

**MITTEL S.p.A.**  
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](http://www.mittel.it)

## **PRESS RELEASE**

### **MITTEL S.p.A.'s Board of Directors approved the Report as at 30 September 2017 (12 months)**

- **The Group recorded net income of EUR 31,5 million as at 30 September 2017, due mainly to the result generated by the process of disposal of non-core assets of the Group and, more specifically, the non-controlling interest held in Livanova Plc, fully disposed of during the period.**
- **The consolidation, albeit for a limited period, of the majority acquisitions carried out allowed the Group to generate revenue totalling EUR 44,5 million as at 30 September 2017 (EUR 9,7 million as at 30 September 2016).**
- **The consolidated net financial position is negative for EUR 102,2 million (negative for EUR 54,5 million as at 30 September 2016). This value does not consider the financial resources pertaining to Mittel (equal to roughly EUR 60 million) as at 30 September 2017 in vehicles, consolidated at equity, which disposed the investment in Livanova Plc.**
- **Consolidated equity as at 30 September 2017 amounting to EUR 238,2 million.**

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*Milan, 29 November 2017* - At its meeting today, the Board of Directors of Mittel S.p.A. examined and approved the Interim report on operations as at 30 September 2017.

In consideration of the change of the date of close of the company year from 30 September to 31 December of each year, as resolved by the Extraordinary Shareholders' Meeting of the Company on 18 November 2016, the voluntary approval, only for the year of 15 months closing on 31 December 2017, of an interim report on operations as at 30 September 2017 in accordance with art. 82-ter of the Issuers' Regulation was made necessary in consideration of the particular case which, in the absence of the publication of the aforementioned report, would not have allowed the market to obtain Company data at least on a half-yearly basis.

#### **Highlights of the operating performance**

In March 2016, Mittel, following the appointment of the new Chief Executive Officer Rosario Bifulco in November 2015, presented a new strategic plan whose objective is to turn the company into a dynamic and efficient entity, focused on majority investments in Italian small and medium enterprises, by supporting their growth processes with a view to long-term investment.

In the last few months, Mittel has therefore carried out a major transformation of its assets through the acquisition of the majority of 3 target companies, namely (i) Gruppo Zaffiro S.r.l. (Nursing homes - November 2016), (ii) Ceramica Cielo S.p.A. (Designer ceramic sanitary-ware - June 2017) and (iii) IMC - Industria Metallurgica Carmagnolese S.r.l. (Automotive components - September 2017), by re-investing the resources

generated by the process of liquidation of the non-strategic assets disposed of during the year (Livanova Plc, Castello SGR S.p.A., ISA S.p.A. and Credit Access Asia). The effect of the economic consolidation of these entities is still partial as at 30 September 2017, based on the acquisitions made during the year.

Lastly, in order to best redefine its sources of medium/long-term financing, the debt of the holding Mittel was restructured through the issuing of a six-year (2017-2023) bond totalling EUR 129,5 million relating to the partial extinguishment of the bond expiring in 2019 for EUR 55,5 million. This process, concluded in November 2017, not only allowed the lengthening of the average life of the debt by around 4 years, but made possible to raise significant additional medium/long-term financial resources for the Group investment plan.

### Main consolidated income statement figures

	<b>01.10.2016</b> <b>30.09.2017</b> <i>(12 months)</i>	<b>01.10.2015</b> <b>30.09.2016</b> <i>(12 months)</i>
<i>(Thousands of Euro)</i>		
Revenue and other income	44.485	9.717
Variations in inventories	(10.113)	(10.030)
<b>Net revenue</b>	<b>34.372</b>	<b>(313)</b>
Purchases, provision of services, sundry costs	(24.212)	(16.880)
Personnel costs	(16.475)	(6.627)
<b>Operating costs</b>	<b>(40.687)</b>	<b>(23.508)</b>
Gains (losses) from investments	9.620	8.725
<b>Operating margin (EBITDA)</b>	<b>3.304</b>	<b>(15.095)</b>
Amortization/depreciation, allocations and adjustments to non-current assets	(997)	(686)
Value adjustments to financial assets, loans, receivables and investments	(7.954)	(23.533)
Share of income (loss) of investments	42.429	25.242
<b>Operating result (EBIT)</b>	<b>36.783</b>	<b>(14.072)</b>
Profit (loss) from financial management	(8.283)	(2.331)
Profit (loss) from trading of financial assets	354	61
<b>Profit (loss) before taxes</b>	<b>28.853</b>	<b>(16.342)</b>
Taxes	2.970	4.739
<b>Net profit (loss) for the period</b>	<b>31.823</b>	<b>(11.603)</b>
Income (loss) pertaining to non-controlling interests	(348)	7.098
<b>Income (loss) pertaining to the Group</b>	<b>31.475</b>	<b>(4.506)</b>

**Net revenue:** the item includes the financial statement items revenue, other income and variations in inventories and presented a positive balance of EUR 34,4 million as at 30 September 2017 (negative balance of EUR 0,3 million in the comparison period). This balance is the combined result of the following factors:

- (i) revenue recognition of EUR 43,3 million (EUR 8,0 million as at 30 September 2016); the RSA sector (Zaffiro Group and subsidiaries) for EUR 22,9 million (11 months), the Real Estate sector for EUR 12,5 million (EUR 5,9 million as at 30 September 2016), the Design sector (Ceramica Cielo S.p.A.) for EUR 5,0 million (3 months) and the Advisory sector for EUR 2,7 million (EUR 1,2 million as at 30 September 2016) mainly contributed to the item;
- (ii) recognition of other income for EUR 1,2 million (EUR 1,7 million in the comparison period);

(iii) variations in inventories, a negative EUR 10,1 million; the negative contribution recorded in this year is due to the net effect of the reduction for the discharge of the cost of sales of property inventories (EUR 10,8 million) and the increase in capitalised costs in the period (EUR 0,7 million).

**Costs for purchases, provision of services, sundry costs:** this item, totalling EUR 24,2 million (EUR 16,9 million as at 30 September 2016), rose due to the operating costs of the companies subject to first-time consolidation and includes costs for purchases of EUR 4,0 million (EUR 2,3 million in the comparison period), costs for services of EUR 17,3 million (EUR 9,6 million as at 30 September 2016) and other costs of EUR 2,9 million (EUR 4,9 million as at 30 September 2016). The RSA sector for EUR 9,8 million, the Parent Company Mittel S.p.A. for EUR 6,0 million (EUR 7,0 million in the comparison period), the Design sector for EUR 3,0 million and the Real Estate sector for EUR 2,7 million (EUR 4,2 million in the comparison period) mainly contributed to the item.

**Personnel costs:** the item presented a balance of EUR 16,5 million (EUR 6,6 million as at 30 September 2016), of which EUR 10,7 million deriving from the RSA sector, EUR 2,8 million relating to the Parent Company Mittel S.p.A. (down EUR 1,1 million compared to EUR 3,9 million in the comparison period), EUR 1,5 million attributable to the Advisory sector and EUR 1,3 million relating to the Design sector.

**Gains (losses) from investments:** the item, which recorded a positive total balance of EUR 9,6 million (positive EUR 8,7 million in the comparison period), is due primarily to the sales of listed securities made by the Parent Company in the period, which led to the recognition of total gains of EUR 4,3 million, and the sale of the non-controlling interests in Castello SGR S.p.A. (gain of EUR 3,2 million), in ISA (gain of EUR 0,7 million) and in Credit Access Asia N.V. (gain of EUR 0,6 million).

**Value adjustments to financial assets, loans and receivables:** the item presented a balance of EUR 8,0 million (EUR 23,5 million in the comparison period) and includes the effect: (i) of the fair value adjustment of mutual real estate funds and the investment vehicles held by the Group, which involved a total adjustment of EUR 2,3 million (EUR 2,5 million in the comparison period); (ii) value adjustments to loans recognised on the basis of the update of the valuations at the closing date, amounting to EUR 5,6 million (EUR 21,0 in the comparison period).

**Share of income (loss) of investments:** the item, a positive EUR 42,4 million (positive EUR 25,2 million in the comparison period), relates almost entirely to the result deriving from the synthetic consolidation of Tower 6 bis S.à r.l. and Bios S.p.A., which, during the period, sold the entire residual package of Livanova Plc shares in full, with the subsequent recognition in the income statement of the associated profit from sale (already recognised in the balance sheet in previous years, as a result of the fair value adjustment of the securities held by investees, as a contra-item to the appropriate valuation reserve previously booked to equity, eliminated in the period as a result of the recognition of profit from transfer to this income statement item).

**Profit (loss) from financial management:** presents a net negative balance of EUR 8,3 million (negative EUR 2,3 million in the comparison period); the item is mainly attributable to the negative contribution of the Parent Company Mittel S.p.A. (EUR 9,4 million), which presents financial income of EUR 3,3 million (attributable primarily to the interest accrued on the financial receivables held) and financial expenses of EUR 12,7 million (of which EUR 4,2 million relating to non-recurring costs connected with the overall transaction performed in July, which involved the recognition of the costs of extinguishment of the portion of the 2013-2019 bond subject to early redemption and the costs from the initial recognition of the 2017-2023 bond); the net negative contribution of the Parent Company is in contrast primarily to the positive contribution of EUR 1,5 million of the subsidiary Ghea S.r.l..

## Main consolidated financial and equity figures

(Thousands of Euro)	<b>30.09.2017</b>	<b>30.09.2016</b>
Intangible assets	85.246	41
Property, plant and equipment	20.661	3.764
Investments	56.098	88.133
Non-current financial assets	116.663	137.958
Provisions for risks, employee severance indemnity and employee benefits	(6.047)	(3.185)
Other non-current assets (liabilities)	325	(163)
Tax assets (liabilities)	2.353	2.590
Net working capital (*)	90.397	98.100
<b>Net invested capital</b>	<b>365.696</b>	<b>327.238</b>
Equity pertaining to the Group	(238.247)	(252.971)
Non-controlling interests	(25.245)	(19.782)
<b>Total equity</b>	<b>(263.492)</b>	<b>(272.754)</b>
<b>Net financial position</b>	<b>(102.204)</b>	<b>(54.485)</b>

(\*) Comprised of the sum of Inventories, sundry receivables (payables) and other current assets (liabilities)

**Intangible assets** amounted to EUR 85,2 million (insignificant item in the comparison period). The item includes (i) the goodwill of EUR 40,4 million recognised at the time of acquisition (in November 2016) of Gruppo Zaffiro S.r.l., a company which heads up the group of the same name active in the nursing home sector; (ii) the goodwill of EUR 8,9 million relating to the acquisition (on 22 June 2017) of 80% of Ceramica Cielo S.p.A., a company active in the production and sale of designer ceramic sanitary-ware and accessories intended for the luxury sector in Italy and abroad as well as (iii) as a consequence of the acquisition, in September 2017, through a vehicle in which Mittel S.p.A. holds a 75% stake, of 100% of IMC – Industria Metallurgica Carmagnolese S.r.l.; the consolidated financial statements item was supplemented by a total amount of EUR 35,7 million. This goodwill was provisionally determined pending the conclusion of the process of allocation (PPA) of the same to the assets involved in the business combinations acquired, to be completed according to IFRS 3 within 12 months of the acquisition date.

**Property, plant and equipment** amounted to EUR 20,7 million (EUR 3,8 million as at 30 September 2016), and was hugely impacted by the entry to the scope of consolidation of the RSA sector, which contributed EUR 8,1 million to the item (of which EUR 6,4 million relating to the Rivignano property acquired under a leasing agreement in April 2017), of Ceramica Cielo, which contributed EUR 5,6 million (of which EUR 3,3 million attributable to land and buildings and EUR 2,0 million to plant and machinery) and of the Automotive sector (IMC), which contributed EUR 3,4 million to the item.

**Investments measured using the equity method** totalled EUR 56,1 million (EUR 88,1 million as at 30 September 2016). As at 30 September 2017, the item was composed almost entirely of investments held by the Parent Company Mittel S.p.A. in Bios S.p.A. (EUR 50,1 million, given that, as of said date, said entity had still not distributed resources to shareholders following the sales of Livanova Plc shares) and in Mittel Generale Investimenti S.r.l. (EUR 5,4 million) and decreased with respect to the comparison period, due to the distributions made by Tower 6 bis S.à r.l., which involved the substantial elimination of said investment.

**Non-current financial assets** amounted to EUR 116,7 million and refer: i) for EUR 86,1 million (EUR 100,2 million in the comparison period) to non-current financial receivables, mainly relating to the credit positions held by the Parent Company (EUR 64,3 million), in addition to the receivable (attributable to the equity rights of class

B shares held) due to Ghea S.r.l., in which Mittel holds a 51% stake, from Bios S.p.A (EUR 20,3 million); ii) for EUR 30,5 million (EUR 37,6 million in the comparison period) and financial assets available for sale, represented mainly by shares in closed-end real estate funds held by the Parent Company and shares in investment vehicles held by Mittel S.p.A. and Earchimede S.p.A..

**Provisions for risks, employee severance indemnity and employee benefits** amounted to EUR 6,0 million (EUR 3,2 million as at 30 September 2016). In particular, as at 30 September 2017, this item is composed, for EUR 4,7 million, of Provisions for personnel (EUR 1,4 million in the comparison period) and, for EUR 1,4 million, of Provisions for risks and charges (EUR 1,8 million in the comparison period). The Zaffiro Group (EUR 1,6 million), Ceramica Cielo S.p.A. (EUR 1,2 million), Mittel S.p.A. (EUR 0,7 million) and the Automotive sector (EUR 0,7 million) mainly contributed to the item provisions for personnel.

The item **other non-current assets (liabilities)** totalled EUR 0,4 million (a negative EUR 0,2 million in the comparison period). This item is composed of other receivables and other assets of EUR 0,5 million (EUR 0,3 million as at 30 September 2016) and other payables and liabilities of EUR 0,1 million (EUR 0,5 million in the comparison period).

The item **net tax assets (liabilities)** amounted to EUR 2,4 million (EUR 2,6 million as at 30 September 2016), and is composed of the sum of current tax assets of EUR 9,0 million (EUR 10,8 million as at 30 September 2016) and deferred tax assets for EUR 0,2 million (EUR 1,3 million in the comparison period), which contrast with deferred tax liabilities of EUR 4,0 million (EUR 9,5 million in the comparison period) and current tax liabilities of EUR 2,8 million (insignificant item in the comparison period).

**Net working capital** amounted to EUR 90,4 million (EUR 98,1 million as at 30 September 2016). The item is composed: (i) of the value of inventories of EUR 99,4 million (EUR 89,5 million attributable to property inventories, for EUR 3,7 million relating to Ceramica Cielo S.p.A. and for EUR 6,2 million pertaining to the Automotive sector), an increase compared to EUR 98,1 million as at 30 September 2016 (which included solely property inventories); (ii) sundry receivables and other current assets for EUR 25,7 million, a net increase compared to EUR 8,5 million in the comparison period, mainly for the contributions of the Automotive sector (EUR 10,1 million), of Ceramica Cielo S.p.A. (EUR 7,1 million) and the RSA sector (EUR 2,1 million); (iii) sundry payables and other current liabilities of EUR 34,7 million (EUR 10,0 million in the comparison period), to which the Automotive sector, Ceramica Cielo S.p.A. and the RSA sector contributed, respectively, for EUR 8,5 million, EUR 5,7 million and EUR 3,6 million, while Mittel S.p.A. contributed EUR 11,6 million to the item, of which EUR 6,7 million relating to the liability recorded, pending the definitive ruling, as a contra-item of the collection received regarding an active tax dispute.

**Net invested capital** consequently amounted to EUR 365,7 million (EUR 327,2 million as at 30 September 2016), financed by equity for EUR 263,5 million (EUR 272,8 million in the comparison period) and by the net financial position for EUR 102,2 million (EUR 54,5 million as at 30 September 2016).

**Equity pertaining to the Group** amounted to EUR 238,2 million (EUR 253,0 million as at 30 September 2016), while non-controlling interests amounted to EUR 25,2 million (EUR 19,8 million).

In respect of the trend in consolidated equity and income items described, the negative **net financial position** amounted to EUR 102,2 million, as detailed, (EUR 54,5 million in the year ended as at 30 September 2016). The detailed breakdown of each item is reported below.

## Statement relating to the consolidated net financial position

(Thousands of Euro)	30.09.2017	30.09.2016
Cash	78	15
Other cash equivalents	168.544	84.974
Securities held for trading (*)	-	6.909
<b>Current liquidity</b>	<b>168.622</b>	<b>91.898</b>
<b>Current financial receivables</b>	<b>266</b>	<b>32.951</b>
Bank loans and borrowings	(80.812)	(77.872)
Bond issue	(173.931)	(99.183)
Other financial payables	(16.349)	(2.280)
<b>Financial debt</b>	<b>(271.092)</b>	<b>(179.335)</b>
<b>Net financial position</b>	<b>(102.204)</b>	<b>(54.486)</b>

(\*) Available-for-sale assets posted under current assets and financial assets held for trading were reclassified to this item.

## Main significant events in the second half of the year

### *Implementation of the measures defined in the 2016-2019 Strategic Plan*

On 11 April 2017, Gruppo Zaffiro S.r.l., via a vehicle established on an ad-hoc basis, acquired a new initiative in the nursing home for the elderly sector and, more specifically, in Rivignano in the province of Udine. The new facility, for which a total investment of around EUR 9,0 million is planned, will contain around 120 beds when fully operational, and was financed with a property lease. The operation kicks off the growth project which envisages the use of the Zaffiro Group as a solid platform on which to create a process for bringing together other local enterprises operating in the nursing home sector, with the objective of becoming, over the next few years, a reference point in the sector.

On 19 April 2017, in fulfilment of the preliminary contract signed in December 2016 between Mittel S.p.A. and Maire Investments S.p.A., the transfer of the entire investment held by Mittel S.p.A. in Castello SGR S.p.A. was completed, equal to 21,81%. The operation involved the collection of EUR 6,7 million.

On 8 May 2017, with the strategic objective of assuming full control of the assets of the Real Estate sector, Mittel Investimenti Immobiliari S.r.l. acquired from the company Residenza Altaguardia 11 S.r.l. a 40% stake in Santarosa S.r.l. (in which the Mittel Group previously held a stake of 60%), for a total price of EUR 890 thousand). The company's sole asset is a property contract in Milan (Piazzale Santorre di Santarosa). Following this acquisition, Residenza Altaguardia 11 S.r.l. - also through subjects appointed by the latter - signed three preliminary agreements for the purchase of property units held by Santarosa S.r.l. for a value of EUR 963 thousand. The operation qualified as a related party transaction pursuant to the Related Party Procedure of Mittel S.p.A. and took place following the obtaining of the favourable opinion (not binding given relating to a transaction of minor importance) of the Related Party Committee of the Parent Company.

On 22 June 2017, Mittel S.p.A. acquired, with a total investment of around EUR 15,0 million, a share of 80% in the company Ceramica Cielo S.p.A., operating in the production and sale of designer ceramic sanitary-ware and accessories intended for the luxury sector in Italy and abroad. Mr. Alessio Coramusi, a founding partner of Ceramica Cielo, retained the position of Chief Executive Officer and, at the same time, remained a shareholder

with a stake of 20%. Ceramica Cielo, founded in 1999 in Fabrica di Roma (VT), generated revenue of roughly EUR 19 million in 2016, of which more than 20% abroad, with an operating margin (EBITDA) exceeding 20%. The products, distributed under the “Cielo” brand name, are characterised by their stylistically cutting-edge design and by the innovative treatment of materials. The bathroom furniture sector and, more specifically, designer and luxury products, represent an industry in which Italy holds a significant and recognised position at international level, and in which Mittel believes there is ample room for creating, by exploiting the acquisition of Ceramica Cielo, an aggregation platform which may involve several companies also operating in complementary segments.

On 27 September 2017, Mittel - through a company in which it holds a 75% stake, Mittel Automotive S.r.l. - completed the acquisition of the entire share capital of IMC – Industria Metallurgica Carmagnolese S.r.l. from the wholly-owned parent company 100% Roblafin S.r.l.. The remaining 25% of Mittel Automotive S.r.l. was purchased by said Roblafin S.r.l.. The value of the acquisition of IMC, equal to EUR 48,5 million, was financed, for an amount of EUR 28,0 million, by the use of bank debt. IMC, founded in 1962 in Carmagnola (TO), is the Tier 1 supplier of the leading European manufacturers in the automotive sector. IMC generated revenue exceeding EUR 40 million in 2016, of which roughly 90% abroad, with an operating margin (EBITDA) exceeding EUR 10 million. Prior to the closing, IMC acquired from Roblafin Holding S.r.l. 100% of the company Balder S.r.l., a smaller company operating in the same segment, which recorded operating revenues of roughly EUR 3 million in 2016.

Lastly, as regards the progress status of the disposal of the non-core assets of the Mittel Group and as announced to the market on 27 September 2017, note should be taken of the completion, in September 2017, of the process of market sale, with several transactions completed between June and September 2017, of the investment held indirectly in Livanova Plc, via the investees Bios S.p.A. (50%) and Tower 6 Bis S.a.r.l. in liquidation (49%), held by Mittel S.p.A. in partnership with Equinox T.w.o. S.c.a..

*Issue of Mittel 2017-2023 bonds / Early partial voluntary redemption of 2013-2019 bond /OPAS (public purchase and exchange offer)*

On 15 May 2017, Mittel S.p.A. announced the issuing of a 6-year bond, for a maximum of EUR 175 million, of which EUR 123,5 million new funding (OPSO - Public subscription offer). The overall transaction announced also made provision for:

- (i) the exercising of the early partial voluntary redemption of 50% of the nominal value of all of the 2013-2019 bonds (equal to roughly a nominal EUR 100 million) and, following the early partial voluntary redemption,
- (ii) the promotion of a full voluntary public exchange offer on the outstanding 2013-2019 bonds, issued by Mittel, listed on the MOT (Screen-based Bond Market), organised and managed by Borsa Italiana S.p.A., with consideration represented by additional bonds issued by the Issuer.

The OPSO was carried out between 21 July and 24 July 2017 and concluded with the issuing of 138.000.000 bonds for a total nominal value of EUR 123.510.000 on 27 July 2017. The bonds were issued at 100% of the nominal value and the fixed annual gross definitive nominal rate was set at 3,75%.

On 27 July 2017, Mittel S.p.A. informed the market, according to the provisions of art. 6.2 of the Bond Regulation, of the exercising of the early voluntary redemption of 50% of the nominal value of the 2013-2019 bonds (maximum amount allowed by the regulation). The early partial voluntary redemption took place on 18 August 2017 and the associated price of reimbursement for each 2013-2019 bond was EUR 0,8874, equal to 102% of the nominal value reimbursed (EUR 0,87), for a total amount of EUR 50.634.294. Following the redemption, the nominal value of the 2013-2019 bonds went from EUR 1,75 to EUR 0,88.

The overall transaction announced also required the newly issued bonds of the Mittel 2017-2023 loan to be offered under exchange for a maximum of 57.059.155, with a maximum nominal value of around EUR 51,1 million, to holders of 2013-2019 bonds issued by Mittel currently listed on the MOT, who had subscribed to the full voluntary public exchange offer promoted, subject, inter alia, to the successful outcome of the OPSO and the voluntary early redemption of 50% of the nominal value of the 2013-2019 bonds, with the delivery of 1 new bond for every 2013-2019 bond tendered. For details on the outcome of said offer, please refer to the section relating to events after 30 September 2017.

## *Governance*

On 11 April 2017, Mittel S.p.A.'s Board of Directors, having acknowledged the resignation from the post of Director of Anna Maria Tarantola, on 7 April and effective immediately, subsequently resolved the appointment via co-optation of Valentina Dragoni as Independent Director, who will remain in office until the first Shareholders' Meeting in which the confirmation of her appointment will be proposed. As a result of the resignation of Anna Maria Tarantola from the role of Lead Independent Director, as well as the Chairman of the Remuneration and Appointments Committee and the Chairman of the Related Party Committee, the Board of Directors also appointed Anna Gervasoni as Lead Independent Director and modified the composition of the aforementioned internal Committees by appointing (i) the Chairman of the Remuneration and Appointments Committee Anna Cremascoli - already a member of the aforementioned Committee - and new member Valentina Dragoni and (ii) Chairman of the Related Party Committee, Valentina Dragoni.

On 26 June 2017, Mittel S.p.A. received the resignation, effective immediately, of Director Anna Gervasoni, due to changed professional commitments, which will not allow her to continue her activities at Mittel with the necessary dedication. Anna Gervasoni, appointed by the Shareholders' Meeting of 27 January 2017, put forward as a candidate from the majority list filed by Seconda Navigazione S.r.l., relinquished all other appointments assigned to her based on her role as Independent Director. Mittel S.p.A.'s Board of Directors, which met on 6 July, having acknowledged the resignation tendered on 26 June, subsequently resolved the appointment via co-optation of Patrizia Galvagni as Independent Director, who will remain in office until the first Shareholders' Meeting in which the confirmation of her appointment will be proposed. As a result of the resignation of Anna Gervasoni from the office of member of the Control and Risks Committee and member of the Related Party Committee, the Board of Directors also appointed Patrizia Galvagni as her replacement, while the position of Lead Independent Director, up to now held by Anna Gervasoni, was assigned to Anna Cremascoli.

## **Main significant events after 30 September 2017**

In October 2017, a public purchase and exchange offer (OPAS) was carried out regarding the remaining 50% of the nominal value of the 2013-2019 bond in place following the early redemption performed in July and with consideration represented by (i) one 2017-2023 bond and (ii) a monetary consideration for each 2013-2019 bond tendered, with an implicit premium of around 3,5% of the nominal value of the 2013-2019 bonds. The offer was concluded on 8 November 2017, with the subscription to the OPAS of 6.709.182 2013-2019 bonds for a total nominal value of EUR 5.904.080,16, equal to 11,76% of the 2013-2019 bonds involved in the OPAS. The residual 50.349.973 2013-2019 bonds not tendered (with nominal value of EUR 44,3 million) continue to be listed on the MOT, similar to the 144.709.182 2017-2023 bonds issued (with nominal value of EUR 129,5 million).

## **Business outlook for the year**

In respect of the significant changes that occurred in the first 12 months of the year, Mittel is now ready to ramp up the investment process by focusing its efforts on two levels. Firstly, the company is aiming at consolidation and growth of the segments in which it is already present today: the acquisitions in the nursing homes for the elderly (Gruppo Zaffiro S.r.l.), designer ceramic sanitary-ware (Ceramica Cielo S.p.A.) and automotive components (IMC S.r.l.) sectors, constitute the platforms on which to establish a process of both horizontal and vertical growth. On the other hand, Mittel is continuing to seek out new investment opportunities, with the goal of creating value in the long-term, through the acquisition of target companies that encapsulate Italian entrepreneurial excellence, to be combined with the financial and business contribution from the Group itself.

Lastly, the next months will see a continuation of the collection of additional financial resources which will be focused on the residual portfolio of assets not considered strategic at present, relating to the real estate sector held through the subsidiary Mittel Investimenti Immobiliari S.r.l., as well as on the process of collection of financial receivables, an activity that still represents today a significant part of the Group's consolidated assets.

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Euro

	30.09.2017	30.09.2016
<b>Non-current assets</b>		
Intangible assets	85.246	41
Property, plant and equipment	20.661	3.764
Investments accounted for using the equity method	56.098	88.133
Financial receivables	86.121	100.176
Other financial assets	30.543	37.782
Sundry receivables and other assets	464	315
Deferred tax assets	188	1.256
<b>Total non-current assets</b>	<b>279.321</b>	<b>231.468</b>
<b>Current assets</b>		
Inventories	99.352	99.591
Financial receivables	266	32.951
Other financial assets	-	6.909
Current tax assets	8.991	10.841
Sundry receivables and other assets	25.728	8.504
Cash and cash equivalents	168.622	84.990
<b>Total current assets</b>	<b>302.959</b>	<b>243.785</b>
Assets held for sale	-	-
<b>Total assets</b>	<b>582.280</b>	<b>475.254</b>
<b>Equity</b>		
Share capital	87.907	87.907
Share premium	53.716	53.716
Treasury shares	(21.058)	(21.058)
Reserves	86.207	136.912
Profit (loss) for the period	31.475	(4.506)
<b>Equity pertaining to the Group</b>	<b>238.247</b>	<b>252.971</b>
Non-controlling interests	25.245	19.782
<b>Total equity</b>	<b>263.492</b>	<b>272.754</b>
<b>Non-current liabilities</b>		
Bond issue	172.754	97.873
Financial payables	55.149	2.280
Other financial liabilities	7.556	-
Provisions for personnel	4.682	1.430
Deferred tax liabilities	4.001	9.495
Provisions for risks and charges	1.365	1.756
Sundry payables and other liabilities	137	478
<b>Total non-current liabilities</b>	<b>245.648</b>	<b>113.311</b>
<b>Current liabilities</b>		
Bond issue	1.177	1.310
Financial payables	34.454	77.872
Other financial liabilities	-	-
Current tax liabilities	2.825	13
Sundry payables and other liabilities	34.684	9.994
<b>Total current liabilities</b>	<b>73.140</b>	<b>89.189</b>
Liabilities held for sale	-	-
<b>Total equity and liabilities</b>	<b>582.280</b>	<b>475.254</b>

## CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Euro

	<b>01.10.2016</b> <b>30.09.2017</b>	<b>01.10.2015</b> <b>30.09.2016</b>
Revenue	43.301	7.985
Other income	1.184	1.732
Variations in inventories	(10.113)	(10.030)
Costs for purchases	(3.999)	(2.304)
Costs for services	(17.273)	(9.638)
Personnel costs	(16.475)	(6.627)
Other costs	(2.940)	(4.938)
Dividends	152	900
Profit (loss) from management of financial activities and investments	9.468	7.825
<b>Gross operating margin (EBITDA)</b>	<b>3.304</b>	<b>(15.095)</b>
Amortization and value adjustments to intangible assets	(1.082)	(321)
Allocations to the provision for risks	85	(365)
Value adjustments to financial assets, loans and receivables	(7.954)	(23.533)
Share of income (loss) of investments accounted for using the equity method	42.429	25.242
<b>Operating result (EBIT)</b>	<b>36.783</b>	<b>(14.072)</b>
Financial income	4.897	6.642
Financial expenses	(13.180)	(8.973)
Profit (loss) from trading of financial assets	354	61
<b>Profit (loss) before taxes</b>	<b>28.853</b>	<b>(16.342)</b>
Income taxes	2.970	4.739
<b>Income (loss) from continuing operations</b>	<b>31.823</b>	<b>(11.603)</b>
Income (loss) from assets held for sale or discontinued operations	-	-
<b>Profit (loss) for the period</b>	<b>31.823</b>	<b>(11.603)</b>
<b>Attributable to:</b>		
Income (loss) pertaining to non-controlling interests	348	(7.098)
<b>Income (loss) pertaining to the Group</b>	<b>31.475</b>	<b>(4.506)</b>

The Manager in charge of financial reporting, Pietro Santicoli, hereby declares that, pursuant to paragraph 2, art. 154-bis of the Consolidated Law on Finance, that the accounting information in this press release corresponds to the documentary results, the books and the accounting records.