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

Interim report on operations as at 30 June 2014 (1 October 2013 - 30 June 2014)

129th company year

Contents

Board of Directors

Chairman

Franco Dalla Sega (b)

Deputy Chairman

Giorgio Franceschi (b)

Directors

Maria Vittoria Bruno (a) (c) (e)

Stefano Gianotti (b)

Marco Merler (a) (c)

Giuseppe Pasini (b)

Gianluca Ponzellini (a) (d)

Duccio Regoli (a) (c) (e)

Carla Sora (a) (d)

Michela Zeme (a) (e)

General Manager

Maurizia Squinzi

Manager responsible for preparing the Company's financial reports

Pietro Santicoli

Board of Statutory Auditors

Standing auditors

Giovanni Brondi – Chairman

Maria Teresa Bernelli

Simone Del Bianco

Alternate auditors

Roberta Crespi

Giulio Tedeschi

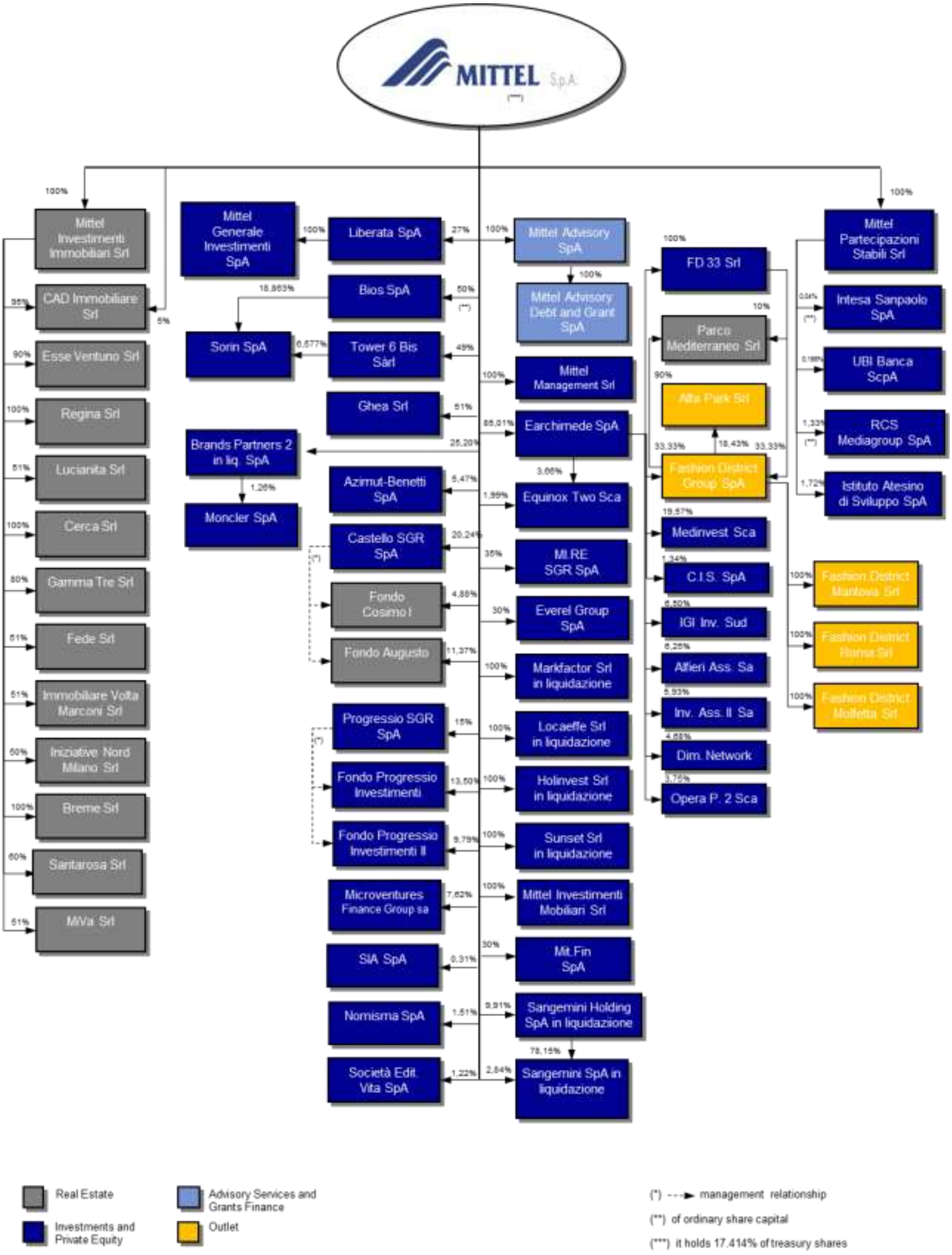
Independent Auditors

Deloitte & Touche S.p.A.

(a) Independent Director
(b) Member of the Executive Committee
(c) Member of the Control and Risks Committee
(d) Member of the Remuneration and Appointments Committee
(e) Member of the Related Parties Committee

The duration of the company shall be until 31 December 2020, as stated in art. 4 of the Articles of Association.

Group Structure
as at 30 July 2014



Introduction

Directors' Report on Operations

Group Performance

In terms of the consolidated economic result, in the first nine months of the year, 1 October 2013 - 30 September 2014 (129th year since the foundation of Mittel S.p.A.), the Mittel Group posted a consolidated profit of EUR 4,3 million, compared to a consolidated loss of EUR 15,7 million in the corresponding period in the previous year and a consolidated loss of EUR 38,0 million recorded as at 30 September 2013.

The consolidated result recorded in the third quarter of financial year 2013-2014 was mainly affected by other income from investments (EUR 4,7 million), dividends (EUR 5,3 million), and profits coming from the transfer of Moncler S.p.A. shares (EUR 7,6 million) by the associate Brands Partners 2 S.p.A. (today in liquidation), negative value adjustments of financial assets and receivables (EUR 7,2 million).

Group shareholders' equity amounted to EUR 327,9 million, basically in line with the value of EUR 327,0 million recorded as at 30 September 2013.

Financial highlights of the Mittel Group

Economic summary

The economic, equity and financial tables below are shown in reclassified form with respect to those contained in subsequent paragraphs, in order to highlight certain intermediate results and the equity and financial aggregates deemed most significant for understanding the Group's operating performances. These amounts, even though not provided for by IFRS/IAS, are supplied in compliance with the indications in Consob Communication no. 6064293 of 28 July 2006 and CESR Recommendation dated 3 November 2005 (CESR/05-178b).

This report contains several financial ratios, deriving from financial statement tables, which provide an overview of the Group's economic, equity and financial performances, both in terms of the change with respect to comparative historical data and the incidence on other values for the same period. Details of economic items not taken directly from the financial statements, and comments and evaluations, also help to better qualify the trends in the different values.

Main economic, financial and equity figures of the Group

(thousands of Euro)	30.06.2014	30.06.2013	30.09.2013
Revenues	41.586	43.515	**59.036**
Purchases, provision of services, sundry costs	(33.381)	(38.300)	(51.114)
Personnel costs	(8.645)	(7.441)	(11.698)
Operating costs	**(42.027)**	**(45.741)**	**(62.812)**
Income (expenses) from investments	12.145	3.556	4.295
Operating margin (EBITDA)	**11.704**	**1.330**	**518**
EBITDA %	*28,14%*	*3,06%*	*0,88%*
Amortisation/depreciation, allocations and adjustments to non-current assets	(16.798)	(10.526)	(19.649)
Value adjustments to financial assets and receivables	(18.067)	(6.565)	(28.836)
Value adjustments to investments	-	-	-
Share of income (loss) of investments	25.712	(47)	325
Operating result (EBIT)	**2.551**	**(15.809)**	**(47.642)**
EBIT %	*6,13%*	*(36,33)%*	*(80,70)%*
Income (loss) from financial management	(9.696)	155	11.399
Income (loss) from trading of financial assets	3.006	(851)	(1.178)
Income (loss) before taxes	**(4.139)**	**(16.504)**	**(37.421)**
Taxes	2.241	(1.225)	(3.747)
Income (loss) from continuing operations	**(1.899)**	**(17.730)**	**(41.168)**
Income (loss) from assets held for sale or discontinued operations	-	130	143
Net income (loss) for the year	**(1.899)**	**(17.600)**	**(41.025)**
Income (loss) pertaining to non-controlling interests	6.172	1.888	3.013
Income (loss) pertaining to the Group	**4.273**	**(15.712)**	**(38.012)**

Details on the most significant items mentioned above are shown below:

- **Revenues**: these mainly comprise ordinary revenues of EUR 41,0 million (EUR 30,6 million in the previous period), other income from investments of EUR 6,1 million (EUR 2,4 million in the previous period), and the decrease of EUR 5,5 million in property inventories (increase of EUR 10,6 million in the previous period). Ordinary revenues benefitted to the tune of EUR 9,4 million from the increase in revenues from property sales, up from EUR 1,9 million in the previous period to EUR 11,3 million, of which EUR 9,4 million can be attributed to the sales made by the subsidiary Lucianita S.r.l. on the property located in via Lomellina, Milan. The negative change in property inventories was affected by the decrease due to the sale of the properties not offset by the construction of the various property projects of the real estate subholding Mittel Investimenti Immobiliari S.r.l. and its subsidiaries.

- **Operating costs**: this item is comprised of costs for purchases of EUR 1,5 million (EUR 9,7 million in the previous period), costs for services of EUR 27,5 million (EUR 24,2 million in the previous period), and other costs of EUR 4,4 million, in line with the value of the previous period. The reduction in costs for purchases is mainly attributable to less construction in the Real Estate sector, due to the substantial completion of several property projects during the current year. The increase in costs for services was significantly affected (EUR 3,3 million) by the cost generated by the agreement with the former Chief Executive Officer, Arnaldo Borghesi. Due to the agreement, Mittel S.p.A. paid Mr Borghesi the amount of EUR 2,7 million plus EUR 0,6 million, which will be paid by way of compensation for the six-month noncompetition clause, already included in the administration agreement currently in force. When he signed this agreement, Mr Borghesi also resigned from all offices held in the Mittel Group companies, taking immediate effect.

- **Personnel costs**: this item amounted to EUR 8,6 million, posting an increase of EUR 1,2 million compared to the previous period. EUR 0,7 million of this increase is due to the full contribution of the Advisory sector, which during the previous year was consolidated only starting from 1 January 2013, and to a EUR 0,4 million increase recorded in the Outlet sector.

- **Income and expenses from investments**: this item is composed of dividends of EUR 6,3 million (EUR 1,9 million in the previous period) and profit from management of financial activities and investments of EUR 5,8 million (EUR 1,7 million in the previous period). The item Dividends is attributable to the contribution of the Parent Company of EUR 5,8 million (of which 4,4 million come from distribution of Progressio Fund dividends) and of EUR 0,5 million from Mittel Partecipazioni Stabili S.r.l. Profit from management of financial activities and investments is mainly attributable to the contribution of EUR 5,7 million from the partial disposal of the listed securities held by the subsidiary Mittel Partecipazioni Stabili S.r.l. executed in the first half of the year, securities such as UBI Banca S.c.p.A and Intesa Sanpaolo S.p.A.

- **Operating margin (EBITDA)**: EUR 11,7 million, compared to a positive result of EUR 1,3 million in the previous year, marking an increase of EUR 10,4 million.

- **Amortisation/depreciation, allocations and adjustments to non-current assets**: EUR 16,8 million compared to EUR 10,5 million in the same period of the previous year; the EUR 6,3 million increase is mainly due, for EUR 4,0 million, to the partial value adjustment of goodwill recorded in the consolidated financial statements as at 30 September 2013 and referring to the initial recognition of the goodwill coming from acquisition of total control of the company Borghesi Advisory S.r.l. (today Mittel Advisory S.p.A.), and for EUR 2,1 million, to the allocation for contractual disputes the parent company Mittel S.p.A. set aside in the period to cover potential losses. At the date of this report, the amounts and date of occurrence were still undetermined.

- **Value adjustments to financial assets and receivables**: amount to EUR 18,1 million (compared to EUR 6,6 million in the same period of the previous year), of which EUR 9,4 million refer to adjustments in the Outlet/Entertainment sector, EUR 6,5 million to adjustments of the parent company Mittel S.p.A. and EUR 1,6 million to adjustments of Mittel S.p.A. and Earchimede S.p.A. on investments in private equity funds and foreign investment vehicles. Of the EUR 9,4 million in the outlet sector, EUR 6,5 million are attributable to the write-down of the investment held in Alfa Park S.r.l. as a result of the ongoing negative performance of theme parks, and EUR 2,9 million to value adjustments of receivables, of which EUR 1,1 million are due to the lower value of the earn-out foreseen for the final transfer of the Valmontone Rome outlet management. Of the EUR 6,5 million in adjustments the parent company Mittel S.p.A. recorded, EUR 6,2 million regard the impairment recognised on the investment held in Azimut Benetti S.p.A. following the consolidated worsening of the results.

- **Share of income from investments**: this item, amounting to EUR 25,7 million, is mainly due to the pro-rata result of the investee Brands Partners 2 S.p.A. (now in liquidation) following the partial placement of a 3,73% stake in Moncler S.p.A. during the initial public offering in December (the stake in Moncler S.p.A. held by Brands Partners 2 S.p.A. as at 30 September 2013 amounted to 4,99% of the share capital) and after the further disposal of shares in the portfolio in June to shareholders, including Mittel S.p.A.

- **Operating result (EBIT)**: a profit of EUR 2,5 million, compared to a loss of EUR 15,8 million in the previous period.

- **Income from financial management**: a negative EUR 9,7 million, the item is mostly composed of the contribution of the subsidiary Fashion District Group S.p.A. for EUR 3,8 million, the parent company Mittel S.p.A. for EUR 6,4 million, the contribution of Mittel Investimenti Immobiliari for EUR 1,0 million, partially offset by the positive contribution of the subsidiary Earchimede S.p.A. for EUR 0,5 million and of the subsidiary Ghea S.r.l. for EUR 1,1 million.

- **Income from trading financial assets**: the positive result of EUR 3,0 million, compared to EUR 0,9 million of the previous period, marked an increase of EUR 3,9 million. The item consists of EUR 1,6 million from the income from trading derivative instruments of the subsidiary Mittel Partecipazioni Stabili S.r.l. with underlying assets represented by Intesa Sanpaolo S.p.A. and UBI Banca S.c.p.A. equity shares, and for EUR 1.4 million coming from the recognition of the forward purchase of some Moncler S.p.A. shares, determined by the difference between the agreed-upon purchase price and the market value on the settlement date. The parent company undersigned the forward purchase in October 2013 with the counterparty Brands Partners 2 S.p.A., which the latter settled in June.

- **Income (loss) pertaining to the Group** therefore amounted to EUR 4.3 million following a negative income (loss) pertaining to minority interests of EUR 6.2 million, which are all but totally due to the minority interest of losses of Fashion District Group S.p.A.

Main financial and equity figures of the Group

(thousands of Euro)	30.06.2014	30.09.2013
Intangible assets	26.043	29.943
Property, plant and equipment	127.304	137.659
Investments	77.642	77.301
Non-current financial assets	246.395	274.917
Provisions for risks, employee severance indemnity and employee benefits	(9.904)	(8.095)
Other non-current assets (liabilities)	(684)	(2.639)
Tax assets (liabilities)	(9.532)	(14.625)
Net working capital (*)	113.648	115.377
Net invested capital	**570.912**	**609.838**
Shareholders’ equity pertaining to the Group	(327.854)	(327.046)
Shareholders’ equity pertaining to minority interests	(49.687)	(56.389)
Total shareholders’ equity	**(377.540)**	**(383.435)**
Net financial position	**(193.373)**	**(226.403)**

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

Intangible assets amounted to EUR 26,0 million and recorded a decrease in the period of EUR 4,0 million; the change is to be attributed to the impairment recognised on the goodwill value entered as the result of the purchase of the entire share capital of Mittel Advisory S.p.A. (previously Borghesi Advisory S.r.l.) in the month of January 2013.

Tangible assets amounted to EUR 127,3 million, marking a decrease of EUR 10,4 million in the period. EUR 10,2 million of this change is due to the contribution of the Fashion District Group to the consolidation, and to be more precise, to the share of depreciation of properties owned by the Mantua and Molfetta outlets for EUR 9,4 million.

Investments valued using the equity method totalled EUR 77,6 million, marking a total net increase of EUR 0,3 million in the period. The increase is primarily due to the combined effect attributable to the higher value of the Bios S.p.A. investment (EUR 35,3 million), marking an increase of EUR 11,8 million, and Tower 6 Bis S.à r.l. (EUR 23,0 million), up by EUR 2,0 million (both increases reflect the higher value of the asset Sorin S.p.A. held by the two companies), offset by the decrease in value of the investee Brands Partners 2 S.p.A. recorded at EUR 8,5 million, marking a EUR 13,9 million decrease. The latter reflects the distribution of dividends by the investee following the capital gain made on the Moncler S.p.A. share at the time of the partial placement during the initial public offering, a stake of 3,73% (as at 30 September 2013 Brands Partners 2 S.p.A. held 4,99% of the share capital of Moncler S.p.A.).

Non-current financial assets amounted to EUR 246,4 million, marking a decrease of EUR 28,5 million in the period. This was due to the decrease in other financial assets (EUR 18,1 million) and to the decrease in financial receivables (EUR 10,4 million). To this regard, please note that as at 30 September 2013 the item non-current financial assets included the loan to Ghea of EUR 50,0 million (EUR 51,1 million as at 30 June 2014), classified under current financial receivables in the financial statement tables as at 30 September 2013 based on its natural expiry, and here classified under financial assets considering the effects of the rescheduling of debt and reorganisation of the equity and corporate structure of the joint subsidiary Bios S.p.A. finalised in December 2013. More specifically, the decrease of the other financial assets is due to: (i) for EUR 6,2 million, the lower value given to the investee Azimut Benetti following the impairment recognised on the value of the investment, (ii) for EUR 6,5 million, the lower value of the minority interest Alfa Park S.r.l. held by Fashion District Group S.p.A., (iii) for EUR 8,3 million, the lower value given to the financial assets held by the parent company Mittel S.p.A. (EUR 7,6 million) and Earchimede S.p.A. (EUR 0,7 million) following the impairment recognised on the private equity funds and foreign investment vehicles, contrasting with (iv) the EUR 2,8 million increase in value of the listed shares held by the parent company Mittel Partecipazioni Stabili S.r.l.
The decrease in financial receivables is instead mainly due to the reclassification, from non-current to current, of a receivable due from Fashion District Group S.p.A. due to the approaching contractual expiry (less than 12 months). The receivable was entered for EUR 12,4 million and expires on 16 January 2015. It derives from the better estimate of contractual integration of the earn-out expected for the final transfer of management of the Valmontone Rome outlet.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 9,9 million, marking a decrease of EUR 1,8 million in the period. In particular, provisions for risks as at 30 June 2014 included an allocation of additional EUR 1,7 million relating to the parent company Mittel S.p.A. that are added to the provision allocated in the financial statements as at 30 September 2013 of EUR 5,0 million to hedge liabilities for contractual guarantees issued by the latter.

The item **Other non-current liabilities** totalled EUR 0,7 million, down by EUR 1,9 million in the period. The decrease is due to the sale of a piece of land in Naples on 19 May 2014 that allowed the amount received from the company Espansione Mediterranea S.r.l. (EUR 2,4 million) to be recorded as revenue.

The item **Tax liabilities** amounted to EUR 9,5 million, marking a decrease of EUR 5,1 million in the period.

Net working capital amounted to EUR 113,6 million, marking a decrease of EUR 1,8 million. The item Net working capital is composed of the value of property inventories of EUR 116,7 million (EUR 122,0 million in the financial statements as at 30 September 2013), sundry receivables and other current assets totalling EUR 23,9 million (EUR 26,9 million in the financial statements as at 30 September 2013) and sundry payables and other current liabilities amounting to EUR 27,0 million (EUR 33,5 million in the financial statements as at 30 September 2013). Of the decrease of EUR 1,8 million, EUR 5,3 million is due to the decrease in property inventories and EUR 3,0 million to the decrease in sundry receivables and other assets, contrasting with which is a reduction in sundry payables and other liabilities amounting to EUR 6,5 million.

As a result, **net invested capital** fell by EUR 38,9 million to EUR 570,9 million, financed by shareholders' equity for EUR 377,5 million and by the net financial position for EUR 193,4 million.

Shareholders' equity pertaining to the Group amounted to EUR 327,9 million, marking an increase of EUR 0,9 million in the period, while minority interests, amounting to EUR 49,7 million, decreased by EUR 6,7 million. Consolidated shareholders' equity thus amounted to EUR 377,5 million, marking a decrease of EUR 5,9 million on the EUR 383,4 million as at 30 September 2013.

The **net financial position** (negative) amounted to EUR 193,4 million, thus marking an improvement in the period of EUR 33,0 million based on the net cash flow generated during the period, which benefitted from the distribution dividends by Brands Partners 2 S.p.A. regarding the Moncler S.p.A. share deriving from the partial placement during the initial public offering in December 2013 of a stake of 3,73% (as at 30 September 2013 Brands Partners 2 S.p.A. held 4,99% of the share capital of Moncler S.p.A.). This improvement is reflected in both the increase of the other cash equivalents, which also benefitted from the partial realisation of shares held for trading, and the reduction of bank debt.

Statement relating to the net financial position

(thousands of Euro)	30.06.2014	30.06.2013	30.09.2013
Cash	77	49	48
Other cash equivalents (*) (***)	46.095	8.266	48.534
Securities held for trading (**)	15.823	5	17.826
Current liquidity	**61.995**	**8.320**	**66.408**
Current financial receivables (***)	**29.059**	**59.674**	**30.575**
Bank payables	(173.076)	(228.500)	(210.677)
Bond loans	(99.305)	-	(97.424)
Other financial payables	(12.046)	(21.386)	(15.285)
Financial debt	**(284.427)**	**(249.886)**	**(323.386)**
Net financial position	**(193.373)**	**(181.892)**	**(226.403)**

(*) The item includes EUR 20 million of cash equivalents invested in certificates of deposit classified as bank deposits to reflect the agreements made with the issuing bank that envisage ready convertibility of securities without risk of the value changing.
(**) Available-for-sale assets posted under current assets were reclassified to this item.
(***) As at 30 June 2014 and 30 September 2013, the item other cash equivalents included EUR 3.0 million in receivables, classified under current financial receivables in the financial statements, referring to the giro account in place 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.

Significant events in the third quarter of the year

On 7 April 2014 Mittel S.p.A. informed the market that on 31 March 2014 the Mittel S.p.A. Board of Directors unanimously approved acceptance of the request to extend the Vendor Loan and Line A Shareholders Loan presented by Liberata S.p.A. and, as a result, extended the expiration date of the repayment of both the Vendor Loan and the Line A Shareholders Loan, deferring both to 31 December 2016.
The relevant information document, drawn up pursuant to annex 4 of Consob Regulation no. 17221 of 12 March 2010 as later amended and supplemented is at public's disposal at the registered office of the stock exchange company, and was also published on the company's website.

On 7 June Mittel received the resignation of Mr Paolo Battocchi from the office of Member of the Board of Directors of the Company and member of the Remuneration and Appointments Committee for professional reasons.
He joined the Board of Directors of the Company in July 2013, and on 10 March 2014 was re-elected drawing his name from the list, elected by the majority of those entitled to vote, filed by Fondazione Cassa di Risparmio di Trento e Rovereto.
In light of his resignation, the Remuneration and Appointments Committee is now formed by: Mr Gianluca Ponzellini (Chairman) and Ms Carla Sora.

On 12 June 2014 the Shareholders' Meeting of Mittel Advisory S.p.A., 100% held by Mittel S.p.A., elected its new Board of Directors.
Following its decision to reduce the number of members from 14 to three to provide more effective governance, the Shareholders' Meeting elected the following board members to remain in office until the financial statements as at 30 September 2016 are approved: Mr Giorgio Franceschi, Mr Stefano Bolla and Mr Pietro Santicoli.
Mr Giorgio Franceschi was confirmed Chairman of the Board of Directors. Mr Stefano Bolla is the current Chairman of Assogas and Chairman and Chief Executive Officer of the Erogasmet Group. Mr Luca Ditadi was appointed General Manager of the Company.

Significant events after 30 June 2014

Earchimede S.p.A., a company 85.01% held by Mittel S.p.A., purchased a 12% share in Superpartes S.p.A. for EUR 0.5 million (with closing scheduled by the end of September this year). This company based in Brescia was established by Marino Piotti, Gianfausto Ferrari and Fulvio Primatesta with the goal of starting new projects in the sector of innovative digital technology applied to industry. Shareholders of the accelerator of technological digital companies include the Streparava Group, Marco Bonometti and other successful entrepreneurs such as Manuel Morandi, Giuseppe Bellandi and Giuseppe Ferretti.
Superpartes S.p.A. is an Open Innovation laboratory that brings together entrepreneurial spirit, technology and managerial resources with the aim of developing new companies focussed on technological digital innovation. The Open Innovation laboratory makes it possible for innovative ideas to meet the technological and managerial skills necessary for forming tangible businesses that are closely tied to the industrial fabric. In particular, the company is developing solutions for the retail industry (supermarkets, stores, etc.), including mobile payment and prototypes in the pharmaceutical sector, including remote monitoring of a patient's taking of drugs according to the treatment the doctor prescribes.
For Mittel, this investment will lead to an in-depth understanding of digital economy developments and an assessment of possible investment transactions in this sector.

Business outlook for the year

The results of the first 9 months confirm the expectations of improvement for the entire year on the operating margin level. Predictability of value adjustments of balance sheet assets is still limited.

Transactions with related parties of the Group

As regards transactions with related counterparties identified on the basis of art. 2359 of the Italian Civil Code and IAS 24, it should be noted that, in the first nine months of 2013-2014, transactions were entered into with said counterparties as part of ordinary Group operations and that no atypical and unusual transactions were carried out. All transactions were performed on arm's length basis and generally refer:

- to the supply of general and administrative services between the Group companies;
- to intercompany loan relationships and surety obligations;
- to the purchase/sale of securities and investments between Group companies;
- to the intercompany transfer of IRES (corporate income tax)/VAT receivables;
- to the issuing of guarantees from Group companies to investees.

On 11 February 2014, the Board of Directors of Mittel S.p.A. subscribed to the Group tax consolidation option pursuant to articles 117-129 of the TUIR (Consolidated Law on Income Tax) for the next three-year period, and therefore up until the 2015-2016 company year, for the companies Mittel Management S.r.l. and Mittel Advisory S.p.A. Furthermore, the same Board of Directors renewed the Group tax consolidation option pursuant to articles 117-129 of the TUIR (Consolidated Law on Income Tax) for the next three-year period, and therefore up until the 2015-2016 company year, for the subsidiaries Mittel Investimenti Immobiliari S.r.l., Cad Immobiliare S.r.l., Esse Venuto S.r.l. and Fede S.r.l.

In 2012/2013, Mittel Advisory Debt and Grant S.p.A. (formerly Mittel Corporate Finance S.p.A.) renewed its participation in Group tax consolidation for the 2012/2013, 2013/2014 and 2014/2015 three-year period.

On 9 February 2012, the Board of Directors of Mittel S.p.A. renewed the Group tax consolidation option pursuant to articles 117-129 of the TUIR (Consolidated Law on Income Tax) for the 2011/2012, 2012/2013, 2013/2014 three-year period, also for the subsidiaries Mittel Partecipazioni Stabili S.r.l. and Gamma Tre S.r.l., and resolved to subscribe, for the next three-year period, and therefore up until the 2013/2014 company year, to the Group tax consolidation option, in accordance with articles 117-129 of the Consolidated Law on Income Tax for the companies Lucianita S.r.l., Regina S.r.l., Cerca S.r.l. and MiVa S.r.l.

Transactions with related parties other than Group companies

Other transactions with related parties other than Group companies refer to:

- activities connected with Group treasury services from Mittel Generale Investimenti S.p.A.;
- billing of administrative and consultancy services, falling under ordinary operations, by associate Mittel Generale Investimenti S.p.A. and Mittel S.p.A. to natural persons and companies falling within the wider definition of related parties.

All transactions with related parties were conducted on an arm’s length basis and, therefore, there are no atypical and unusual transactions to report.

On 31 March 2014 the Mittel S.p.A. Board of Directors unanimously approved acceptance of the request to extend the Vendor Loan and Line A Shareholders Loan presented by Liberata S.p.A. and, as a result, extended the expiration date of the repayment of both the Vendor Loan and the Line A Shareholders Loan. The transaction involved rescheduling payment of the last capital instalment of the new bank loan undersigned by Liberata to two months later, and therefore to 30 November 2016.

Treasury shares

As at 30 June 2014, the company held 15.308.706 treasury shares. No purchase or sale of treasury shares took place directly or indirectly during the nine months of company year 2013-2014.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Euro

	30.06.2014	30.09.2013(**)
Non-current assets		
Intangible assets	26.043	29.943
Property, plant and equipment	127.304	137.659
Investments accounted for using the equity method	77.642	77.301
Financial receivables	144.881	105.362
Other financial assets	101.513	119.594
Sundry receivables and other assets	330	295
Prepaid tax assets	9.213	8.527
Total non-current assets	**486.926**	**478.680**
Current assets		
Property inventories	116.702	122.012
Financial receivables	32.067	83.500
Other financial assets	15.823	17.826
Current tax assets	17.046	15.935
Sundry receivables and other assets	23.911	26.909
Cash and cash equivalents	43.164	45.617
Total current assets	**248.714**	**311.800**
Total assets	**735.640**	**790.480**
Shareholders' equity		
Share capital	87.907	87.907
Share premium	53.716	53.716
Treasury shares	(26.515)	(26.515)
Reserves	208.472	249.950
Profit (loss) for the year	4.273	(38.012)
Shareholders' equity pertaining to the Group	**327.854**	**327.046**
Non-controlling interests	49.687	56.389
Total shareholders' equity	**377.540**	**383.435**
Non-current liabilities		
Bond loans	96.531	96.103
Financial payables	90.191	103.794
Provisions for personnel	2.577	2.407
Deferred tax liabilities	34.973	37.746
Provisions for risks and charges	7.327	5.688
Sundry payables and other liabilities	1.013	2.934
Total non-current liabilities	**232.611**	**248.672**
Current liabilities		
Bond loans	2.774	1.321
Financial payables	92.042	117.428
Other financial liabilities	2.889	4.741
Current tax liabilities	818	1.341
Sundry payables and other liabilities	26.965	33.544
Total current liabilities	**125.488**	**158.373**
Total shareholders' equity and liabilities	**735.640**	**790.480**

(*) Following application of the amendment to IAS 19 starting from 1 October 2013 (retrospectively), the comparison figures as at 30 September 2013 were recalculated as required by IAS 1.

CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Euro

	3 months **01.04.2014 30.06.2014**	9 months **01.10.2013 30.06.2014**	3 months **01.04.2013 30.06.2013(*)**	9 months **01.10.2012 30.06.2013(*)**	12 months **01.10.2012 30.09.2013(*)**
Revenues	12.074	41.016	10.675	30.572	49.748
Other income	4.671	6.068	775	2.370	3.648
Variations in property inventories	(901)	(5.498)	2.507	10.572	5.640
Costs for purchases	(350)	(1.521)	(2.156)	(9.700)	(11.542)
Costs for services	(7.825)	(27.494)	(8.146)	(24.236)	(33.742)
Personnel costs	(3.109)	(8.645)	(2.670)	(7.441)	(11.698)
Other costs	(1.334)	(4.366)	(880)	(4.364)	(5.831)
Dividends	5.305	6.342	1.145	1.881	1.947
Profit (loss) from management of financial activities and investments	253	5.802	479	1.674	2.348
Gross operating margin (EBITDA)	**8.784**	**11.704**	**1.729**	**1.330**	**518**
Amortisation and value adjustments to intangible assets	(3.579)	(14.663)	(3.521)	(10.500)	(14.656)
Allocations to the provision for risks	(138)	(2.136)	-	(25)	(4.993)
Value adjustments to financial assets and receivables	(7.247)	(18.067)	(4.843)	(6.565)	(28.836)
Share of income (loss) of investments accounted for using the equity method	7.232	25.712	(42)	(47)	325
Operating result (EBIT)	**5.051**	**2.551**	**(6.677)**	**(15.809)**	**(47.642)**
Financial income	2.034	6.211	3.244	9.181	24.124
Financial expenses	(4.966)	(15.908)	(3.098)	(9.025)	(12.725)
Profit (loss) from trading of financial assets	225	3.006	611	(851)	(1.178)
Income (loss) before taxes	**2.345**	**(4.139)**	**(5.920)**	**(16.504)**	**(37.421)**
Income taxes	927	2.241	(928)	(1.225)	(3.747)
Income (loss) from continuing operations	**3.271**	**(1.899)**	**(6.848)**	**(17.730)**	**(41.168)**
Income (loss) from assets held for sale or discontinued operations	-	-	(160)	130	143
Profit (loss) for the year	**3.271**	**(1.899)**	**(7.008)**	**(17.600)**	**(41.025)**
Attributable to:					
Income (loss) pertaining to non-controlling interests	851	6.172	491	1.888	3.013
Income (loss) pertaining to the Group	**4.122**	**4.273**	**(6.517)**	**(15.712)**	**(38.012)**

(*) Following application of the amendment to IAS 19 starting from 1 October 2013 (retrospectively), the comparison figures as at 30 June 2013 and of the year ended as at 30 September 2013 were recalculated as required by IAS 1. Compared to the figures published at the time, the results of 30 June 2013 and of the year as at 30 September 2013 were increased by EUR 74 thousand and EUR 80 thousand, respectively.

Consolidation principles

Consolidation is performed using the line-by-line method. The criteria adopted for the application of said method remained unchanged with respect to those used as at 30 September 2013. The consolidated interim report on operations as at 30 June 2014, like the consolidated financial statements as at 30 September 2013, derive from the consolidation on those dates of the accounting positions and of the financial statements of the Parent Company Mittel and of all the companies directly and indirectly controlled, jointly controlled or associates.

Accounting standards applied

The accounting standards applied to draft the consolidated interim report on operations as at 30 June 2014 are the same as those applied to the financial statements as at 30 September 2013, to which reference should be made for more details.

Area of consolidation

The consolidated financial statements are prepared on the basis of the accounting situations as at 30 June 2014 drafted by the respective consolidated companies, adjusted, where necessary, in order to align these to the Group classification criteria and accounting standards compliant with IFRS.

The area of consolidation as at 30 June 2014 is as follows:

					Investment relationship			
	Company name	Office / Country	Consolidation method		Participating company	Direct interest %	Direct availability of votes - %	Total interest %
Parent Company								
	Mittel S.p.A.							
A. Companies fully consolidated								
Direct subsidiaries:								
1	Mittel Partecipazioni Stabili S.r.l.	Milan	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
2	Mittel Investimenti Immobiliari S.r.l.	Milan	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
3	Mittel Advisory S.p.A.	Milan	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
5	Mittel Investimenti Immobiliari S.r.l.	Milan	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
6	Ghea S.r.l.	Milan	Full		Mittel S.p.A.	51,00%	51,00%	51,00%
7	Earchimede S.p.A.	Milan	Full		Mittel S.p.A.	85,01%	85,01%	85,01%
8	Locaeffe S.r.l. in liquidazione (in liquidation)	Brescia	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
9	Markfactor S.r.l. in liquidazione (in liquidation)	Brescia	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
10	Sunset S.r.l. in liquidazione (in liquidation)	Brescia	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
11	Holinvest S.r.l. in liquidazione (in liquidation)	Milan	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
12	Mittel Management S.r.l.	Milan	Full		Mittel S.p.A.	100,00%	100,00%	100,00%
13	CAD Immobiliare S.r.l.	Milan	Full		Mittel S.p.A. - MII S.r.l.	100,00%	100,00%	100,00%
Indirect subsidiaries:								
14	Mittel Advisory Debt and Grant S.p.A.	Milan	Full		Mittel Advisory S.p.A.	100,00%	100,00%	100,00%
15	Esse Ventuno S.r.l.	Milan	Full		MII S.r.l.	90,00%	90,00%	90,00%
16	Gamma Tre S.r.l.	Milan	Full		MII S.r.l.	80,00%	80,00%	80,00%
17	Breme S.r.l.	Milan	Full		MII S.r.l.	60,00%	60,00%	60,00%
18	Santarosa S.r.l.	Milan	Full		MII S.r.l.	60,00%	60,00%	60,00%
19	Fede S.r.l.	Milan	Full		MII S.r.l.	51,00%	51,00%	51,00%
20	Immobiliare Volta Marconi S.r.l.	Milan	Full		MII S.r.l.	51,00%	51,00%	51,00%
21	Cerca S.r.l.	Milan	Full		MII S.r.l.	100,00%	100,00%	100,00%
22	Lucianita S.r.l.	Milan	Full		MII S.r.l.	51,00%	51,00%	51,00%
23	MiVa S.r.l.	Milan	Full		MII S.r.l.	51,00%	51,00%	51,00%
24	Regina S.r.l.	Milan	Full		MII S.r.l.	100,00%	100,00%	100,00%
25	FD33 S.p.A.	Brescia	Full		Earchimede S.p.A.	100,00%	100,00%	85,01%
26	Fashion District Group S.p.A.	Brescia	Full		Earchimede S.p.A. - FD33 S.p.A.	66,66%	66,66%	56,67%
27	Fashion District Roma S.r.l.	Brescia	Full		Fashion District Group	100,00%	100,00%	56,67%
28	Fashion District Molfetta S.r.l.	Brescia	Full		Fashion District Group	100,00%	100,00%	56,67%
29	Fashion District Mantova S.r.l.	Brescia	Full		Fashion District Group	100,00%	100,00%	56,67%
30	Parco Mediterraneo S.r.l.	Brescia	Full		FD33 – Fashion District G	100,00%	100,00%	59,50%
31	Lof S.r.l.	Brescia	Full		Fashion District G	100,00%	100,00%	27,77%
B. Companies consolidated using the equity method								
Direct associates:								
1	Liberata S.p.A.	Milan	Equity method		Mittel S.p.A.	27,00%	27,00%	27,00%
2	Bios S.p.A.	Milan	Equity method	(*)	Mittel S.p.A.	50,00%	50,00%	50,00%
3	Tower 6 Bis S.à r.l.	Luxembourg	Equity method		Mittel S.p.A.	49,00%	49,00%	49,00%
4	Brands Partners 2 S.p.A.	Milan	Equity method		Mittel S.p.A.	25,20%	25,20%	25,20%
5	Mit.Fin. Mittel S.p.A.	Milan	Equity method		Mittel S.p.A.	30,00%	30,00%	30,00%
6	Everel Group S.p.A.	Verona	Equity method		Mittel S.p.A.	30,00%	30,00%	30,00%
7	Chase Mittel Capital Holding II NV	Netherlands Antilles	Equity method		Mittel S.p.A.	21,00%	21,00%	21,00%
8	Castello SGR S.p.A.	Milan	Equity method		Mittel S.p.A.	20,24%	20,24%	20,24%
9	Mittel Real Estate SGR S.p.A.	Milan	Equity method		Mittel S.p.A.	35,00%	35,00%	35,00%
Indirect associates:								
10	Mittel Generale Investimenti S.p.A.	Milan	Equity method		Liberata S.p.A.	100,00%	100,00%	27,00%
11	Iniziative Nord Milano S.r.l.	Milan	Equity method	(*)	MII S.r.l.	50,00%	50,00%	50,00%

(*) Investment subject to joint control
MII S.r.l. = Mittel Investimenti Immobiliari S.r.l.

Main criteria adopted for the definition of the area of consolidation and in the application of the investment valuation principles

The Group consolidation area includes investments in subsidiaries and associates (for associates if the investor holds a stake of more than 20%), given that said percentage presumes the recognition of a significant influence by the investor, understood as the investor's ability to determine the financial and management decisions of the investee without having control of it except where, in the presence of said shareholding, the non-existence of a significant influence can be clearly demonstrated. Investments in associates defined in this way are valued according to the equity method.

Main changes in the area of consolidation with respect to the previous year.

The area of consolidation as at 30 June 2014 showed no significant changes, so its comments are found in the half-yearly financial report as at 31 March 2014 to which reference should be made.

Certification of the consolidated condensed half-yearly financial statements pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned Franco Dalla Sega, Executive Director and Pietro Santicoli, the Manager responsible for preparing the Company's financial reports of Mittel S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, attest to the adequacy of the characteristics of the company and the effective application of administrative and accounting procedures for the preparation of the consolidated interim report on operations as at 30 June 2014.

It is also certified that the consolidated interim report on operations as at 30 June 2014:

a) were drafted in compliance with the international accounting standards recognised in the European Union pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) correspond to the book results and accounting records;

c) provide a true and fair view of the equity, economic and financial situation of the issuer and of the group of consolidated companies.

The consolidated interim report includes a reliable analysis of the references to significant events which occurred in the first nine months of the year and their impact on the balance sheet and income statement. The consolidated interim report on operations also includes a reliable analysis of information on significant related party transactions.

Milan, 30 July 2014

Executive Director	Manager responsible for preparing the Company's financial reports
Prof. Franco Dalla Sega	Mr Pietro Santicoli