



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 2015
(1 October 2014 - 30 June 2015)**

130th company year

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Corporate bodies

Board of Directors

Chairman

Franco Dalla Sega

Deputy Chairman

Giorgio Franceschi (b)

Directors

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

Marco Colacicco (b)

Stefano Gianotti (b)

Michele Iori (b)

Marco Merler (a) (c) (d)

Giuseppe Pasini (b)

Duccio Regoli (a) (c) (e) (d)

Carla Sora (a) (d)

Michela Zeme (a) (e)

General Manager

Gaetano Casertano

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

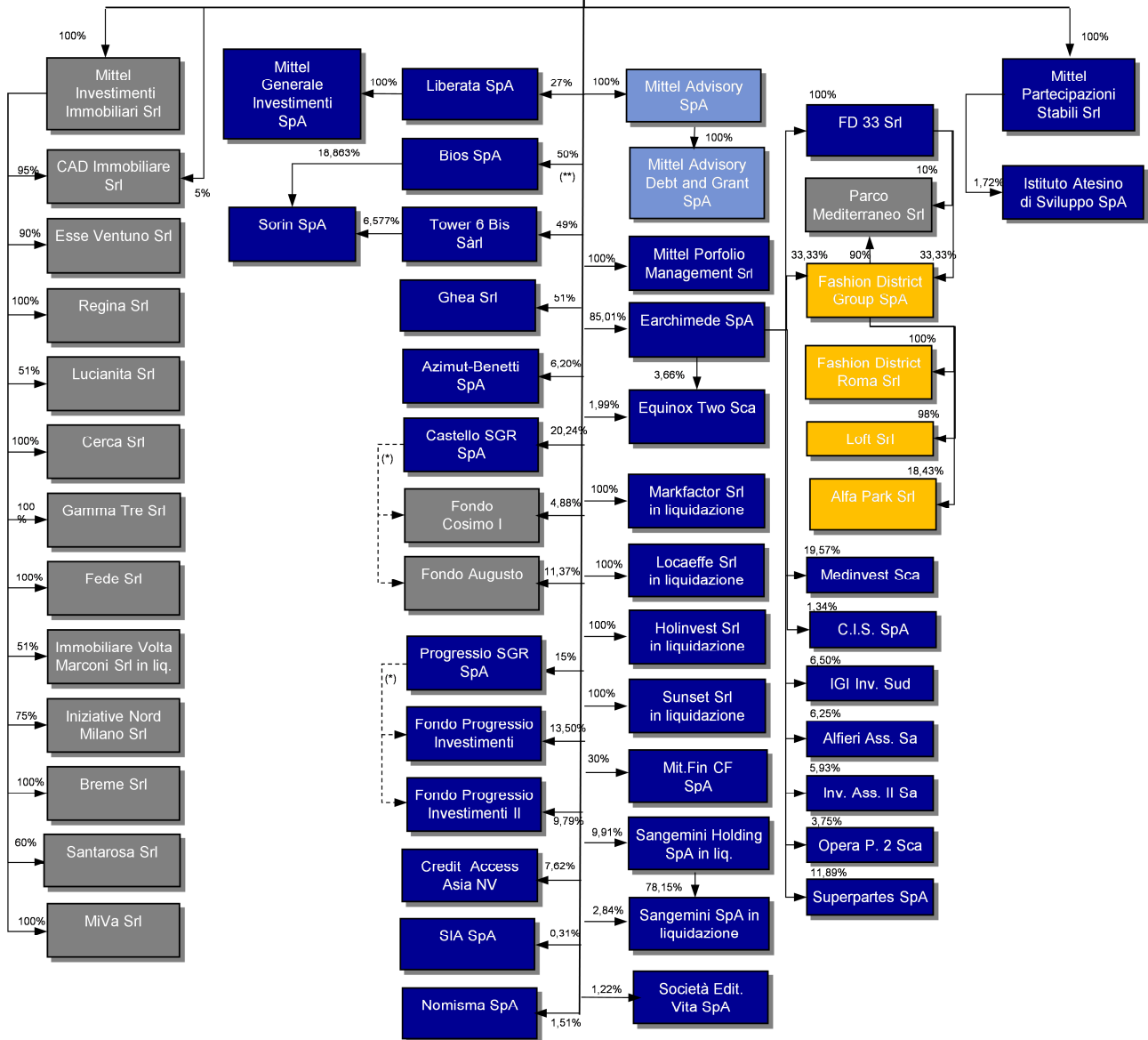
Independent Auditors

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 Party 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 27 July 2015



- Real Estate
- Investments and Private Equity
- Advisory and Grant Finance Services
- Outlet

- (*) ---> management relationship
- (**) of ordinary share capital
- (***) it holds 17,414% of treasury shares

Directors' Report on Operations

Introduction

On 18 November 2014, Fashion District Group S.p.A. and IDeA FIMIT SGR S.p.A. – company operating in the name and on behalf of the closed-end real estate fund known as “MOMA” (whose shares are owned by the US investor Blackstone) completed the transfer of the entire share capital of Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l. as well as that of the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets. On 23 December 2014, the definitive transfer of the business unit of the Valmontone (RM) outlet by the subsidiary Fashion District Roma S.r.l. took place. Therefore, the period involved in this interim report includes significant variations deriving from the exit from the scope of consolidation of the above companies, essentially making the economic performance and the result for the period ended 30 June 2015 not fully comparable with the same period in the previous year.

Group Performance

The consolidated economic result of the Mittel Group in the first nine months of the year 1 October 2014 - 30 September 2015 (130th year from the foundation of Mittel S.p.A.), posted a loss of EUR 14,5 million, compared to a loss of EUR 33,6 million in the year 2013/2014 and a profit of EUR 4,2 million in the corresponding period of the previous year, hugely impacted by the profits deriving from the transfer of Moncler S.p.A. shares for EUR 18,3 million, through the former associate Brands Partners 2 S.p.A., currently in liquidation.

Equity pertaining to the Group, including the result for the period, stood at EUR 299,7 million, compared to EUR 280,6 million as at 30 September 2014, marking an increase for EUR 19,1 million, attributable mainly to the increase deriving from the higher value of the asset Sorin, held through the investees Tower 6 Bis S.à.r.l. and Bios S.p.A..

The net financial position amounted to EUR 93,6 million, in contrast to EUR 201,8 million as at 30 September 2014, an improvement of EUR 108,2 million, mainly due to the effects of the completion of the transfer of factory outlets by the Fashion District Group in Mantua and Molfetta.

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) | 30.06.2015 | 30.06.2014 | 30.09.2014 |
|--|-----------------|-----------------|-----------------|
| Revenues | 19.527 | 41.586 | 41.453 |
| Purchases, provision of services, sundry costs | (22.411) | (33.381) | (45.882) |
| Personnel costs | (7.187) | (8.645) | (11.675) |
| Operating costs | (29.597) | (42.027) | (57.558) |
| Income (expenses) from investments | 6.529 | 12.145 | 13.571 |
| Operating margin (EBITDA) (*) | (3.542) | 11.704 | (2.533) |
| | <i>EBITDA %</i> | <i>(18,14)%</i> | <i>28,14%</i> |
| Amortisation/depreciation, allocations and adjustments to non-current assets | (7.368) | (16.798) | (29.180) |
| Value adjustments to financial assets, receivables and investments | (5.372) | (18.067) | (25.963) |
| Share of income (loss) of investments | (422) | 25.712 | 25.787 |
| Income (loss) from non-recurring transactions net of tax | 253 | - | (13.155) |
| Operating result (EBIT) | (16.450) | 2.551 | (45.044) |
| | <i>EBIT %</i> | <i>(84,24)%</i> | <i>6,13%</i> |
| Income (loss) from financial management | (2.859) | (9.696) | (15.200) |
| Income (loss) from trading of financial assets | 5.032 | 3.006 | 2.426 |
| Income (loss) before taxes (*) | (14.277) | (4.139) | (57.818) |
| Taxes | (640) | 2.241 | 5.870 |
| Income (loss) from continuing operations | (14.917) | (1.899) | (51.948) |
| Income (loss) from discontinued operations | - | - | - |
| Net income (loss) for the year | (14.917) | (1.899) | (51.948) |
| Income (loss) pertaining to non controlling interests | (461) | (6.171) | (18.358) |
| Income (loss) pertaining to the Group | (14.456) | 4.273 | (33.590) |

(*) The item as at 30 September 2014 is net of taxes (a positive EUR 5,2 million), due to the realignment of deferred taxes, pursuant to IAS 12, relating to the Mantua and Molfetta properties; said effect is, by contrast, classified under the item "Income taxes" in the financial statements.

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

- **Revenues:** the item includes revenues, other income and the change in property inventories and amounted to EUR 19,6 million, compared to EUR 41,6 million as at 30 June 2014, marking a decrease of EUR 22,0 million. This variation is the combined result of lower revenues in the nine-month period of EUR 24,7 million (from EUR 41,2 million as at 30 June 2014 to EUR 16,4 million as at 30 June 2015), mainly attributable to the decrease deriving from the elimination of the contribution from the Outlet sector, equal to EUR 18,5 million and the fall in other income amounting to EUR 5,4 million (from EUR 6,1 million as at 30 June 2014 to EUR 0,7 million as at 30 June 2015) partly offset by the positive variation of EUR 8,0 million inferred from a comparison between the change in property inventories (i.e. the net value between the increase in inventories for property development and the reduction for the sales of living units) of the two periods (from a negative EUR 5,5 million as at 30 June 2014 to a positive EUR 2,5 million as at 30 June 2015);
- **Operating costs:** amounted to EUR 29,6 million, compared to EUR 42,0 million as at 30 June 2014, marking a decrease totalling EUR 12,4 million. These are composed of costs for purchases, provision of services and sundry costs of EUR 22,4 million compared to EUR 33,4 million as at 30

June 2014, marking a decrease of EUR 11,0 million and of personnel costs of EUR 7,2 million compared to EUR 8,6 million as at 30 June 2014, a decrease of EUR 1,4 million. The fall in costs for purchases, provision of services and sundry costs is attributable, for EUR 10,6 million, to the lower contribution from the outlet sector;

- **Personnel costs:** this item amounted to EUR 7,2 million, posting a decrease of EUR 1,4 million compared to the same period of the previous year;
- **Income from investments:** the item, a positive EUR 6,5 million, suffered a decrease of EUR 5,6 million compared to the same figure in the previous year (EUR 12,1 million). This is mainly composed, for an amount of EUR 1,9 million, from dividends deriving from available-for-sale financial assets, compared to EUR 6,3 million in the same period of the previous year and, for an amount of EUR 4,6 million, from income deriving from the partial transfer of Intesa Sanpaolo S.p.A. and RCS MediaGroup S.p.A. securities, held by Mittel Partecipazioni Stabili S.r.l., compared to EUR 5,8 million in the same period of the previous year;
- **Operating margin (EBITDA):** a negative EUR 3,5 million, compared to a positive EUR 11,7 million as at 30 June 2014, marking a decrease of EUR 15,2 million compared to the same period in the previous year, due to the combined effect of the above;
- **Amortisation/depreciation, allocations and adjustments to non-current assets:** totalled EUR 7,4 million compared to EUR 16,8 million as at 30 June 2014. The decrease is due to the elimination of the depreciation of property, plant and equipment relating to the two property complexes in which the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets operate respectively, transferred on 18 November 2014. For details, please refer to the financial statements as at 30 September 2014. The item also includes, for EUR 6,8 million, the allocation for contractual disputes set aside in the period by the Parent company Mittel S.p.A. to cover potential losses, in respect of which, at the date of this interim consolidated report on operations, the amounts and date of occurrence could still not be determined;
- **Value adjustments to financial assets and receivables:** amounting to EUR 5,4 million (EUR 18,1 million as at 30 June 2014), mainly comprised, i) for EUR 1,0 million of the value adjustment to the Azimut S.p.A. investment in order to bring it into line with the values of the share capital increase being resolved, ii) EUR 0,8 million, of the value adjustment to the Progressio Investimenti II fund based on its negative performance, iii) for EUR 0,6 million, of the value adjustment of the investment held in Progressio SGR S.p.A., iv) EUR 1,3 million, of the adjustments recorded by Fashion District Group S.p.A. on credit positions it registered, v) for EUR 1,3 million, of the impairment of the two credit positions effected by the subsidiaries Locaefte S.r.l. and Markfactor S.r.l., both in liquidation, vi) for EUR 0,2 million of the adjustment of a receivable due from the property vehicle MiVa S.r.l. and lastly, vii) for EUR 0,2 million, of value adjustments recorded by Earchimede S.p.A.;
- **Share of income (loss) of investments:** the item, amounting to a negative EUR 0,4 million is in contrast to a positive EUR 25,7 million in the previous year, marking a decrease of EUR 26,1 million. The figure in the previous year was mainly influenced by the pro-rata share of income of the investee Brands Partners 2 S.p.A. in liquidation, following the partial placement of 3,73% of Moncler S.p.A. during the initial public offering in December 2013, as well as following a further disposal of shares in the portfolio in June in favour of shareholders, including Mittel S.p.A.;
- **Income (loss) from non-recurring transactions after taxes:** amounting to a positive EUR 0,3 million, refers to the effect of the transfer of the companies Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l. and the property complexes;
- **Operating result (EBIT):** the result was a negative EUR 16,4 million, compared to a positive EUR 2,6 million in the corresponding period of the previous year, marking a decrease of EUR 19 million;
- **Income (loss) from financial management:** amounting to a loss of EUR 2,9 million compared to a loss of EUR 9,7 million in the previous year, marking an improvement of EUR 6,8 million. The item was largely impacted by the negative contribution from the parent company Mittel S.p.A. (EUR 4,9 million);

- **Income (loss) from trading of financial assets:** amounting to EUR 4,6 million, compared to EUR 3,0 million in the previous year, marking an increase of EUR 1,6 million. The item is composed of the income from the trading of securities in the portfolio for EUR 1,2 million and, for EUR 3,8 million, the market valuation of the trading securities in the portfolio;
- **Taxes:** amounting to a loss of EUR 0,6 million compared to a profit of EUR 2,2 million in the previous year, marking a decrease of EUR 2,8 million.

Main financial and equity figures of the Group

| (Thousands of Euro) | 30.06.2015 | 30.09.2014 |
|--|-------------------|-------------------|
| Intangible assets | 172 | 310 |
| Property, plant and equipment | 1.324 | 1.669 |
| Investments | 87.449 | 56.184 |
| Non-current financial assets | 230.705 | 243.231 |
| Non-current assets (liabilities) held for sale (**) | 199 | 120.317 |
| Provisions for risks, employee severance indemnity and employee benefits | (17.636) | (13.996) |
| Other non-current assets (liabilities) | (567) | (618) |
| Tax assets (liabilities) | 1.949 | 1.428 |
| Net working capital (*) | 128.279 | 112.937 |
| Net invested capital (**) | 431.874 | 521.462 |
| Shareholders' equity | (299.668) | (280.605) |
| Non controlling interests | (38.642) | (39.015) |
| Total shareholders' equity | (338.310) | (319.620) |
| Net financial position (***) | (93.564) | (201.842) |

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

(**) As at 30 September 2014 does not include the Net financial position of EUR 50,8 million of the Group of Assets and Liabilities classified as held for sale pursuant to IFRS 5

(***) As at 30 September 2014 includes the Net financial position of EUR 50,8 million of the Group of Assets and Liabilities classified as held for sale pursuant to IFRS 5.

- **Intangible assets** amounted to EUR 0,2 million, almost unchanged with respect to the figure as at 30 September 2014;
- **Property, plant and equipment** totalled EUR 1,3 million compared to EUR 1,7 million in 2013-2014, representing a decrease of EUR 0,4 million, attributable mostly to the transfer to RREEF Inv. Gmbh of ownership of the business unit including the commercial licences relating to management of the Valmontone factory outlet (Rome);
- **Investments valued using the equity method** totalled EUR 87,4 million, marking an increase of EUR 31,3 million compared to EUR 56,2 million in the year 2013-2014. The increase is mainly due to the higher value of the investee Sorin S.p.A. (valued at EUR 2,51 per share) held through the vehicles Bios S.p.A. (EUR 22,9 million) and Tower 6 Bis S.à.r.l. (EUR 8,4 million);
- **Non-current financial assets** amounted to EUR 230,7 million, compared to EUR 243,2 million in 2013-2014, marking a decrease of EUR 12,5 million. This variation is due to the combined effect of the increase of EUR 13,7 million in non-current financial receivables, in contrast to the decrease of EUR 26,2 million in the value of other financial assets. The item 'non-current financial receivables'

recorded an increase, for an amount of EUR 5,0 million, mainly due to the term current account as guarantee established in accordance with the contract for the transfer of the factory outlets to IDeA FIMIT SGR S.p.A. for an amount of EUR 3,8 million, for the loan granted to Alfa Park S.r.l. by Fashion District Group S.p.A., and for EUR 2,4 million, for the classification under non-current assets of two credit positions previously valued in current assets and reclassified on the basis of the changed time period in which the collection is presumed to be realised and, for the residual portion, mainly based on interest accrued on non-current loans, whose payment is envisaged on expiry. The decrease in other financial assets is primarily due to the reclassification under current financial assets of the entire listed share portfolio held by Mittel Partecipazioni Stabili S.r.l..

- The value recorded under **assets held for sale** corresponds to the valuation of the investment held in Progressio SGR S.p.A., in respect of the put option exercised by Mittel S.p.A.. The decrease compared to the value of EUR 120,3 million as at 30 September 2014 is due to the completion, on 18 November 2014, of the sale of the factory outlets to IDeA FIMIT SGR S.p.A. and the sale, to said company, of the companies Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.. It should be noted that this value was comprised of total assets (EUR 131,4 million) net of liabilities (EUR 61,9 million), excluding net financial debt (EUR 50,8 million), directly attributable to the assets of Fashion District Group S.p.A., subject to transfer. In particular, it refers to the value of the property complexes (factory outlets) of Mantua and Molfetta and the associated authorisation licences to carry out retail trade activities, held by Fashion District Group S.p.A. as well as additional assets owned by Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l., subject to transfer, valued at the sale price less the related costs;
- **Provisions for risks, employee severance indemnity and employee benefits** amounted to EUR 17,6 million, compared to EUR 14,0 million in 2013-2014, marking an increase of EUR 3,6 million. In particular, as at 30 June 2015, this item is composed, for EUR 1,8 million, of Provisions for personnel (EUR 2,3 million as at 30 September 2014) and, for EUR 15,8 million, of Provisions for risks and charges (EUR 11,7 million as at 30 September 2014). The rise in the provision for risks and charges of EUR 4,1 million is due mainly to the net increase of EUR 5,6 million in the period carried out by the parent company Mittel S.p.A. to cover liabilities for contractual guarantees issued by the latter. This increase was partially offset, for EUR 1,5 million, by the decrease registered by the subsidiary Fashion District Group S.p.A.;
- The item other **non-current liabilities** totalled EUR 0,6 million, essentially in line with the figure in 2013-2014;
- The item **tax assets** amounted to EUR 2,0 million, compared to EUR 1,4 million in 2013-2014, marking an increase of EUR 0,6 million. This increase is attributable to the partial release of the tax effect deriving from the allocation of deferred taxes calculated on the property capital gain and on the calculation of the deferred "earn-out" price resulting from the transfer of the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets, partially offset by the net variation in prepaid taxes;
- **Net working capital** amounted to EUR 128,3 million, compared to EUR 112,9 million in 2013-2014. The item net working capital is composed of the value of Property inventories of EUR 116,7 million (EUR 115,8 million in the financial statements of the previous year), Sundry receivables and other current assets totalling EUR 24,4 million (EUR 23,4 million in the financial statements of the previous year) and Sundry payables and other current liabilities amounting to EUR 12,8 million (EUR 26,2 million in last year's financial statements). In particular, the reduction in sundry payables to EUR 13,4 million is mainly due to deferred payment of EUR 7,2 million by Mittel S.p.A. to Bios S.p.A. for the purchase in 2011 of the tax receivable due to the latter from the Revenue Agency, as well as the reduction of EUR 5,7 million in sundry payables, recorded by the subsidiary Fashion District Group S.p.A., as a result of its downsizing activities following completion of the transfer of the factory outlets;
- **Net invested capital**, amounting to EUR 431,9 million, fell by EUR 89,6 million, financed by equity for EUR 338,3 million and by the net financial position for EUR 93,6 million;
- **Equity pertaining to the Group** amounted to EUR 299,5 million, compared to EUR 280,6 million in 2013-2014, marking an increase of EUR 18,9 million, while non-controlling interests came to EUR 38,6 million, compared to EUR 39,0 million in the financial statements of the previous year. Total

equity amounted to EUR 338,3 million, compared to EUR 319,6 million in the previous year, marking an increase of EUR 18,7 million. This significant increase is attributable primarily to the higher value of the valuation reserve relating to the investments through which Mittel S.p.A. holds an interest in Sorin S.p.A., or Bios S.p.A. and Tower 6 bis S.à.r.l., valued at equity and which recorded a total increase in the value of the reserve in the period of EUR 31,6 million (and EUR 22,9 million and EUR 8,8 million respectively).

- The **net financial position** came to a negative EUR 93,6 million, compared to a negative EUR 201,8 million as at 30 September 2014, an improvement of EUR 108,2 million. This improvement is attributable to the collection, amounting to EUR 120,1 million, which took place at the same as completion of the transfer by the Fashion District Group of the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets in addition to the reclassification, under current assets, of the listed securities held by Mittel Partecipazioni Stabili S.r.l. amounting to EUR 27,5 million. As regards the payment relating to the factory outlets, it should be noted that this income allowed the extinguishment of bank payables relating to the Fashion District Group amounting to around EUR 52 million and the generation of cash totalling roughly EUR 70 million (of which EUR 5 million restricted as guarantee and not included in the net financial position). It should be noted that bank payables net of cash and cash equivalents totalled EUR 25,9 million as at 30 June 2015, marking a decrease of EUR 107,1 million (EUR 133,0 million as at 30 September 2014). As at 30 June 2015, the item other cash equivalents included EUR 3,1 million (same amount in the financial statements as at 30 September 2014), in amounts owed classified under current financial receivables in the financial statements, referring to the giro account in place between Earchimede S.p.A. and the indirect 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; this receivable was collected in full on 16 July 2015.

Statement relating to the net financial position

| (Thousands of Euro) | 30.06.2015 | 30.06.2014 | 30.09.2014 |
|--|------------------|------------------|------------------|
| Cash | 29 | 77 | 706 |
| Other cash equivalents (*) | 72.037 | 46.095 | 35.887 |
| Securities held for trading (**) | 34.376 | 15.823 | 15.812 |
| Current liquidity | 106.442 | 61.995 | 52.405 |
| Current financial receivables (*) | 1.683 | 29.059 | 20.294 |
| Bank payables | (97.977) | (173.076) | (168.912) |
| Bonds | (99.873) | (99.305) | (97.974) |
| Other financial payables | (3.839) | (12.046) | (7.655) |
| Financial debt | (201.689) | (284.427) | (274.541) |
| Net financial position | (93.564) | (193.373) | (201.842) |

(*) the item other cash equivalents included EUR 3,1 million in amounts owed classified under current financial receivables in the financial statements, referring to the giro account in place between Earchimede S.p.A. 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.

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

Significant events in the third quarter of the year

There were no events of particular relevance worthy of mention which had a significant effect on the statement of financial position and income statement.

Significant events after 30 June 2015

As regards significant events after 30 June 2015, some agreements signed on 23 July 2015 were especially significant, in particular:

Settlement agreement with Progressio SGR S.p.A. and Brands Partners 2 S.p.A. in liquidation

As regards the potential dispute with Progressio SGR S.p.A. ("Progressio") and Brand Partners 2 S.p.A. in liquidation ("BP2") described in the report on operations of Mittel's financial statements as at 30 September 2014 - to which reference should be made - it should be noted that, to avoid the risk of being the losing party in the potential dispute, as well as the associated legal costs, on 23 July 2015, the parties agreed to reach a settlement agreement in compliance with the resolution of the Board of Directors of Mittel S.p.A. at the meeting on 3 July 2015, based on the prior justified favourable opinion of the Related Party Transactions Committee, given a transaction classified as of lesser importance.

This agreement requires Mittel S.p.A., in full settlement of any claim presented to it by BP2 and by Progressio, the latter on behalf of Fondo Progressio Investimenti set up and managed by said entity, to pay Progressio, on behalf of Fondo Progressio Investimenti, EUR 1,050 million in the form of an indemnity. As part of these agreements, on 23 July 2015, Mittel S.p.A. transferred the 25,20% stake it held in Brand Partners 2 S.p.A. in liquidation for a value of EUR 0,4 million, with the simultaneous payment on signing of the agreement.

Settlement agreement between Mittel S.p.A. and Liberata S.p.A.

Pursuant to the agreement for the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. ("MGI") by Mittel to Liberata, signed in July 2012 (the "Purchase Contract"), Mittel released a guarantee in favour of the latter (of a duration of two years and within a compensation limit of EUR 20 million) on the collection of MGI's receivables at the transfer date.

In compliance with the resolution of the Board of Directors of Mittel S.p.A., which met on 3 July 2015, based on the prior justified favourable opinion issued by the Related Party Transactions Committee, given a transaction classified as of lesser importance, settlement agreements were signed on 23 July 2015 with Liberata S.p.A. ("Liberata") regarding the payment of a total amount of EUR 11,3 million to definitively close the compensation requests formulated by Liberata regarding the non-collection of the receivables involved in the guarantee issued by Mittel in the aforementioned Purchase Contract.

Business outlook for the year

With reference to the business outlook for the year, the Group is continuing to restructure the services and activities provided. The Group is continuing to prepare the Business Plan by defining the business strategies it intends to pursue. The restructuring process is also continuing, consisting of the analysis of the personnel in the workforce and amalgamation of the various headquarters of the Group companies at the historic Piazza Armando Diaz offices in Milan. The company will concentrate increasingly more on raising the value of its assets and on the active management of the different business lines that characterise the company, through the development and expansion of the services offered according to four business lines (Advisory, Debt & Grant, Real Estate and Portfolio Management) and through private equity and real estate investments.

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 2014-2015, 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.

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. up to 31 January 2015;
- billing of administrative and consultancy services, falling under ordinary operations, by associate Mittel Generale Investimenti S.p.A. and by Mittel S.p.A. to natural persons and companies falling within the wider definition of related parties.
- salaries and other fees due to key Group managers.

All transactions with related parties were conducted on an arm's length basis and, therefore, there are no atypical and unusual transactions to report, with the exception of the transactions detailed in the section "Significant events after 30 June 2015" in this interim report on operations to which reference should be made.

Treasury shares

As at 30 June 2015, the Company held 15.308.706 treasury shares. During the nine-month period of the financial year 2014-2015 no direct or indirect purchases or disposal of treasury shares took place.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Euro

| | 30.06.2015 | 30.09.2014 |
|---|-------------------|-------------------|
| Non-current assets | | |
| Intangible assets | 172 | 310 |
| Property, plant and equipment | 1.324 | 1.669 |
| Investments accounted for using the equity method | 87.449 | 56.184 |
| Financial receivables | 160.528 | 146.841 |
| Other financial assets | 70.177 | 96.390 |
| Sundry receivables and other assets | 266 | 278 |
| Prepaid tax assets | 6.027 | 5.505 |
| Total non-current assets | 325.943 | 307.177 |
| Current assets | | |
| Property inventories | 116.666 | 115.791 |
| Financial receivables | 4.764 | 23.348 |
| Other financial assets | 34.376 | 15.812 |
| Tax assets | 14.947 | 17.492 |
| Sundry receivables and other assets | 24.386 | 23.389 |
| Cash and cash equivalents | 68.985 | 32.424 |
| Total current assets | 264.125 | 228.256 |
| Assets held for sale | 199 | 131.435 |
| Total assets | 590.266 | 666.867 |
| Equity | | |
| Share capital | 87.907 | 87.907 |
| Share premium | 53.716 | 53.716 |
| Treasury shares | (26.515) | (26.515) |
| Reserves | 199.016 | 199.086 |
| Profit (loss) for the year | (14.456) | (33.590) |
| Equity pertaining to the Group | 299.668 | 280.605 |
| Non controlling interests | 38.642 | 39.015 |
| Total Equity | 338.310 | 319.620 |
| Non-current liabilities | | |
| Bond issue | 97.099 | 96.661 |
| Financial payables | 3.306 | 41.151 |
| Other financial liabilities | - | - |
| Provisions for personnel | 1.795 | 2.275 |
| Deferred tax liabilities | 17.347 | 20.552 |
| Provisions for risks and charges | 15.842 | 11.722 |
| Sundry payables and other liabilities | 833 | 896 |
| Total non-current liabilities | 136.222 | 173.257 |
| Current liabilities | | |
| Bond issue | 2.774 | 1.313 |
| Financial payables | 97.977 | 80.710 |
| Other financial liabilities | 533 | 2.804 |
| Tax liabilities | 1.677 | 1.017 |
| Sundry payables and other liabilities | 12.774 | 26.242 |
| Total current liabilities | 115.735 | 112.086 |
| Liabilities held for sale | - | 61.905 |
| Total equity and liabilities | 590.266 | 666.867 |

CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Euro

| | 3 months | 9 months | 3 months | 9 months | 12 months |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 01.04.2015 30.06.2015 | 01.10.2014 30.06.2015 | 01.04.2014 30.06.2014 | 01.10.2013 30.06.2014 | 01.10.2013 30.09.2014 |
| Revenues | 3.645 | 16.317 | 12.074 | 41.016 | 52.039 |
| Other income | 167 | 742 | 4.671 | 6.068 | 5.269 |
| Variations in property inventories | 1.262 | 2.469 | (901) | (5.498) | (15.855) |
| Costs for purchases | (2.133) | (5.243) | (350) | (1.521) | (2.860) |
| Costs for services | (3.588) | (13.943) | (7.825) | (27.494) | (37.194) |
| Personnel costs | (2.680) | (7.187) | (3.109) | (8.645) | (11.675) |
| Other costs | (1.220) | (3.225) | (1.334) | (4.366) | (5.828) |
| Dividends | 1.294 | 1.888 | 5.305 | 6.342 | 7.721 |
| Profit (loss) from management of financial activities and investments | 3.120 | 4.640 | 253 | 5.802 | 5.850 |
| Gross operating margin (EBITDA) | (134) | (3.542) | 8.784 | 11.704 | (2.533) |
| Amortisation and value adjustments to intangible assets | (214) | (528) | (3.579) | (14.663) | (22.581) |
| Allocations to the provision for risks | (3.849) | (6.840) | (138) | (2.136) | (6.599) |
| Value adjustments to financial assets and receivables | (1.680) | (5.372) | (7.247) | (18.067) | (25.963) |
| Value adjustments to investments | - | - | - | - | - |
| Value adjustments to intangible assets | - | - | - | - | - |
| Share of income (loss) of investments accounted for using the equity method | 44 | (422) | 7.232 | 25.712 | 25.787 |
| Income (loss) from non-recurring transactions | 541 | 253 | - | - | (18.375) |
| Operating result (EBIT) | (5.292) | (16.450) | 5.051 | 2.551 | (50.264) |
| Financial income | 1.622 | 6.105 | 2.034 | 6.211 | 6.923 |
| Financial expenses | (2.481) | (8.964) | (4.966) | (15.908) | (22.122) |
| Profit (loss) from trading of financial assets | 371 | 5.032 | 225 | 3.006 | 2.426 |
| Income (loss) before taxes | (5.780) | (14.277) | 2.345 | (4.139) | (63.038) |
| Income taxes | (492) | (640) | 927 | 2.241 | 11.090 |
| Income (loss) from continuing operations | (6.272) | (14.917) | 3.271 | (1.899) | (51.948) |
| Income (loss) from assets held for sale | - | - | - | - | - |
| Profit (loss) for the year | (6.272) | (14.917) | 3.271 | (1.899) | (51.948) |
| Attributable to: | | | | | |
| Income (loss) pertaining to non controlling interests | 163 | (461) | (851) | (6.172) | (18.358) |
| Income (loss) pertaining to the Group | (6.435) | (14.456) | 4.122 | 4.273 | (33.590) |

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 2014. The consolidated interim report on operations as at 30 June 2015, as with the consolidated financial statements as at 30 September 2014, derive from the consolidation, at said dates, of the accounting positions and the financial statements of Parent Company Mittel and all direct and indirect subsidiaries, jointly controlled companies or associates.

Accounting standards applied

The accounting standards applied to draft the consolidated interim report on operations as at 30 June 2015 are the same as those applied to the financial statements as at 30 September 2014, 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 2015 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 2015 is as follows:

| Company name | Office / Country (a) | Type of relationship | Consolidation method | Investment relationship | | | Total interest % |
|--|-------------------------|-------------------------|-------------------------|---------------------------------|----------------------|--|---------------------|
| | | | | Participating company | Direct interest % | Direct availability of votes - % (b) | |
| Parent Company | | | | | | | |
| Mittel S.p.A. | | | | | | | |
| A. Companies fully consolidated | | | | | | | |
| Direct subsidiaries: | | | | | | | |
| 1 Mittel Partecipazioni Stabili S.r.l. | Milan | (1) | Full | Mittel S.p.A. | 100,00% | 100,00% | 100,00% |
| 2 Mittel Advisory S.p.A. | Milan | (1) | Full | Mittel S.p.A. | 100,00% | 100,00% | 100,00% |
| 3 Mittel Investimenti Immobiliari S.r.l. | Milan | (1) | Full | Mittel S.p.A. | 100,00% | 100,00% | 100,00% |
| 4 Ghea S.r.l. | Milan | (1) | Full | Mittel S.p.A. | 51,00% | 51,00% | 51,00% |
| 5 Earchimede S.p.A. | Milan | (1) | Full | Mittel S.p.A. | 85,01% | 85,01% | 85,01% |
| 6 Locaefle S.r.l. in liquidation | Brescia | (1) | Full | Mittel S.p.A. | 100,00% | 100,00% | 100,00% |
| 7 Markfactor S.r.l. in liquidation | Brescia | (1) | Full | Mittel S.p.A. | 100,00% | 100,00% | 100,00% |
| 8 Hollinvest S.r.l. in liquidation | Milan | (1) | Full | Mittel S.p.A. | 100,00% | 100,00% | 100,00% |
| 9 Mittel Portfolio Management S.r.l. | Milan | (1) | Full | Mittel S.p.A. | 100,00% | 100,00% | 100,00% |
| 10 CAD Immobiliare S.r.l. | Milan | (1) | Full | Mittel S.p.A. - MII S.r.l. | 100,00% | 100,00% | 100,00% |
| Indirect subsidiaries: | | | | | | | |
| 11 Mittel Advisory Debt and Grant S.p.A. | Milan | (1) | Full | Mittel Advisory S.p.A. | 100,00% | 100,00% | 100,00% |
| 12 Esse Ventuno S.r.l. | Milan | (1) | Full | MII S.r.l. | 90,00% | 90,00% | 90,00% |
| 13 Gamma Tre S.r.l. | Milan | (1) | Full | MII S.r.l. | 100,00% | 100,00% | 100,00% |
| 14 Brema S.r.l. | Milan | (1) | Full | MII S.r.l. | 100,00% | 100,00% | 100,00% |
| 15 Santarosa S.r.l. | Milan | (1) | Full | MII S.r.l. | 60,00% | 60,00% | 60,00% |
| 16 Fede S.r.l. | Milan | (1) | Full | MII S.r.l. | 100,00% | 100,00% | 100,00% |
| 17 Immobiliare Volta Marconi S.r.l. | Milan | (1) | Full | MII S.r.l. | 51,00% | 51,00% | 51,00% |
| 18 Cerca S.r.l. | Milan | (1) | Full | MII S.r.l. | 100,00% | 100,00% | 100,00% |
| 19 Lucianita S.r.l. | Milan | (1) | Full | MII S.r.l. | 51,00% | 51,00% | 51,00% |
| 20 MiVa S.r.l. | Milan | (1) | Full | MII S.r.l. | 100,00% | 100,00% | 100,00% |
| 21 Regina S.r.l. | Milan | (1) | Full | MII S.r.l. | 100,00% | 100,00% | 100,00% |
| 22 Iniziative Nord Milano S.r.l. in liquidation | Milan | (1) | Full | MII S.r.l. | 75,00% | 75,00% | 75,00% |
| 23 FD33 S.r.l. | Brescia | (1) | Full | Earchimede S.p.A. | 100,00% | 100,00% | 85,01% |
| 24 Fashion District Group S.p.A. | Brescia | (1) | Full | Earchimede S.p.A. - FD33 S.r.l. | 66,66% | 66,66% | 56,67% |
| 25 Fashion District Roma S.r.l. | Brescia | (1) | Full | Fashion District Group | 100,00% | 100,00% | 56,67% |
| 26 Parco Mediterraneo S.r.l. | Brescia | (1) | Full | FD33 - Fashion District G. | 100,00% | 100,00% | 59,50% |
| 27 Loft S.r.l. | Brescia | (1) | Full | Fashion District Group | 100,00% | 100,00% | 56,67% |
| B. Companies consolidated using the equity method | | | | | | | |
| Direct associates: | | | | | | | |
| 1 Liberata S.p.A. | Milan | (6) | Equity | Mittel S.p.A. | 27,00% | 27,00% | 27,00% |
| 2 Bios S.p.A. | Milan | (4) | Equity | Mittel S.p.A. | 50,00% | 50,00% | 50,00% |
| 3 Tower 6 Bis S.à r.l. | Lussembourg | (4) | Equity | Mittel S.p.A. | 49,00% | 49,00% | 49,00% |
| 4 Brands Partners 2 S.p.A. in liquidation | Milan | (6) | Equity | Mittel S.p.A. | 25,20% | 25,20% | 25,20% |
| 5 Mit.Fin. S.p.A. | Milan | (6) | Equity | Mittel S.p.A. | 30,00% | 30,00% | 30,00% |
| 6 Chase Mittel Capital Holding II NV | Antille Olandesi | (6) | Cost (c) | Mittel S.p.A. | 21,00% | 21,00% | 21,00% |
| 7 Castello SGR S.p.A. | Milan | (6) | Equity | Mittel S.p.A. | 20,24% | 20,24% | 20,24% |
| Indirect associates: | | | | | | | |
| 8 Mittel Generale Investimenti S.p.A. | Milan | (6) | Equity | Liberata S.p.A. | 100,00% | 100,00% | 27,00% |
| 9 Superpartes S.p.A. | Brescia | (7) | Equity | Earchimede S.p.A. | 11,89% | 11,89% | 10,11% |

(a) Type of relationship:

- 1 - majority of voting rights at ordinary shareholders' meeting;
- 2 - dominant influence at ordinary shareholders' meeting;
- 3 - agreements with other shareholders;
- 4 - joint control;
- 5 - other forms of control which, pursuant to IFRS 10, simultaneously attribute availability of the power of governance over the relevant activities and exposure to the variability of the resultant returns;
- 6 - company subject to significant influence;
- 7 - company subject to significant influence based on agreements with other shareholders which regulate their governance and administration with binding veto power over significant specific matters;

(b) Availability of votes at ordinary shareholders' meeting, distinguishing between actual and potential.

(c) The investment in Chase Mittel Capital Holding NV which is inactive and irrelevant is maintained at cost given that the valuation using the equity method is approximated by the cost.

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

The following are considered subsidiaries: companies in which Mittel S.p.A. is exposed to variable returns, or holds rights over said returns, deriving from its relationship with the same and at the same time has the capacity to affect the returns by exercising its power over said entities.

No situations are recognised in which the Group is in a condition to exercise “de facto control” over an entity which, despite the absence of the majority of voting rights, demonstrates the ownership of such rights as such to allow the unidirectional management of the investee’s relevant activities.

Under subsidiaries, no “structured entities” are identified in which the voting rights do not represent key elements for the evaluation of control, including therein vehicle companies (SPE/SPV) and investment funds.

Companies in which Mittel, directly or indirectly, holds at least 20% of voting rights (including therein any “potential” voting rights) or in which - despite with a lower share of voting rights - has the power to participate in the determination of the financial and management policies by virtue of particular legal links, such as participation in shareholders’ agreements, are considered associates, i.e. subject to a significant influence.

Any interests exceeding 20%, however for a small amount are excluded from the area of consolidation and classified under available-for-sale assets, given that Mittel S.p.A. directly or indirectly, exclusively holds rights over a portion of the profits from the investments, has no access to the management policies and can exercise governance rights limited to the protection of its own equity interests.

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

The area of consolidation as at 30 June 2015 showed no significant changes, so its comments are found in the half-yearly financial report as at 31 March 2015 to which reference should be made.

Certification of the consolidated interim report on operations as at 30 June 2015 pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned Marco Colacicco, 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 2015.

It is also certified that the consolidated interim report on operations as at 30 June 2015:

- 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 on operations 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 statement of financial position and income statement. The consolidated interim report on operations also includes a reliable analysis of information on significant related party transactions.

Milan, 27 July 2015

Executive Director

Mr. Marco Colacicco

Manager responsible for preparing the
Company's financial reports

Mr. Pietro Santicoli