible assets, amounting to EUR 29,9 million, increased by EUR 8,2 million mainly due to the recognition of goodwill following the acquisition of control of Mittel Advisory S.p.A. (formerly Borghesi Advisory S.r.l.).

Property, plant and equipment, amounting to EUR 137,7 million decreased by EUR 9,7 million mainly due to the annual depreciation of the properties owned by the subsidiary Fashion District Group S.p.A., relating to the Mantua and Molfetta outlets, amounting to EUR 13,7 million.

Investments valued using the equity method increased by EUR 38,2 million to EUR 77,3 million mainly due to the increase of EUR 37,9 million of the portion of valuation reserve of the investees, EUR 20,2 million of which is attributable to the investment Brands Partners 2 S.p.A. (as a result of the revaluation of the fair value of the investment in Moncler S.p.A.), and EUR 17,7 million to the revaluation of the investee Sorin held through the vehicles Bios S.p.A. and Tower 6 bis Sarl.

Non-current financial assets amounted to EUR 274,9 million; the decrease of EUR 25,3 million is mainly due: (i) to the decrease recognised by the subsidiary Mittel Partecipazioni Stabili S.r.l. of EUR 20,4 million, of which EUR 18,1 million due to the reclassification of part of its portfolio in investments listed in current assets, (ii) to the lower value assigned to financial assets by the subsidiary Earchimede S.p.A. of EUR 4,2 million, mainly following impairment, and (iii) to the lower value of assets held by the Fashion District Group of EUR 9,4 million, mainly following impairment of the investment Alfa Park S.r.l..

These decreases are countered by: (i) the increase of EUR 16,7 million of the value of the receivable due to Ghea S.r.l. from Bios S.p.A. classified among current financial receivables in the financial statement layouts, on the basis of its natural expiry, and reclassified here among financial assets, in consideration of the effects of the rescheduling of the debt and the reorganisation of the capital structure of the joint subsidiary Bios S.p.A. completed in December; (ii) the increase in the financial assets of Mittel S.p.A. of EUR 7,2 million deriving mainly from the increase in value of the Fondo Progressio Investimenti (Progressio Investimenti Fund) of EUR 5,4 million, the decrease in value of the Fondo Progressio Investimenti II (Progressio Investimenti II Fund) of EUR 1,2 million and from the increases due to subscriptions of shares and other purchases of EUR 3,9 million.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 8,1 million, up by EUR 2,1 million; they include a provision of EUR 5,0 million in relation to Mittel S.p.A. to cover liabilities for contractual guarantees issued by the latter, partially offset by uses of the fund of EUR 3,7 million in connection with the tax litigation in relation to Mittel Generale Investimenti S.p.A. for the 2004-2005 and 2005-2006 tax periods.

The item **other non-current liabilities** amounted to EUR 2,6 million, up by EUR 1,0 million compared to the previous financial year.

The item **tax liabilities** amounted to EUR 14,6 million; the increase of EUR 4,9 million is mainly due to the allocation of deferred tax liabilities of EUR 5,5 million following the adjustment of the recoverable amount of the receivable due to Ghea S.r.l. from Bios S.p.A. of EUR 16,7 million, recognised during the financial year.

Net working capital, amounting to EUR 115,4 million compared to EUR 100,9 million in the 2011-2012 financial year, consists of property inventories of EUR 122,0 million (EUR 117,6 million last year), sundry receivables and other current assets of EUR 26,9 million (EUR 18,2 million last year) and sundry payables and other current liabilities of EUR 33,5 million (EUR 35,0 million last year). The increase of EUR 14,5 million is mainly due to the increase in property inventories of EUR 4,4 million, as well as to the increase in sundry receivables and other deriving assets of EUR 8,7 million, receivables due from the customers of the Advisory sector of EUR 6,3 million and greater receivables shown by the parent company Mittel S.p.A. of EUR 1,5 million.

As a result, the **net invested capital** increased by EUR 15,4 million to EUR 609,8 million, of which EUR 383,4 million is financed by shareholders' equity and EUR 226,4 million by the net financial position.

Shareholders' equity pertaining to the Group amounted to EUR 327,0 million (down by EUR 15,0 million), **non-controlling interests** to EUR 56,4 million (up by EUR 0,9 million) and, as a result, **consolidated shareholders' equity** to EUR 383,4 million (down by EUR 14,1 million). Changes in Shareholders' equity pertaining to the Group are attributable: to the loss for the year pertaining to the Group of EUR 38,0 million, to the overall increase in valuation reserve of EUR 47,1 million and to the decrease of EUR 25,9 million due to the investment in treasury shares deriving from the partial voluntary Share Exchange Offer promoted by Mittel S.p.A. ("SEO"), pursuant to Article 102 of the Consolidated Law on Finance (TUF), with consideration represented by "Mittel S.p.A. 2013-2019" bonds, as a result of which 14.786.458 ordinary shares Mittel S.p.A. were subscribed.

Against an increase in net invested capital and a decrease in consolidated shareholders' equity, the **net financial position** (negative) increased by a total of EUR 29,5 million to EUR 226,4 million. This increase is mainly attributable (i) to the effect of the SEO that, as shown above, involved a decrease in consolidated shareholders' equity of EUR 25,9 million against the issue of "Mittel S.p.A. 2013-2019" bonds exchanged for the same amount with Mittel S.p.A. shares valued at EUR 1,75 per share; consequently, in connection with the same SEO, Mittel holds available treasury shares that are added to those previously held for a total of 15.308.706 treasury shares; (ii) to the increase in net invested capital of EUR 15,4 million, (iii) compared to the positive effect on the net financial position deriving from the recognition in current financial assets of listed securities held in UBI Banca and Intesa Sanpaolo of EUR 17,8 million for trading.

(Thousands of Euro)	30.09.2013	30.09.2012	Variazione
Cash	48	14	33
Other cash equivalents	48.533	25.678	22.855
Securities held for trading*	17.826	-	17.826
Current liquidity	66.407	25.692	40.715
Current financial receivables	30.575	37.819	(7.243)
Bank payables	(210.677)	(236.405)	25.728
Bonds	(97.424)	-	(97.424)
Other financial payables	(15.285)	(23.961)	8.676
Financial debt	(323.386)	(260.366)	(63.020)
Net financial position	(226.403)	(196.855)	(29.548)

(*) In this item is reclassified financial assets available for sale, which are recorded in current assets

The breakdown of the net financial position shows:

- the recognition of the "Mittel S.p.A. 2013-2019" bond loan totalling EUR 97,4 million, issued during the financial year, which led to a net cash flow of EUR 69,7 million (since the residual part is against the SEO);
- bank payables down by EUR 25,7 million to EUR 210,7 million;
- current liquidity up by EUR 40,7 million (to EUR 66,4 million), of which EUR 22,9 million due to the increase in bank and postal deposits and EUR 17,8 million due to the recognition of current financial assets of listed securities held in UBI Banca and Intesa Sanpaolo for trading.

The receivable due to Ghea S.r.l. from Bios S.p.A. of EUR 49,9 million, classified among current financial receivables in the financial statements, was not included in the net financial position, in consideration of its 24/36-month extension, as part of the rescheduling of the debt and the reorganisation of the capital structure completed in December 2013 by the joint subsidiary BIOS S.p.A.

The item other cash equivalents as at 30 September 2013 includes EUR 3,0 million in amounts owed classified under current financial receivables in the financial statements and that refer to the transaction account existing between Earchimede and the investee Mittel Generale Investimenti S.p.A.; this inclusion reflects the fact that the receivables can readily be converted to a known amount of cash, with no risk of a change in the value.

Significant events in the year

On 19 November 2012 - Mittel S.p.A., Equinox Two S.c.a., Tower 6 S.à r.l., Ghea S.r.l. and Tower 6 bis S.à.r.l., extended (without contemplating subsequent automatic renewal clauses) to 17 May 2015 the shareholders' agreement regarding relations between Mittel S.p.A., Tower 6 S.à.r.l. and Ghea S.r.l., as shareholders holding a total of 72,73% of the share capital of Bios S.p.A., and the investments of Bios S.p.A. and Tower 6 bis S.à.r.l. in the company Sorin S.p.A., equal to 25,439% of the share capital of the latter.

On 10 January 2013, the Board of Directors of Mittel S.p.A. approved the acquisition of 100% of the financial advisory company Borghesi Advisory S.r.l. (today Mittel Advisory S.p.A.) for a consideration of EUR 4,75 million in cash and EUR 2,5 million of Mittel S.p.A. ordinary shares, for an agreed value of EUR 2,78 each. The agreed consideration is consistent with the fair value range of Borghesi Advisory S.r.l. expressed by the two independent advisors charged with the fairness opinion by the Board of Directors of Mittel S.p.A. In consideration of the office of Chief Executive Officer of Mittel S.p.A. held by Borghesi, the transaction qualified as a related party transaction and therefore it was previously screened, in compliance with the relevant procedures of Mittel S.p.A., by the Related Party Committee, which expressed its favourable opinion on the interest of the Company to carry out the transaction as well as on the convenience and substantial correctness of its conditions. Moreover, since the transaction does not exceed the significant reporting thresholds, pursuant to the same procedures, it is a related party transaction of "Lesser Significance".

On 10 January 2013, the Board of Directors of Mittel S.p.A. approved the strategic lines of development for the 2013-2015 period. The Group will focus on growth in neighbouring/synergic business areas compared to the current ones (such as private equity pursued directly and family office in partnership with field operators), on growth in advisory, on the enhancement of the assets in the portfolio to facilitate their disposal at consistent values, should the need arise, and on further reduction of debt.

On 18 January 2013, Earchimede S.p.A. implemented the non-monetary distribution of EUR 9,875 million of "other non-available reserves", occurred later on 30 January, by granting 3.555.003 Mittel S.p.A. ordinary shares held by Earchimede S.p.A., with a share exchange ratio of 0,43889 Mittel S.p.A. shares for each Earchimede S.p.A. share held. Mittel S.p.A. was granted 3.022.248 ordinary shares which were assigned, as per the notification received from Earchimede S.p.A., a normal value of EUR 1,3629.

On 8 March 2013, Mittel S.p.A. transferred 65% of the share capital of the subsidiary Mittel Real Estate SGR S.p.A. (Mi.Re SGR) of about EUR 1,8 million to Vantu S.p.A. (50% of the share capital) and Fintrading S.p.A (15%).

On 18 March 2013, the Board of Directors of Mittel S.p.A. approved the promotion of a SEO with consideration in Mittel bonds and the promotion at the same time of a public offer for the subscription of a bond loan ("PSO") with the same characteristics of the bonds for the SEO. The overall amount of the bond issue for the PSO is approximately EUR 50 million, which can be increased up to approximately EUR 100 million. The SEO covers maximum 17.059.155 Mittel S.p.A. ordinary shares, and proposes to exchange 1 bond issued by Mittel with a unit nominal value of EUR 1,75 for each ordinary share subscribed. The PSO covers a bond loan offered for subscription to the general public in Italy and to qualified investors in Italy and institutional investors abroad, amounting to approximately EUR 20 million, which can be increased up to approximately EUR 70 million.

The duration of the term bond issue for the SEO and the PSO is 6 years, accrues 6% interests y-o-y and is intended for listing on the electronic securities market organised and managed by Borsa Italiana S.p.A. ("MOT"); as from the fourth year from the issue date, Mittel will have the right to redeem in advance from a minimum of 25% to a maximum of 50% of the value of the issued bond.

On 10 April 2013, Mittel S.p.A., in the name and on behalf of its wholly-owned subsidiary Mittel Partecipazioni Stabili S.r.l., undertook with regard to RCS MediaGroup S.p.A. to subscribe the entire share pertaining to it of the increase in share capital of the company, with an outlay of approximately EUR 5 million.

On 19 April 2013, the Mittel Group and Roland Berger Strategy Consultants signed a strategic partnership with the aim of developing the Rexelera private equity fund, focused on the restructuring and turnaround of Italian industrial companies and with the goal of collecting EUR 300 million; the fund will be promoted and managed by Mittel Management S.r.l., a company 100% owned by Mittel and delegated to manage private equity investments.

Angelo Rovati, Director, died on 19 April 2013: he joined the Mittel Group in 2009 holding different positions in the Board of Directors of some companies of the Group and was appointed Board Director of Mittel S.p.A. on 27 March 2012. The Group remembers with emotion and gratitude the important professional and personal contribution of great merit conveyed with enthusiasm and warmth by Angelo Rovati.

On 23 April 2013, Mittel S.p.A. received, effective from the same date, the resignation of the Director, Enrico Zobele

On 29 April 2013, the Board of Directors of Mittel S.p.A., taking note of the resignation of Giampiero Pesenti from his office of Board Director and Chairman of the Remuneration Committee, co-opted Enrico Benaglio, Investment Manager of Italmobiliare S.p.A., as Director.

On 13 June 2013, Consob approved the Prospectus related to the public subscription offer and the admission at the same time to the listing on the MOT of the Bonds of the Loan and on 17 June Mittel S.p.A. started the partial voluntary SEO on its own treasury shares covering maximum 17.059.155 shares with consideration in Mittel bonds and the PSO for maximum 57.059.155 Mittel bonds.

On 2 July 2013, Mittel S.p.A., in the name and on behalf of its wholly-owned subsidiary Mittel Partecipazioni Stabili S.r.l., announced the subscription of 4.226.643 RCS ordinary shares with an investment of EUR 5,2 million.

On 5 July 2013, Mauro Gambaro was appointed Chairman of the Board of Directors of Mittel Management S.r.l..

On 5 and 8 July 2012, Mittel S.p.A. announced the results of the SEO and of the PSO: the total nominal value of the Bonds issued for the SEO and for the PSO was EUR 99,85 million, with the issue of 57.059.155 Bonds with a nominal value of EUR 1,75 each. The Bonds paid during the SEO and those covered by the PSO have the same characteristics and thus are interest bearing, from the Date of Entitlement of the Loan (12 July 2013) to the Date of Maturity of the Loan (12 July 2019), at the gross annual nominal fixed rate of 6,0%; the bonds are listed on the MOT as from 12 July 2013.

As a result of the SEO, in which 14.786.458 ordinary shares were subscribed, and taking account of the 522.248 ordinary shares already held in the portfolio, Mittel S.p.A. holds 15.308.706 ordinary shares that correspond to 17,415% of its share capital.

On 23 July 2013, as we have learned following the press release issued by RCS MediaGroup S.p.A. in relation to the results of the share capital increase, Mittel Partecipazioni Stabili S.r.l. holds 1,33% of the share capital with voting rights and 1,06% of the existing share capital.

On 13 September 2013, as a result of the full participation of Italmobiliare S.p.A. to the SEO of shares in bonds carried out by Mittel S.p.A., Enrico Benaglio, Investment manager of Italmobiliare, resigned from the Board of Directors of the Company.

Parent company figures

The Mittel S.p.A.'s financial statements for the year ended 30 September 2013 posted a net loss of EUR 27,7 million, compared to a net loss of EUR 53,2 million as at 30 September 2012. Shareholders' equity amounted to EUR 278,4 million, compared to EUR 327,8 of the 2011-2012 financial year, marking a decrease of EUR 49,4 million.

The income for the year was negatively affected by impairment of investments of EUR 11,1 million, amortisation/depreciation and allocations of EUR 5,4 million and value adjustments to financial assets and receivables of EUR 8,7 million.

Financial highlights of Mittel S.p.A.

The main comments on the Income Statement and Statement of Financial Position items of Mittel S.p.A. are shown by making reference to the tables enclosed at the end of the press release.

The income statement results as at 30 September 2013

Revenues, amounting to EUR 2,6 million, decreased by EUR 1,0 million due to the decrease in rents receivable of EUR 0,2 million, the decrease in revenues from provision of services of EUR 0,3 million and the reduction of other income of EUR 0,5 million.

Income (expenses) from investments, amounting to EUR 9,7 million compared to EUR 107,2 million in the previous financial year, consist of dividends from investments of EUR 8,6 million (EUR 64,8 million as at 30 September 2012) and dividends from available-for-sale financial assets of EUR 0,9 million (EUR 3,8 million as at 30 September 2012). The decrease in the item mainly reflects the recognition in the previous financial year of the dividends received by Mittel Generale Investimenti S.p.A. of EUR 40 million and the capital gain from the transfer of Mittel Generale Investimenti S.p.A. of EUR 38,6 million.

The increase in **amortisation/depreciation and allocations** of EUR 1,3 million (amounting to EUR 5,4 million) is mainly due to increased provisions for contractual disputes from EUR 3,7 million of the last year to EUR 5,0 million;

Value adjustments to financial assets and receivables, amounting to EUR 8,7 million compared to EUR 2,4 million in the previous financial year, consist in value adjustments to available-for-sale financial assets of EUR 4,0 million, value adjustment for impairment of a credit position claimed from the subsidiary Markfactor S.r.l. in liquidation of EUR 3,7 million and due to the discounting effect of two credit positions of EUR 1,0. Finally, **value adjustments to investments** (amounting to EUR 11,1 million compared to EUR 33,5 million in the previous financial year) mainly consist in write-downs for impairment as a result of the distribution of reserves of the subsidiaries Earchimede S.p.A. and Mittel Debt & Grant S.p.A. amounting to EUR 8,4 million and EUR 2,0 million, respectively; these adjustments are partially offset by income recorded in the item Income from investments.

The statement of financial position as at 30 September 2013

Investments (EUR 188,7 million compared to EUR 190,8 million in the previous financial year) reflect: i) purchases and injections of capital carried out during the financial year of EUR 12,8 million, of which EUR 8,2 million for the purchase of Mittel Advisory S.p.A. and EUR 2,4 million for the share capital increase in Mittel Advisory S.p.A. through the contribution to it of the investment held in Mittel Advisory Debt & Grant S.p.A.; ii) decrease in the item of EUR 3,9 million of which EUR 2,4 million against the contribution mentioned above of Mittel Advisory Debt & Grant S.p.A. to

Mittel Advisory S.p.A. and iii) write-downs totalling EUR 11,1 million, related to the impairment of the Earchimede S.p.A. investment of EUR 8,4 million and of the Mittel Advisory Debt & Grant S.p.A. investment of EUR 2,0 million.

Non-current financial assets decreased by EUR 7,8 million to EUR 207,2 million due to: i) the decrease in non-current financial assets of EUR 36,9 million mostly related to the classification of the receivables from non-current to current; ii) the increase related to the recognition among non-current financial assets of the loan of EUR 21,8 million, existing between Mittel with regard to Ghea; iii) the increase from purchases/subscriptions/contributions of EUR 8,0 million of available-for-sale financial assets (of which EUR 4,1 million as a result of the contribution in Micro Venture Finance Group S.A. of the investments held in Micro Venture S.p.A. and Micro Ventures Investments S.c.a. Sicar and EUR 2,3 million in Fondo Progressio Investimenti II (Progressio Investimenti II Fund)); iii) decreases of EUR 5,4 million mainly related to the contribution in Micro Venture Finance Group S.A. described above iv) the net increase due to the fair value adjustment of equity investments of EUR 4,6 million (EUR 5,4 million related to the Fondo Progressio Investimenti (Progressio Investimenti Fund) as an effect of the fair value of the indirect investment of 4,99% of Moncler S.p.A.).

Provisions for risks, employee severance indemnity and employee benefits (amounting to EUR 6,2 million compared to EUR 4,7 million) include an allocation of EUR 5,0 million for hedging the risk assigned to the contractual guarantees issued by Mittel S.p.A. and a use of EUR 3,7 million related to the covering of tax risks in connection with the tax dispute of Mittel Generale Investimenti S.p.A. related to the 2004-2005 and 2005-2006 tax periods.

Total shareholders' equity(amounting to EUR 278,4 million) decreased by EUR 49,4 million attributable (i) to the loss for the year of EUR 27,7 million, (ii) to the decrease deriving from the investment in treasury shares as a result of the SEO in which 14.786.458 shares were subscribed for a consideration of EUR 25,9 million that, pursuant to what is established by IAS 32, determined a reduction of shareholders' equity of almost the same amount, and (iii) to the increase in valuation reserve of EUR 5,3 million.

The **net financial position**, (negative) of EUR 121,7 million, marking a decrease of EUR 35,6 million mainly attributable to the negative cash flow from current operations of EUR 3,1 million, to the issue of the bond loan –“Mittel S.p.A. 2013-2019-FT 6%” recorded for a total of EUR 97,4 million, to which a net cash flow deriving from the subscription of bonds of EUR 69,7 million was opposed due to the SEO of EUR 25,9 million.

Significant events after 30 September 2013

The Agreement signed on 12 October 2009 between Mittel S.p.A., Equinox Two S.c.A., Hopa S.p.A. (to date merged in Mittel S.p.A.), Banca Monte dei Paschi di Siena S.p.A. and Unipol Gruppo Finanziario S.p.A., covering 171.098.423 Sorin S.p.A. shares amounting to 35,7395% of the ordinary share capital of the Company, expired on 18 November 2013 and has not been renewed.

On 11 December 2013, the Global Offer to Sell aimed at listing Moncler S.p.A. on the Mercato Telematico Azionario (MTA), organised and managed by Borsa Italiana S.p.A., was concluded successfully. The Offer Price of the Moncler S.p.A. ordinary shares was fixed at EUR 10,20 per share. Brands Partners 2 S.p.A., company of which Mittel S.p.A. holds 25,20% of the share capital, complied with the Global Offer to Sell bringing 9,3 million of ordinary shares of Moncler S.p.A. The collection, net of commissions due to placement banks, amounted to EUR 93,4 million. To date, Brands Partners 2 S.p.A. still holds 3,1 million of Moncler S.p.A. ordinary shares in its portfolio.

Business outlook

By assuming that the Italian economic and financial situation will actually improve during 2014 as expected to date and considering the operations already carried out during the first months of the financial year, described in the previous paragraph, the Issuer believes that the current financial year will be able to record a consolidated net income at around break-even, improving considerably compared to the results as at 30 September 2013. This objective assumes that the current investment portfolio will remain unchanged, excluding potential extraordinary

transactions, disposals and/or acquisitions (except those already occurred and indicated above), as well as excluding any value adjustment on investments or receivables.

- **Proposal of the Board of Directors**

The Board of Directors asks the Shareholders' meeting to carry forward the loss for the year recorded as at 30 September 2013, amounting to EUR 27,6 million, and not to distribute the reserves.

- **Approval of the Corporate Governance Report**

The Board of Directors approved the Corporate Governance Report and the Remuneration policy Report of the Mittel Group. The Corporate Governance Report will be published on the website whereas the Remuneration policy Report will be made available to the public within the timeframe set by the law.

The Board of Directors also replaced the member of the Remuneration and Appointment Committee by appointing Paolo Battocchi.

- **Approval of the proposal to appoint the members of the Board of Directors**

The Board of Directors agreed to submit to the Shareholders the appointment of 3 members of the Board of Directors in order to replace the members of the administrative body.

- **Calling of the Shareholders' Meetings**

The Board of Directors resolved to convene the Ordinary Shareholders' Meeting on 18 February 2014 in first call and on 11 March 2014 in second call, unlike the time intervals provided in the announcement of the Calendar of Corporate Events.

- **Calling of the Noteholders' Meetings**

The Board of Directors resolved to convene the Noteholders' Meeting on 18 February 2014 in first call and on 11 March 2014 in second call.

Please find enclosed the consolidated statement of financial position, income statement and comprehensive income statement, as well as the statement of financial position and the income statement of Mittel S.p.A. by informing that the relevant figures have not yet been certified by the Independent Auditors nor audited by the Board of Statutory Auditors.

The Manager responsible for preparing the Mittel Group's financial reports, Pietro Santicoli, hereby declares that pursuant to Article 154 bis, paragraph 2, of the Consolidated Law on Finance, the accounting information provided in this press release matches the information reported on the company's documents, books and accounting records.

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Financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.09.2013	30.09.2012
Non-current assets		
Intangible assets	29.943.208	21.751.420
Property, plant and equipment	137.658.870	147.375.964
Investments accounted for using the equity method	77.300.543	39.098.753
Financial receivables	105.362.066	156.970.846
Other financial assets	119.593.635	143.249.182
Sundry receivables and other assets	294.824	329.648
Prepaid tax assets	8.526.732	9.456.406
Total non-current assets	478.679.878	518.232.219
Current assets		
Property inventories	122.011.696	117.640.612
Financial receivables	83.500.455	48.620.504
Other financial assets	17.826.076	-
Tax assets	15.935.274	16.580.927
Sundry receivables and other assets	26.909.465	18.213.603
Cash and cash equivalents	45.617.101	14.890.371
Total current assets	311.800.067	215.946.017
Assets held for sale	-	2.550.369
Total assets	790.479.945	736.728.605
Shareholders' equity		
Share capital	87.907.017	87.907.017
Share premium	53.716.218	53.716.218
Treasury shares	(26.514.895)	(9.875.000)
Reserves	250.024.823	228.181.886
Profit (loss) for the year	(38.087.255)	(17.920.929)
Shareholders' equity pertaining to the Group	327.045.908	342.009.192
Non controlling interests	56.389.143	55.524.942
Total shareholders' equity	383.435.051	397.534.134
Non-current liabilities		
Bonds	96.103.299	-
Financial payables	103.793.527	109.922.609
Other financial liabilities	-	402.285
Provisions for personnel	2.406.769	1.500.636
Deferred tax liabilities	37.746.179	34.998.430
Provisions for risks and charges	5.687.986	4.510.158
Sundry payables and other liabilities	2.933.782	1.900.000
Total non-current liabilities	248.671.542	153.234.118
Current liabilities		
Bonds	1.320.537	-
Financial payables	117.427.659	142.991.780
Other financial liabilities	4.740.747	7.049.128
Tax liabilities	1.340.584	739.783
Sundry payables and other liabilities	33.543.825	34.984.837
Total current liabilities	158.373.352	185.765.528
Liabilities held for sale	-	194.825
Total shareholders' equity and liabilities	790.479.945	736.728.605

CONSOLIDATED INCOME STATEMENT

	30.09.2013	30.09.2012
Revenues	49.747.989	47.071.261
Other income	3.647.502	3.908.396
Variations in property inventories	5.640.028	15.098.076
Costs for purchases	(11.541.750)	(19.937.171)
Costs for services	(33.741.507)	(32.043.689)
Personnel costs	(11.808.675)	(9.625.253)
Other costs	(5.830.955)	(6.509.888)
Dividends	1.947.030	6.081.284
Profit (loss) from management of financial activities and investments	2.347.585	158.865
Gross operating margin (EBITDA)	407.247	4.201.881
Amortisation and value adjustments to intangible assets	(14.656.429)	(18.899.071)
Allocations to the provision for risks	(4.992.872)	(3.857.142)
Value adjustments to financial assets and receivables	(28.836.194)	(9.825.885)
Share of income (loss) of investments accounted for using the equity method	325.307	18.075.638
Operating result (EBIT)	(47.752.941)	(10.304.579)
Financial income	24.123.637	9.074.767
Financial expenses	(12.724.611)	(13.594.231)
Profit (loss) from trading of financial assets	(1.177.735)	(1.750.000)
Income (loss) before taxes	(37.531.650)	(16.574.043)
<i>Income taxes</i>	(3.716.664)	213.646
Income (loss) from continuing operations	(41.248.314)	(16.360.397)
Income (loss) from assets held for sale	143.205	(5.747.995)
Profit (loss) for the year	(41.105.109)	(22.108.392)
Attributable to:		
Income (loss) pertaining to non controlling interests	3.017.854	4.187.463
Income (loss) pertaining to the Group	(38.087.255)	(17.920.929)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in EUR

	Notes	01.10.2012 30.09.2013	01.10.2011 30.09.2012
Profit (loss) for the year (A)		(41.105.109)	(22.108.392)
Other profits / (losses) comprehensive which will be not subsequently reclassified to profits / (losses) for the year:			
Other profits / (losses) which will be not subsequently reclassified to profits / (losses) for the year:		-	-
Tax effect relating to other profits/(losses) which will be not subsequently reclassified to profits/(losses)		-	-
Total Other profits / (losses) which will be subsequently reclassified to profits / (losses) for the year, net of taxes (B.1)		-	-
Other profits / (losses) comprehensive which are subsequently reclassified to profits / (losses) for the year:			
Effective part of the profits/(losses) on cash flow hedges	19	1.161.556	677.361
Profits/(losses) from the redetermination of available-for-sale financial assets	19	5.651.139	(1.896.288)
Profits/(losses) from the transfer of available-for-sale financial assets	19	676.844	(1.483)
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	19	4.302.438	-
Profits/(losses) of companies valued using the equity method	19	37.871.209	7.318.921
Tax effect relating to other profits/(losses) which will be subsequently reclassified to profit or (loss)		(1.976.109)	863.160
Total other profits/(losses), net of taxes (B.2)		47.687.077	6.961.671
Total Other profits / (losses) which will be subsequently reclassified to profits / (losses) for the year, net of taxes (B) = (B.1) + (B.2)		47.687.077	6.961.671
Total comprehensive profit/(loss) (A) + (B)		6.581.968	(15.146.721)
Total comprehensive profit/(loss) attributable to:			
Non controlling interests		(2.456.700)	(4.481.771)
Income (loss) pertaining to the Group		9.038.668	(10.664.950)

MITTEL S.p.A. – SEPARATE STATEMENT OF FINANCIAL POSITION

	30.09.2013	30.09.2012
Non-current assets		
Intangible assets	94.634	33.467
Property, plant and equipment	794.959	1.115.755
Partecipazioni	188.711.861	190.804.293
Financial receivables	113.221.372	150.158.056
Other financial assets	72.092.385	64.865.718
Sundry receivables and other assets	160.252	263.838
Prepaid tax assets	159.624	972.206
Total non-current assets	375.235.087	408.213.333
Current assets		
Financial receivables	89.401.367	54.841.983
Tax assets	14.650.220	15.621.044
Sundry receivables and other assets	11.526.156	10.212.306
Cash and cash equivalents	3.545.199	4.063.954
Total current assets	119.122.942	84.739.287
Assets held for sale	-	2.500.000
Total assets	494.358.029	495.452.620
Shareholders' equity		
Share capital	87.907.017	87.907.017
Share premium	53.716.218	53.716.218
Treasury shares	(25.778.526)	-
Reserves	190.172.894	132.946.832
Profit (loss) for the year	(27.658.637)	53.191.216
Totale Patrimonio	278.358.966	327.761.283
Non-current liabilities		
Bonds	96.103.299	-
Financial payables	39.163.897	43.825.716
Provisions for personnel	796.627	522.280
Deferred tax liabilities	1.076.132	-
Provisions for risks and charges	5.517.826	4.196.800
Sundry payables and other liabilities	2.635.502	1.900.000
Total non-current liabilities	145.293.283	50.444.796
Current liabilities		
Bonds	1.320.537	-
Financial payables	56.233.114	101.152.517
Tax liabilities	-	348.721
Sundry payables and other liabilities	13.152.129	15.745.303
Total current liabilities	70.705.780	117.246.541
Liabilities held for sale	-	-
Total shareholders' equity and liabilities	494.358.029	495.452.620

MITTEL S.p.A. – SEPARATE INCOME STATEMENT

	30.09.2013	30.09.2012
Revenues	1.499.317	2.029.655
Other income	1.145.305	1.586.606
Costs for services	(7.643.897)	(7.287.852)
Personnel costs	(3.803.496)	(4.022.909)
Other costs	(1.833.330)	(1.977.385)
Dividends	9.548.741	68.513.678
Utile (Perdite) dalla gestione di attività finanziarie	160.388	38.643.408
Gross operating margin (EBITDA)	(926.972)	97.485.201
Amortisation and value adjustments to intangible assets	(395.257)	(395.920)
Allocations to the provision for risks	(4.971.026)	(3.650.000)
Value adjustments to financial assets and receivables	(8.736.068)	(2.417.171)
Value adjustments to investments	(11.059.549)	(33.477.118)
Operating result (EBIT)	(26.088.872)	57.544.992
Financial income	5.853.931	2.993.943
Financial expenses	(7.391.665)	(6.547.174)
Income (loss) before taxes	(27.626.606)	53.991.761
<i>Income taxes</i>	(32.031)	(800.545)
Income (loss) from continuing operations	(27.658.637)	53.191.216
Income (loss) from assets held for sale	-	-
Profit (loss) for the year	(27.658.637)	53.191.216

The Manager responsible for preparing the Mittel Group's financial reports, Pietro Santicoli, hereby declares that pursuant to Article 154 bis, paragraph 2, of the Consolidated Law on Finance, the accounting information provided in this press release matches the information reported on the company's documents, books and accounting records.