

Company update

HOLD (Unchanged)

Target: € 2.8 (prev. 3.7)

Risk: High

STOCK DATA

| | |
|--------------------|------------|
| Price € | 1.6 |
| Bloomberg code | MIT IM |
| Market Cap. (€ mn) | 137 |
| Free Float | 48% |
| Shares Out. (mn) | 87.9 |
| 52-week range | 1.47 - 3.2 |
| Daily Volumes (mn) | 0.02 |

PERFORMANCE

| | 1M | 3M | 12M |
|-------------------------|-------|--------|--------|
| Absolute | -2.8% | -26.9% | -49.8% |
| Rel. to FTSE all shares | -9.3% | -25.7% | -23.7% |

MAIN METRICS

| | 2010 | 2011 | 2012E |
|-------------------|------|------|-------|
| EPS - € cents | -54 | -74 | 18 |
| DPS ord - € cents | 10 | 0 | 10 |

NAV

| | 2010 | 2011 | 2012E |
|----------------|------|------|-------|
| Nav ps ord - € | 4.2 | 3.3 | 3.3 |
| Listed assets | 26% | 17% | 18% |
| Controlling | 47% | 73% | 73% |

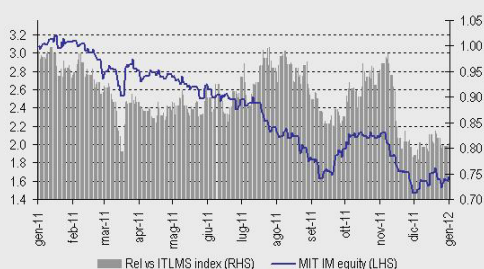
MULTIPLES

| | 2010 | 2011 | 2012E |
|-------------|--------|-------|-------|
| P/E ord | n.m. | n.m. | 8.7 x |
| P/E ord Adj | 91.8 x | n.m. | 9.0 x |
| PBV | 0.6 x | 0.3 x | 0.5 x |

INDEBTNESS

| | 2010 | 2011 | 2012E |
|----------------------|------|-------|-------|
| Holding system NFP | 43.2 | -25.0 | -44.1 |
| 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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RESTRUCTURING PROCESS ALMOST COMPLETE

Following 8 months of solid efforts by management, MIT's restructuring plan is almost complete and management is ready to work on the strategic focus of the company. Following the mergers, MIT has tripled total assets (reducing the weight of listed assets), and holds PE stakes in companies with sound growth potential (among the most important being Sorin, Fashion District, Azimut Benetti). Adj. NAV at €3.3 ps. Stock at 53% discount to NAV. Hold confirmed.

■ Merger with Tethys and Hopa complete

On 5 January 2012, Mittel (MIT) completed the merger by incorporation of Tethys and Hopa into MIT. The merger increased MIT's size, shortened the control chain and will improve the efficiency of efforts to enhance the value of industrial assets. In more detail, the merger will allow for:

- an improvement in the business perception on the market thanks to the streamlined structure (which will also continue in the coming months);
- a more effective management and valorisation of investments;
- savings on holding costs borne by the sub-holdings;
- an increase in the free floating.

Moreover, the percentage of the MIT's longstanding shareholdings (Intesa, UBI, RCS) is much lower than in the past (partly due to the collapse of the stocks).

■ Stock performance penalised by the performance of listed assets and an increase in average discount to NAV

Over the last 12 months, MIT has posted a negative performance of 49%, underperforming the FTSEMIB and LPX50 Total Return (index of main private equity companies listed in Europe). The discount to NAV has moved from 25% in June 2010 to the current 53%. In our view, MIT's underperformance may mainly be due to the decline of some listed assets; the stock usually widens the discount to NAV when listed assets are down, particularly Intesa and UBI, which have both dropped due to the announced capital increases. However, the market is overestimating the impact of the decline of banking assets on MIT's NAV (listed assets totalling 24% vs. 50% in 2007).

■ Investment case: large discount, but not far off other Italian holdings

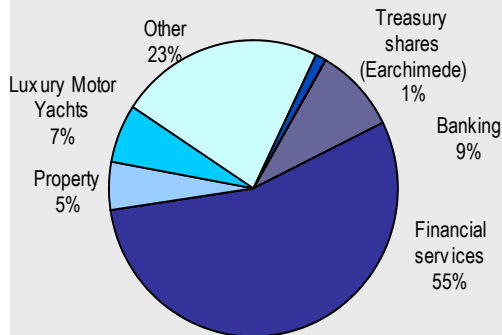
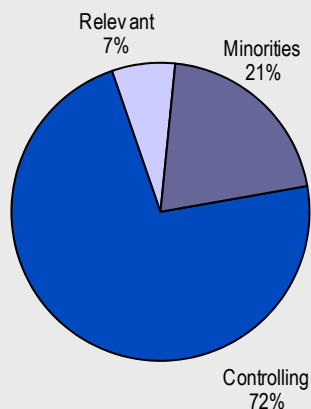
We maintain our **neutral recommendation** for MIT based on the following considerations:

- **Sound holding-system financial structure;**
 - **Prevalence of non-listed assets** (which account for 83% of TA);
 - Greater **portfolio diversification** than the main Italian holding companies;
 - Solid track record in private equity transactions (e.g. Moncler IRR 36%);
- ...set against the fact that:
- The stock liquidity is low and the share is trading with a discount on NAV (53%) that is not significantly different from the other listed holding companies (44% ex Premafin).
 - Low visibility on the recurring business's capacity to create value;
 - The company still needs to work to further simplify the structure of the group.

Applying a 15% discount to our NAV of € 3.3 PS (from 4.4), we fix our target price at € 2.8 PS (from 3.7).

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) Real estate investment

NAV BUSINESS SEGMENTATION - 2012**CONTROLLING STAKE - 2012**

| MAIN FIGURES € mn | 2008 | 2009 | 2010 | 2011* | 2012E | 2013E |
|---------------------------------|-----------|------------|------------|------------|-----------|-----------|
| Interest margin | 6 | 8 | 5 | 6 | 8 | 9 |
| Dividends | 23 | 13 | 6 | 2 | 22 | 2 |
| Net interest margin | 29 | 21 | 11 | 9 | 30 | 11 |
| Trading | -11 | 18 | -2 | -10 | 1 | 2 |
| TOTAL INCOME | 21 | 50 | 18 | -1 | 35 | 19 |
| Results from Real Estate | 4 | 3 | 5 | 20 | 33 | 34 |
| Growth | -38% | -34% | 69% | 326% | 64% | 5% |
| Results from Fin and RE | 25 | 53 | 23 | 18 | 67 | 53 |
| Growth | -21% | 111% | -57% | -20% | 265% | -21% |
| Operating costs | -18 | -19 | -22 | -28 | -44 | -45 |
| Growth | -20.9% | 110.6% | -57.0% | -19.6% | 265.1% | -21.1% |
| Gross operating profit | 7 | 35 | 1 | -10 | 24 | 8 |
| Profit before tax | 64 | 129 | -38 | -60 | 24 | 8 |
| Growth | 183.6% | 101.2% | n.m. | n.m. | n.m. | -66.6% |
| Taxes | -1 | -11 | 0 | 1 | -8 | -3 |
| Tax rate | 2% | 8% | 1% | 1% | 33% | 33% |
| Minority interests | -31 | -74 | 0 | 7 | 0 | 0 |
| Net income reported | 32 | 44 | -38 | -52 | 16 | 5 |
| Growth | 106% | 40% | n.m. | n.m. | n.m. | -67% |
| Margin | 109.1% | 206.7% | n.m. | n.m. | 53.3% | 46.9% |
| Net income adjusted | 11 | 8 | 3 | -9 | 15 | 3 |
| Growth | 198% | -24% | -69% | n.m. | n.m. | -79% |
| Margin | 37.9% | 39.0% | 23.3% | n.m. | 51.6% | 29.1% |

| STOCK DATA | 2008 | 2009 | 2010 | 2011 | 2012E | 2013E |
|--------------------|------|------|-------|-------|-------|-------|
| EPS - € cents | 47.9 | 62.8 | -53.6 | -73.7 | 17.9 | 6.0 |
| Growth | n.m. | 31% | n.m. | n.m. | n.m. | -67% |
| Adj. EPS - € cents | 16.6 | 11.8 | 3.7 | -12.8 | 17.4 | 3.7 |
| Growth | n.m. | -29% | -69% | n.m. | n.m. | -79% |
| DPS ord - € cents | 15.0 | 20.0 | 10.0 | 0.0 | 10.0 | 10.0 |
| Nav ps ord - € | 4.52 | 5.00 | 4.23 | 3.30 | 3.30 | 3.30 |

| VARIOUS - € mn | 2008 | 2009 | 2010 | 2011 | 2012E | 2013E |
|------------------|------|------|------|------|-------|-------|
| Capital employed | 366 | 296 | 283 | 412 | 419 | 419 |

| INDEBTNESS | 2008 | 2009 | 2010 | 2011 | 2012E | 2013E |
|---------------|------|------|------|------|-------|-------|
| NFP | 49 | 126 | 75 | 43 | 69 | 65 |
| 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 | 2008 | 2009 | 2010 | 2011 | 2012E | 2013E |
|---------------|--------|--------|--------|-------|-------|--------|
| PNAV ord | 0.5 x | 0.7 x | 0.8 x | 0.5 x | 0.5 x | 0.5 x |
| PBV | 0.4 x | 0.7 x | 0.6 x | 0.3 x | 0.5 x | 0.5 x |
| P/E ord | 4.8 x | 5.8 x | n.m. | n.m. | 8.7 x | 26.0 x |
| P/E ord Adj | 13.8 x | 30.7 x | 91.8 x | n.m. | 9.0 x | 41.8 x |
| P/CF | 4.8 x | 5.6 x | n.m. | n.m. | 8.7 x | 26.0 x |

| REMUNERATION | 2008 | 2009 | 2010 | 2011 | 2012E | 2013E |
|----------------|------|-------|--------|--------|-------|-------|
| Div. Yield ord | 6.5% | 5.5% | 3.0% | 0.0% | 6.4% | 6.4% |
| Roe | 7.6% | 10.6% | -9.7% | -12.4% | 3.3% | 1.1% |
| ROCE | 8.6% | 15.0% | -13.3% | -12.6% | 3.8% | 1.3% |

Source: EQUITA SIM estimates & company data * include only 6 months of Tethys/Hopa consolidation

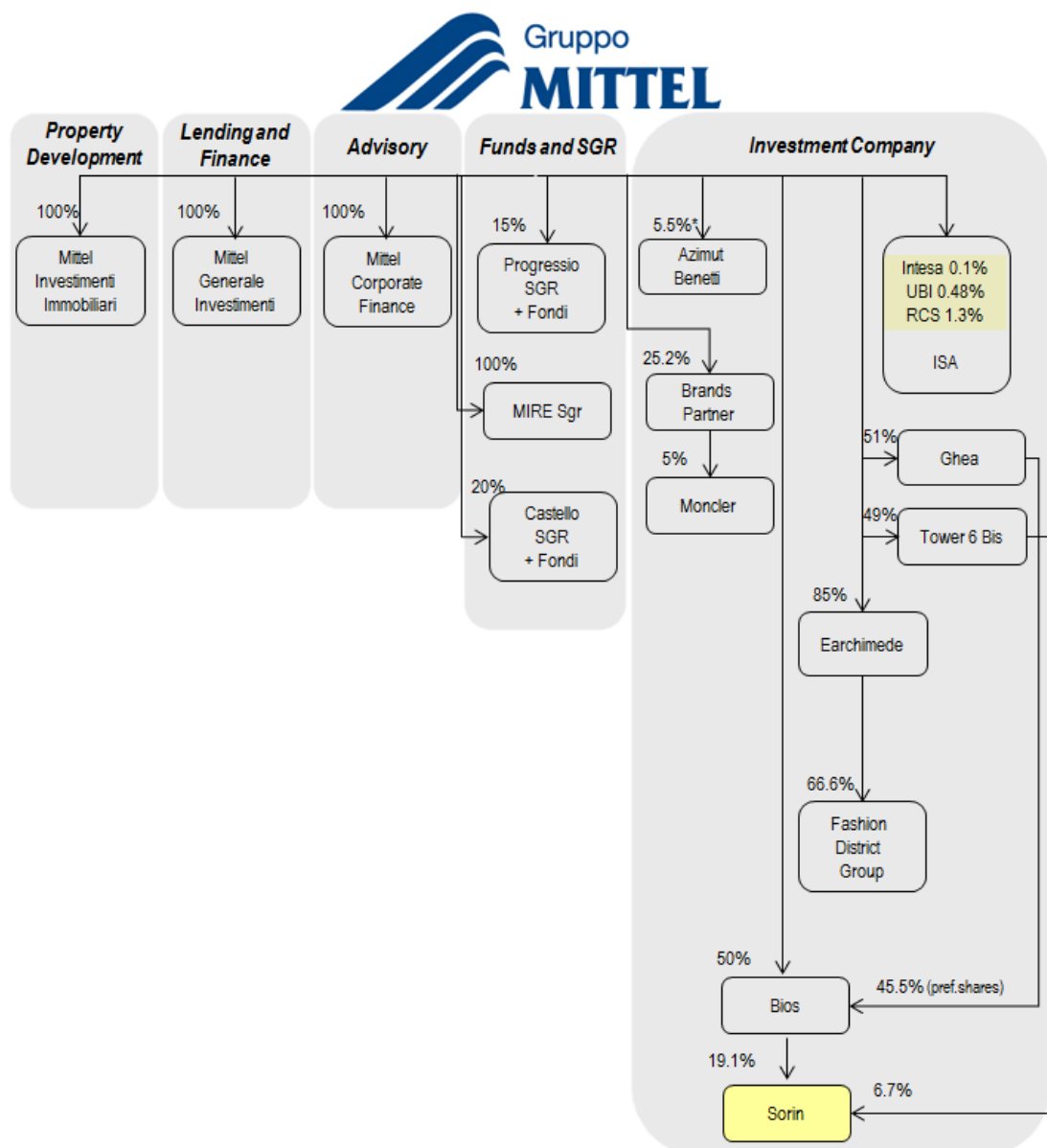
QUICK OVERVIEW

Mittel's is active in the following operating sectors:

- **Operating finance:** financial loans and proprietary trading;
- **Real Estate:** real estate transactions mainly of a residential/tertiary nature and with limited risk profile;
- **Advisory services:** M&A and grant finance;
- **Private Equity and Participations:** direct investments or via subscription of specialised closed-end funds by the group, in capital of mid-sized companies, sometimes listed, with the aim of generating a medium term return;
- **Longstanding shareholdings:** historical minority interests in listed companies (Intesa, UBI and RCS) and unlisted companies (Istituto Atesino di Sviuppo S.p.A.).

MITTEL: SIMPLIFIED GROUP STRUCTURE

| | |
|--|-------|
| Carlo Tassara | 15.3% |
| Fond. Cassa di Risp. Trento e Rovereto | 10.9% |
| Italmobiliare Spa | 9.8% |
| Ist. Atesino Di Sviluppo Spa | 8.8% |
| Opera per l'Educazione Cristiana | 3.7% |
| Manuli Realtor | 3.4% |
| Treasury Shares | 4% |
| Free Float ** | 43.9% |



Source: Equita SIM elaborations; *excluding treasury shares; ** Mittel free float moves to 43.9% from 35% after the merger with Tethys/Hopa

PRIVATE EQUITY AND PARTECIPATIONS (53% of assets, 73% of NAV)

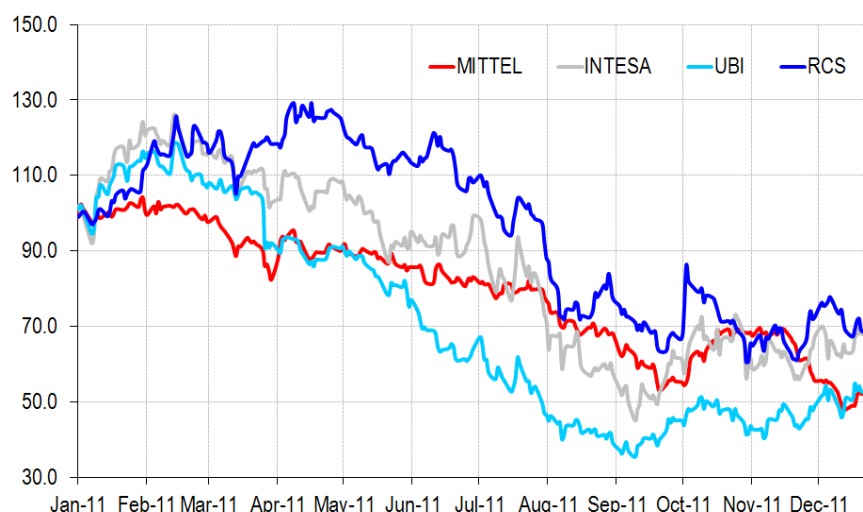
Mittel invests in private equity transactions, usually of mid-sized Italian companies, both directly, and by investing in closed-end funds, some of which are managed by the asset management company, Progressio SGR, participated by the Group. **As well as having a more direct hold on some subsidiaries, the new Mittel will increasingly invest via direct investments.**

The main private equity stakes are:

- **Fashion District** (66.6% stake via Earchimede) = 18% of NAV
- **Azimut Benetti** (6.21% stake) = 9% of NAV
- **Sorin** (15% stake) = 8% of NAV
- **Moncler** (1.3% stake) = 4% of NAV

The long term stakes held in Intesa, UBI and RCS are also included in this business area and now account for a more limited percentage of NAV (14%), following the weak performance of the last few months due to the sovereign debt crisis, dilution from capital increases of Intesa and UBI (MIT did not directly participate to recently finalized right issues), and recession fears in Europe.

LONGSTANDING SHAREHOLDINGS: STOCK PERFORMANCE



Source: Bloomberg prices

■ Fashion District –Real Estate/Outlet SECTOR – 66.6% Stake - 18% of NAV

Fashion District (FD), held via Earchimede which owns a 66.6% stake, now accounts for 18% of MIT's NAV. **FD is the leading group in Italy in the design, construction, sale and management of large retail areas used as Outlets.**

The Fashion District network is composed of 3 large retail areas (totalling 120k sqm) for use as Outlets (with over 12mn visitors per year), located in Mantua, Valmontone (Rome) and Molfetta (Bari).

FASHION DISTRICT OUTLETS



MOLFETTA



MANTOVA



VALMONTONE



MULTIPLE COMPARISON

| | EV/Ebitda | |
|------------------|---------------|---------------|
| | 2012 | 2013 |
| UNIBAIL-RODAMCO | 18.9 x | 18.3 x |
| KLEPIERRE | 17.2 x | 16.6 x |
| CORIO NV | 16.3 x | 15.0 x |
| HAMMERSON PLC | 19.9 x | 19.5 x |
| GENERAL GROWTH P | 17.9 x | 17.3 x |
| CBL & ASSOC PROP | 12.7 x | 12.3 x |
| IGD | 14.2 x | 14.0 x |
| Median | 17.2 x | 16.6 x |

Source: Bloomberg consensus

FASHION DISTRICT OUTLETS: MAIN FIGURES

| Outlet | Region | Opening | Stores | Commercial Area (sqm) | Annual visitors |
|------------------------------------|-----------|---------|--------|-----------------------|-------------------|
| Fashion District Mantova Outlet | Lombardia | 2003 | 100 | 33,000 | 3,000,000 |
| Fashion District Valmontone Outlet | Lazio | 2003 | 175 | 45,000 | 6,000,000 |
| Fashion District Molfetta Outlet | Puglia | 2008 | 140 | 40,000 | 2,800,000 |
| TOTAL | | | | 118,000 | 11,800,000 |

Source: Fashion District web site

The group through its outlets offers a wide range of commercial, high end, sport and luxury brands (total revenues of the stores = € 240mn). Some examples of well-known names are: La Perla, Ferrè, Luisa Spagnoli, Nike, Freddy, Adidas, Guess, Piquadro and Biblos. The Fashion District of Valmontone and Molfetta are located in two integrated tourist districts that combine retail activities, leisure park and multiplex.

FD's revenues in 2011 (ended Sept 2011) amounted to 34.7mn (+2.8% YoY), with EBITDA of 8.6mn (+12% YoY) and a margin of 24.9% (from 22.8% in 2010), a net loss of -4.6mn (from -4.7mn in 2010) and net debt of 81.7mn (from 85mn in 2010). The key growth driver in the coming years is the further requalification of the outlets, via an increase in occupancy and improved efficiency of current occupancy. The structure of the outlets is very new and investments are expected to be limited in the coming years (roughly 2-3mn per annum), which, together with an increase in occupancy, may allow for a significant improvement in cash generation.

FASHION DISTRICT: MAIN FIGURES (€ MN)

| | 2010A | | 2011A | | 2012E |
|------------------------------|--------------|---------------|--------------|---------------|--------------|
| Revenues | 33.8 | | 34.7 | | 35.8 |
| change% | - | | 2.9% | | 6.0% |
| EBITDA | 7.7 | 22.8% | 8.6 | 24.9% | 9.4 |
| change% | | | 12% | | 9% |
| Depreciation & Amortisation | -9.4 | -27.8% | -11.4 | -32.9% | -7.9 |
| EBIT | -1.7 | -5.0% | -2.8 | -8.0% | 1.5 |
| change% | | | 63% | | -156% |
| Financial revenues (charges) | -4.7 | -13.8% | -7.0 | -20.3% | -4.4 |
| Extraordinary | 4.1 | 12.0% | 3.7 | 10.6% | 0.0 |
| Pre Tax Profit | -2.3 | -6.9% | -6.1 | -17.6% | -2.8 |
| change% | | | 164% | | -54% |
| Taxes | -2.4 | -7.2% | 1.5 | 4.2% | 0.9 |
| Minorities | 0.0 | 0.0% | 0.0 | 0.0% | 0.0 |
| Net Profit | -4.8 | -14.1% | -4.6 | -13.4% | -1.9 |
| change% | | | -2% | | -59% |
| tax rate | -106% | | 24% | | 33% |
| NFP | -85.0 | | -81.7 | | -77.6 |

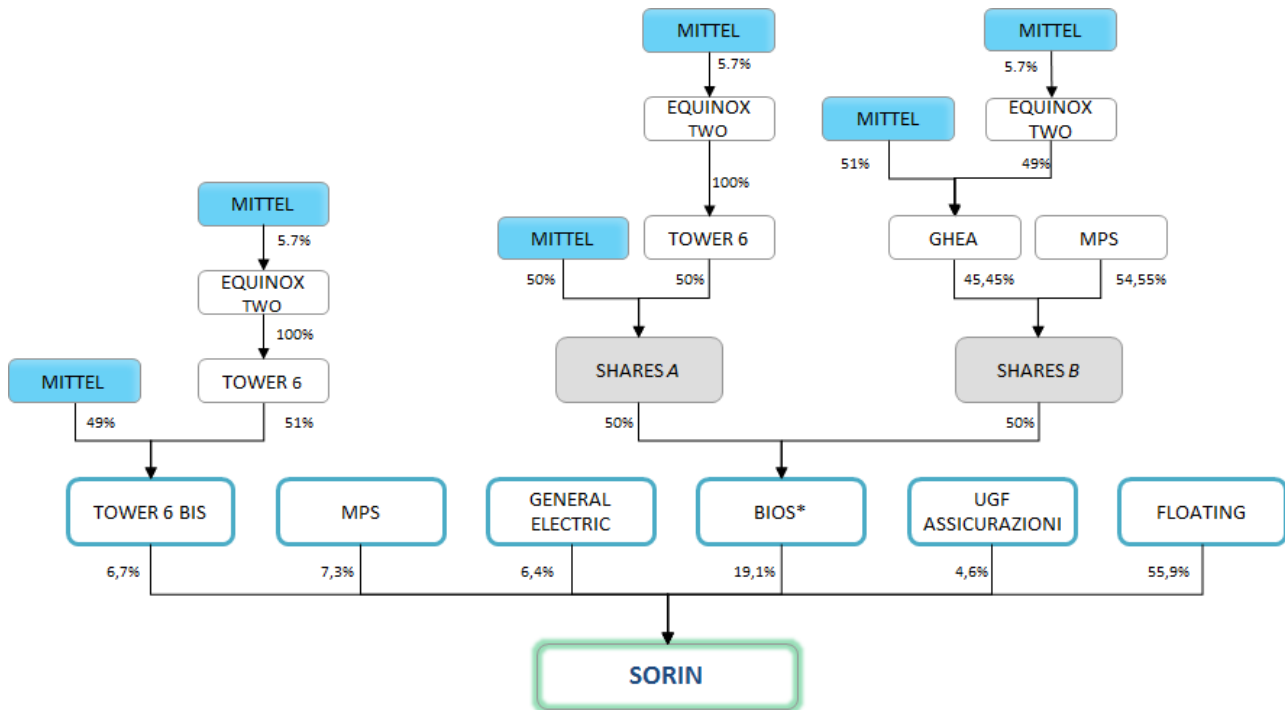
Source: EQUITA SIM estimates & company data

The company is 66.6% controlled by Mittel (via Earchimede, of which MIT owns 85%), and 33.3% by Mixinvest. **Given the current low visibility on the company's growth plans, we have valued the stake in FD at book value in our NAV for Mittel (91.7mn for 100% or 61mn for Earchimede pro quota).** This valuation is in line with that of the company's real estate assets (over 133mn excluding the value of licences, estimated at around 20mn) plus an amount – estimated at roughly 17mn of NPV – due in 2015 to the company as deferred payment on a property sale, net of NFP.

■ **SORIN –Biomedical SECTOR – Stake % - 18% of NAV**

Sorin (SRN) currently accounts for 18% of MIT's NAV. MIT owns an overall stake of 12.8% in SRN (ord. capital) via the sub-holdings Bios, Ghea and Tower 6 Bis.

SORIN SHAREHOLDER STRUCTURE



Source: Consob web site, company data and Equita SIM elaborations *Bios shares capital = 1.5mn ord. shares and 1.5mn shares B (pref.)

According to management guidance, 2011 sales should post organic growth of +1% and net **profit is expected within a range of 58-60mn (+52%)**. The sharp increase in earnings despite limited top line growth is one of SRN's appealing features and is related to the restructuring plan launched in 2008 and to be completed in the next 3 years. There are in fact many efficiency plans for production procedures (>100 announced last year).

Sales growth in more lucrative markets (USA and Japan) and more profitable business segments (CRM and HV) provide further support for margin growth.

SRN has fallen by -31% in 2011, underperforming the FTSEMIB index by -8%. This underperformance arose in the last two months following publication of 3Q results (-26%, or -14% relative). The market reaction to the top line correction in 3Q11 (-2% org.) was negative and despite a +46% increase in net profit.

We think that the stock, alongside other Italian small caps, has suffered liquidity pressure due to a drastic reduction in exposure to Italian equity. Paradoxically SRN depends on the Italian market only for some 10% of its sales.

The chart also shows a marked underperformance vs the BRCDEVCV Bloomberg Index grouping the Electrophysiology. All the peers included in the index are suffering from the fact that CRM US market became negative in the last 2 years (especially for ICD products). SRN collects only 38% of its sales in CRM business and only around 4% of group sales are generated in the US CRM market.

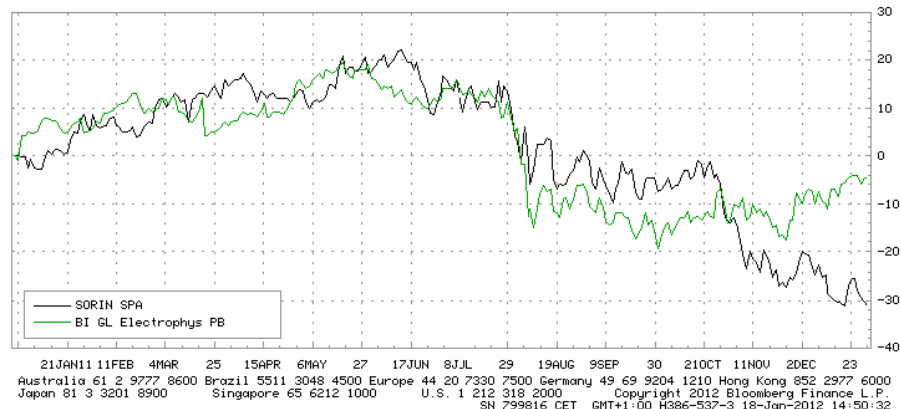
SORIN RELATIVE PERFORMANCE

COMPARATIVE RETURNS

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| Range 12/30/10 - 12/30/11 | | Period 0 Daily | | 365 Day Period | |
|---------------------------|-------|----------------|------|----------------|----------------------|
| Securities | Cnncy | Prc | Appr | Total Ret | Difference Annual Eq |
| 1 SRN IM Equity | EUR | -31.10 | % | -31.10 % | -26.17 % |
| 2 BRCDEVCV Index | USD | -5.29 | % | -4.93 % | -4.93 % |
| 3 | | | | | |

(* = No dividends or coupons)



Source: Bloomberg data

INSPIRE FAMILY OF PRODUCTS WILL DRIVE MATERIAL COST SAVINGS



PERCEVAL: POTENTIALLY AN ACTUAL "MINIMALLY INVASIVE" VALVE



Perceval

We expect SRN to benefit from several new initiatives. Among them:

- launch of Inspire Oxygenators family of products. They represent some 13% of SRN turnover. It will drive material cost savings in the next 2 years
- launch of SonR technology in CRM since last October for Cardiac Resynchronisation Devices (10% of group sales). The Technology gave evidence of material improvement in clinical results
- launch of CRM products with remote monitoring feature
- strong expansion in sales for the Perceval bio heart valve with the approval of the "introducer" allowing Perceval to be used as an actual "minimally invasive" heart valve
- penetration of the Japanese mkt with tissue valves to be approved in 2012

We appreciate several elements of SRN:

- **Management quality and reliability**
- **Strong bottom-line growth even with moderate top-line progress:** We estimate in 2011E-15E, the top line will grow at 2.7% CAGR, and adj EPS at 12% CAGR (after +30% in 2011). Margins will grow thanks to reduction in production costs and sales mix improvement
- **DCF Valuation of € 2.10 ps**

Indirect exposure to SRN has increased following the mergers and Mittel continues to maintain that it is an asset with huge potential. We should underline that the shareholders' agreement that controls 37.9% of capital expires in November 2012 and MIT has the fire power to increase its stake in this event.

OPERATING FINANCE: MITTEL GENERALE INVESTIMENTI (MGI) – 33% of NAV

Via the subsidiary Mittel Generale Investimenti (MGI), Mittel is involved in corporate lending and proprietary trading, providing a range of services that fit with the holding's investment activity.

MGI essentially lends to private business people with interest in SMEs, as well as both retail and institutional investors. The company executes funding on the wholesale market, earning a spread estimated by us to average 200bps.

Moreover, MGI assists the "Group" in **funding private equity and real estate sector transactions**.

The company features:

- **High capitalisation (est. Tangible equity/RWA = 32%)**, partly due to regulatory requirements applicable in cases of concentrated exposure
- Traditional banking activity, with no exposure to riskier businesses (subprime, CDOs, etc.) a feature setting it apart from other banks

In setting a value on this part of the business,

1. we have applied a P/BV multiple of 0.3x (as determined by the Cost of equity/ROE ratio).
2. calculated the excess capital (as determined by Equity – RWA x optimal core tier one of 16.9%)

This leads to a valuation of € 94 mn, corresponding to a 2011E P/BV of 0.8x.

| MGI VALUATION (€ MN) | |
|--------------------------------------|-----------|
| 2011 adj book value (a) | 116 |
| Normalized ROE (b) | 3.5% |
| Ke (c) | 11.0% |
| Theoretical P/BV (d = b / c) | 0.3 |
| 2011 target value (g = f x c) - € mn | 37 |
| excess capital(deficit) @ 1x | 57 |
| Target value | 94 |

Source: EQUITA SIM estimates

REAL ESTATE (5% of assets, 7% of NAV)

Via Mittel Investimenti Immobiliari (MII), Mittel operates in the real estate sector making investments in the residential and tertiary sector, both directly and via companies often participated via minorities' stakes by partners, business people with track records in the sector.

Mittel also offers advisory services in real estate finance transactions via Mittel Corporate Finance and is the industrial partner of Castello Sgr, a company that manages real estate funds.

Deals undertaken typically relate to:

- Residential property development mainly located in Lombardy (thus excluding pure trading or long-term investment) ...
- ... giving preference to deals featuring limited risk in terms of the administrative approval process ...
- ... and typically with an 18-24 month time horizon.

The current portfolio is highly fragmented (about 15 construction projects and virtually no rents).

We have valued the stake in RE at book value in our NAV for Mittel (18mn).

ADVISORY (1.5% of assets, 2% of NAV)

Mittel offers advisory services via Mittel Corporate Finance (MCF). MCF is an independent financial advisory company specialised in:

- M&A – national and cross-border
- Grant Advisory

with specific competencies in the Utilities, Real Estate, Industrial, Life Sciences, Consumer and Financial Services sectors.

Strong synergies within the group are created by MCF's M&A and Grant Advisory activities as well as rapid access to Mittel Group's complementary business areas (corporate lending, real estate, private equity). These activities should represent the new Mittels' recurring business areas.

In our NAV for Mittel we value the Corporate Finance & Investment Management Advisory business (MCF) at book value € 5.8mn.

■ 2012 outlook: positive impact from Moncler disposal, focus on main PE stakes and advisory activities

FY12 results (and particularly those in 1Q12) will include a significant positive component – which the co. estimates at 16mn – following the disposal of the stake in Moncler (in October 2011).

In 2012, the company will focus on:

- **further rationalisation of ex Hopa and Earchimede assets;**
- **enhancing the value of the most important PE stakes** (Fashion District, Sorin, Azimut Benetti);
- **advisory activity;**
- **increasing lending activity:** loans to businesses currently amount to 290mn (our est.) and may grow significantly given that the subsidiary's capital amounts to roughly 120mn and can withstand with much greater amounts.

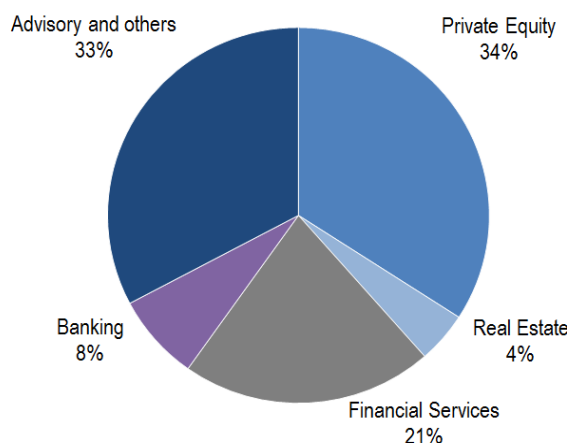
VALUATION: UPDATED NAV TO 3.3 ps (from 4.4)

We have used the NAV method for MIT's valuation. By applying a discount of 15%, we obtain a target price of 2.8 (from 4.4ps – the main changes are the reduction in value of listed assets, adjustment of NFP and of the numbers of shares after the merger of Tethys and Hopa into MIT from 70.5mn to 87.9mn shares).

| MITTEL - NAV | | | | | | | |
|--|---------------------|---------|----------|------|------|------|---|
| Asset | Sector | Stake % | # shares | € PS | € mn | % | Valuation method |
| Intesa Sanpaolo | Banking | 0.10% | 15.0 | 1.5 | 22 | 8% | Market Value |
| UBI Banca ScpA | Banking | 0.48% | 4.3 | 3.4 | 15 | 5% | Market Value |
| RCS Media Group SpA | Media | 1.31% | 9.6 | 0.7 | 7 | 2% | Market Value |
| Sorin*** | Biomedical | 12.8% | | 1.3 | 22 | 8% | Net equity (Market Value) |
| Mittel (via Earchimede) | Treasury shares | 3.43% | 3.0 | 1.6 | 5 | 2% | Market Value |
| TOTAL LISTED SHAREHOLDINGS (1) | | | | | 70 | 24% | |
| Mittel Generale Investimenti | Financial Services | 100% | | | 94 | 32% | Adj 2011 P/BV 0.3x + excess capital |
| Mittel Investimenti Immobiliare (Property Assets) | Real Estate | 100% | | | 18 | 6% | Book Value Sep-11 |
| Earchimede (net of Mittel shares) | Financial Services | 85.0% | | | 113 | 39% | Book Value Sep-11 |
| Funds (Progressio I/II, Cosimo I, Augusto, Equinox II) | PE and RE Funds | n.m. | | | 27 | 9% | Book Value Sep-11 |
| Azimut-Benetti | Luxury Motor Yachts | 6.21%** | | | 25 | 9% | EV/EBITDA 2011E = 11.5x |
| Brands Partners 2 (Moncler) | Retail | 1.3% | | | 12 | 4% | EV/EBITDA 2011E = 10x |
| Istituto Atesino di Sviluppo S.p.A. | Holding | 1.7% | | | 3 | 1% | Book Value Sep-11 |
| Mittel Corporate Finance (ECPI) | Financial Services | 100% | | | 6 | 2% | Book Value Sep-11 |
| Progressio SGR | Financial Services | 100% | | | 0.2 | 0% | Book Value Sep-11 |
| Mittel Real Estate SGR | Real Estate | 100% | | | 3 | 1% | Book Value Sep-11 |
| Microventures | Financial Services | 15.0% | | | 3 | 1% | Book Value Sep-11 |
| SIA-SSB | IT Services | 0.3% | | | 1 | 0% | Book Value Sep-11 |
| Others participations and other assets/liabilities* | Miscellaneous | 100.0% | | | 22 | 8% | Book Value Sep-11 |
| TOTAL UNLISTED SHAREHOLDINGS (2) | | | | | 326 | 112% | |
| ATTRIBUTABLE NFP (3) | | | | | -75 | -26% | Adj. NFP as today |
| HOLDING COSTS (4) | | | | | -31 | -11% | 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) | | | | | 290 | 100% | |
| Nr. of Shares (mn) | | | | | 87.9 | | |
| NAV per Ord share € | | | | | 3.3 | | |
| Current discount (premium) | | | | | 53% | | |
| P/NAV | | | | | 0.47 | | |

Source: EQUITA SIM estimates *Others participations and receivables ex Hopa; ** considering treasury shares; *** via sub-holding Bios, Ghea and Tower6 bis

Currently our NAV valuation includes the market price of stocks (Intesa, UBI and in particular Sorin) at very low levels of 57mn vs 108mn on an asset backed basis Equita target price.

MITTEL: BUSINESS SEGMENTATION

Source: EQUITA SIM estimates *based on assets + NFP

The private equity activity represents now 34% of total assets; the new MIT will increasingly invest via direct investments in this activity that provides erratic returns but where the track record of MIT is very good. The financial services represents 21% of total asset, most of this related to corporate lending that should support the recurring business. The weight of banking listed assets (Intesa and UBI) is very limited (8% of total assets).

The average discount of the main Italian holdings is now at 44%, still in line with last year's levels and above the historical average of 31% (calculated as of June 2006).

ITALIAN HOLDING COMPANIES: CURRENT AND HISTORICAL NAV AND DISCOUNTS

| Company | Val. method | NAV (€ PS) * | | | | | | | Disc. / (Prem.) to NAV | | | | | | | | |
|----------------------------|-------------|---------------|-------|-------|------|------|------|------|------------------------|------|------|------|------|-------|-------|---------|------|
| | | listed assets | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | Avg. ** | 2012 |
| ASTM | | market price | n.a. | 20.9 | 10.7 | 12.5 | 14.5 | 11.2 | 11.1 | n.a. | 31% | 50% | 23% | 33% | 35% | 34% | 39% |
| CAMFIN | (1) | market price | 1.79 | 2.37 | 0.49 | 0.65 | 0.66 | 0.56 | 0.62 | 20% | 40% | 40% | 54% | 45% | 58% | 35% | 63% |
| CIR | | market price | 3.05 | 3.28 | 2.15 | 2.50 | 2.18 | 2.20 | 2.16 | 18% | 24% | 65% | 30% | 36% | 45% | 33% | 45% |
| COFIDE | | see through | 1.52 | 1.64 | 1.03 | 1.21 | 1.06 | 1.08 | 1.06 | 28% | 35% | 68% | 48% | 38% | 49% | 41% | 49% |
| DEA CAPITAL | | market price | 2.61 | 2.40 | 1.64 | 1.88 | 1.99 | 2.02 | 1.91 | -8% | 22% | 50% | 53% | 56% | 49% | 37% | 29% |
| EXOR ord. | (2) | market price | 8.2 | 9.2 | 15.9 | 25.2 | 36.6 | 25.8 | 29.3 | 25% | 28% | 50% | 48% | 36% | 42% | 37% | 42% |
| IMMSI | | market price | 2.88 | 2.12 | 1.24 | 1.57 | 1.86 | 1.30 | 1.23 | 25% | 35% | 44% | 47% | 55% | 56% | 44% | 55% |
| IMPREGILO | | market price | n.a. | n.a. | n.a. | n.a. | 3.85 | 3.21 | 3.19 | n.a. | n.a. | n.a. | n.a. | 45% | 29% | 37% | 21% |
| ITALMOBILIARE | (3) | market price | 122.3 | 93.1 | 53.1 | 56.4 | 42.3 | 29.2 | 31.1 | 36% | 32% | 49% | 47% | 41% | 50% | 42% | 48% |
| MEDIOBANCA | (4) | market price | 17.4 | 16.4 | 14.3 | 11.1 | 7.1 | 7.1 | 7.0 | 13% | 10% | 40% | 36% | 8% | 5% | 18% | 37% |
| MITTEL | | market price | n.a. | 5.0 | 4.5 | 5.0 | 4.2 | 3.3 | 3.3 | n.a. | -5% | 49% | 27% | 20% | 51% | 29% | 53% |
| PIRELLI & C. | | market price | 9.01 | 10.73 | 4.85 | 7.03 | n.a. | n.a. | n.a. | 10% | 20% | 41% | 33% | n.a. | n.a. | 21% | - |
| PREMAFIN | | market price | 3.29 | 2.67 | 0.71 | 0.53 | 0.33 | 0.33 | -0.24 | 28% | 26% | -81% | -98% | -124% | -124% | -42% | 233% |
| AVERAGE | | | | | | | | | | 19% | 25% | 39% | 29% | 24% | 29% | 26% | 60% |
| AVERAGE excluding PREMAFIN | | | | | | | | | | | | 49% | 40% | 38% | 43% | 31% | 44% |

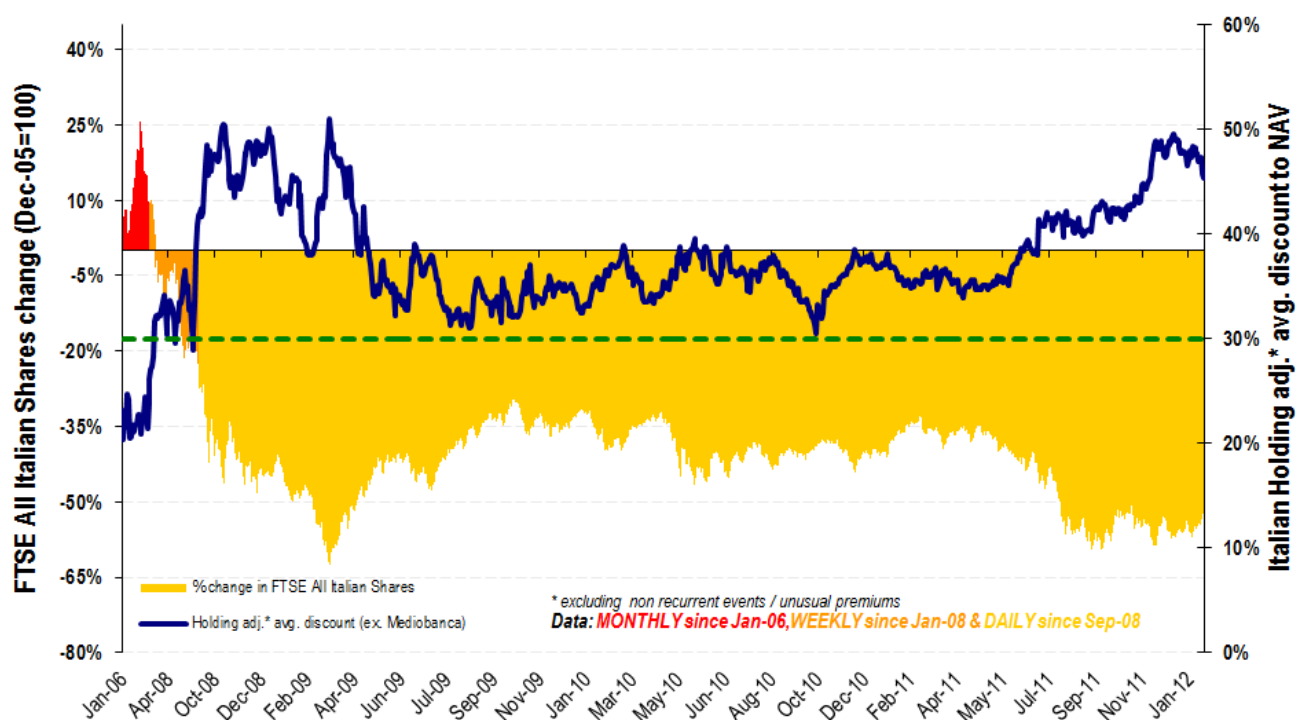
(1) see-through until 2009; at market price starting from 2010; (2) IFIL ord. until 2007 (assuming total n. shares ord+sav), EXOR ord. (IFIL+IFI) since merger announcement (Sep-08), assuming 30% pref. discount vs ord.; (3) adj. number shares: before Nov-07 based on market discount; after Nov-07 applying avg. between 3-month and market discounts; (4) year-end: June

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

** historical 7-year arithmetical average (2004-09 when available)

Source: Equita SIM estimates

DISCOUNT TO NAV vs MARKET TREND



Source: EQUITA SIM estimates

SENSITIVITY

| MITTEL NAV: SENSITIVITY (€ PS) | | | | | | | | |
|--------------------------------|------------|--------|--------|--------|-------|-------|-------|-------|
| MGI | EARCHIMEDE | -25.0% | -15.0% | -10.0% | TODAY | 10.0% | 15.0% | 25.0% |
| | | 84 | 95 | 101 | 112 | 123 | 129 | 140 |
| -25.0% | 70 | 2.7 | 2.8 | 2.9 | 3.0 | 3.2 | 3.2 | 3.3 |
| -15.0% | 80 | 2.8 | 2.9 | 3.0 | 3.1 | 3.3 | 3.3 | 3.5 |
| -10.0% | 84 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 |
| TODAY | 94 | 3.0 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 |
| 10.0% | 103 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.7 |
| 15.0% | 108 | 3.1 | 3.3 | 3.3 | 3.5 | 3.6 | 3.6 | 3.8 |
| 25.0% | 117 | 3.2 | 3.4 | 3.4 | 3.6 | 3.7 | 3.7 | 3.9 |

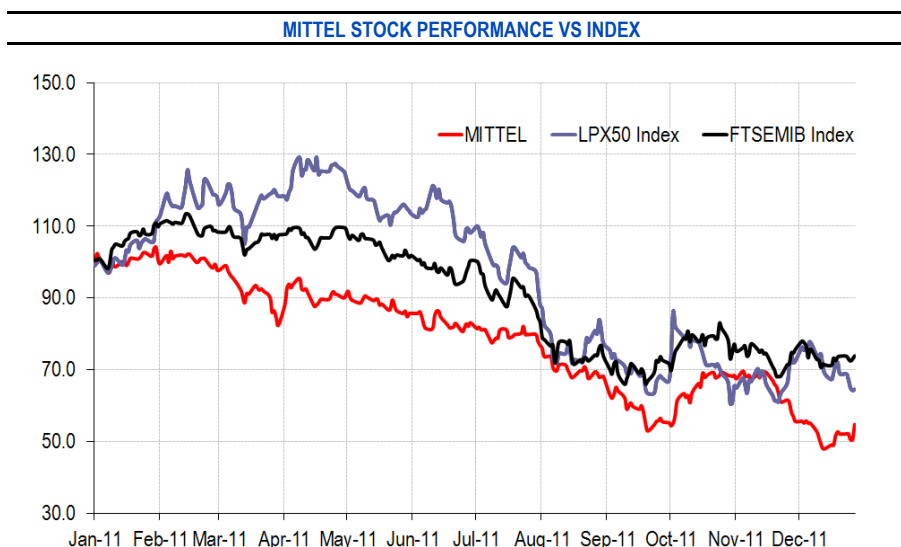
Source: EQUITA SIM estimates

| MITTEL NAV: SENSITIVITY (€ PS) | | | | | | | | |
|--------------------------------|-----|--------|--------|--------|-------|-------|-------|-------|
| INTESA | UBI | -40.0% | -30.0% | -20.0% | TODAY | 20.0% | 30.0% | 40.0% |
| SAN PAOLO | | 2.0 | 2.4 | 2.7 | 3.4 | 4.1 | 4.4 | 4.8 |
| -40.0% | 0.9 | 3.1 | 3.1 | 3.1 | 3.2 | 3.2 | 3.2 | 3.2 |
| -30.0% | 1.0 | 3.1 | 3.1 | 3.2 | 3.2 | 3.2 | 3.2 | 3.2 |
| -20.0% | 1.2 | 3.1 | 3.2 | 3.2 | 3.2 | 3.2 | 3.3 | 3.3 |
| TODAY | 1.5 | 3.2 | 3.2 | 3.2 | 3.3 | 3.3 | 3.3 | 3.3 |
| 20.0% | 1.7 | 3.2 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.4 |
| 30.0% | 1.9 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.4 | 3.4 |
| 40.0% | 2.0 | 3.3 | 3.3 | 3.3 | 3.3 | 3.4 | 3.4 | 3.4 |

Source: EQUITA SIM estimates

■ Stock performance penalised by the performance of listed assets and an increase in average discount to NAV

Over the last 12 months, MIT has posted a negative performance of 49%, underperforming the FTSEMIB and LPX50 Total Return (index of main private equity companies listed in Europe). The discount to NAV has moved from 25% in June 2010 to the current 43%.



Source: Bloomberg prices

In our view, MIT's underperformance may mainly be due to the decline of some listed assets; **the stock usually widens the discount to NAV when listed assets are down, particularly Intesa and UBI, which have both dropped due to the announced capital increases. However, the market is overestimating the impact of the decline of banking assets on Mittel's NAV: in more detail, their impact on NAV is currently at 14% (listed assets totalling 28%) vs. 50% in 2007.**

■ Shareholder structure

The following table shows the changes in the breakdown of MIT's shareholder structure following the merger:

| SHAREHOLDER STRUCTURE – PRE AND POST MERGER | | |
|---|--------------|--------------|
| Shareholders structure | Post merger | Pre-Merger |
| Carlo Tassara | 15.35% | 19.14% |
| Fondazione Cassa di Risparmio Trento e Rovereto | 10.90% | 13.60% |
| Italmobiliare | 9.83% | 12.26% |
| Istituto Atesino di Sviluppo Spa | 8.82% | 11.00% |
| Opera per l'educazione cristiana | 3.75% | 4.68% |
| Manuli Realtor Srl | 3.44% | 4.29% |
| Treasury shares (Earchimede) | 4.04% | - |
| Free floating | 43.9% | 35.0% |

Source: EQUITA SIM estimates

CORPORATE GOVERNANCE

On 23 November 2010 Mittel set up an Executive Committee - headed by Massimo Tononi (formerly Undersecretary, in 2006-2008, at the Italian Economy Ministry and Chairman of Borsa Italiana) - that will remain in office until the present BoD lapses (March-2012).

The Executive Committee has been vested with full powers of ordinary and extraordinary administration and, as a rule, will meet once a fortnight. Committee meetings are attended by the General Manager, Mario Spongano, who regularly dialogues with Committee members in relation to the operations forming part of his functions. **With creation of the Executive Committee, Mittel has endowed the group with a streamlined decision-making body, able to act fast, supporting management and aiming to achieve greater operating flexibility.**

Board of Directors:

- **Independent Board members:** 5 out of 11
 - G. Bazoli (Chairman)
 - R. Zaleski (Deputy Chairman and Member of Executive Committee)
 - M. Tononi (Chairman of the Executive Committee)
 - G. Franceschi (Member of Executive Committee)
 - S. Gianotti
 - G. Montini
 - G. Pasini
 - G. Pesenti
 - D. Regoli
 - E. Zobelev
 - U. Weiss
- **Managing Director:** Mario Spongano
- **Remuneration Committee:** G. Bazoli, D. Regoli, S. Gianotti
- **Internal Audit Committee:** D. Regoli, G. Franceschi, U. Weiss

CONCLUSION

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 17% of TA);
 - Greater **portfolio diversification** than the main Italian holding companies;
 - Solid track record in private equity transactions (e.g. Moncler IRR 36%);
- ...set against the fact that:
- The stock liquidity is low and the shares is trading with a discount on NAV (53%) that is not significantly different from the other listed holding companies (44% ex Premafin).
 - Low visibility on the recurring business's capacity to create value;
 - The company still needs to work to further simplify the structure of the group.

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
- Positive share price performance of Intesa Sanpaolo, UBI Banca, RCS and Sorin
- Significant improvement of luxury motor yachts market conditions affecting 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
- 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

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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The recommendations to BUY, HOLD and REDUCE are based on Expected Total Return (ETR – expected absolute performance in the next 12 months inclusive of the dividend paid out by the stock's issuer) and on the degree of risk associated with the stock, as per the matrix shown in the table. The level of risk is based on the stock's liquidity and volatility and on the analyst's opinion of the business model of the company being analysed. Due to fluctuations of the stock, the ETR might temporarily fall outside the ranges shown in the table.

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

| 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, 2011 (art. 69-quinquies c. 2 lett. B e c. 3 reg. Consob 11971/99)

| | COMPANIES COVERED | COMPANIES COVERED WITH BANKING RELATIONSHIP |
|-----------|-------------------|---|
| BUY | 47.6% | 53.1% |
| HOLD | 45.2% | 42.9% |
| REDUCE | 7.1% | 4.1% |
| NOT RATED | 0.0% | 0.0% |