

**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 No. - VAT No. 00742640154**  
**Milan Economic Administrative Index No. 52219**

**PRESS RELEASE**

**Mittel purchases an investment in the Zaffiro Group (care homes for the elderly)**

- **First acquisition of a major Italian company in the Healthcare sector**
- **The transaction aims to create an integrated platform in the reference sector**
- **Business owner Gabriele Ritossa remains Chief Executive Officer with a 25% interest**

**Milan, 9 November 2016** - In line with the Guidelines to the 2016-2019 Strategic Plan disclosed to the market on 30 March 2016 and which plan to focus on private equity business with a view to permanent capital, Mittel S.p.A. today announced its purchase of 75% of the Zaffiro Group ("Zaffiro"), a major player in the Italian healthcare industry. Gabriele Ritossa, a long-standing shareholder of Zaffiro, retains an interest in the initiative with a 25% investment in the share capital and takes on the office of Chief Executive Officer.

This transaction fits into the framework of a much broader Mittel plan in this sector, with the investment in Zaffiro proving consistent with and complementary to other opportunities under review. Zaffiro represents a solid base on which, in agreement with Gabriele Ritossa, a process of combining with other local healthcare operators can be built, with the aim over the next few years of becoming a reference point for the sector.

Founded in 1992 by Gabriele Ritossa and Riccardo del Sabato, Zaffiro operates in the healthcare industry by offering long-term care services to elderly patients that are no longer self-sufficient or have serious illnesses. The Group currently has eight care homes - four in Friuli Venezia Giulia and four in the Marche region - that can accommodate a total of around 900 patients. The care homes are distinguished by a strong degree of internalization and by the high quality of their services.

The Zaffiro Group revenue forecast for 2016 is around EUR 24 million, with EBITDA of approximately EUR 4 million.

Mittel's interest in the project is based on the reference sector trends, clear in terms of structural growth, associated with demographic and social factors, and a services structure still highly fragmented and with significant room for aggregation. The Zaffiro Group offers sound competitive positioning and major geographic coverage of the Friuli Venezia Giulia and Marche regions. The transaction also calls for significant reinvestment and for maintaining the management role played by the current operating partner of the Group, who has amassed considerable experience and expertise in the sector and has outstanding entrepreneurial skills.

*"The equity transaction in Zaffiro Group share capital," announced Rosario Bifulco, the Mittel Group Chief Executive Officer, "is an excellent opportunity for us to combine the growth process of an excellent medium-sized Italian company in industry terms with the continuation of our own strategy as an investment-merchant bank focusing on controlling investments in high cashflow-generating Italian businesses. We will make all our strongest skills available to the subsidiary to further enhance the Zaffiro Group's already excellent competitive and profit positions. With management, we will aim to develop the company also through acquisitions, because we believe that the sector has extensive development and consolidation options if we compare the medium size of the Italian groups to those of their major European competitors. We have identified Healthcare and Life Sciences in our Business Plan as two of the most interesting sectors for investment. However, we also aim to make new investments in other industries where business excellence, combined with long-term industrial funding, offers extensive opportunities to create value for our Group and for the investees."*

*“Today, after 25 years in business, the new development phase of our Group begins, and I am happy this is happening with a partner that knows the industry well and which has the same long-term business vision as we do”, stated Gabriele Ritossa, Chief Executive Officer of the Zaffiro Group. “We will continue to focus on providing the best service quality standards we offer to our guests, always in line with the special and personal needs of all of them.*

*We aim to grow by creating new, innovative care homes and by having other companies join us in our project, because I am convinced that our business model can attract small successful enterprises that are interested in becoming part of a Group with development prospects that will have the financial strength to make the major investments needed nowadays to excel in an industry that is becoming increasingly competitive.*

*I would like to thank Riccardo del Sabato, my long-standing partner, and all the staff both in-house and external to the company that have stood by me through all these years, without which the Zaffiro Group would not have become the important business entity it is now and which we will build upon over the next few years.”*

Mittel's total investment is around EUR 21.5 million, including a bridge loan of EUR 8.0 million granted for the transaction.

Mittel was assisted by Andrea Giardino of Studio Gatti Pavesi e Bianchi as legal advisor, EY for the financial due diligence and Ludovici Piccone & Partners as tax advisors. The sellers were assisted by Fabio Del Bene of Studio DLA Piper as legal advisor.

**Mittel S.p.A.**

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