



Offices in Milan - Piazza A. Diaz 7
Share Capital EUR 87.907.017 fully paid-in
Listed in the Milan Register of Companies at no. 00742640154
www.mittel.it

PRESS RELEASE

The Group's value creation process continues through:

- **Strong operational growth and build-up for portfolio investments:**
 - o *Ceramica Cielo (Design) achieved, in the first nine months of 2018, revenues up by more than 15% on the previous year with an EBITDA of Euro 4.3 million*
 - o *IMC (Automotive) achieved an EBITDA of Euro 9.2 million over the nine months*
 - o *Gruppo Zaffiro (RSA) is continuing its growth process with the completion of the acquisition of a new RSA in Florence*
- **Research for new investment platforms**
- **Recovery of financial resources from non-core assets (€ 25 million collected from real estate and financial receivables)**

Call of the Shareholders' Meeting on January 28th 2019 for:

- **Full renewal of the board of directors by list vote pursuant to the Articles of Association**
- **Integration of the Board of Statutory Auditors**
- **Renunciation of the action of responsibility towards Ing. Rosario Bifulco**

Milan, 19 December 2018

The Board of Directors, meeting today, examined, in the context of an update on the progress of the Strategic Plan, the operating performance of the Group and specifically an update on the performance of the main subsidiaries as at 30 September 2018 (management data not subject to revision).

The Company, in line with the transformation process into an industrial holding company that was launched in 2016 and confirmed following the recent change in the governance model, continues on one hand in the process of enhancing non-core assets in portfolio in order to generate new resources for on the other hand, in the research for new investment platforms with the aim of creating value over the long term, through the acquisition of companies characterized by Italian entrepreneurial excellence, to be combined with the financial and strategic contribution by the Group.

In relation to the recovery of financial resources deriving from non-core assets, in the year and up to the present date, the Company collected over Euro 25 million and related to:

(i) the continuation of the sales process of property inventories relating to initiatives in the Group's portfolio (Euro 12.4 million), for which an important re-boost project was finalized during the year, involving third party professionals for a repositioning of market initiatives and a review of the marketing strategy as well;

(ii) the recovery of resources from financial receivables and other non-core assets (Euro 13.7 million). In order to intensify this process, the Company is currently launching specific projects, with dedicated work teams, aimed at creating value asset by assets.

In addition to the foregoing, it should be recalled that, as already indicated in the consolidated half-year report as at 30 June 2018, in July 2018 a favorable judgment against the Company and relating to a previous tax dispute was finalized. This situation had the effect that the total amount of Euro 8.5 million (of which Euro 6.7 million collected in the previous year and €Euro1.8 million in June 2018), which was allocated to debt in the situation at June 30, 2018, it is currently acquired on a permanent basis.

In relation to the performance of the portfolio of industrial investments acquired in the previous year - Gruppo Zaffiro S.r.l. (75%), Ceramica Cielo S.p.A. (80%) and Industria Metallurgica Carmagnolese S.p.A. (75%) - the positive performance showed in the consolidated half-yearly financial report as at 30 June 2018 continued in the third quarter of the current year.

Specifically Ceramica Cielo S.p.A., as at 30 September 2018, confirmed the growth in revenues, with an increase over the corresponding period of the previous year of over 15% (to Euro 20.5 million) and an Ebitda generated in the nine months of Euro 4.3 million. The financial position of the operating sector, also including the debt related to the acquisition made by the sub-holding Mittel Design S.r.l., was negative at September 30, 2018 of Euro 1.9 million, a continuous improvement compared to December 31, 2017 (Euro 5.9 million) and at 30 June 2018 (Euro 3.6 million).

In the nine months ended September 30th 2018, IMC S.p.A. confirms its high profitability with an EBITDA of Euro 9.2 million and a significant cash generation with a negative financial position of Euro 22.1 million, also in continuous improvement (Euro 28.0 million at 31 December 2017 and Euro 24.1 million at 30 June 2018).

Gruppo Zaffiro S.r.l., which confirms the significant growth of the historical business of the Group represented by the 8 operating companies acquired by Mittel in 2016 (Ebitda in the 9 months for the 8 companies of Euro 4.4 million compared to Euro 3.6 million of the previous year), saw the nine months strongly oriented to growth by external lines with a financial position that, affected by this process, is negative at Euro 30.4 million Euro (Euro 28.5 million as at 31 December 2017). In detail in the nine months we remind:

- in March 2018 the acquisition, for about 80 beds, of the operating branch of the RSA "Villa Speranza" in Sanremo;
- in June 2018 an area was acquired in the municipality of Pogliano Milanese (Milan), in which the Group intends to create an RSA with over 200 beds;

- in July 2018 a new RSA was inaugurated in Rivignano (Udine); the structure, whose property component acquired in the previous financial year was the object of a restructuring work by the Group, represents an important step in the company's growth plan through the redevelopment of existing buildings or those still to be built. Only 5 months after opening, the structure has already reached an occupancy level of over 70%.

The growth process of Gruppo Zaffiro S.r.l. also continued in December 2018 with the acquisition of "*Villa Gisella*", an historic structure located in the center of Florence which today has over 150 beds. The operation represents the symbol of a strategy of growth of the Group on the Italian territory based on careful research and selection of excellent RSA with consolidated relationship with the territory and characterized by high quality standards, in line with those already managed by Gruppo Zaffiro.

To the RSA currently fully operational (eleven between Friuli, Marche, Liguria and Tuscany for about 1,300 beds) must be added the real estate development projects, that the Group is currently the studying, for over 2,000 beds and partly already under construction, such as the new RSA of Pogliano Milanese (Milan), whose construction works should be completed by the end of 2019.

In the coming months Mittel, in continuity with the Strategic Plan and focusing on the creation of long-term value for all the shareholders, will accelerate the transformation process into an holding of industrial holdings, continuing, on the other hand, the process of recovery of financial resources from previous real estate initiatives and financial credits as well as simplification of the corporate structure with consequent significant reduction of costs.

* * *

During the same session, the Board of Directors resolved to convene the Shareholders' Meeting for the next 28 January 2019, in execution of the commitments assumed by the Company on the occasion of the consensual and early termination of the collaboration relationship with Ing. Rosario Bifulco, having on the agenda the irrevocable renunciation of the social action of responsibility ex art. 2393 cod. civ. in his regards. The management body has resolved to request, in this meeting, the integration of the Board of Statutory Auditors based on the changes made to its composition on November 30, 2018.

Furthermore, the Board of Directors - having acknowledged the resignation, dated December 3, 2018, by dr. Giovanni Raimondi, appointed by the Shareholders' Meeting of 27 January 2017 as the only candidate drawn from the minority list filed by Istituto Atesino di Sviluppo S.p.A., as Independent Director and Chairman of the Company's Control and Risks Committee - has evaluated not to co-opt a substitute.

In the context of the changes in governance that saw the exit of the CEO, Ing. Rosario Bifulco, and the changes in the ownership structure, already known to the market, following the outcome of the tender offer launched by Progetto Co-Val S.p.A., in order to allow the full renewal of the administrative body, by list vote, pursuant to art. 15 of the Articles of Association, the remaining Directors in office (Mr. Michele Iori, Mr. Marco Giovanni Colacicco, Mr. Anna Francesca Cremascoli, Mr. Patrizia Galvagni, Mr. Valentina Dragoni, Prof. Riccardo Perotta) have resigned from all positions held in the Company respectively, with effect from the date of the next

Shareholders' Meeting called on January 28, 2019; that the Board of Directors will continue, up to that date, to operate in the fullness of its managing powers.

The Board of Directors, today, has, inter alia, integrated the composition of the Risk Control Committee, appointing its Chairman, instead of dr. Giovanni Raimondi, prof. Riccardo Perotta; the aforementioned Committee is therefore composed as follows:

President: prof. Riccardo Perotta

Component: avv. Patrizia Galvagni

The Board of Directors consequently resolved to convene the Shareholders' Meeting for 28 January 2019, in single call, with the following agenda:

1. Irrevocable waiver of the social action pursuant to art. 2393 cod. civ. towards Ing. Rosario Bifulco: inherent and consequent resolutions;
2. Integration of the Board of Statutory Auditors: related and consequent resolutions;
3. Appointment of the Board of Directors upon determination of the number of its members and definition of the related remuneration: related and consequent resolutions.

The full notice of the Shareholders' Meeting will be made available to the public in accordance with the law on the Company's website www.mittel.it, as well as on the authorized storage mechanism. In accordance with the current legal and regulatory provisions, the Directors' Report on the items on the agenda of the Shareholders' Meeting will be made available on the Company's website, at the registered office, as well as on the authorized storage mechanism.

MITTEL S.p.A.

Contacts at MITTEL S.p.A.

Paolo Facchi – Investor Relator

Tel. 02.721411, fax 02.72002311, e-mail investor.relations@mittel.it

Moccagatta Associati (Media)

Tel. 02.86451419 / 02.86451695, e-mail segreteria@moccagatta.it