MITTEL S.p.A.
Offices in Milan - Piazza A. Diaz 7
Share Capital EUR 87.907.017 fully paid-in
Listed in the Milan Register of Companies at no. 00742640154
www.mittel.it

PRESS RELEASE

- **Major continuous improvement in the Group's financial structure: the net financial position came to EUR 54,5 million as at 30 September 2016 (EUR 81,5 million as at 30 September 2015 and EUR 201,8 million as at 30 September 2014) as a result of the valuation undertaken by the Group of non-core assets in portfolio. In the first few months of the 2016/2017 financial year, this improvement has already allowed the reinvestment of resources generated by the Healthcare Sector (Zaffiro S.r.l. Group), consistent with the guidelines of the 2016-19 Strategic Plan approved in March 2016.**
- **The consolidated loss for the Group was EUR 4,5 million (from a loss of EUR 22,3 million), marking a strong improvement due to the reduction in operating costs (at Mittel S.p.A. decreasing from EUR 14,7 million to EUR 10,9 million) and to the successful disposal of non-core assets (Livanova Plc and Credit Access Asia N.V.), only partially offset by adjustments made to the Group's residual property portfolio.**
- **In 2016/2017 the Company will continue to implement the 2016-2019 Strategic Plan by freeing up additional financial resources for new investments, with a preference for build-up and production chain opportunities, in areas where business excellence, combined with long-term industrial funding, offers extensive opportunities to create value for our Group and for the investees.**

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Milan, 14 December 2016 - The Board of Directors of Mittel S.p.A., which met today under the chairmanship of 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 as at 30 September 2016.

Operating performance highlights

On 30 March 2016, the Mittel S.p.A. Board of Directors approved the 2016-2019 Strategic Plan, the guidelines of which envisage in the next few years that Mittel focuses on developing private equity with a view to permanent capital by valuating assets held in portfolio, the gradual departure from real estate business and the abandonment of lending activities.
On approval of the Strategic Plan, the Mittel Group launched a major process for its repositioning on the Italian financial market. The Company aims to create value for the Shareholders by becoming a dynamic and efficient Investment-Merchant Bank, focusing on controlling investments in Italian small and medium-sized enterprises with strong cash flow generation.

Following approval of the Plan, action began on implementing the defined strategies, which envisaged the launch of the process to streamline the Group's corporate structure and the disposal of non-core assets.
In particular, July saw the finalisation of full mergers into Mittel S.p.A. of two subsidiaries. Later, in September 2016, through the investees Bios S.p.A. (50%) and Tower 6 Bis S.a.r.l. (49%), held in partnership with Equinox Two S.c.a., through multiple market transactions - disclosed to the public pursuant to applicable regulations and for a total final value of around EUR 77 million - the disposal of a non-controlling interest in Livanova Plc, a UK company listed on the London and NASDAQ stock exchanges, was arranged. Again in September, Mittel S.p.A. completed the disposal procedure for almost the entire non-controlling interest, as well as the associated bond loan, held in Credit Access Asia N.V., a multinational microfinance operator with activities in India and South East Asia. The total transaction value was EUR 10,6 million. Lastly, note the collection in August 2016 of a non-current financial receivable for EUR 30,0 million.

Consistent with the Plan's guidelines, the financial resources generated were used after the end of the financial year, more precisely in November 2016, to purchase an investment totalling approximately EUR 21,5 million (including an EUR 8,0 million bridge loan) of 75% of the Zaffiro S.r.l. Group, a major player in the Italian healthcare industry. 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. The Zaffiro Group, in fact, represents a solid base on which 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, presenting clear structural growth trends associated with demographic and social factors, and a service structure that is still highly fragmented with significant room for aggregation.

Main consolidated income statement figures

(thousands of Euro)	**30.09.2016**	**30.09.2015**
Revenues and other income	9.717	20.278
Variations in property inventories	(10.030)	(3.298)
Net revenues	**(313)**	**16.980**
Purchases, provision of services, sundry costs	(16.880)	(29.087)
Personnel costs	(6.627)	(9.363)
Operating costs	**(23.508)**	**(38.450)**
Income (expenses) from investments	8.725	4.547
Operating margin (EBITDA)	**(15.095)**	**(16.923)**
Amortisation/depreciation, allocations and adjustments to non-current assets	(686)	(3.078)
Value adjustments to financial assets, receivables and investments	(23.533)	(3.757)
Share of income (loss) of investments	25.242	(1.362)
Income (loss) from non-recurring transactions after taxes	-	176
Operating result (EBIT)	**(14.072)**	**(24.944)**
Income (loss) from financial management	(2.331)	(2.094)
Income (loss) from trading of financial assets	61	5.357
Income (loss) before taxes	**(16.342)**	**(21.682)**
Taxes	4.739	(1.524)
Net income (loss) for the year	**(11.603)**	**(23.205)**
Income (loss) pertaining to non-controlling interests	7.098	887
Income (loss) pertaining to the Group	**(4.506)**	**(22.318)**

The income statement figures commented on refer to the reclassified tables shown above; details of the most significant items are shown below:

- **Net revenues**: this reclassified item includes balance sheet revenues, other income and the change in property inventories and as at 30 September 2016 were negative at EUR 0,3 million, compared to the positive contribution for EUR 17,0 million as at 30 September 2015, marking a decrease of EUR 17,3 million. This variation is the combined result of the following factors:

(i) recognition of lower revenues for EUR 10,7 million (from EUR 18,7 million as at 30 September 2015 to EUR 8,0 million as at 30 September 2016), of which EUR 8,2 million attributable to lack of the contribution from the Outlet Sector which, despite its disposal, contributed to the previous year's income statement until November 2014, the date on which the disposal became final and the net assets sold and the related costs and revenues were permanently deconsolidated;

(ii) increase of EUR 0,2 million in other income (from EUR 1,5 million as at 30 September 2015 to EUR 1,7 million as at 30 September 2016);

(iii) the negative variation of EUR 6,7 million inferred from a comparison between the change in property inventories (i.e. the net value between the increase in inventories for property development, the reduction for the sales of living units and write-downs) of the two periods, from a negative EUR 3,3 million as at 30 September 2015 to a negative EUR 10,0 million as at 30 September 2016. The loss this year is explained by the net effect of the increase in capitalised costs for EUR 2,5 million, the decrease due to offloading of selling costs for EUR 5,3 million and net adjustments of EUR 7,2 million applied at year end based on the results of the independent appraisal obtained.

- **Costs for purchases, provision of services, sundry costs**: this item includes costs for purchases of EUR 2,3 million (EUR 6,3 million in the previous year), costs for services of EUR 9,6 million (EUR 17,0 million in the previous year) and other costs of EUR 4,9 million (EUR 5,7 million in the previous year). The EUR 4,0 million decrease in costs for purchases is attributable to less growth in the Real Estate sector, due to the substantial completion of most of the contracts held by the Group. The net decrease in costs for services (EUR 7,4 million) instead refers to: EUR 5,1 million as the elimination of costs for services for the Outlet Sector, which last year contributed to the consolidated financial statements until finalisation of the disposal transaction; EUR 1,9 million as the reduction in costs of Mittel S.p.A., to be considered also in the light of the launch of implementation measures for the 2016-2019 Strategic Plan guidelines which, amongst other things, envisage holding cost containment.

- **Personnel costs**: this item amounted to EUR 6,6 million, posting a decrease of EUR 2,8 million compared to EUR 9,4 million in the previous year, attributable for EUR 1,7 million to Fashion District Group S.r.l. (in liquidation) and its subsidiaries, EUR 0,8 million to Mittel S.p.A. personnel (and one company merged into Mittel S.p.A.), EUR 0,3 million to the Advisory Sector and EUR 0,1 million to the Real Estate Sector.

- **Income and expenses from investments**: this item recorded a positive balance of EUR 8,7 million (income of EUR 4,5 million in the comparison period) and is composed of dividends of EUR 0,9 million (EUR 2,0 million in the previous year) and profit from management of financial activities and investments of EUR 7,8 million (EUR 2,6 million in the previous year).
  Dividends for the year are mainly attributable to the distributions made by Fondo Augusto for around EUR 0,3 million, UBI Banca S.p.A. for approximately EUR 0,2 million, SIA S.p.A. for EUR 0,2 million, Intesa Sanpaolo S.p.A. for EUR 0,1 million and Istituto Atesino di Sviluppo - ISA S.p.A. for around EUR 0,1 million.
  The item 'Profit from management of financial activities and investments' is attributable, for EUR 5,8 million, to Mittel S.p.A.'s disposal of almost all its non-controlling interest in Credit Access Asia N.V., a multinational microfinance operator with activities in India and South East Asia. Additional profit, respectively for around EUR 1,1 million and EUR 1,0 million, was recorded following the partial disposal of Intesa Sanpaolo S.p.A. shares (arranged by Mittel Partecipazioni Stabili S.r.l. prior to its merger into Mittel S.p.A. during the year) and the adjustment to the price collected on the investment previously held in Brands Partners 2 S.p.A.

- **Amortisation/depreciation, allocations and adjustments to non-current assets**: totalled EUR 0,7 million, compared to EUR 3,1 million in the previous year. The amount is comprised of amortisation and value adjustments to intangible assets for EUR 0,3 million (EUR 0,7 million in the comparison period) and allocation to the provision for risks of EUR 0,4 million (EUR 2,4 million as at 30 September 2015).

- **Value adjustments to financial assets and receivables**: the balance of this item was EUR 23,5 million (EUR 3,8 million as at 30 September 2015) and mainly includes the effects of:

(i) the write-down for EUR 12,5 million (of which 51% pertaining to the Group) of the receivable due to Ghea S.r.l. from Bios S.p.A. (to be considered jointly with the positive income components recorded by Mittel S.p.A.'s investment in Bios S.p.A.);

(ii) the full write-down for a total of EUR 5,7 million of a residual receivable held by Fashion District Group S.r.l. (in liquidation);

(iii) the percentage, amounting to EUR 1,3 million, of the overall decrease in fair value of UBI Banca shares held in portfolio (pertaining to the portfolio of available-for-sale financial assets), qualifying as an adjustment with balancing entry in the income statement (since it exceeds the positive valuation reserve available at the start of the year for the shares in question);

(iv) the fair value adjustment applied by Mittel S.p.A. in reference to the Fondo Augusto for EUR 0,4 million;

(v) the value adjustment of EUR 1,2 million recognised on a financial receivable held by Mittel S.p.A. as a result of discounting following a review of the presumed collection date of the receivable in question;

(vi) the write-down totalling EUR 1,1 million in trade receivables relating to the Advisory Sector;

(vii) value adjustments for approximately EUR 0,7 million to available-for-sale financial assets held by Earchimede S.p.A. (investments in private equity funds and foreign investment vehicles);

(viii) the write-down of approximately EUR 0,5 million in receivables attributable to a subsidiary in the Real Estate Sector.

- **Share of income (loss) of investments**: this item, amounting to a positive EUR 25,3 million, recorded a net increase compared to the previous year when it was negative for EUR 1,4 million. The consistent positive result is explained largely by the disposal of a non-controlling interest in Livanova Plc by Bios S.p.A. and Tower 6 bis S.a.r.l., associates of Mittel S.p.A. In fact, the contributions to the consolidated income statement of the two investments held by Mittel S.p.A. (consolidated at equity) were EUR 12,1 million (Bios S.p.A.) and EUR 12,8 million (Tower 6 Bis S.a.r.l.). The result of the investment in Bios S.p.A. also includes the positive effect for EUR 6,2 million of the remeasurement - following a statutory amendment during the year - of the equity values of Bios S.p.A. pertaining to Ghea S.r.l. (the holder of all residual Class B shares of Bios S.p.A.) and to Mittel S.p.A. (which holds 50% of ordinary Bios S.p.A. shares). At consolidated level, the profit pertinent to the Group (approximately EUR 6,4 million) is therefore offset by the value adjustment for a total of EUR 12,5 million recorded by the fully consolidated company Ghea S.r.l. to receivables (including those deriving from Class B shares) due from Bios S.p.A.
- **Income (loss) from financial management**: amounting to a loss of EUR 2,3 million (a loss of EUR 2,1 million in the previous year), therefore marking a slight deterioration of EUR 0,2 million. The item is mostly attributable to the negative contribution of EUR 5,0 million of the Parent Company Mittel S.p.A., influenced by interest expense accrued on the bond loan and on bank loans, offset mainly by the positive contribution of EUR 2,3 million from the subsidiary Ghea S.r.l. as interest income accrued on the receivable due to said entity from Bios S.p.A.
- **Income (loss) from trading of financial assets**: this item made a marginal contribution to the consolidated income statement, with a positive balance of around EUR 0,1 million, marking a clear decrease compared to profit of EUR 5,4 million in the previous year, to which the main contributor was the parent company Mittel S.p.A.
- **Taxes**: this item had a positive effect for EUR 4,7 million on the consolidated income statement (compared to a negative contribution for EUR 1,5 million recorded in the previous year), mainly due to the release of deferred taxes previously recognised in the consolidated financial statements for the subsidiary Ghea S.r.l., which as at 30 September 2016 contributed for EUR 3,7 million to the consolidated figure, Fashion District Group S.r.l. (in liquidation) for EUR 3,5 million and Fashion District Roma S.r.l. (in liquidation) for EUR 0,8 million. The effect was mitigated by the release of prepaid taxes recognised by Fashion District Group S.r.l. (in liquidation) for EUR 2,6 million, by Fashion District Roma S.r.l. (in liquidation) for EUR 0,2 million and by Mittel Advisory Debt and Grant S.p.A. for EUR 0,5 million.

Main consolidated financial and equity figures

(thousands of Euro)	**30.09.2016**	**30.09.2015**
Intangible assets	41	147
Property, plant and equipment	3.764	854
Investments	88.133	87.968
Non-current financial assets	137.958	207.969
Provisions for risks, employee severance indemnity and employee benefits	(3.185)	(7.148)
Other non-current assets (liabilities)	(163)	(475)
Tax assets (liabilities)	2.590	139
Net working capital (*)	98.100	114.337

Net invested capital	**327.239**	**403.792**
Equity pertaining to the Group	(252.971)	(283.805)
Non-controlling interests	(19.782)	(38.483)
Total Equity	**(272.754)**	**(322.288)**
Net financial position	**(54.485)**	**(81.504)**

(*) Comprised of the sum of property inventories and sundry Receivables (Payables) and other current assets (liabilities)

Property, plant and equipment amounted to EUR 3,8 million, compared to EUR 0,9 million in 2014-2015, marking an increase mostly attributable to the purchase during the year by the associate Mittel Generale Investimenti S.p.A. of a property unit located in Milan at Piazza Diaz 7, on which Mittel S.p.A. previously held the lease. Implementation of the transaction also took into account a value appraisal of the property unit by an independent expert and the opinion in favour obtained from the Related Party Transactions Committee of Mittel S.p.A., given its classification as a transaction of lesser importance with related parties.

Investments valued using the equity method totalled EUR 88,1 million, marking a slight increase compared to EUR 88,0 million in the previous year. The essential stability of this item, despite the considerable profit recorded in the income statement from the investees consolidated at equity, Bios S.p.A. and Tower 6 Bis S.à.r.l., is attributable to the incorporation into their book values as at 30 September 2015 of the fair value measurement of the Livanova Plc securities held. The disposals of Livanova Plc shares during the year by Mittel S.p.A.'s two investee vehicles therefore led to recognition in the income statement of a gain on disposal that was in part already incorporated into the equity valuations of the investees, as a balancing entry to the valuation reserve, in previous consolidated financial statements of the Mittel Group in application of international accounting standards.

Non-current financial assets amounted to EUR 138,0 million, compared to EUR 208,0 million in 2014-2015, marking a decrease of EUR 70,0 million. This variation is attributable for EUR 63,3 million to the decrease in non-current financial receivables, which fell from EUR 163,5 million to EUR 100,2 million, and for EUR 6,6 million to other non-current financial assets, down from EUR 44,4 million to EUR 37,8 million.
In relation to non-current financial receivables, the considerable decrease recorded is attributable for EUR 34,1 million to the receivable due to Ghea S.r.l. from Bios S.p.A., which fell from EUR 53,5 million to a total of EUR 44,3 million. However, EUR 23,9 million of this amount corresponds to the current portion of the receivable, classified as such as at 30 September 2016 among current financial receivables as due within 12 months, in line with the contractual due date.
A further significant decrease in the item is attributable to the collection during the year of a financial receivable due to Mittel S.p.A. by Fondo Augusto for a total of EUR 30 million, with same-time disbursement of a new loan - again in favour of Fondo Augusto - for EUR 10,0 million.
Also note the effect attributable to the complete write-down, for EUR 5,4 million, of a residual receivable held by Fashion District Group S.r.l. (in liquidation) following the further deterioration of the related counterparty's position and that due to the reclassification among current financial receivables of the balance of the escrow account of EUR 5,0 million, again pertaining to Fashion District Group S.r.l. (in liquidation).
The decrease in other financial assets, on the other hand, is mainly due to the disposal by Mittel S.p.A. of almost all its non-controlling interest, including the associated bond loan, held in Credit Access Asia N.V., a multinational microfinance operator with activities in India and South East Asia, the book value for which as at 30 September 2015 was EUR 4,8 million. The total transaction value was EUR 10,6 million, resulting in the recognition of a gain on disposal of EUR 5,8 million.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 3,2 million, compared to EUR 7,1 million in 2014-2015, marking a decrease of EUR 3,9 million. In particular, as at 30 September 2016, this item is composed, for EUR 1,4 million, of *Provisions for personnel* (EUR 1,8 million as at 30 September 2015) and, for EUR 1,8 million, of *Provisions for risks and charges* (EUR 5,4 million as at 30 September 2015). The decrease in the provision for risks and charges is mainly due (for around EUR 3,1 million) to use of the amount previously allocated in relation to the contract loss settled during the year between Loft S.r.l. and Fashion District Group S.r.l. (in liquidation) and to restructuring expenses allocated in the previous year by Fashion District Group S.r.l. (in liquidation).

Other net non-current liabilities reduced from EUR 0,5 million to EUR 0,2 million during the year, down by approximately EUR 0,3 million. The balance as at 30 September 2016 is explained by the difference between sundry payables and other non-current liabilities for EUR 0,5 million (EUR 0,7 million in the comparison period) and sundry receivables and other non-current assets for EUR 0,3 million (EUR 0,2 million in the comparison period).

The item **net tax assets** amounted to EUR 2,6 million (EUR 0,1 million in the comparison period), and is composed of the sum of prepaid tax assets of EUR 1,3 million (EUR 4,6 million in the comparison period) and current tax assets of EUR 10,8 million (EUR 14,7 million as at 30 September 2015), offset by deferred tax liabilities of EUR 9,5 million (EUR 17,7 million in the previous year) and current tax liabilities for an immaterial amount (versus EUR 1,5 million recorded in the previous year). Of note among the most significant contributions is that attributable to Ghea S.r.l., due to the partial release of deferred tax liabilities for EUR 3,7 million.

Net working capital amounted to EUR 98,1 million, compared to EUR 114,3 million as at 30 September 2015. This item comprises the value of property inventories for EUR 99,6 million (EUR 109,8 million in the previous year), sundry receivables and other current assets for EUR 8,5 million (EUR 16,1 million in the previous year) and sundry payables and other liabilities for EUR 10,0 million (EUR 11,6 million in the comparison period). The reduction in sundry receivables is largely due to the decrease from collections and write-downs of operations receivables in the Advisory Sector for a total of EUR 2,8 million, the Real Estate Sector for EUR 2,6 million and to Fashion District Group S.r.l. (in liquidation) and its subsidiaries for EUR 2,0 million, whilst the more limited decrease in sundry payables is mostly attributable to Fashion District Group S.r.l. (in liquidation) and its subsidiaries.

Consequently, **net invested capital** amounted to EUR 327,2 million, marking a decrease of around EUR 76,6 million compared to EUR 403,8 million last year, a significant portion of which is explained by the previously described decrease in receivables and other non-current financial assets, and is financed for EUR 272,7 million from equity and for EUR 54,5 million from the net financial position.

Equity pertaining to the Group amounted to EUR 253,0 million, marking a decrease of EUR 30,8 million, while non-controlling interests, amounting to EUR 19,8 million, decreased by EUR 18,7 million. Total equity thus amounted to EUR 272,8 million, marking a decrease of EUR 49,5 million from EUR 322,3 million in the previous year.
The considerable reduction in Group equity is mainly attributable to the negative variation in the valuation reserve for a total of EUR 31,6 million, in turn largely explained by the EUR 25,1 million decrease in the valuation reserve of the investees consolidated at equity, Bios S.p.A. and Tower 6 Bis S.a.r.l. (to be considered alongside the related profit from investments recorded in the income statement) and the zeroing out of the positive valuation reserve of EUR 5,3 million allocated as at 30 September 2015 on the Intesa Sanpaolo shares held by the Parent Company Mittel S.p.A. following the full merger of Mittel Partecipazioni Stabili S.r.l. during the year.
The further change in Group equity is attributable to the net effect of recognition in the income statement of the loss of EUR 4,5 million pertaining to the Group and to net disposals of treasury shares by the Parent Company during the year, which led to an overall positive effect on equity of EUR 5,4 million.

As a result of the described performances of consolidated equity and profit, the negative **net financial position** decreased by a total of EUR 27,0 million to EUR 54,5 million. In addition to the shortening of the expected collection date for financial receivables previously classified as non-current, this improvement is also mainly attributable to the collection of a major non-current financial receivable owed to the Parent Company (for EUR 30,0 million, with subsequent disbursement of a new loan for EUR 10,0 million) and to the disposal transaction involving almost all the non-controlling interest, and the associated bond loan, held in Credit Access Asia N.V. which, as previously described, resulted in the collection of a total of EUR 10,6 million. These effects are offset only in part by the negative cash flows for the year deriving from the Group's operations and financial management.

Statement relating to the consolidated net financial position

(thousands of Euro)	**30.09.2016**	**30.09.2015**	**Change**
Cash	15	15	(0)
Other cash equivalents	84.974	100.583	(15.609)
Securities held for trading (*)	6.909	20.074	(13.165)
Current liquidity	**91.899**	**120.673**	**(28.774)**
Current financial receivables	**32.951**	**911**	**32.040**
Bank payables	(77.872)	(96.870)	18.998

Bond loans	(99.183)	(98.553)	(630)
Other financial payables	(2.280)	(7.664)	5.385
Financial debt	**(179.335)**	**(203.087)**	**23.752**
Net financial position	**(54.485)**	**(81.504)**	**27.019**

(*) Available-for-sale assets posted under current assets and financial assets held for trading were reclassified to this item.

Significant events in the year

Governance

On 9 November 2015, Stefano Gianotti resigned from his post as company Board Director, having fulfilled his professional commitments.

On 15 November 2015, the Board of Directors of Mittel S.p.A. accepted the resignation of Stefano Gianotti, co-opted Rosario Bifulco and, acknowledging the waiver of responsibilities from the Executive Committee, appointed him as Chief Executive Officer. Therefore, Mittel S.p.A. adopted a governance model composed of a Board of Directors and a Chief Executive Officer, the latter in place of the Executive Committee. The Shareholders' Meeting and the Board of Directors' Meeting held on 23 December 2015 confirmed his appointment and assigned office. Again on 15 November 2015, the Board of Directors resolved to transfer 5.300.000 treasury shares to the Chief Executive Officer at the price per share of EUR 1,73, equal to the average book value of treasury shares in the portfolio, for a total of EUR 9.169.000.

On 22 February 2016, with opinion in favour from the Remuneration and Appointments Committee, the Board of Directors of Mittel S.p.A. approved a proposal for submission to the Shareholders' Meeting, pursuant to art. 114-bis, paragraph 1 of Italian Legislative Decree 58/1998 (Consolidated Law on Finance), for a medium/long-term incentive plan - Stock Appreciation Rights (SARs) - reserved for the Chief Executive Officer and other managers, including senior managers and executive managers, who play a key role in the Group's organisation (the 2016 SARs Plan), and the assignment of suitable implementing powers to the Board of Directors.
The ordinary Shareholders' Meeting, held on specific call by the Company's Board of Directors on 24 March 2016, unanimously resolved in favour of the aforementioned issue. The main objective of the 2016 SARs Plan is to enhance the involvement and retention of key managers with the aim of correlating, between them, the creation of sustainable value and medium/long-term economic incentives for the Group and for its Shareholders.

In addition to the ordinary Shareholders' Meeting referred to above, on 24 March 2016 a further Shareholders' Meeting was held to (i) approve the Directors' Report on Operations and the financial statements as at 30 September 2015, and the proposal to cover the loss for the year of EUR 20.409.769 from the total extraordinary reserve of EUR 11.141.423 and the remaining EUR 9.268.346 from the partial use of other reserves; (ii) appoint KPMG S.p.A. as independent auditor, pursuant to art. 13 et seq., Italian Legislative Decree 39/2010, for each financial year in the period 2016-2024; (iii) appoint Board of Statutory Auditors, which will remain in office for three years, i.e. until approval of the financial statements as at 30 September 2018. Consequently, Riccardo Perotta was appointed as Chairman, Fabrizio Colombo and Maria Teresa Bernelli as Standing Auditors, and Giulio Tedeschi and Aida Ruffini as Alternate Auditors.

Result of the offer under option and pre-emption of the shares withdrawn

On 19 February 2016, Mittel S.p.A. announced that the right of withdrawal resulting from certain amendments to the Articles of Association, resolved by the Extraordinary Shareholders' Meeting held on 23 December 2015, had been duly exercised by the final deadline of 6 February 2016 on 3.980.185 Mittel S.p.A. shares (the "Shares Withdrawn"), for a total value of EUR 6.308.593,23, taking into account the settlement value of EUR 1,585 per share, as established pursuant to art. 2437-ter, paragraph 3 of the Italian Civil Code. The Shares Withdrawn represent around 4,5277% of the actual subscribed and paid-up share capital of Mittel S.p.A. The Shares Withdrawn were offered on option pursuant to art. 2437-quater of the Italian Civil Code at the price of EUR 1,585 per share and in the ratio of 1 share for every 18,5737 rights held (the "Offer under Option"). The Offer Period, which opened on 22 February 2016, ended on 23 March 2016. At the end of the period of the offer under option and pre-emption of Mittel S.p.A. shares withdrawn, statements of interest had been expressed for the purchase of 1.631.489 Mittel shares at the unit price of EUR 1,585.

On 25 July, in relation to the results of the offer under option and pre-emption of the shares withdrawn and in view of the share price performances, the parent company did not offer the 2.348.696 shares withdrawn and remaining unoptioned on the MTA market organised and operated by Borsa Italiana S.p.A. On that date, therefore, the entitled parties were credited with the share value pursuant to art. 2437-quater, paragraph 5 of the Italian Civil Code. Following the repurchase transaction, Mittel share capital remained unchanged and composed of 87.907.017 ordinary shares with a nominal value of EUR 1,00 each, of which 12.357.402 ordinary treasury shares accounting for 14,057% of the share capital.

Approval of the Strategic Plan and implementation of the defined measures

On 30 March 2016, Mittel S.p.A.'s Board of Directors approved the 2016-2019 Strategic Plan which focuses on four key objectives:

1. Simplification of the corporate structure and strong cost reductions;
2. Valuation of non-core assets in portfolio with a view to generating new resources for investments;
3. Development of investment activities with a view to permanent capital;
4. Investments in asset management.

With regard to the first point, a strong decrease is forecast in the holding costs of Mittel S.p.A. through streamlining of the structure and by concentrating investment activities with the parent company. This process will immediately offer a significant saving of resources, with costs more than halved over the period of the Strategic Plan, as well as management's focus on key elements of the strategy and its execution.
With regard to the valuation of non-core assets in portfolio, in order to generate new resources for investments, the aim is to streamline the portfolio by disposing of non-core assets (listed securities, property assets and lending) and/or non-performing assets to provide new financial resources for investment purposes, estimated in the next two years to amount to around EUR 300 million.
The development of investment activities with a view to permanent capital will begin again, already from the current year, with a focus on research activities for investments in the venture capital of Italian small and medium-sized enterprises with strong cash flow generation, offering services on the market differently from other operators already present. As a long-term investor and adopting an industrial approach, Mittel S.p.A. will work alongside businesses in the growth process with a view to investment with no predefined exit date and with active management of the investees, offering advisory services and making its own expertise available. In this respect, preference will be given to controlling investments in which the Group can play an active role in the value creation process. Build-up transactions will be of interest for improving competitiveness and profitability, and for facilitating the internationalisation of the companies acquired. The club deal promotion with selected partners will allow Mittel access to additional expertise and financial resources, expanding the investment opportunities. There will be strong focus on the Healthcare and Life Science sectors where management's greatest expertise and origination skills lie. In order to achieve its objectives, the Mittel Group will count on the consolidated relational basis with the key component of the industrial system, already represented in its major shareholders, business owners and institutional investors of high standing. With regard to investments in asset management, on the other hand, by exploiting the major deal flow generated by the Group, Mittel S.p.A. proposes the assessment of asset management opportunities in areas in which no direct investments will be present, for example NPLs, Debt and Venture Capital/Growth Finance.

On 2 May the Mittel S.p.A. Board of Directors resolved, pursuant to art. 2502 and art. 2505, paragraph 2 of the Italian Civil Code, upon the merger into Mittel S.p.A. of Mittel Portfolio Management S.r.l. and Mittel Partecipazioni Stabili S.r.l.
On 8 July, at the end of the period established in art. 2503 of the Italian Civil Code, the deed was signed for the merger of Mittel Portfolio Management S.r.l. and Mittel Partecipazioni Stabili S.r.l. The legal effective date was 30 July 2016. The merger did not lead to any change in the articles of association of the merging entity.

Main significant events after 30 September 2016

On 28 October 2016, through a merger of their respective activities in the Debt Advisory segment, the Mittel Group and Ethica Corporate Finance S.p.A. established the new company Ethica & Mittel Debt Advisory S.r.l., with a 51% indirect investment by Mittel S.p.A. and 49% by Ethica Corporate Finance S.p.A. Ethica & Mittel Debt Advisory is the first Italian integrated platform for all debt advisory services. In fact, the new company will provide support to medium and large companies and to Private Equity funds in their projects for the structuring, organisation and sourcing of bank, alternative, subsidised and structured financing, as well as rescheduling of existing bank debt. With a team of 10 professionals, the new company already manages a portfolio of 15 assignments from corporate enterprises and private equity funds.

On 9 November 2016, Mittel S.p.A. purchased 75% of the Zaffiro Group, a major player in the Italian healthcare industry.
This transaction fits into the framework of a much broader Mittel S.p.A. 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.
The Mittel Group's interest in the project is based on the dynamics of the reference sector, which shows clear structural growth trends, associated with demographic and social factors, and a service structure that is 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.
Mittel S.p.A.'s total investment is around EUR 21,5 million, including a bridge loan of EUR 8,0 million granted for the transaction.

The Extraordinary Shareholders' Meeting of Mittel S.p.A., chaired by the Chairman of the Board of Directors, Franco Dalla Sega, was held on 18 November 2016 on specific call to approve the proposed amendments to art. 34 and art. 39 of the Articles of Association, the latter by the introduction of art. 39.3, and subsequent adoption of the new text.
The Shareholders consequently unanimously approved the change in the closing date of the company year from 30 September to 31 December each year with effect from the year in progress as at the date of the Shareholders' Meeting, the duration of which will therefore be from 1 October 2016 to 31 December 2017. In accordance with law, the approved amendments do not offer any right of withdrawal.

Following the request from Liberata S.p.A. to postpone the payment date and reduce the interest rate on the existing Vendor Loan due 30 November 2016, on that date the Board of Directors of Mittel S.p.A. resolved to extend the final payment date to 31 December 2018 and reduce the spread from 5% to 4,75%.
The transaction qualifies as a transaction with related parties pursuant to the Procedures in that the transaction counterparty is an associate in which Mittel S.p.A. holds a 27% interest. Furthermore, (i) the ownership structure of Liberata S.p.A. includes other related parties or in any event major shareholders, such as Fondazione Caritro which holds 10,9% of the share capital, and Istituto Atesino di Sviluppo S.p.A. which holds 8,8%, and (ii) as regards the administrative body, a key manager of Mittel S.p.A. holds the office of Chief Executive Officer.
The transaction was therefore agreed as subordinated to obtaining the binding opinion of the Related Party Transactions Committee, since this is a transaction of greater importance pursuant to art. 3.1, paragraph a) of the Procedures for Transactions with Related Parties which, amongst other things, required the Company's preparation of an information document, in accordance with art. 5 of the Consob Regulation adopted by resolution no. 17221 of 12 March 2010, as amended by resolution no. 17389 of 23 June 2010, published on 6 December 2016.

Business outlook for the year

In the next few months activities will continue to implement the Strategic Plan, the objective of which is to transform Mittel S.p.A. into an Investment-Merchant Bank, shifting its hub of activity towards high profit-potential activities.

In a manner consistent with the Plan's guidelines, which identify Life Science as among the most interesting sectors for investment, after the end of the financial year - on 9 November 2016 - Mittel S.p.A. acquired 75% of the Zaffiro Group, a major player in the Italian healthcare industry. The transaction fits into the framework of a much broader build-up 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 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.

In the next few months, management aims to make new investments also in other areas where business excellence, combined with long-term industrial funding, offers extensive opportunities to create value for the Group and its investees.

For this purpose, the process of recovering financial resources through disposals, credit collection and reduction of costs will continue.

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Financial highlights of the Parent Company Mittel S.p.A.

Mittel S.p.A. closed the year ended as at 30 September 2016 with a net loss of EUR 30,8 million, compared to a net loss of EUR 20,4 million as at 30 September 2015.

Equity amounted to EUR 174,0 million, compared to EUR 205,8 million in the year ended as at 30 September 2015, marking a decrease of EUR 31,8 million.

The net financial position came to EUR 17,0 million, compared to EUR 103,7 million in the previous year, recording a considerable EUR 86,7 million improvement.

Main income statement figures of Mittel S.p.A.

(thousands of Euro)	30.09.2016	30.09.2015
Revenues	**1.236**	**1.968**
Purchases, provision of services, sundry costs	(6.999)	(10.379)
Personnel costs	(3.868)	(4.345)
Operating costs	**(10.867)**	**(14.725)**
Income (expenses) from investments	51.514	(8.724)
Operating margin (EBITDA)	**41.882**	**(21.481)**
Amortisation/depreciation and allocations	(395)	(43)
Value adjustments to financial assets and receivables	(3.261)	(1.044)
Value adjustments to investments	(68.856)	(1.381)
Operating result (EBIT)	**(30.630)**	**(23.948)**
Income (loss) from financial management	(804)	(1.812)
Income (loss) from trading of financial assets	61	4.897
Income (loss) before taxes	**(31.373)**	**(20.863)**
Taxes	603	453
Net income (loss) for the year	**(30.770)**	**(20.410)**

- **Revenues:** EUR 1,2 million, compared to EUR 2,0 million as at 30 September 2015, down EUR 0,8 million.
- **Operating costs:** EUR 10,9 million, compared to EUR 14,7 million in the previous year. The decrease of EUR 3,8 million is due to the EUR 1,9 million reduction in costs for services (from EUR 7,2 million to EUR 5,3 million), EUR 0,5 million in personnel costs (from EUR 4,3 million to EUR 3,9 million) and EUR 1,5 million in other costs (from EUR 3,2 million to EUR 1,7 million).
- **Income (expenses) from investments**: income of EUR 51,5 million as at 30 September 2016, compared to expenses of EUR 8,7 million in the previous year. The item mainly comprises dividends for EUR 43,7 million

(EUR 2,4 million as at 30 September 2015), of which EUR 42,5 million attributable to the distribution of reserves during the year by the subsidiary Earchimede S.p.A., added to which was profit from financial asset management and investments for EUR 7,8 million (a loss of EUR 11,1 million in the comparison period), most of which (EUR 5,8 million) was attributable to the previously described disposal of Credit Access Asia N.V.

- **Amortisation/depreciation and allocations**: these were marginal both in the year 2015-2016 and in the comparison period, increasing from EUR 43 thousand to EUR 0,4 million. The item is composed of the sum of amortisation/depreciation of EUR 0,3 million and allocations of EUR 0,1 million net of the provision for risks.
- **Value adjustments to financial assets and receivables**: amounting to EUR 3,3 million compared to EUR 1,0 million in the previous year. This item mainly refers to the write-down of EUR 1,3 million of the UBI Banca S.p.A. share to align its value to that of the market as at the end of the financial year, and to the EUR 1,2 million adjustment recorded on a non-current financial receivable for which the planned collection date was revised.
- **Value adjustments to investments**: amounted to EUR 68,9 million (EUR 1,4 million in the comparison period), of which EUR 50,4 million recognised in relation to the subsidiary Earchimede S.p.A. (to be read alongside the previously described distribution of reserves by the investee during the year), EUR 12,5 million to the subsidiary Mittel Investimenti Immobiliari S.r.l. (mostly attributable to impairment losses recorded on property inventories held mainly through the real estate vehicles under the control of the investee, a real estate sub-holding of the Group), EUR 4,5 million to Mittel Advisory Debt and Grant S.p.A. and EUR 1,4 million to Mittel Advisory S.r.l.
- **Income (loss) from financial management**: a loss of EUR 0,8 million, compared to a loss of EUR 1,8 million in the comparison period. The item is attributable to the net effect of financial income for EUR 8,1 million (EUR 8,7 million in the previous year), relating mainly to interest income accrued on financial receivables, and financial expenses for EUR 8,9 million (EUR 10,5 million in the comparison period), of which EUR 6,6 million in interest expense on the bond loan and EUR 2,3 million for other financial expenses, essentially represented by bank interest expense.
- **Income (loss) from trading of financial assets**: the income statement for the year made a marginal contribution with profit of around EUR 0,1 million compared to profit of EUR 4,9 million in the previous year.

Main financial and equity figures of Mittel S.p.A.

(thousands of Euro)	**30.09.2016**	**30.09.2015**
Intangible assets	40	113
Property, plant and equipment	3.653	528
Investments	72.862	148.746
Non-current financial assets	107.024	150.034
Provisions for risks, employee severance indemnity and employee benefits	(1.735)	(1.568)
Other non-current assets (liabilities)	160	160
Tax assets (liabilities)	8.911	12.078
Net working capital (*)	85	(663)
Net invested capital	**191.002**	**309.429**
Equity	**(174.005)**	**(205.759)**
Net financial position	**(16.997)**	**(103.670)**

(*) Comprised of sundry receivables (payables) and other current assets (liabilities)

Property, plant and equipment and intangible assets amounted to EUR 3,7 million, increasing compared to EUR 0,6 million in the comparison period and mostly attributable to the purchase during the year by the associate Mittel Generale Investimenti S.p.A. of a property unit located in Milan at Piazza Diaz 7, on which Mittel S.p.A. previously held the lease.

Investments amounted to EUR 72,9 million, compared to EUR 148,7 million in the year ended as at 30 September 2015. The consistent decrease in this item is explained by the net effect of:

- increases for a total of EUR 20,1 million, of which EUR 19,5 million attributable to the waiver of shareholder loans targeted at increasing the capital stocks of the subsidiaries Mittel Investimenti Immobiliari S.r.l. (EUR 17,0 million) and Mittel Advisory Debt and Grant S.p.A. (EUR 2,5 million);
- decreases totalling EUR 27,1 million as a result of elimination of the book value of investments held in Mittel Partecipazioni Stabili S.r.l. (EUR 27,0 million) and Mittel Portfolio Management S.r.l. (EUR 0,1 million), companies merged during the year;
- value adjustments for a total of EUR 68,9 million recorded following impairment tests performed at year end, which led to the write-downs for EUR 50,4 million to Earchimede S.p.A., EUR 12,5 million to Mittel Investimenti Immobiliari S.r.l, EUR 4,55 million to Mittel Advisory Debt and Grant S.p.A. and EUR 1,4 million to Mittel Advisory S.r.l.

Non-current financial assets amounted to EUR 107,0 million, compared to EUR 150,0 million in the year ended as at 30 September 2015, marking a decrease of EUR 43,0 million. This was essentially due to the effect of:

- the EUR 41,3 million decrease in non-current financial receivables, falling from EUR 120,5 million to EUR 79,2 million due mainly to the reclassification among current financial receivables of the receivable relating to the subsidiary Ghea S.r.l., which recorded a balance of EUR 22,9 million in the comparison period, and to the collection during the year of a financial receivable amounting to EUR 30 million, with same-time disbursement of a new loan to the same counterparty for EUR 10,0 million;
- the EUR 1,7 million decrease in other non-current financial assets, mainly as a result of: (i) the merger of financial assets held by Mittel Partecipazioni Stabili S.r.l. in Istituto Atesino di Sviluppo - ISA S.p.A. for a total value of EUR 3,3 million, following the merger of the investee into Mittel S.p.A. during the year, effective for accounting purposes from 1 October 2015; (ii) the previously described disposal of almost all the non-controlling interest, and the associated bond loan, held in Credit Access Asia N.V., the book value of which as at 30 September 2015 was EUR 4,8 million.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 1,7 million, compared to EUR 1,6 million in the previous year. In particular, as at 30 September 2016 this item is composed, for EUR 0,8 million, of Provisions for personnel, the same figure as the previous year and, for EUR 0,9 million, of Provisions for risks and charges (EUR 0,8 million as at 30 September 2015).

Tax assets amounted to EUR 8,9 million, compared to EUR 12,1 million, marking a decrease of EUR 3,2 million. This item is mainly composed of tax receivables due to overpayments of advances by Hopa S.p.A., which were transferred to Mittel S.p.A. at the time of the merger, net of uses made in the year.

Net working capital, made up of Sundry receivables and other current assets and Sundry payables and other current liabilities, amounted to a positive EUR 0,1 million, (negative EUR 0,7 million in the previous year) marking an increase of EUR 0,8 million. Though the balance of sundry receivables remained essentially stable (increasing from EUR 4,7 million to EUR 4,8 million), the variation refers to the decrease of around EUR 0,5 million in sundry payables and other liabilities, largely explained by trade payables and allocations for invoices to be received which were down by approximately EUR 0,3 million.

Equity amounted to EUR 174,0 million, compared to EUR 205,8 million as at 30 September 2015, marking a decrease of EUR 31,8 million. The variation is attributable to the net effect of:

- the accounting entries made following the mergers of Mittel Partecipazioni Stabili S.r.l. and Mittel Portfolio Management S.r.l, effective for accounting purposes from 1 October 2015, which changed the opening balance of equity due to the effect of recognition of a merger difference (directly reducing equity) of around EUR 8,6 million and a valuation reserve of EUR 8,8 million (increasing equity), in relation to the available-for-sale financial assets contributed by Mittel Partecipazioni Stabili S.r.l.;
- the loss for the year of EUR 30,8 million;
- the negative variation in the valuation reserve for a total of EUR 6,7 million, relating mainly to the UBI Banca securities (EUR 5,3 million) and Intesa Sanpaolo securities (EUR 0,9 million);
- the net disposals of treasury shares carried out during the year, which led to an overall positive effect on equity of EUR 5,4 million.

The negative **net financial position** amounted to EUR 17,0 million, compared to EUR 103,7 million in the previous year, marking an EUR 86,7 million improvement to which the following major factors contributed, among others: in positive terms, the collection of dividends for EUR 43,7 million, the reclassification to current financial receivables of the receivable of EUR 24,1 million due to the subsidiary Ghea S.r.l., the collection of a financial receivable of EUR 30 million, partly offset by the granting of a new loan to the same counterparty for EUR 10,0 million, the disposal of Credit Access Asia N.V. for a total value of EUR 10,6 million and net disposals of treasury shares for EUR 5,4 million; in negative terms, the recapitalisation of Mittel Investimenti Immobiliari for EUR 17,0 million.

Statement relating to the net financial position of Mittel S.p.A.

(thousands of Euro)	30.09.2016	30.09.2015	Change
Cash	8	4	4
Other cash equivalents	56.235	36.468	19.767
Securities held for trading	6.909	2.110	4.799
Current liquidity	**63.152**	**38.583**	**24.570**
Current financial receivables	**94.574**	**78.163**	**16.411**
Bank payables	(72.859)	(79.654)	6.795
Bond loans	(99.183)	(98.553)	(630)
Other financial payables	(2.681)	(42.208)	39.528
Financial debt	**(174.723)**	**(220.415)**	**45.692**
Net financial position	**(16.997)**	**(103.670)**	**86.673**

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Proposal of the Board of Directors

The Board of Directors proposes that the Shareholders' Meeting cover the loss for the year of EUR 30.770.032 from distributable reserves.

Approval of the Corporate Governance report and the report on remuneration policy

The Board of Directors approved the Corporate Governance Report and the Report on Remuneration Policy of the Mittel Group. The Corporate Governance Report and the Report on remuneration policy will be made available to the public in accordance with the methods and terms established by law and by the applicable regulatory provisions.

Calling of the Shareholders' Meeting

The Board of Directors resolved to convene the Ordinary Shareholders' Meeting on 27 January 2017, on specific call, in line with the timing envisaged in the Corporate Events Calendar.
The consolidated statement of financial position and income statement are attached, as well as the statement of financial position and income statement of Mittel S.p.A., and a notice that the relevant data have still not been certified by the Independent Auditors or verified by the Board of Statutory Auditors.

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MITTEL S.p.A.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Euro

	30.09.2016	30.09.2015
Non-current assets		
Intangible assets	41.408	146.850
Property, plant and equipment	3.764.090	854.379
Investments accounted for using the equity method	88.133.490	87.967.803
Financial receivables	100.176.385	163.545.698
Other financial assets	37.781.775	44.423.663
Sundry receivables and other assets	314.973	244.000
Prepaid tax assets	1.256.243	4.608.355
Total Non-current assets	**231.468.364**	**301.790.748**
Current assets		
Property inventories	99.590.721	109.829.602
Financial receivables	32.950.798	910.615
Other financial assets	6.909.464	20.074.272
Current tax assets	10.841.212	14.720.698
Sundry receivables and other assets	8.503.688	16.135.740
Cash and cash equivalents	84.989.558	100.598.453
Total Current assets	**243.785.441**	**262.269.380**
Total Assets	**475.253.805**	**564.060.128**
Equity		
Share capital	87.907.017	87.907.017
Share premium	53.716.218	53.716.218
Treasury shares	(21.553.509)	(26.514.895)
Reserves	137.407.672	191.014.946
Profit (loss) for the year	(4.505.929)	(22.317.948)
Equity pertaining to the Group	**252.971.469**	**283.805.338**
Non-controlling interests	19.782.426	38.482.908
Total Equity	**272.753.895**	**322.288.246**
Non-current liabilities		
Bond loans	97.873.411	97.239.392
Financial payables	2.279.610	2.918.777
Provisions for personnel	1.429.528	1.750.581
Deferred tax liabilities	9.495.069	17.697.691
Provisions for risks and charges	1.755.853	5.397.233
Sundry payables and other liabilities	477.792	718.618
Total Non-current liabilities	**113.311.263**	**125.722.292**
Current liabilities		
Bond loans	1.309.554	1.313.142
Financial payables	77.872.265	101.370.087
Other financial liabilities	-	245.641
Current tax liabilities	12.660	1.492.384
Sundry payables and other liabilities	9.994.168	11.628.336
Total current liabilities	**89.188.647**	**116.049.590**
Total equity and liabilities	**475.253.805**	**564.060.128**

CONSOLIDATED INCOME STATEMENT

Amounts in Euro

	30.09.2016	30.09.2015
Revenues	7.985.272	18.739.780
Other income	1.732.294	1.537.905
Variations in property inventories	(10.030.130)	(3.297.757)
Costs for purchases	(2.303.734)	(6.342.096)
Costs for services	(9.637.971)	(17.006.401)
Personnel costs	(6.627.391)	(9.363.319)
Other costs	(4.938.420)	(5.738.297)
Dividends	899.530	1.957.979
Profit (loss) from management of financial activities and investments	7.825.320	2.589.033
Gross operating margin (EBITDA)	**(15.095.230)**	**(16.923.173)**
Amortisation and value adjustments to intangible assets	(321.236)	(705.142)
Allocations to the provision for risks	(364.977)	(2.373.167)
Value adjustments to financial assets and receivables	(23.532.590)	(3.757.433)
Share of income (loss) of investments accounted for using the equity method	25.241.887	(1.361.720)
Income (loss) from non-recurring transactions	-	176.490
Operating result (EBIT)	**(14.072.146)**	**(24.944.145)**
Financial income	6.641.607	9.599.937
Financial expenses	(8.972.677)	(11.694.348)
Profit (loss) from trading of financial assets	60.740	5.356.974
Income (loss) before taxes	**(16.342.476)**	**(21.681.582)**
Income taxes	4.739.032	(1.523.690)
Profit (loss) for the year	**(11.603.444)**	**(23.205.272)**
Attributable to:		
Income (loss) pertaining to non-controlling interests	(7.097.515)	(887.324)
Income (loss) pertaining to the Group	**(4.505.929)**	**(22.317.948)**

STATEMENT OF FINANCIAL POSITION

Amounts in Euro

	30.09.2016	30.09.2015
Non-current assets		
Intangible assets	40.033	113.420
Property, plant and equipment	3.653.276	528.256
Investments	72.862.182	148.745.799
Financial receivables	79.248.633	120.508.561
Other financial assets	27.775.764	29.525.580
Sundry receivables and other assets	160.267	160.105
Prepaid tax assets	20.922	2.098
Total Non-current assets	**183.761.077**	**299.583.819**
Current assets		
Financial receivables	94.573.712	78.162.709
Other financial assets	6.909.464	2.110.331
Current tax assets	9.096.939	12.359.770
Sundry receivables and other assets	4.758.279	4.662.192
Cash and cash equivalents	56.242.667	36.472.260
Total Current assets	**171.581.061**	**133.767.262**
Total Assets	**355.342.138**	**433.351.081**
Equity		
Share capital	87.907.017	87.907.017
Share premium	53.716.218	53.716.218
Treasury shares	(20.576.471)	(25.778.526)
Reserves	83.728.270	110.323.860
Profit (loss) for the year	(30.770.032)	(20.409.769)
Total Equity	**174.005.002**	**205.758.800**
Non-current liabilities		
Bond loans	97.873.411	97.239.392
Provisions for personnel	831.755	801.551
Deferred tax liabilities	206.418	283.832
Provisions for risks and charges	902.875	766.898
Total Non-current liabilities	**99.814.459**	**99.091.673**
Current liabilities		
Bond loans	1.309.554	1.313.142
Financial payables	75.539.799	121.804.220
Other financial liabilities	-	58.331
Sundry payables and other liabilities	4.673.324	5.324.915
Total current liabilities	**81.522.677**	**128.500.608**
Total equity and liabilities	**355.342.138**	**433.351.081**

INCOME STATEMENT

Amounts in Euro

	30.09.2016	30.09.2015
Revenues	869.689	1.116.101
Other income	365.860	851.491
Costs for services	(5.279.060)	(7.194.544)
Personnel costs	(3.868.498)	(4.345.406)
Other costs	(1.719.841)	(3.184.692)
Dividends	43.731.964	2.430.443
Profit (loss) from management of financial activities	7.782.153	(11.154.129)
Gross operating margin (EBITDA)	**41.882.267**	**(21.480.736)**
Amortisation and value adjustments to intangible assets	(258.838)	(252.687)
Allocations to the provision for risks	(135.977)	209.850
Value adjustments to financial assets and receivables	(3.261.028)	(1.043.805)
Value adjustments to investments	(68.856.250)	(1.380.664)
Operating result (EBIT)	**(30.629.826)**	**(23.948.042)**
Financial income	8.139.702	8.737.278
Financial expenses	(8.944.101)	(10.549.024)
Profit (loss) from trading of financial assets	60.740	4.896.821
Income (loss) before taxes	**(31.373.485)**	**(20.862.967)**
Income taxes	603.453	453.198
Profit (loss) for the year	**(30.770.032)**	**(20.409.769)**

The Manager responsible for preparing the Company's financial reports, Pietro Santicoli, hereby declares, pursuant to paragraph 2, art. 154-bis of the Consolidated Law on Finance, that the accounting information disclosed in this press release corresponds to the Company’s documentary results, books and accounting records.