



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 2015  
(from 1 October 2015 to 31 December 2015)**

131st company year

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## Corporate bodies

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### Board of Directors

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*Chairman*

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Franco Dalla Sega

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*Chief Executive Officer*

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Rosario Bifulco

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*Deputy Chairman*

---

Giorgio Franceschi

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*Directors*

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Maria Vittoria Bruno (a) (b) (d)

---

Marco Colacicco

---

Michele Iori

---

Marco Merler (a) (b) (c)

---

Giuseppe Pasini

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Duccio Regoli (a) (b) (d) (c)

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Carla Sora (a) (c)

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Michela Zeme (a) (d)

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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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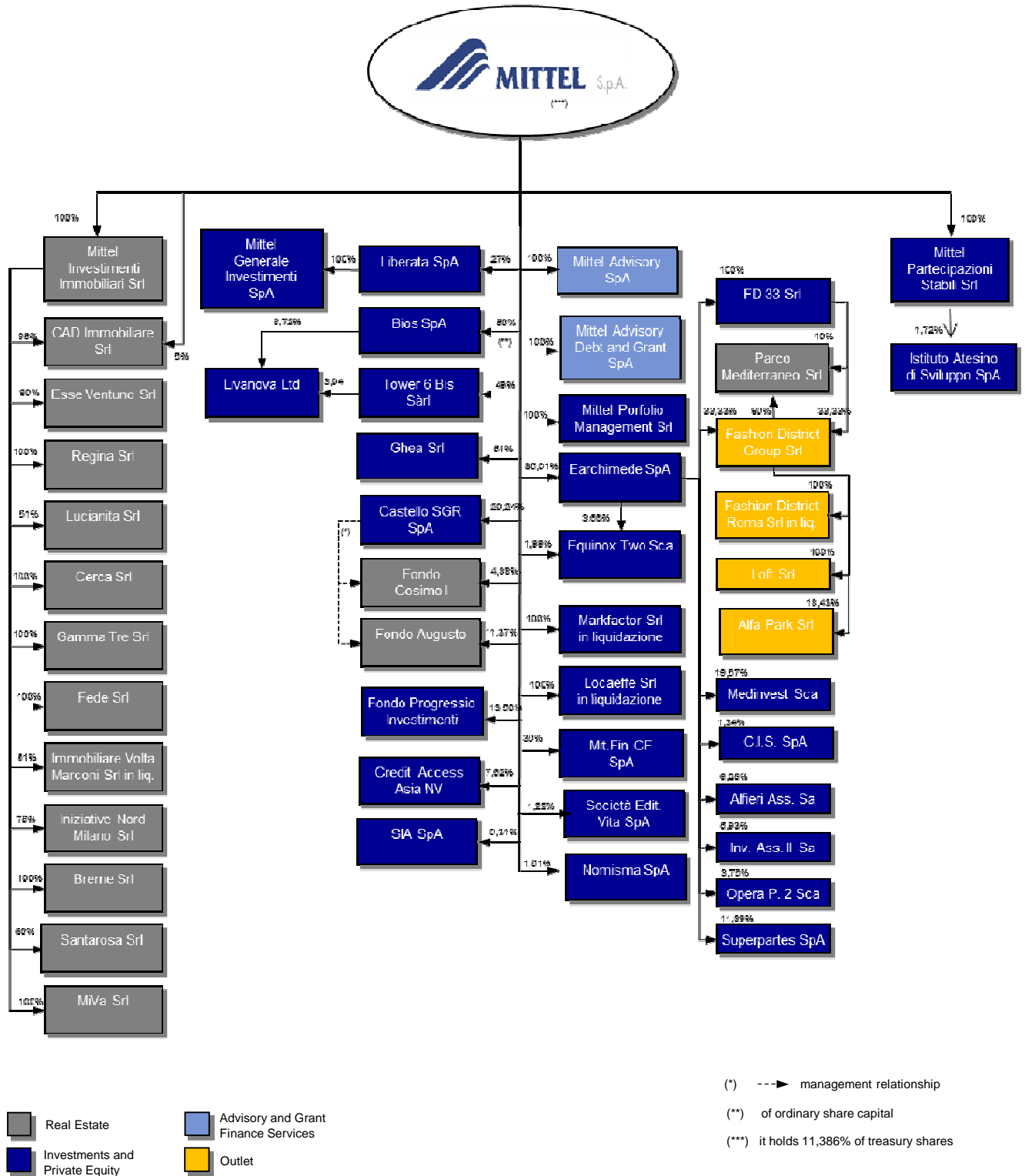
Deloitte & Touche S.p.A.

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- (a) Independent Director
- (b) Member of the Control and Risks Committee
- (c) Member of the Remuneration and Appointments Committee
- (d) Member of the Related Party Committee

The duration of the Company shall be until 31 December 2100, as stated in art. 4 of the Articles of Association.

# Mittel S.p.A. corporate structure as at 10 February 2016



## Group Performance

Dear Shareholders,

The consolidated economic result of the Mittel Group for the first quarter of the year 1.10.2015 - 30.09.2016 (131st year from the foundation of Mittel S.p.A.), posted a consolidated loss of EUR 2,2 million, compared to a consolidated loss of EUR 22,3 million for the whole of the year 2014/2015 and a consolidated loss of EUR 3,2 million in the first quarter of the previous year.

Group equity amounted to EUR 288,8 million at 31 December 2015, including the result for the period, compared to EUR 283,8 million as at 30 September 2015. The EUR 5,0 million increase in equity is mainly due to the disposal of Mittel S.p.A. treasury shares for EUR 9,2 million to the Chief Executive Officer Rosario Bifulco in November 2015, net of the decrease in the valuation reserve by EUR 2,2 million and the loss for the period of EUR 2,2 million.

The net financial position recorded an improvement and totals EUR 80,3 million, compared to EUR 81,5 million as at 30 September 2015.

### **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 previous 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. 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. Consequently the consolidated income statement for the period referred to in this interim report does not include profit components associated with the assets transferred, which were instead consolidated - albeit partially i.e. until disposal of the respective assets - in the corresponding period of the previous year.

## Financial highlights of the Mittel Group

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)	31.12.2015	31.12.2014	30.09.2015
<b>Revenues</b>	<b>2.842</b>	<b>11.497</b>	<b>16.980</b>
Purchases, provision of services, sundry costs	(4.404)	(10.039)	(29.087)
Personnel costs	(1.865)	(2.213)	(9.363)
<b>Operating costs</b>	<b>(6.269)</b>	<b>(12.253)</b>	<b>(38.450)</b>
Income (expenses) from investments	1.054	(48)	4.547
<b>Operating margin (EBITDA)</b>	<b>(2.373)</b>	<b>(804)</b>	<b>(16.923)</b>
	<i>EBITDA %</i>	<i>(83,49)%</i>	<i>(6,99)%</i>
Amortisation/depreciation, allocations and adjustments to non-current assets	(85)	(166)	(3.078)
Value adjustments to financial assets, receivables and investments	(226)	(128)	(3.757)
Share of income (loss) of investments	(191)	(324)	(1.362)
Income (loss) from non-recurring transactions net of tax	-	3.522	176
<b>Operating result (EBIT)</b>	<b>(2.875)</b>	<b>2.101</b>	<b>(24.944)</b>
	<i>EBIT %</i>	<i>(101,14)%</i>	<i>18,27%</i>
Income (loss) from financial management	(845)	(2,031)	(2,094)
Income (loss) from trading of financial assets	485	253	5,357
<b>Income (loss) before taxes</b>	<b>(3.235)</b>	<b>323</b>	<b>(21.682)</b>
Taxes	861	(2.910)	(1.524)
<b>Income (loss) from continuing operations</b>	<b>(2.375)</b>	<b>(2.587)</b>	<b>(23.205)</b>
Income (loss) from discontinued operations	-	-	-
<b>Net income (loss) for the year</b>	<b>(2.375)</b>	<b>(2.587)</b>	<b>(23.205)</b>
Income (loss) pertaining to non controlling interests	(187)	628	(887)
<b>Income (loss) pertaining to the Group</b>	<b>(2.187)</b>	<b>(3.214)</b>	<b>(22.318)</b>

- Revenues:** the item includes revenues, other income and the change in real estate inventories and amounted to EUR 2,8 million, compared to EUR 11,5 million as at 31 December 2014, marking a decrease of EUR 8,7 million. The revenues are composed of the contributions from the Real Estate sector for EUR 1,8 million, the Advisory sector for EUR 0,4 million, the Private Equity and Investments sector for EUR 0,3 million and the Outlet sector for EUR 0,3 million. The decrease in this item is due to the lower contributions from the Outlet sector by EUR 6,7 million, from the Advisory sector by EUR 0,5 million and from the Real Estate sector for EUR 1,5 million;
- Operating costs:** amounted to EUR 6,3 million, compared to EUR 12,3 million as at 31 December 2014, marking a decrease of EUR 6,0 million. These are composed of costs for purchases, provision of services and sundry costs of EUR 4,4 million compared to EUR 10,0 million at 31 December 2014, marking a decrease of EUR 5,6 million and of personnel costs of EUR 1,9 million compared to EUR 2,2 million at 31 December 2014, an increase of EUR 0,3 million. The variation in costs for purchases, provision of services and sundry costs is the combined result of lower costs for services of EUR 5,0 million (from EUR 7,4 million to EUR 2,4 million at 31 December 2015), a decrease of EUR 0,3 million in the item other costs (from EUR 1,1 million to EUR 0,8 million at 31 December 2015) and a decrease of EUR 0,2 million in the item costs for purchases (from EUR 1,5 million to EUR 1,3 million at 31 December 2015). The operating costs are composed of the contributions from the Real Estate sector for EUR 2,0 million, from the Advisory sector for EUR 0,7 million, the Private

Equity and Investments sector for EUR 2,6 million and the Outlet sector for EUR 1,0 million. The decrease in this item is mainly due to the lower contribution from the Outlet sector by EUR 5,0 million.

- **Income from investments:** positive for EUR 1,1 million (negative for EUR 48 thousand as at 31 December 2014), this item recorded income from the disposal of listed securities held by Mittel Partecipazioni Stabili S.r.l.;
- **Operating margin (EBITDA):** a negative EUR 2,4 million, compared to a negative EUR 0,8 million as at 31 December 2014, with a decline of EUR 1,6 million compared to the same period of the previous year due to the effect described above;
- **Amortisation/depreciation, allocations and adjustments to non-current assets:** EUR 0,1 million compared to EUR 0,2 million as at 31 December 2014. The decrease is mainly due to the residual impact in the previous quarter of Outlet sector amortisation/depreciation;
- **Value adjustments to financial assets and receivables:** amounting to EUR 0,2 million (EUR 0,1 million as at 31 December 2014), mainly due to the write-down by the investee Earchimede S.p.A. of a foreign investment fund held;
- **Share of income (loss) from investments:** this item, amounting to a negative EUR 0,2 million compared to a negative EUR 0,3 million in the previous year, decreased by EUR 0,1 million. The pro-rata profit/loss for the period of companies valued using the equity method are included in this item;
- **Operating result (EBIT):** the result was negative at EUR 2,9 million compared to a positive EUR 2,1 million the previous year, marking a decrease of EUR 5 million. The positive result in the same period last year was affected, for EUR 3,5 million, by the outcome of non-recurring transactions deriving from extraordinary operations regarding the Outlet sector;
- **Income (loss) from financial management:** amounting to a loss of EUR 0,8 million, compared to the negative EUR 2,0 million of the previous period, marking an improvement of EUR 1,2 million. This item is affected mainly by the negative contribution of the Private Equity and Investments sector for EUR 0,1 million and by the Real Estate sector for EUR 0,8 million;
- **Income (loss) from trading of financial assets:** EUR 0,5 million, compared to EUR 0,3 million in the previous year. This item derives from the contributions from the Parent Company and the subsidiary Mittel Partecipazioni Stabili S.r.l. resulting from their trading of listed securities;
- **Taxes:** amounting to a gain of EUR 0,9 million compared to a loss of EUR 2,9 million in the previous year, marking an increase of EUR 3,8 million. This item was largely influenced by the effect of restatement to the income statement of deferred taxes on capital gains realised by the Outlet sector.

## Main financial and equity figures of the Group

(Thousands of Euro)	31.12.2015	30.09.2015
Intangible assets	188	147
Property, plant and equipment	753	854
Investments	86.855	87.968
Non-current financial assets	208.529	207.969
Non-current assets (liabilities) held for sale	-	-
Provisions for risks, employee severance indemnity and employee benefits	(5.056)	(7.148)
Other non-current assets (liabilities)	(379)	(475)
Tax assets (liabilities)	590	139
Net working capital (*)	112.763	114.337
<b>Net invested capital</b>	<b>404.243</b>	<b>403.791</b>
Shareholders' equity	(288.839)	(283.805)
Non controlling interests	(35.149)	(38.483)
<b>Total shareholders' equity</b>	<b>(323.988)</b>	<b>(322.288)</b>
<b>Net financial position</b>	<b>(80.255)</b>	<b>(81.504)</b>

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

**Intangible assets** amounted to EUR 0,2 million, almost unchanged with respect to the figure as at 30 September 2015;

**Property, plant and equipment** amounted to EUR 0,8 million, almost unchanged with respect to the figure as at 30 September 2015;

**Investments valued using the equity method** totalled EUR 86,9 million, marking a decrease of EUR 1,1 million compared to EUR 88,0 million in the period ending 30 September 2015. The decrease is mainly due to the lower value of the investee Bios S.p.A. resulting from its loss recorded in the first quarter of the year for interest expense incurred by the company;

**Non-current financial assets** amounted to EUR 208,5 million, compared to EUR 208 million in the year ending 30 September 2015, marking an increase of EUR 0,5 million. This increase is mainly due to interest accrued on non-current loans disbursed to third-party companies and associates;

**Provisions for risks, employee severance indemnity and employee benefits** amounted to EUR 5,1 million, compared to EUR 7,1 million at 30 September 2015, marking a decrease of EUR 2,0 million. In particular, as at 31 December 2015, this item is composed, for EUR 1,4 million, of *Provisions for personnel* (EUR 1,8 million as at 30 September 2015) and, for EUR 3,6 million, of *Provisions for risks and charges* (EUR 5,4 million as at 30 September 2015). The decrease was due to the use of restructuring funds and of provisions for personnel associated with the cessation of business activities of Fashion District Group S.p.A. as a result of non-renewal of the service contract for management of the Mantova and Molfetta outlets.

The item **other non-current net liabilities** amounted to EUR 0,4 million, compared to EUR 0,5 million for the year ending 30 September 2015.

The item **tax assets** amounted to EUR 0,6 million, compared to EUR 0,1 million as at 30 September 2015, marking an increase of EUR 0,5 million.



**Net working capital** amounted to EUR 112,8 million, compared to EUR 114,3 million as at 30 September 2015. The item net working capital is composed of the value of Property inventories of EUR 110,3 million (EUR 109,8 million in the financial statements of the previous year), Sundry receivables and other current assets totalling EUR 14,6 million (EUR 16,1 million in the financial statements of the previous year) and Sundry payables and other current liabilities amounting to EUR 12,1 million (EUR 11,6 million in the financial statements of the previous year);

**Net invested capital**, amounting to EUR 404,2 million, rose by EUR 0,4 million, financed by equity for EUR 324,0 million and by the net financial position for EUR 80,3 million;

**Equity pertaining to the Group** amounted to EUR 288,8 million, compared to EUR 283,8 million as at 30 September 2015, marking an increase of EUR 5,0 million, while non-controlling interests came to EUR 35,1 million, compared to EUR 38,5 million in the financial statements of the previous year. Total equity amounted to EUR 324,0 million, compared to EUR 322,3 million in the previous year, marking an increase of EUR 1,7 million. The overall increase in equity is mainly due to the disposal of treasury shares for EUR 9,2 million to the Chief Executive Officer Rosario Bifulco, partly offset by the decrease in the valuation reserve by EUR 2,2 million, the loss for the period of EUR 2,4 million and Fashion District Group S.p.A.'s distribution to third parties of share premium reserves of EUR 3,3 million.

The **net financial position** came to a negative EUR 80,3 million, compared to a negative EUR 81,5 million as at 30 September 2015, an improvement of EUR 1,2 million. It should be noted that the cash and cash equivalents net of bank payables totalled EUR 4,4 million as at 31 December 2015, marking an improvement of EUR 0,7 million compared to 30 September 2015.

#### Statement relating to the net financial position

(Thousands of Euro)	31.12.2015	30.09.2015
Cash	21	15
Other cash equivalents	86.131	100.583
Securities held for trading (*)	18.924	20.074
<b>Current liquidity</b>	<b>105.076</b>	<b>120.672</b>
<b>Current financial receivables</b>	<b>835</b>	<b>911</b>
Bank payables	(81.683)	(96.870)
Bonds	(100.224)	(98.553)
Other financial payables	(4.258)	(7.664)
<b>Financial debt</b>	<b>(186.165)</b>	<b>(203.087)</b>
<b>Net financial position</b>	<b>(80.255)</b>	<b>(81.504)</b>

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

## Significant events in the first quarter of the year 2015-2016

### *Governance*

On 9 November 2015, Stefano Gianotti resigned from the post of Board Director of the company, due to the fulfilment of his professional commitments;

On 15 November 2015, the Board of Directors of Mittel S.p.A. accepted the resignation of Stefano Gianotti, co-opted Rosario Bifulco and, acknowledging the waiver of responsibilities from the Executive Committee, appointed him as Chief Executive Officer. Therefore, Mittel S.p.A. adopts a Governance model composed of a Board of Directors and a Chief Executive Officer, the latter in place of the Executive Committee. The Board of Directors also resolved to transfer 5.300.000 treasury shares to the Chief Executive Officer at the price per share of EUR 1,73, equal to the average book value of treasury shares in the portfolio, for a total of EUR 9.169.000;

On 23 December 2015 the ordinary and extraordinary Shareholders' Meeting of Mittel S.p.A. was held on first call. The ordinary shareholders' meeting confirmed the appointment of Rosario Bifulco as Director of Mittel S.p.A. then the extraordinary shareholders' meeting approved the proposed amendments to the Articles of Association and the subsequent adoption of a new text and, more specifically, the proposal to extend the company duration until 31 December 2100, and to insert in Mittel's Articles of Association - availing itself of the right set out in art. 2437, paragraph 2, of the Italian Civil Code - the exclusion of the right of withdrawal of shareholders who did not contribute to approval of the resolutions regarding (i) the extension of duration of the company and (ii) the introduction or removal of restrictions on the circulation of shares.

Mittel S.p.A. shareholders who did not contribute to approving the resolution to change the Articles of Association at the extraordinary shareholders' meeting are entitled to exercise the right of withdrawal by formal notice to be submitted within fifteen days of registration of the minutes of the extraordinary shareholders' meeting in the Milan Register of Companies. This right of withdrawal is regulated, in relation to the unit value per share, by the provisions of art. 2437-ter, paragraph 3, of the Italian Civil Code, a regulation that makes exclusive reference to the arithmetic mean of the closing prices in the six months prior to the date of publication of the call notice of the shareholders' meeting, equal to EUR 1,585 for each Mittel S.p.A. share.

### Significant events after 31 December 2015

The shares optioned that remain unsold after closing of the option can be offered on the MTA market managed by Borsa Italiana S.p.A. in compliance with applicable laws and regulations in force. All information necessary in relation to the stock exchange offer will be disclosed promptly, also through specific advertisements in at least one national daily newspaper as well as on the website [www.mittel.it](http://www.mittel.it).

If on conclusion of the option and the stock exchange offer all withdrawn shares are not placed within one hundred and eighty days from the withdrawal notice, the remaining shares will be redeemed, pursuant to art. 2437-quater, paragraph 5 of the Italian Civil Code, through purchase by Mittel S.p.A. from retained earnings and available reserves, also as an exception to the quantity limits envisaged in art. 2357, paragraph 3 of the Italian Civil Code. Mittel S.p.A. will disclose significant information regarding the liquidation procedure for shares withdrawn in accordance with the deadlines and methods prescribed by applicable laws and regulations in force.

On 3 February 2016 a novation settlement agreement was signed which, with effect from that date, mutually terminated the employment contract of the General Manager Gaetano Casertano, as resolved by the Board of Directors with opinions in favour from the Remuneration and Appointments Committee and the Related Party Committee to the extent of their respective responsibilities. With effect from that date, Mr. Casertano also submitted his irrevocable resignation from all offices held in Group companies resulting from his role as General Manager of Mittel S.p.A.

On signing the novation settlement agreement, the Company recognised a total gross amount of EUR 683.000,00 to Mr. Casertano for the early termination of his employment contract. The transaction does not envisage any non-compete commitment for Mr. Casertano. Within the context of the early termination of contract, Mittel Advisory S.p.A., a Mittel Group company, signed an advisory services contract with Mr. Casertano which expires on 30 June 2016. The contract envisages Mr. Casertano's collaboration in the management and execution of certain financial advisory mandates conferred upon the company, for a fixed remuneration of EUR 100.000,00. In addition, if by the terms envisaged in the mandates covered by the advisory services contract with Mr. Casertano, Mittel Advisory S.p.A. should by 30 June 2016 collect components of certain commissions associated with the outcome of his advisory activities, Mr. Casertano will

be entitled to receive further remuneration equal to a portion of such commissions up to a maximum value of EUR 418.800,00.

The Company does not intend to replace the General Manager and there is no plan for his succession since this role does not represent an office necessary for the current governance of Mittel S.p.A.

### **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 2015, to which reference is made, except for the following updates:

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

On 10 February 2016 in the Business Law Chambers of the Court of Milan, proceedings no. 5463/2012, Investigating Judge Perozziello rejected all claims filed against Mittel S.p.A. by the extraordinary administration of SNIA S.p.A. and the Environment Ministry, ordering SNIA and the Environment Ministry to pay EUR 0,3 million in legal expenses to the Company. Specifically, in decision no. 1795/2016, the Court deemed the intervention in proceedings of the Environment Ministry to be inadmissible, and rejected or declared lack of capacity to sue of the extraordinary administration of SNIA for all claims filed against Mittel S.p.A.

With regard to the proceedings pending before the Lazio Regional Administrative Court, at the main public hearing on 3 February 2016, the bench adjourned the case for decision, having specified that no further clarification was required. Against the commitment assumed by the bench to rapidly announce its decision, at the request of the bench all parties - including Mittel S.p.A. - waived the right to a provisional order. Announcement of this decision is still pending.

In relation to proceedings brought by the Environment Ministry and the Economy and Finance Ministry against the Extraordinary Administration for exclusion from the list of SNIA creditors, in which on 11 May 2015 Mittel S.p.A. intervened, filing a statement of intervention pursuant to art. 105 of the Italian Code of Civil Procedure requesting confirmation of exclusion of the opposing Ministries, and in which Sorin also intervened by filing its own statement of intervention, at the hearing of 12 January 2016 the Court merely adjourned the case to 3 May 2016, reserving all rights to interim measures.

#### Sofimar S.A. and Mr. Alfio Marchini

On 13 January 2016, the President of the Court of Arbitration asked the council of the Chamber of Arbitration of Milan for a further three-month extension from 31 January 2016 for filing the award. Mittel S.p.A. in turn submitted its own pleadings to the Secretary of the Chamber of Arbitration, hoping for a second extension if necessary to allow filing of the award no later than the end of February 2016. By decision of 27 January 2016, the council of the Chamber of Arbitration of Milan granted the extension requested by the President, but shortened the deadline. Filing of the award is therefore expected by 15 March 2016.

## **Business outlook**

As already indicated in the annual report on operations as at 30 September 2015, now pending approval, note that the Chief Executive Officer is currently in the process of drawing up the Group's strategic plan, which is expected to be completed and disclosed to the market by the end of March. The plan's objective is to transform Mittel S.p.A. into a dynamic and efficient investment holding company with investments in cash-generating small-medium companies, through a process which, on the one hand, simplifies the Group's organisational chart by freeing up resources for new investments and, on the other, allows the Group's structure to achieve current economic balance through both the reduction in costs and integrated services supplied by the respective specialised teams.

## **Intercompany transactions and transactions with related parties**

In terms of transactions with related parties 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 2015-2016, 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 an 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 issue 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:

- 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.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Amounts in thousands of Euro

	<b>31.12.2015</b>	<b>30.09.2015</b>
<b>Non-current assets</b>		
Intangible assets	133	147
Property, plant and equipment	808	854
Investments accounted for using the equity method	86.855	87.968
Financial receivables	164.445	163.546
Other financial assets	44.084	44.424
Sundry receivables and other assets	332	244
Prepaid tax assets	3.472	4.608
<b>Total non-current assets</b>	<b>300.128</b>	<b>301.791</b>
<b>Current assets</b>		
Property inventories	110.306	109.830
Financial receivables	835	911
Other financial assets	18.924	20.074
Tax assets	14.173	14.721
Sundry receivables and other assets	14.594	16.136
Cash and cash equivalents	86.152	100.598
<b>Total current assets</b>	<b>244.985</b>	<b>262.269</b>
Assets held for sale	-	-
<b>Total assets</b>	<b>545.113</b>	<b>564.060</b>
<b>Equity</b>		
Share capital	87.907	87.907
Share premium	53.716	53.716
Treasury shares	(17.590)	(26.515)
Reserves	166.993	191.015
Profit (loss) for the year	(2.187)	(22.318)
<b>Equity pertaining to the Group</b>	<b>288.839</b>	<b>283.805</b>
Non controlling interests	35.149	38.483
<b>Total Equity</b>	<b>323.988</b>	<b>322.288</b>
<b>Non-current liabilities</b>		
Bond issue	97.401	97.239
Financial payables	10.659	2.919
Provisions for personnel	1.430	1.751
Deferred tax liabilities	15.599	17.698
Provisions for risks and charges	3.626	5.397
Sundry payables and other liabilities	711	719
<b>Total non-current liabilities</b>	<b>129.426</b>	<b>125.722</b>
<b>Current liabilities</b>		
Bond issue	2.823	1.313
Financial payables	75.183	101.370
Other financial liabilities	100	246
Tax liabilities	1.456	1.492
Sundry payables and other liabilities	12.137	11.628
<b>Total current liabilities</b>	<b>91.699</b>	<b>116.050</b>
Liabilities held for sale	-	-
<b>Total equity and liabilities</b>	<b>545.113</b>	<b>564.060</b>

## CONSOLIDATED INCOME STATEMENT

	<b>01.10.2015</b> <b>31.12.2015</b>	<b>01.10.2014</b> <b>31.12.2014</b>	<b>01.10.2014</b> <b>30.09.2015</b>
Revenues	2.002	10.291	18.740
Other income	217	257	1.538
Variations in property inventories	623	948	(3.298)
Costs for purchases	(1.297)	(1.537)	(6.342)
Costs for services	(2.354)	(7.374)	(17.006)
Personnel costs	(1.865)	(2.213)	(9.363)
Other costs	(753)	(1.129)	(5.738)
Dividends	15	8	1.958
Profit (loss) from management of financial activities and investments	1.039	(55)	2.589
<b>Gross operating margin (EBITDA)</b>	<b>(2.373)</b>	<b>(804)</b>	<b>(16.923)</b>
Amortisation and value adjustments to intangible assets	(85)	(166)	(705)
Allocations to the provision for risks	-	-	(2.373)
Value adjustments to financial assets and receivables	(226)	(128)	(3.757)
Share of income (loss) of investments accounted for using the equity method	(191)	(324)	(1.362)
Income (loss) from non-recurring transactions	-	3.522	176
<b>Operating result (EBIT)</b>	<b>(2.875)</b>	<b>2.101</b>	<b>(24.944)</b>
Financial income	1.684	1.752	9.600
Financial expenses	(2.530)	(3.783)	(11.694)
Profit (loss) from trading of financial assets	485	253	5.357
<b>Income (loss) before taxes</b>	<b>(3.235)</b>	<b>323</b>	<b>(21.682)</b>
Income taxes	861	(2.910)	(1.524)
<b>Income (loss) from continuing operations</b>	<b>(2.375)</b>	<b>(2.587)</b>	<b>(23.205)</b>
Income (loss) from assets held for sale	-	-	-
<b>Profit (loss) for the year</b>	<b>(2.375)</b>	<b>(2.587)</b>	<b>(23.205)</b>
<b>Attributable to:</b>			
Income (loss) pertaining to non controlling interests	(187)	627	(887)
<b>Income (loss) pertaining to the Group</b>	<b>(2.187)</b>	<b>(3.214)</b>	<b>(22.318)</b>

## 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 2015. The consolidated interim report on operations as at 31 December 2015, as with the consolidated financial statements as at 30 September 2015, 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. Assets 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 2015 are the same as those applied to the financial statements as at 30 September 2015, 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 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 31 December 2015 is as follows:

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

(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 significant influence.

A number of interests exceeding 20%, but 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 holds exclusive rights to 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**

There was no change in the area of consolidation as at 31 December 2015 with respect to that of 30 September 2015.



**Certification of the interim report on operations as at 31 December 2015 pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions**

The undersigned Rosario Bifulco, Chief Executive Officer, and Pietro Santicoli, 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 31 December 2015.

It is also hereby certified that the consolidated interim report on operations for 1 October 2015-31 December 2015:

- 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 with 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.

Milan, 10 February 2016

Chief Executive Officer

Rosario Bifulco

Manager responsible for preparing the  
Company's financial reports

Pietro Santicoli