

## Company update

**HOLD** (Unchanged)

**Target: € 2.0** (Prev. 2.2)

Risk: High

### STOCK DATA

Price €	1.5
Bloomberg code	MIT IM
Market Cap. (€ mn)	134
Free Float	33%
Shares Out. (mn)	87.9
52-week range	1.47 - 2.07
Daily Volumes (000)	31.09

### PERFORMANCE

	1M	3M	12M
Absolute	-0.3%	-5.9%	-12.8%
Rel. to FTSE all shares	-0.8%	-0.1%	-33.3%

### MAIN METRICS

	2013	2014E	2015E
EPS - € cents	-52	-5	-3
DPS ord - € cents	0	0	0

### NAV

	2013	2014E	2015E
Nav ps ord - €	3.4	2.6	2.6
Listed assets	25%	25%	25%
Controlling	20%	23%	23%

### MULTIPLES

	2013	2014E	2015E
P/E ord	n.m.	n.m.	n.m.
P/E ord Adj	n.m.	n.m.	n.m.
PBV	0.4 x	0.3 x	0.3 x

### INDEBTNESS

	2013	2014E	2015E
NFP holding	-121.7	-108.1	-107.2
D/E	0.6	0.3	0.3
Debt to assets ratio	0.4	0.4	0.4

### PRICE ORD LAST 365 DAYS



### ANALYSTS

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September 3, 2014

# 339

## FIRST MAJOR DELEVERAGE DEAL

**Mittel (MIT) announced that the controlled company Fashion District (56.7%) entered into an agreement to dispose the Mantova and Molfetta outlet stores: this operation will result in an improvement of MIT's consolidated NFP by ~€100mn (from -€194mn to -€94mn). Although the assets' disposal occurred at slightly lower values than expected, this operation enables to considerably reduce the group's financial leverage as well as the implicit risk profile of the stock. NAV updated at € 2.6ps (from € 2.9ps). The stock is trading 42% discount on the NAV vs. 32% for the main Italian holding, partially justified by higher financial leverage and a more complex holding structure.**

### ■ 2 Fashion District's outlet stores sold to Blackstone fund

Last July 31<sup>st</sup> 2014, Mittel (MIT) announced that Fashion District (FD – an indirectly controlled company through a 56.7% stake) entered into an agreement with a fund managed by Idea Fimit (and fully subscribed by Blackstone) setting forth the disposal of the two real estate complexes (in Mantova and Molfetta) as well as the trade licenses of the outlet stores.

The total value of the transaction amounts to € 123.7mn, of which:

- **€ 103mn for the real estate assets (at 21% discount vs. the book value and our valuation);**
- **€ 20.7mn for the two trade companies (licenses)**

The closing of the deal is expected between October 2<sup>nd</sup> and the deadline of December 2014 15<sup>th</sup>. Thanks to the deal, **MIT's consolidated NFP will improve by ~ € 100mn**, whereas the effect on MIT's consolidated net profit is estimated to be ~ € -7mn on FY14 (in terms of deal costs/capital loss net of tax impact, while in 1H14 the outlet segment closed with a net loss of € -7.3mn). **The implicit valuation of MIT's interest in Earchimede (which controls FD through a 66.7% stake) – based on the values of the FD transaction – is estimated to be around € 79mn vs. our valuation of € 92mn;** the mismatch is partly due to the valuation of the real estate assets and partly to the ongoing loss (2014E).

### ■ NAV updated to € 2.6ps (from 2.9ps). Target € 2.0ps (from 2.2ps)

**We have updated the NAV to € 2.6ps (from 2.9ps)** in order to factor in the performance of listed assets and the value attributed to Fashion District in the sale agreement. **Target at € 2.0ps (from € 2.2ps) applying a 25% discount to the NAV.** As far as our estimates are concerned, we have deconsolidated the contribution from Fashion District and incorporated the higher expected loss on 2014, in addition to the transaction-related costs. As a whole, the 2014E net profit moves to € -3.3mn from € -0.4mn, and on 2015E it changes to € -3mn from prev. € -8.3mn. **The 2014E consolidated NFP drops to € -98mn from € -198mn as a result of the FD disposal.**

### ■ HOLD recommendation confirmed

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

- **The NAV shows a prevalence of unlisted assets**, with some quality names (e.g. Sorin 23% of NAV, Intesa 6% and Moncler 4%).
- **The discount on NAV is high: 42% vs. 32% of the main Italian holdings**

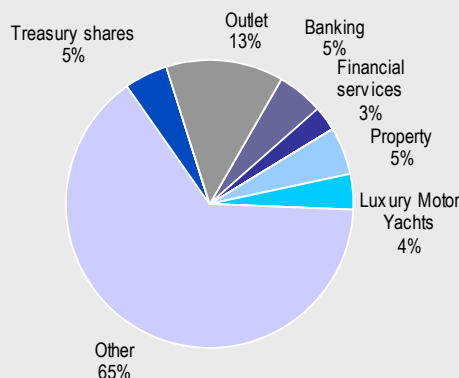
offset by the following factors:

- **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**

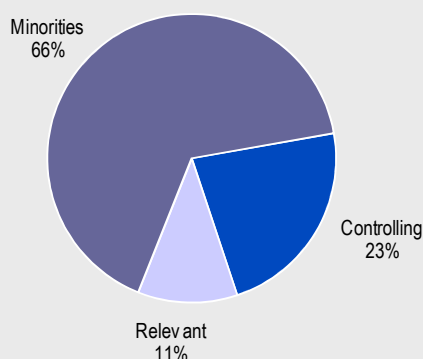
<b>MAIN FIGURES € mn</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>
<b>Revenues</b>	<b>48</b>	<b>66</b>	<b>59</b>	<b>18</b>	<b>23</b>	<b>25</b>
Growth	-	36%	-11%	-69%	26%	9%
Total opex	-52	-68	-63	-27	-26	-27
Growth	-	32%	-8%	-58%	-4%	5%
<b>EBITDA</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>2</b>
Growth	-	35%	-90%	856%	-66%	82%
Margin	6%	6%	1%	21%	6%	10%
<b>EBIT</b>	<b>-49</b>	<b>-10</b>	<b>-48</b>	<b>7</b>	<b>0</b>	<b>1</b>
Growth	-	-79%	363%	-114%	-95%	324%
Margin	-102%	-16%	-81%	36%	1%	6%
<b>Adj. EBIT</b>	<b>-49</b>	<b>-10</b>	<b>-48</b>	<b>7</b>	<b>0</b>	<b>1</b>
Growth	-	-79%	n.m.	n.m.	n.m.	324%
Margin	-102%	-16%	-81%	36%	1%	6%
<b>Profit before tax</b>	<b>-56</b>	<b>-17</b>	<b>-38</b>	<b>-4</b>	<b>-5</b>	<b>-4</b>
Growth	-	n.m.	n.m.	n.m.	n.m.	-29%
Margin	-117%	-25%	-64%	-19%	-22%	-14%
<b>Net income</b>	<b>-52</b>	<b>-18</b>	<b>-38</b>	<b>-3</b>	<b>-2</b>	<b>-2</b>
Growth	-	-66%	n.m.	n.m.	-32%	-31%
Margin	-107%	-27%	-65%	-18%	-10%	-6%
<b>Adj. net income</b>	<b>-52</b>	<b>-18</b>	<b>-38</b>	<b>-3</b>	<b>-2</b>	<b>-2</b>
Growth	-	-66%	n.m.	-91%	-32%	-31%
Margin	-107%	-27%	-65%	-18%	-10%	-6%
<b>STOCK DATA</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>
EPS - € cents	-73.7	-20.5	-52.4	-4.5	-3.1	-2.1
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS - € cents	-0.7	-0.2	-0.5	0.0	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	2.60	2.60	2.60
<b>VARIOUS - € mn</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>
Capital employed	664	594	610	478	474	470
<b>INDEBTNESS</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>
NFP	-182	-197	-226	-98	-96	-94
NFP holding	-87	-86	-122	-108	-107	-106
D/E	0.4 x	0.5 x	0.6 x	0.3 x	0.3 x	0.2 x
Interests cov	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>MARKET RATIOS</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>
PNAV ord	0.5 x	0.4 x	0.5 x	0.6 x	0.6 x	0.6 x
PBV	0.4 x	0.3 x	0.4 x	0.3 x	0.3 x	0.3 x
P/E ord	n.m.	n.m.	n.m.	n.m.	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	6.8 x	n.m.	n.m.
<b>REMUNERATION</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roe	-17.7%	-5.2%	-11.6%	-1.0%	-0.7%	-0.5%
ROCE	-7.3%	-1.7%	-8.6%	-0.7%	-0.5%	-0.3%

Source: EQUITA SIM estimates & company data; \*we have deconsolidated the contribution of Fashion District

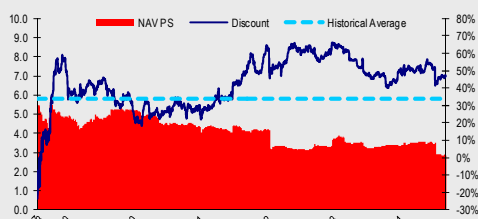
## NAV BUSINESS SEGMENTATION - 2013



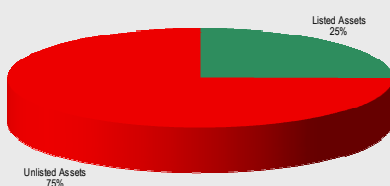
## CONTROLLING STAKE - 2013



## NAV &amp; 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 (0.2% stake), RCS (1.1% 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.

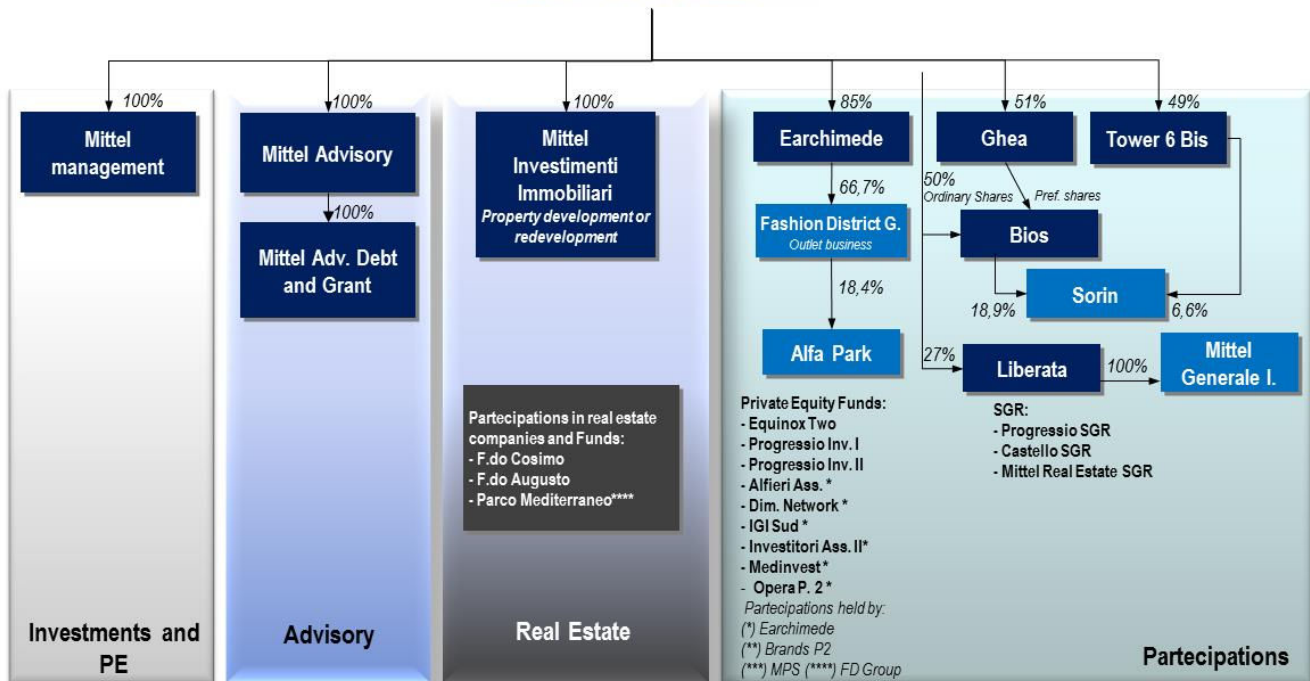
Management aims to increase this activity and exposure to Private Equity Management in the medium term. In this regard, MIT and Roland Berger Strategy Consultants have recently signed a partnership aimed at launching a PE fund (named "Rixelera") focused on Restructuring and Turnaround of Italian manufacturing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

- **Advisory and Grant Finance**: main services:
  - Investment Banking activities (i.e. M&A, DCM, ECM);
  - Debt Advisory and Restructuring;
  - Grant Finance – assistance to obtain grant financing for research, development or other initiatives.
- **Outlet business**: Mittel, via **Fashion District Group** (56.6% stake), manages three Factory Outlet Centers in Mantova, Molfetta and Valmontone.
- 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

SHAREHOLDERS STRUCTURE		
	% on total shares	% on voting shares
Carlo Tassara	15.3%	18.6%
Fondazione Cassa di Risparmio Trento e Rovereto	10.9%	13.2%
Istituto Atesino di Sviluppo Spa	8.8%	10.7%
La Scuola S.p.A.	3.8%	4.5%
Manuli Realtor Srl	3.4%	4.2%
Borghesi A.	2.9%	3.6%
Ge Capital S.p.A.	2.0%	2.4%
Treasury shares	17.4%	-
Free Float	35.3%	-



Source: Equita SIM elaborations on company data



## FASHION DISTRICT'S OUTLET STORES SOLD TO BLACKSTONE

Last July 31<sup>st</sup> 2014, Mittel (MIT) announced that Fashion District (FD – an indirectly controlled company through a 56.7% stake) entered into an agreement with a fund managed by Idea Fimit (and fully subscribed by Blackstone) setting forth the disposal of the two real estate complexes (in Mantova and Molfetta) as well as the trade licenses of the outlet stores.

The total value of the transaction amounts to € 123.7mn, of which:

- **€ 103mn for the real estate assets (at 21% discount vs. the book value and our valuation);**
- **€ 20.7mn for the two trade companies (licenses)**

The closing of the deal is expected between October 2<sup>nd</sup> and the deadline of December 2014 15<sup>th</sup>. The cash-in of €106.6mn will take place at closing, whereas €15mn will be cashed in later (12 months after the closing). Pursuant to the agreement, the outlet stores will still be operated by FD (however, post-disposal of the outlet stores, we estimate a negligible EBITDA contribution from this operating activity).

Thanks to the deal, **MIT's consolidated NFP will improve by ~ € 100mn**, whereas the effect on MIT's consolidated net profit is estimated to be ~ € -7mn on FY14 (in terms of deal costs/capital loss net of tax impact, while in 1H14 the outlet segment closed with a net loss of € -7.3mn).

**The implicit valuation of MIT's interest in Earchimede (which controls FD through a 66.7% stake) – based on the values of the FD transaction – is estimated to be around € 79mn vs. our valuation of € 92mn;** the mismatch is partly due to the valuation of the real estate assets and partly to the ongoing loss (2014E).

### MITTEL: FASHION DISTRICT DEAL

€ MN	DEAL PRICE	EQUITA	Difference
<b>EV FD 100% (c = a + b)</b>	<b>124</b>	<b>150</b>	<b>-26</b>
o/w real estate (a)	103	130	-27
o/w commercial activities and others (b)	21	20	0
NFP FD v/banks + other debts (d)	-62	-62	0
NFP FD v/Earchimede (f)	-26	-22	-4
<b>Equity FD 100% (g = c + d + f)</b>	<b>35</b>	<b>66</b>	<b>-31</b>
<b>Earchimede Net Asset Value Calculation</b>			
<b>Total Asset (a)</b>	<b>36</b>	<b>56</b>	<b>-21</b>
Fashion District Group (66.7%)	24	44	-21
Alfa Park*	0	0	0
Parco Mediterraneo*	1	1	0
Financial credits*	11	11	0
<b>NFP Earchimede (b)</b>	<b>57</b>	<b>53</b>	<b>4</b>
net cash	31	31	0
net cash from financial credit v/Earchimede	26	22	4
<b>Net Equity 100% Earchimede (c = a + b)</b>	<b>93</b>	<b>109</b>	<b>-16</b>
<b>Net Equity 85% Earchimede (Mittel pro-quota)</b>	<b>79</b>	<b>92</b>	<b>-14</b>

Source: Equita SIM estimates and elaborations on company data; \*Pro-quota Earchimede

## MITTEL 9M14 RESULTS

- **Revenues = €41.6mn (-4.4% YoY) vs. €39.5mn expected;**
- **EBITDA = €11.7mn (from € 1.2mn) vs. €3.5mn exp.;**
- **Net Income = €4.3mn (from €-15.8mn) vs. €-3.0mn exp.;**
- **Consolidated NFP = €-194.3mn (from €-191.6mn in 2Q14 and €-226mn FY13) vs. €-192mn exp..**

MITTEL: CONSOLIDATED RESULTS (€mn)							
	3Q13	3Q14 Exp.	3Q14 Actual	Change act/exp	9M13	9M14 Exp.	9M14 Actual
<b>Revenues</b>	<b>14.0</b>	<b>13.8</b>	<b>15.8</b>	14.6%	<b>43.6</b>	<b>39.6</b>	<b>41.6</b>
change YoY	-	-0.9%	13.5%		-	-9.1%	-4.4%
Operating Costs	-13.9	-13.7	-12.6		-45.8	-43.1	-42.0
Income (loss) from participations	1.6	0.5	5.6		3.6	7.1	12.1
<b>EBITDA</b>	<b>1.7</b>	<b>0.6</b>	<b>8.8</b>	1305.6%	<b>1.2</b>	<b>3.5</b>	<b>11.7</b>
change YoY	-	-63%	n.m.		-	n.m.	n.m.
<b>EBIT</b>	<b>-6.7</b>	<b>-2.4</b>	<b>5.1</b>	-308.3%	<b>-15.9</b>	<b>-4.9</b>	<b>2.6</b>
change YoY	-	n.m.	n.m.		-	n.m.	n.m.
<b>Pre-Tax</b>	<b>-5.9</b>	<b>-3.7</b>	<b>2.3</b>	-163.0%	<b>-16.6</b>	<b>-10.2</b>	<b>-4.1</b>
change YoY	-	n.m.	n.m.		-	n.m.	n.m.
<b>Group Net Income</b>	<b>-6.5</b>	<b>-3.2</b>	<b>4.1</b>	-227.8%	<b>-15.8</b>	<b>-3.1</b>	<b>4.3</b>
change YoY	-	n.m.	n.m.		-	n.m.	n.m.
<b>NFP Consolidated</b>	<b>-181.9</b>	<b>-191.8</b>	<b>-194.3</b>	1.3%	<b>-181.9</b>	<b>-191.8</b>	<b>-194.3</b>

Source: EQUITA SIM estimates and company data

9M14 results were helped by the income arising from equity holdings (€ 12.1mn), i.e. dividends (€ 6.3mn) and profit ensuing from the partial disposal of listed stocks in the portfolio (€ 5.8mn). These numbers were largely offset by negative adjustments of financial assets and receivables (€ 18.1mn).

More in detail:

- **Revenues = € 41.6mn (-4.4% YoY) vs. € 39.6mn expected.** Total sales slightly decreased YoY, but their quality is better thanks to a higher contribution from “Core revenues” (€ 41.0 vs. €30.6mn in 9M13) as a result of the acceleration in the selling process of real estate assets (€ 11.3mn vs. € 1.9mn in 9M13).

MITTEL - 9M SALES BREAKDOWN			
	9M13	9M14	Δ YoY
<b>Total Sales</b>	<b>43.6</b>	<b>41.6</b>	<b>-2.0</b>
- Core revenues	30.6	41.0	10.4
- Proceeds from participations	2.4	6.1	3.7
- Δ Real Estate inventories	10.6	-5.5	-16.1

Source: Company data

- **EBITDA = € 11.7mn (from € 1.2mn in 9M13) vs. € 3.5mn expected.** The YoY increase mainly ensued from the following: 1) decreasing costs of procurement mainly resulting from the lower building activity in the Real Estate sector, due to the completion of some initiatives; 2) higher income from equity holdings (€ 12.1mn vs. € 3.6mn in 9M13) ensuing from sustained dividends (€ 6.3mn mostly linked to the dividend pay-out of the Progressio Fund) and from the profit arising from the partial disposal of listed stocks in the portfolio (~ € 5.8mn, UBI and Intesa SanPaolo).

These factors largely offset an increase in the costs for services (€ 27.5mn vs. € 24.2mn in 9M13) due to the costs linked to the termination of the agreement with the former CEO A. Borghesi (€ 3.3mn in total).

- **Write-downs of equity holdings = € 18.1mn (vs. € 6.6mn in 9M13).** More in detail, adjustments concerned the following: 1) outlet segment: € 9.4mn mainly related to the total write-down of the stake held in Alfa Park (€ 6.5mn) due to the persisting negative performance of theme parks, 2) Mittel SpA: €

6.5mn above all due to the impairment on the stake held in Azimut Benetti (€ 6.2mn) following the deterioration of consolidated results (e.g. “Milano Finanza” of August 26<sup>th</sup> reports FY13 EBITDA of € 10mn vs. € 23mn in FY12) and 3) Private Equity Funds: € 1.6mn. The € 18.1mn of write-downs reported in 1H14 does not include the effects of Fashion District deal (i.e. ~ € -7mn on FY14).

- **Net profit = € 4.3mn (from € -15.8mn) vs. € -3.0mn expected.** It mostly benefited from the pro-quota results of Brand Partners 2 (€ 25.7mn) linked to the selling process of the stake in Moncler.
- **Consolidated NFP = € -194.3mn (from € -191.6mn in 2Q14 and € -226mn in FY13) vs. € -192mn expected.** The improvement vs. FY13 results was mainly the result of Moncler’s sale in 1Q14 (some € 23mn).

#### MITTEL - CONSOLIDATED NFP (€ mn)

	FY13	9M14	Δ YoY
Current Liquidity	66.4	62.0	-4.4
Current Financial Credits	30.6	29.1	-1.5
<b>Total Assets</b>	<b>97.0</b>	<b>91.1</b>	<b>-5.9</b>
Bank debt	-210.7	-173.1	-37.6
Bond	-97.4	-99.3	1.9
Other financial debts	-15.3	-12.0	-3.2
<b>Total Liabilities</b>	<b>-323.4</b>	<b>-284.4</b>	<b>-39.0</b>
<b>NFP</b>	<b>-226.4</b>	<b>-193.4</b>	<b>-33.0</b>

Source: Company data

- **SORIN (29% of NAV): Results below expectations but investment case unchanged**

**SORIN’s 1H14 results showed some top-line growth, albeit lower than expected.** In particular, in 1H14 Sorin generated revenues for € 336.9mn, with a +3.1% LFL YoY or +0.1% YoY reported.

#### SORIN 2Q AND 1H RESULTS (€ mn)

QUARTERLY FIGURES	EXPECTED			ACTUAL		
	2Q13	2Q14E	YoY Δ%	2Q14A	YoY Δ%	Abs Δ
Revenues	187.7	188.2	0%	190.6	2%	2
EBITDA	31.2	29.2	-6%	28.6	-8%	-1
Margin	16.6	15.5		15.0		-1
EBIT	19.8	15.2	-23%	15.8	-20%	1
Net income	14.2	10.5	-26%	10.0	-30%	0
NFP	-90.9	-87.0	-4%	-109.4	20%	-22

CUMULATED FIGURES	EXPECTED			ACTUAL		
	1H13	1H14E	YoY Δ%	1H14A	YoY Δ%	Abs Δ
Revenues	366.4	364.5	-1%	366.9	0%	2
EBITDA	57.5	56.0	-3%	55.4	-4%	-1
Margin	15.7	15.4		15.1		0
EBIT	28.5	29.4	3%	30.0	5%	1
Net income	19.2	20.3	6%	19.8	3%	0
NFP	-90.9	-87.0	-4%	-109.4	20%	-22

Source: Equita SIM estimates & Company data

The revenues guidance on FY14 projects a LFL growth between +3/+5% vs. +3.1% in 1H14; a +2/+4% improvement is expected in 3Q14 and some acceleration in 4Q14 (which should benefit from the progress in Japan and CRM in general for product innovation).

EBITDA in 1H14 reached € 55.4mn, with a 15.1% margin, slightly lower than the € 57.5mn in 1H13 (15.7% margin), as a result of the unfavourable impact of FX rates as well as ongoing investments in New Ventures.



The NFP at the end of June was € -109.4mn, from € -90.9mn in 1H13 and € -68.7mn in FY13; the increase was the consequence of investments in New Ventures, extra-capex in the Mirandola production site and a temporary deterioration of NWC.

**SRN stock price reported a -8.1% performance YTD, underperforming its main peers in the sector.** In our view, the underperformance was linked to the poor visibility on the possible returns expected from investments in the New Ventures (up to € 300mn by 2018), as well as to more challenging than expected developments at the CRM division in Japan and EU.

SECTOR PERFORMANCE AND VALUATION								
Med-Tech	PERFORMANCE					P/E		
Company	1 m	3 m	6 m	1 y	YTD	2014E	2015E	2016E
ST JUDE MEDICAL	0.5	1.1	-2.1	30.4	5.9	16.2 x	15.0 x	13.8 x
MEDTRONIC INC	4.0	4.8	8.2	22.7	11.4	16.6 x	15.7 x	14.6 x
BOSTON SCIENTIFC	0.0	-2.9	-3.2	15.5	4.7	15.2 x	13.8 x	12.6 x
EDWARDS LIFE	6.1	21.1	41.4	38.3	48.4	30.1 x	26.0 x	22.7 x
TERUMO CORP	11.4	18.5	21.4	5.0	2.8	22.5 x	25.8 x	22.1 x
<b>Average</b>	<b>4.4</b>	<b>8.5</b>	<b>13.2</b>	<b>22.4</b>	<b>14.6</b>	<b>20.1 x</b>	<b>19.3 x</b>	<b>17.2 x</b>
<b>Median</b>	<b>4.0</b>	<b>4.8</b>	<b>8.2</b>	<b>22.7</b>	<b>5.9</b>	<b>16.6 x</b>	<b>15.7 x</b>	<b>14.6 x</b>
<b>Max</b>						<b>30.1 x</b>	<b>26.0 x</b>	<b>22.7 x</b>
<b>Min</b>						<b>15.2 x</b>	<b>13.8 x</b>	<b>12.6 x</b>
<b>SORIN SPA</b>	<b>-5.2</b>	<b>-12.6</b>	<b>-12.2</b>	<b>-8.6</b>	<b>-8.1</b>	<b>17.1 x</b>	<b>14.7 x</b>	<b>13.2 x</b>

Source: Bloomberg data and EQUITA SIM estimates

As far as the shareholding structure is concerned, following the exit of General Electric and MPS in 2013, Mittel and Equinox (through Bios) are now the main shareholders of the company with a 25.8% stake. During 2014 MIT/Equinox have refinanced BIOS' debt until December 2015, thus making the selling process of the MIT/Equinox stake in Sorin more easily manageable.

SORIN: MAIN FIGURES (€ MN)						
MAIN FIGURES € mn	2011	2012	2013	2014E	2015E	2016E
<b>Revenues</b>	<b>743</b>	<b>731</b>	<b>739</b>	<b>755</b>	<b>794</b>	<b>822</b>
Growth	0%	-2%	1%	2%	5%	4%
<b>EBITDA</b>	<b>129</b>	<b>102</b>	<b>131</b>	<b>127</b>	<b>143</b>	<b>153</b>
Growth	7%	-21%	29%	-3%	12%	7%
Margin	17.3%	13.9%	17.8%	16.9%	18.0%	18.6%
<b>EBIT</b>	<b>88</b>	<b>37</b>	<b>70</b>	<b>74</b>	<b>89</b>	<b>98</b>
Growth	23%	-58%	90%	5%	20%	11%
Margin	11.8%	5.0%	9.5%	9.8%	11.2%	11.9%
<b>Net income</b>	<b>58</b>	<b>23</b>	<b>50</b>	<b>50</b>	<b>58</b>	<b>65</b>
Growth	48%	-60%	117%	-1%	17%	11%
Margin	7.8%	3.1%	6.8%	6.6%	7.3%	7.9%
<b>Adj. net income</b>	<b>58</b>	<b>61</b>	<b>58</b>	<b>55</b>	<b>64</b>	<b>71</b>
Growth	32%	5%	-5%	-5%	16%	11%
Margin	7.8%	8.3%	7.8%	7.3%	8.0%	8.7%
<b>NFP</b>	<b>-106</b>	<b>-88</b>	<b>-69</b>	<b>-103</b>	<b>-74</b>	<b>-42</b>
<b>P/E adj.</b>	<b>16.2 x</b>	<b>15.5 x</b>	<b>16.2 x</b>	<b>17.1 x</b>	<b>14.7 x</b>	<b>13.2 x</b>
<b>EV/EBITDA</b>	<b>8.1 x</b>	<b>10.1 x</b>	<b>7.7 x</b>	<b>8.2 x</b>	<b>7.1 x</b>	<b>6.4 x</b>

Source: Company data and Equita SIM estimates





■ **Moncler (4% of NAV): Solid results, above expectations**

**MONCLER 2Q AND 1H RESULTS (€ mn)**

	1Q13	%	1Q14	%	2Q13	%	2Q14E	%	2Q14A	%	1H13	%	1H14E	%	1H14A	%
<b>Sales</b>	<b>126</b>		<b>145</b>		<b>58</b>	10%	<b>66</b>	10%	<b>73</b>	11%	<b>183</b>		<b>211</b>		<b>218</b>	
increase	16%		16%		23%		14%		27%		18%		15%		19%	
<b>Gross margin</b>	<b>89</b>	<b>71.0%</b>	<b>105</b>	<b>72.3%</b>	<b>39</b>	<b>67.9%</b>	<b>45</b>	<b>68.4%</b>	<b>50</b>	<b>68.4%</b>	<b>128</b>	<b>70.0%</b>	<b>150</b>	<b>71.1%</b>	<b>155</b>	<b>71.0%</b>
increase			18%				15%		27%		21%		17%		21%	
Selling expenses	(31)	-25.0%	(38.6)	-26.5%	(26)	-45.8%	(33)	-50.6%	(33)	-45.2%	(58)	-31.6%	(71.5)	-39.2%	(71.5)	-32.8%
G&A costs	(14)	-10.7%	(16)	-11.3%	(14)	-24.8%	(15)	-23.0%	(15)	-20.4%	(28)	-15.2%	(31.8)	-17.2%	(31.3)	-14.3%
Marketing	(9)	-7.5%	(11)	-7.2%	(6)	-10.6%	(7)	-10.7%	(7)	-9.1%	(16)	-8.5%	(17.5)	-9.6%	(17.1)	-7.8%
<b>Adj. Ebit</b>	<b>35</b>	<b>27.8%</b>	<b>40</b>	<b>27.3%</b>	<b>(8)</b>	<b>-13.4%</b>	<b>(10)</b>	<b>-15.8%</b>	<b>(5)</b>	<b>-6.3%</b>	<b>27.2</b>	<b>14.8%</b>	<b>29.3</b>	<b>13.9%</b>	<b>35.1</b>	<b>16.1%</b>
increase	n.a.		14%		n.a.		35%		n.m.		7%		8%		29%	
Non-recurr. items			(1)		(2)		(1)		(1)		()		(2)		(2)	
<b>Reported Ebit</b>	<b>35</b>		<b>39</b>		<b>(8)</b>		<b>(11)</b>		<b>(6)</b>		<b>27</b>		<b>28</b>		<b>33</b>	
increase	n.a.		12%		n.a.		n.m.		n.m.		n.a.		3%		23%	
<b>Net income</b>	<b>16</b>		<b>24</b>		<b>(8)</b>		<b>(10)</b>		<b>(5)</b>		<b>11</b>		<b>14</b>		<b>18</b>	
Increase	n.a.		43%		n.a.		n.m.		n.m.		n.a.		20%		60%	
<b>Adj. Net Income</b>	<b>20</b>		<b>24</b>		<b>(8)</b>		<b>(10)</b>		<b>(5)</b>		<b>11</b>		<b>15</b>		<b>19</b>	
increase	n.a.		21%		n.a.		n.m.		n.m.		n.a.		28%		63%	
Depr	(4)		(5)		(4)		(6)		(6)		(9)		(11)		(11)	
<b>Adj. Ebitda</b>	<b>39</b>	<b>31.3%</b>	<b>45</b>	<b>30.9%</b>	<b>(3)</b>	<b>-5.7%</b>	<b>(4)</b>	<b>-6.8%</b>	<b>1</b>	<b>1.9%</b>	<b>36</b>	<b>19.7%</b>	<b>41</b>	<b>19.2%</b>	<b>46</b>	<b>21.3%</b>
increase	n.a.		15%		n.a.		n.m.		n.m.		10%		13%		29%	

Source: EQUITA SIM estimates & company data

**Moncler (MONC) reported 1H14 results that exceeded expectations, with a buoyant growth of revenues (+19% YoY or +22% LFL to € 218.3 mn) and an improvement in profitability (EBITDA adj. margin 21.3% vs. 19.7% 1H14, with adj. EBITDA reaching € 46.4mn vs. € 36mn in 1H13, +29% YoY) also thanks to cost containment measures.**

**Moncler keeps outperforming its peers** (Moncler's 1H comp-store revenues +10% vs. sector average of +1.3% YoY) thanks to the under-penetration of the brand with expansion in some markets (Asia and US in particular) and a further de-seasonalisation of the offering by expanding the product range. We believe the brand is benefiting from its leadership niche positioning, from improving merchandising/CRM/time-to-market (particularly with the Spring/Summer collections), as well as from the increasing visibility stemming from the widening store network and from the recent listing.

The company stated its moderate optimism on the start of the Autumn / Winter season in stores (although the season has started only a few weeks ago), on the initial Spring / Summer orders collected and on the visibility concerning the next openings (10 stores already secured for 2015, in addition to the 25 opened in 2014).

**MONC stock price** has performed in line with its main Italian peers, underperforming its European peers due to a de-rating of the Italian stocks that had performed better during 2013. It was penalised by the weakness of the sector following a slowdown in Asian markets, geopolitical tension and negative impact of exchange rates.

## SECTOR PERFORMANCE AND VALUATION

Luxury Company	PERFORMANCE					P/E		
	1 m	3 m	6 m	1 y	YTD	2014E	2015E	2016E
HERMES	1%	1%	12%	7%	-1%	31.8 x	28.3 x	25.1 x
BRUNELLO CUCINELLI	7%	-2%	-9%	-14%	-28%	37.6 x	34.2 x	30.3 x
LVMH	0%	-9%	-2%	-1%	-1%	19.4 x	17.5 x	15.7 x
RICHEMONT	0%	-7%	0%	0%	-1%	18.3 x	16.2 x	14.5 x
TIFFANY	3%	4%	9%	32%	10%	23.4 x	20.7 x	18.1 x
BURBERRY	0%	-6%	-7%	-7%	-6%	18.9 x	17.2 x	14.9 x
KERING (LUXURY)	5%	0%	8%	-7%	4%	16.1 x	14.3 x	13.1 x
SWATCH	2%	-5%	-14%	-7%	-15%	17.1 x	15.2 x	13.7 x
TOD'S	-3%	-16%	-16%	-38%	-32%	20.7 x	18.9 x	17.3 x
PRADA	0%	-7%	-8%	-28%	-22%	23.4 x	21.3 x	18.9 x
FERRAGAMO	-5%	-9%	-11%	-14%	-25%	21.7 x	19.2 x	17.1 x
<b>Average</b>	<b>1%</b>	<b>-5%</b>	<b>-4%</b>	<b>-7%</b>	<b>-11%</b>	<b>22.6 x</b>	<b>20.3 x</b>	<b>18.1 x</b>
<b>Median</b>	<b>0%</b>	<b>-6%</b>	<b>-7%</b>	<b>-7%</b>	<b>-6%</b>	<b>20.7 x</b>	<b>18.9 x</b>	<b>17.1 x</b>
<b>Max</b>						<b>37.6 x</b>	<b>34.2 x</b>	<b>30.3 x</b>
<b>Min</b>						<b>16.1 x</b>	<b>14.3 x</b>	<b>13.1 x</b>
<b>MONCLER</b>	<b>0%</b>	<b>-11%</b>	<b>-10%</b>	<b>n.a.</b>	<b>-25%</b>	<b>25.3 x</b>	<b>20.7 x</b>	<b>17.6 x</b>

Source: Bloomberg data and EQUITA SIM estimates

## MONCLER: MAIN FIGURES (€ MN)

MAIN FIGURES € mn	2011	2012	2013	2014E	2015E	2016E
<b>Revenues</b>	<b>364</b>	<b>489</b>	<b>581</b>	<b>679</b>	<b>791</b>	<b>896</b>
Growth	29%	34%	19%	17%	16%	13%
<b>Adj. EBITDA</b>	<b>114</b>	<b>162</b>	<b>192</b>	<b>223</b>	<b>263</b>	<b>303</b>
Growth	26%	41%	19%	16%	18%	15%
Margin	31.5%	33.0%	33.0%	32.8%	33.3%	33.8%
<b>EBIT</b>	<b>102</b>	<b>146</b>	<b>166</b>	<b>195</b>	<b>229</b>	<b>263</b>
Growth	20%	43%	14%	17%	18%	15%
Margin	28.0%	29.8%	28.7%	28.7%	29.0%	29.3%
<b>Net income</b>	<b>56</b>	<b>82</b>	<b>92</b>	<b>117</b>	<b>144</b>	<b>170</b>
Growth	-	47%	12%	28%	23%	18%
Margin	15.4%	16.9%	15.9%	17.3%	18.2%	19.0%
<b>Adj. net income</b>	<b>58</b>	<b>82</b>	<b>96</b>	<b>120</b>	<b>147</b>	<b>173</b>
Growth	-	43%	17%	25%	22%	18%
Margin	15.9%	16.9%	16.6%	17.7%	18.5%	19.3%
<b>NFP</b>	<b>-270</b>	<b>-229</b>	<b>-171</b>	<b>-123</b>	<b>-53</b>	<b>51</b>
<b>P/E adj.</b>	<b>44.2 x</b>	<b>30.9 x</b>	<b>31.4 x</b>	<b>25.3 x</b>	<b>20.7 x</b>	<b>17.6 x</b>
<b>EV/EBITDA</b>	<b>25.3 x</b>	<b>17.2 x</b>	<b>17.2 x</b>	<b>14.4 x</b>	<b>11.9 x</b>	<b>9.9 x</b>

Source: Company data and Equita SIM estimates

**VALUATION: UPDATED NAV TO € 2.6ps (from prev. 2.9ps)**

**We have updated the NAV to € 2.6ps (from 2.9ps)** in order to factor in the performance of listed assets and the value attributed to Fashion District in the sale agreement. In particular the NAV moves to 2.6ps (from 2.9) mostly as a result of the update of the listed assets performance (€ -19mn or € -0.2ps mainly due to the negative performance posted by Sorin) and of the lower valuation of Fashion District (€ -17mn or € -0.15ps), partly offset by other minor adjustments post 3Q14 results. **Target at € 2.0ps (from € 2.2ps) applying a 25% discount to the NAV.**

As far as our estimates are concerned, we have deconsolidated the contribution from Fashion District and incorporated the higher expected loss on 2014, in addition to the transaction-related costs. As a whole, the 2014E net profit moves to € -3.3mn from € -0.4mn, and on 2015E it changes to € -3mn from prev. € -8.3mn. **The 2014E consolidated NFP drops to € -98mn from € -198mn as a result of the FD disposal.**

MITTEL - NAV								
Asset	Sector	Stake %	# shares	€ PS	€ mn	%	Valuation method	
Intesa Sanpaolo	Banking	0.04%	6.2	2.3	15	6%	Market Value	
UBI Banca ScpA	Banking	0.20%	1.8	6.1	11	5%	Market Value	
RCS Media Group SpA	Media	1.33%	5.6	1.1	6	3%	Market Value	
Sorin*	Biomedical	12.7%	60.9	1.9	53	23%	Net equity (Market Value)	
Moncler	Fashion	0.3%	0.8	11.9	9	4%	Market Value	
Mittel	Treasury shares	17.4%	15.3	1.5	23	10%	Market Value	
<b>TOTAL LISTED SHAREHOLDINGS (1)</b>					<b>118</b>	<b>51%</b>		
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%		22	10%	Book Value June-14		
Property Assets Valuation	Real Estate	100%		115	50%	Book Value June-14		
Attributable NFP MII	Real Estate	100%		-93	-40%	As of June-14		
Earchimede	Holding	85.0%		79	34%	-		
Fashion District Group/Alfa Park/Parco Med.	Outlet	56.1%		30	13%	Deal value @July 2014 for FD, BV for the other stakes		
NFP Earchimede	Holding	85.0%		48	21%	Estimated at deal value		
Funds (i.e Progressio I/II, Cosimo I, Augusto, Equinox)	PE and RE Funds	n.m.		45	19%	Book Value June-14		
Azimut-Benetti	Luxury Motor Yachts	6.21%**		19	8%	EV/EBITDA 2014E = 12x		
Istituto Atesino di Sviluppo S.p.A.	Holding	1.7%		3	1%	Book Value June-14		
Mittel Advisory***	Financial Services	100%		7	3%	Book Value June-14 (impl. P/E 2014E = 9x)		
Progressio SGR	Financial Services	15%		1	0%	Book Value June-14		
Castello SGR	Real Estate	21%		4	2%	P/E 2013E = 12x, P/AUM = ~1.5%		
Microventures	Financial Services	15.0%		4	2%	Book Value June-14		
Financial credits Mittel SpA (st/lt)	Miscellaneous	n.m.		158	69%	Equita SIM estimates and Company data		
Others participations and other assets/liabilities	Miscellaneous	100.0%		18	8%	Equita SIM estimates and Company data		
<b>TOTAL UNLISTED SHAREHOLDINGS (2)</b>					<b>360</b>	<b>157%</b>		
<b>ATTRIBUTABLE NFP (3)</b>					<b>-191</b>	<b>-84%</b>	Adj. NFP as today (Financial debt – cash)	
<b>HOLDING COSTS (4)</b>					<b>-58</b>	<b>-26%</b>	Normalised cash costs net of taxes capitalised @ 10%	
<b>TAXES ON POTENTIAL CAPITAL GAINS (5)</b>					<b>0</b>	<b>0%</b>		
<b>STOCK OPTIONS DILUTION (6)</b>					<b>0</b>	<b>0%</b>		
<b>TOTAL NET ASSET VALUE (1+2+3+4+5+6)</b>					<b>229</b>	<b>100%</b>		
Nr. of Shares (mn)					87.9			
<b>NAV per Ord share €</b>					<b>2.6</b>			
Current discount (premium)					42%			
<b>P/NAV</b>					<b>0.58</b>			

Source: EQUITA SIM estimates \* via Tower 6 Bis, Bios and Ghea; \*\* considering treasury shares; \*\*\* including Mittel Advisory and Mittel Advisory Debt and Grant.

## SECTOR AND STOCK PERFORMANCE

MIT reported a -12.6% negative performance YTD, underperforming both the FTSEMIB index by 22% and the LPX50 index by 19%. The stock also underperformed the main listed Italian holdings, which reported a +4% positive performance YTD.

## ITALIAN HOLDING COMPANIES: STOCK PERFORMANCE

Company	DESCRIPTION			PERFORMANCE				
	Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	YTD
ASTM SPA	EUR	10.5	921	-5.1	-9.5	-12.7	16.6	-8.8
CIR SPA	EUR	1.1	857	3.8	-5.6	-2.7	1.5	-6.4
COFIDE SPA	EUR	0.5	378	3.6	-1.9	-6.5	-0.1	-7.1
DEA CAPITAL SPA	EUR	1.4	442	8.4	-0.7	19.0	14.3	16.5
EXOR	EUR	30.0	7,377	7.2	-1.6	8.9	18.1	6.1
IMMSI SPA	EUR	0.6	211	-0.2	-19.3	25.1	46.5	31.5
ITALMOBILIARE	EUR	29.5	949	0.9	-10.0	-3.0	58.2	15.1
MEDIOBANCA	EUR	6.9	5,901	0.9	-9.0	-5.5	38.9	4.2
VIANINI LAVORI	EUR	5.3	232	4.2	-5.9	-6.1	53.6	2.8
<b>MITTEL SPA</b>	<b>EUR</b>	<b>1.5</b>	<b>134</b>	<b>-0.7</b>	<b>-6.2</b>	<b>-9.3</b>	<b>-13.1</b>	<b>-12.6</b>
<b>Average</b>				<b>2.3</b>	<b>-7.0</b>	<b>0.7</b>	<b>23.5</b>	<b>4.1</b>
<b>Median</b>				<b>2.2</b>	<b>-6.1</b>	<b>-4.2</b>	<b>17.4</b>	<b>3.5</b>
FTSE MIB INDEX				2.0	-4.1	5.1	22.6	9.5
LPX50 Listed PE EUR				4.0	3.6	5.4	18.9	6.4

Source: Bloomberg prices

We think the stock was impacted by the uncertainty arising as a result of the resignation of the Board in January 2014 following an irremediable rift (probably ensuing from a different strategic view on the company) created within the BoD with the former CEO Borghesi.

As of today no new CEO has been appointed, and strategic decisions (e.g. disposals, acquisitions) are still being taken by the Executive Committee that keeps meeting regularly.

Furthermore, there is still uncertainty on the future of the 15.3% stake held by Zaleski's Tassara, which is selling its holdings as required by the creditor banks.

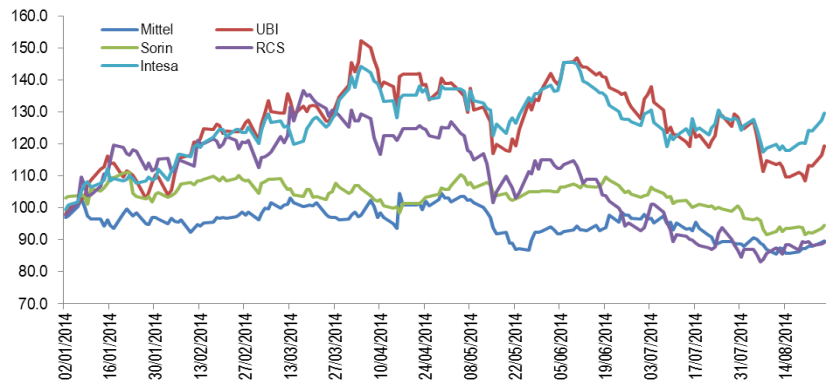
As far as listed assets are concerned (51% of NAV), the excellent performance booked by the banking holdings (Intesa and UBI +29% and +24% YTD respectively) was offset by the soft performance reported by Sorin and Moncler (-8% and -24% YTD respectively) in spite of good operating results.

## PERFORMANCE OF LISTED ASSETS

Mittel listed assets	% of NAV	DESCRIPTION			PERFORMANCE				
		Currency	Price	Mkt cap (€ mn)	1 m	3 m	6 m	1 y	YTD
INTESA SANPAOLO	6%	EUR	2.3	37,922	2.8	-5.2	7.7	51.7	29.4
UBI BANCA SCPA	5%	EUR	6.1	5,510	-0.9	-11.6	2.3	64.2	23.8
RCS MEDIAGROUP	3%	EUR	1.2	605	0.9	-22.5	-22.0	2.0	-12.1
SORIN SPA	25%	EUR	1.9	912	-5.2	-12.6	-12.2	-8.6	-8.1
MONCLER SPA	4%	EUR	12.0	2,995	7.4	-10.7	-7.6	n.a.	-24.2

Source: Bloomberg prices

PERFORMANCE OF LISTED ASSETS YTD



Source: Bloomberg prices

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 42% discount to NAV, compared to the 32% of Italian holding companies**, and it's not far from the historical average (36% in the 2006-2013 time period).

ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company	Val. method	NAV (€ PS) *								Disc. / (Prem.) to NAV								
		2007	2008	2009	2010	2011	2012	2013	2014	2007	2008	2009	2010	2011	2012	2013	Avg.**	2014
ASTM	market price	20.9	10.7	12.5	14.5	11.7	14.5	17.5	19.8	31%	50%	23%	33%	38%	48%	36%	37%	47%
CAMFIN	(1) market price	2.37	0.49	0.65	0.56	0.56	0.90	1.02	n.a.	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	1.50	24%	65%	30%	36%	44%	54%	38%	37%	28%
COFIDE	see through	1.64	1.03	1.21	1.06	1.08	0.81	0.87	0.69	35%	68%	48%	38%	49%	51%	38%	43%	25%
DEA CAPITAL	market price	2.40	1.64	1.88	1.99	2.10	2.15	1.95	2.13	10%	22%	33%	43%	39%	38%	35%	26%	32%
EXOR ord.	(2) market price	9.2	15.9	25.2	36.6	25.8	31.8	33.0	34.8	28%	50%	48%	36%	42%	40%	16%	35%	14%
IMMSI	market price	2.12	1.24	1.57	1.86	1.30	0.87	0.86	1.01	35%	44%	47%	55%	56%	50%	45%	45%	39%
ITALMOBILIARE	(3) market price	93.1	53.1	56.4	42.3	32.7	25.8	34.1	35.4	32%	49%	47%	41%	56%	53%	29%	43%	20%
MEDIOBANCA	(4) market price	16.4	14.3	11.1	10.1	7.9	6.0	7.4	7.1	10%	40%	36%	35%	15%	32%	37%	26%	9%
<b>MITTEL</b>	<b>market price</b>	<b>5.0</b>	<b>4.5</b>	<b>5.0</b>	<b>4.2</b>	<b>3.3</b>	<b>3.3</b>	<b>3.4</b>	<b>2.5</b>	<b>-5%</b>	<b>49%</b>	<b>27%</b>	<b>20%</b>	<b>51%</b>	<b>61%</b>	<b>49%</b>	<b>36%</b>	<b>42%</b>
VIANINI LAVORI	market price	13.44	10.86	11.22	11.32	8.29	7.69	11.63	13.45	n.a.	63%	58%	65%	60%	60%	56%	61%	60%
<b>AVERAGE</b>										<b>24%</b>	<b>49%</b>	<b>41%</b>	<b>40%</b>	<b>46%</b>	<b>48%</b>	<b>38%</b>	<b>36%</b>	<b>32%</b>

(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+IFI) 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

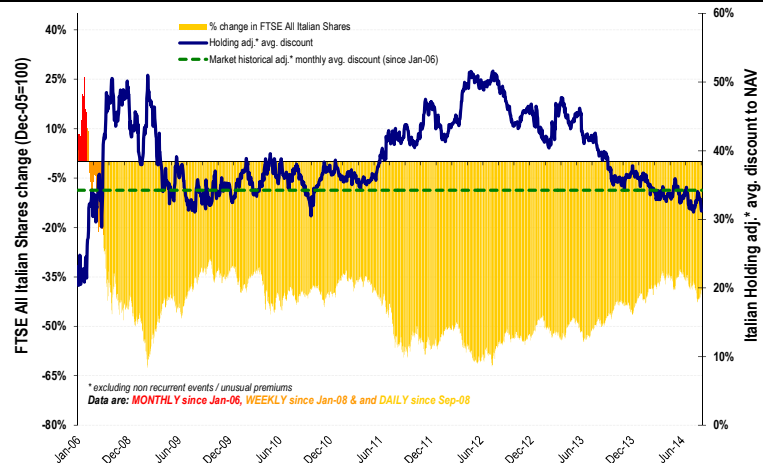
(4) year-end: June

\* 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

ITALIAN HOLDING ADJ. AVERAGE DISCOUNT TREND



Source: Equita SIM estimates

## SENSITIVITY

		MITTEL NAV: SENSITIVITY (€ PS)						
SORIN	FIN. CREDITS	-25.0%	-15.0%	-10.0%	TODAY	10.0%	15.0%	25.0%
	€ mn	143	150	154	158	162	166	174
-25.0%	40	2.3	2.4	2.4	2.4	2.5	2.5	2.6
-15.0%	45	2.3	2.4	2.5	2.5	2.6	2.6	2.7
-10.0%	48	2.4	2.5	2.5	2.5	2.6	2.6	2.7
<b>TODAY</b>	<b>53</b>	<b>2.4</b>	<b>2.5</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.7</b>	<b>2.8</b>
10.0%	59	2.5	2.6	2.6	2.7	2.7	2.8	2.8
15.0%	61	2.5	2.6	2.6	2.7	2.7	2.8	2.9
25.0%	67	2.6	2.7	2.7	2.8	2.8	2.8	2.9

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	3.6	4.2	4.8	6.0	7.2	7.8	8.4
-40.0%	1.4	2.5	2.5	2.5	2.5	2.6	2.6	2.6
-30.0%	1.6	2.5	2.5	2.5	2.6	2.6	2.6	2.6
-20.0%	1.8	2.5	2.5	2.5	2.6	2.6	2.6	2.6
<b>TODAY</b>	<b>2.3</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.7</b>
20.0%	2.7	2.6	2.6	2.6	2.6	2.7	2.7	2.7
30.0%	2.9	2.6	2.6	2.6	2.6	2.7	2.7	2.7
40.0%	3.2	2.6	2.6	2.6	2.7	2.7	2.7	2.7

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, Sorin and Moncler
- 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, Sorin and Moncler
- 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**

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In the past EQUITA SIM has published studies on Mittel

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BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
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Date	Rec.	Target Price (€)	Risk	Comment
nil				

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	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	43.8%	55.1%
HOLD	51.1%	42.9%
REDUCE	5.1%	2.0%
NOT RATED	0.0%	0.0%