

Company update

HOLD (Unchanged)
Target: € 2.4 (Prev. 2.5)

Risk: High

STOCK DATA

Price €	1.7
Bloomberg code	MIT IM
Market Cap. (€ mn)	145
Free Float	33%
Shares Out. (mn)	87.9
52-week range	1.32 - 2.07
Daily Volumes (000)	72.04

PERFORMANCE

	1M	3M	12M
Absolute	1.7%	-14.1%	18.9%
Rel. to FTSE all shares	0.2%	-16.8%	10.4%

MAIN METRICS

	2013	2014E	2015E
EPS - € cents	-52	7	-5
DPS ord - € cents	0	0	0

NAV

	2013	2014E	2015E
Nav ps ord - €	3.4	3.4	3.4
Listed assets	25%	28%	28%
Controlling	20%	21%	21%

MULTIPLES

	2013	2014E	2015E
P/E ord	n.m.	24.0 x	n.m.
P/E ord Adj	n.m.	n.m.	n.m.
PBV	0.4 x	0.4 x	0.4 x

INDEBTNESS

	2013	2014E	2015E
NFP holding	-121.7	-107.5	-105.6
D/E	0.6	0.5	0.5
Debt to assets ratio	0.4	0.4	0.4

PRICE ORD LAST 365 DAYS



ANALYSTS

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January 28, 2014

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DELEVERAGE TO NARROW DISCOUNT TO NAV

FY13 results in line with both expectations and guidance at operating level, whereas write-off impacts the bottom-line. Cautious outlook on 2014, with net income at break-even excluding potential extraordinary items/adjustments. Updated NAV at €3.2ps (from €3.4 and target at €2.4ps (-4%). Stock at 49% discount on NAV vs. 37% for the main Italian holdings, partially justified by higher financial leverage and a more complex holding structure.

■ FY13 results in line with expectations at operating level. Bottom-line penalised by write-off

- **Revenues = €59mn (-11% YoY) vs. €56.2mn expected**
- **EBITDA = €0.4mn (from €4.2mn in FY12) vs. €1mn expected**
- **Net Loss = € -38.1mn (from -17.9mn) vs. €-20.3mn expected** mainly as a result of higher write-off (€-28.8mn vs €-6.6mn expected) relating to the Outlet segment as well as to private equity funds;
- **IAS1 result (including profit at Shareholders' Equity) = € 9mn** (from €-10.7mn in FY12) thanks to the appreciation of stakes in Sorin/Moncler
- **NFP consolidated = €-226.4mn** (from €-196.9mn FY12 and €-181.9mn 9M13) **vs €-214mn expected** The rising NFP vs. 9M13 has mainly resulted from the impact of the Public Exchange Offer for €25.9mn with the purchase of 14.8mn own shares (16.8% of capital).

Results are consistent with the guidance (EBITDA breakeven). Falling YOY revenues (€-7mn) were the result of decreasing revenues arising from real estate sales and benefited from the consolidation of Mittel Advisory.

■ Successful IPO for Moncler (4% of NAV): cash-in in excess of €20mn for MIT

On December 11th, Moncler's (MONC) IPO was closed successfully, thus enabling MIT to cash-in €23mn (vs. €20mn exp.), with a **43% IRR from the investment** (excluding the indirect 0.3% of MONC capital still in the portfolio). MONC's IPO has taken place at a value of €2.55bn for 100%, vs. the €929mn valuation of the company last Sept-2011 when a 45% stake in the company had been acquired by Eurazeo.

■ Fine-tuning of valuation/estimates: NAV at €3.2ps (from €3.4)

NAV updated to €3.2ps (from €3.4ps), to factor in the performance of listed stakes (Intesa, UBI, RCS, Sorin, Moncler), offset by adjustments on real estate valuation and NFP. **Target at €2.4ps** (-4%) by applying a 25% discount on NAV. As far as estimates are concerned, **for 2014 we now project a net income of €5mn** from prev. €-5.7mn including the cash-in from the Moncler disposal, partially compensated by a more cautious approach to the real estate business and to costs (also for 2015/16).

■ Deleverage is necessary to reduce the high discount on NAV

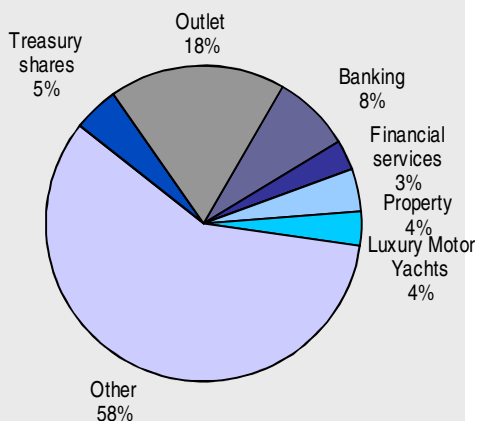
We maintain our HOLD view on the stock, since on the positive side:

- **The discount on NAV is high** (49% vs. 37% of the main Italian holdings), **and it features some good quality assets** (e.g. Sorin 23% of NAV, Moncler 4%, Intesa 9%)
- **NAV mainly features unlisted assets** offset by the following factors:
 - **Visibility on the de-leverage process is still low**, since it is mostly linked to i) real estate sales, ii) cash-in of financial receivables
 - **The stock liquidity is low and the holding structure is complex**

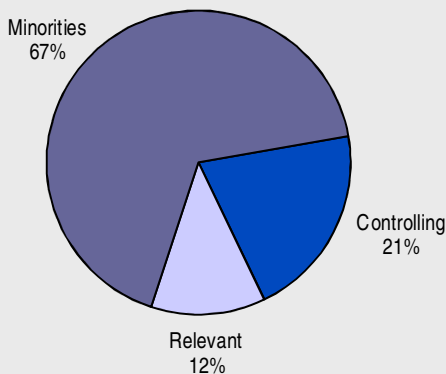
MAIN FIGURES € mn	2011	2012	2013	2014E	2015E	2016E
Revenues	48	66	59	58	64	70
Growth	-	36%	-11%	-2%	11%	9%
Total opex	-52	-68	-63	-57	-58	-61
Growth	-	32%	-8%	-9%	2%	4%
EBITDA	3	4	0	4	10	13
Growth	-	35%	-90%	769%	173%	35%
Margin	6%	6%	1%	6%	15%	19%
EBIT	-49	-10	-48	11	-2	2
Growth	-	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-102%	-16%	-81%	19%	-3%	3%
Adj. EBIT	-49	-10	-48	11	-2	2
Growth	-	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-102%	-16%	-81%	19%	-3%	3%
Profit before tax	-56	-17	-38	5	-7	-3
Growth	-	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-117%	-25%	-64%	9%	-11%	-4%
Net income	-52	-18	-38	5	-3	-1
Growth	-	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-107%	-27%	-65%	9%	-5%	-1%
Adj. net income	-52	-18	-38	5	-3	-1
Growth	-	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-107%	-27%	-65%	9%	-5%	-1%
STOCK DATA	2011	2012	2013	2014E	2015E	2016E
EPS - € cents	-73.7	-20.5	-52.4	6.9	-4.6	-1.1
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS - € cents	-0.7	-0.2	-0.5	0.1	0.0	0.0
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
DPS ord - € cents	0.0	0.0	0.0	0.0	0.0	0.0
Nav ps ord - €	3.30	3.30	3.37	3.20	3.20	3.20
VARIOUS - € mn	2011	2012	2013	2014E	2015E	2016E
Capital employed	664	594	610	592	576	559
INDEBTNESS	2011	2012	2013	2014E	2015E	2016E
NFP	-182	-197	-226	-204	-190	-175
NFP holding	-87	-86	-122	-107	-106	-103
D/E	0.4 x	0.5 x	0.6 x	0.5 x	0.5 x	0.5 x
Interests cov	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
MARKET RATIOS	2011	2012	2013	2014E	2015E	2016E
PNAV ord	0.5 x	0.4 x	0.5 x	0.5 x	0.5 x	0.5 x
PBV	0.4 x	0.3 x	0.4 x	0.4 x	0.4 x	0.4 x
P/E ord	n.m.	n.m.	n.m.	24.0 x	n.m.	n.m.
P/E ord Adj	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
P/CF	n.m.	7.7 x	14.5 x	8.5 x	17.3 x	13.9 x
REMUNERATION	2011	2012	2013	2014E	2015E	2016E
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roe	-17.7%	-5.2%	-11.6%	1.5%	-1.0%	-0.2%
ROCE	-7.3%	-1.7%	-8.6%	0.8%	-0.6%	-0.1%

Source: EQUITA SIM estimates & company data

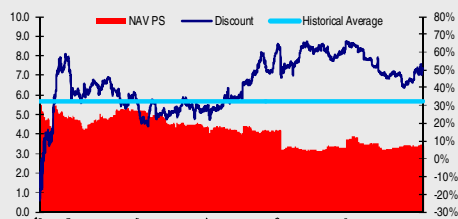
NAV BUSINESS SEGMENTATION - 2013



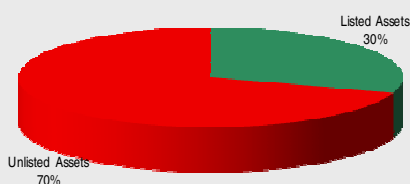
CONTROLLING STAKE - 2013



NAV & DISCOUNT



UN / LISTED ASSETS WEIGHT



BUSINESS DESCRIPTION

Mittel is active in the following sectors:

- **Investments and Private Equity;** MIT invests in the capital of listed and non-listed companies directly or indirectly via specialised closed end funds, with the aim of enhancing value in the medium term. In more detail:
 - **Investments in listed companies:** Intesa SanPaolo (0.1% stake), Ubi Banca (0.5% stake), RCS (1.3% stake), Sorin (10.2% through Tower 6 Bis and Bios) and Moncler (0.3% stake)
 - **Investments in non-listed companies:** Azimut-Benetti (5.5% stake) and Istituto Atesino di Sviluppo (1.7%);
 - **Participations in PE management companies:** Progressio SGR (15%);
 - **Stakes in PE funds:** Equinox 2, Progressio Investimenti I & II etc.

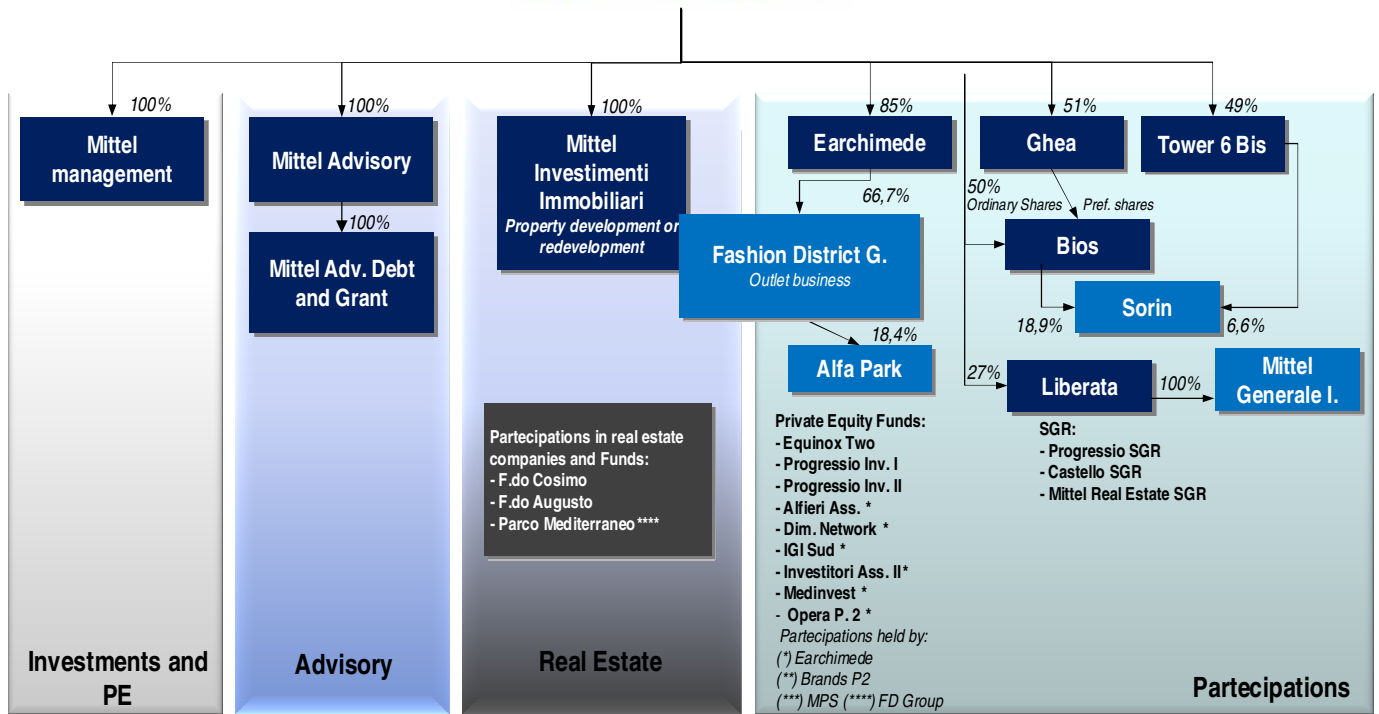
Management aims to increase this activity and exposure to Private Equity Management in the medium term. In this regard, MIT and Roland Berger Strategy Consultants have recently signed a partnership aimed at launching a PE fund (named "Rixelera") focused on Restructuring and Turnaround of Italian manufacturing companies.

- **Advisory and Grant Finance:** Via Mittel Advisory Debt and Grant, and Borghesi Advisory (acquired in January 2013 and renamed Mittel Advisory SpA), MIT has a team of around 28 staff active mainly in:
 1. Investment Banking activities (i.e. M&A, DCM, ECM);
 2. Debt Advisory and Restructuring;
 3. Grant Finance – assistance to obtain grant financing for research, development or other initiatives.
- **Outlet business:** Mittel designs, constructs, markets and manages large retail areas for use as outlets via **Fashion District Group** (56.6% stake). The Fashion District network is composed of 3 large retail areas (totalling about 120k sqm) for use as Outlets (with over 11mn visitors per year), located in Mantova, Valmontone (Rome) and Molfetta (Bari). The Fashion District Group owns and manages the Factory Outlet Centers in Mantova and Molfetta (BV of real estate assets at roughly €140mn) whereas it manages the Valmontone Factory Outlet Center.
- In the **Real Estate sector**, Mittel operates in the following businesses:
 - **Property development or redevelopment** via the group Mittel Investimenti Immobiliari, focusing mainly on mid-level residential/tertiary real estate deals in Lombardy;
 - **Participations in Real Estate management companies and PE funds:** The company owns a stake in Mittel Real Estate SGR (35%) and Castello SGR (21.3%) and interests in some funds managed by the latter.

MITTEL: A QUICK OVERVIEW

MITTEL: SHAREHOLDING AND SIMPLIFIED GROUP STRUCTURE

Carlo Tassara	15.3%
Fond. Cassa di Risp. Trento e Rovereto	10.9%
Ist. Atesino Di Sviluppo Spa	8.8%
La Scuola S.p.A.	3.7%
Manuli Realtor	3.4%
Borghesi A.	2.8%
Ge Capital S.p.A.	2%
Treasury shares	17.4%
Free Float	35.5%



Source: Equita SIM elaborations on company data

FY13 RESULTS IN LINE WITH EXPECTATIONS AT OPERATING LEVEL. BOTTOM-LINE PENALISED BY WRITE-OFF

MITTEL: CONSOLIDATED RESULTS (€ mn)							
	4Q12	4Q13	4Q13	FY12	FY13	FY13	Diff.
		Exp.	Act.		Exp.	Act.	vs Equita
Revenues	14.3	12.6	15.5	66.1	56.2	59.0	5%
change YoY		0.0%	8.6%	36.5%	-15.0%	-10.7%	
Operating Costs	-17.1	-12.9	-17.1	-68.1	-58.8	-62.9	
Income (loss) from participations	0.2	0.0	0.7	6.2	3.6	4.3	
EBITDA	-2.6	-0.2	-0.8	4.2	1.0	0.4	-59%
change YoY		0.0%	n.m.	34.6%	-76.5%	-90.3%	
EBIT	-20.6	-2.9	-31.8	-10.3	-18.8	-47.8	n.m.
change YoY		n.m.	n.m.	n.m.	82.5%	n.m.	
Pre-Tax	-20.1	-5.1	-20.9	-16.6	-21.7	-37.5	n.m.
change YoY		n.m.	n.m.	n.m.	31.2%	n.m.	
Group Net Income	-17.7	-4.6	-22.3	-17.9	-20.3	-38.1	n.m.
change YoY		n.m.	n.m.	n.m.	13.5%	n.m.	
NFP Consolidated	-196.9	-214.1	-226.4	-196.9	-214.1	-226.4	6%

Source: Company Data and Equita SIM

MITTEL: BREAKDOWN BY SECTOR (€ mn)						
Revenues	FY12	FY13	FY13	Diff.	FY14	FY15
		Exp.	Act.	vs Equita	Exp.	Exp.
Real Estate*	25.7	12.5	13.4	7%	12.0	15.0
Rental activities (Outlet sector)	35.8	33.7	35.5	5%	36.2	38.0
Advisory	1.9	4.5	8.1	80%	9.3	10.7
Other Revenues	2.7	5.5	2.0	-63%	0.5	0.5
Revenues	66.1	56.2	59.0	5%	58.0	64.2

Source: Company Data and Equita SIM *Real Estate includes change in inventories

MITTEL: BREAKDOWN BY SECTOR (€ mn)						
EBITDA	FY12	FY13	FY13	Diff.	FY14	FY15
		Exp.	Act.	vs Equita	Exp.	Exp.
Real Estate*	3.7	1.2	-1.3	n.m.	3.6	6.0
Rental activities (Outlet sector)	8.0	7.3	6.1	-11%	8.1	8.9
Advisory	-1.5	0.4	1.8	350%	2.4	3.4
Others	-6.0	-8.0	-6.6	-18%	-10.6	-8.7
EBITDA	4.2	0.9	0.4	-55%	3.5	9.7

Source: Company Data and Equita SIM estimates; *Real Estate includes change in inventories

- **Revenues = €59mn (-11% YoY) vs. €56.2mn expected.** Falling YOY revenues (€-7 mn) were the result of decreasing revenues arising from real estate sales and benefited from the consolidation of Mittel Advisory. More in details revenues for € 59mn includes:
 - **Core-business revenues** for € 49.7mn (+ €2.7mn YoY), of which € 6mn arises from Mittel Advisory consolidation for 9 months; revenues were however penalised by the € 3mn sales drop in the Real Estate segment, as a result of persisting negative economic juncture affecting the building sector in particular
 - **Other income** for € 3.6 mn (substantially in line YoY)
 - **Positive change of real estate inventories** for € 5.6 mn thanks to the completion of some real estate initiatives, partially offset by the write-off of real estate developments by the Breme S.r.l. and Santa Rosa S.r.l. companies.
- **Operating costs for €62.9mn, declining by 8% YoY** as a result of lower building activities in the Real Estate industry partially offset by the increase of personnel costs due to the Mittel Advisory consolidation.
- Income and charges from participations for €4.3mn (from €6.2mn in FY12)

- **EBITDA = €0.4mn (from €4.2mn in FY12) vs. €1mn expected**, showing a €3.8mn decrease YoY, mainly linked to lower EBITDA in the Real Estate business, whereas the Advisory business has posted better than expected performance (we est. €1.8mn of EBITDA vs. €0.4mn expected)
- **Write-offs for financial assets and receivables: € 28.8mn** (vs. € 9.8mn in FY12) **vs. €6.6 mn expected**, the increase of €19mn YoY has mainly arisen from adjustments carried out by Mittel Partecipazioni Stabili for € 5.1mn, Outlet segment for € 7.6mn (Alfa Park write-off), and other adjustments for €5.7mn relating to private equity funds
- **Net Loss = € -38.1mn (from -17.9mn) vs. €-20.3mn expected** mainly as a result of higher write-off (€-28.8mn vs €-6.6mn expected) relating to the Outlet segment as well as to private equity funds
- **IAS1 result (including profit at Shareholders' Equity) = € 9mn** (from -10.7 mn in FY12) thanks to the appreciation of stakes in Sorin/Moncler
- **Book Value = €327 mn (decreasing by €15 mn YoY and €4 mn against 9M13) or € 4.5ps**
- **NFP consolidated = €-226.4mn** (from €-196.9mn FY12 and €-181.9mn 9M13) **vs €-214mn expected** The rising NFP vs. 9M13 has mainly resulted from the impact of the Public Exchange Offer for €25.9mn with the purchase of 14.8mn own shares (16.8% of capital). To be pointed out the reclassification of non-current financial receivables (excluded from the NFP calculation) of the v/Bios credit for €49.9mn due to debt rescheduling partially offset by the positive effect arising from the incorporation of €17.8mn UBI/Intesa stocks in current financial assets.

On a YoY basis, the increase of NFP by € 29.5mn vs. FY12 can be ascribed to the following factors:

- Impact of the **Public Exchange Offer for € -25.9mn** (against the purchase of treasury shares in exchange for the issue of Mittel bonds 2013-2019)
- Increase of the net investments by **€ -15.9mn**
- Positive impact from the inclusion in current financial assets of **€17.8mn** UBI/Intesa stocks allocated for the trading activity

The NFP breakdown features the following:

- **The incorporation of the bond for € 97.4mn** (entailing a net liquidity flow for € 69.7mn net of the Public Exchange Offer)
- **Bank debt decreasing by € 25.7mn to € 210.7mn**
- **Current liquidity rising by € 40.7mn to €66.4mn**

Below the breakdown of NFP and Book Value at sub-holding level

MITTEL: BREAKDOWN BY SECTOR (€ mn)				
	FY12		FY13	
	NFP	Book Value	NFP	Book Value
Real Estate	-83.0	48.4	-94.1	43.7
Rental activities (Outlet sector)	-82.1	48.9	-71.4	45.9
Advisory	-1.4	0.5	-5.0	9.1
Others (including intercompany eliminations)	-30.4	244.2	-55.9	228.3
Total	-196.9	342.0	-226.4	327.0

Source: Company Data

The Moncler's disposal and the lack of further investments in real estate activities are consistent with the companies' strategic guidelines, envisaging more focus on low capital intensive business as well as the exit from credit-granting initiatives as well as from high capital-intensive activities in general.

As far as estimates are concerned, **for 2014 we now project a net income of €5mn** from prev. €-5.7mn including the cash-in from the Moncler disposal, partially compensated by a more cautious approach to the real estate business and to costs (also for 2015/16).

MITTEL: CHANGE IN ESTIMATES (€ mn)									
	FY14	FY14	Change	FY15	FY15	Change	FY16	FY16	Change
	Prev.	Curr.		Prev.	Curr.		Prev.	Curr.	
Revenues	58.5	58.0	-1%	63.1	64.2	2%	65.8	69.7	6%
change YoY	4.2%	-1.8%		7.8%	10.7%		4.4%	8.6%	
Operating Costs	-53.2	-57.4		-54.3	-58.3		-55.3	-60.9	
Income (loss) from participations	1.6	2.9		2.4	3.8		3.3	4.3	
EBITDA	7.0	3.5	-49%	11.1	9.7	-13%	13.7	13.1	-4%
change YoY	605.0%	769.4%		59.9%	173.5%		23.1%	35.1%	
EBIT	-5.2	10.8	n.m.	-0.6	-2.0	n.m.	2.5	1.9	-24%
change YoY	n.m.	n.m.		n.m.	n.m.		n.m.	n.m.	
Pre-Tax	-11.4	5.0	n.m.	-6.2	-7.3	n.m.	-2.6	-3.0	13%
change YoY	n.m.	n.m.		n.m.	n.m.		n.m.	n.m.	
Group Net Income	-5.7	5.0	n.m.	-2.5	-3.3	n.m.	-0.5	-0.8	51%
change YoY	n.m.	n.m.		n.m.	n.m.		n.m.	n.m.	
NFP Consolidated	-182.7	-203.8	12%	-168.5	-190.4	13%	-152.9	-175.0	14%

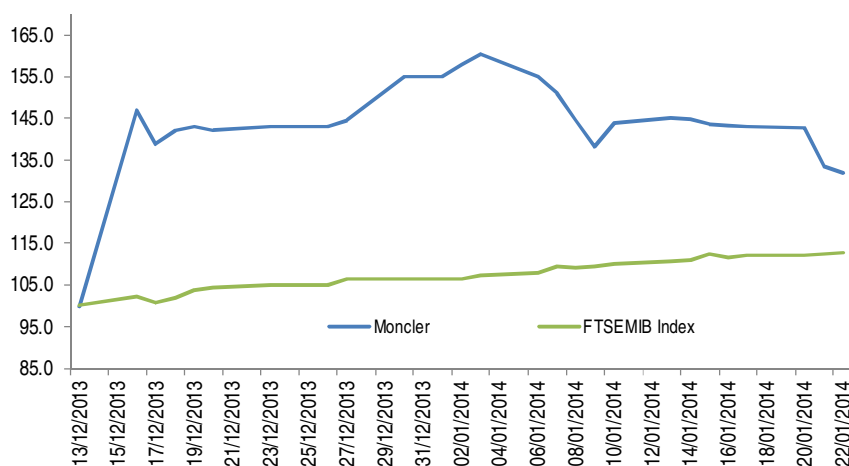
Source: Company Data and Equita SIM

■ Successful IPO for Moncler (4% of NAV): cash-in in excess of €20mn for MIT

On December, 11th 2013 Moncler's (MONC) IPO ended successfully with Brands Partners 2 (in which MIT holds a 25.2% stake) selling 9.3mn shares (3.7% of capital) at €10.2ps for a net cash in of €3.4mn or € 23mn pro-quota MIT (vs. € 20 mn expected).

BP2 still holds 3.1 mn MONC shares or 1.2% of capital (0.3% for MIT pro-quota amounting to 4% of NAV). MONC's IPO has taken place at a value of € 2.55bn for 100%, vs. the € 929mn valuation of the company last September 2011 when a 45% stake in the company had been acquired by Eurazeo, thus **enabling MIT to achieve a 43% IRR on the investment** (excluding the indirect 0.3% of MONC capital still in the portfolio).

MONCLER PERFORMANCE SINCE IPO



Source: Bloomberg prices

■ SORIN (23% of NAV): New business plan – From “relaunch” to “growth”

On November 27th, Sorin (SRN) presented the 2013-2018 Strategic Plan with the following targets:

- Sales cagr +3% / +5% (Equita +4%) in 2013-2015 then accelerating +8%-10% (Equita 4%) as New Ventures products start to be commercialized
- Net Profit cagr >10% (Equita +10%)
- 2018 EPS > 20 cents (Equita 19.8 cents)
- FCF €350-400mn (Equita € 330 mn)
- Potential overall cash absorption for New Ventures € 300 / 400 mn

LONG TERM TARGETS

	2013E	LT Targets	
		2013-2016	2016-2018
Revenue growth*	+5.0%	3 - 5% CAGR	8 - 10% CAGR
Adjusted EPS**	~12	20+	

* At comparable FX rates, Includes Base Business & New Ventures

** Includes only Base Business. Data in Euro cents per share

Source: company presentation

All in all SRN is expecting that within 2018:

- **over 30% of expected sales will be driven by New Products in the Cardiac Surgery**
- **over 80% of sales will be driven by New Products in the CRM business**
- **25% of sales will come from emerging markets** (from current 15%)
- New Ventures in the Heart Failure and Percutaneous Mitral Valve will contribute €70-90mn additional sales

SORIN: MAIN FIGURES (€ MN)

MAIN FIGURES € mn	2010	2011	2012	2013E	2014E	2015E
Revenues	746	743	731	741	777	817
Growth	8%	0%	-2%	1%	5%	5%
EBITDA	120	129	102	130	139	155
Growth	21%	7%	-21%	28%	7%	12%
Margin	16.1%	17.3%	13.9%	17.5%	17.9%	19.0%
EBIT	71	88	37	70	88	104
Growth	39%	23%	-58%	89%	26%	18%
Margin	9.6%	11.8%	5.0%	9.4%	11.3%	12.7%
Net income	39	58	23	50	61	74
Growth	69%	48%	-60%	116%	23%	21%
Margin	5.2%	7.8%	3.1%	6.7%	7.9%	9.0%
Adj. net income	44	58	61	59	61	74
Growth	52%	32%	5%	-3%	4%	21%
Margin	5.9%	7.8%	8.3%	7.9%	7.9%	9.0%
NFP	-129	-106	-88	-71	-18	45

Source: Company data and Equita SIM estimates

We have a very positive view on SRN's fundamentals (BUY, target €2.65ps) with a valuation of €2.65ps. The speculative appeal exists despite some uncertainty, because the shareholders pact involving the holders of 35.7% of SRN equity expired the last November 18th.

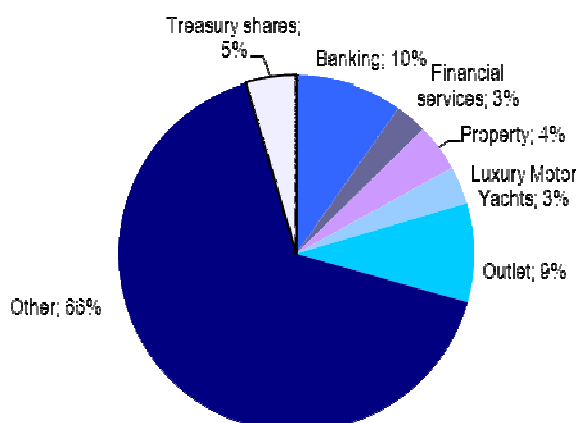
The shareholders base involves financial investors (including Mittel) without any specific vocation for med-tech. In our NAV for MIT we factor in a SRN stake at market prices. If we assumed SRN at our € 2.65ps target, MIT'S NAV would increase from its current € 3.2ps to €3.6ps (+13%).

VALUATION: UPDATED NAV TO € 3.2ps (from prev. 3.4ps)

We have updated our NAV to € 3.2ps (from 3.4ps) in order to factor in the performance of listed stakes (Intesa, UBI, RCS, Sorin, Moncler), offset by adjustments on real estate valuation and NFP. **Target at € 2.4ps (-4%) applying a 25% discount to the NAV.**

MITTEL - NAV								
Asset	Sector	Stake %	# shares	€ PS	€ mn	%	Valuation method	
Intesa Sanpaolo*	Banking	0.09%	13.8	1.9	27	9%	Market Value	
UBI Banca ScpA*	Banking	0.37%	3.3	5.1	17	6%	Market Value	
RCS Media Group SpA	Media	1.33%	5.6	1.5	8	3%	Market Value	
Sorin	Biomedical	12.7%	60.9	2.1	66	23%	Net equity (Market Value)	
Moncler (via BP2)	Fashion	0.3%	0.8	13.7	11	4%	Market Value	
Mittel	Treasury shares	17.4%	15.3	1.7	25	9%	Market Value	
TOTAL LISTED SHAREHOLDINGS (1)					155	54%		
Mittel Generale Investimenti (Liberata spa)	Financial Services	27%		2	1%	M&A deal - P/BV 0.9x		
Mittel Investimenti Immobiliare (Property Assets)	Real Estate	100%		20	7%	Book Value Sept-13		
Property Assets Valuation	Real Estate	100%		112	39%	Book Value Sept-13		
Attributable NFP MII	Real Estate	100%		-92	-32%	As of Sept-13		
Earchimede	Holding	85.0%		82	29%	Book Value Sept-13		
Fashion District Group/Alfa Park/Parco Med.	Outlet	56.1%		51	18%	Book Value Sept-13		
NFP Earchimede	Holding	85.0%		31	11%	As of Sept-13		
Funds (i.e Progressio I/II, Cosimo I, Augusto, Equinox)	PE and RE Funds	n.m.		47	17%	Book Value Sept-13		
Azimut-Benetti	Luxury Motor Yachts	6.21%**		19	7%	EV/EBITDA 2013E = 10x		
Istituto Atesino di Sviluppo S.p.A.	Holding	1.7%		3	1%	Book Value Sept-13		
Borghesi Advisory***	Financial Services	100%		11	4%	M&A deal price		
Progressio SGR	Financial Services	15%		1	0%	Book Value Sept-13		
Castello SGR	Real Estate	21%		4	1%	P/E 2013E = 12x, P/AUM = ~1.5%		
Microventures	Financial Services	15.0%		4	1%	Book Value Sept-13		
Financial credits Mittel SpA (st/lt)	Miscellaneous	n.m.		182	64%	Equita SIM estimates and Company data		
Others participations and other assets/liabilities	Miscellaneous	100.0%		19	7%	Book Value Sept-13		
TOTAL UNLISTED SHAREHOLDINGS (2)					393	132%		
ATTRIBUTABLE NFP (3)					-205	-69%	Adj. NFP as today (Financial debt – cash)	
HOLDING COSTS (4)					-58	-19%	Normalised cash costs net of taxes capitalised @ 10%	
TAXES ON POTENTIAL CAPITAL GAINS (5)					0	0%		
STOCK OPTIONS DILUTION (6)					0	0%		
TOTAL NET ASSET VALUE (1+2+3+4+5+6)					284	100%		
Nr. of Shares (mn)					87.9			
NAV per Ord share €					3.2			
Current discount (premium)					49%			
P/NAV					0.51			

Source: EQUITA SIM estimates *@Sep-13 €17.8mn of UBI/Intesa stocks are in current financial assets held for trading; ** considering treasury shares; *** including Mittel Advisory and Mittel Advisory Debt and Grant; **** via Tower 6 Bis, Bios and Ghea

MITTEL: BUSINESS SEGMENTATION

Source: EQUITA SIM estimates *based on total assets

Below there are some details on the subsidiaries and related **real estate developments**, and **financial credits**:

MITTEL MAIN REAL ESTATE ASSETS (SEPT.2013)

Company	City	SQM	Type	% Stake	Real Estate Inventories (€mn)
Mittel Investimenti Immobiliari Srl	Arluno (MI)	9561	Housing Estate	100	15.5
Gamma Tre	Como	17600	Housing Estate - not yet started	80	9.5
CAD Srl	Paderno (MI)	15848	Housing estate (149 flats) - sales at an advanced stage	100	21.8
Fede Srl	Vimodrone (MI)	5000	Industrial buildings - ready to sale	51	8.6
Fede Srl	Felizzano (AL)	46500	Industrial building	51	
Iniziativa Nord Milano Srl	Bresso (MI)	9212	Refurbished industrial buildings (3 sites) - on sale	50	na
Breme Srl	Milan	4010	Construction of an office building (8 floors) - final testing phase	60	12.0
Santarosa Srl	Milan	6700	n.a.	60	12.0
Miva Srl	Milan	5983	Housing Estate (47 flats) - Outskirts - end of work 30/04/2014	51	15.6
Lucianita Srl	Milan	4800	Housing Estate (43 flats) - Close to the city center	51	15.4
Regina Srl	Como	2200	Housing Estate - ongoing design	100	1.5
Total					112

Source: EQUITA SIM estimates

FINANCIAL CREDITS AS OF SEP-2013

	Amount (€ mn)	% of total
Financial Credits	202.6	100%
Short-term (not included in NFP)	22.0	11%
Short-term (included in NFP)	67.4	33%
Long-term	113.2	56%
o/w to controlled/participated company	124.1	61%
Long-term financial credits	113.2	56%
Mittel Partecipazioni Stabili	26.7	13%
Fondo Augusto from MGI disposal	30.0	15%
Liberata (include Vendor loans Liberata for MGI disposal)	35.6	18%
Equinox Two (from disposal of Bios stake)	3.6	2%
Sofimar	4.3	2%
Others	13.0	6%
Current financial credits	89.4	44%
Ghea	22.0	11%
Mittel Investimenti Immobiliari	39.0	19%
Markfactor (winding-up)	1.5	1%
Locaefte (winding-up)	0.3	0%
Sofimar	4.5	2%
Others	22.1	11%

Source: EQUITA SIM estimates and company data

DISCOUNT TO NAV REDUCED THANKS TO THE GOOD PERFORMANCE POSTED BY LISTED ASSETS

Mittel has enjoyed a good performance in 2013 (+33.9%), outperforming the FtseMib index by 13.5% and basically in line with the performance booked by the main Italian listed holdings.

MITTEL: STOCK PRICE PERFORMANCE (2013)



ITALIAN HOLDING COMPANIES: STOCK PERFORMANCE

Company	Currency	Price	Mkt cap (€ mn)	PERFORMANCE				
				1 m	3 m	6 m	1 y	YTD
ASTM SPA	EUR	11.4	999	-0.9	6.6	33.0	35.9	-1.3
CIR SPA	EUR	1.1	851	-5.6	-11.4	6.9	22.4	-6.2
COFIDE SPA	EUR	0.5	387	0.5	-6.8	15.5	22.3	-3.8
DEA CAPITAL SPA	EUR	1.2	373	-4.3	-13.9	-6.4	-14.9	-4.2
EXOR	EUR	29.8	7,338	3.0	1.6	21.6	33.9	3.1
IMMSI SPA	EUR	0.5	161	1.4	3.0	11.3	-14.4	1.7
ITALMOBILIARE	EUR	27.2	851	9.5	22.9	51.2	71.4	10.6
MEDIOBANCA	EUR	6.6	5,714	4.3	1.5	42.0	18.6	4.3
VIANINI LAVORI	EUR	5.1	221	0.6	20.5	57.3	46.4	-2.3
MITTEL SPA	EUR	1.7	145	1.7	-14.1	-6.8	18.9	-2.1
Average				1.0	1.0	22.5	24.0	-0.3
Median				1.0	1.5	18.5	22.4	-1.8

Source: Bloomberg prices

EUROPEAN PRIVATE EQUITY AND INVESTMENT COMPANIES: PERFORMANCE AND DISCOUNT TO REPORTED NAV

Company	Currency	Price	Mkt cap (€ mn)	PERFORMANCE				NAV PS (Reported)*	NAV Discount (Premium) to NAV	Last reported
				1 m	3 m	6 m	1 y			
DEA CAPITAL	EUR	1.22	373	-4.3	-13.9	-6.4	-14.9	2.00	39%	as today
MITTEL	EUR	1.65	145	1.7	-14.1	-6.8	18.9	3.20	49%	as today
TAMBURI INVEST.	EUR	2.17	296	-3.8	-1.9	37.8	45.0	2.25	3%	as today
3I GROUP PLC	GBP	375.2	4,426	-2.6	3.9	-1.3	46.5	322	-17%	Sept. 30, 2013
CANDOVER INVEST.	GBP	447.5	118	10.9	11.0	15.8	11.9	627	29%	June 30, 2013
ELECTRA PRIVATE	GBP	2,395.0	1,028	3.0	3.4	2.8	9.2	2,764	13%	Sept. 30, 2013
SVG CAPITAL PLC	GBP	421.1	1,197	-4.0	5.3	6.8	36.3	497	15%	Sept. 30, 2013
EURAZEO	EUR	53.5	3,492	-5.9	-1.9	10.2	41.3	59	10%	Sept. 30, 2013
GIMV NV	EUR	37.3	922	-1.2	1.1	-2.2	-10.5	40	8%	Sept. 30, 2013
RATOS AB-B SHS	SEK	61.4	2,645	7.5	4.8	6.0	-1.0	38	-62%	Sept. 30, 2013
WENDEL	EUR	100.9	4,901	-4.2	0.0	16.8	22.5	140	28%	November 25, 2013
AVERAGE			1,777	-0.3	-0.2	7.2	18.7		11%	
MEDIAN			1,028	-2.6	1.1	6.0	18.9		13%	
AVERAGE EX-RATOS				-1.1	-0.7	7.4	20.6		18%	

Source: EQUITA SIM estimates, Bloomberg prices *For Mittel, DEA, and TIP we use Equita NAV

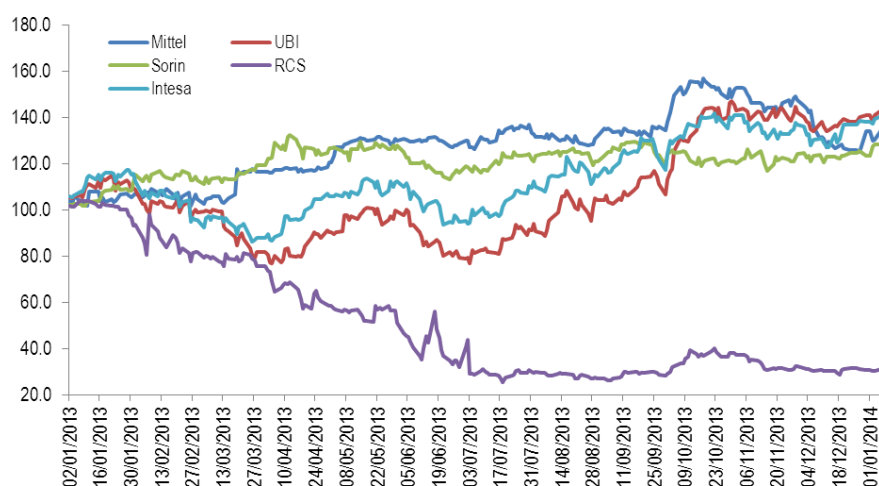
This performance was mainly supported by the results achieved by the main listed assets (excluding RCS) as well as by Moncler's IPO.

PERFORMANCE OF LISTED ASSETS

Company	% of NAV	2013	YTD 2014
Intesa	9%	+42.7%	+9.1%
UBI	6%	+42.8%	+4.9%
Sorin	23%	+23.5%	-0.4%
RCS	3%	-69.1%	+14.7%
Moncler	4%	+54.9%	-15.3%
Mittel		+33.9%	-2.1%
FtseMib Index		+20.4%	+1.8%

Source: Equita SIM estimates

PERFORMANCE OF LISTED ASSETS



Source: Bloomberg prices

The discount on NAV of the main holdings has gone down from the average 45% in 2012 to 37% in 2013, thanks to the market satisfying performance (the discount on NAV usually decreases during positive market cycles), thus remaining slightly above the 34% historical average.

The tables below show the current and historical discount (premium) to NAV of the main Italian holding companies. At the current price, MIT is trading at a 49% discount to NAV, compared to the 37% of Italian holding companies.

ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company	Val. method	NAV (€ PS) *								Disc. / (Prem.) to NAV								
		listed assets	2007	2008	2009	2010	2011	2012	2013	2014	2007	2008	2009	2010	2011	2012	2013	Avg.**
ASTM	market price	20.9	10.7	12.5	14.5	11.7	14.5	17.5	19.0	31%	50%	23%	33%	38%	48%	36%	37%	36%
CAMFIN	(1) market price	2.37	0.49	0.65	0.56	0.56	0.90	1.02	1.53	40%	40%	54%	34%	58%	39%	n.a.	36%	-
CIR	market price	3.28	2.15	2.50	2.18	2.20	1.75	1.85	1.92	24%	65%	30%	36%	44%	54%	38%	37%	43%
COFIDE	see through	1.64	1.03	1.21	1.06	1.08	0.81	0.87	0.91	35%	68%	48%	38%	49%	51%	38%	43%	40%
DEA CAPITAL	market price	2.40	1.64	1.88	1.99	2.10	2.15	2.08	2.00	10%	22%	33%	43%	39%	38%	38%	27%	36%
EXOR ord.	(2) market price	9.2	15.9	25.2	36.6	25.8	31.8	33.0	37.5	28%	50%	48%	36%	42%	40%	16%	35%	19%
IMMSI	market price	2.12	1.16	1.57	1.86	1.30	0.87	0.86	0.90	35%	40%	47%	55%	56%	50%	45%	44%	39%
ITALMOBILIARE	(3) market price	93.1	53.1	56.4	42.3	36.8	25.8	34.1	39.2	32%	49%	47%	41%	61%	53%	29%	43%	29%
MEDIOBANCA	(4) market price	16.4	14.3	11.1	10.1	7.9	6.0	8.0	8.0	10%	40%	36%	35%	15%	32%	14%	23%	15%
MITTEL	market price	5.0	4.5	5.0	4.2	3.3	3.5	3.3	3.2	-5%	49%	27%	20%	51%	63%	47%	36%	49%
VIANINI LAVORI	market price	13.44	10.86	11.22	11.32	8.29	7.69	11.63	12.27	n.a.	63%	58%	65%	60%	60%	56%	61%	58%
AVERAGE										24%	49%	41%	40%	47%	48%	36%	36%	37%

(1) see-through until 2009; at market price starting from 2010

(2) IFIL ord. until 2007 (assuming total n. shares ord+sav), EXOR ord. (IFIL+FI) since merger announcement (Sep-08)

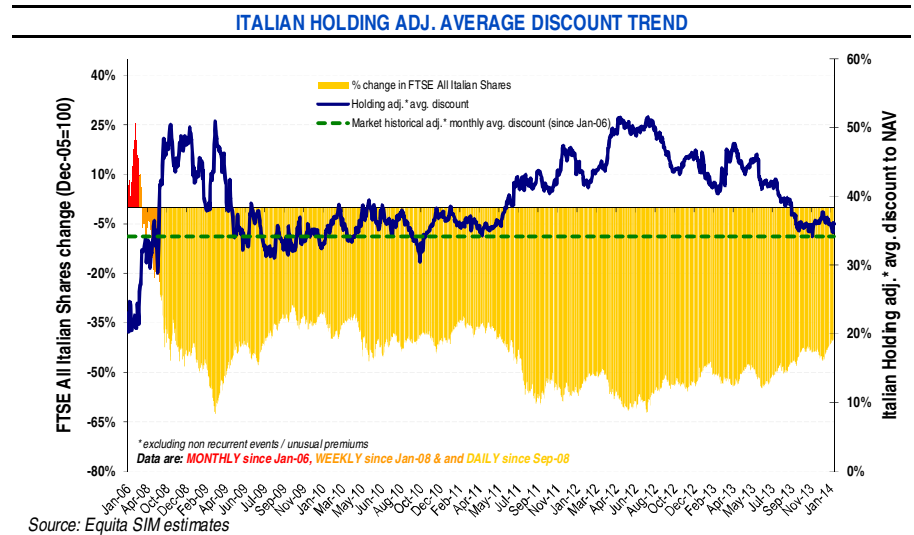
(3) adj. number shares: before Nov-07 based on market discount; after Nov-07 applying avg. between 3-year and market discounts

(4) year-end: June

* based on estimated year-end net debt and listed assets valued at December avg. market price

** 9-year historical arithmetic average (2004-12 when available)

Source: EQUITA SIM estimates



MIT has also experienced a decrease in the NAV discount from approximately 60% approximately to the current 49%.

According to our estimates, the market is currently applying a 22% discount on assets. If the company manages to sell all its real estate assets and to cash in its financial receivables – assuming that the market applies the same discount on assets – the potential upside for equity could achieve some 45%.

SENSITIVITY

MITTEL NAV: SENSITIVITY (€ PS)

SORIN	EARCHIMEDE	-25.0%	-15.0%	-10.0%	TODAY	10.0%	15.0%	25.0%
	€ mn	61	70	74	82	90	94	102
-25.0%	50	2.8	2.9	3.0	3.0	3.1	3.2	3.3
-15.0%	57	2.9	3.0	3.0	3.1	3.2	3.3	3.4
-10.0%	60	2.9	3.0	3.0	3.2	3.3	3.3	3.4
TODAY	66	3.0	3.1	3.1	3.2	3.3	3.4	3.5
10.0%	73	3.1	3.2	3.2	3.3	3.4	3.4	3.5
15.0%	76	3.1	3.2	3.3	3.3	3.4	3.5	3.6
25.0%	83	3.2	3.2	3.3	3.4	3.5	3.6	3.7

Source: EQUITA SIM estimates

MITTEL NAV: SENSITIVITY (€ PS)

INTESA	UBI	-40.0%	-30.0%	-20.0%	TODAY	20.0%	30.0%	40.0%
SAN PAOLO	€ ps	3.0	3.6	4.1	5.1	6.1	6.6	7.1
-40.0%	1.2	3.0	3.1	3.1	3.1	3.2	3.2	3.2
-30.0%	1.4	3.1	3.1	3.1	3.1	3.2	3.2	3.2
-20.0%	1.6	3.1	3.1	3.1	3.2	3.2	3.2	3.2
TODAY	1.9	3.2	3.2	3.2	3.2	3.3	3.3	3.3
20.0%	2.3	3.2	3.2	3.3	3.3	3.3	3.4	3.4
30.0%	2.5	3.2	3.3	3.3	3.3	3.4	3.4	3.4
40.0%	2.7	3.3	3.3	3.3	3.4	3.4	3.4	3.4

Source: EQUITA SIM estimates

STATEMENT OF RISK

The primary elements that **could positively impact MITTEL include:**

- Significant improvement in the main assets reference macroeconomic scenario
- Increase in valuation for property development projects
- Positive share price performance of Intesa Sanpaolo, UBI Banca, RCS and Sorin
- Significant improvement of luxury motor yachts market conditions affecting Azimut Benetti
- Significant improvement of consumer retail

The primary elements that **could negatively impact MITTEL include:**

- Significant deterioration in the main assets reference macroeconomic scenario
- Valuation risk for property development projects
- Negative share price performance of Intesa Sanpaolo, UBI Banca, RCS and Sorin
- Potential write-downs on loans following a difficult market environment
- Significant deterioration of luxury motor yachts market conditions affecting Azimut Benetti
- Significant deterioration of consumer retail

INFORMATION PURSUANT TO ARTICLE 69 ET SEQ. OF CONSOB (Italian securities & exchange commission) REGULATION no. 11971/1999

This publication has been prepared by Luigi de Bellis on behalf of EQUITA SIM SpA (licensed to practice by CONSOB resolution no. 11761 of December 22nd 1998 and registered as no. 67 in the Italian central register of investment service companies and financial intermediaries)

In the past EQUITA SIM has published studies on Mittel

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RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

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MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE (OLD ONES IN BRACKETS):

Date	Rec.	Target Price (€)	Risk	Comment
nil				

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EQUITY RATING DISPERSION AS OF DECEMBER 31, 2013 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	41.3%	52.1%
HOLD	48.8%	41.7%
REDUCE	9.3%	6.3%
NOT RATED	0.6%	0.0%