



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 31 December 2013
(from 1 October 2013 to 31 December 2013)**

129th company year

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Corporate bodies

Board of Directors

Chairman

Franco Dalla Sega

Deputy Chairman

Romain C. Zaleski (b)

Chief Executive Officer

Arnaldo Borghesi (b)

Directors

Paolo Battocchi

Maria Vittoria Bruno (a) (c)

Giorgio Franceschi (b)

Stefano Gianotti (a) (d)

Giambattista Montini (a)

Giuseppe Pasini (a)

Duccio Regoli (a) (c) (d)

Massimo Tononi (c)

General Manager

Maurizia Squinzi

Manager responsible for preparing the Company's financial reports

Pietro Santicoli

Board of Statutory Auditors

Standing auditors

Giovanni Brondi – Chairman

Simone Del Bianco

Maria Teresa Bernelli

Alternate auditors

Roberta Crespi

Giulio Tedeschi

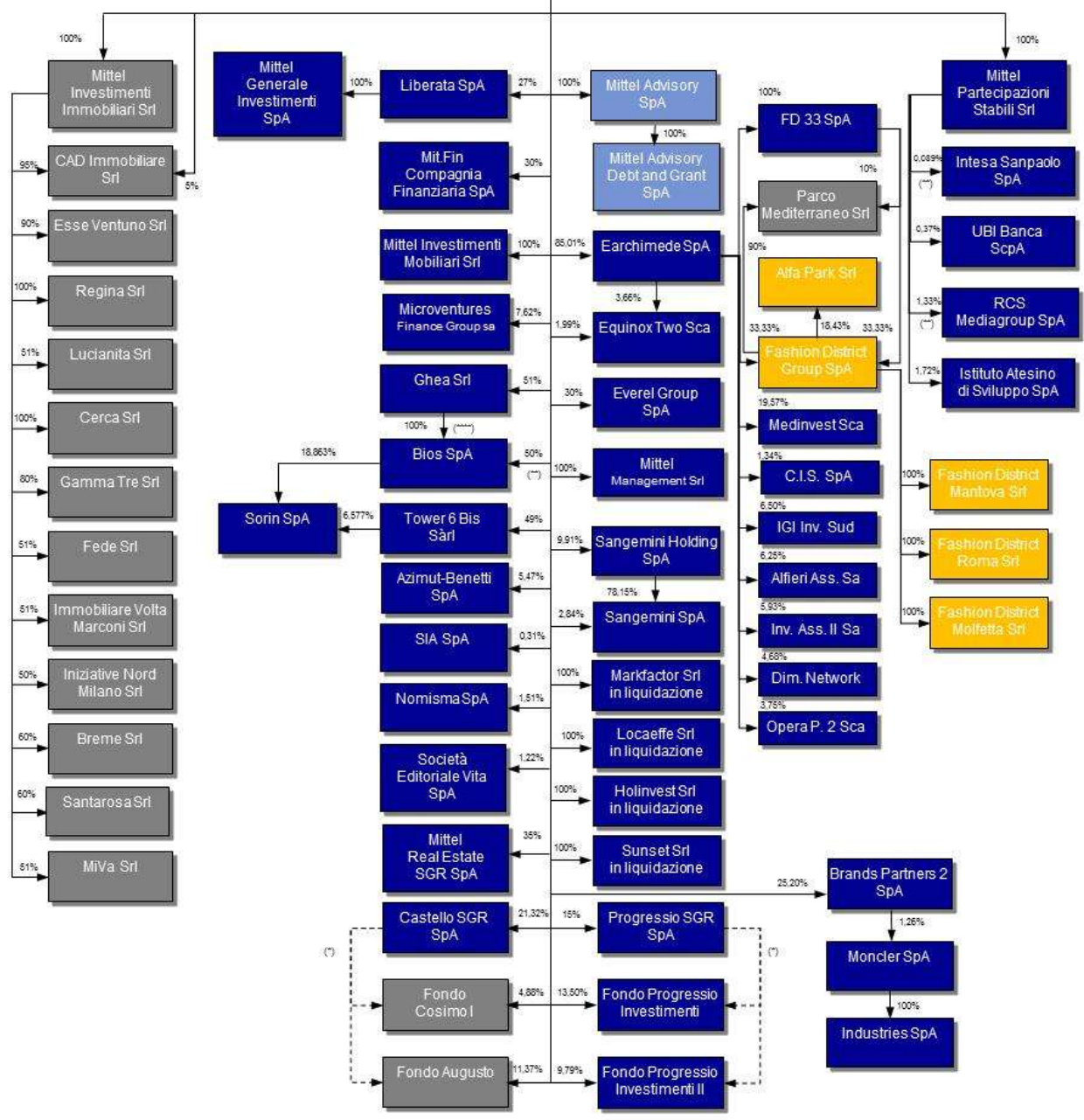
Independent Auditors

Deloitte & Touche S.p.A.

- (a) Independent Director
- (b) Member of the Executive Committee
- (c) Functions of the Control and Risks Committee
- (d) Member of the Remuneration Committee

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

Mittel S.p.A. corporate structure as at 11 February 2014



- Real Estate
- Investments and Private Equity
- Advisory services and Grants Finance
- Outlet

(*) --> Asset Management services
 (**) on Ordinary Share Capital
 (***) holds 17,414% of treasury shares
 (****) On Total Share Capital including preferred shares

Group performance

Dear Shareholders,

The consolidated economic result of the Mittel Group for the first quarter of the year 1.10.2013 - 30.09.2014 (129th year from the foundation of Mittel S.p.A.), posted a consolidated profit of EUR 19,0 million, compared to a consolidated loss of EUR 2,7 million in the corresponding period of the previous year and a consolidated loss of EUR 38,1 million for the entire 2012-2013 period.

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

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 interim report on operations 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 valuations, also help to better qualify the trends in the different values.

Main economic, financial and equity figures of the Group

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

- Revenues:** the item includes revenues, other income and the change in property inventories and amounted to EUR 13,8 million, compared to EUR 14,1 million as at 31 December 2012, marking a decrease totalling EUR 0,3 million. This change is the combined result of revenues for the quarter increasing by EUR 7,7 million (from EUR 9,8 million to EUR 17,5 million as at 31 December 2013), the decreased change in property inventories (i.e., the net balance of the increase in inventories as a result of construction of properties and the reduction due to transfers) of EUR 7,9 million (from a positive EUR 3,7 million to a negative EUR 4,2 million) and the decrease in other income of EUR 0,1 million (from EUR 0,6 million to EUR 0,5 million).
- Operating costs:** these amounted to EUR 11,9 million, compared to EUR 14,2 million as at 31 December 2012, marking a decrease totalling EUR 2,3 million. These are composed of costs for purchases, provision of services and sundry costs of EUR 9,3 million compared to EUR 12,0 million as at 31 December 2012, marking a decrease of EUR 2,7 million, and personnel costs of EUR 2,7 million compared to EUR 2,3 million as at 31 December 2012, marking an increase of EUR 0,4 million. The change in costs for purchases, provision of services and sundry costs is the combined result of an increase in costs for services of EUR 0,7 million (from EUR 7,4 million to EUR 8,1 million as at 31 December 2013), an increase of EUR 0,2 million in other costs, and a decrease in costs for purchases of EUR 3,6 million (from EUR 3,7 million to EUR 0,1 million as at 30 September 2013).
- Income from investments:** this item is composed of dividends of EUR 0,4 million (nil as at 31 December 2012) and profits from management of financial assets and investments of EUR 1,8 million (EUR 0,8 million as at 31 December 2012). Specifically, the dividends derive from distributions received from an investment fund held by the parent company Mittel S.p.A., while profits from the management of financial assets and investments are mainly composed of income deriving from the transfer of Ubi Banca and Intesa Sanpaolo securities held for trading.

- **Operating margin (EBITDA):** this amounted to EUR 4,1 million, compared to EUR 0,6 million as at 31 December 2012, marking an increase of EUR 3,5 million compared to the same period of the previous year.
- **Amortisation/depreciation, allocations and adjustments to non-current assets:** these amount to EUR 3,6 million, in line with figure as at 31 December 2012. The item refers to the depreciation on properties owned by the Fashion District Group.
- **Value adjustments to financial assets and receivables:** these amount to EUR 1,6 million (nil as at 31 December 2012). The item is composed of adjustments made in the Outlet sector for EUR 0,9 million as well as adjustments recorded by Earchimede S.p.A. and the parent company Mittel S.p.A. relating to their investments in private equity funds and foreign investment vehicles, for EUR 0,2 million and EUR 0,5 million, respectively.
- **Share of income (loss) of investments:** this item, amounting to EUR 21,7 million compared to EUR 0,2 million in the previous year, marking an increase of EUR 21,5 million. Specifically, this value comprises EUR 21,8 million for the pro-rata profit of the investee Brands Partners 2 S.p.A. following the partial initial offer for a 3,73% stake of Moncler S.p.A. in December (as at 30 September 2013 the stake in Moncler held by Brands Partners 2 S.p.A. amounted to 4,99% of the share capital).
- **Operating result (EBIT):** this item was a positive EUR 20,6 million compared to a negative EUR 2,8 million in the previous year, marking an improvement of EUR 23,4 million.
- **Income (loss) from financial management:** this amounted to a loss of EUR 2,4 million compared to a loss of EUR 0,2 million in the previous year, worsening by EUR 2,2 million. This item was primarily affected by the negative contribution from the parent company Mittel of EUR 1,8 million as well as from the real estate sector of EUR 0,5 million and the Outlet sector of EUR 0,4 million.

Main financial and equity figures of the Group

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

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

Intangible assets amounted to EUR 30,0 million, essentially unchanged compared to the year 2012-2013. These refer to the intangible assets with an indefinite life (EUR 21,8 million), value assigned to the authorisation licences to carry out retail trade activities via the concentration of points of sale for outlet use in a purpose built extra-urban commercial complex (factory outlet village), located in the province of Mantua and in Molfetta.

EUR 8,1 million of this was due to the recognition of goodwill following the acquisition of control of Mittel Advisory S.p.A. (formerly Borghesi Advisory S.r.l.).

Property, plant and equipment totalled EUR 134,1 million compared to EUR 137,7 million in 2012-2013, representing a decrease of EUR 3,5 million, attributable primarily to the depreciation of the properties owned by the subsidiary Fashion District Group S.p.A., relating to the Mantua and Molfetta outlets.

Investments valued using the equity method totalled EUR 90,7 million, marking an increase of EUR 13,4 million on the EUR 77,3 million in 2012-2013. The increase was mainly due to the increase in value of the investee Brands Partners 2 S.p.A. by EUR 7,0 million, attributable to the revaluation of the fair value of the investment in Moncler S.p.A., as well as to the revaluation of the investee Sorin S.p.A. held through the vehicles Bios S.p.A. (increase of EUR 5,3 million) and Tower 6 bis S.a.r.l. (increase of EUR 1,1 million).

Non-current financial assets amounted to EUR 276,5 million, substantially in line with the 2012-2013 figure, amounting to EUR 274,9 million (increase of EUR 1,6 million).

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 7,9 million, compared to EUR 8,1 million in 2012-2013, marking a decrease of EUR 0,2 million. Specifically, as at 31 December 2013 this item was composed of EUR 2,5 million in *Provisions for personnel* (EUR 2,4 million as at 30 September 2013) and EUR 5,5 million in *Provisions for risks and charges* (EUR 5,7 million as at 30 September 2013).

The item **other non-current liabilities** amounted to EUR 2,5 million compared to EUR 2,6 million in the previous year.

The item **tax liabilities** amounted to EUR 14,7 million, compared to EUR 14,6 million in 2012-2013.

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

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

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

The **net financial position** came to a negative EUR 218,2 million, compared to a negative EUR 226,4 million as at 30 September 2013, an improvement totalling EUR 8,2 million. Specifically, there was an increase in other cash equivalents, partially resulting from the decrease in Securities held for trading as a result of the disposal of listed securities held in UBI Banca and Intesa Sanpaolo.

Note that bank payables less cash and cash equivalents amounted to EUR 143,8 million as at 31 December 2013, marking a decrease of EUR 18,2 million (EUR 162,1 million as at 30 September 2013).

The item other cash equivalents as at 31 December 2013 included EUR 3,0 million (same amount as in the financial statements as at 30 September 2013) in amounts owed classified under current financial receivables in the financial statements and that refer to the transaction account existing between Earchimede and the investee Mittel Generale Investimenti S.p.A. This inclusion reflects the fact that the receivables can readily be converted to a known amount of cash, with no risk of a change in the value.

Statement relating to the net financial position

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

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

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

On 11 December 2013, the Global Offer to Sell aimed at listing Moncler S.p.A. on the Mercato Telematico Azionario (MTA), organised and managed by Borsa Italiana S.p.A., was concluded successfully. At the Offer Price, demand from institutional investors exceeded the quantity of shares offered about 31 times, for a total value of over EUR 20 billion, net of the demand from investors under the Offer in Italy and from investors participating in the Public Offer Without Listing in Japan.

The demand from institutional investors derived from leading international investors with widespread geographical diversification, including the United States, Europe and Asia.

The Offer Price of the Moncler S.p.A. ordinary shares was fixed at EUR 10,20 per share.

Brands Partners 2 S.p.A., company of which Mittel S.p.A. holds 25,20% of the share capital, complied with the Global Offer to Sell for the purpose of listing of Moncler S.p.A., contributing 9,3 million in ordinary shares of that company. The collection, net of commissions due to placement banks, amounted to EUR 93,4 million. To date, Brands Partners 2 S.p.A. still holds 3,1 million of Moncler S.p.A. ordinary shares in its portfolio.

Significant events after 31 December 2013

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

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

The outgoing Directors Mr. Franceschi, Mr. Pasini and Mr. Tononi had been appointed by the Ordinary Shareholders' Meeting of 27 March 2012 (by list voting, pursuant to art. 15 of the Articles of Association); Mr. Gianotti and Mr. Montini had been appointed by the Ordinary Shareholders' Meeting of 26 July 2012, whereas Mr. Battocchi had been appointed Director by co-optation on 30 July 2013, replacing Cav. Enrico Zobebe who had resigned from this office on 23 April 2013.

Note that Mr. Gianotti, Mr. Montini and Mr. Pasini declared their status as Independent Directors pursuant to the Corporate Governance Code and art. 148, paragraph 3 of Legislative Decree 58/1998, and this was confirmed by the assessments conducted by the Board of Directors.

By virtue of the provisions of art. 7, paragraph 2 of the Company's Articles of Association, since the majority of the Directors in office have left, the entire Board of Directors of the Company must be understood as ceased from the date the new administrative body is appointed by the Ordinary Shareholders' Meeting.

Therefore, the Board of Directors resolved to convene the Ordinary Shareholders' Meeting to appoint the entire administrative body of the Company on 10 March 2014 in first call and, if necessary, on 11 March 2014 in second call.

Main legal proceedings and disputes in progress

There were no developments in the disputes in progress as compared to that reported in the Directors' Report on Operations in the paragraph "Main legal proceedings and disputes in progress" in the draft financial statements as at 30 September 2013, to which reference should be made, except for the following:

SNIA S.p.A. in Amministrazione Straordinaria (under extraordinary administration) dispute

At the hearing of 24 January 2014, the Judge postponed the continuation of the hearing pursuant to art. 183 of the code of civil procedure to 20 June 2014.

Business outlook

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

Intercompany transactions and transactions with related parties

In terms of 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 quarter of the year 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 can be attributed:

- 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 today's date, the Board of Directors of Mittel S.p.A. renewed the option for Group tax consolidation pursuant to articles 117-129 of the Consolidated Law on Income Tax for the 2013/2014, 2014/2015 and 2015/2016 three-year period for the subsidiaries Mittel Investimenti Immobiliari S.r.l., Cad Immobiliare S.r.l., Esse Ventuno S.r.l. and Fede S.r.l.. It also resolved to subscribe, for the next three-year period, and therefore up until the 2015/2016 company year, to the Group tax consolidation option, in accordance with articles 117-129 of the Consolidated Law on Income Tax for the companies Mittel Management S.r.l. and Mittel Advisory S.p.A..

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..

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

Transactions with related parties other than Group companies

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

- billing of administrative and consultancy services, falling under ordinary operations, by 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.

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

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

CONSOLIDATED INCOME STATEMENT

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

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 31 December 2013, as with the consolidated financial statements as at 30 September 2013, 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. Asset and liabilities relating to the companies which are expected to be disposed of are reclassified under asset and liability items set aside to highlight said operations.

Accounting standards applied

The accounting standards applied to draft the interim report on operations as at 31 December 2013 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 31 December 2013 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 31 December 2013 is as follows:

Company name	Office / Country	Consolidation method	Investment relationship			
			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.	Milano	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
2 Mittel Investimenti Mobiliari S.r.l.	Milano	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
3 Mittel Advisory S.p.A.	Milano	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
5 Mittel Investimenti Immobiliari S.r.l.	Milano	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
6 Ghea S.r.l.	Milano	Full	Mittel S.p.A.	51,00%	51,00%	51,00%
7 Earchimede S.p.A.	Milano	Full	Mittel S.p.A.	85,01%	85,01%	85,01%
8 Locaefte S.r.l. in liquidazione	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
9 Markfactor S.r.l. in liquidazione	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
10 Sunset S.r.l. in liquidazione	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
11 Holinvest S.r.l. in liquidazione	Milano	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
12 Mittel Management S.r.l.	Milano	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
13 CAD Immobiliare S.r.l.	Milano	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.	Milano	Full	Mittel Advisory S.p.A.	100,00%	100,00%	100,00%
15 Livia S.r.l. in liquidazione	Milano	Full	MII S.r.l.	68,23%	68,23%	68,23%
16 Esse Ventuno S.r.l.	Milano	Full	MII S.r.l.	90,00%	90,00%	90,00%
17 Gamma Tre S.r.l.	Milano	Full	MII S.r.l.	80,00%	80,00%	80,00%
18 Brema S.r.l.	Milano	Full	MII S.r.l.	60,00%	60,00%	60,00%
19 Santarosa S.r.l.	Milano	Full	MII S.r.l.	60,00%	60,00%	60,00%
20 Fede S.r.l.	Milano	Full	MII S.r.l.	51,00%	51,00%	51,00%
21 Immobiliare Volta Marconi S.r.l.	Milano	Full	MII S.r.l.	51,00%	51,00%	51,00%
22 Cerca S.r.l.	Milano	Full	MII S.r.l.	100,00%	100,00%	100,00%
23 Lucianita S.r.l.	Milano	Full	MII S.r.l.	51,00%	51,00%	51,00%
24 MVA S.r.l.	Milano	Full	MII S.r.l.	51,00%	51,00%	51,00%
25 Regina S.r.l.	Milano	Full	MII S.r.l.	100,00%	100,00%	100,00%
26 FD33 S.p.A.	Brescia	Full	Earchimede S.p.A.	100,00%	100,00%	85,01%
27 Fashion District Group S.p.A.	Brescia	Full	Earchimede S.p.A. - FD33 S.p.A.	66,66%	66,66%	56,67%
28 Fashion District Roma S.r.l.	Brescia	Full	Fashion District Group	100,00%	100,00%	56,67%
29 Fashion District Molletta S.r.l.	Brescia	Full	Fashion District Group	100,00%	100,00%	56,67%
30 Fashion District Mantova S.r.l.	Brescia	Full	Fashion District Group	100,00%	100,00%	56,67%
31 Parco Mediterraneo S.r.l.	Brescia	Full	FD33 - Fashion District G	100,00%	100,00%	59,50%
B. Companies consolidated using the equity method						
Direct associates:						
1 Liberata S.p.A.	Milano	Shareholders' equity	Mittel S.p.A.	27,00%	27,00%	27,00%
2 Bios S.p.A.	Milano	Shareholders' equity (*)	Mittel S.p.A.	50,00%	50,00%	50,00%
3 Tower 6 Bis S.à r.l.	Lussemburgo	Shareholders' equity	Mittel S.p.A.	49,00%	49,00%	49,00%
4 Brands Partners 2 S.p.A.	Milano	Shareholders' equity	Mittel S.p.A.	25,20%	25,20%	25,20%
5 Mt.Fin. S.p.A.	Milano	Shareholders' equity	Mittel S.p.A.	30,00%	30,00%	30,00%
6 Everel Group S.p.A.	Verona	Shareholders' equity	Mittel S.p.A.	30,00%	30,00%	30,00%
7 Chase Mittel Capital Holding II NV	Antille Olandesi	Shareholders' equity	Mittel S.p.A.	21,00%	21,00%	21,00%
8 Castello SGR S.p.A.	Milano	Shareholders' equity	Mittel S.p.A.	21,32%	21,32%	21,32%
9 Mittel Real Estate SGR S.p.A.	Milano	Shareholders' equity	Mittel S.p.A.	35,00%	35,00%	35,00%
Indirect associates:						
10 Mittel Generale Investimenti S.p.A.	Milano	Shareholders' equity	Liberata S.p.A.	100,00%	100,00%	27,00%
11 Iniziative Nord Milano S.r.l.	Milano	Shareholders' equity (*)	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 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 31 December 2013 shows the following changes with respect to 30 September 2013:

Certification of the interim report on operations as at 31 December 2013 pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

The undersigned Arnaldo Borghesi, Chief Executive Officer and Pietro Santicoli, Manager responsible for preparing the company 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 31 December 2013.

It is also certified that the consolidated interim report on operations 1 October 2013 - 31 December 2013:

- a) was 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) corresponds to the book results and accounting records;
- c) provides 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 three 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.

As at 11 February 2014

The Chief Executive Officer

Arnaldo Borghesi

The Manager responsible
for preparing the company's financial reports

Pietro Santicoli