

2Q10 Results

HOLD (Unchanged)

Target: € 3.8 (prev. 4.3)

Risk: High

STOCK DATA

Price €	3.3
Bloomberg code	MIT IM
Market Cap. (€ mn)	236
Free Float	31%
Shares Out. (mn)	70.5
52-week range	2.56 - 4.2
Daily Volumes (mn)	0.01

PERFORMANCE

	1M	3M	12M
Absolute	-6.4%	1.9%	6.9%
Rel. to FTSE all shares	2.8%	9.6%	11.4%

MAIN METRICS

	2009	2010E	2011E
EPS - € cents	63	-10	8
DPS ord - € cents	20	15	15

NAV

	2009	2010E	2011E
Nav ps ord - €	5.0	4.4	4.4
Listed assets	30%	23%	23%
Controlling	47%	55%	55%

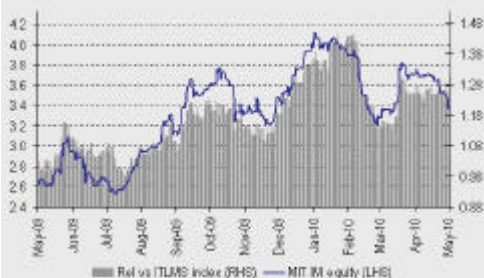
MULTIPLES

	2009	2010E	2011E
P/E ord	5.3 x	-34.1 x	39.3 x
P/E ord Adj	28.2 x	62.3 x	47.2 x
PBV	0.6 x	0.7 x	0.7 x

INDEBTNESS

	2009	2010E	2011E
Holding system NFP	7.6	-24.1	-27.9
D/E	n.m.	n.m.	n.m.
Debt to assets ratio	n.m.	0.1	0.1

PRICE ORD LAST 365 DAYS



ANALYSTS

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June 1, 2010

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IMPAIRMENT OF GREENHOLDING IMPACTED 2Q RESULTS

2Q10 results affected by impairment of Greenholding investment. Target price now € 3.8 PS (vs. € 4.3) due to decrease of listed investments and payment of dividend

■ 2Q10 results: slack net interest income because of low interest rates. Bottom line hit by Greenholding impairment.

- **Net interest income: €1.1 mn (-73% YoY) vs. €1.4 mn exp. (1H10 €2.6 mn, -58%)** due to low level of interest rates
- **Net fee income: €1.8 mn (flat YoY) vs. €3 mn exp. (1H10 €5.2 mn, -14%)** cause of lower billings for Corporate Finance business
- **Gross real estate income: €1.3 mn (+40% YoY) vs. €0.5 mn expected (1H10 €1.7 mn, -20%)**
- **Group Net loss: €-11 mn (vs. profit of €7.1 mn in 2Q09) vs. €-0.8 mn exp. (1H10 €-10.6 mn)** mainly because of 11.6 mn impairment of the investment in Greenholding (Burani Group)
- **Group net cash: €90.5 mn (vs. €121.1 mn at end of 1Q10)** – in line
- **Book Value at €5.6 PS vs. €5.8 PS in 1Q10 (P/BV = 0.64x)** due to dividend detachment (€0.20 PS).

■ Our FY10E estimates reduced due to Greenholding loss and lower net interest and fee income

In the light of 2Q10 results (the FY ends on 30/09) and of a more conservative scenario for Corporate Finance and ECPI business, for we have reduced FY10E bottom line from 5.1mn to -6.9mn to reflect: i) Loss caused by the €11.9 mn impairment of Greenholding; ii) Reduction of net interest income from €5.9 mn to €5.2 mn in view of the low interest-rate scenario; iii) Slight reduction of trading income from €1.3 mn to €1 mn iv) Reduction of net fee income from €13.5 mn to €11 mn. 2010E adjusted earnings (without impairment) are now €3.8 mn vs. previous €6 mn.

■ Management change featuring continuity

Mr. Spongano, who until now had been MIT's CFO, has been appointed as the company's new General Manager to replace Mr. G.Tempini, who has become CEO of Cassa Depositi e Prestiti (company that provides public financing). In addition, Mr. Tononi, until last month Managing Partner & Director of Goldman Sachs and formerly Undersecretary, in 2006-2008, at the Economy Ministry, has joined MIT's BoD. We believe that Mr. Spongano represents continuity in MIT's management. Moreover, the entry of Mr. Tononi as a director strengthens the BoD with his strong skills in investment banking, which is a development area for MIT.

■ Investment case: HOLD rating confirmed

We maintain our neutral recommendation for MIT based on the following considerations:

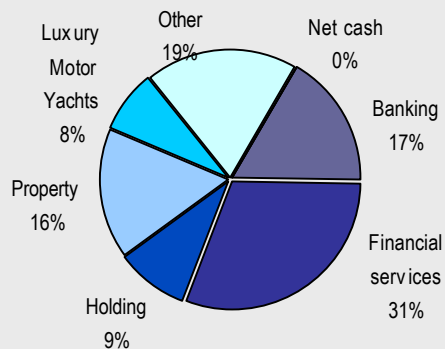
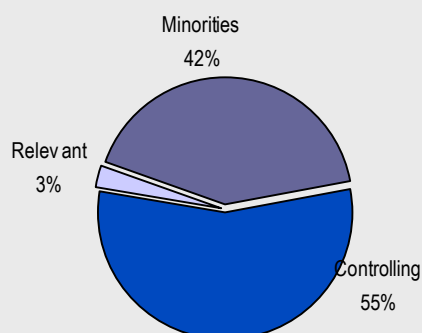
- **Sound holding-system financial structure;**
- **Non-prevalence of listed assets** (which account for only 30% of TA);
- **Greater portfolio diversification than the main Italian holding companies;**

set against the fact that:

- The stock is trading with a **limited discount on NAV (24%)** compared with the other listed holding companies (38% ex Premafin)
- Recent market weakness leaves **little room for near-term revaluation of listed assets** (which account for 30% of NAV).

BUSINESS DESCRIPTION

Mittel (MIT) is an investment/merchant bank that is simultaneously and complementarily active in: i) Private equity as an active shareholder in both listed and unlisted companies; ii) Advisory services for extraordinary finance operations; iii) Operating Finance; iv) Investment Management Advisory concerning the creation of indexes and investments decisions via the application of ESG (Environmental, Social and Governance) criteria; v) Real estate investment

NAV BUSINESS SEGMENTATION - 2010**CONTROLLING STAKE - 2010**

MAIN FIGURES € mn	2007	2008	2009	2010E	2011E	2012E
Interest margin	1	6	8	5	5	6
Dividends	23	23	13	5	5	7
Net interest margin	24	29	21	10	11	13
Trading	0	-11	18	1	1	1
TOTAL INCOME	25	21	50	22	27	30
Results from Real Estate	7	4	3	4	4	4
Growth	-2%	-38%	-34%	45%	0%	0%
Results from Fin and RE	32	25	53	26	31	34
Growth	-57%	-21%	111%	-51%	18%	10%
Operating costs	-19	-18	-19	-19	-21	-22
Growth	-56.6%	-20.9%	110.6%	-50.7%	18.4%	9.5%
Gross operating profit	13	7	35	7	10	12
Profit before tax	23	64	129	-7	8	10
Growth	-65.3%	183.6%	101.2%	n.m.	n.m.	14.8%
Taxes	-1	-1	-11	-1	-2	-3
Tax rate	6%	2%	8%	-9%	28%	28%
Minority interests	-6	-31	-74	0	0	0
Net income reported	15	32	44	-7	6	7
Growth	-74%	106%	40%	n.m.	n.m.	15%
Margin	63.7%	109.1%	206.7%	-67.6%	56.8%	52.8%
Net income adjusted	4	11	8	4	5	6
Growth	n.m.	198%	-24%	-55%	32%	18%
Margin	15.3%	37.9%	39.0%	36.9%	47.3%	45.1%

STOCK DATA	2007	2008	2009	2010E	2011E	2012E
EPS - € cents	23.3	47.9	62.8	-9.8	8.5	9.8
Growth	n.m.	106%	31%	n.m.	n.m.	15%
Adj. EPS - € cents	5.6	16.6	11.8	5.4	7.1	8.3
Growth	-17.0%	198%	-29%	-55%	32%	18%
DPS ord - € cents	15.0	15.0	20.0	15.0	15.0	15.0
Nav ps ord - €	5.00	4.52	5.00	4.4	4.4	4.4

VARIOUS - € mn	2007	2008	2009	2010E	2011E	2012E
Capital employed	393	366	296	310	309	309

INDEBTNESS	2007	2008	2009	2010E	2011E	2012E
NFP	29	49	126	94	91	88
D/E	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Interests cov	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

MARKET RATIOS	2007	2008	2009	2010E	2011E	2012E
PNAV ord	1.1 x	0.5 x	0.7 x	0.8 x	0.8 x	0.8 x
PBV	0.8 x	0.4 x	0.6 x	0.7 x	0.7 x	0.7 x
P/E ord	22.6 x	4.8 x	5.3 x	n.m.	39.3 x	34.3 x
P/E ord Adj	94.2 x	13.8 x	28.2 x	62.3 x	47.2 x	40.1 x
P/CF	22.2 x	4.8 x	5.2 x	n.m.	34.7 x	30.7 x

REMUNERATION	2007	2008	2009	2010E	2011E	2012E
Div. Yield ord	2.9%	6.5%	5.5%	4.5%	4.5%	4.5%
Roe	3.7%	7.6%	10.6%	-1.7%	1.5%	1.7%
ROCE	3.9%	8.6%	15.0%	-2.2%	1.9%	2.2%

Source: EQUITA SIM estimates & company data

2Q10 RESULTS: SLACK NET INTEREST INCOME BECAUSE OF LOW INTEREST RATES. BOTTOM LINE HIT BY GREENHOLDING IMPAIRMENT.

SECOND QUARTER AND FIRST HALF RESULTS								
Group	1Q09	1Q10	2Q09	2Q10 Exp.	2Q10 Act.	1H09	1H10 Exp.	1H10 Act.
Interest Margin	2.4	1.5	3.8	1.4	1.1	6.2	3.0	2.6
Incr. %		-38%		-73%	-71%		-52%	-58%
Net Interest Income	12.7	1.5	4.6	1.5	1.2	17.2	3.0	2.7
Incr. %		-88%		-67%	-73%		-83%	-84%
Net commissions	4.3	3.4	1.8	3.0	1.8	6.1	6.4	5.2
Incr. %		-20%		65%	0%		6%	-14%
Net results from real estate activities	1.2	0.4	0.9	0.5	1.3	2.1	2	1.7
Incr. %		-64%		-45%	40%		-4%	-19%
Net Income	51.5	0.7	7.1	-0.8	-11.0	58.6	-0.1	-10.3
Incr. %		-99%		n.m.	n.m.		n.m.	n.m.
NF Position	194.5	121.1	137.7	91.0	90.5	137.7	91.0	90.5

Source: EQUITA SIM estimates & company data

- **Net interest income: € 1.1 mn (-73% YoY) vs. € 1.4 mn expected (1H10 € 2.6 mn, -58%)** due to low level of interest rates and higher debt because of the absence of liquidity that was available in 1H09 thanks to the sale of Moncler
- **Net fee income: € 1.8 mn (flat YoY) vs. € 3 mn estimated (1H10 € 5.2 mn, -14%)** cause of lower billings for Corporate Finance business
- **Gross real estate income: € 1.3 mn (+40% YoY) vs. € 0.5 mn expected (1H10 € 1.7 mn, -20%)**
- **Net loss attributable to equity holders of parent: € -11 mn (vs. profit of € 7.1 mn in 2Q09) vs. € -0.8 mn estimated (1H10 € -10.6 mn)** mainly because of 11.6 mn impairment of the investment in Greenholding (Burani Group)
- **Group net cash: € 90.5 mn (vs. € 121.1 mn at end of 1Q10)** due to dividend payment and financial/real estate investments – in line
- **Book Value at € 5.6 PS vs. € 5.8 PS in 1Q10** (P/BV = 0.64x) due to dividend detachment (€ 0.20 PS).

Outlook: prudent management attitude as regards granting of loans and focus on further investment rationalization and surfacing of value.

■ Our FY10E estimates reduced due to Greenholding loss and lower net interest and fee income

In the light of 2Q10 results (the FY ends on 30 September) and of a more conservative scenario for Corporate Finance and ECPI business, for FY2010E we have reduced the bottom line from € 5.1 mn to € -6.9 mn to reflect:

- Loss caused by the € 11.9-mn impairment of Greenholding
- Reduction of net interest income from € 5.9 mn to € 5.2 mn in view of the low interest-rate scenario
- Slight reduction of trading income from € 1.3 mn to € 1 mn
- Reduction of net fee income from € 13.5 mn to € 11 mn.

2010E adjusted earnings (without impairment) are now € 3.8 mn vs. previous € 6 mn.

SECOND QUARTER AND FIRST HALF RESULTS								
Group	2H09	2H10 Exp.	2H10 Act.	2009	2010E Exp.	2010E Act.	change	
							%	abs.
Interest Margin	1.7	2.9	2.6	7.9	5.9	5.2	-13%	(.8)
Incr. %		72.1	52%		-25%	-35%		
Net Interest Income	4.2	8.0	7.5	21.4	11.0	10.2	-7%	(.8)
Incr. %		91.3	80%		-49%	-52%		
Net results from real estate activities	0.7	2.0	2.3	2.7	4.0	4.0	0%	.0
Incr. %		195.6	242%		45%	45%		
Net Income	-14.3	5.2	3.4	44.3	5.1	(6.9)	-236%	(12.0)
Incr. %		n.a.	-124%		-88%	-116%		

Source: EQUITA SIM estimates & company data

■ Management change featuring continuity

Mr. Spongano, who until now had been Mittel's CFO, has been appointed as the company's new General Manager to replace G. Gorno Tempini, who has become CEO of Cassa Depositi e Prestiti SpA. In addition, M. Tononi, until last month Managing Partner & Director of Goldman Sachs and formerly Undersecretary, in 2006-2008, at the Economy Ministry, has joined Mittel's BoD. We believe that Mr. Spongano represents continuity in Mittel's management. Moreover, the entry of Mr. Tononi as a director strengthens the BoD with his strong skills in investment banking, which is a development area for Mittel (MIT).

VALUATION

In fixing out target price we apply a 15% discount to NAV. As a consequence, starting from a NAV of € 4.4 PS our target price is € 3.8 PS.

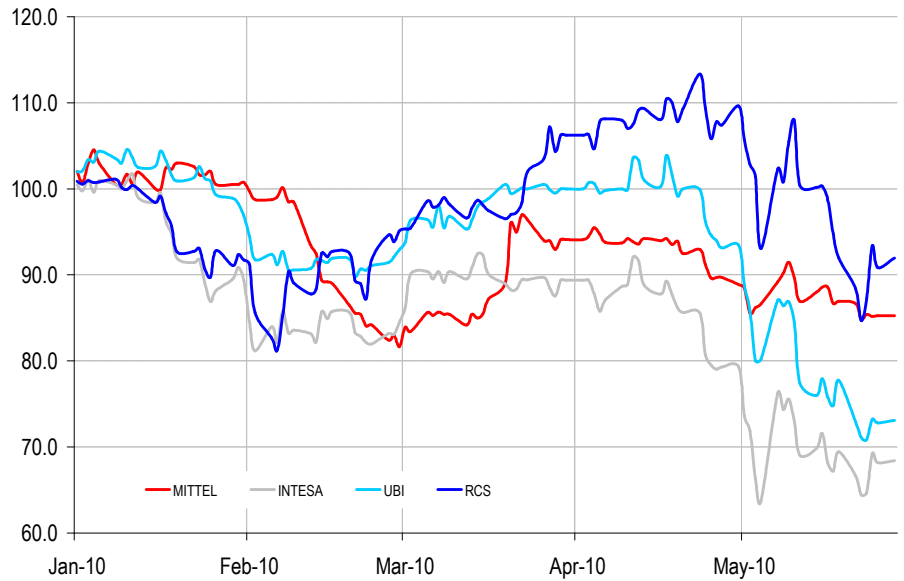
MITTEL - NAV							
Asset	Sector	Stake %	# shar	€ PS	€ mn	%	Valuation method
Intesa Sanpaolo	Banking	0.13%	15.0	2.2	34	11%	Market Value
UBI Banca ScpA	Banking	0.68%	4.3	7.4	32	10%	Market Value
RCS Media Group SpA	Media	1.3%	9.3	1.15	11	3%	Market Value
Sorin (Tower 6 Bis)	Biomedical	3.3%		1.52	14	4%	Net equity (Market Value)
TOTAL LISTED SHAREHOLDINGS (1)					91	29%	
Merchant Banks participations	Merchant bank	n.m.			4	1%	BV as Mar-10
E.Capital Partners	Financial Services	100.0%			39	12%	P/E 10-11E = 12.8-7.2x
Property Assets	Real Estate	100.0%			62	20%	Cost + incremental exp as Mar 10
Mittel Generale Investimenti	Financial Services	100.0%			77	25%	Adj 2009 P/BV 0.7x
Azimut-Benetti	Luxury Motor Yachts	5.5%			29	9%	BV as Mar-10 (EV/EBITDA 07-08E 8.2 - 5.8x)
Tethys (Hopa)	Holding	34.0%			31	10%	BV as Mar-10
Moncler (Brands Partners 2) - Shareholder loan	Retail	3.4%			10	3%	Deal Price Oct-08 (EV/EBITDA 07-08 = 10.2 - 8.5 x)
Fondo Progressio Investimenti	Private Equity Fund	n.m.			17	6%	BV as Mar-10
Ghea (45,5% pref sh in Bios with 19.2% of Sorin)	SubHolding	51.0%			12	4%	Net equity (Market Value)
Istituto Atesino di Sviluppo S.p.A.	Holding	1.8%			3	1%	BV as Mar-10 (P/BV 07 1.2x)
SIA-SSB	IT Services	0.3%			1	0%	BV as Mar-10 (EV/EBITDA 07 6.5 x)
Vimercati	Automotive	7.0%			1	0%	BV as Sep-09 (P/E 07 = 24.5x)
Hopa	Holding	1.7%	23.5	0.10	2	1%	Deal Price Oct-09/Feb-10
TOTAL UNLISTED SHAREHOLDINGS (2)					290	93%	
ATTRIBUTABLE NFP (3)					-39	-12%	Adj. NFP as today
HOLDING COSTS (4)					-30	-10%	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)					312	100%	
Nr. of Shares (mn)					70.5		
NAV per Ord share €					4.4		
Current discount (premium)					24%		
P/NAV					0.76		

Source: EQUITA SIM estimates

LONGSTANDING SHAREHOLDINGS (24% OF NAV)

MIT has for a long time owned shareholdings in a number of **listed companies**, i.e. Intesa San Paolo (0.13% of capital and 10% of NAV), UBI Banca (0.68% and 11% of NAV), and RCS Mediagroup (1.3% and 3% of NAV). MIT's longstanding shareholdings also include the **unlisted financial company**, i.e. 1.76% **Istituto Atesino di Sviluppo** (ISA, 1% of NAV). ISA is in turn a core shareholder of MIT with a 10.2% and maintains an excellent business relationship with the group in the financial and real estate fields. ISA is also a shareholder like MIT in Progressio SGR and in Castello SGR, a company managing real estate funds and created in July 2007 following acquisition of the real estate asset management business of Banca Profilo.

MITTEL AND LISTED ASSET 2010 PERFORMANCE



Source: EQUITA SIM elaboration on Bloomberg prices

MITTEL PERFORMANCE VS LISTED/UNLISTED SHAREHOLDINGS

Securities	Crncy	Prc Apr	Total Ret	Difference	Annual Eq
1 MIT IM Equity	EUR	-16.44 %	-11.95 %	13.71 %	-27.57 %
2 .MITLIST Index	—	-28.09 %	-25.66 %		-52.83 %
3 .MITSTUB Index	—	-8.53 %	-8.53 %*	17.13 %	-20.23 %

(* = No dividends or coupons)



Source: EQUITA SIM elaboration on Bloomberg prices

MIT's performance YTD has been negative by -11.95%, penalized above all by the trend of the "permanent" investments (ISP, UBI and RCS), which accounted for performance of -25.66%, whereas the stub's performance was -8.53%. At current prices the stub is worth about € 190 mn as opposed to our valuation of c€ 240 mn.

CORPORATE FINANCE & INVESTMENT MANAGEMENT ADVISORY (12% OF NAV)

With the acquisition in 2008 of the E. Capital Partners Group (today Mittel Corporate Finance), Mittel covers the segments of:

- **Corporate Finance** for companies, institutional investors, local public administration and funds (private equity and real estate), providing M&A and Grant Finance services.
- **Investment Management Advisory**, providing banks, asset managers and institutional investors with research and rating services and creation of indexes (ECPI® indexes) based on sustainability indicators (ESG).

Mittel Corporate Finance (MCF - not separately listed) ended 2009 (a 9-month FY in order to align year-end date with that of the group) with:

- Net fee income of €2.1 mn
- Net loss of €-1.1 mn

MITTEL CORPORATE FINANCE & ECPI (€ mn)			
	2009	2010E	2011E
Net commissions	10.7	11.0	15.5
% change		3%	41%
MCF	2.1	3.5	3.5
ECPI	8.6	7.5	12.0
Net income	0.1	3.0	5.4

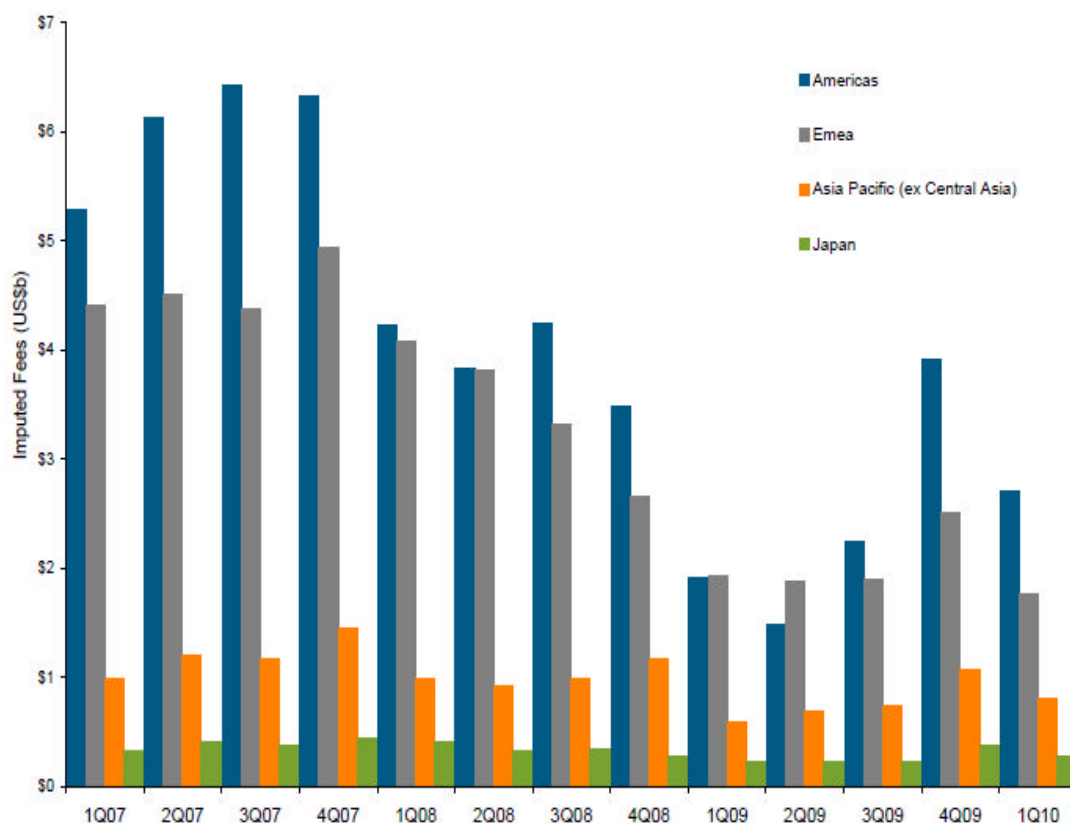
Source: EQUITA SIM estimates & company data

ECPI ended 2009 with:

- Net fee income of €8.6 mn
- Net profit of €1 mn

In 1H10 MCF + ECPI combined net fee income totalled to €5.2 mn (-14% YoY). For 2010E we now estimate combined net fee income of €11 mn (from prev. 13.5 mn) and earnings of €3 mn.

The M&A sector in Europe continues to feel the effects of the uncertainty of financial markets and of poor visibility for economic recovery. In 1Q10, even although the value of M&A deals announced worldwide (source: Thomson Reuters) shows growth of +20.5% YoY – mainly thanks to growth of deals in emerging markets (38% of the total) – Western Europe continues to be particularly weak with a decrease of 46% YoY.

WORLDWIDE COMPLETED M&A BY REGION – IMPUTED FEES

Source: Thomson Reuters

WORLDWIDE COMPLETED M&A BY REGION – IMPUTED FEES

Target Region/Nation	1/1/2010 - 3/31/2010		1/1/2009 - 3/31/2009		% Change in Rank Value
	Rank US\$m	No. Deals	Rank US\$m	No. Deals	
Worldwide	573,319.7	9,250	475,967.4	8,913	20.5 ▲
Americas	293,655.0	2,839	207,425.4	2,588	41.6 ▲
Caribbean	4,463.7	56	3,127.5	38	42.7 ▲
Central America	44,507.6	59	394.2	39	11,190.6 ▲
Mexico	43,793.6	48	334.2	31	13,004.0 ▲
North America	211,119.6	2,426	181,706.1	2,275	16.2 ▲
United States	198,894.6	1,826	155,768.0	1,821	27.7 ▲
Canada	12,225.0	600	25,938.1	454	-52.9 ▼
South America	33,564.2	298	22,197.7	236	51.2 ▲
Brazil	19,469.1	126	12,526.7	103	55.4 ▲
Chile	5,109.1	35	810.6	29	530.3 ▲
Africa/Middle East	31,112.1	270	9,607.4	207	223.8 ▲
Middle East	9,579.2	107	2,508.0	84	281.9 ▲
North Africa	2,263.2	37	1,811.3	24	24.9 ▲
Sub-Saharan Africa	19,269.8	126	5,288.1	99	264.4 ▲
Europe	100,030.7	3,101	181,740.4	3,319	-45.0 ▼
Eastern Europe	5,913.2	900	7,061.6	920	-16.3 ▼
Western Europe	94,117.5	2,201	174,678.8	2,399	-46.1 ▼
United Kingdom	23,707.8	549	68,869.6	495	-65.6 ▼
France	13,218.2	275	9,694.6	328	36.3 ▲
Switzerland	13,106.5	78	3,099.5	144	322.9 ▲
Asia-Pacific	129,302.9	2,425	58,932.4	2,102	119.4 ▲
Australasia	25,973.9	449	17,737.4	423	46.4 ▲
Australia	24,084.2	411	17,657.5	387	36.4 ▲
New Zealand	1,571.7	32	76.3	30	1,959.9 ▲
South East Asia	15,672.9	548	10,899.3	482	43.8 ▲
Malaysia	5,735.9	177	3,126.2	156	83.5 ▲
Singapore	3,039.2	87	2,018.6	80	50.6 ▲
North Asia	82,718.1	1,086	22,751.8	904	263.6 ▲
Hong Kong	46,640.4	177	3,484.4	147	1,238.5 ▲
China	28,479.3	683	12,976.4	474	119.5 ▲
South Asia	4,886.4	334	5,183.8	272	-5.7 ▼
Central Asia	51.6	8	2,360.1	21	-97.8 ▼
Japan	19,218.1	613	18,261.7	697	5.2 ▲

Source: Thomson Reuters

On the other hand, **the grant finance business continues to grow at significant rate.**

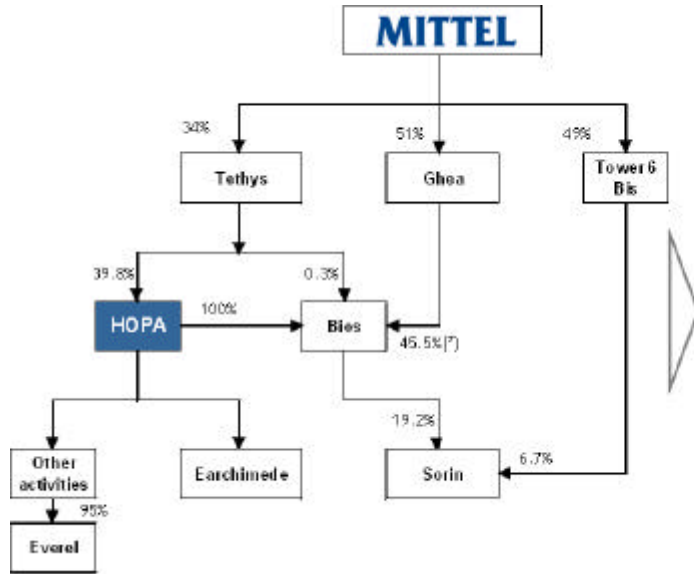
In our NAV for Mittel we value the Corporate Finance & Investment Management Advisory business (MCF+ECPI) €39 mn (ie P/E 10-11E = 12.8-7.2x).

THE “NEW” HOPA (10% OF NAV)

HOPA (10% of Mittel’s NAV), 14% owned by Mittel (directly and also indirectly via Tethys) ended FY2009 showing clear YoY improvement. As specifically regards HOPA SpA:

- Net profit of €7.9 mn (vs. loss of €-79.1 mn in FY08)
- Equity interests of €157 mn (vs. €177.4 mn in FY08)
- Net cash of €83 mn (vs. €47.5 mn in FY08)
- Shareholders’ equity of €223.5 mn
- Commitments and guarantees of €33 mn (vs. €85.7 mn in FY08 and €1.6 bn in FY07).

HOPA

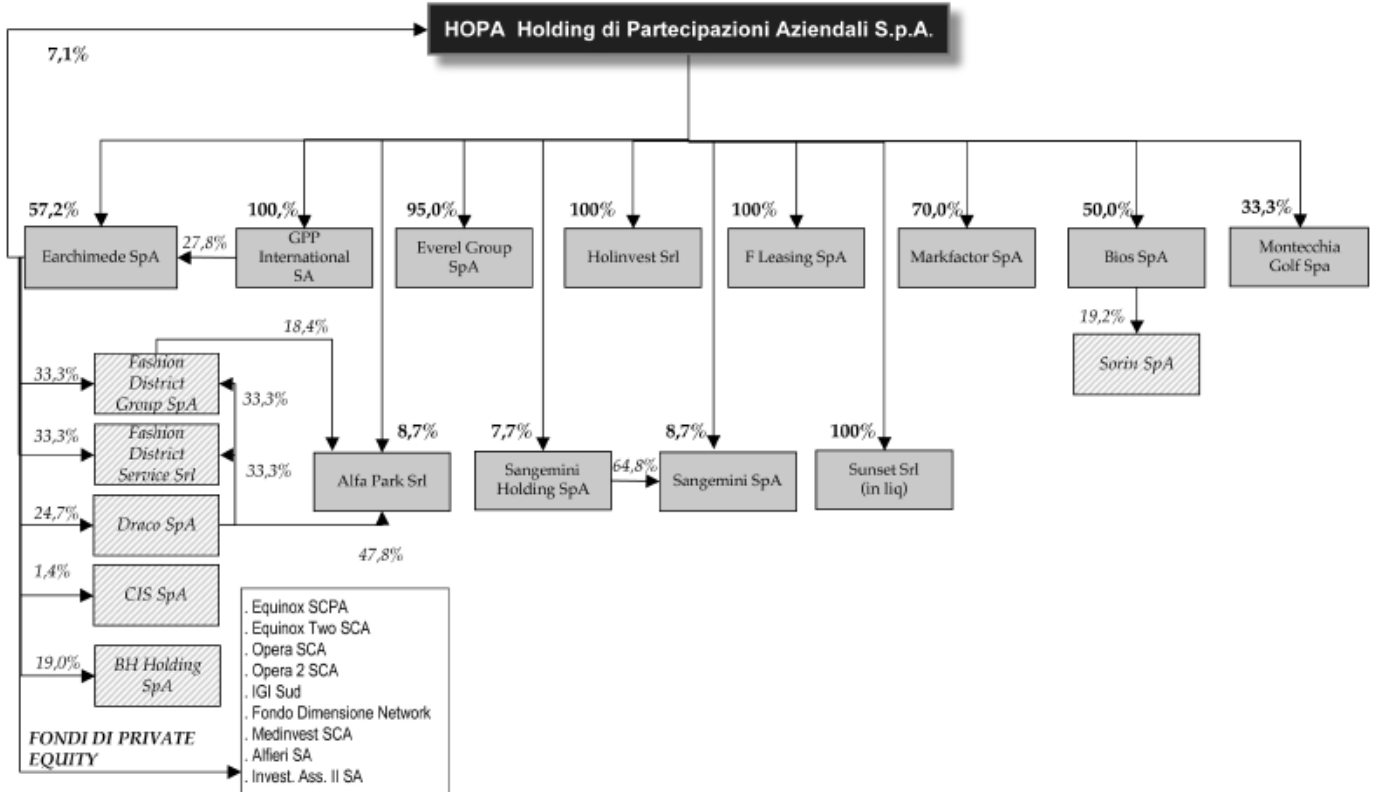


Target accomplished

- ▶ Debt restructuring and positive financial position
- ▶ Termination of all derivative contracts
- ▶ Disposal of equity investments
- ▶ Rationalization of costs and cash flows

Source: Company presentation

HOPA: ORGANIZATION CHART



Source: HOPA annual report 2009

HOPA – NAV						
Asset	Sector	Stake %	€ mn	%	Valuation method	
Earchimede	Financial Services	57.2%	102	50%	Book Value 2009	
GPP International (27.8% Earchimede)	SubHolding	100.0%	17	8%	Book Value 2009	
F.Leasing	Leasing	100.0%	5	2%	Book Value 2009	
Markfactor	Factoring	70.0%	2	1%	Book Value 2009	
Alfa Park	Theme Park	8.7%	6	3%	Book Value 2009	
Montecchia Golf	Golf club	33.3%	1	0%	Book Value 2009	
Everel Group	Electrom. components	95.0%	22	11%	Book Value 2009	
Bios	Holding	50.0%	2	1%	Book Value 2009	
Others (other assets, off-balance sheet, risk funds)		n.m.	-26	-13%	Book Value 2009	
TOTAL UNLISTED SHAREHOLDINGS (1)			131	65%		
TOTAL LISTED SHAREHOLDINGS (2)			0	0%		
ATTRIBUTABLE NFP (3)			83	41%	Adj. NFP as today	
HOLDING COSTS (4)			-11	-5%	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)			203	100%		
Nr. of Shares (mn)			1,382			
NAV per Ord share €			0.15			
Book Value as Dec-09 (€ mn)			224			
BVPS			0.16			

Source: EQUITA SIM estimates & company data

We estimate that HOPA's NAV totals € 203 mn or € 0.15 PS. Besides Bios (the holding company controlling the listed company **Sorin – about 10% of MIT's NAV**), attractive assets also include Earchimede (50% of HOPA's NAV). Earchimede owns stakes, among others, in the real estate/mass-market retailing sector such as that in Fashion District, the second largest chain of outlets in Italy, as well as a stake in Draco, a property developer active above all in multiplex cinemas.

The company has focused on rendering assets secure, focusing on management and surfacing of the value of the remaining investment portfolio. In 2010 the company will continue its approach to management of its existing investments, also with a view to possible disposal.

It is important to underline that Tethys has call options to rise to 63.3% of HOPA's share capital at a strike price of € 0.10 PS vs. HOPA NAV PS of € 0.15. In addition, Mittel has a call option to rise to 50% of Tethys at a price of € 5 mn for € 16.5 mn vs. estimated value of about € 10 mn.

To date the investment in Tethys has yielded an IRR for Mittel of over 60% (outlay of € 11.5 mn in 2008 vs. valuation of the stake in Equita NAV at € 30 mn).

INVESTMENT CASE: HOLD RATING CONFIRMED

We maintain our neutral recommendation for MIT based on the following considerations:

- **Sound holding-system financial structure;**
- **Non-prevalence of listed assets** (which account for only 30% of total assets);
- **Greater portfolio diversification** (only MGI - subholding company active in corporate lending - accounts for more than 15% of NAV) **than the main Italian holding companies;**

set against the fact that:

- The stock is trading with a **limited discount on NAV** compared with the other listed holding companies
- Recent market weakness leaves **little room for near-term revaluation of listed assets** (which account for 30% of NAV).

SENSITIVITY

		MITTEL NAV: SENSITIVITY (€ PS)						
MGI	AZIMUT BENETTI	-25.0%	-15.0%	-10.0%	TODAY	10.0%	15.0%	25.0%
		22	25	26	29	32	34	36
-25.0%	57	4.0	4.0	4.1	4.1	4.1	4.2	4.2
-15.0%	65	4.1	4.1	4.2	4.2	4.2	4.3	4.3
-10.0%	69	4.2	4.2	4.2	4.3	4.3	4.3	4.4
TODAY	77	4.3	4.3	4.3	4.4	4.4	4.4	4.5
10.0%	84	4.4	4.4	4.4	4.5	4.5	4.5	4.6
15.0%	88	4.4	4.5	4.5	4.5	4.6	4.6	4.6
25.0%	96	4.5	4.6	4.6	4.6	4.7	4.7	4.7

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
- Significant increase in short term interest rates
- Increase in valuation for property development projects
- Upward revision risk for fee-based ECPI business
- Positive share price performance of Intesa Sanpaolo, UBI Banca and RCS
- Significant improvement of luxury motor yachts market conditions affected Azimut Benetti

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

- Significant deterioration in the main assets reference macroeconomic scenario
- Decrease in short term interest rates
- Valuation risk for property development projects
- Downward revision risk for fee-based ECPI business
- Negative share price performance of Intesa Sanpaolo, UBI Banca and RCS
- Potential write-downs on loans following a difficult market environment
- Significant deterioration of luxury motor yachts market conditions affected Azimut Benetti

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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EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% <ETR< 7.5%	-5% <ETR< 10%	0% <ETR< 15%
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
26 May 2010	HOLD (HOLD)	3.8 (4.3)	High	change in estimates/valuation
14 January 2010	HOLD (BUY)	4.3 (4.2)	High	change in upside/downside potential because of stock performance

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EQUITY RATING DISPERSION AS MARCH 31 2010 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	52.6%	60.0%
HOLD	38.0%	30.0%
REDUCE	8.2%	6.7%
NOT RATED	1.2%	3.3%