MITTEL S.P.A.
Offices in Milan - Piazza A. Diaz 7 7
Share Capital EUR 87,907,017, fully paid-in
Tax Code – Milan Register of Companies No. - VAT No. 00742640154
R.E.A. (Economic and administrative register) of Milan no. 52219

PRESS RELEASE

The Board of Directors of MITTEL S.p.A. has approved the Interim Report on Operations 1 October – 31 December 2013 (First Quarter of financial year 2013/2014)

- **In the first quarter of the year ending as at 30 September 2014, the Group generated consolidated profit of EUR 19,0 million, compared to a loss of EUR 2,7 million in the same period of the previous year, and a loss of EUR 38,1 million as at 30 September 2013. The result benefited from the pro-rata profit of the investee Brands Partners 2 S.p.A. for EUR 21,8 million, following the partial placement of 3,73% of Moncler S.p.A. under the IPO**
- **Shareholders' equity pertaining to the Group, including the profit for the period, amounted to EUR 346,4 million, compared to EUR 336,6 million as at 31 December 2012, and EUR 327,0 million as at 30 September 2013.**
- **The consolidated negative Net Financial Position totalled EUR 218,2 million, improving by EUR 8,2 million compared to EUR 226,4 million as at 30 September 2013. Bank payables less cash and cash equivalents totalled EUR 143,8 million, down by EUR 18,2 million compared to EUR 162,1 million as at 30 September 2013.**

Main consolidated income statement figures

(Thousands of Euro)	31.12.2013	31.12.2012	30.09.2013
Revenues	**13.825**	**14.107**	**59.036**
Purchases, provision of services, sundry costs	(9.264)	(11.953)	(51.114)
Personnel costs	(2.652)	(2.250)	(11.809)
Operating costs	**(11.916)**	**(14.204)**	**(62.923)**
Income (expenses) from investments	2.181	744	4.295
Operating margin (EBITDA)	**4.089**	**648**	**407**
EBITDA %	*29,58%*	*4,59%*	*0,69%*
Amortisation/depreciation, allocations and adjustments to non-current assets	(3.597)	(3.596)	(19.649)
Value adjustments to financial assets and receivables	(1.572)	(5)	(28.836)
Share of income (loss) of investments	21.679	177	325
Operating result (EBIT)	**20.599**	**(2.777)**	**(47.753)**
EBIT %	*149,00%*	*(19,68)%*	*(80,89)%*
Income (loss) from financial management	(2.428)	(209)	11.399
Income (loss) from trading of financial assets	114	65	(1.178)
Income (loss) before taxes	**18.286**	**(2.920)**	**(37.532)**
Taxes	64	(317)	(3.717)
Income (loss) from continuing operations	**18.350**	**(3.237)**	**(41.248)**
Income (loss) from discontinued operations	-	58	143
Net income (loss) for the year	**18.350**	**(3.179)**	**(41.105)**
Income (loss) pertainig to non controlling interests	688	468	3.018
Income (loss) pertainig to the Group	**19.037**	**(2.711)**	**(38.087)**

Main statement of financial position figures

(Thousands of Euro)	**First quarter 31.12.2013**	**Year 30.09.2013**
Net invested capital	**620.451**	**609.838**
Shareholders' equity	(346.434)	(327.046)
Non controlling interests	(55.798)	(56.389)
Total shareholders' equity	**(402.232)**	**(383.435)**
Net financial position	**(218.219)**	**(226.403)**

Milan, 11 February 2014 - The Board of Directors of Mittel S.p.A., convened today and chaired by Franco Dalla Sega, examined and approved the Interim Report on Operations for the first quarter of the year 2013-2014.

Group performance

The consolidated economic result of the Mittel Group for the first quarter of the year 1 October 2013 - 30 September 2014 (129th year from the foundation of Mittel S.p.A.), posted a consolidated profit of EUR 19,0 million, compared to a consolidated loss of EUR 2,7 million in the corresponding period of the previous year and a consolidated loss of EUR 38,1 million for the entire year 2012-2013.

Shareholders' equity pertaining to the Group, including the result for the period, totalled EUR 346,4 million as at 31 December 2013, compared to EUR 336,6 million in the corresponding period of the previous year and EUR 327,0 million as at 30 September 2013. Consolidated shareholders' equity includes the valuation reserve which books to shareholders' equity the variations in the fair value measurement of financial instruments classified as available for sale.

The income statement consolidated results

Revenues amounted to EUR 13,8 million, down by EUR 0,3 million compared to the same quarter of the previous year. These include revenues of EUR 17,5 million (increasing by EUR 7,7 million as at 31 December 2012), the changes in property inventories (i.e., the net balance of the increase in inventories as a result of construction of properties and the reduction due to transfers) of a negative EUR 4,2 million (from a positive EUR 3,7 million as at 31 December 2012) and in other income of EUR 0,5 million (down by EUR 0,1 million).

Operating costs amounted to EUR 11,9 million, marking a decrease of EUR 2,3 million compared to 31 December 2012. These are composed of costs for purchases, provision of services and sundry costs of EUR 9,3 million, down by EUR 2,7 million, and personnel costs of EUR 2,7 million, up by EUR 0,4 million. The change in costs for purchases, provision of services and sundry costs is the combined result of an increase in costs for services of EUR 0,7 million (from EUR 7,4 million to EUR 8,1 million as at 31 December 2013), an increase of EUR 0,2 million in other costs, and a decrease in costs for purchases of EUR 3,6 million (from EUR 3,7 million to EUR 0,1 million as at 30 September 2013).

Income from investments includes dividends of EUR 0,4 million (nil as at 31 December 2012) and profits from management of financial assets and investments of EUR 1,8 million (EUR 0,8 million as at 31 December 2012). Specifically, the dividends derive from distributions received from an investment fund held by the parent company Mittel S.p.A., while profits from the management of financial assets and investments are mainly composed of income deriving from the transfer of Ubi Banca and Intesa Sanpaolo securities held for trading.

Operating margin (EBITDA) amounted to EUR 4,1 million, increasing by EUR 3,5 million compared to 31 December 2012.

Amortisation/depreciation, allocations and adjustments to non-current assets amounted to EUR 3,6 million (in line with the figure as at 31 December 2012) and mainly refer to the depreciation on properties owned by the Fashion District Group.

Value adjustments to financial assets and receivables, amounting to EUR 1,6 million, and nil as at 31 December 2012, are composed of adjustments made in the Outlet sector for EUR 0,9 million as well as adjustments recorded by Earchimede S.p.A. and the parent company Mittel S.p.A. relating to their investments in private equity funds and foreign investment vehicles, for EUR 0,2 million and EUR 0,5 million, respectively.

The **Share of income (loss) of investments** totalled EUR 21,7 million compared to EUR 0,2 million in the previous year. This comprises EUR 21,8 million for the pro-rata profit of the investee Brands Partners 2 S.p.A. following the partial initial offer for a 3,73% stake of Moncler S.p.A. in December (as at 30 September 2013 the stake in Moncler held by Brands Partners 2 S.p.A. amounted to 4,99% of the share capital).

The **Operating result (EBIT)** was thus a positive EUR 20,6 million, compared to a negative EUR 2,8 million in the previous year.

The **Income (loss) from financial management**, amounting to a loss of EUR 2,4 million compared to a loss of EUR 0,2 million in the previous year, reflects the negative contribution from the Parent Company Mittel of EUR 1,8 million, as well as the negative contributions from the property sector of EUR 0,5 million and from the Outlet sector of 0,4 million.

Consolidated statement of financial position as at 31 December 2013

(Thousands of Euro)	31.12.2013	30.09.2013
Intangible assets	29.978	29.943
Property, plant and equipment	134.146	137.659
Investments	90.687	77.301
Non-current financial assets	276.547	274.917
Provisions for risks, employee severance indemnity and employee benefits	(7.907)	(8.095)
Other non-current assets (liabilities)	(2.547)	(2.639)
Tax assets (liabilities)	(14.734)	(14.625)
Net working capital (*)	114.281	115.377
Net invested capital	**620.451**	**609.838**
Shareholders' equity	(346.434)	(327.046)
Non controlling interests	(55.798)	(56.389)
Total shareholders' equity	**(402.232)**	**(383.435)**
Net financial position	**(218.219)**	**(226.403)**

(*) comprised of the sum of property inventories, sundry receivables (payables) and other current assets (liabilities)

Intangible assets amounted to EUR 30,0 million, essentially unchanged compared to the year 2012-2013. These comprise EUR 21,8 relating to the value assigned to the authorisation licences to carry out retail trade activities of the two factory outlet villages located in the provinces of Mantua and Molfetta, and EUR 8,1 million to the recognition of goodwill following the acquisition of control of Mittel Advisory S.p.A. (formerly Borghesi Advisory S.r.l.).

Property, plant and equipment totalled EUR 134,1 million, decreasing by EUR 3,5 million compared to the year 2012-2013, attributable primarily to the depreciation of the properties owned by the subsidiary Fashion District Group S.p.A., relating to the Mantua and Molfetta outlets.

Investments valued using the equity method amounted to EUR 90,7 million. The increase of EUR 13,4 million compared to the year 2012-2013 was mainly due to the increase in value of the investee Brands Partners 2 S.p.A. by EUR 7,0 million, attributable to the revaluation of the fair value of the investment in Moncler S.p.A., as well as to the revaluation of the investee Sorin S.p.A. held through the vehicles Bios S.p.A. (increase of EUR 5,3 million) and Tower 6 bis S.a.r.l. (increase of EUR 1,1 million).

Non-current financial assets amounted to EUR 276,5 million, substantially in line with the 2012-2013 figure of EUR 274,9 million.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 7,9 million (EUR 8,1 million in the year 2012-2013), reflecting EUR 2,5 million in *Provisions for personnel* (EUR 2,4 million as at 30 September 2012) and EUR 5,5 million in *Provisions for risks and charges* (EUR 5,7 million as at 30 September 2012).

Other non-current liabilities amounted to EUR 2,5 million, and **tax liabilities** amounted to EUR 14,7 million, both practically unchanged compared to the year 2012-2013.

Net working capital, which amounted to EUR 114,3 million, compared to EUR 115,4 million in 2012-2013, includes *Property inventories* of EUR 117,9 million (EUR 122,0 million in the financial statements of the previous year), *Sundry receivables and other current assets* totalling EUR 28,2 million (EUR 26,9 million in the financial statements of the previous year) and *Sundry payables and other current liabilities* amounting to EUR 31,8 million (EUR 33,5 million in the financial statements of the previous year).

As a result, the **net invested capital** increased by EUR 10,6 million to EUR 620,5 million, of which EUR 402,2 million is financed by shareholders' equity and EUR 218,2 million by the net financial position.

Shareholders' equity pertaining to the Group amounted to EUR 346,4 million (compared to EUR 327,0 million in 2012-2013), while non-controlling interests came to EUR 55,8 million (EUR 56,4 million in the financial statements of the previous year). Total shareholders' equity amounted to EUR 402,2 million (EUR 383,4 million in the previous year), marking an increase of EUR 18,8 million. These changes are mainly attributable to the profit for the quarter of EUR 19,0 million.

The **net financial position** amounted to a negative EUR 218,2 million, marking an improvement of EUR 8,2 million. Specifically, there was an increase in other cash equivalents, partially resulting from the decrease in Securities held for trading as a result of the disposal of listed securities held in UBI Banca and Intesa Sanpaolo. Note that bank payables less cash and cash equivalents amounted to EUR 143,8 million as at 31 December 2013, marking a decrease of EUR 18,2 million (EUR 162,1 million as at 30 September 2013).
The item other cash equivalents as at 31 December 2013 included EUR 3,0 million (same amount as in the financial statements as at 30 September 2013) in amounts owed classified under current financial receivables in the financial statements and that refer to the transaction account existing between Earchimede and the investee Mittel Generale Investimenti S.p.A. This inclusion reflects the fact that the receivables can readily be converted to a known amount of cash, with no risk of a change in the value.

Statement relating to the net financial position

(Thousands of Euro)	**31.12.2013**	**30.09.2013**
Cash	66	48
Other cash equivalents	55.914	48.533
Securities held for trading	12.185	17.826
Current liquidity	**68.165**	**66.407**
Current financial receivables	**30.685**	**30.575**
Bank payables	(199.731)	(210.677)
Bonds	(99.087)	(97.424)
Other financial payables	(18.251)	(15.285)
Financial debt	**(317.069)**	**(323.386)**
Net financial position	**(218.219)**	**(226.403)**

Significant events in the first quarter of the year 2013-2014

The Agreement signed on 12 October 2009 between Mittel S.p.A., Equinox Two S.c.A., Hopa S.p.A. (to date merged in Mittel S.p.A.), Banca Monte dei Paschi di Siena S.p.A. and Unipol Gruppo Finanziario S.p.A., pertaining to their mutual relationships, expired on 18 November 2013 and has not been renewed. The Agreement concerned 171.098.423 shares of Sorin S.p.A., equal to 35,7395% of the Company’s ordinary share capital. In announcing the decision in question, the parties to the Agreement expressed their unchanged belief in Sorin’s outlook for the future and emphasised their faith in the company, whose considerable contribution is a solid foundation for future development.

On 11 December 2013, the Global Offer to Sell aimed at listing Moncler S.p.A. on the Mercato Telematico Azionario (MTA), organised and managed by Borsa Italiana S.p.A., was concluded successfully. The Offer Price of the Moncler S.p.A. ordinary shares was fixed at EUR 10,20 per share.
Brands Partners 2 S.p.A., company of which Mittel S.p.A. holds 25,20% of the share capital, complied with the Global Offer to Sell for the purpose of listing of Moncler S.p.A., contributing 9,3 million in ordinary shares of that company. The collection, net of commissions due to placement banks, amounted to EUR 93,4 million. To date, Brands Partners 2 S.p.A. still holds 3,1 million of Moncler S.p.A. ordinary shares in its portfolio.

Significant events after 31 December 2013

On 23 January 2014 the Chairman of Mittel Management S.r.l., Mauro Gambaro, submitted his resignation due to personal and professional reasons. The Shareholders' Meeting of Mittel Management S.r.l., a vehicle assigned to manage private equity investments, 100% owned by Mittel S.p.A., appointed Mr. Giovanni Pavese as a new Director and Chairman of the company.

On 28 January 2014, following the meeting of the Board of Directors of the Company, having regard to the irremediable rift created within the administrative body with the Chief Executive Officer in such a way as to not allow the body, in its current composition, to continue its operations, the Directors Giorgio Franceschi, Paolo Battocchi, Stefano Gianotti, Gianbattista Montini, Giuseppe Pasini and Massimo Tononi submitted their irrevocable resignations from office.

The outgoing Directors Mr. Franceschi, Mr. Pasini and Mr. Tononi had been appointed by the Ordinary Shareholders' Meeting of 27 March 2012 (by list voting, pursuant to art. 15 of the Articles of Association); Mr. Gianotti and Mr. Montini had been appointed by the Ordinary Shareholders' Meeting of 26 July 2012, whereas Mr. Battocchi had been appointed Director by co-optation on 30 July 2013, replacing Cav. Enrico Zobele who had resigned from this office on 23 April 2013.
Note that Mr. Gianotti, Mr. Montini and Mr. Pasini declared their status as Independent Directors pursuant to the Corporate Governance Code and art. 148, paragraph 3 of Legislative Decree 58/1998, and this was confirmed by the assessments conducted by the Board of Directors.
By virtue of the provisions of art. 7, paragraph 2 of the Company's Articles of Association, since the majority of the Directors in office have left, the entire Board of Directors of the Company must be understood as ceased from the date the new administrative body is appointed by the Ordinary Shareholders' Meeting. Therefore, the Board of Directors resolved to convene the Ordinary Shareholders' Meeting to appoint the entire administrative body of the Company on 10 March 2014 in first call and, if necessary, on 11 March 2014 in second call.

Business outlook

With regard to the business outlook for the current year, we hereby confirm the announcement made on 13 January 2014, on approval of the draft financial statements as at 30 September 2013: "the Issuer believes that the current financial year will be able to record a consolidated net income at around break-even, improving considerably compared to the results as at 30 September 2013." These expectations continue to be based on the assumption of improvement in the Italian economic and financial situation over the next few months of 2014, and no change in the current investment portfolio, thus ruling out potential extraordinary transactions, disposals and/or acquisitions (except those occurred in the first quarter of the year and already known at the date of approval of the financial statements), as well as any value adjustments to investments or receivables.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(amounts in thousands of EUR)

	31.12.2013	30.09.2013
Non-current assets		
Intangible assets	29.978	29.943
Property, plant and equipment	134.146	137.659
Investments accounted for using the equity method	90.687	77.301
Financial receivables	155.091	105.362
Other financial assets	121.456	119.594
Sundry receivables and other assets	327	295
Prepaid tax assets	8.571	8.527
Total non-current assets	**540.256**	**478.681**
Current assets		
Property inventories	117.941	122.012
Financial receivables	33.673	83.500
Other financial assets	12.185	17.826
Tax assets	15.866	15.935
Sundry receivables and other assets	28.157	26.909
Cash and cash equivalents	52.992	45.617
Total current assets	**260.814**	**311.799**
Assets held for sale	-	-
Total assets	**801.070**	**790.480**
Shareholders' equity		
Share capital	87.907	87.907
Share premium	53.716	53.716
Treasury shares	(26.515)	(26.515)
Reserves	212.289	250.025
Profit (loss) for the year	19.037	(38.087)
Shareholders' equity pertaining to the Group	**346.434**	**327.046**
Non controlling interests	55.798	56.389
Total shareholders' equity	**402.232**	**383.435**
Non-current liabilities		
Bonds	96.263	96.103
Financial payables	98.497	103.794
Provisions for personnel	2.503	2.407
Deferred tax liabilities	37.699	37.746
Provisions for risks and charges	5.404	5.688
Sundry payables and other liabilities	2.874	2.934
Total non-current liabilities	**243.240**	**248.672**
Current liabilities		
Bonds	2.823	1.321
Financial payables	115.366	117.428
Other financial liabilities	4.119	4.741
Tax liabilities	1.472	1.340
Sundry payables and other liabilities	31.818	33.543
Total current liabilities	**155.598**	**158.373**
Liabilities held for sale	-	-
Total shareholders' equity and liabilities	**801.070**	**790.480**

CONSOLIDATED INCOME STATEMENT

	31.12.2013	31.12.2012	30.09.2013
Revenues	17.507	9.785	49.748
Other income	498	605	3.648
Variations in property inventories	(4.180)	3.717	5.640
Costs for purchases	(93)	(3.723)	(11.542)
Costs for services	(8.147)	(7.407)	(33.742)
Personnel costs	(2.652)	(2.250)	(11.809)
Other costs	(1.024)	(823)	(5.831)
Dividends	369	-	1.947
Profit (loss) from management of financial activities and investments	1.812	744	2.348
Gross operating margin (EBITDA)	**4.089**	**648**	**407**
Amortisation and value adjustments to intangible assets	(3.597)	(3.596)	(14.656)
Allocations to the provision for risks	-	-	(4.993)
Value adjustments to financial assets and receivables	(1.572)	(5)	(28.836)
Share of income (loss) of investments accounted for using the equity method	21.679	177	325
Operating result (EBIT)	**20.599**	**(2.777)**	**(47.753)**
Financial income	1.858	3.045	24.124
Financial expenses	(4.286)	(3.254)	(12.725)
Profit (loss) from trading of financial assets	114	65	(1.178)
Income (loss) before taxes	**18.286**	**(2.920)**	**(37.532)**
Income taxes	64	(317)	(3.717)
Income (loss) from continuing operations	**18.350**	**(3.237)**	**(41.248)**
Income (loss) from assets held for sale	-	58	143
Profit (loss) for the year	**18.350**	**(3.179)**	**(41.105)**
Attributable to:			
Income (loss) pertaining to non controlling interests	688	468	3.018
Income (loss) pertaining to the Group	**19.037**	**(2.711)**	**(38.087)**

The Manager responsible for preparing the Mittel Group's financial reports, Pietro Santicoli, hereby declares that pursuant to Article 154 bis, paragraph 2, of the Consolidated Law on Finance, the accounting information provided in this press release matches the information reported on the company’s documents, books and accounting records.