



Offices in Milan - Piazza A. Diaz 7  
Share Capital EUR 87.907.017 fully paid-in  
Listed in the Milan Register of Companies at no. 00742640154  
[www.mittel.it](http://www.mittel.it)

**Interim report on operations  
as at 31 December 2014  
(from 1 October 2014 to 31 December 2014)**

130th company year

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## Corporate bodies

### Board of Directors

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#### *Chairman*

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Franco Dalla Sega

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#### *Deputy Chairman*

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Giorgio Franceschi (b)

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#### *Directors*

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

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Marco Colacicco (b)

---

Stefano Gianotti (b)

---

Michele Iori (b)

---

Marco Merler (a) (c) (d)

---

Giuseppe Pasini (b)

---

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

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Carla Sora (a) (d)

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Michela Zeme (a) (e)

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#### *General Manager*

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Gaetano Casertano

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#### *Manager responsible for preparing the Company's financial reports*

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Pietro Santicoli

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### Board of Statutory Auditors

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#### *Standing auditors*

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Giovanni Brondi – Chairman

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Maria Teresa Bernelli

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Simone Del Bianco

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#### *Alternate auditors*

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Roberta Crespi

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Giulio Tedeschi

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### Independent Auditors

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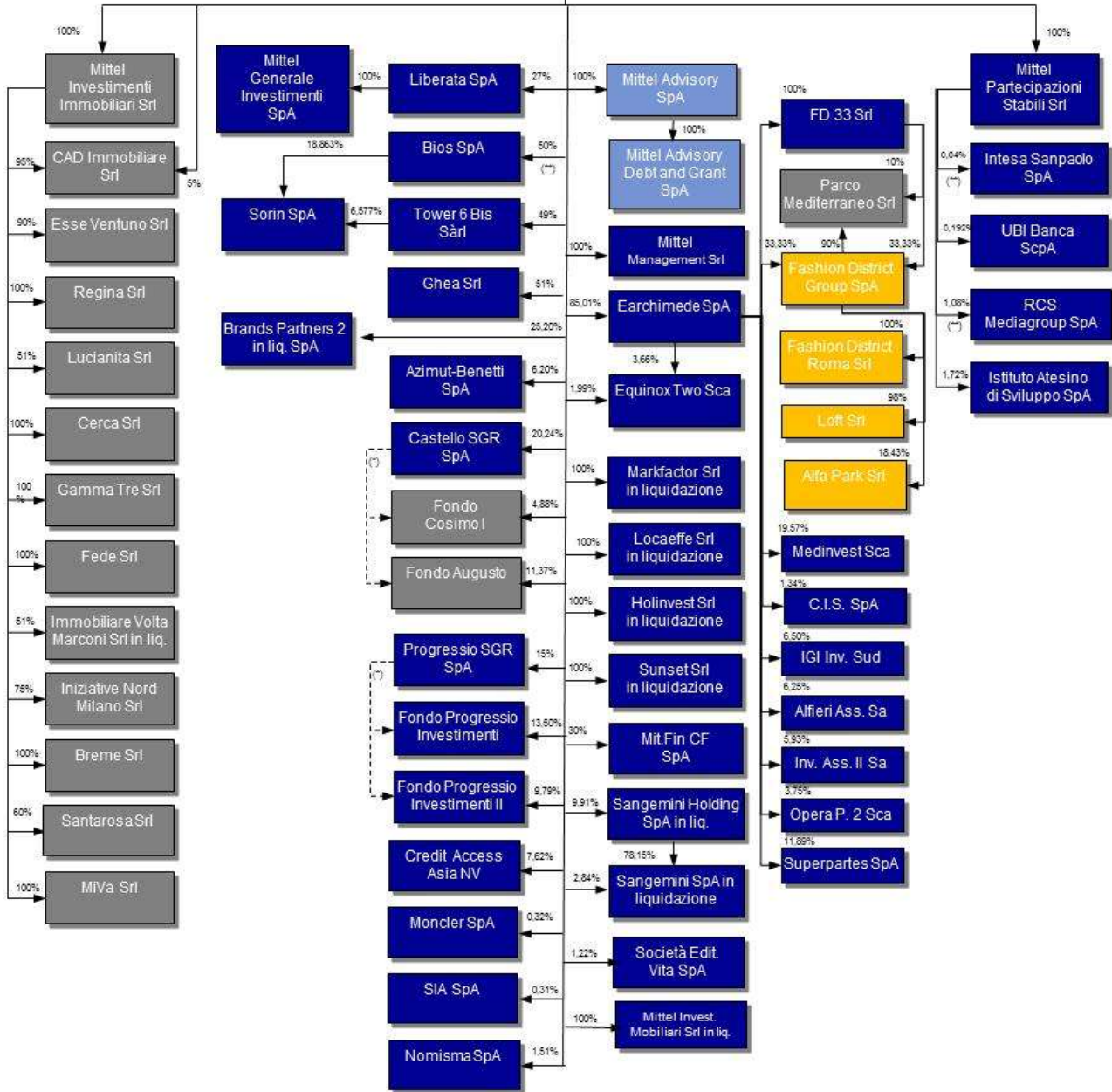
Deloitte & Touche S.p.A.

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- (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.

# Mittel S.p.A. corporate structure as at 14 February 2015



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

Real Estate  
 Investments and Private Equity  
 Advisory Services and Grants Finance  
 Outlet

## Group Performance

Dear Shareholders,

the consolidated economic result of the Mittel Group for the first quarter of the year 1.10.2014 - 31.12.2014 (130th year from the foundation of Mittel S.p.A.), posted a consolidated loss of EUR 3,2 million, compared to a consolidated loss of EUR 33,6 million for the whole of the year 2013/2014 and a consolidated profit of EUR 19,0 million in the first quarter of the previous year.

Group equity amounted to EUR 271,4 million at 31 December 2014, including the result for the period, compared to EUR 280,6 million as at 30 September 2014. The change in equity, amounting to EUR 9,2 million, is mainly due to the decrease in the valuation reserve by EUR 4,8 million.

### **Comparability of the consolidated income statement with the quarter of the previous year as a result of the sale of the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets and of the companies Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l..**

The significant disposals of assets which characterised the first quarter of the year and relating to the signing of the sale agreement between Fashion District Group S.p.A. and IDeA FIMIT SGR S.p.A., a company operating in the name and on behalf of the closed-end real estate fund called "MOMA" (whose shares are owned by the American investor Blackstone), were completed on 18 November 2014. Effective from said date, Fashion District Group S.p.A. transferred all the share capital of the companies Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.. Considering that the main effects of this transfer were already acknowledged in the financial statements for year ended 30 September 2014, it should be noted that the consolidated income statement was impacted by a reduction in cost and revenue items due to the line-by-line consolidation, limited to the 1 October 2014 - 18 November 2014 period, of profit components linked to the assets transferred, instead consolidated for the entire quarter in the corresponding period of the previous year.

## 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 evaluations, also help to better qualify the trends in the different values.

## Main economic, financial and equity figures of the Group

(Thousands of Euro)	31.12.2014	31.12.2013 <sup>(*)</sup>	30.09.2014
<b>Revenues</b>	<b>11.497</b>	<b>13.825</b>	<b>41.453</b>
Purchases, provision of services, sundry costs	(10.039)	(9.264)	(45.882)
Personnel costs	(2.213)	(2.669)	(11.675)
<b>Operating costs</b>	<b>(12.253)</b>	<b>(11.933)</b>	<b>(57.558)</b>
Income (expenses) from investments	(48)	2.181	13.571
<b>Operating margin (EBITDA)</b>	<b>(804)</b>	<b>4.072</b>	<b>(2.533)</b>
<i>EBITDA %</i>	(6,99)%	29,45%	(6,11)%
Amortisation/depreciation, allocations and adjustments to non-current assets	(166)	(3.597)	(29.180)
Value adjustments to financial assets, receivables and investments	(128)	(1.572)	(25.963)
Share of income (loss) of investments	(324)	21.679	25.787
Income (loss) from non-recurring transactions after taxes (*)	2.251	-	(13.155)
<b>Operating result (EBIT)</b>	<b>2.101</b>	<b>20.582</b>	<b>(45.044)</b>
<i>EBIT %</i>	18,28%	148,88%	(108,66)%
Income (loss) from financial management	(2.031)	(2.428)	(15.200)
Income (loss) from trading of financial assets	253	114	2.426
<b>Income (loss) before taxes</b>	<b>323</b>	<b>18.269</b>	<b>(57.818)</b>
Taxes	(1.639)	69	5.870
<b>Income (loss) from continuing operations</b>	<b>(2.587)</b>	<b>18.338</b>	<b>(51.948)</b>
Income (loss) pertaining to non-controlling interests	627	(693)	(18.358)
<b>Income (loss) pertaining to the Group</b>	<b>(3.214)</b>	<b>19.031</b>	<b>(33.590)</b>

(\*) The item is net of the tax effect (amounting to EUR 1,3 million) due to the realignment of deferred and prepaid taxes, pursuant to IAS 12, relating to the transfer of the outlets and the special purpose vehicles; this tax effect is reclassified under the item "income taxes".

(\*\*) Following the (retrospective) application from 1 October 2013 of the amendment to IAS 19, the comparative data for the quarter 01.10.2013 – 31.12.2013 were restated as envisaged by IAS 1.

- **Revenues:** the item includes revenues, other income and the change in real estate inventories and amounted to EUR 11,5 million, compared to EUR 13,8 million as at 31 December 2013, marking a decrease totalling EUR 2,3 million. This variation is the combined result of lower revenues in the quarter of EUR 7,2 million (from EUR 17,5 million to EUR 10,3 million as at 31 December 2014), partly offset by the increase of EUR 5,1 million drawn from the comparison between the change in property inventories (i.e. net total between the increase in inventories for the construction of buildings and reduction for sales) of the two periods (from a negative EUR 4,2 million to a positive EUR 0,9 million) and by the decrease in other income of EUR 0,2 million (from EUR 0,5 million to EUR 0,3 million);
- **Operating costs:** amounted to EUR 12,3 million, compared to EUR 11,9 million as at 31 December 2013, marking an increase totalling EUR 0,4 million. These are composed of costs for purchases, provision of services and sundry costs of EUR 10,0 million compared to EUR 9,3 million at 31 December 2013, marking an increase of EUR 0,7 million and of personnel costs of EUR 2,2 million compared to EUR 2,7 million at 31 December 2013, a decrease of EUR 0,5 million. The variation in costs for purchases, provision of services and sundry costs is the combined result of lower costs for services of EUR 0,7 million (from EUR 8,1 million to EUR 7,4 million at 31 December 2014), an increase of EUR 0,1 million in the item other costs and an increase of EUR 1,4 million in the item costs for purchases of (from EUR 0,1 million to EUR 1,5 million at 31 December 2014);

- **Income from investments:** the item, a negative EUR 48 thousand, suffered a decrease of EUR 2,1 million compared to the same figure in the previous year, in which income of EUR 1,7 million was recorded, deriving from the disposal of the securities UBI Banca S.c.p.A. and Intesa Sanpaolo S.p.A., held by Mittel Partecipazioni Stabili S.r.l.;
- **Operating margin (EBITDA):** a negative EUR 0,8 million, compared to a positive EUR 4,1 million at 31 December 2013, marking a decrease of EUR 4,9 million compared to the same period in the previous year, due to the combined effect of the above, essentially determined by a decrease in the item revenues;
- **Amortisation/depreciation, allocations and adjustments to non-current assets:** totalled EUR 0,2 million compared to EUR 3,6 million at 31 December 2013. The decrease is due to the non-depreciation of property, plant and equipment relating to the two property complexes in which the Fashion District outlet of Bagnolo San Vito (MN) and the Fashion District outlet of Molfetta (BA) operate respectively, given held for sale in the financial statements for year ended 30 September 2014 and, therefore, not depreciated in the period running from 1 October 2014 and 18 November 2014, the date on which the transfer was completed. For details, please refer to the Draft Financial Statements at 30 September 2014;
- **Value adjustments to financial assets and receivables:** amounting to EUR 0,1 million (EUR 1,6 million at 31 December 2013);
- **Share of income (loss) of investments:** this item, amounting to a negative EUR 0,3 million compared to a positive EUR 21,7 million in the previous year, decreased by EUR 22,0 million. This figure was mainly influenced by the pro-rata share of income (loss) 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;
- **Income (loss) from non-recurring transactions net of taxes:** amounting to EUR 2,3 million, relates to the positive effect of the sale of the companies Fashion District Mantova and Fashion District Molfetta for a total of EUR 3,3 million net of the tax effect as well as the loss of EUR 1,0 million resulting from the finalisation of the transfer to RREEF Inv. GmbH of ownership of the business unit including the commercial licences relating to the Valmontone outlet (Rome);
- **Operating result (EBIT):** the profit of EUR 2,1 million, compared to profit of EUR 20,6 million in the previous year, decreased by EUR 18,5 million;
- **Income (loss) from financial management:** amounting to a loss of EUR 2,0 million compared to a loss of EUR 2,4 million in the previous year, marking an improvement of EUR 0,4 million. The item was primarily affected by the negative contribution from the parent company Mittel S.p.A. of EUR 1,8 million, from the real estate sector for EUR 0,2 million, from the outlet sector for EUR 0,2 million, partially offset by the positive contribution of EUR 0,2 million from Earchimede S.p.A.;
- **Income (loss) from trading of financial assets:** EUR 0,3 million compared to EUR 0,1 million in the previous year;
- **Taxes:** amounting to a loss of EUR 1,6 million compared to a loss of EUR 0,1 million in the previous year, marking a decrease of EUR 1,5 million. The item was mainly affected by the negative contribution of Fashion District Group S.p.A., principally determined by the IRAP (regional business tax) tax charge pertaining to the period.

## Main financial and equity figures of the Group

(Thousands of Euro)	31.12.2014	30.09.2014
Intangible assets	273	310
Property, plant and equipment	1.063	1.669
Investments	54.230	56.184
Non-current financial assets	241.055	243.231
Non-current assets (liabilities) held for sale	-	120.317
Provisions for risks, employee severance indemnity and employee benefits	(11.748)	(13.996)
Other non-current assets (liabilities)	(565)	(618)
Tax assets (liabilities)	6.049	1.428
Net working capital (*)	122.246	112.937
<b>Net invested capital</b>	<b>412.603</b>	<b>521.462</b>
Shareholders' equity	(271.430)	(280.605)
Non-controlling interests	(39.209)	(39.015)
<b>Total shareholders' equity</b>	<b>(310.639)</b>	<b>(319.620)</b>
<b>Net financial position</b>	<b>(101.963)</b>	<b>(201.842)</b>

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

(\*\*) the item includes EUR 5,0 million (excluded from the net financial position) given relating to restricted cash and cash equivalents as guarantee in the form of an escrow account, pursuant to the contract for the sale of the outlets to IDeA FIMIT SGR S.p.A..

**Intangible assets** amounted to EUR 0,3 million, almost unchanged with respect to the figure at 30.09.2014;

**Property, plant and equipment** totalled EUR 1,1 million compared to EUR 1,7 million in 2013-2014, representing a decrease of EUR 0,6 million, attributable to the total depreciation of the residual assets owned by Fashion District Roma S.r.l. following the transfer to RREEF Inv. GmbH of ownership of the business unit including the commercial licences relating to the Valmontone outlet (Rome);

**Investments valued using the equity method** totalled EUR 54,2 million, compared to EUR 56,2 million in 2013-2014, marking a decrease of EUR 2,0 million. The decrease is mainly due to the lower value of the investee Sorin S.p.A. held through the vehicles Bios S.p.A. (which recorded EUR 1,7 million of the aforementioned EUR 2 million) and Tower 6 Bis S.a.r.l. (EUR 0,3 million);

**Non-current financial assets** amounted to EUR 246,1 million, compared to EUR 243,2 million in 2013-2014, marking an increase of EUR 2,8 million. This variation is mainly attributable to the increase of EUR 5,0 million, due to the reclassification of the item restricted liquidity as guarantee from the item *cash and cash equivalents* in accordance with the contract for the sale of the outlets to IDeA FIMIT SGR S.p.A., compared to a decrease of EUR 1,1 million due to the partial repayment of the loan granted to Bios S.p.A. by Ghea S.r.l. and a further decrease of EUR 0,4 million due to the reclassification to current assets of the receivable due to Primavera S.p.A. from the subsidiary Markfactor S.r.l. in liquidation based on its natural expiry;

The value of **assets held for sale** was eliminated, compared to a value of EUR 120,3 million registered at 30 September 2014. This value is 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. (FD Mantua and Molfetta), subject to transfer. In particular, they refer to the values of the property complexes (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 11,7 million, compared to EUR 14,0 million in 2013-2014, marking a decrease of EUR 2,3 million. In particular, as at 31 December 2014, this item is composed, for EUR 2,2 million, of *Provisions for personnel* (EUR 2,3 million at 30 September 2014) and, for EUR 9,6 million, of provisions for risks and charges (EUR 11,7 million at 30 September 2014). The reduction is mainly due, for an amount of EUR 0,9 million, to the decrease in provisions allocated by the parent company Mittel for contractual guarantees paid in the quarter, and for an amount of EUR 1,1 million, to the monetary recognition relating to higher lease and maintenance expenses attributable to the Valmontone property complex, paid to REEFF on 23 December 2014, i.e. the date of the definitive transfer of the business unit of the Valmontone outlet (Rome) by the subsidiary Fashion District Roma S.r.l.;

The item other **non-current liabilities** totalled EUR 0,6 million, in line with figure in 2013-2014;

The item **tax assets** amounted to EUR 6,0 million, compared to EUR 1,4 million in 2013-2014, marking an increase of EUR 4,6 million. This increase is mainly due, for an amount of EUR 4,0 million, to the release of the tax effect deriving from the allocation of deferred taxes calculated on the collection of the deferred price ("earn-out") on the transfer to REEF Inv. Gmbh of ownership of the business unit including the commercial licences relating to the Valmontone outlet (Rome), by the subsidiary Fashion District Roma S.r.l.;

**Net working capital** amounted to EUR 122,2 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 116,4 million (EUR 115,8 million in the financial statements of the previous year), *Sundry receivables and other current assets* totalling EUR 24,2 million (EUR 23,4 million in the financial statements of the previous year) and *Sundry payables and other current liabilities* amounting to EUR 18,4 million (EUR 26,2 million in last year's financial statements). In particular, the reduction in sundry payables, amounting to EUR 7,8 million, is mainly due to the payment of the Mittel S.p.A. payable of EUR 7,2 million due to the company Bios S.p.A. relating to a past purchase, by Mittel S.p.A., of the tax receivable due to Bios S.p.A. from the Revenue Agency. The transfer of the receivable fell within the scope of the contract for the purchase of the portion of share capital of Tethys S.p.A. on 18 May 2011. This tax receivable relates to the IRES (corporate income tax) surpluses, for which a refund was requested;

**Net invested capital** fell by EUR 103,9 million to EUR 417,6 million, financed by equity for EUR 310,6 million by equity and by the net financial position for EUR 107,0 million;

**Equity pertaining to the Group** amounted to EUR 271,4 million, compared to EUR 280,6 million in 2013-2014, marking a decrease of EUR 9,2 million, while non-controlling interests came to EUR 39,2 million, compared to EUR 39,0 million in the financial statements of the previous year. Total equity amounted to EUR 310,6 million, compared to EUR 319,6 million in the previous year, marking a decrease of EUR 9,0 million. These variations are mainly due to the loss of EUR 3,2 million in the quarter, the decrease in the valuation reserve linked to the performance of securities classified under financial assets held for sale amounting to EUR 2,8 million, the reduction in the valuation reserve relating to investments valued at equity for EUR 2,0 million (of which Bios S.p.A. for EUR 1,7 million and Tower 6 bis S.à.r.l. for EUR 0,3 million), as well as, for an amount of EUR 1,0 million, to the change in the equity interest in the subsidiaries Fede S.r.l., Gamma Tre S.r.l. and Miva S.r.l. which took place in the quarter as a result of which Mittel Investimenti Immobiliari S.r.l. holds 100% of their share capital.

The **net financial position** came to a negative EUR 107,0 million, compared to a negative EUR 201,8 million as at 30 September 2014, an improvement of EUR 94,8 million. This improvement is attributable to the full payment of EUR 120,1 million, at the same time as completion of the transfer of the property complexes and the two management companies by the Fashion District Group. The payment of the aforementioned amount, in fact, allowed the extinguishment of bank payables of roughly EUR 51 million of the Fashion District Group and the creation of cash and cash equivalents of around EUR 70 million. It should be noted that bank payables net of cash and cash equivalents totalled EUR 27,9 million at 31 December 2014, marking a decrease of EUR 105,1 million (EUR 133,0 million at 30 September 2014). As at 31 December 2014, 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 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)	31.12.2014	30.09.2014
Cash	37	706
Other cash equivalents(*)	89.209	35.887
Securities held for trading(**)	18.631	15.812
<b>Current liquidity</b>	<b>107.877</b>	<b>52.405</b>
<b>Current financial receivables(*)</b>	<b>9.439</b>	<b>20.294</b>
Bank payables	(117.104)	(168.912)
Bonds	(99.636)	(97.974)
Other financial payables	(7.539)	(7.655)
<b>Financial debt</b>	<b>(224.279)</b>	<b>(274.541)</b>
<b>Net financial position</b>	<b>(106.963)</b>	<b>(201.842)</b>

(\*) 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. The item does not include EUR 5,0 million given relating to restricted cash and cash equivalents as guarantee in the form of an escrow account, pursuant to the contract for the sale of the outlets to IDeA FIMIT SGR S.p.A..

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

### Significant events in the first quarter of the year 2014-2015

On 1 October 2014, Mittel S.p.A.'s Board of Directors co-opted Marco Giovanni Colacicco, replacing Director Gianluca Ponzellini.

On 9 October 2014, Mittel S.p.A.'s Board of Directors resolved to expand the Executive Committee to 5 members, which is therefore composed of the following individuals: G. Franceschi (appointed Chairman), M.G. Colacicco, S. Gianotti, M. Iori and G. Pasini. At the same meeting, F. Dalla Sega, Chairman of the Board of Directors, resigned from the Company's Executive Committee, making some authoritative best practice recommendations regarding corporate governance, suggesting that it would be advisable for the Chairman of the Board of Directors not to hold executive or management roles.

On 18 November 2014, Fashion District Group S.p.A. (66,7% owned by Earchimede S.p.A., in turn 85% owned by Mittel S.p.A.) executed the sale contract signed on 31 July 2014, regarding the two property complexes in which the Fashion District outlet of Bagnolo San Vito (MN) and the Fashion District outlet of Molfetta (BA) operate respectively, and 100% of the share capital of the two companies responsible for the local commercial management of the aforementioned outlets, Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.. The purchaser is IDeA FIMIT SGR S.p.A., a company managing the closed-end real estate investment fund reserved to qualified investors called "MOMA", fully subscribed by entities attributable to the funds managed by the Blackstone Real Estate Partners IV group, a major international operator with a track record in acquiring outlets and shopping centres in Italy. The total consideration of EUR 122,2 million, including around EUR 2 million in payables which remained under discontinued operations, was collected in full on 18 November 2014, also through the simultaneous repayment to banks of mortgages, for an amount of approximately EUR 51 million. The reduction of EUR 1,5 million, with respect to the total consideration of EUR 123,7 million communicated on 31 July this year, was agreed in return for the full payment on closing of the entire amount, plus the obtainment of improvements in other contractual economic conditions for around EUR 0,4 million. Fashion District Group S.p.A. will continue to manage the Mantua and Molfetta outlets.

On 23 December 2014, in exercising the call option communicated on 17 September 2013 from RREEF Investment Gmbh to Fashion District Roma S.r.l. (indirect subsidiary of Mittel S.p.A.), the latter transferred to RREEF Inv. Gmbh ownership of the business unit including the commercial licences relating to the Valmontone outlet (Rome) for EUR 12,7 million. This price is essentially in line with the value of EUR 12,4 million for which the item was recognised in the year ended 30 September 2014. RREEF Investment Gmbh operates on behalf of the German open-ended real estate investment fund called "Grundbesitz Europa",

owner of the properties of the Valmontone outlet. Effective from 1 January 2015, Fashion District Roma S.r.l. will no longer manage the aforementioned outlet.

### **Significant events after 31 December 2014**

On 28 January 2015, Mittel S.p.A.'s Board of Directors appointed Gaetano Casertano as the new General Manager of Mittel S.p.A., effective from 31 January 2015. Mr. Casertano boasts significant expertise in the merchant banking, private equity, advisory and real estate sectors (all central to Mittel's future growth plans) and vast managerial experience in some of the most significant industrial and services groups in the country. He is also a lecturer of Real Estate Finance and Business Crisis and Debt Restructuring at the Luiss University of Rome. Said Board meeting also acknowledged Ms. Squinzi's leaving of the Group effective from the end of January 2015.

### **Main ongoing legal proceedings and disputes**

There are no new developments in ongoing legal proceedings to note with respect to that illustrated in the section "Main ongoing legal proceedings and disputes" of the Directors' Report on Operations in the draft financial statements as at 30 September 2014, to which reference is made, except for the following updates:

#### *SNIA S.p.A. in Amministrazione Straordinaria (under extraordinary administration) Dispute*

The Judge, in the hearing on 6 February 2015, set the hearing for the pre-trial conclusions on 23 May 2015. During said hearing, the term will be set for the statement of claims and responses, envisaged for the first few days of September. A ruling in the case will then be deferred to a later date.

### **Business outlook**

The business outlook for operations in the current year confirms what was communicated on 19 January 2015, at the time of approval of the draft financial statements as at 30 September 2014, which highlighted the improvement in the net financial position (further improvement at 31 December 2014 to a negative EUR 107,0 million, compared to EUR 201,8 million at 30 September 2014) and the generation of available funds for future development.

The company will concentrate on increasing the value of its assets and on the active management of the different business lines that characterise the company, the primary objective being the generation of value. From an economic point of view, development of the different business areas will be accompanied by careful control of costs aimed at rationalising them. From an equity standpoint and, in particular, as regards the real estate sector, the different projects in the portfolio will be managed by taking into consideration, on the one hand, the situation in the financial market characterised by the low cost of money and, on the other, any opportunities that should present themselves in this still critical phase of the sector which is showing the first signs of recovery.

### **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, IAS 24 and the Procedure for related party transactions of Mittel S.p.A., it should be noted that, in the first quarter of the year 2014-2015, exempt transactions and ordinary transactions were entered into that do not require a judgment from the Related Party Committee relating to Group activities and that no atypical and unusual transactions were carried out. All transactions were performed on arm's length basis and 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 ordinary transactions that do not require a judgment from the Related Party Committee and no atypical and unusual transactions were carried out. All transactions were performed on arm's length basis and 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 Euro

	<b>31.12.2014</b>	<b>30.09.2014</b>
<b>Non-current assets</b>		
Intangible assets	273	310
Property, plant and equipment	1.063	1.669
Investments accounted for using the equity method	54.230	56.184
Financial receivables	146.121	146.841
Other financial assets	94.934	96.390
Sundry receivables and other assets	268	278
Prepaid tax assets	4.649	5.505
<b>Total non-current assets</b>	<b>301.538</b>	<b>307.177</b>
<b>Current assets</b>		
Property inventories	116.433	115.791
Financial receivables	12.507	23.348
Other financial assets	18.631	15.812
Tax assets	17.990	17.492
Sundry receivables and other assets	24.221	23.389
Cash and cash equivalents	91.178	32.424
<b>Total current assets</b>	<b>280.960</b>	<b>228.256</b>
Assets held for sale	-	131.435
<b>Total assets</b>	<b>582.498</b>	<b>666.868</b>
<b>Equity</b>		
Share capital	87.907	87.907
Share premium	53.716	53.716
Treasury shares	(26.515)	(26.515)
Reserves	159.536	199.086
Profit (loss) for the year	(3.214)	(33.590)
<b>Equity pertaining to the Group</b>	<b>271.430</b>	<b>280.604</b>
Non-controlling interests	39.209	39.015
<b>Total Equity</b>	<b>310.639</b>	<b>319.619</b>
<b>Non-current liabilities</b>		
Bond issue	96.813	96.661
Financial payables	32.432	41.151
Provisions for personnel	2.113	2.275
Deferred tax liabilities	15.853	20.552
Provisions for risks and charges	9.636	11.722
Sundry payables and other liabilities	833	896
<b>Total non-current liabilities</b>	<b>157.680</b>	<b>173.257</b>
<b>Current liabilities</b>		
Bond issue	2.823	1.313
Financial payables	89.599	80.710
Other financial liabilities	2.612	2.804
Tax liabilities	737	1.017
Sundry payables and other liabilities	18.408	26.242
<b>Total current liabilities</b>	<b>114.179</b>	<b>112.086</b>
Liabilities held for sale	-	61.905
<b>Total equity and liabilities</b>	<b>582.498</b>	<b>666.867</b>

## CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Euro

	01.10.2014 31.12.2014	01.10.2013 31.12.2013(*)	01.10.2013 30.09.2014
Revenues	10.291	17.507	52.039
Other income	257	498	5.269
Variations in property inventories	948	(4.180)	(15.855)
Costs for purchases	(1.537)	(93)	(2.860)
Costs for services	(7.374)	(8.147)	(37.194)
Personnel costs	(2.213)	(2.669)	(11.675)
Other costs	(1.129)	(1.024)	(5.828)
Dividends	8	369	7.721
Profit (loss) from management of financial activities and investments	(55)	1.812	5.850
<b>Gross operating margin (EBITDA)</b>	<b>(804)</b>	<b>4.072</b>	<b>(2.533)</b>
Amortisation and value adjustments to intangible assets	(166)	(3.597)	(22.581)
Allocations to the provision for risks	-	-	(6.599)
Value adjustments to financial assets and receivables	(128)	(1.572)	(25.963)
Value adjustments to investments	-	-	-
Value adjustments to intangible assets	-	-	-
Share of income (loss) of investments accounted for using the equity method	(324)	21.679	25.787
Income (loss) from non-recurring transactions	3.522	-	(18.375)
<b>Operating result (EBIT)</b>	<b>2.101</b>	<b>20.582</b>	<b>(50.264)</b>
Financial income	1.752	1.858	6.923
Financial expenses	(3.783)	(4.286)	(22.122)
Profit (loss) from trading of financial assets	253	114	2.426
<b>Income (loss) before taxes</b>	<b>323</b>	<b>18.269</b>	<b>(63.038)</b>
Income taxes	(2.910)	69	11.090
<b>Income (loss) from continuing operations</b>	<b>(2.587)</b>	<b>18.338</b>	<b>(51.948)</b>
Income (loss) from assets held for sale	-	-	-
<b>Profit (loss) for the year</b>	<b>(2.587)</b>	<b>18.338</b>	<b>(51.948)</b>
<b>Attributable to:</b>			
Income (loss) pertaining to non-controlling interests	627	(694)	(18.358)
<b>Income (loss) pertaining to the Group</b>	<b>(3.214)</b>	<b>19.031</b>	<b>(33.590)</b>

(\*) Following the (retrospective) application from 1 October 2013 of the amendment to IAS 19, the comparative data for the quarter 01.10.2013-31.12.2013 were restated as envisaged by IAS 1. With respect to the data published in due course, the profit as at 31 December 2013 was reduced by EUR 6 thousand.

**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 31 December 2014, 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. 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 2014 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 31 December 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 31 December 2014 is as follows:

Company name	Office / Country	Consolidation method	Investment relationship			
			Participating company	Direct interest %	Direct availability of votes - %	Total interest %
<b>Parent Company</b>						
Mittel S.p.A.						
<b>A. Companies fully consolidated</b>						
<b>Direct subsidiaries:</b>						
1 Mittel Partecipazioni Stabili S.r.l.	Milan	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
2 Mittel Investimenti Mobiliari S.r.l. in liq.	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 Locaefte S.r.l. in liquidation	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
9 Markfactor S.r.l. in liquidation	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
10 Sunset S.r.l. in liquidation	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
11 Holinvest S.r.l. 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%
<b>Indirect subsidiaries:</b>						
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.	100,00%	100,00%	100,00%
17 Brema S.r.l.	Milan	Full	MII S.r.l.	100,00%	100,00%	100,00%
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.	100,00%	100,00%	100,00%
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.	100,00%	100,00%	100,00%
24 Regina S.r.l.	Milan	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 Parco Mediterraneo S.r.l.	Brescia	Full	FD33 Fashion District G.	100,00%	100,00%	59,50%
30 Loft S.r.l.	Brescia	Full	Fashion District Group	98,00%	98,00%	55,53%
<b>B. Companies consolidated using the equity method</b>						
<b>Direct associates:</b>						
1 Liberata S.p.A.	Milan	Equity	Mittel S.p.A.	27,00%	27,00%	27,00%
2 Bios S.p.A.	Milan	Equity (*)	Mittel S.p.A.	50,00%	50,00%	50,00%
3 Tower 6 Bis S. r.l.	Lussembourg	Equity	Mittel S.p.A.	49,00%	49,00%	49,00%
4 Brands Partners 2 S.p.A. in liquidazione	Milan	Equity	Mittel S.p.A.	25,20%	25,20%	25,20%
5 Mit.Fin. S.p.A.	Milan	Equity	Mittel S.p.A.	30,00%	30,00%	30,00%
6 Chase Mittel Capital Holding II NV	Antille Olandesi	Equity	Mittel S.p.A.	21,00%	21,00%	21,00%
7 Castello SGR S.p.A.	Milan	Equity	Mittel S.p.A.	20,24%	20,24%	20,24%
<b>Indirect associates:</b>						
8 Mittel Generale Investimenti S.p.A.	Milan	Equity	Liberata S.p.A.	100,00%	100,00%	27,00%
9 Superpartes S.p.A.	Brescia	Equity	Earchimede S.p.A.	11,89%	11,89%	10,11%

(\*) 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. As regards the investee Superpartes S.p.A., the significant influence is attributable to the content of the shareholders' agreements signed at the time of the investment. 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 2014 did not change with respect to the one as at 30 September 2014, with the exception of the deconsolidation of the companies Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l., transferred on 18 November 2014 as a result of the finalisation of the binding sale agreement on 31 July 2014 with IDeA FIMIT SGR S.p.A., a company operating in the name and on behalf of the closed-end real estate fund called "MOMA" (whose shares are owned by the American investor Blackstone).

In addition, an increase in the variation in the percentage stakes held in the companies Fede S.r.l., Gamma Tre S.r.l. and Mi.Va S.r.l. was recorded, in which Mittel Investimenti Immobiliari S.r.l. acquired 100% of share capital.

**Certification of the interim report on operations as at 31 December 2014 pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions**

The undersigned Marco Giovanni Colacicco, Executive Director 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 2014.

It is also hereby certified that the consolidated interim report on operations for 1 October 2014-31 December 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 on operations includes a reliable analysis of the references to significant events which occurred in the three 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, 14 February 2015

The Executive Director

The Manager responsible for preparing  
the company's financial reports

Mr. Marco Giovanni Colacicco

Mr. Pietro Santicoli