

Company update

HOLD (Unchanged)

Target: € 1.7 (Prev. € 1.83)

Risk: High

STOCK DATA

Price €	1.4
Bloomberg code	MIT IM
Market Cap. (€ mn)	127
Free Float	33%
Shares Out. (mn)	87.9
52-week range	1.26 - 1.75
Daily Volumes (000)	23.14

PERFORMANCE

	1M	3M	12M
Absolute	-5.3%	-12.7%	5.9%
Rel. to FTSE all shares	6.2%	10.3%	24.1%

MAIN METRICS

	2014	2015	2016E
EPS - € cents	-46	-31	-8
DPS ord - € cents	0	0	0

NAV

	2014	2015	2016E
Nav ps ord - €	2.5	2.6	2.2
Listed assets	25%	29%	24%
Controlling	24%	57%	61%

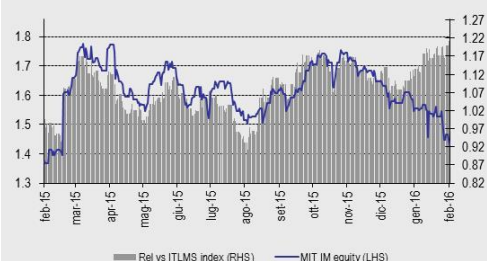
MULTIPLES

	2014	2015	2016E
P/E ord	n.m.	n.m.	n.m.
P/E ord Adj	n.m.	n.m.	n.m.
PBV	0.3 x	0.4 x	0.4 x

INDEBTNESS

	2014	2015	2016E
NFP holding	-90.7	-103.7	-105.7
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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February 17, 2015

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NEW CEO FOCUSED ON COMPANY REORGANISATION

On 16th November, MIT's BoD appointed Mr. Bifulco as the company's new CEO, with the aim of transforming MIT into a dynamic holding that invests in cash-generating SMEs by means of a process that will streamline the structure and allow the company to achieve economic balance. NAV moved to €2.2ps (from €2.4) and target to €1.7ps (-7%). We confirm our HOLD pending more visibility on the new strategic plan: the stock is trading at 36% discount to NAV vs. 38% of the main Italian holdings.

■ Valuation and estimates updated: NAV at €2.2ps (from €2.4) and target at €1.7ps (-7%)

Following the disclosure of 1Q16 results (on February 10th) and the 2015 draft annual report, we have updated our NAV and estimates. The NAV moved to €2.2ps (from €2.4ps) mainly to incorporate the following:

- lower value and partial disposal of some listed assets (-27mn);
- lower debt (+16mn);
- fine-tuning of the value of other non-listed assets (+2mn) and financial credits (-9mn).

As regards our estimates, overall we have revised 2016-17E EBITDA to -6.1mn/-4mn (from prev. +0.2mn/+1.2mn) and bottom line to -6.5/-5.2mn (from prev. -3.9mn/-2.8mn), due to lower revenues and income from participations, partially offset by lower operating costs and interest expenses. 2016E consolidated NFP is now expected at -€82.3mn from the previous -€79.7mn. Target price at €1.7ps (-7%) by applying a 25% discount on NAV.

■ New CEO's strategic plan under development

We gleaned from the publication of 1Q16 results that the new CEO, Mr. Bifulco (appointed by the BoD on November 16th, 2015), is working on a new strategic plan for the group, which should be ready by the end of March. His aim is to transform MIT into a dynamic holding that invests in cash-generating SMEs by means of a process that will streamline the structure of the company and achieve economic balance. In more detail, according to an interview with the CEO published by IISole24Ore on November 17th, 2015, the target is to enhance the value of assets that are no longer considered strategic (real estate being the main priority) to make room for investments in non-listed mid-sized companies.

■ Investment case

We confirm our HOLD pending more visibility on the strategic plan and the first effects of the restructuring. On the upside:

- we believe that there is room to streamline the holding structure and achieve economic balance at the holding level through cost cutting action;
- potential enhancement in value of non-strategic assets (e.g. RE) and partial cash-in of financial credits may allow for a reduction in financial leverage and/or free up resources for new investments.

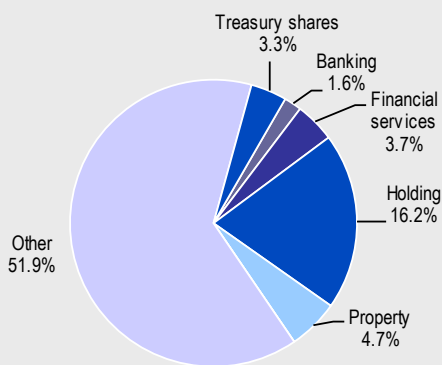
...however

- the stock is trading at a 36% discount to NAV, not far off the average of the main Italian holdings (38%) but with a more leveraged financial structure (LTV 40% vs 22% average) and a more complex holding structure.

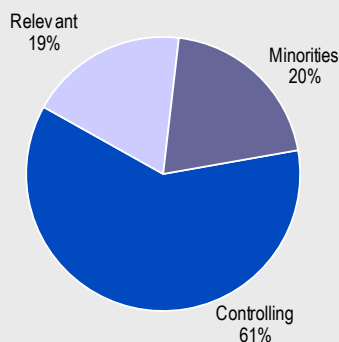
MAIN FIGURES € mn	2012	2013	2014	2015	2016E	2017E
Revenues	66	59	41	17	11	12
Growth	36%	-11%	-30%	-59%	-33%	6%
Total opex	-68	-63	-58	-38	-20	-18
Growth	32%	-8%	-9%	-33%	-47%	-11%
EBITDA	4	0	-3	-17	-6	-4
Growth	35%	-90%	n.m.	n.m.	n.m.	n.m.
Margin	6%	1%	-6%	-100%	-54%	-33%
EBIT	-10	-48	-32	-25	-7	-4
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-16%	-81%	-77%	-148%	-62%	-37%
Adj. EBIT	-10	-48	-32	-25	-7	-4
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-16%	-81%	-77%	-148%	-62%	-37%
Profit before tax	-17	-38	-58	-22	-9	-7
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-25%	-64%	-139%	-128%	-82%	-60%
Net income	-18	-38	-34	-22	-7	-5
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-27%	-65%	-81%	-131%	-58%	-43%
Adj. net income	-18	-38	-34	-22	-7	-5
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Margin	-27%	-65%	-81%	-131%	-58%	-43%
STOCK DATA	2012	2013	2014	2015	2016E	2017E
EPS - € cents	-20.5	-52.4	-46.3	-30.7	-8.4	-6.7
Growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Adj. EPS - € cents	-20.5	-52.4	-46.3	-30.7	-8.4	-6.7
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 - €	3.3	3.4	2.5	2.6	2.2	2.2
VARIOUS - € mn	2012	2013	2014	2015	2016E	2017E
Capital employed	594	610	401	404	398	379
INDEBTNESS	2012	2013	2014	2015	2016E	2017E
NFP	-197	-226	-202	-82	-82	-68
NFP holding	-86	-122	-91	-104	-106	-108
D/E	0.5 x	0.6 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.
MARKET RATIOS	2012	2013	2014	2015	2016E	2017E
PNAV ord	0.4 x	0.5 x	0.5 x	0.6 x	0.6 x	0.6 x
PBV	0.3 x	0.4 x	0.3 x	0.4 x	0.4 x	0.4 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	7.7 x	14.5 x	4.8 x	n.m.	n.m.	n.m.
REMUNERATION	2012	2013	2014	2015	2016E	2017E
Div. Yield ord	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roe	-5.2%	-11.6%	-12.0%	-7.9%	-2.4%	-1.9%
ROCE	-1.7%	-8.6%	-7.1%	-6.7%	-1.6%	-1.4%

Source: EQUITA SIM estimates & company data

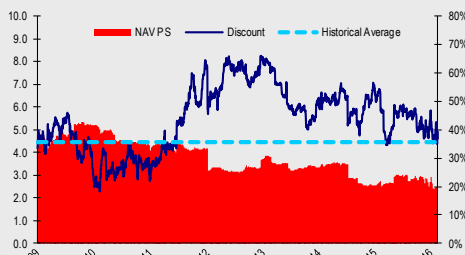
NAV BUSINESS SEGMENTATION – 2016E



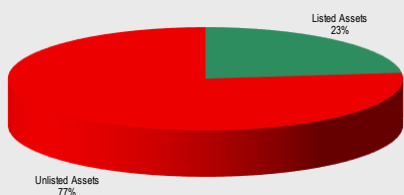
CONTROLLING STAKE – 2016E



NAV & DISCOUNT



UN / LISTED ASSETS WEIGHT



BUSINESS DESCRIPTION

Mittel is active in the following sectors:

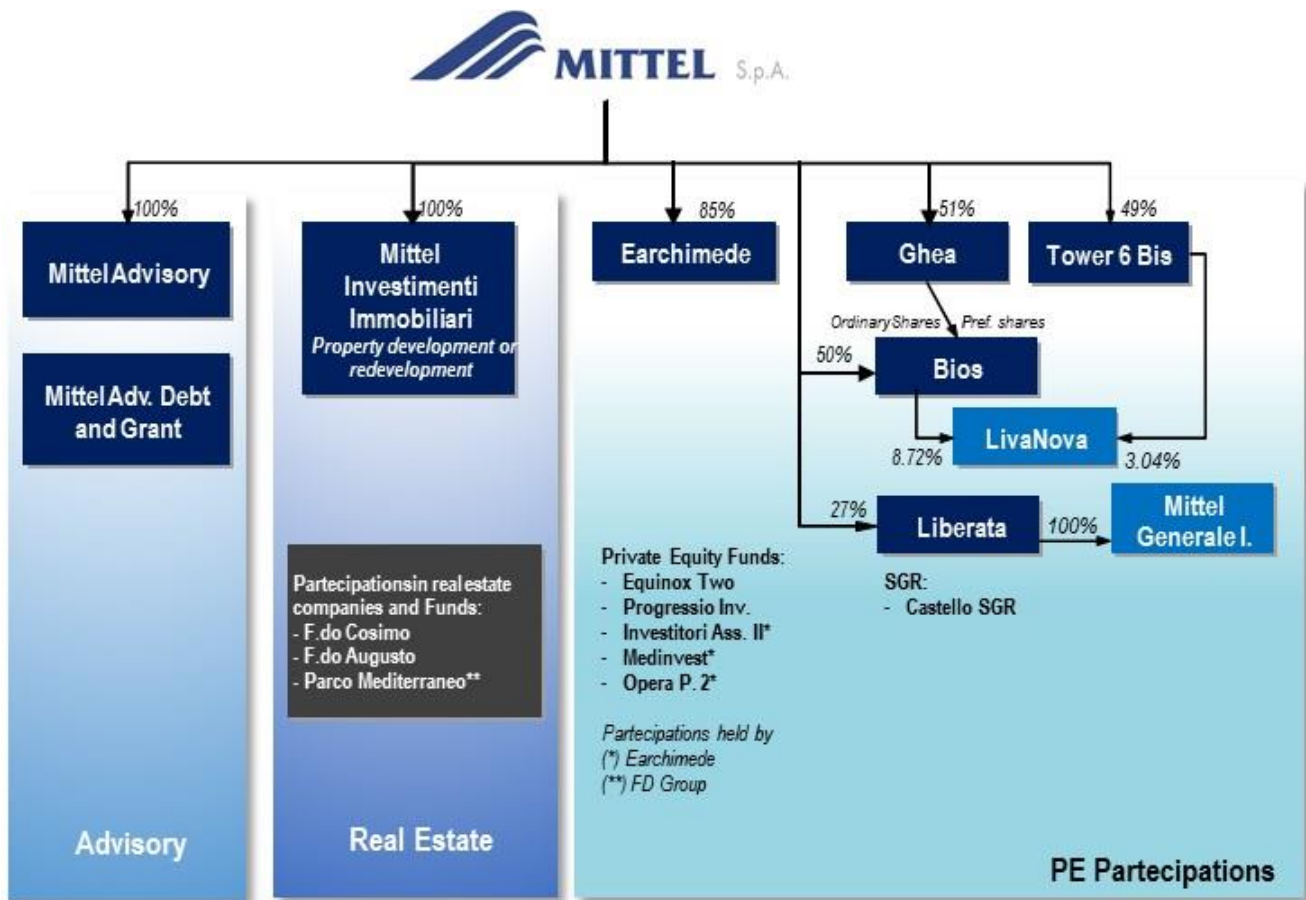
- **Investments and Private Equity;** MIT invests in the capital of listed and non-listed companies directly or indirectly via specialised closed end funds, with the aim of enhancing value in the medium term. In more detail:
 - **Investments in listed companies:** Intesa SanPaolo (0.005% stake), Ubi Banca (0.2% stake), and LivaNova (5.9% through Tower 6 Bis and Bios);
 - **Investments in non-listed companies:** Istituto Atesino di Sviluppo (1.7%), SIA SpA (0.3%) and Credit Access Asia N.V. (7.6%).
 - **Stakes in PE funds:** Equinox 2.

Management aims to increase this activity and exposure to Private Equity Management in the medium term.

- **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.
- 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 Castello SGR (20%) and interests in some funds managed by the latter.

MITTEL: A QUICK OVERVIEW

SHAREHOLDERS STRUCTURE		
	% on total shares	% on voting shares
Seconda Navigazione Srl (Stocchi F.)	22.8%	25.8%
Fondazione Cassa di Risparmio Trento e Rovereto	10.9%	12.3%
Istituto Atesino di Sviluppo Spa	8.8%	10.0%
Bootes srl (Bifulco R.)	6.8%	7.7%
La Scuola S.p.A.	3.8%	4.2%
Ge Capital S.p.A.	2.0%	2.3%
Treasury shares	11.4%	-
Free Float	33.5%	-



Source: Equita SIM elaborations on company data

NEW CEO FOCUSED ON COMPANY RESTRUCTURING

On November 16th 2015, MIT's BoD appointed Mr. R. Bifulco as the new CEO of the company, also approving the sale of No. 5.3mn treasury shares to the CEO at a price of €1.73ps for a total of €9.2mn. Amongst his many previous roles, Mr. Bifulco acted as chairman of Sorin, CEO of Lottomatica, and created Humanitas (one of the most technologically advanced hospitals in Europe). According to an interview with IISole24Ore on November 17th 2015, **the CEO's aim is to transform MIT into a company that is similar to a Private Equity Firm, to streamline its structure, and increase EBITDA, as the company does not generate cash at present.** Moreover, the CEO plans **to enhance the value of all non-strategic assets** (Real Estate being the top priority) **to make room for other investments**, both majority and minority stakes, in non-listed mid-sized companies (reference sector is life science or targets in the country of origin of shareholders). Outstanding treasury shares (11% of capital) could be used to boost growth.

We think that the streamlining of the structure and governance model, to enhance the value of Real Estate assets and more strategic clarity from the new CEO (who has an excellent track record) could lead to a reduction in the discount to NAV in the medium term.

FINE-TUNING OF ESTIMATES

Overall we have revised 2016-17E EBITDA to -6.1mn/-4mn (from prev. +0.2mn/+1.2mn) and bottom line to -6.5/-5.2mn (from prev. -3.9mn/-2.8mn), due to lower revenues and income from participations, partially offset by lower operating costs and interest expenses. 2016E consolidated NFP is now expected at -€82.3mn from the previous -€79.7mn.

MITTEL: CHANGE IN ESTIMATES (€ mn)						
	FY16 Expected	FY16 Actual	Change	FY17 Expected	FY17 Actual	Change
Revenues	15.5	11.3	-27%	15.5	12.0	-23%
change YoY	-8.7%	-33.5%		0.0%	6.2%	
Operating Costs	-23.0	-20.2		-22.0	-18.0	
Income (loss) from participations	7.7	2.8		7.7	2.0	
EBITDA	0.2	-6.1	n.m.	1.2	-4.0	n.m.
change YoY	n.m.	n.m.		421.9%	n.m.	
EBIT	-0.5	-7.0	n.m.	0.5	-4.5	n.m.
change YoY	n.m.	n.m.		n.m.	n.m.	
Pre-Tax	-4.9	-9.3	n.m.	-3.5	-7.2	n.m.
change YoY	n.m.	n.m.		n.m.	n.m.	
Group Net Income	-3.9	-6.5	n.m.	-2.8	-5.2	n.m.
change YoY	n.m.	n.m.		n.m.	n.m.	
NFP Consolidated	-79.7	-82.3	3%	-76.8	-68.1	-11%

Source: Company data and EQUITA SIM estimates

In more detail, we have:

- lowered 2016-2017E revenues to €11.3/12mn respectively (from prev. €15.5mn), cutting turnover from Real Estate and advisory business following a lacklustre performance in 2015/1Q16;
- lowered operating costs to -€20/-€18mn from previous -€23/-€22mn to reflect the 1Q16 trend and restructuring of the advisory business;
- slashed investment from participations to €2.8/€2mn from previous €7.7/7.7mn to account for the FY15/1Q16 trend, which fell short of our previous expectations;
- reduced net interest expenses to -€2.8/-2.5mn from previous -€4.4/-4mn thanks to lower cost of debt, particularly on the short term lines, as well as following the repayment of some debts.

Given the effect of these changes, 2016-17E EBITDA is down to -€6.1/-4mn (from prev. +€0.2/+1.2mn) and bottom-line to -€6.5/-5.2mn (from prev. -€3.9/-2.8mn). Consolidated 2016E NFP is now expected at -€82.3mn from previous -€79.7mn.

VALUATION: UPDATED NAV TO € 2.2ps (from prev. 2.4ps) AND TARGET PRICE € 1.7ps (-7%)

Following the disclosure of 1Q16 results (on February 10th) and the 2015 draft annual report, **we have updated our NAV and estimates**. The **NAV moved to €2.2ps (from €2.4ps)** mainly to incorporate the following:

- lower value and partial disposal of some listed assets (-27mn);
- lower debt (+16mn);
- fine-tuning of the value of other non-listed assets (+2mn) and financial credits (-9mn).

Target price at €1.7ps (-7%) by applying a 25% discount on NAV.

MITTEL - NAV							
Asset	Sector	Stake %	# shares	€ PS	€ mn	%	Valuation method
Intesa Sanpaolo	Banking	0.005%	0.8	2.4	2	1%	Market Value
UBI Banca ScpA	Banking	0.20%	1.5	3.5	5	3%	Market Value
LivaNova*	Biomedical	5.9%	2.9	\$56.8	82	41%	Net equity (Market Value)
Mittel	Treasury shares	11.4%	10.0	1.4	14	7%	Market Value
TOTAL LISTED SHAREHOLDINGS (1)					103	52%	
Mittel Generale Investimenti (Liberata spa)	Financial Services	27%			5	3%	M&A deal - P/BV 0.9x
Mittel Investimenti Immobiliari (Property Assets)	Real Estate	100%			15	8%	Book Value Dec-15
Property Assets Valuation	Real Estate	100%			103	52%	Book Value Dec-15
Attributable NFP MII	Real Estate	100%			-88	-44%	As of Dec-15E
Earchimede	Holding	85.0%			71	36%	Book Value Sept-15
Fashion District Group/Alfa Park/Parco Med.	Outlet	56.7%			16	8%	Book Value Sept-15
NFP Earchimede	Holding	85.0%			54	28%	As of today
Funds (i.e Cosimo I, Augusto, Equinox II)	PE and RE Funds	n.m.			34	17%	Book Value Sept-15
Istituto Atesino di Sviluppo S.p.A.	Holding	1.7%			3	2%	Book Value Sept-15
Mittel Advisory/Mittel Advisory Debt&Grant	Financial Services	100%			7	3%	Book Value Sept-15
Castello SGR	Real Estate	20%			5	3%	P/E 2015E = 11x, P/AUM = -2%
CreditAccess Asia N.V.	Financial Services	7.6%			4	2%	Book Value Sept-15
Financial credits Mittel SpA (st/lt)	Miscellaneous	n.m.			174	88%	Equita SIM estimates and Company data
Others participations and other assets/liabilities	Miscellaneous	100.0%			15	8%	Equita SIM estimates and Company data
TOTAL UNLISTED SHAREHOLDINGS (2)					334	169%	
ATTRIBUTABLE NFP (3)					-181	-92%	Adj. NFP as today
HOLDING COSTS (4)					-58	-29%	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)					198	100%	
Nr. of Shares (mn)					87.9		
NAV per Ord share €					2.2		
Current discount (premium)					36%		
P/NAV					0.64		

Source: EQUITA SIM estimates *via Tower 6 Bis, Bios and Ghea

MITTEL: NAV - Change in valuation				
Asset	Previous € mn	Current € mn	Change %	Change abs
Intesa Sanpaolo	15	2	-87%	-13
UBI Banca ScpA	10	5	-46%	-4
LivaNova	81	82	1%	1
Moncler	2	0	-100%	-2
Mittel (treasury shares)	23	14	-37%	-9
TOTAL LISTED SHAREHOLDINGS (1)	131	103	-21%	-27
Mittel Generale Investimenti (Liberata spa)	5	5	0%	0
Mittel Investimenti Immobiliare (Property Assets)	5	15	217%	10
Earchimede	72	71	-1%	-1
Funds (i.e Cosimo I, Augusto, Equinox II)	36	34	-6%	-2
Istituto Atesino di Sviluppo S.p.A.	3	3	0%	0
Mittel Advisory/Mittel Advisory Debt&Grant	2	7	261%	5
Castello SGR	5	5	0%	0
CreditAccess Asia N.V.	4	4	2%	0
Financial credits Mittel SpA	183	174	-5%	-9
Others participations and other assets/liabilities*	15	15	7%	1
TOTAL UNLISTED SHAREHOLDINGS (2)	330	334	1%	4
ATTRIBUTABLE NFP (3)	-188	-181	-3%	6
HOLDING COSTS (4)	-58	-58	0%	0
TAXES ON POTENTIAL CAPITAL GAINS (5)	0	0	-	0
STOCK OPTIONS DILUTION (6)	0	0	-	0
TOTAL NET ASSET VALUE (1+2+3+4+5+6)	215	198	-8%	-17
Nr. of Shares (mn)	88	88		
NAV per Ord share €	2.4	2.2		
Current discount (premium)	39%	36%		
P/NAV	0.61	0.64		

Source: EQUITA SIM estimates

The reduction in treasury shares is the result of the €9.2mn disposal of 5.3mn shares (~6% of capital) to the new CEO, R. Bifulco, in November 2015 at a price of €1.73ps.

The improvement in the net-equity contribution of Real Estate investments is mainly thanks to the decision to switch debt payable to third parties to debt payable to MIT.

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

MITTEL MAIN REAL ESTATE ASSETS (SEPT.2015)

Company	City	SQM	Type	% Stake	Real Estate Inventories (€mn)
Mittel Investimenti Immobiliari Srl	Arluno (MI)	9,561	Housing Estate	100	12.9
Gamma Tre	Como	17,600	Housing Estate - not yet started	100	5.7
CAD Srl	Paderno (MI)	15,848	Housing estate (149 flats) - sales at an advanced stage	100	18.0
Fede Srl	Vimodrone (MI)	5,000	Industrial buildings - ready to sale	100	7.6
Fede Srl	Felizzano (AL)	46,500	Industrial building	100	
Iniziativa Nord Milano Srl	Bresso (MI)	9,212	Refurbished industrial buildings (3 sites) - on sale	75	7.5
Breme Srl	Milan	4,010	Construction of an office building (8 floors) - final testing phase	100	11.4
Santarosa Srl	Milan	6,700	Under construction (residential)	60	18.5
Miva Srl	Milan	5,983	Housing Estate (47 flats) - Outskirts - end of work 30/04/2014	100	14.0
Lucianita Srl	Milan	4,800	Housing Estate (43 flats) - Close to the city center (Via Lomellina Milan)	51	4.8
Regina Srl	Como	2,200	Housing Estate - ongoing design	100	1.7
Total					103

Source: EQUITA SIM estimates



Our NAV includes financial credits at book value (totalling roughly €200mn between short and medium-long term financial credits), **with a recovery rate of 87.5%** (i.e. €174mn from prev. 90% or €183mn). 55% of loans are composed of intragroup debts. The main positions are as follows:

FINANCIAL CREDITS AS OF SEP-2015

	Amount (€ mn)	% of total
Financial Credits	198.7	100%
Short-term (included in NFP)	78.2	39%
Long-term	120.5	61%
o/w to controlled/participated company	109.8	55%
Long-term financial credits	120.5	61%
Ghea	22.9	12%
Fondo Augusto	30.0	15%
Liberata	35.2	18%
Montini	16.8	8%
Sofimar	13.7	7%
Others	2.0	1%
Current financial credits	78.2	39%
Mittel Investimenti Immobiliari	74.6	37%
Others	3.6	2%

Source: EQUITA SIM estimates and company data

Financial structure

At the end of September 2015, the holding's NFP was at € -103.7mn (we est. the same level at December 2015), of which:

- Gross Debt = € -220.4mn
- Cash and cash equivalents = € 38.6mn
- Current financial credits = € 78.2mn (of which €74.6mn intragroup loans to Mittel Investimenti Immobiliari)

In our NAV, our attributable NFP is at €-181.3mn, calculated as follows:

- Holding Gross Debt = € -220.4mn
- Cash = € 38.6mn
- Sub-holding debt (cash) = € 0.5mn

Regarding current financial credits, which are included in reported NFP, we prefer to show them clearly in our NAV (alongside non-current financial credits).

The breakdown of financial debt is as follows:

- "Mittel S.p.A. 2013-2019" TF 6% bonds = € 98.5mn
- Other financial debt = €121.8mn

MITTEL S.p.A. 2013-2019 TF 6% BOND: PRICE



Source: Bloomberg

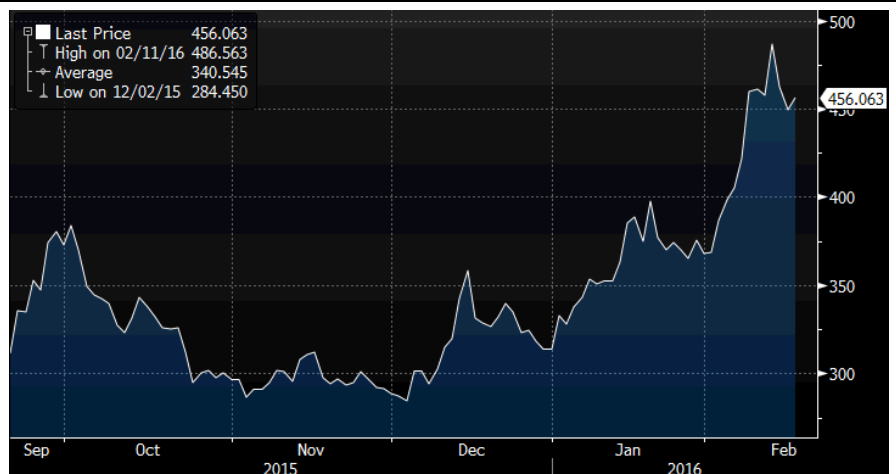
MITTEL S.p.A. 2013-2019 TF 6% BOND: YIELD TO MATURITY



Source: Bloomberg

The recent increase in the MIT's bond yield compared to 2015 year-end level is due to the increase of corporate bond spread on concern of slowing growth from China/emerging markets.

ITRAXX CROSSOVER CDS 5 YEARS EUROPE (bps)



Source: Bloomberg

SECTOR AND STOCK PERFORMANCE

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	9.9	867	-5.0	-16.8	-20.5	-17.3	-14.7
CIR SPA	EUR	0.8	643	-12.9	-22.5	-9.4	-17.6	-16.5
COFIDE SPA	EUR	0.3	235	-20.0	-27.2	-25.8	-31.7	-21.6
DEA CAPITAL SPA	EUR	1.2	371	-9.0	-17.6	-13.0	-19.7	-14.4
EXOR	EUR	27.0	6,648	-15.5	-34.4	-40.1	-28.2	-35.9
IMMSI SPA	EUR	0.4	128	1.4	-24.2	-30.7	-42.6	-19.9
ITALMOBILIARE	EUR	33.5	1,128	-9.5	-20.2	-14.7	35.0	-20.4
MEDIOBANCA	EUR	6.1	5,305	-22.2	-33.4	-37.5	-24.7	-31.5
MITTEL SPA	EUR	1.4	127	-5.3	-12.7	-2.8	6.7	-7.9
Average				-10.9	-23.2	-21.6	-15.6	-20.3
Median				-9.5	-22.5	-20.5	-19.7	-19.9
FTSE MIB INDEX				-11.7	-22.3	-27.1	-19.9	-20.8
LPX50 Listed PE EUR TR				-4.2	-17.4	-19.9	-13.8	-14.3

Source: Bloomberg prices

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	1%	EUR	2.4	40,838	-12.9	-22.0	-28.0	-12.6	-21.0
UBI BANCA SCPA	3%	EUR	3.5	3,154	-34.0	-44.7	-51.2	-47.0	-43.6
LIVANOVA PLC	41%	USD	56.8	2,772	7.5	1.8	n.a.	n.a.	-12.0

Source: Bloomberg prices

ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

Company	Val. method	NAV (€ PS) *								Disc. / (Prem.) to NAV								
		listed assets	2009	2010	2011	2012	2013	2014	2015	2016	2009	2010	2011	2012	2013	2014	2015	Avg.**
ASTM	market price	12.5	14.5	11.7	14.5	17.5	22.7	18.7	15.6	23%	33%	37%	48%	36%	46%	46%	39%	37%
CAMFIN	(1) market price	0.65	0.56	0.56	0.90	1.02	-	-	-	54%	34%	58%	39%	-	-	-	36%	-
CIR	market price	2.50	2.18	2.20	1.75	1.85	1.30	1.45	1.33	30%	36%	44%	54%	38%	34%	32%	36%	39%
COFIDE	see through	1.21	1.06	1.08	0.81	0.87	0.60	0.67	0.62	48%	38%	49%	51%	38%	32%	37%	41%	47%
DEA CAPITAL	market price	1.88	1.99	2.10	2.15	1.95	2.26	2.04	1.80	33%	43%	39%	38%	34%	29%	32%	27%	33%
EXOR ord.	(2) market price	25.2	36.6	25.8	31.8	33.0	39.0	49.3	38.7	48%	36%	42%	40%	16%	12%	16%	31%	30%
IMMSI	market price	1.57	1.86	1.30	0.87	0.87	0.98	0.88	0.67	47%	55%	56%	50%	45%	46%	48%	45%	44%
ITALMOBILIARE	(3) market price	56.4	42.3	30.8	25.8	34.1	32.1	62.7	59.3	47%	41%	53%	53%	29%	41%	36%	42%	44%
MEDIOBANCA	(4) market price	11.1	10.1	7.9	6.0	8.2	9.4	9.6	8.6	36%	35%	15%	32%	52%	27%	0%	25%	29%
MITTEL	market price	5.0	4.2	3.3	3.3	3.4	2.5	2.6	2.2	27%	20%	51%	61%	49%	53%	40%	38%	36%
VIANINI LAVORI	market price	11.22	11.32	8.29	7.69	11.42	12.6	12.8	-	58%	65%	60%	60%	58%	56%	60%	60%	-
AVERAGE										41%	40%	46%	48%	40%	38%	35%	37%	38%

(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

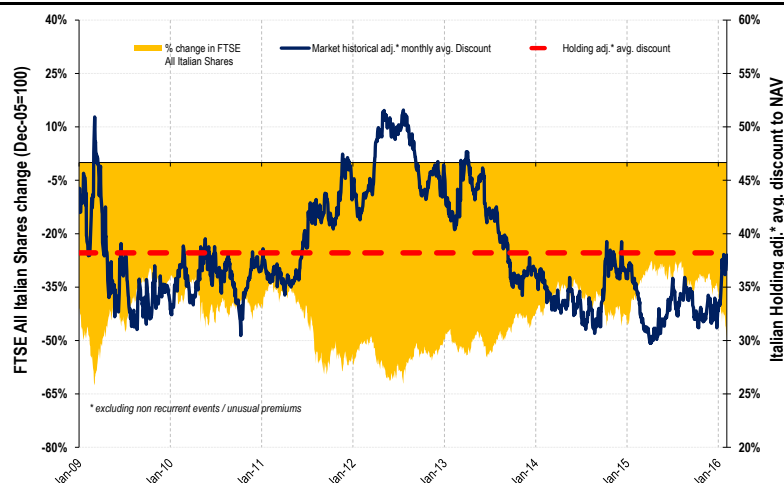
(4) year-end: June

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

** 11-year historical arithmetic average (2004-15 when available);

Source: EQUITA SIM estimates

ITALIAN HOLDING ADJ. AVERAGE DISCOUNT TREND



Source: Equita SIM estimates

SENSITIVITY

MITTEL NAV: SENSITIVITY (€ PS)

LivanoVa / FIN. CREDITS (€mn)	-25.0%	-15.0%	-10.0%	TODAY	10.0%	15.0%	25.0%	
	130	148	156	174	191	200	217	
-25.0%	61	1.5	1.7	1.8	2.0	2.2	2.3	2.5
-15.0%	70	1.6	1.8	1.9	2.1	2.3	2.4	2.6
-10.0%	74	1.7	1.9	2.0	2.2	2.4	2.5	2.7
TODAY	82	1.8	2.0	2.1	2.2	2.4	2.5	2.7
10.0%	90	1.8	2.0	2.1	2.3	2.5	2.6	2.8
15.0%	94	1.9	2.1	2.2	2.4	2.6	2.7	2.9
25.0%	102	2.0	2.2	2.3	2.5	2.7	2.8	3.0

Source: EQUITA SIM estimates

MITTEL NAV: SENSITIVITY (€ PS)

LivanoVa / RE assets (€mn)	-25.0%	-15.0%	-10.0%	TODAY	10.0%	15.0%	25.0%	
	77	87	92	103	113	118	128	
-25.0%	61	1.7	1.8	1.9	2.0	2.1	2.2	2.3
-15.0%	70	1.8	1.9	2.0	2.1	2.2	2.3	2.4
-10.0%	74	1.9	2.0	2.0	2.2	2.3	2.3	2.4
TODAY	82	2.0	2.1	2.1	2.2	2.4	2.4	2.5
10.0%	90	2.1	2.2	2.2	2.3	2.5	2.5	2.6
15.0%	94	2.1	2.2	2.3	2.4	2.5	2.6	2.7
25.0%	102	2.2	2.3	2.4	2.5	2.6	2.7	2.8

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, and LivaNova

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, and LivaNova
- Potential write-downs on loans following a difficult market environment

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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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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Date	Rec.	Target Price (€)	Risk	Comment
13 January 2016	HOLD (HOLD)	1.83 (2.05)	High	Change in estimates and valuation

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	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	33.5%	56.6%
HOLD	63.8%	41.5%
REDUCE	2.7%	1.9%
NOT RATED	0.0%	0.0%

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