Offices in Milan - Piazza A. Diaz 7
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Listed in the Milan Register of Companies at no. 00742640154
www.mittel.it

Reports and Financial Statements

as at 30 September 2012

127th company year

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Annexes

Appendix on changes to the presentation layouts and the classification criteria applied for the drafting of the separate and consolidated financial statements of Mittel S.p.A.

"THIS IS A TRANSLATION OF THE ITALIAN CONSOLIDATED FINANCIAL STATEMENTS AT 30 September 2012 PREPARED SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS. IN THE EVENT OF ANY AMBIGUITY THE ITALIAN TEXT WILL PREVAIL."

Corporate bodies

Board of Directors
Chairman
Franco Dalla Sega
Deputy Chairman
Romain C. Zaleski (b)
Chief Executive Officer
Arnaldo Borghesi (b)
Directors
Maria Vittoria Bruno (a) (c)
Giorgio Franceschi (b)
Stefano Gianotti (a) (d)
Giambattista Montini (a)
Giuseppe Pasini (a)
Giampiero Pesenti (d)
Duccio Regoli (a) (c) (d)
Angelo Rovati
Massimo Tononi (c)
Enrico Zobele
General Manager
Maurizia Squinzi
Manager responsible for preparing the Company's financial reports
Pietro Santicoli

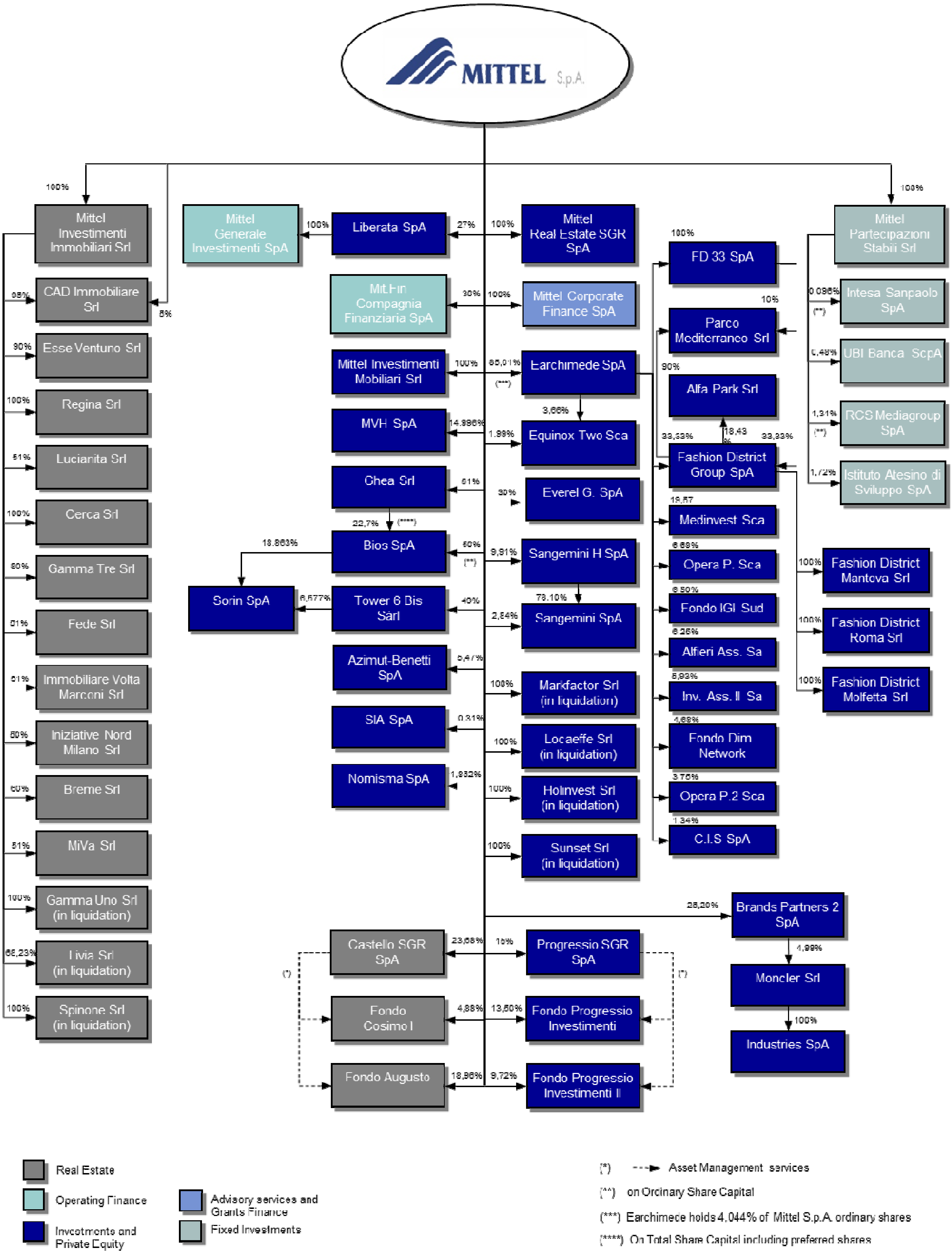
Board of Statutory Auditors
Standing auditors
Giovanni Brondi – Chairman
Alfredo Fossati
Flavio Pizzini
Alternate auditors
Roberta Crespi
Giulio Tedeschi

Independent Auditors
Deloitte & Touche S.p.A.

(a) Independent Director
(b) Member of the Executive Committee
(c) Member of the Internal Control 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 10 January 2013



Introduction

The sale of Mittel Generale Investimenti S.p.A. and changes in the classification format and criteria adopted for the drafting of the separate and consolidated financial statements as at 30 September 2012

Mittel S.p.A. (hereinafter also the "Company") drafts its separate and consolidated financial statements according to the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set out in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002 starting from the year ended 30 September 2006.
In particular, the separate and consolidated financial statements are prepared in accordance with IAS/IFRS, in compliance with the provisions of art. 82 of Issuers' Regulation no. 11971 of 14 May 1999, amended by Consob Resolution no. 14990 of 14 April 2005.

In consideration of the impact on the Mittel Group's consolidated results of the statement of financial position and income statement items of the subsidiary Mittel Generale Investimenti S.p.A. ("MGI"), a company registered in the special list of Financial Intermediaries pursuant to former art. 107 of Legislative Decree 385/1993 (Consolidated Law on Banking) and subject to monitoring by the Bank of Italy, the company deemed it appropriate, for the drafting of its separate and consolidated financial statements, to adopt the same financial statement layouts and recognition and classification criteria as those of MGI, i.e. compliant with the instructions issued by the Bank of Italy on 22 December 2005, supplemented and adapted in accordance with the specific presentation requirements of the Mittel Group.

Furthermore, it should be pointed out that Mittel S.p.A. was registered in the general section of the list of financial intermediaries pursuant to art. 113 of the Consolidated Law on Banking until its repeal, in accordance with Legislative Decree no. 141 of 13 August 2010. Subsequently, the company was not registered in the list pursuant to art. 106 of the Consolidated Law on Banking, given it does not perform any significant financial activity for the purposes of said Consolidated Law on Banking.

Consistent with the strategic objective of reducing credit activities, in 2011/2012, Mittel S.p.A. transferred the entire share capital of MGI to Liberata S.p.A., for a price of EUR 75 million. Liberata S.p.A is 36,5% owned by ISA (Istituto Atesino di Sviluppo S.p.A.), 36,5% owned by Fondazione CARITRO (Fondazione Cassa di Risparmio di Trento e Rovereto) and 27% owned by Mittel S.p.A., of which it is therefore an associate.

Following the sale and pursuant to IFRS 5 ("*Assets Held for Sale and Discontinued Operations*"), MGI's business is represented in these consolidated financial statements as discontinued operations; this classification meant that, as at 30 September 2012 and, for comparative purposes, as at 30 September 2011:

- cost and revenue items relating to discontinued operations were classified under the item Income (loss) from discontinued operations in the income statement;
- all cash flows relating to discontinued operations were presented under the appropriate items relating to the operating activities in the year, investment activities and financing activities in the cash flow statement.

As regards the analytical content of the items relating to discontinued operations in the consolidated income statement, consolidated statement of financial position and consolidated cash flow statement, please refer to the proper explanatory notes.

In addition, as a result of the significant change in the Group's operating profile following the transfer of control of MGI together with the increase in the Group's interest in the Outlet sector, it was deemed necessary to adopt new guidelines as regards the form and contents of the company's financial statements, moving from financial statements prepared in accordance with the Provision of the Bank of Italy dated 16 December 2009 and subsequent update to financial statements drafted according to the provisions set out in IAS 1.
The new presentation adequately provides the most important information for financial statement users, is highly likely to be used in the future and, at the same time, permits historical comparisons between accounting information. This involved the arrangement of new layouts for the statement of financial position, income statement, statement of changes in shareholders' equity and the cash flow statement, whose guidelines are better detailed in the explanatory notes. Items were also identified which, in observance of the

structure and content of the minimum information to be shown in the financial statements, are sufficiently different in nature or function to warrant separate presentation.

Comparability of the consolidated income statement relating to the economic results of Tethys S.p.A. with respect to the previous year

It should be noted that the consolidated income statement for the year ended 30 September 2012 is not comparable with the previous year given that it includes the income statement figures of the companies headed up by Gruppo Tethys S.p.A. and Hopa S.p.A. for the entire company year, compared to these companies' contribution for just 6 months (i.e. from 1 April 2011) in the year ended 30 September 2011.

Merger by incorporation of the subsidiaries Tethys S.p.A. and Hopa S.p.A. in Mittel S.p.A.

In the year 2011-2012, Mittel S.p.A. completed the restructuring of the investments in subsidiaries Tethys S.p.A. and Hopa S.p.A. through the merger by incorporation of Tethys S.p.A. in Mittel S.p.A. ("Fusione I" - Merger I) and of Hopa S.p.A. in Mittel S.p.A., as a result of Merger I of Tethys S.p.A. in Mittel S.p.A. ("Fusione II" - Merger II).
The transactions of each merged company were booked to the financial statements of the merging company as of 1 October 2011, pursuant to art. 2504-bis of the Italian Civil Code.

With reference to the methods of conversion of the investments of the merged companies' shareholders, the merger transactions involved the following:

Merger I: Merger by incorporation with the cancellation of the ordinary shares of Tethys S.p.A. without share swap

Merger I did not involve the application of any share exchange ratio, given that, on the date of stipulation of Merger I, Mittel S.p.A. held 100% of the share capital of Tethys. Therefore, Mittel S.p.A. did not increase share capital to service the merger, and all Tethys S.p.A. shares held by Mittel S.p.A. were cancelled (art. 2504-ter, paragraph 2, Italian Civil Code).

Merger II: Merger by incorporation with share swap for the conversion of the investments in the merged companies in terms of the shares of the merging company Mittel S.p.A. resulting from Merger I between Mittel S.p.A. and Tethys S.p.A.

Merger II did not involve the application of any share exchange ratio, given that, on the date of stipulation of Merger II, the merging company Mittel S.p.A., as a result of Merger I, did not hold 100% of the share capital of Hopa S.p.A.. Therefore, Mittel S.p.A. did not increase share capital to service the merger, and all Hopa S.p.A. shares held by Mittel S.p.A. were cancelled (art. 2504-ter, paragraph 2, Italian Civil Code).
Newly issued Mittel S.p.A. shares, destined to service the share swap, were issued on the date the Merger became effective for legal purposes, with regular dividend entitlement and listing on the MTA (screen-based stock market), at the par value of the Mittel S.p.A. shares in circulation at the time of issue of the shares destined to service the share swap.

The merger transactions essentially meant the separate financial statements of Mittel S.p.A. were not comparable with the figures in the previous year's statement of financial position and income statement.

Directors' Report on Operations

Group performance

Dear Shareholders,

The Mittel Group's consolidated financial statements for the year ended as at 30 September 2012 posted a net loss of EUR 17,9 million, compared to a net loss of EUR 52,0 million as at 30 September 2011.

Shareholders' equity pertaining to the Group amounted to EUR 342,0 million, compared to EUR 293,8million in 2010-2011, marking an increase of EUR 48,2 million, while non controlling interests came to EUR 55,5 million, compared to EUR 187,5 million in the previous year. Total shareholders' equity amounted to EUR 397,5 million, compared to EUR 481,3 million in the previous year, marking a decrease of EUR 83,8 million.

Financial highlights of the Mittel Group

Economic summary

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

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

Main economic, financial and equity figures of the Group

(thousands of Euro)		30.09.2012	30.09.2011
Revenues		**66.077**	**48.417**
Purchases, provision of services, sundry costs		(58.491)	(45.109)
Personnel costs		(9.625)	(6.615)
Operating costs		**(68.116)**	**(51.724)**
Income (expenses) from investments		6.240	6.428
Operating margin (EBITDA)		**4.201**	**3.121**
	EBITDA %	*6,36%*	*6,4%*
Amortisation/depreciation, allocations and adjustments to non-current assets		(22.756)	(7.754)
Value adjustments to financial assets and investments		(9.826)	(42.928)
Share of income (loss) of investments		18.076	(1.654)
Operating result (EBIT)		**(10.305)**	**(49.215)**
	EBIT %	*(15,60)%*	*(101,65)%*
Income (loss) from financial management		(4.519)	(2.842)
Income (loss) from trading of financial assets		(1.750)	(4.399)
Income (loss) before taxes		**(16.574)**	**(56.456)**
Taxes		214	538
Income (loss) from continuing operations		**(16.360)**	**(55.918)**
Income (loss) from discontinued operations		**(5.748)**	**(3.428)**
Net income (loss) for the year		**(22.108)**	**(59.346)**
Income (loss) pertaining to non controlling interests		4.187	7.351
Income (loss) pertaining to the Group		**(17.921)**	**(51.995)**

As stated in the introduction, the income statement figures of the two financial years are not comparable given that the financial statements for the year ended 30 September 2011 only consolidated the Gruppo Tethys S.p.A. from 1 April 2011. Prior to this, said entity was fully consolidated with the equity method given subject to joint control by Mittel S.p.A. and Equinox S.c.a.. It should be pointed out that Tethys S.p.A. held, directly and indirectly, controlling interests mainly in Gruppo Hopa S.p.A., Gruppo Earchimede S.p.A. and Gruppo Fashion District Group S.p.A., which are fully consolidated in these financial statements.

- Revenues: EUR 66,1 million, compared to EUR 48,4 million as at 30 September 2011, marking an increase of 36,5% mainly attributable to the consolidation of the investment in Fashion District Group S.p.A. for twelve months, rather than six;

- Operating costs: EUR 68,1 million, compared to EUR 51,8 million as at 30 September 2011, marking an increase of 31,5%, mainly attributable to the consolidation of the investment in Gruppo Tethys S.p.A. for twelve months, rather than six;

- Operating margin (EBITDA): EUR 4,2 million, compared to EUR 3,1 million in the previous year, marking an increase of EUR 1,1 million.

- Operating result (EBIT): a negative EUR 10,3 million, compared to EUR 49,2 million as at 30 September 2011; the negative result fell by EUR 38,9 million compared to the previous year given that the reduction in the write-downs of long-held investments, classified under available-for-sale assets (non-current financial assets), more than offset the higher amortisation of the Fashion District Group;

- Income (loss) from discontinued operations: a negative EUR 5,7 million, compared to a negative EUR 3,4 million as at 30 September 2011, marking an increase of EUR 2,3 million.

Main financial and equity figures of the Group

(thousands of Euro)	30.09.2012	30.09.2011
Intangible assets	21.751	26.448
Property, plant and equipment	147.376	162.232
Investments	39.099	29.519
Non-current financial assets	300.220	358.814
Non-current assets (liabilities) held for sale	2.355	1.004
Provisions for risks, employee severance indemnity and employee benefits	(6.011)	(7.831)
Other non-current assets (liabilities)	(1.570)	(1.569)
Tax assets (liabilities)	(9.701)	(13.793)
Tethys and Hopa call options	0	23.347
Net working capital (*)	100.869	85.498
Net invested capital	**594.388**	**663.669**
Shareholders' equity pertaining to the Group	342.009	293.794
Non controlling interests	55.525	187.537
Total shareholders' equity	**(397.534)**	**(481.331)**
Net financial position	**(196.854)**	**(182.338)**

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

Intangible assets amounted to EUR 21,7 million, compared to EUR 26,4 million in 2010-2011; the decrease of EUR 4,7 million is mainly due to the elimination of goodwill booked to the consolidated financial statements on the subsidiary Fashion District Group S.p.A., made necessary by the comparison with the recoverable value determined by its value in use.

Property, plant and equipment totalled EUR 147,3 million compared to EUR 162,2 million in 2010-2011, representing a decrease of EUR 14,9 million, attributable primarily to the annual amortisation (EUR 13,7 million) of the properties owned by the subsidiary Fashion District Group S.p.A., relating to the Mantua and Molfetta outlets.

Investments totalled EUR 39,1 million, compared to EUR 29,5 million in 2010-2011, marking an increase of EUR 9,6 million. The increase is due to the addition of the Liberata S.p.A. investment (recorded for a value of EUR 3,8 million) and the higher value of the investments: Bios S.p.A. (EUR 9,4 million), marking an increase of EUR 2,2 million, Tower 6 Bis S.à r.l. (EUR 17,3 million), up by EUR 1,8 million (both increases reflect the higher value of the asset Sorin S.p.A. held by the two companies), and Brands Partners 2 S.p.A. (EUR 2,5 million), an increase of EUR 1,6 million over the previous year.

Non-current financial assets amounted to EUR 300,2 million, compared to EUR 358,8 in the previous year, marking a decrease of EUR 58,6 million. The decrease is essentially due to the deconsolidation of the former wholly-owned subsidiary Mittel Generale Investimenti S.p.A., a transaction detailed in the section "Significant events in the year" in these financial statements.

Other non-current assets held for sale amounted to EUR 2,4 million, compared to EUR 1,0 million in the previous year, marking an increase of EUR 1,4 million. This increase is due to the recording, under the item in question, of the assets of investee Mittel Real Estate SGR S.p.A., no longer consolidated on a line-by-line basis as a result of the impending transfer of 65% of the share capital of said entity. For more details on said transaction, please refer to the section "Significant events in the year" in these financial statements.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 6,0 million, compared to EUR 7,8 million in the previous year, marking a decrease of EUR 1,8 million. Provisions for risks as at 30 September 2012 included an allocation of EUR 3,7 million relating to Mittel S.p.A. as a result of the contractual guarantees issued by the latter.

The item other non-current liabilities totalled EUR 1,6 million, in line with figure in the previous year.

The item tax liabilities amounted to EUR 9,7 million, compared to EUR 13,8 million in the previous year, marking a decrease of EUR 4,1 million, due mostly to the deconsolidation of the investee Mittel Generale Investimenti S.p.A..

Net working capital amounted to EUR 100,9 million, compared to EUR 85,5 million in 2010-2011. The increase of EUR 15,4 million (equal to 17,98%) is mostly due to the rise in property inventories (up EUR 14,0 million in the year). The item net working capital is composed of the value of property inventories of EUR 117,6 million (EUR 103,6 million in the financial statements of the previous year) and the sum of sundry receivables and other current assets totalling EUR 18,2 million (EUR 9,5 million in the financial statements of the previous year) and sundry payables and other current liabilities amounting to EUR 35,0 million (EUR 27,8 million in last year's financial statements).

Shareholders' equity pertaining to the Group amounted to EUR 342,0 million, compared to EUR 293,8 million in 2010-2011, marking an increase of EUR 48,2 million, while non controlling interests came to EUR 55,5 million, compared to EUR 187,5 million in the previous year. Total shareholders' equity amounted to EUR 397,5 million, compared to EUR 481,3 million in the previous year, marking a decrease of EUR 83,8 million. These variations are attributable not only to the loss of EUR 22,1 million in the year, but the overall decrease recorded due to the change in the consolidation area connected with the acquisition of full control of Tethys S.p.A. and Hopa S.p.A. for a total amount of EUR 64,1 million, the general increase in the valuation reserve (up EUR 6,9 million) and the decrease in the distribution of non controlling interests (EUR 4,5 million). With reference to Shareholders' equity pertaining to the Group, the overall variation, amounting to EUR 48,2 million, derives from the increase resulting from the excess shareholders' equity of Tethys S.p.A. and Hopa S.p.A. acquired in the year with respect to the incremental investments and the increase in share capital in service of the Hopa S.p.A. merger for a total of EUR 58,9 million, the loss pertaining to the Group, amounting to EUR 17,9 million, and the increase in comprehensive income suspended in the valuation reserve pertaining to the Group (EUR 7,2 million).

The net financial position came to a negative EUR 196,8 million, compared to a negative EUR 182,3 million as at 30 September 2011, a decrease totalling EUR 14,5 million compared to the figure in the previous year, despite the disbursement of EUR 37,5 million related to the exercising of call options on Tethys S.p.A. and Hopa S.p.A. shares prior to the subsequent merger in Mittel S.p.A.. In particular, payables due to the banking system fell by more than EUR 184 million, against a reduction of around EUR 137 million in current financial receivables.

The item current financial receivables includes a receivable due from Mittel Partecipazioni Stabili S.r.l. amounting to roughly EUR 21 million, collected on 20 December 2012

Statement relating to the net financial position

(thousands of Euro)	**30.09.2012**	**30.09.2011**	**Change**
Cash	14	193	(179)
Other cash equivalents	25.678	64.463	(38.785)
Securities held for trading	-	17.995	(17.995)
Current liquidity	**25.692**	**82.651**	**(56.959)**
Current financial receivables	**37.819**	**174.662**	**(136.843)**
Bank payables	(236.405)	(420.723)	184.318
Other financial payables	(23.961)	(18.928)	(5.033)
Financial debt	**(260.366)**	**(439.651)**	**179.285**
Net financial position	**(196.855)**	**(182.338)**	**(14.517)**

The item other cash equivalents as at 30 September 2012 includes EUR 10,9 million in amounts owed classified under current financial receivables in the financial statements; 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.

As already indicated in the introduction, Mittel S.p.A., which owns all the share capital of Mittel Generale Investimenti S.p.A., up until the Interim Report on Operations as at 30 June 2012, drafted its financial statements in compliance with the instructions issued by the Bank of Italy on 13 March 2012 for the preparation of the financial statements of financial intermediaries registered in the special list of Electronic Money Institutions (IMEL), Asset Management Companies (SGR) and Stock Brokerage Firms (SIM). By focusing on the more reliable and significant information to be included in the financial statements of these companies, said provision does not envisage a "current/non-current" distinction as this is not a priority for entities which do not supply goods or services within a clearly identifiable operating cycle (as defined by IAS 1).
Therefore, in order to allow an adequate comparative analysis of the development of the Net Financial Position (understood as the difference between current liquidity, current financial receivables and current and non-current financial debt) with respect to the Net Financial Position included in the information reported in the consolidated financial statements of Mittel S.p.A. as at 30 September 2011, according to the criteria of comparative homogeneity, it was deemed necessary to carry out a detailed revision of the classification criteria adopted for the distinction between current and non-current assets, in order to identify current financial assets whose recovery or settlement is expected within twelve months from the reference date.

Therefore, a total of EUR 218,0 million was reclassified from current financial receivables to non-current financial assets, of which EUR 118,9 million relates to Loans granted to third parties by the former subsidiary Mittel Generale Investimenti S.p.A. (fully deconsolidated in the current year) and EUR 99,0 million to additional non-current loans.

As a result of the above, the Net Financial Position as at 30 September 2011 recorded a decrease of EUR 225,7 million compared to the amount indicated in the financial statements for the previous year, down from EUR 43,4 million to a negative EUR 182,3 million.

Group profitability ratios

To make it easier to understand the income statement and statement of financial position figures, the Group employs some widely used ratios, however, not provided for by IAS/IFRS. Given not attributable to the reference accounting standards, the definitions of the ratios used by the Group may not be homogeneous with those adopted by other companies or Groups and, therefore, may not be comparable.

Economic-financial ratios	**30.09.2012**	**30.09.2011**
Value-added / Revenues	19,12%	17,75%
Net income (loss) / Revenues	(30,57)%	(108,21)%
Gross operating margin (EBITDA)	4.201	3.121
Operating margin / Revenues	5,81%	5,69%
Financial debt / Shareholders' equity	0,65	0,91
Net financial position / Shareholders' equity	0,50	0,38
Current assets / Current liabilities	1,16	1,25
Current receivables / Current liabilities	0,44	0,76
Shareholders' equity / Invested capital	0,67	0,73
Non-current financial liabilities / Non-current assets	0,21	0,24
Shareholders' equity / Non-current assets	0,77	0,82

Income statement ratios

The Value-added / Revenues ratio (positive income components of the gross operating margin) is in line with the figure in the previous year, standing at 19,12% as at 30 September 2012, compared to 17,75% in the previous year.
The Gross Operating Margin, up EUR 1,1 million (from EUR 3,1 million to EUR 4,2 million), was affected by the positive contribution from the Group's more typical operating activities and, in particular, by Fashion District Group S.p.A.'s positive contribution to said margin (EUR 6,3 million).

Statement of financial position ratios

The Financial debt / Shareholders' equity ratio fell to 0,65 in the year (down from 0,91 in the previous year), proof of the improvement in the capitalisation of the Group in relation to financial debt, with more than two-thirds of Net Invested Capital financed by shareholders' equity.
The Current assets / Current liabilities ratio of 1,16 (down from 1,25 in the previous year) is essentially in line with the previous year, despite a reduction in the Current receivables / Current liabilities ratio, down from 0,76 as at 30 September 2011 to 0,44 as at 30 September 2012.
The Shareholders' equity / Invested capital ratio saw a slight decrease during the year, down from 0,73 to 0,67, due to a greater decrease in shareholders' equity than in invested capital.

INFORMATION BY BUSINESS SEGMENT

Income statement by business segment and contributions to Group results

2011

Figures in millions of Euro AGGREGATE / CONSOLIDATED	30-set-11 Net revenues	Operating costs	Income (expenses) from investments	Amortisation/ depreciation and write-downs	Share of income (loss) of investments	Income (loss) from financial management	Income (loss) from trading of financial assets	Income (loss) from discontinued operations	Taxes	Income (loss) pertaining to non controlling interests	Income (loss) pertaining to the Group
Real Estate Sector	17,0	(12,8)	0,0	(0,0)	(0,1)	(1,4)	0,0	0,0	(1,3)	0,0	1,5
Advisory Sector	1,8	(3,4)	0,0	(0,1)	(0,0)	0,0	(0,0)	0,0	(0,0)	0,0	(1,6)
Fixed Investments Sector	0,0	(0,0)	1,9	(38,1)	0,0	(0,1)	2,5	0,0	(0,1)	0,0	(33,9)
Investments and PE Sector	2,1	(9,9)	5,4	(5,4)	(1,6)	2,0	(6,9)	0,0	(1,0)	(2,2)	(13,3)
Outlet Sector (6 months)	16,8	(14,9)	(0,7)	(7,1)	0,0	(3,3)	0,0	0,0	2,9	(5,2)	(1,1)
Operating Finance Sector	0,2	(5,0)	0,0	(0,1)	0,0	6,9	(5,9)	0,0	0,3	0,0	(3,5)
IFRS5 reclassification	(0,2)	5,0	(0,2)	0,1	0,0	(6,9)	5,9	(3,4)	(0,3)	0,0	0,0
IC ELIMINATION	(1,3)	1,3	0,0	0,0	0,0	0,0	0,0	0,0			
CONSOLIDATED TOTAL	**36,4**	**(39,8)**	**6,4**	**(50,7)**	**(1,7)**	**(2,8)**	**(4,4)**	**(3,4)**	**0,5**	**(7,4)**	**(52,0)**

2012

Figures in millions of Euro AGGREGATE / CONSOLIDATED	30-set-12 Net revenues	Operating costs	Income (expenses) from investments	Amortisation/depreciation and write-downs	Share of income (loss) of investments	Income (loss) from financial management	Income (loss) from trading of financial assets	Income (loss) from discontinued operations	Taxes	Income (loss) pertaining to non controlling interests	Income (loss) pertaining to the Group
Real Estate Sector	10,6	(6,7)	0,0	(0,0)	(0,0)	(2,7)	0,0	0,0	(0,9)	(0,1)	0,3
Advisory Sector	1,8	(3,3)	0,0	(0,5)	0,0	(0,0)	0,0	0,0	0,8	0,0	(1,2)
Fixed Investments Sector	0,0	(0,0)	1,1	(0,3)	0,0	0,1	(0,0)	0,0	(0,1)	0,0	0,8
Investments and PE Sector	2,0	(12,4)	5,1	(17,2)	18,1	1,9	(1,7)	0,1	(2,8)	(0,0)	(6,9)
Outlet Sector	34,0	(27,8)	0,0	(14,6)	0,0	(4,1)	0,0	0,0	3,1	(4,1)	(5,3)
Operating Finance Sector (9 months)	0,0	(1,3)	0,3	(0,3)	0,0	6,4	(1,8)	(7,7)	(1,2)	0,0	(5,7)
IFRS5 reclassification	(0,0)	1,3	(0,3)	0,3	0,0	(6,4)	1,8	2,0	1,2	0,0	0,0
IC ELIMINATION (*)	(1,3)	1,1	0,0	0,0	0,0	0,4	0,0	(0,2)			
CONSOLIDATED TOTAL	**47,1**	**(49,1)**	**6,2**	**(32,6)**	**18,1**	**(4,5)**	**(1,7)**	**(5,7)**	**0,2**	**(4,2)**	**(17,9)**

Structure of the consolidated statement of financial position by business segment

2011

Figures in millions of Euro AGGREGATE / CONSOLIDATED	30-set-11 Net working capital	Fixed assets	Other assets (liabilities)	*Financed by*	Net financial position	Shareholders' equity	*of which*	Shareholders' equity pertaining to non controlling interests	Shareholders' equity pertaining to the Group
Real Estate Sector	89,8	2,4	(0,2)		(63,2)	28,7		1,4	27,3
Advisory Sector	1,5	0,2	(0,1)		0,3	2,0		0,1	1,9
Fixed Investments Sector	(0,0)	40,3	0,0		(36,6)	3,7		0,0	3,7
Investments and PE Sector	(12,5)	231,8	34,4		(20,5)	233,2		107,1	126,1
Outlet Sector	7,4	210,3	(28,3)		(92,1)	97,3		79,0	18,4
Operating Finance Sector	(0,6)	120,9	(4,7)		0,9	116,5		0,0	116,5
IC ELIMINATION (**)	0,0	(28,8)	0,0		28,8				
CONSOLIDATED TOTAL	**85,5**	**577,0**	**1,2**		**(182,3)**	**481,3**		**187,5**	**293,8**

2012

Figures in millions of Euro AGGREGATE / CONSOLIDATED	30-set-12 Net working capital	Fixed assets	Other assets (liabilities)	*Financed by*	Net financial position	Shareholders' equity	*of which*	Shareholders' equity pertaining to non controlling interests	Shareholders' equity pertaining to the Group
Real Estate Sector	102,4	2,3	(0,2)		(75,7)	28,9		1,2	27,6
Advisory Sector	1,3	0,1	0,5		(1,4)	0,5		0,0	0,5
Fixed Investments Sector	(0,0)	46,2	(0,0)		(35,4)	10,7		0,0	10,7
Investments and PE Sector	(6,4)	298,1	10,0		(33,2)	268,5		15,7	252,8
Outlet Sector	3,6	199,9	(25,3)		(89,3)	88,9		38,6	50,3
Operating Finance Sector	0,0	0,0	0,0		0,0	0,0		0,0	0,0
IC ELIMINATION (**)	0,0	(38,2)	0,0		38,2				
CONSOLIDATED TOTAL	**100,9**	**508,4**	**(14,9)**		**(196,9)**	**397,5**		**55,5**	**342,0**

(*) Elimination of Income (loss) from financial management at intercompany (IC) level generated by the Income (loss) from discontinued operations
(**) Elimination of Fixed assets/Financial Position deriving from intercompany position - Non-current Payables (in Financial Position) to Non-current Receivables (in Fixed Assets)

As regards the breakdown of the Income Statement by sector, intercompany revenues and costs are re-allocated to the respective sectors in such a way as to measure the generation of the margin relating to each sector as if this was completely autonomous; as regards the breakdown of the statement of financial position by sector, the receivables and payables of each sector include the existing positions with the other sectors, as if each sub-group was autonomous.

Sector performance

The activities of the Mittel Group, following the sale of the investment held in Mittel Generale Investimenti S.p.A., described in detail in the introduction and in the section “Events during the year”, to which reference should be made, are structured into the following operating segments:

- **Real Estate:** real estate transactions predominantly of a residential/tertiary nature, currently located in Lombardy, with a low risk profile; investments are made directly by the Group or through companies in which non controlling interests can be held by external entrepreneurs with proven skill and professionalism;

- **Advisory services and Grants Finance**: activities targeted at corporate customers, private equity funds and Italian institutions consisting of: i) services involving support for M&A operations of companies or business units in Italy or cross-border and in privatisation processes; ii) assistance with debt restructuring activities, debt raising or share capital operations through the search for shareholders for share capital increases or private placements; iii) support in obtaining subsidised loans for research, development or other initiatives;

- **Fixed Investments**: long-held non controlling interests in listed companies (Intesa Sanpaolo S.p.A., UBI Banca S.c.p.A. and RCS MediaGroup S.p.A.) and unlisted companies (Istituto Atesino di Sviluppo S.p.A.);

- **Private Equity and Investments**: investments made directly by the Parent Company or indirectly through the subscription of specialised closed-end funds managed by Italian or foreign Asset Management Companies, of which Mittel sometimes holds part of the social capital, which invest in the capital of medium-sized companies, including listed, with the objective of increasing value in the medium-term;

- **Outlet:** construction and management of large commercial spaces in line with the distribution system of factory outlet centres. Fashion District Group is the largest shopping project in Italy and has created a network composed of 3 factory outlet centres, integrated with recreational, leisure and entertainment functions, located in Mantua, Valmontone (Rome) and Molfetta (Bari), strategic locations in terms of population density, vehicle traffic and tourist flows.

The **Operating Finance** sector, relating to the granting of loans and proprietary securities portfolio trading, is only shown given it was present in the previous year and up until July 2012.

It should be noted that the current breakdown by sector is different from the breakdown shown in the financial statements for the year ended 30 September 2011 given that, on 30 December 2011, the merger of Tethys S.p.A. and Hopa S.p.A. in Mittel S.p.A. was resolved, effective from 5 January 2012. As a result of said extraordinary transaction, the investment in Fashion District Group, previously included in the sub-group Tethys/Hopa, constituted the new “Outlet” sector, while the other investments of said sub-group were channelled to the Private Equity and Investments sector.

Information by business segment

The business segments detailed above form the basis of the strategically defined activities and of the operational control by management and, therefore, constitute the key elements of information used for the management of the Group, in accordance with IFRS 8. The segmentation of Group activities by geographical area is not significant, given that Group activities are concentrated at national level.

Sector-based groupings are defined by the following groups of companies:

- <u>Real Estate Sector</u>: Mittel Investimenti Immobiliari S.r.l.; Breme S.r.l.; CAD Immobiliare S.r.l.; Cerca S.r.l.; Esse Ventuno S.r.l.; Fede S.r.l.; Gamma Tre S.r.l.; Immobiliare Volta Marconi S.r.l.; Lucianita S.r.l.; MiVa S.r.l.; Regina S.r.l.; Iniziative Nord Milano S.r.l.; Livia S.r.l. in liquidazione (in liquidation); Gamma Uno S.r.l. in liquidazione (in liquidation); Spinone S.r.l. in liquidazione (in liquidation);

- <u>Advisory Services and Grants Finance Sector:</u> Mittel Corporate Finance S.p.A.;

- Fixed Investments Sector: Mittel Partecipazioni Stabili S.r.l.;
- Private Equity and Investments Sector: Mittel S.p.A.; Earchimede S.p.A.; FD33 S.p.A.; Liberata S.p.A.; Brands Partners 2 S.p.A.; Ghea S.r.l.; Mittel Investimenti Mobiliari S.r.l.; Mittel Real Estate SGR S.p.A.(discontinued operations); Bios S.p.A; Tower 6 Bis S.à r.l.; Locaeffe S.p.A. in liquidazione (in liquidation); Holinvest S.r.l. in liquidazione (in liquidation); Markfactor S.p.A. in liquidazione (in liquidation);
- Outlet Sector: Fashion District Group S.p.A.;
- Operating Finance Sector (disused) Mittel Generale Investimenti S.p.A. until July 2012.

Performance of the Real Estate sector

Figures in EUR/000				
Real Estate Sector	**2012**	%	**2011**	%
Sales	10.587		17.011	
Gross Operating Margin	3.912	*37%*	4.227	*25%*
Income (loss) before taxes	1.112	*11%*	2.788	*16%*
Net profit	239	*2%*	1.508	*9%*

Revenues in the Real Estate sector fell by around 38% in 2012, down from EUR 17,0 million to EUR 10,6 million. This decrease is due to the persistent negative economic situation which concerned the construction sector in particular, already adversely impacted by the increase in taxes following the introduction of the IMU (Municipal Property Tax). In said context, the sub-holding Mittel Investimenti Immobiliari S.r.l. carried out intense warehouse disposal activities last year, having completed the development of certain initiatives. The property sales described above were, however, more than offset by ongoing property developments, translating to a net increase in properties at year-end.

Property sales in 2012 were attributable (EUR 5,6 million) to the vehicle company Esse Ventuno S.r.l. which completed the sale of property units in the establishment in Via Santa Sofia no. 21 in Milan. The Group’s other real estate companies made the following contributions: CAD Immobiliare S.r.l. (EUR 2,6 million), Fede S.r.l. (EUR 1,6 million) and Gamma Tre S.r.l. (EUR 0,8 million).

At statement of financial position level, property inventories, included in net working capital, stood at EUR 107,4 million as at 30 September 2012, compared to EUR 93,5 million as at 30 September 2011; the increase is due to the development of initiatives already in the portfolio and MiVa S.r.l.’s acquisition, in the first half of 2012, of a property complex for a value of EUR 3,0 million, adjacent to the property project already under development by said investee.
The net financial position in the sector worsened in the year by EUR 12,5 million, reaching a total of EUR 75,7 million, consistent with the development of the above-mentioned initiatives.

Performance of the Advisory Services and Grants Finance sector

Figures in EUR/000				
Advisory Sector	**2012**	%	**2011**	%
Grant	1.201	*69%*	769	*42%*
M&A	628	*36%*	856	*47%*
Fiduciary	0	*0%*	271	*15%*
Recoveries of expenses	(76)	*-4%*	(80)	*-4%*
NET REVENUES	**1.753**		**1.816**	

Starting from the year 2011/2012, the revenues of the Advisory Services sector include solely the operating revenues of the wholly-owned subsidiary Mittel Corporate Finance S.p.A., while Ma-Tra Fiduciaria S.r.l. is no longer fully consolidated following the sale of Mittel Generale Investimenti S.p.A., by which said entity was controlled.
The exclusion of Ma-Tra fiduciaria S.r.l. from the scope of consolidation (EUR 0,4 million) and the loss for the year of the Advisory sector (EUR 1,2 million) contributed to the reduction in the shareholders’ equity of the sector, down from EUR 2,0 million to EUR 0,5 million.

The EUR 0,2 million decrease in turnover from “M&A” activities is a reflection of the context of the Italian mergers and acquisitions market, which recorded one of the worst performances of recent years in 2012. Based on the data recorded by certain operators, the volume of transactions in the January-September period amounted to EUR 9,4 billion, compared to EUR 21 billion in the same period in 2011.
Activities relating to “Grants” (Grants Finance), also carried out by Mittel Corporate Finance S.p.A., saw revenues increase from EUR 0,8 million as at 30 September 2011 to EUR 1,2 million as at 30 September 2012; the activities benefitted from the constant contraction in the company credit market and subsequent renewed interest of the average Italian company in alternative sources of financing, such as subsidised loans or outright grants, in support of internationalisation policies or investments in research and development.
In the presence of operating costs in line with the previous year (EUR 3,3 million, from EUR 3,4 million), the result of a constant focus on reducing spending, the sector closed the year with a loss of EUR 1,2 million.
It should be noted that the sector did not see the allocation of residual receivables relating to Mittel Corporate Finance S.p.A. deriving (i) from the past transfer of ECPI S.r.l. and ECP International S.A. (EUR 1,9 million) and (ii) the transfer during the year of the investment in Castello SGR S.p.A. to Mittel S.p.A. (EUR 3,4 million) and the associated positive economic effect, reversed from the Advisory Services sector and reclassified in the Private Equity and Investments sector.

Performance of Fixed Investments

Figures in EUR/000		
Fixed Investments Sector	**2012**	**2011**
Income from investments	1.141	1.917

The Fixed Investments sector contributed to the Group’s result with a profit of EUR 0,8 million, compared to a loss of EUR 33,9 million in the previous year, generated by impairment (around EUR 38,1 million) on non controlling interests held in listed companies (in particular, shares in Intesa Sanpaolo S.p.A. and UBI Banca S.c.p.A).

From a statement of financial position point of view, an increase was recorded in the value of fixed assets, up to EUR 46,2 million (from EUR 40,3 million as at 30 September 2011), due to the valuation of the portfolio held by Mittel Partecipazioni Stabili S.r.l.. The net financial position (negative) decreased by EUR 1,2 million during the year, down from EUR 36,6 million to EUR 35,4 million; this improvement is essentially due to income from investments - dividends of the two bank investees - received during the year amounting to EUR 1,1 million (EUR 1,9 million in the previous year) net of operating costs incurred by the company.

Performance of the Private Equity and Investments sector

Figures in EUR/000		
Investments and PE Sector	**2012**	**2011**
Fixed assets	298.118	231.770
Shareholders’ equity	268.537	233.166
Net financial position	(33.181)	(20.481)

As already outlined, compared to the previous year, this sector includes the companies of the sub-group Tethys/Hopa, with the exception of the investments included in the “Outlet” sector. Therefore, compared to the previous presentation, the investments in Earchimede S.p.A., FD33 S.p.A., Bios S.p.A., Locaeffe S.r.l. in liquidazione (in liquidation), Holinvest S.r.l. in liquidazione (in liquidation) and Markfactor S.r.l. in liquidazione (in liquidation) are present. In order to make the new breakdown by sector comparable with the previous year, the data as at 30 September 2011 was reclassified according to the new criteria (previous tables).

Fixed assets, amounting to EUR 298,1 million as at 30 September 2012, registered an increase of EUR 66,3 million compared to the previous year and are broken down as follows: investments consolidated using the equity method and other financial assets totalled EUR 121,4 million (from EUR 116,8 million), financial receivables amounted to EUR 175,5 million (from EUR 107,6 million) and other assets came to EUR 1,1 million. The increase in fixed assets is largely due to the payment extension (vendor loan) on part

of the consideration for the purchase of Mittel Generale Investimenti S.p.A., granted by Mittel S.p.A. to the purchaser Liberata S.p.A. for EUR 30,5 million and the acquisition of a mortgage loan of EUR 30,0 million; this loan, granted by Mittel Generale Investimenti S.p.A. to Mittel S.p.A., is in place with Castello SGR S.p.A., the asset management company for the "Fondo Augusto" (Augusto Fund), a closed-end mutual real estate investment fund reserved to qualified investors, of which Mittel S.p.A. is a subscriber.
The significant increase in Shareholders' equity pertaining to the Group of the Private Equity and Investments sector (EUR 126,7 million) is mainly due to the effects of the transfer of the subsidiary Mittel Generale Investimenti S.p.A., and exercising of the call options held by Mittel S.p.A. on Tethys S.p.A. and by the latter on Hopa S.p.A. and the subsequent merger of Hopa S.p.A. and Tethys S.p.A. in Mittel S.p.A.. The latter transaction had a significant impact on non controlling interests, reducing it from EUR 107,1 million as at 30 September 2011 to EUR 15,7 million as at 30 September 2012.
As a result of the above transactions, the financial position worsened to EUR 33,2 million from EUR 20,5 million.

At income statement level, the sector contributed to the Group's result with a loss of EUR 6,9 million, deriving from the contribution from revenues of EUR 2,0 million (from EUR 2,1 million), from income and expenses from investments (positive) amounting to EUR 5,1 million (from EUR 5,4 million), from the share of income from investments amounting to a positive EUR 18,1 million (from a negative EUR 1,6 million) and from the income from financial management for a positive EUR 1,9 million (in line with the result in the previous year), in contrast to operating costs of EUR 12,4 million (from EUR 9,9 million), amortisation and write-downs of EUR 17,2 million (from EUR 5,4 million), loss from trading of financial assets totalling a negative EUR 1,7 million (from a negative EUR 6,9 million) and taxes of EUR 2,8 million (from EUR 1,0 million).
In terms of operating costs, personnel costs amounted to EUR 4,0 million (from EUR 2,9 million in the previous year), affected by higher costs deriving from the inclusion of the former Tethys Group for the entire year rather than 6 months, and extraordinary costs resulting from settlement agreements amounting to EUR 0,9 million, incurred by Mittel S.p.A..
Income from investments totalled EUR 5,1 million, relating mainly to dividends received from private equity and real estate funds held by Mittel S.p.A. and Earchimede S.p.A.. In particular, they refer to income received from Progressio Investimenti, Alfieri Associated Investors and Augusto.
Income from investments carried at equity, a positive EUR 18,1 million, includes profits deriving from Brands Partners 2 S.p.A. and Mittel Private Equity S.r.l. (the latter merged by incorporation in said Brands Partners 2 S.p.A. in December 2011) which include the relevant portion of profit realised as a result of the sale of 8,51% of the share capital of Moncler S.r.l. in October 2011.
The item amortisation and write-downs includes amortisations for EUR 5,1 million and adjustments and allocations of EUR 12,1 million. The latter include: (i) provisions for guarantees given in relation to past transfers (EUR 3,7 million); (ii) write-downs carried out by Earchimede Spa on its portfolio of funds and investments (EUR 2,9 million); (iii) adjustments to receivables due to subsidiaries Markfactor S.r.l. in Liquidation (EUR 2,5 million) and Locaeffe S.p.A. (EUR 0,5 million), deriving from the deterioration of residual credit positions relating to said two companies now in liquidation and previously active in the factoring and leasing fields respectively; (iv) further adjustments relating to Mittel S.p.A. (EUR 2,5 million). In relation to the latter, a total of EUR 2,3 million is due to the prudential adjustment to the receivable due from the company Montini S.p.A., whose value was assumed to be equal to the expected cash flows for future reimbursements, discounted at a rate consistent with the deteriorated counterparty risk.
Lastly, loss from trading of financial assets amounting to a negative EUR 1,7 million (from a negative EUR 6,9 million) includes the fair value adjustment (EUR 1,7 million) of the put option granted for the sale of 70% of the company Cinestar Italia S.p.A., exercisable in the next financial year at a price of EUR 6,2 million. Exercising of the option will involve an expected worsening in the financial position next year by around EUR 21 million.

Performance of the Outlet sector

Figures in EUR/000				
Outlet Sector	**2012**	**%**	**2011 (6months)**	**%**
FD Mantua	10.209	*30%*	4.786	*28%*
FD Molfetta	7.245	*21%*	3.894	*23%*
FD Rome/Valmontone	16.589	*49%*	8.147	*48%*
Other	5	*0%*	14	*0%*
NET REVENUES	**34.048**		**16.841**	

The Outlet sector includes the Parent Company Fashion District Group S.p.A. and its subsidiaries, including the company Parco Mediterraneo S.r.l.. Fashion District Service S.r.l. is no longer included in the area of consolidation given merged in Fashion District Group S.p.A. on 2 April 2012.
The income statement figures for the sector-based contribution are not comparable with 2011 given that, as reported in the introduction, the area of consolidation changed during the year, which saw the companies headed up by Tethys S.p.A. and Hopa S.p.A. fully consolidated only in the second half of the year ended as at 30 September 2011 and, therefore, in the year 2010/2011 the Outlet sector only contributed to the consolidated total of the Mittel Group on a 6-month basis.

In a negative economic context, with an estimated 1% fall in household spending in 2012 and a deterioration in the consumer confidence index, which does not support a forecast recovery in consumption, the company was able to generate consolidated revenues of more than EUR 34 million, a slight increase over the previous year, making a significant contribution to the Group's net revenues, totalling EUR 47,1 million.
This positive result is due to the realisation, in the year just ended, of the investments set out in the Industrial Plan approved in January 2011. The latter were focused, in particular, on the Molfetta Outlet centre, which couples considerable potential for growth with a consistently higher risk profile, in which the "Street High & Loft" initiative is at the implementation phase, which will see estimated investments totalling EUR 2,5 million and which makes provision, together with a more general repositioning of the outlet, for the creation of an indoor skate park alongside full-price stores connected to the innovation and technology sector, street wear and design articles.
The company continued to enhance the commercial value of existing centres: the Valmontone outlet centre (Rome), with around 6 million visitors, remains the most visited outlet centre in Italy and, together with the Mantua and Molfetta centres, with more than 4,8 million visitors, allows a total of 10,7 million visitors to be reached, equal to 26% of the national outlet market. By contrast, the subsidiary Parco Mediterraneo S.r.l. abandoned the "Fashion District Catania Outlet" project. In terms of the contribution to the sector's total revenues, it should be noted that the turnover of the Bagnolo San Vito (Mantua) outlet increased its incidence on the total revenues of the Fashion District Group to 30% from 28% in the previous year.
Operating costs, amounting to EUR 27,8 million in 2012, include service costs of EUR 22,6 million (of which rent paid relating to the Valmontone Outlet of EUR 12,4 million), personnel costs of EUR 3,5 million (for a total of 63 employees) and other costs and net expenses of EUR 1,7 million.
Amortisations in the year came to EUR 13,7 million, while allocations and adjustments contributed EUR 0,9 million and mainly relate to the write-down of trade receivables. Loss from financial management was a negative EUR 4,1 million, and is the combined product of interest expenses accrued on existing loans on the Mantua and Molfetta properties and on loans granted by shareholders, and interest on the payable relating to Parco Mediterraneo S.r.l., net of financial income relating to the receivable for the earn-out on the past transfer of the Valmontone outlet.

Moving on to the statement of financial position, the net financial position recorded an improvement, from EUR 92,1 million to EUR 89,3 million, while fixed assets fell to EUR 199,9 million from EUR 210,3 million, mainly due to the combined effect of investments and amortisations in the period. Therefore, as at 30 September 2012, fixed assets were broken down as follows: intangible assets amounted to EUR 21,7 million, property, plant and equipment came to EUR 146,1 million (made up mainly of the Mantua and Molfetta structures), financial receivables totalled EUR 18,2 million (of which EUR 13,7 million for the deferred price of the past transfer of the Valmontone outlet and EUR 4,5 million for non-interest bearing loans to investee Alfa Park S.r.l.), financial assets totalled EUR 13,9 million, represented by the 18% stake in the company Alfa Park S.r.l. (EUR 11,9 million), operating in the construction and management of theme parks ("Terra dei Giganti" in Molfetta and "Rainbow Magicland" in Valmontone). The item other assets (liabilities) includes provisions and deferred tax liabilities amounting to EUR 32,1 million.

Property inventories concerning the Parco Mediterraneo initiative, amounting to EUR 10,2 million, were recorded under net working capital.
As regards the events which occurred after the close of the year, note the subscription and full payment by all shareholders, in proportion to the shares held, of the share capital increase of Fashion District Group S.p.A. for EUR 7,5 million, which took place in December 2012.

Performance of the Operating Finance sector (Discontinued operations and disposal groups)

As at 30 September 2012, the Operating Finance sector closed with a loss of EUR 5,7 million (loss of EUR 3,5 million as at 30 September 2011), mainly as a result of the allocation of the loss realised from the transfer of the investment in Mittel Generale Investimenti S.p.A. by Mittel S.p.A. on 25 July 2012.

Performance of the Parent Company

Dear Shareholders,

your Company closed the year ended as at 30 September 2012 with a net profit of EUR 53,2 million, compared to a net loss of EUR 63,4 million as at 30 September 2011.

Shareholders' equity amounted to EUR 327,8 million, compared to EUR 191,5 in the previous year, marking an increase of EUR 136,3 million.

The income for the year was positively affected by dividends (EUR 68,5 million) and by profit from the management of financial assets and investments totalling EUR 38,6 million in the year, in contrast to impairment of investments amounting to EUR 33,5 million.

Financial highlights of Mittel S.p.A.

As stated in the introduction, it should be underlined that the income statement data from the two financial years are not comparable given that the financial statements for the year ended as at 30 September 2012 include the economic, equity and financial figures of the companies headed up by Tethys S.p.A. and Hopa S.p.A., an operation implemented through two mergers by incorporation of Tethys in Mittel S.p.A. and Hopa S.p.A. in Mittel S.p.A., a detailed description of which is included in the explanatory notes.

Main economic, financial and equity figures of Mittel S.p.A.

(thousands of Euro)	30.09.2012	30.09.2011
Revenues	**3.617**	**2.037**
Purchases, provision of services, sundry costs	(9.265)	(5.352)
Personnel costs	(4.023)	(2.372)
Operating costs	**(13.288)**	**(7.724)**
Income (expenses) from investments	107.157	13.482
Operating margin (EBITDA)	**97.486**	**7.795**
EBITDA %	*2695,22%*	*382,7%*
Amortisation/depreciation and allocations	(4.046)	(377)
Value adjustments to financial assets and receivables	(2.417)	0
Value adjustments to investments	(33.477)	(68.969)
Operating result (EBIT)	**57.546**	**(61.551)**
Income (loss) from financial management	(3.553)	(1.077)
Income (loss) from trading of financial assets	0	(1.267)
Income (loss) before taxes	**53.993**	**(63.895)**
Taxes	(801)	459
Net income (loss) for the year	**53.192**	**(63.436)**

- Revenues: EUR 3,6 million, up 77,6% compared to the figure in the previous year (EUR 2,0 million as at 30 September 2011);

- Operating costs: EUR 13,3 million compared to EUR 7,7 million as at 30 September 2011, an increase of EUR 5,6 million (up 57,9%) compared to the previous year. The increase is primarily due to the merger of Mittel S.p.A., Tethys S.p.A. and Hopa S.p.A., and extraordinary costs resulting from settlement agreements with personnel (EUR 0,9 million);

- Operating margin (EBITDA): EUR 97,5 million, compared to EUR 7,8 million, marking an increase of EUR 89,7 million. The difference is due to income deriving from the subsidiary Mittel Generale Investimenti S.p.A. following the distribution of reserves and for the capital gain deriving from the sale of the entire share capital to Liberata S.p.A, which took effect on 25 July 2012, in accordance with the terms and conditions set out in the investment and purchase contract signed on 24 July

2012 by Mittel S.p.A., Istituto Atesino di Sviluppo S.p.A., Fondazione Cassa di Risparmio di Trento e Rovereto and said entity Liberata S.p.A.;

Operating result (EBIT): a positive EUR 57,5 million, compared to a negative EUR 61,5 million as at 30 September 2011, marking an increase of EUR 119,0 million;

Main financial and equity figures of Mittel S.p.A.

(thousands of Euro)	30.09.2012	30.09.2011
Intangible assets	33	27
Property, plant and equipment	1.116	1.123
Investments	190.804	145.439
Non-current financial assets	215.024	125.694
Non-current assets (liabilities) held for sale	2.500	46
Provisions for risks, employee severance indemnity and employee benefits	(4.719)	(423)
Other non-current assets (liabilities)	(1.636)	(1.732)
Tax assets (liabilities)	16.244	2.747
Tethys and Hopa call options	0	6.820
Net working capital (*)	(5.532)	(817)
Net invested capital	**413.834**	**278.924**
Shareholders' equity	**(327.761)**	**(191.539)**
Net financial position	**(86.073)**	**(87.385)**

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

Property, plant and equipment amounted to EUR 1,1 million, essentially in line with the figure in the previous year.

Investments amounted to EUR 190,8 million, compared to EUR 145,4 million in the previous year, marking an increase of EUR 45,4 million. This increase is attributable to: (i) an increase of EUR 296,3 million deriving from the contribution of investments deriving from the merger of Tethys S.p.A. and Hopa S.p.A.; (ii) a decrease of EUR 193,9 million due to the cancellation of the Tethys S.p.A. and Hopa S.p.A. investment and for the merger of the latter in Mittel S.p.A.; (iii) an increase of EUR 15,3 million for the increase/purchase of investments such as Mittel Investimenti Immobiliari S.r.l. (EUR 4,3 million), Castello SGR S.p.A. (EUR 4,1 million), Liberata S.p.A. (EUR 1,8 million) and Tethys S.p.A. subsequently merged (EUR 5,0 million); (iv) a decrease of EUR 36,4 million in relation to the transfer of all of Mittel Generale Investimenti S.p.A.; (v) decreases of EUR 33,4 million for impairment (including Earchimede S.p.A. for EUR 22,0 million and Mittel Partecipazioni Stabili S.r.l. for EUR 6,6 million); (vi) a decrease of EUR 2,5 million due to the reclassification of Mittel Real Estate SGR S.p.A. into assets held for sale.

Non-current financial assets amounted to EUR 215,0 million, compared to EUR 125,7 million in the previous year, marking an increase of EUR 89,3 million. This increase is mostly attributable to the rise in non-current financial receivables during the year, due to the effect of loans deriving from the Hopa S.p.A. merger (EUR 28,7 million), and to the vendor loan granted to Liberata S.p.A. (EUR 30,5 million) for the transfer of the Mittel Generale Investimenti S.p.A. investment and for EUR 30 million for the purchase by Mittel Generale Investimenti S.p.A. of a financial receivable due from Fondo Augusto.

Other non-current assets held for sale amounted to EUR 2,5 million, and refer to the value of the investment held in Mittel Real Estate SGR S.p.A. following the resolved transfer of the same. This transaction is comprehensively detailed in the section "events during the year" in the report on operations in these financial statements, to which reference should be made.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 4,7 million, compared to EUR 0,4 million in the previous year, marking an increase of EUR 4,3 million, attributable mainly to the allocation of expenses for contractual guarantees issued by Mittel S.p.A. (EUR 3,7 million).

Other non-current liabilities amounted to a negative EUR 1,6 million, compared to a negative EUR 1,7 million in the previous year.

The item other tax assets amounted to EUR 16,2 million, compared to EUR 2,7 million, marking an increase of EUR 13,5 million due to the tax receivables of former Hopa S.p.A. which passed to Mittel S.p.A. following the merger.

Net working capital made up of the sum of sundry receivables and other current assets and sundry payables and other current liabilities, amounted to a negative EUR 5,5 million, compared to a negative EUR 0,8 million in 2010-2011, marking a decrease of EUR 4,7 million.

Total shareholders' equity came to EUR 327,8 million, compared to EUR 191,5 million in 2010-2011, marking an increase of EUR 136,3 million, and is attributable to profit in the year of EUR 53,2 million, to the effects of the merger with share swap totalling EUR 86,0 million (of which EUR 17,4 million for the share capital increase to service the merger share swap), and the decrease in the valuation reserve of available-for-sale financial assets amounting to EUR 3,0 million.

The net financial position came to a negative EUR 86,1 million, compared to a negative EUR 87,4 million as at 30 September 2011, despite the disbursement of EUR 37,5 million related to the exercising of call options on Tethys S.p.A. and Hopa S.p.A. shares prior to the subsequent merger in Mittel S.p.A.. In particular, payables due to the banking system increased by around EUR 22,9 million, against an increase of around EUR 54,6 million in current financial receivables.

The item current financial receivables includes a receivable due from Mittel Partecipazioni Stabili S.r.l. amounting to roughly EUR 21 million, collected on 22 December 2012.

Statement relating to the net financial position

(thousands of Euro)	**30.09.2012**	**30.09.2011**	**Change**
Cash	2	1	1
Other cash equivalents	4.062	951	3.111
Securities held for trading	-	-	-
Current liquidity	**4.064**	**952**	**3.112**
Current financial receivables	**54.842**	**228**	**54.614**
Bank payables	(106.442)	(83.565)	(22.877)
Other financial payables	(38.537)	(5.000)	(33.537)
Financial debt	**(144.979)**	**(88.565)**	**(56.414)**
Net financial position	**(86.073)**	**(87.385)**	**1.312**

It should be noted that Mittel S.p.A., as already indicated in the introduction, up until the Interim Report on Operations as at 30 June 2012, drafted its financial statements in compliance with the instructions issued by the Bank of Italy on 13 March 2012 for the preparation of the financial statements of financial intermediaries registered in the special list of Electronic Money Institutions (IMEL), Asset Management Companies (SGR) and Stock Brokerage Firms (SIM). In order to also provide information that is more reliable and more significant for a "current/non-current" presentation (given that the recipients do not supply goods or services within a clearly identifiable operating cycle as defined by IAS 1), said provision does not envisage a current/non-current distinction.
Therefore, in order to allow an adequate analysis of the development of the Net Financial Position as at 30 September 2012 (understood as the difference between current liquidity, current financial receivables and current and non-current financial debt) with respect to the Net Financial Position included in the information reported in the financial statements of Mittel S.p.A. as at 30 September 2011, according to the proper criteria of comparative homogeneity, it was deemed necessary to carry out a detailed revision of the classification criteria adopted for information purposes which made provision for the distinction between current and non-current assets, in order to identify current financial assets whose recovery or settlement is expected within twelve months from the reference date. The reclassifications of current financial receivables under non-current financial assets as at 30 September 2011 relate, in short, to the existing

positions open with the subsidiaries Ghea S.r.l., Mittel Partecipazioni Stabili S.r.l. and another third-party creditor.
As a result of the above, the net financial position as at 30 September 2011 recorded a gap of EUR 62,4 million with respect to the amount indicated in the financial statements for the previous year, down from a negative EUR 25,0 million to a negative EUR 87,4 million. With the respect to the previous year's restated figures, the net financial position recorded improvement.

Mittel S.p.A. profitability ratios

To make it easier to understand the income statement and statement of financial position figures, the company employs some widely used ratios, however, not provided for by IAS/IFRS.
Given not attributable to the reference accounting standards, the definitions of the ratios used by the company may not be homogeneous with those adopted by other companies or Groups and, therefore, may not be comparable.

Income statement ratios

Economic-financial ratios	**30.09.2012**	**30.09.2011**
Value-added / Revenues	91,64%	65,51%
Net income (loss) / Revenues	48,02%	(408,76)%
Gross operating margin (EBITDA)	97.486	7.795
Operating margin / Revenues	88,00%	50,23%
Financial debt / Shareholders' equity	0,44	0,46
Net financial position / Shareholders' equity	0,26	0,46
Current assets / Current liabilities	0,72	0,16
Current receivables / Current liabilities	0,59	0,05
Shareholders' equity / Invested capital	0,79	0,69
Non-current financial liabilities / Non-current assets	0,11	0,00
Shareholders' equity / Non-current assets	0,80	0,70

The Value-added / Revenues ratio (positive income components of the gross operating margin) increased from 65,5% to 91,6% due mainly to the registration of income deriving from the transfer of Mittel Generale Investimenti S.p.A..

The Gross Operating Margin, up EUR 89,7 million in the year (from EUR 7,8 million to EUR 97,5 million), was mainly affected by the income deriving from the transfer of the Mittel Generale Investimenti S.p.A. investment.

Statement of financial position ratios

The Financial debt / Shareholders' equity ratio is essentially in line with the figure in the previous year, standing at 0,44 (from 0,46 in the previous year), proof, nonetheless, of a sound level of capitalisation of Mittel S.p.A. in relation to financial debt, with more than two-thirds of Net Invested Capital financed by shareholders' equity.

The Current assets / Current liabilities ratio rose to 0,72 from 0,16, and the Current receivables / Current liabilities ratio went up from 0,05 to 0,59.

The Shareholders' equity / Invested capital ratio saw an increase during the year, from 0,69 to 0,79, due to a greater increase in shareholders' equity than in invested capital.

Significant events in the year

On 12 October 2011, Brands Partners 2 S.p.A. collected (i) EUR 20.250.000 following the distribution of a dividend by investee Moncler S.r.l. totalling EUR 150.000.000 and (ii) EUR 79.011.289 as a result of the sale of a 8,51% investment in Moncler S.r.l. to ECIP M S.A., a corporate vehicle headed up by French institutional investor Eurazeo.
Therefore, as at 12 October 2011, Brands Partners 2 S.p.A. collected a total amount of EUR 99.261.289, retaining a residual stake of 4,99% in Moncler S.r.l..

The extraordinary shareholders' meeting of Mittel S.p.A., held on 14 October 2011, favourably resolved the mergers of Tethys S.p.A. in Mittel S.p.A. and Hopa S.p.A. in Mittel S.p.A.. At the same time, the extraordinary shareholders' meetings of the merged companies Tethys S.p.A. and Hopa S.p.A., held on 13 October 2011, also passed favourable resolutions.

On 4 November 2011, in respect of the repayment of the non-interest bearing shareholders' loan by Brands Partners 2 S.p.A., Mittel Private Equity S.r.l., as per the resolution of the shareholders' meeting dated 17 October 2011, proportionally repaid to shareholders (i) the share premium amounting to EUR 475.672; (ii) the legal reserve totalling EUR 1.230.000; (iii) the other reserves amounting to EUR 11.456 and (iv) profits of previous years standing at EUR 11.149.328.

On 7 November 2011 Mittel Private Equity S.r.l. transferred the entire investment held in Vimercati S.p.A. for a total of EUR 1.472.000. This transfer generated a consolidated profit of EUR 593.916.

On 22 November 2011, the Administrative Bodies of Mittel Private Equity S.r.l. and Brands Partners 2 S.p.A., pursuant to art. 2501-ter of the Italian Civil Code, drafted and approved the "reverse merger project", on the basis of the respective statement of financial positions as at 31 October 2011. The objective of the proposed merger was to restructure the ownership structures, and to simplify cash flows, with a better utilisation of total resources, also ensuring the elimination of corporate structures that caused a duplication of administrative and general expenses, without being justified by actual operational requirements. The merger was completed with the incorporation of the investor Mittel Private Equity S.r.l. in the investee Brands Partners 2 S.p.A..
The reasons for the adoption of this form of merger are simpler management of all current contractual and financial relations relating to Brands Partners 2 S.p.A., and the inability to redefine existing complex shareholder relations.
The reverse merger project was recorded in the Milan Register of Companies on 24 November 2011.
On 29 November 2011, the extraordinary shareholders' meetings of Mittel Private Equity S.r.l. and Brands Partners 2 S.p.A. resolved not only the approval of the amendment to the Articles of Association in terms of bringing forward the end of the company year to 31 October 2011, but the approval of the merger project prepared by the Administrative Bodies of said companies. The two resolutions of the shareholders' meetings were recorded in the Milan Register of Companies on 5 December 2011.
On 16 December 2011, Mittel Private Equity S.r.l. distributed a dividend of EUR 13,7 for each single share outstanding, and repaid the share premium reserve for EUR 1,5 for each single share, for a total amount due to Mittel S.p.A. of EUR 957.215 as dividends and EUR 104.530 as repayment of the share premium reserve.
On 22 December 2011, Brands Partners 2 S.p.A. distributed a dividend totalling EUR 58.300.000, of which EUR 14.691.600 due to Mittel S.p.A..

On 23 December 2011, the Board of Directors of Progressio SGR S.p.A. approved the Interim Fund Statement as at 22 December 2011 of the Fondo Progressio Investimenti, resolving a partial repayment of shares resulting from the collection of the non-interest bearing shareholders' loan by investee Brands Partners 2 S.p.A. and the payment, by the latter, of dividends deriving from the partial transfer of its investee Moncler S.r.l.. In respect of said resolution, on 29 December 2011, Mittel S.p.A. collected EUR 4.829.508, of which EUR 2.542.780 in the form of a capital repayment and EUR 2.286.728 in the form of income net of legal withholdings.

By means of a writ of summons notified on 7 December 2011, GE Capital Interbanca S.p.A. (hereinafter "GE Capital") and Tellus S.r.l. ("Tellus") – non controlling shareholders of HOPA Holding di Partecipazioni Aziendali S.p.A. ("HOPA"), – brought legal proceedings against the latter, asking the presiding Court of Brescia (i) as a preliminary matter, to urgently suspend the implementation of the resolution taken by the extraordinary shareholders' meeting of HOPA of 13 October 2011 by means of which the merger by incorporation of Tethys S.p.A. and HOPA in Mittel S.p.A. ("Mittel") was approved and (ii) in this regard, to declare the nullity, voidability or, in any case, the invalidity of the resolution of the shareholders' meeting being challenged, given not in compliance with the law and the Articles of Association and unlawful.

The case was entered in the roll of legal cases under General Registry number 18997/2011 and was assigned to Judge Sabbadini. Upon conclusion of the interlocutory stage with the rejection of the request for the suspension by the opposing party, on 30 December 2011, the deed of merger by incorporation of HOPA in Mittel was stipulated, with the subsequent registration of same in the registers of companies of the participants in the merger. Given that the registration of the merger in the registers of companies precludes, pursuant to art. 2504-quater of the Italian Civil Code, any pronunciation of the invalidity of the same, GE Capital and Tellus converted the original requests to claims for compensation for damages, as they had already reserved the right to do in the writ of summons in the event of the execution of the merger.
In particular, at the first hearing held on 22 March 2012, the plaintiffs requested, first and foremost, the compensation for estimate damages totalling EUR 10.238.995,00 (of which EUR 7.775.853,00 claimed by GE Capital, and EUR 2.463.142,00 claimed by Tellus), plus legal interest and monetary revaluation, due to the alleged absence, for HOPA, of "economic grounds" for the merger (see the minutes of the legal proceedings on the same date). Whilst, alternatively, said parties requested damages totalling EUR 9.672.602,00 (of which EUR 7.345.714,00 for GE Capital and EUR 2.326.888,00 for Tellus), plus legal interest and monetary revaluation, due to the alleged "inconsistency of the share exchange ratio" adopted during the merger.
Mittel contested the inadmissibility and grounds of the claims for compensation made by the plaintiff companies, reaffirming, in this regard, the propriety of the merger procedure, the completeness of all merger documentation and the non-existence of any damage for the former shareholders of HOPA. The defence arguments prepared by Mittel are also based on the observations and remarks made by the technical consultants appointed by the company on an ad hoc basis, whose analyses were presented in court in order to demonstrate the non-existence of objections and of the damage reported by the plaintiff companies.
On 5 July 2012, the Judge, Mr. Sabbadini, made aware of the lack of agreement of the parties in relation to the joint appointment of a Court-appointed expert witness, reserved the right to evaluate the arrangement of a court-appointed expert witness and the relative appointment. The release of the reserve took place on 9 November 2012 with the provision for the appointment, by Judge Sabbadini, of the Court-appointed expert witness in the person of Renato Camodeca who was called to respond to the following deposition: "(i) to state whether the ratio for the exchange of the shares of Hopa S.p.A. (merged company) in Mittel S.p.A. (merging company) as part of the merger operation involved in the legal proceedings, is consistent or not, taking into account the characteristics of the transaction in question and the activities, characteristics and the nature of the two companies involved, also with reference to the possible earnings that could be generated in alternative operations with respect to the merger provided that they can be reasonably and objectively determined; (ii) in the event in which the Court-appointed expert witness does not deem the ratio for the exchange of the shares of Hopa S.p.A. (merged company) in Mittel S.p.A. (merging company) consistent, he redetermines and calculates the correct share exchange ratio and as a result, determines the financial prejudice suffered by the shareholders of Hopa S.p.A., GE Capital S.p.A. and Tellus S.r.l.".
The Judge set the date for the Court-appointed expert witness's oath for 23 January 2013.

On 30 December 2011, Mittel S.p.A. exercised the right to purchase, from Banca Monte dei Paschi di Siena S.p.A. and Banco Popolare Soc. Coop., for a total consideration of EUR 5,0 million, the residual stake of 16,67% in Tethys S.p.A., therefore holding 100% of the share capital of Tethys S.p.A.. Payment of the consideration of EUR 2,5 million to Banca Monte dei Paschi di Siena S.p.A. was completed on 31 January 2012; Tethys S.p.A. exercised the right to purchase 325.172.513 Hopa S.p.A. shares from counterparties Banca Monte dei Paschi di Siena S.p.A., Banco Popolare Soc. Coop and UBI Banca S.c.p.A. for a consideration of EUR 32,5 million.

On 30 December 2011, the end of the term for creditors to lodge an objection pursuant to art. 2503, Italian Civil Code, and given the full effectiveness of the resolution of the shareholders' meeting of Hopa S.p.A. dated 13 October 2011, Mittel S.p.A., Tethys S.p.A. and Hopa S.p.A. stipulated the deed of merger of Tethys S.p.A. and Hopa S.p.A. in Mittel and, subsequently, filed it at the competent registers of companies, pursuant to art. 2504.

On 5 January 2012, the merger of Mittel S.p.A., Tethys S.p.A. and Hopa S.p.A. took effect for legal purposes, following the merger deed of 30 December 2011. Due to the merger, the Parent Company's workforce increased by one executive, one middle manager and five employees.

On 11 January 2012, the Court of Milan, regarding the Rizzoli case, (i) rejected all claims put forward by Angelo Rizzoli against Mittel S.p.A., Intesa Sanpaolo S.p.A., RCS media Group S.p.A., Edison S.p.A. and Mr. Giovanni Arvedi; (ii) ordered Mr. Angelo Rizzoli to reimburse each of the defendants for procedural expenses, paying each of the defendants an amount of EUR 1.290.000, plus expenses and fees; (iii)

ordered Mr. Angelo Rizzoli, in addition, to compensate damages from vexatious litigation in favour of each of the defendants, by paying the amount of EUR 1.300.000.
Mittel S.p.A. notified the counterparty of the judgment, in order to make the short term for presenting an appeal effective. Furthermore, the letter was sent to the defence counsel of Mr. Angelo Rizzoli in order to obtain the amicable payment of the amount due in enforcement of the judgment.
Mr. Angelo Rizzoli promptly challenged the judgment before the Milan Court of Appeal, requesting the full reform and, on a preliminary basis, the suspension of the provisional enforceability: Mittel S.p.A., as with the other appellants, formally entered appearance at the court of appeal, requesting the rejection of the appeal and, on a preliminary basis, the rejection of the claim for suspension proposed by Mr. Angelo Rizzoli and therefore: (i) ordered the suspension of the immediate enforceability of the first instance ruling, limited to the condemnation of the plaintiff to the compensation of damages pursuant to art. 96 of the Code of Criminal Procedure (vexatious litigation); (ii) rejected the opposing party's claim for the suspension of the immediate enforceability of the first instance ruling relating to all remaining charges of the ruling (and, therefore, in relation to the condemnation of Mr. Angelo Rizzoli to pay procedural expenses to each of the defendants in the first instance proceedings); (iii) lastly, deferred the case to the hearing on 21 October 2014 for pre-trial conclusions (phase that will take place before the pronunciation of the second instance judgment).
On 27 November 2012, Mittel S.p.A., after asking Mr. Angelo Rizzoli to make the out-of-court payment of the amount due, notified the party of an order for payment, within ten days from the notification, of the sums due in respect of the first instance judgment (EUR 1.875.166,93), based on the order, as mentioned, at the hearing on 26 June 2012 from the Milan Court of Appeal.
Notification of the order of payment was not followed by payment, not even partial, and, therefore, Mittel S.p.A. requested a writ of seizure against Mr. Angelo Rizzoli.

On 20 January 2012, at the request of Snia S.p.A. in Amministrazione Straordinaria (in extraordinary administration) (hereinafter "Snia"), Mittel S.p.A. and the other 54 defendants were notified of a writ of summons with which legal proceedings were brought against Mittel S.p.A. before the Court of Milan, together - including others - with Bios S.p.A., the other shareholders (at the time of the events) of Bios S.p.A. as well as the Directors and Statutory Auditors of Bios S.p.A. and Snia S.p.A.. The first hearing, indicated in the summons for 15 June 2012, was officially put back to 20 November 2012.
The request from Snia S.p.A. in Amministrazione Straordinaria (in extraordinary administration) is based on the following assumptions: Bios S.p.A., an investee at the time of Hopa S.p.A., Unipol S.p.A., Banca Monte dei Paschi di Siena S.p.A. and Interbanca S.p.A., held a controlling interest in Snia S.p.A., the latter active up until the year 2004 in two distinct business sectors, one of which linked to the "cardiovascular Med-Tech" market (which then merged into Sorin), the other active in the chemical and fibres sector (which remained at Snia).
On 23 June 2013, the extraordinary shareholders' meeting of Snia S.p.A. resolved the split, which took effect on 2 January 2004, due to which Snia S.p.A. mainly retained, also via subsidiaries, chemical sector activities (Caffaro S.p.A.), textile yarn (Nylstar NV) and real estate (Immobiliare Snia S.r.l.), while biomedical activities were assigned to Sorin S.p.A..
Now, in view of the foregoing, the writ of summons involves the following grievances of the Proceedings: (i) in the first place, the damages caused by the direct shareholder Bios and its pro-tempore Directors and by indirect shareholders Mittel S.p.A. (then Hopa S.p.A.), Ge Capital S.p.A. (then Interbanca S.p.A.), Monte dei Paschi di Siena S.p.A. and Unipol Gruppo Finanziario S.p.A. for having conceived, managed and coordinated the allegedly distractive partial proportional split which took effect on 2 January 2004; (ii) secondly, the damages caused by former Directors and former Statutory Auditors of Snia S.p.A., for having engaged in acts of mismanagement including not only the aforementioned split, but the delay in the registration of Snia as the sole shareholder of Caffaro S.p.A., consequently giving rise to the obligation for a reply from Snia and its Directors and Statutory Auditors for all payables that Caffaro would have incurred in the period of exercising the non-publicised activities of the sole shareholder, i.e. the years 2000-2009.
Within the legal term, Mittel S.p.A. appeared before the court, to request the rejection of the claims of the Extraordinary Administration and formulate several objections. However, to protect the defence, Mittel S.p.A. - not a shareholder of Bios S.p.A. at the time of the events and which became a shareholder as a result of the evaluation of Hopa S.p.A. and the merger of the latter by incorporation, saw fit to summon as guarantor the Independent Auditors that certified the financial statements of SNIA S.p.A. and of Caffaro S.p.A., i.e. Reconta Ernst & Young S.p.A..
In respect of said summons, the hearing of 20 November 2012 was not held and the judge put the first hearing back to 21 May 2013.
It should be noted that Mittel S.p.A., again in the above capacity, was also charged - despite the lack of an adequate indication, in the writ of summons, of the conduct attributed to Hopa S.p.A. (and, therefore, to Mittel S.p.A.) and of the accountability - with alleged damages that would have derived from the aforementioned split.

According to the initial valuations, Mittel S.p.A. has a number of valid defensive arguments in fact and in law and objections, both of a preliminary and interlocutory nature, and pertinent, alternatively, to the merits of the case.
Furthermore, at the current state of play, it is not possible to determine, on the basis of what was somewhat confusingly stated in the writ of summons, the amount of the alleged damages for which Mittel S.p.A. should be liable, damages which, however, should be shared with a large number of defendants.

On 14 February 2012, following the entry into force of art. 36 of Law 214/2011 which introduced regulations governing the "protection of competition and combined personal investments in the credit and financial markets", the members of the Board of Statutory Auditors Franco Dalla Sega, Chairman, Flavio Pizzini, Standing Auditor and Gianluca Ponzellini, Alternate Auditor, handed in their resignations, effective from the end of the shareholders' meeting that will approve the financial statements for the year ended as at 30 September 2011.

On 15 March 2012, Mittel S.p.A. received a credit of around EUR 0,7 million from Banco Popolare Soc. Coop., for the settlement of a dispute raised concerning the guarantees given by Banco Popolare Soc. Coop. and Banca Monte dei Paschi di Siena S.p.A. regulated by the Framework Agreement signed on 19 August 2008 between Tethys S.p.A., now merged in Mittel S.p.A., and the aforementioned banks.

On 16 March 2012, the Directors of Mittel S.p.A. Massimo Tononi, Giorgio Franceschi and Romain C. Zaleski resigned respectively as Chairman and Members of the Executive Committee of the Parent Company, established by means of resolution of the Board of Directors of 23 November 2010. The resignations were justified by the imminent expiry of the office of the Board of Directors of Mittel S.p.A., appointed by the shareholders' meeting held on 27 March 2012.

On 23 March 2012, Mittel S.p.A. received the revocation of the resignations of the members of the Board of Statutory Auditors Franco Dalla Sega, Chairman, Flavio Pizzini, Standing Auditor and Gianluca Ponzellini, Alternate Auditor, presented on 14 February 2012.
This decision was based on the state of ongoing uncertainty over the interpretation of art. 36 of Decree Law of 6 December 2011 converted with Law 214/2011, having acknowledged, in particular, the existence of the institutional study group established with the task of clarifying the actual scope of the regulations, a group which, at present, has yet to complete its work. In the event of the positive confirmation of the applicability of the provisions of art. 36 to their position, the Statutory Auditors reserve the right to adapt themselves to the legal provisions, by exercising the right of choice envisaged by the aforementioned article, under point 2-bis, within the term established therein.

The shareholders' meeting of Mittel S.p.A. which met on first call on 27 March 2012, resolved, in the extraordinary part:
- to amend the first paragraph of art. 5 of the Articles of Association;
- to amend the second paragraph of art. 14 of the Articles of Association;

and, at the ordinary part:
- to approve the Directors' report on operations and the financial statements for the year ended as at 30 September 2011, and the proposal for the coverage of the loss for the year;
- to fully cover the loss of EUR 63.435.291 by using the extraordinary reserve;
- to establish the number of members of the Board of Directors at 13;
- to call the following individuals to compose the Board of Directors, which will remain in office for three financial years, i.e. up until the date of the shareholders' meeting called to approve the financial statements for the year ended as at 30 September 2014: Giovanni Bazoli, Arnaldo Borghesi, Maria Vittoria Bruno, Giorgio Franceschi, Stefano Gianotti, Giuseppe Pasini, Giampiero Pesenti, Duccio Regoli, Angelo Rovati, Massimo Tononi, Romain Zaleski, Enrico Zobele, recommended by shareholder ISA Istituto Atesino di Sviluppo and Giambattista Montini recommended by shareholder La Scuola S.p.A.. The following Directors: Arnaldo Borghesi, Maria Vittoria Bruno, Stefano Gianotti, Giuseppe Pasini, Duccio Regoli, Giambattista Montini stated that they meet the requirements set forth by Mittel S.p.A.'s Corporate Governance Code in order to qualify as "Independent Directors" and that they meet the independence requirements set out in art. 148, paragraph 3 of the Consolidated Law on Finance (TUF).
- to authorise the purchase and disposal of treasury shares pursuant to articles 2357 et seq. of the Italian Civil Code.

On 3 April 2012, the Board of Directors of Mittel S.p.A., appointed by the shareholders' meeting on 27 March 2012, appointed Chairman Giovanni Bazoli, Deputy Chairman Romain C. Zaleski and Managing Director Arnaldo Borghesi.

The Board of Directors, having acknowledged the resignations of the members of the Executive Committee on 16 March, appointed the following individuals as new members of the Executive Committee: Arnaldo Borghesi (Chairman), Giorgio Franceschi and Romain Camille Zaleski.
The Board of Directors also proceeded to appoint the members:

- of the Remuneration Committee, which comprises Giovanni Bazoli (Chairman), Stefano Gianotti and Duccio Regoli;
- of the Internal Control Committee, comprised of: Duccio Regoli (Chairman), Massimo Tononi and Stefano Gianotti;
- of the Related Party Transactions Committee, made up of Duccio Regoli (Chairman), Giambattista Montini and Maria Vittoria Bruno.

On 26 April 2012, two members of the Board of Statutory Auditors – Chairman Franco Dalla Sega and Standing Auditor Flavio Pizzini – handed in their resignations, in observance of the term established by art. 36, paragraph 2-ter, as better detailed in the interpretative notes of art. 36 of Decree Law 201/2011, which were issued on 20 April 2012 by the Commission composed of the Bank of Italy, CONSOB and ISVAP, and indicate that Mittel S.p.A. falls within the field of application of the new regulations based on the activities performed by some of its subsidiaries, which did not previously assume any relevance in this regard.
On said date, four members of the Board of Directors interested in the regulations in question (also including the Chairman), although not required to comply with the term set forth during the "initial application" of the regulations, communicated their resignation, with full agreement: the Chairman Giovanni Bazoli and Directors Giambattista Montini and Stefano Gianotti announced their resignation from Mittel S.p.A., while the Director Giorgio Franceschi resigned from another company (Banco di Brescia S.p.A., a subsidiary of Gruppo UBI Banca S.c.p.A.).

On 16 May, the Board of Directors of Mittel S.p.A., in light of the resignations handed in, and in order to ensure fully operational internal company committees, appointed replacements. Therefore, the following individuals were appointed as new members of the Remuneration Committee: Giampiero Pesenti (Chairman and non-executive member), Giuseppe Pasini (independent member) and renewed the office of Duccio Regoli (independent member). Maria Vittoria Bruno was appointed to the Internal Control Committee (independent member) and the offices of Duccio Regoli (Chairman and independent member) and Massimo Tononi (non-executive member) were renewed. Giuseppe Pasini was appointed to the Related Party Transactions Committee (independent member) and the offices of Duccio Regoli (Chairman and independent member) and Maria Vittoria Bruno (independent member) were renewed.

On 22 May 2012, Mittel S.p.A. received a credit of around EUR 0,6 million from Banca Monte dei Paschi di Siena S.p.A., for the settlement of a dispute raised concerning the guarantees given by Banco Popolare Soc. Coop. and Banca Monte dei Paschi di Siena S.p.A. regulated by the Framework Agreement signed on 19 August 2008 between Tethys S.p.A., now merged in Mittel S.p.A., and the aforementioned banks.

On 28 May 2012, Mario Spongano resigned as General Manager of Mittel S.p.A., retaining the role of CFO and assuming the responsibility for private equity investments. The Board of Directors, after expressing its warm appreciation for the job Ms. Spongano has carried up until now, appointed Maurizia Squinzi as General Manager.

On 14 June 2012, the Managing Director of Mittel S.p.A., Arnaldo Borghesi, on the specific mandate conferred by the Board of Directors, met on 28 May 2012, and with the favourable opinion of the Related Party Committee, signed a preliminary agreement for the transfer, subject to authorisation from the Bank of Italy, of 65% of the share capital of Mittel Real Estate SGR S.p.A. to Vantu S.p.A., a company headed up by Mittel S.p.A. director Angelo Rovati. Vantu S.p.A. can designate the third-party subjects to which to transfer, in turn, part of the shareholding acquired. Angelo Rovati also covers the roles of Chairman of the Boards of Directors of Mittel Real Estate SGR S.p.A. and Mittel Generale Investimenti S.p.A..
The 65% stake in Mittel Real Estate SGR S.p.A. will be transferred for a consideration of roughly EUR 1,8 million.
This transfer is part of a process of rationalisation of the interests in real estate fund management companies present in Mittel S.p.A.'s portfolio.

On 24 July 2012, the Board of Directors of Mittel S.p.A. unanimously approved the transfer of the entire investment held in Mittel Generale Investimenti S.p.A. ("MGI") in favour of vehicle company Liberata S.p.A. whose shareholders are composed of Mittel S.p.A. (27%), Istituto Atesino di Sviluppo S.p.A. ("ISA") and Fondazione Cassa di Risparmio Trento e Rovereto ("Fondazione"), each with a stake of 36,5%.
The transaction constitutes a material transaction with related parties, in accordance with the Related Party Regulations and the Related Party Procedure, and is therefore subject to the rules set out in art. 10 of said Procedure.

The total price for the transfer of the shares was established at EUR 75 million, of which EUR 44,8 million was paid by Liberata S.p.A. on the date of execution and EUR 30,2 million will be paid in accordance with the terms and conditions set out in the vendor loan agreement signed by the parties.
The transaction was carried out on 25 July 2012, in accordance with the terms and conditions set out in the transfer agreement, which are, in a nutshell, as follows:

(i) Mittel, ISA and Fondazione subscribed and fully paid in the share capital increase of Liberata S.p.A. from a nominal EUR 120.000 to a nominal EUR 6.750.000 and, therefore, for a nominal total of EUR 6.630.000, without premium, resolved by the shareholders' meeting of Liberata on 19 July 2012. The aforementioned share capital increase was subscribed and fully paid in by Mittel (EUR 1.702.500), ISA (EUR 2.463.750) and Fondazione (EUR 2.463.750). Due to the above, Mittel reduced its stake in Liberata S.p.A. from 100% to 27%, while ISA and Fondazione assumed the investments in Liberata S.p.A., equal to 36,5% each respectively. In this regard, it should be noted that no shareholders' agreement was signed in relation to Liberata S.p.A., and, hence, there is no agreement in place.
(ii) Mittel, ISA and Fondazione granted a shareholder loan to Liberata S.p.A. totalling EUR 13.250.000, divided as follows: Mittel for EUR 3.550.000, of which a first credit line of EUR 1.300.000 expiring on 31 December 2014, accruing interest at an annual rate of 7% and a second credit line of EUR 2.250.000 expiring on 31 December 2017, accruing interest at an annual rate of 8%, ISA and Fondazione, for a total of EUR 4.850.000 each, of which a first credit line of EUR 2.600.000 expiring on 31 December 2014, accruing interest at an annual rate of 7% and a second credit line of EUR 2.250.000 expiring on 31 December 2017, accruing interest at an annual rate of 8%, in accordance with the terms and conditions set out in the contract stipulated on 25 July 2012. Said loan is subject to and deferred to the bank loan pursuant to point (iii) below;
(iii) Banco di Brescia S.p.A. and Credito Bergamasco S.p.A. granted Liberata S.p.A. an 18-month (eighteen) loan totalling EUR 25.000.000, according to the terms and conditions set out in the contract stipulated on 25 July 2012, provided by Banco di Brescia S.p.A. (EUR 20 million) and Credito Bergamasco S.p.A. (EUR 5 million) respectively. To guarantee the aforementioned loan, MGI's shares were pledged in favour of the lenders;
(iv) Mittel transferred ownership of the shares to Liberata S.p.A. for a consideration of EUR 75 million, paid as follows: *(a)* a sum of EUR 45 million was paid in full on the execution date; *(b)* a portion of the price equal to EUR 30,2 million will be paid in accordance with the terms and conditions set out in the vendor loan agreement stipulated on the execution date between Mittel and Liberata S.p.A., accruing interest, expiring on the thirtieth month after the disbursement, repayable in a lump sum on the expiry date, through the payment to Mittel of the principal financed and of interest accrued until said date;
(v) MGI's Directors and Statutory Auditors appointed by Mittel resigned and the shareholders' meeting of MGI appointed a Board of Directors composed of 5 members and a Board of Statutory Auditors composed of 3 standing auditors and 2 alternate auditors, who shall remain in office until the approval of the financial statements for the year ended 30 September 2014.

Based on the contract, Mittel issued declarations and guarantees in favour of Liberata S.p.A., according to the practice envisaged for similar transactions. In particular Mittel S.p.A. guaranteed the shareholders' equity of Liberata S.p.A. from risks of losses on receivables, labour law and taxes up to a maximum of EUR 20 million (with an excess of EUR 50.000). The above-mentioned maximum amount does not apply to contingent liabilities potentially resulting from tax assessments currently being carried out by the Italian Tax Authorities on the 2004-2005 and 2005-2006 tax years, which are therefore guaranteed for the amount exceeding the provision of EUR 2,8 million set aside for the purpose.
Mittel S.p.A. and Liberata S.p.A. also agreed to evaluate, in good faith, the transfer to Mittel of the property owned by MGI located in Milan, Piazza Diaz no. 7, currently leased to Mittel. To this end, Liberata S.p.A. undertakes to ensure that MGI fulfils the agreed obligations and grants Mittel a right of pre-emption for the purchase of the aforementioned property.
It should be noted that the adequacy of the conditions of the transaction was confirmed by the fairness opinion issued by PricewaterhouseCoopers Advisory S.p.A., as the independent expert appointed to assist the Related Party Committee with the preliminary phase and in the negotiations relating to the transaction, and to express a fairness opinion on the MGI transfer price. In this regard, it should be noted that the Committee selected PricewaterhouseCoopers Advisory S.p.A..

On 23 July 2012 Mittel communicated that, pursuant to art. 3 of Consob Resolution no. 18079 of 20 January 2012, the undersigned company intends to make the decision envisaged by article 70, paragraph 8 and article 71, paragraph 1-bis of Consob Regulation no. 11971/99 and, therefore, avail itself of the right to depart from the obligation to make an information document available to the public in the event of significant transactions involving mergers, splits, share capital increases through contributions in kind, acquisitions and transfers.

On 26 July 2012, the ordinary and extraordinary shareholders' meetings of Mittel S.p.A. approved the appointment of new Directors, and replacement of members of the Board of Statutory Auditors. In particular, the shareholders' meeting of Mittel S.p.A. appointed Franco Dalla Sega, Giambattista Montini and Stefano Gianotti as new members of the Board of Directors. The newly appointed Directors shall remain in office until the approval of the financial statements for the year ended as at 30 September 2014.
The shareholders' meeting also appointed Giovanni Brondi as Chairman of the Board of Statutory Auditors, Flavio Pizzini as a standing auditor on the Board of Statutory Auditors, Roberta Crespi as an alternate auditor on the Board of Statutory Auditors and renewed the appointment of Giulio Tedeschi as an alternate auditor on the Board of Statutory Auditors.
The extraordinary shareholders' meeting approved the proposal to attribute the Board of Directors the power to issue, in one or more tranches and for a maximum term of five years, a bond convertible to shares for a maximum amount of EUR 50 million, also with the power to establish the rate and the term of the bond and all other conditions of the bond.

The Board of Directors, which met at the end of the shareholders' meeting on 26 July 2012, appointed Franco Dalla Sega as company Chairman.

On 3 August 2012, with reference to the shareholders' agreement signed on 12 October 2009 between Mittel S.p.A. ("Mittel"), Equinox Two S.c.A. ("Equinox"), Banca Monte dei Paschi di Siena S.p.A. ("BMPS") and Unipol Gruppo Finanziario S.p.A. ("UGF"), relating to the company Sorin S.p.A., the parties stipulated an agreement with which the term of the shareholders' agreement, expiring on 18 November 2012, was extended to 18 November 2013.
By means of the agreement signed on 3 August 2012, the parties in the agreement mutually and expressly waived the right to exercise the termination clause originally set forth in the agreement (exercisable by 18 August 2012) and also changed the term of the agreement, establishing that the agreement shall remain effective until 18 November 2013, with the exclusion of clauses involving the automatic renewal after said expiry.

On 20 September 2012, after receipt of the appropriate authorisation from the Bank of Italy, Mittel S.p.A. purchased a 19,80% stake in Castello SGR S.p.A. from wholly-owned subsidiary Mittel Corporate Finance S.p.A. and the relative equity instruments held in the same. The transfer price for the purchase of the ordinary shares and the associated equity instruments was EUR 3,4 million. This purchase transaction allowed Mittel Corporate Finance S.p.A. to generate a capital gain of EUR 2,4 million.
On the same date, Mittel S.p.A. purchased a 1,03% stake in Castello SGR S.p.A. from Istituto Atesino di Sviluppo - ISA S.p.A., with the associated equity instruments, for a total amount of EUR 0,2 million.
Lastly, and on 20 September 2012 too, after the exercising of the put option on Castello SGR S.p.A.'s shares by Catella Real Estate AG Kag, Mittel S.p.A. purchased an additional 2,86% of the share capital of SGR, plus the associated equity instruments, for a total of EUR 0,6 million, established by the contract that regulated the put option.
On today's date, Mittel S.p.A. directly holds a 23,68% stake in Castello SGR S.p.A..

Information on investees

Mittel S.p.A. subsidiaries

- **Mittel Corporate Finance S.p.A.** (share capital EUR 1.591.540 – wholly-owned)
  Mittel Corporate Finance S.p.A. closed the year 1 October 2011-30 September 2012 with a net profit of EUR 1,4 million, compared to a net loss of EUR 1,5 million in the previous year. The profit for the year benefitted from the capital gain of EUR 2,4 million, deriving from the transfer of the entire Castello SGR S.p.A. investment to Mittel S.p.A. on 20 September 2012.
  Revenues from sales and services, amounting to EUR 1,8 million (EUR 1,6 million in the previous year), of which EUR 0,6 million (EUR 0,9 million in the previous year) relating to the Corporate Finance sector and EUR 1,2 million (EUR 0,8 million in the previous year) relating to the Grants Finance sector.
  Shareholders' equity as at 30 September 2012, including net profit for the year, amounted to EUR 5,8 million (EUR 4,3 million as at 30 September 2011).
  The strategy implemented in the corporate finance area allowed the company to operate as a consultant on several large-scale strategic projects for client companies. In particular, thanks to the constructive operating partnership with a prestigious US merchant bank, three major Italian companies were assisted with the study and presentation of significant takeover bids in the United States. Unfortunately, the problems encountered by these operators in their reference market and on the financial market adversely impacted their propensity to risk, leading them to present insufficiently competitive bids. Considerable scepticism surrounding the Italian market and the negative trend in lending were also to blame for the failure to realise two significant takeover projects on the Italian market. On the contrary, the Grants Finance area recorded an excellent level of consistency between the marketing efforts made and markedly better results. During the course of the year, the company constantly pursued the strategic objective of launching consultancy operations with medium-large clients, eligible for larger loans.

- **Mittel Investimenti Immobiliari S.r.l.** (share capital EUR 17.693.878 – wholly-owned)
  The Mittel Group, through Mittel Investimenti Immobiliari S.r.l., operates in the real estate field, making investments in the residential and tertiary sectors, both directly and through companies invested in also by external entrepreneurs with proven expertise and professionalism who contribute specific skills that complement those of the Mittel Group.
  The year closed as at 30 September 2012 posted a profit of EUR 1.208.737, compared to a profit of EUR 485.111 in the year ended as at 30 September 2011.
  During the course of the company year, dividends totalling EUR 1,350 million (EUR 1 million in the year ended as at 30 September 2011) were collected from subsidiary investments.
  Shareholders' equity as at 30 September 2012 amounted to EUR 24,9 million, compared to EUR 23,7 million as at 30 September 2011.

  Direct investments of Mittel Investimenti Immobiliari S.r.l.: Arluno – Via Donatori del Sangue
  In December 2008, the collection of areas of land in Arluno (Mi) was acquired - on which a plan was previously approved for the division into residual lots measuring roughly 20.000 cubic metres. After having stipulated, in May 2009, an agreement for the division into lots with the Municipality of Arluno and obtained the building permit from the latter in December 2009, the company is duly continuing, through the contracting firm, with the construction of the residential complex launched in November 2010.
  The end of works initially expected by 31 December 2012, was redefined as at 30 September 2013, with the right of an additional extension, in relation to the trend in the real estate market in terms of purchases of similar properties.
  Preliminary purchase agreements were stipulated on 30 September 2012, for a total of EUR 1.986.500 in relation to 11 apartments, 8 garages and 5 car parking spaces. In November 2012, the urbanisation works set out in the agreement were contracted, comprised of green areas and car parks, to be built in the area given to the Municipality adjacent to the residential complex, to be completed by 31 March 2013.

Investments of Mittel Investimenti Immobiliari S.r.l.

Esse Ventuno S.r.l. (share capital EUR 100.000 – 90% owned)
In May 2012, the company completed the sales of all property units in the building on
Via Santa Sofia no. 21 in Milan which it owned. As at 30 December 2012, a rental agreement remains in place between the company and a telephone operator H3G S.p.A for the positioning of a radio-telephonic station on a portion of the solar panel, which is expected to expire in November 2018, which can be further extended for 6 years.
Having carried out significant transfers in the year, on 30 September 2012, the company posted a net profit of EUR 1.477.699 (net profit of EUR 1.694.850 as at 30 September 2011). Shareholders' equity as at 30 September 2012 amounted to EUR 1.829.477, compared to EUR 1.851.777 as at 30 September 2011.

Gamma Tre S.r.l. (share capital EUR 100.000 – 80% owned)
The company Gamma Tre S.r.l., 20% owned by Ediltecnica S.r.l., headed up by the Valsecchi family, owns an area in Como housing a disused industrial complex (around 15.800 square metres of buildings out of an area of 22.000 square metres) in Via Cumano and a building in Via Canturina, used for offices (around 1.800 square metres) plus 800 square metres of basement space and an external courtyard area.
The Recovery Plan approved and the associated Agreement stipulated in November 2010 for the area in Via Cumano, make it possible to build 5 residential towers for a total volume of 38.200 cubic metres, which can be further increased by 10% for a total of more than 200 apartments.
Additional checks are underway for making the area safe, with the start of the demolition of existing buildings. Works are expected to be completed by the end of 2013.
In a subsequent phase, the project planning will be carried out on the basis of the trend in the residential real estate market, splitting it into several phases if necessary.
As at 30 September 2012, for the office building, deeds were stipulated for a total of EUR 1.505.500, equal to around 41% of the list total.
As at 30 September 2012, the company recorded a loss of EUR 121.942 (loss of EUR 148.561 as at 30 September 2011) with shareholders' equity of EUR 32.287 (EUR 154.229 as at 30 September 2011).

Cad Immobiliare S.r.l. (share capital EUR 100.000 – 95% owned by Mittel Investimenti Immobiliari S.r.l. and 5% owned by Mittel S.p.A.)
The company, which owns a centrally located area in Paderno Dugnano, in the immediate vicinity of the railway station, completed the construction of a residential complex housing 149 apartments and around 1.800 square metres of tertiary/commercial space, plus 2 underground garage levels, plus public works, such as a library, a square with portico and an underground public car park.
Deeds were stipulated on 30 September 2012, for a total of EUR 18.641.000 in relation to 74 apartments and 80 garages. Deeds are still to be drawn up for 3 apartments and 4 garages, all already agreed on, for total of EUR 872.000. Lastly, purchase offers have been received for 10 apartments and 6 garages for a total value of EUR 2.332.000 plus two shops for a total of EUR 300.000.
As at 30 September 2012, the company recorded a loss of EUR 439.315 (profit of EUR 728.520 as at 30 September 2011) and shareholders' equity of EUR 2.804.689 (EUR 3.244.004 as at 30 September 2011).

Fede S.r.l. (share capital EUR 100.000 – 51% owned)
The company, 49% owned by the Valsecchi family directly and indirectly through their subsidiary Ediltecnica S.r.l., owns an industrial/craft complex in Vimodrone (Mi) covering roughly 5.000 square metres in which renovation and expansion works were performed, contracted to Ediltecnica S.r.l., for the relevant fractioned sale. Works were completed and the associated definitive testing is at the completion stage.
As at 30 September 2012, deeds were stipulated on 3 laboratory units for a total of EUR 1.250.000; an additional deed is currently being drawn up for EUR 580.000, in relation to an already agreed unit, for which the purchaser is awaiting the provision of a lease.
Negotiations are underway for formalising purchase offers for 5 units. The company also owns a property complex in Felizzano (AL) which sits on an area of 116.720 square metres, housing industrial facilities, warehouses and offices, for a commercial area of 46.500 square metres. Marketing of the entire area has been in progress since last year.
It should be noted that a lease is in place with the former owner company on a portion of the complex, covering 17.790 square metres. The contract is expected to expire on 30 November 2015 and can be renewed for a further 6 years. Annual rent is EUR 300.000, secured by a bank surety.
As at 30 September 2012, the company recorded a loss of EUR 142.822 (loss of EUR 53.638 as at 30

September 2011) and shareholders' equity of EUR 39.657 (EUR 132.479 as at 30 September 2011).

Immobiliare Volta Marconi S.r.l. (share capital EUR 15.000 – 51% owned)
The company, 49% owned by Redilco Real Estate S.p.A., owns a disused industrial building in a central location in Bresso (Mi) – Viale Vittorio Veneto.
To date, land reclamation works have been carried out on the property owned.
The company signed a preliminary contract with the promissory purchaser LIDL S.p.A. for the sale of the entire property complex, which was supplemented on 20 April 2012 up to a price of EUR 4.050.000, to reflect the higher town planning expenses relating to approval of the project. The technical-operational management of the transaction was entrusted to partner Redilco Real Estate S.p.A.. Following the definitive approval of the town planning variation to the PGT (general town planning document), envisaged by January 2013, the full demolition of the complex will be carried out and the building permit will be requested from the Municipality, whose issue will allow the notary's deed of sale to be stipulated. The process is expected to be completed by June 2013.
In order to protect the property value, the appeal the company presented to the Regional Administrative Court against the Municipality's rejection of the D.I.A. (statement of intent to start works) presented on 5 April 2011 remains valid; this request can be suspended after the notary's deed with LIDL, which will take place after the approval of the project.
The company year ends on 30 June each year. As at 30 June 2012, the company recorded a loss of EUR 25.869 (loss of EUR 40.051 as at 30 June 2011) and shareholders' equity of EUR 2.043.501 (EUR 2.069.369 as at 30 June 2011).

Iniziative Nord Milano S.r.l. (share capital EUR 50.000 – 50% owned)
The company, 50% owned by Redilco Real Estate S.p.A., owns a management/industrial/craft building complex in Bresso (Mi), composed of three lots which have been gradually renovated.
As at 30 September 2012, deeds of sale were stipulated on 19 property units, including offices, laboratories and shops, with the associated car parking spaces, for a total of EUR 80.326.400. Evaluations are in progress for the stipulation of lease agreements targeted at future sale.
The company year ends on 31 December each year. The financial statements for the year ended 31 December 2011 posted a net profit of EUR 103.419 with shareholders' equity of EUR 1.117.829.

Breme S.r.l. (share capital EUR 10.000 – 60% owned)
The company, 40% owned by Sant'Ilario S.r.l., headed up by the Pedercini family, constructed a management building with 8 above-ground levels for a total commercial space of 4.010 square metres, plus an underground garage with 55 car parking spaces, external green areas and an uncovered car park with 20 car parking spaces. Works were completed and the associated definitive testing is at the completion stage.
On 19 March 2010, the company purchased an additional industrial complex adjacent to the above-mentioned property. The transaction was approved prior to the realisation of roughly an additional 5.000 square metres of SLP (gross floor area), now authorised for tertiary use, but with the possibility of converting the entire area to residential use.
To preserve the development rights of the new operation, following the appropriate tender, works relating to the structures and external brickwork of a multi-level building were contracted to the company Mangiavacchi e Perdercini in August 2012 , at a total "turnkey" cost of EUR 2.830.000.
After the works described above, the company will plan the completion of the building on the basis of the trend in the real estate market in terms of sales of similar properties. The company year ends on 31 December each year. The financial statements for the year ended 31 December 2011 posted a net loss of EUR 112.484 with shareholders' equity of EUR 31.583.

MiVa S.r.l. (share capital EUR 10.000 – 51% owned)
The company, 29% owned by Mr. Fiorenzo Valsecchi and 20% owned by the company he heads up Ediltecnica S.r.l., owns a property complex in Milan. This complex is currently split into two lots, of which the first, acquired in May 2011, has access from Via Vespri Siciliani 29, and the second, acquired in February 2012, has access from Via Metauro 9.
The company Ediltecnica S.r.l., as general contractor, after having launched works on each of the two portions, drew up a project amendment which made it possible to unify the sites in order to achieve the construction of a single residential complex composed of 47 apartments, plus a garage with 2 underground levels. Construction is continuing without problems and works are expected to finish by 30 April 2014.
As at 30 September 2012, the company recorded a net loss of EUR 58.919 (loss of EUR 11.651 as at 30 September 2011) with shareholders' equity of EUR 30.430 (shareholders' equity of EUR 18.349 as at 30 September 2011).

Lucianita S.r.l. (share capital EUR 10.400 – 51% owned)
The company, 39% owned by Mr. Fiorenzo Valsecchi and 10% owned by the company he heads up Ediltecnica S.r.l., owns a property on Via Lomellina no. 12, in Milan. The property was purchased at a public auction at the Court of Milan in July 2011.
The company Ediltecnica S.r.l., as general contractor, is continuing smoothly with the construction of a residential complex composed of 43 apartments, plus a garage with 2 underground levels. Works are expected to finish by 30 June 2013.
Preliminary purchase agreements were stipulated on 30 September 2012 on 9 apartments and 21 garages, for a total of EUR 5.462.100.
Negotiations are underway for the stipulation of other preliminary purchase agreements totalling roughly EUR 1.740.000.
As at 30 September 2012, the company recorded a net loss of EUR 74.713 (loss of EUR 7.736 as at 30 September 2011) and shareholders' equity of EUR 78.107 (shareholders' equity of EUR 52.820 as at 30 September 2011).

Regina S.r.l. (share capital EUR 50.000 – wholly-owned)
The company owns a property complex on Via Regina 23 in Como. The property complex was acquired in July 2011, at the same time as the stipulation of the Agreement with the Municipality, in enactment of the Implementation Plan approved previously for the construction of a residential building covering 6.731 cubic metres.
Following the verification of the project in progress, in relation to any application of the Home Plan of the Lombardy Region, the executive design will be completed over the coming months, targeted at the tender between companies, by defining the works start times that are compatible with the trend in the real estate market.
As at 30 September 2012, the company recorded a net loss of EUR 14.584 (loss of EUR 4.691 as at 30 September 2011) with shareholders' equity of EUR 30.725 (shareholders' equity of EUR 45.309 as at 30 September 2011).

Cerca S.r.l. (share capital EUR 50.000 – wholly-owned)
The company, incorporated on 6 June 2011, is now non-operational. As at 30 September 2012, the company recorded a net loss of EUR 1.313 (loss of EUR 4.165 as at 30 September 2011) with shareholders' equity of EUR 44.522 (shareholders' equity of EUR 45.835 as at 30 September 2011).

Spinone S.r.l. in liquidazione (in liquidation) (share capital EUR 100.000 – wholly-owned)
The company is in liquidation from 6 June 2011. The real estate transaction was concluded relating to living units, 37 lots for small single/two-family houses and the piece of land for commercial use in the Municipality of Spino d'Adda. Some garages and car parking spaces currently remain unsold for a book value of roughly EUR 34 thousand. A purchase offer was received for 4 garages and 2 car parking spaces at a price of EUR 65.000.
As at 30 September 2012, the company recorded a loss of EUR 34.502 (loss of EUR 110.352 as at 30 September 2011) and shareholders' equity pertaining to the liquidation of EUR 14.533 (EUR 16.034 as at 30 September 2011).

Gamma Uno S.r.l. in liquidazione (in liquidation) (share capital EUR 100.000 – wholly-owned)
The company is in liquidation from 17 June 2011 and, at the present date, does not hold any property inventories.
The contractual terms relating to the preliminary agreement stipulated previously for the acquisition of a property complex in Fino Mornasco expired, given that the bodies responsible did not approve the Implementation Plan presented in time for the construction of 13.000 cubic metres of residential buildings. As of today, it was not deemed necessary to further extend the validity of the preliminary purchase agreement.
As at 30 September 2012, the company recorded a loss of EUR 2.124 (loss of EUR 9.376 as at 30 September 2011) with shareholders' equity pertaining to the liquidation of EUR 129.046 (EUR 131.169 as at 30 September 2011).

Livia S.r.l. in liquidazione (in liquidation) (share capital EUR 10.000 – 68,23% owned post-share capital increase)
The company, in liquidation from 17 June 2011, and without any asset inventories, as at 30 September 2012, recorded a loss of EUR 11.797 (loss of EUR 6.562 as at 30 September 2011) and a negative shareholders' equity pertaining to the liquidation of EUR 12.272 (EUR 475 as at 30 September 2011).

- **Mittel Partecipazioni Stabili S.r.l.** (share capital EUR 99.000 - wholly-owned)

Investments of Mittel Partecipazioni Stabili S.r.l.

Istituto Atesino di Sviluppo S.p.A. (share capital EUR 79.450.676 – 1,72% owned)
Group holding company present in the following sectors: banking, financial insurance, media/telecommunications, environmental energy, real estate and industrial. The consolidated financial statements for the year ended as at 31 December 2011, the last set approved as at today's date, posted a net profit of EUR 3,5 million, compared to EUR 4,1 million in the previous year. Consolidated shareholders' equity as at 31 December 2011 amounted to EUR 147,6 million (EUR 148,2 million as at 31 December 2010).
At the same date, bonds and other short-term securities totalled EUR 79,2 million (EUR 57,4 million as at 31 December 2010), while investments amounted to EUR 122 million (EUR 133,2 million as at 31 December 2010).
These investments as at 31 December 2011 relate mainly to the investees Banca di Trento e Bolzano S.p.A. (8,72%), Mittel S.p.A. (8,82%) and UBI Banca S.c.r.l. (0,26%).

Mittel Partecipazioni Stabili S.r.l. also holds the following investments listed on the regulated screen-based share market (MTA), managed by Borsa Italiana S.p.A.:

Intesa Sanpaolo S.p.A. (share capital EUR 8.546.561.614 – investment of 0,096% in ordinary share capital);
In the first nine months of 2012, the Intesa Sanpaolo Group focused its strategy mainly on strengthening the statement of financial position, obtaining positive results; in particular, the main indicators as at 30 September 2012 show:
- improved capitalisation: better equity ratios (already at levels exceeding the legislative requirements) as at 30 September 2012. The Core Tier 1 ratio rose to 11,1% from 10,1% at the end of 2011;
- high level of liquidity: liquid assets of EUR 110 billion and substantial availability of allocable assets at the Central Banks; the company already meets the liquidity requirements (Liquidity Coverage Ratio and Net Stable Funding Ratio) set by the Basel 3 accord, ahead of the expected dates of entry into force (2015 and 2018 respectively);
- direct bank deposits increased by 4,6% over the end of 2011;
- net profit: EUR 1.688 million in the first nine months of 2012; normalised net profit totalled EUR 1.331 million (compared to EUR 1.665 million in the first nine months of 2011);
- income from operations registered growth: +17,8% compared to the first nine months of 2011, to EUR 6,8 billion, the highest 9-month result from 2009;
- increase in net operating income: up 6,9% over the first nine months of 2011;
- reduction in operating costs: -2,3% compared to the first nine months of 2011, with a nominal saving of EUR 155 million;
- prudential allocation policy, in a market context characterised by a worsening in the credit cycle through (i) provisions to cover credit risks of around EUR 3,3 billion in the first nine months of the year, up 48% over the first nine months of 2011, against an increase in the total flow of new non-performing and watchlist loans (up 33%) and (ii) an increase to 45% in the level of specific coverage of impaired loans, up from 44,6% in the first nine months of 2011 (Italian banking sector average of 37%).
In the last quarter of 2012, the Intesa Sanpaolo Group expects the actions undertaken in 2011 to be able to contain the effects of the expected unfavourable context on market interest rates, with essentially stable operating profitability, net of the non-recurring elements relating to 2011.
As at 30 September 2012, the operating structure of the Intesa Sanpaolo Group was divided into 7.027 bank branches - of which 5.468 in Italy and 1.559 abroad - with 97.144 employees.

UBI Banca S.c.p.A. (share capital EUR 2.254.367.512,50 – 0,48% owned);
The consolidated results in the first nine months of 2012 posted a net profit of EUR 222,8 million, up 21,9% from EUR 182,7 million in the same period in 2011. The results from economic management were accompanied by strengthening in the solidity and in the equity and structural equilibrium of the UBI Group. In fact, as at 30 September 2012, the Core Tier 1 stood at 10,49%, the Tier 1 was 11% and the Total Capital Ratio stood at 15,32%. The Group already meets the Liquidity Coverage Ratio and Net Stable Funding Ratio liquidity requirements.

From an economic point of view, the first nine months of 2012 saw an improvement in profitability, made up as follows:
- net profit of EUR 222,8 million (up 21,9% compared to EUR 182,7 million in the first nine months of 2011), with profit for the period net of non-recurring items of EUR 180,3 million (up 87,1% to EUR 96,4 million in the first nine months of 2011);
- operating income up to EUR 2.635,5 million (up 4% YoY);
- operating expenses down to EUR 1.704,2 million (-4,1% or -6,2% net of non-recurring components);

- income from operations to EUR 931,3 million (+23%);
- annualised cost of credit at 70 basis points (52 basis points in the first nine months of 2011);
- profit from continuing operations net of taxes of EUR 373,6 million (up 85,6%);

As at 30 September 2012, the human resources of the UBI Banca Group totalled 19.214 units, down compared to December 2011 (19.407) and September 2011 (19.517). As regards the geographical breakdown at year-end, there were 1.799 branches in Italy and 8 abroad.

RCS MediaGroup S.p.A. (share capital EUR 762.019.050 – investment of 1,30% in ordinary share capital).
The publishing sector continues to be heavily affected by negative macroeconomic trends. The advertising markets recorded a gradual reduction in launches in the year, in fact, investments fell by 10,5% in Italy in the first eight months of 2012 when compared to 2011 (Nielsen Media Research). In this scenario, the RCS Group continued to determinedly manage the needs for change, ramping up investments and increasing the focus on multimedia in order to develop the core business, considerably raising the incidence of revenues from digital business and keeping a sharp eye on costs and organisational efficiency.
In this difficult scenario, at the end of 2012, the company's Board of Directors approved the 2013-2015 Development Plan with economic and business objectives for the relaunch of the Group. The key elements and economic and business objectives of the plan can be summarised as follows:
- focus on publishing innovation and on increasing the quality of the power brands, also thanks to high-quality born-digital publishing content;
- digital development and expansion of the offering to enhance the reader's publishing experience;
- focusing of the portfolio on areas of business in which RCS can assert strong leadership
- close monitoring of margins with a focus on the recovery of efficiency, also through significant reductions in costs;
- disposals of "non-core" assets.

The 2012-2015 forecasts are stable revenues of around EUR 1.600 million in 2015, with an increase in the contribution from digital revenues from 14% in 2012 to 25% in 2015, an increase in margins from 4% in 2012 to 10% in 2015 and EBITDA, before non-recurring expenses, up to around EUR 160 million in 2015.
The company informed the market that the approval of the entire Plan, therefore, including information relating to the financial structure needed to support said plan, and the presentation to the financial community will be carried out on the occasion of the presentation of the 2012 results.

- **Mittel Real Estate SGR S.p.A.** (discontinued operations) (share capital EUR 2.500.000 – wholly-owned);

The year 2011 saw the completion of the company's authorisation procedure with the Bank of Italy's acceptance of the request for the provision of the collective asset management service and the registration of the company at no. 303 in the register pursuant to art. 35, paragraph 1, of Italian Legislative Decree 58/98, which occurred on 10 May 2011.
It should be noted that, on 29 September 2011, the company commenced its activities through the launch of management of the "MIRE 1" fund at the same time as completion of the first investment in the Fund. In fact, in execution of Board resolution of 25 May, the framework agreement between SGR, *Fondo di Previdenza per il Personale del Ministero dell'Economia e delle Finanze* (Pension Fund for Ministry of Economy and Finance personnel) and MPS Immobiliare S.p.A. was completed, targeted at regulating the activities involved in launching the operations of the Fund and at the conferment to the same, by the contributing entity, of the real estate complex, predominantly located in Rome, and the subscription of fund shares by the investor.
The financial statements for the year ended as at 31 December 2011 posted a net loss of EUR 244.958 (net loss of EUR 76.278 as at 31 December 2010) after the allocation of prepaid taxes of EUR 121.560 and shareholders' equity of EUR 2.178.764 (EUR 2.423.722 as at 31 December 2010).
December 2011 saw the start of collection of subscriptions to the "Mire 2" Fund, which concluded with the start of the Fund's operations in January 2012.

- **Mittel Investimenti Mobiliari S.r.l.** - formerly HPN S.r.l. in liquidazione (in liquidation) - (share capital EUR 100.000 – wholly-owned)

On 6 June 2011, by means of the deed of Notary Fabio Gaspare Pantè, the extraordinary shareholders' meeting resolved the early winding up of the company with the placement into voluntary liquidation and appointment of a liquidator who was assigned all the necessary powers.
Subsequently, on 16 December 2011, the extraordinary shareholders' meeting resolved: i) the revocation of the state of liquidation (resolved on 6 June 2011) of the company pursuant to art. 2487-ter of the Italian Civil Code; ii) the change of company name from HPN S.r.l. in liquidazione (in

liquidation) to Mittel Investimenti Mobiliari S.r.l.; iii) the amendment of the corporate purpose. In this regard, it should be noted that the company, previously active in the real estate sector, adopted as its corporate purpose the assumption of stable investments in other companies in Italy and abroad, and investments in securities and other short-term financial instruments. Furthermore, the company can carry out any commercial, industrial/financial, securities-related and real estate transactions instrumental in achieving the corporate purpose with the exception of any financial activities with the public.
The resolution of revocation of the state of liquidation was registered in the C.C.I.A.A. (Chamber of Commerce for Industry, Agriculture and Handicrafts) on 20 December 2011. The sixty-day period granted to creditors to present objections elapsed, after which the revocation of the liquidation became effective.
The statement of financial position and income statement of Mittel Investimenti Mobiliari S.r.l. for the 1 October 2011 - 30 September 2012 period, drafted for the purposes of the consolidated financial statements of the Mittel Group, (the company year ends on 31 December each year) posted a loss of EUR 45 thousand and shareholders' equity of EUR 49 thousand.

- **Earchimede S.p.A.** (share capital EUR 4.680.000 – 85,01% owned by Mittel S.p.A.).
The company's financial statements for the year ended as at 31 December 2011 posted a loss for the year of EUR 8,9 million (profit of EUR 0,6 million as at 31 December 2010). The shareholders' equity of Earchimede S.p.A. as at 31 December 2011 amounted to EUR 170,0 million (EUR 178,9 million as at 31 December 2010). The company carries out private equity fund activities and acts as a holding company for investments. As regards holding activities, the investment held in Fashion District Group S.p.A. is of particular note.
The stake held by Earchimede in the Fashion District Group increased from 33,33% to 66,67% in 2011. The increase was achieved due to the finalisation of the non-proportional split of Draco S.p.A., as a result of which Earchimede became the owner of all shares in FD33 S.p.A., a newly formed company which was assigned a 33,33% stake in Fashion District Group S.p.A., 33,33% in Fashion District Service S.r.l. and 10% in Parco Mediterraneo S.r.l., and due to loans currently in place with the investees indicated previously. The split of Draco S.p.A. was completed on 15 September 2011.
The transaction was also reflected in the investment held indirectly by Earchimede in Alfa Park S.r.l., in which the Fashion District Group holds a 18,43% stake.
It should also be pointed out that the Fashion District Group holds a 90% stake in Parco Mediterraneo S.r.l., owner of an area of land covering around 600 thousand square metres in the Belpasso (Catania) district, in addition to a further 10% share held through the subsidiary FD33 S.p.A..
As part of the agreements that governed the split of Draco S.p.A., worthy of note is the mandate signed by Earchimede S.p.A. for assistance with the transfer of the investment held by some former Draco S.p.A. shareholders in a company operating mainly in the leasing of two properties located in Como and Piacenza, leased to a major international operator. A put option is connected to the fulfilment of said mandate, exercisable in 2013 by Earchimede S.p.A., which will involve, if exercised, a worsening in the Net Financial Position by around EUR 21 million.
In the 01/10/2011 – 30/09/2012 period, the company Earchimede S.p.A. realised a loss (from the ITAGAAP financial statements) of EUR 27,5 million attributable mainly to the value adjustment of EUR 22,5 million relating to the investment held in Fashion District Group S.p.A. directly and indirectly through the subsidiary FD33 S.p.A. and the EUR 2,9 million write-down of the investment of 19,57% held in Medinvest International S.c.a..

Investments of Earchimede S.p.A.

Fashion District Group S.p.A. (share capital EUR 1.380.000 – 66,66% owned via Earchimede S.p.A). The company's statutory financial statements for the year ended as at 30 September 2011 posted a loss of EUR 4,8 million (loss of EUR 1,1 million as at 30 September 2010). The shareholders' equity of Fashion District Group S.p.A. as at 30 September 2011 amounted to EUR 91,7 million (EUR 96,5 million as at 30 September 2010).
The consolidated financial statements of the Fashion District Group for the year ended as at 30 September 2011 posted a Group loss of around EUR 4,6 million, affected, in the year under review, by earn-outs on the transfer of property assets amounting to around EUR 3,6 million, adjustments and allocations pertaining to long-term investments totalling roughly EUR 3,5 million and provisions for risks on derivatives, accounted under financial expenses, amounting to EUR 2,7 million. The consolidated financial statements of the Fashion Group as at 30 September 2011, drafted according to national accounting standards, aggregate, on a line-by-line basis, the statement of financial position and income statement figures of the 3 subsidiaries (Fashion District Mantova S.r.l, Fashion District Roma S.r.l. and Fashion District Molfetta S.r.l.).

Fashion District Group S.p.A. is a group that designs, builds, markets and manages large commercial spaces geared towards outlet centres, that also provide recreational, leisure and entertainment services such as theme parks, family entertainment centres, multiplex cinemas and exhibition spaces. As at 31 March 2012, the Fashion District Group has a 90% stake in Parco Mediterraneo S.r.l. and 18,43% investment in Alfa Park S.r.l..
Shareholders' equity pertaining to the Group (IAS/IFRS for the purposes of the consolidated financial statements of the Mittel Group) amounted to EUR 91,7 million, compared to EUR 104,4 in 2010-2011, marking a decrease of EUR 12,7 million, while non controlling interests came to EUR 0,1 million, compared to a negative EUR 0,2 million in the previous year. The year closed with a consolidated loss of EUR 9,3 million, compared to a loss of EUR 5,9 million in the previous year.

FD33 S.p.A. (share capital EUR 7.608.177 – 85,01% owned via Earchimede S.p.A.)
The company was incorporated on 15 September 2011, the date on which the extraordinary shareholders' meeting of the company Draco S.p.A. resolved the non-proportional split, as a result of which the company became the owner of the industrial projects Fashion District Group S.p.A. (a share of 33,33%) and Parco Mediterraneo S.r.l..
The company's first statutory financial statements for the year ended as at 31 December 2011 posted a loss of EUR 0,5 million. Shareholders' equity totalled EUR 7,1 million. The company is a Group holding company which holds a 33,33% stake in Fashion District Group S.p.A. and a 10% stake in Parco Mediterraneo S.r.l.. In the 1/10/2011 – 30/09/2012 period, the company (from the ITAGAAP financial statements) realised a loss of EUR 0,6 million, mainly attributable to the write-down of the investment in Parco Mediterraneo S.r.l. as per the extraordinary shareholders' meeting of 22 December 2011 called in accordance with the decrees envisaged by the combined effect of articles 2446 and 2447 of the Italian Civil Code.

- **Bios S.p.A.** is jointly controlled by Mittel S.p.A. and Tower 6 S.à r.l. (share capital of EUR 3.000.000 divided into 1.500.000 ordinary shares and 1.500.000 category B shares with no voting rights – Mittel S.p.A. holds 750.000 ordinary shares).
  The company is a Group holding company which holds roughly a 19% stake in Sorin S.p.A., a company listed on the MTA (screen-based share market) organised and managed by Borsa Italiana S.p.A.. The Soring Group is a global leader in the treatment of cardiovascular diseases. The Group develops, produces and markets medical technologies and innovative therapies for heart surgery and the treatment of heart rhythm problems. The Group specialises in three therapeutic areas: cardiopulmonary; cardiac rhythm management; artificial heart valves, mechanical-biological valves and annuloplasty rings.
  Bios S.p.A.'s financial statements for the year ended as at 31 December 2011 posted a loss of EUR 6,2 million (profit of EUR 25.3 million as at 31 December 2010). The shareholders' equity of Bios S.p.A. as at 31 December 2011 amounted to EUR 59,4 million (EUR 65,5 million as at 31 December 2010). The loss for the year, amounting to EUR 6,2 million, was generated mainly by the provision for interest expenses accrued on the Ghea S.r.l. and Monte dei Paschi di Siena S.p.A. loans and for the return accrued by category B shares for the 1 January - 31 December 2011 period; this provision is a result of the rescheduling of the above-mentioned debts.
  On 20 January 2012, Bios S.p.A. was notified, at the request of Snia S.p.A. in Amministrazione Straordinaria (in extraordinary administration), of a writ of summons with which legal proceedings were brought against Bios S.p.A. before the Court of Milan, together with Mittel S.p.A., the other shareholders (at the time of the events) of Bios S.p.A. as well as the Directors and Statutory Auditors of the latter and of Snia S.p.A.. The parties' first hearing, following an initial deferment by the Judge, was set for 20 November 2012. With deed of appearance and reply filed on 31 October 2012, the company appeared before the court, contesting the claims made against it and requesting total rejection on the basis of well-structured defence claims in fact and in law. By means of said deed, Bios, as with the other defendants, also asked the presiding Judge to be authorised to bring legal action against the company appointed to audit Snia's financial statements in the reference period. The Judge, as a result of the motions contained in the deeds of appearance filed by the defendants, authorised, pursuant to art. 269 of the code of criminal procedure, the latter to bring third-party legal proceedings and, as a consequence, deferred the appearance hearing of the parties to 21 May 2013.
  In the 1/10/2011 – 30/09/2012 period, the company Bios S.p.A. realised a loss (from ITAGAAP financial statements) of EUR 8,7 million due essentially to the provisions for interest expenses for the same amount.

Investment of Bios S.p.A.

Sorin S.p.A. (share capital EUR 478.738.144 divided into 478.738.144 ordinary shares - Mittel S.p.A. indirectly holds, via Bios S.p.A., Ghea S.r.l. and Tower 6Bis S.àr.l., 58.115.454 ordinary shares).

Sorin S.p.A. is a major European group in medical technologies for the treatment of cardiovascular illnesses and boasts a global presence, serving over 5.000 public and private health facilities.
In the first nine months of 2012, the company, which suffered the effects of an earthquake that hit one of its facilities (Mirandola), recorded revenues of EUR 540,3 million, gross profit of EUR 329,8 million (61,0% of revenues), EBITDA of EUR 71,9 million (13,3% of revenues) and net profit of EUR 18,2 million (3,4% of revenues).
The 2012-2017 Strategic Plan was also presented in September 2012. The Plan's key revenue objectives are:

- average expected annual growth in revenues of the Cardiopulmonary Business Unit of 2-4%;
- average expected annual growth in revenues of the Cardiac Rhythm Management Business Unit of 2-4%; influenced by the difficult market context;
- average expected annual growth in revenues of the Heart Valves Business Unit of 7-9%;

In the new Strategic Plan, additional opportunities for growth have also been identified such as (i) investment in two new technologies aimed at accommodating cardiac decompensation and regurgitation of the mitral valve; (ii) acceleration of growth in emerging markets and mainly in the BRIC area; (iii) potential acquisitions aimed at strengthening the critical mass in markets in which the Group is already present or in neighbouring business segments. The Sorin Group will finance these initiatives by leveraging on its equity strength. Including opportunities for additional development, Sorin forecasts an average annual increase of 5-7% in consolidated revenues in the 2011-2015 period and of 8-10% in the subsequent 2015-2017 period and average growth in EBITDA of around 100 basis points per year during the plan period, reaching 20% in 2015.

❖ **Ghea S.r.l.** (share capital EUR 1.000.000 – 51% owned)
In February 2009, the company had acquired on a non-recourse basis from Banco di Brescia ("BBS"), for a consideration of EUR 25 million, the receivables due to the latter from Bios S.p.A. amounting to EUR 50 million, receivables secured by a pledge on a total of 34.796.687 Sorin S.p.A. shares, at the same time replacing BBS in the so-called "Bios Protocol".
The Protocol is a complex restructuring agreement that was signed at the end of 2008 between Bios and its Parent Company Hopa on one side, and BBS on the other, within the context of a wider transaction involving the acquisition of control of Hopa by Mittel and Equinox, i.e. the same shareholders of this company.
In April 2009, as a result of the resolution of the extraordinary shareholders' meeting of Bios S.p.A., by virtue of the Protocol, the receivable of EUR 25 million due to Ghea S.r.l. from Bios S.p.A. was transformed into an investment consisting of 681.818 category B shares in the company Bios S.p.A. and a receivable with a face value of EUR 32.998.124 which, on the basis of the Protocol, does not accrue interest as long as the volume of Bios assets, and therefore the valuation of the investment in Sorin, does not exceed certain thresholds. The investment, as mentioned in art. 14 of the Articles of Association of Bios S.p.A., entitles the holder with the right to "participate, on a priority basis with respect to the ordinary shares, in the distribution of profits, as with all reserves resolved by the shareholders' meeting, until a total amount has been distributed, to category B shares, of EUR 37.404.127, plus a return of 4,875% capitalised on an annual basis and effective from 1 July 2008".
The financial statements for the year ended 31 December 2011 posted a net loss of EUR 580 thousand compared to EUR 495 thousand in the previous year. Shareholders' equity totalled EUR 4 million compared to EUR 4,5 million in the previous year.
The statement of financial position and income statement of Ghea S.r.l. for the 1 October 2011 - 30 September 2012 period, drafted for the purposes of the consolidated financial statements of the Mittel Group, (the company year ends on 31 December each year) posted a loss of EUR 0,6 million and shareholders' equity of EUR 3,5 million.
The loss for the period is attributable mainly to the interest expenses recorded by the company relating to the loan of EUR 20 million granted by Mittel S.p.A. in February 2009.

❖ **Locaeffe S.r.l. in liquidazione** (in liquidation) (share capital EUR 3.640.000 – wholly-owned by Mittel S.p.A.)
The company's financial statements for the year ended as at 31 December 2011 posted a loss of EUR 0,6 million (loss of EUR 0,5 million as at 31 December 2010). The shareholders' equity of Locaeffe S.r.l. in liquidazione (in liquidation) as at 31 December 2011 amounted to EUR 3,8 million (EUR 4,6 million as at 31 December 2010). The company did not stipulate any new finance leases in 2012. The company was put into liquidation on 11 October 2011. In the 01/10/2011 – 30/09/2012 period, the company realised a loss (from ITAGAAP financial statements) of EUR 0,6 million.

❖ **Markfactor S.r.l. in liquidazione** (in liquidation) (share capital EUR 91.138 – wholly-owned by Mittel S.p.A.).

The company's financial statements for the year ended as at 31 December 2011 posted a loss of EUR 4,3 million (loss of EUR 8,2 million as at 31 December 2010). The shareholders' equity of Markfactor S.r.l. in liquidazione (in liquidation) as at 31 December 2011 amounted to a negative EUR 3,3 million (EUR 0,7 million as at 31 December 2010). The loss for the year was largely due to the write-down of the receivable due from Bregoli S.p.A. amounting to EUR 3,7 million. In this regard, it should be noted that in 2010, a severe worsening was recorded in the credit positions with respect to receivables due to the company from Gruppo Bregoli S.p.A. and Gruppo Medeghini S.p.A.. The full gravity of the aforementioned situation became apparent with the declaration of bankruptcy of Bregoli S.p.A., pronounced by the Court of Brescia on 16 September 2010, followed, in 2010, by the declaration of bankruptcy of several Medeghini Group companies.
The company was put into liquidation on 4 August 2011. In the 01/10/2011 – 30/09/2012 period, the company realised a loss (from ITAGAAP financial statements) of EUR 3,7 million, mainly due to the adjustment to the above-mentioned receivable.

- **Holinvest S.r.l. in liquidazione** (in liquidation) (share capital EUR 20.000 – wholly-owned by Mittel S.p.A.).
  The company's financial statements for the year ended as at 31 December 2011 posted a loss of EUR 35 thousand (loss of EUR 105 thousand as at 31 December 2010). The shareholders' equity of Holinvest S.r.l. in liquidazione (in liquidation) as at 31 December 2011 amounted to EUR 0,1 million (EUR 0,2 million as at 31 December 2010). The company was put into liquidation on 29 April 2011. The company remained essentially inactive throughout 2012.
  In the 1/10/2011 – 31/09/2012 period, the company realised a profit (from ITAGAAP financial statements) of EUR 0,1 million, corresponding to the release of the liquidation fund set aside as a result of the reduction in structural costs previously incurred by the company.

- **Sunset S.r.l. in liquidazione** (in liquidation) (share capital EUR 55.529 – wholly-owned by Mittel S.p.A.).
  The company's financial statements for the year ended as at 31 December 2011 posted a loss of EUR 40 thousand (loss of EUR 60 thousand as at 31 December 2010). The shareholders' equity of Sunset S.r.l. in liquidazione (in liquidation) as at 31 December 2011 amounted to a negative EUR 1,2 million (a negative EUR 1,1 million as at 31 December 2010). The company ceased the wholesale and retail manufacturing and trade of stationery, leather goods, gifts, prints, paintings and other objects of art, as well as items of clothing, all in the luxury goods sector, in April 2005 when it sold its business unit, comprising the brand, five points of sale, the investments in Antiche Officine Pineider S.r.l. and Pineider Gallery S.r.l and the warehouse. Following the aforementioned sale, the liquidation proceedings of the company continued, consisting mainly of the recovery of trade receivables, payment of the remaining debt items and the management of ongoing disputes.

Mittel S.p.A. associates

- **Castello SGR S.r.l.** (share capital EUR 2.664.556 – 23,68% owned)
  The year 2011, in fact, was Castello SGR S.p.A.'s fifth year of operations under the new management. In 2011, management activities continued for the Clesio, Cosimo I and Picasso funds, established between 2007 and 2009, and operations began relating to the Augusto and Giotto Funds.
  Castello SGR S.p.A. closed the year ended as at 31 December 2011 with a net profit of EUR 1,4 million (net profit of EUR 0,2 million as at 31 December 2010) while shareholders' equity totalled EUR 8,0 million (EUR 7,6 million as at 31 December 2010).
  The specialised funds that Castello SGR S.p.A. promotes on the market are savings and contribution closed-end funds concerning development operations and in asset classes like the tertiary, hotel, residential, commercial and health sectors, etc..
  By availing itself of expertise in the real estate finance sector, Castello SGR S.p.A. now manages six ordinary funds (three of which operational) and three speculative funds (of which only one is operational) for total assets of EUR 895 million.
  Mittel S.p.A. subscribes to two ordinary funds and, more specifically, to:

  Fondo Cosimo I (Cosimo I Fund)
  The Fondo Cosimo I - a closed-end mutual real estate fund reserved to institutional investors - started operations on 11 March 2008. On said date, against a contribution from Società Terme and Benessere S.p.A., of two hotels, one Fonteverde Natural S.p.A. Resort in San Casciano dei Bagni (SI) and the other, Grotta Giusti Natural S.p.A. Resort, in Monsummano Terme (PT), for a value of EUR 85,3 million and the simultaneous assumption of a financial debt of EUR 40 million, 905 shares were issued with a

nominal value of EUR 50.000 each. The initial Fund assets therefore totalled EUR 45,3 million. As at 30 June 2012, the Fund was invested in properties, for an amount of 93,51% of total assets.
The Fund’s assets amounted to EUR 86,2 million as at said date, which incorporate a negative result for the period of EUR 1,9 million and distributed income of EUR 1,7 million.
The unit value per share is now EUR 53.935,903 The total value of the properties amounted to EUR 192 million according to the appraisal report of the independent experts of 30 June 2012.
The term of the Fund, based on the provisions of art. 1.3 of Section II of the Regulation, is fixed at 12 years effective from the date of closing of subscriptions, expiring on 31.12.2019, which can be extended for a further three years. The fund shares are not intended for listing on a regulated market.
In December 2009, Mittel S.p.A. acquired 78 shares of the 1.599 issued, investing EUR 3 million.

Fondo Augusto (Augusto Fund)
The Fondo Augusto - a closed-end mutual real estate fund reserved to qualified investors - collected binding subscriptions in cash totalling EUR 55,2 million and, therefore, for an amount exceeding the minimum initial amount of the Fund.
The subscriptions solely regard Class A shares, given the Class B Shares (EUR 0,5 million) are reserved to the SGR (asset management company) during the subscription, that can transfer them exclusively to members of the SGR’s Board of Directors or to subjects connected to the SGR by means of an employment relationship, who are Qualified Investors. Class B shares cannot be transferred from the latter to subjects other than the asset management company.
During the first half of 2012, as part of the asset management strategy of the Fondo Augusto, activities continued aimed at reaching the Fund’s objectives.
The Fund’s real estate portfolio is composed of: (i) a property located in Trezzano sul Naviglio (Mi); 62% of the available square metres is leased as at 30 June 2012. A total of 16% of the floor space is represented by empty units with rent guaranteed by the seller until 2015, while the remaining 22% is composed of empty units with no guarantee; (ii) a property in Cerro Maggiore (Mi), in relation to which 80% of available square metres is leased; (iii) ten Coop supermarkets, all leased to Unicoop Tirreno s.c..
As at 30 June 2012, the Fund was invested in properties, for an amount of 86,98% of total assets. The Fund’s net assets amounted to EUR 78,1 million as at said date, which incorporate a positive result for the period of EUR 1,6 million and takes account of distributed income of EUR 2,3 million in the period.
The unit value per share, of a nominal EUR 50.000, (1.582 shares outstanding) stands at EUR 50.478,68 for both Class A shares and Class B shares. This value fell by 0,86% compared to 31 December 2011, but if considered net of the distribution of EUR 2,3 million, the value of the share stands at EUR 51.934,68 and, therefore, is up 2% over the end of December 2011.
The total value of the properties amounted to EUR 137,4 million according to the appraisal report of the independent experts of 30 June 2012.

- **Everel Group S.p.A.** (share capital EUR 15.359.290 – 30% owned by Mittel S.p.A.).
The consolidated financial statements of the Everel Group for the year ended as at 31 December 2011 recorded a Group loss of around EUR 7,1 million (down from a positive EUR 0,4 million), affected during the year under review by the uncertainty in the reference context (note that Everel operates in the household appliance and automobile component sectors) and the sharp increase in raw material costs; these factors were augmented by extraordinary expenses incurred for the implementation of the industrial plan.
Turnover in 2011 totalled EUR 40,5 million (compared to EUR 45,1 million recorded in the previous year), while the gross operating margin came to EUR 0,8 million, down from EUR 4,7 million in the previous year.
The company expects to see a return to the margins of the previous year in 2012, with revenues almost unchanged compared to 2011.
Mittel S.p.A. holds a put option on the sale of the entire shareholding in Everel Group S.p.A., at a minimum price of EUR 3,3 million, which can be exercised from 30 June 2014 for 6 months.

- **Brands Partners 2 S.p.A.** (share capital EUR 150.000 – 25,20% owned)
The company is a corporate vehicle that holds an investment of 4,99% in Moncler S.r.l..
The Moncler Group operates in the textiles - clothing sector, particularly in the casualwear / sportswear segment, with the proprietary brands: Moncler, Henry Cotton’s, Marina Yachting, Coast Weber & Ahaus and with the licenced brands: Cerruti Jeans, 18CRR81 Cerruti Blue and 18CRR81 Cerruti Orange.
From an organisational point of view, the Group is structured in two divisions, the Moncler division, which manages the different collections of said brand, and the Sportswear division, that manages all other brands (proprietary and licenced). Taking into consideration the unique features, in terms of the market positioning and characteristics of the product, of the brands managed by the two divisions, both

possess the necessary departments for the organisation of activities involving the conception, realisation and marketing of the collections of the brands managed, only sharing certain general services (logistics, finance and administration, IT services, etc) made available to the Group.
In 2011, the Moncler Group continued its process of development, which it is sustaining in 2012 too. This trend is due, in particular, to the performances of the Moncler division, which continues to record significant growth, with reference to both the wholesale business and the retail business (with an excellent performance of Asian points of sale.
The Sportswear division, to which the brands positioned in the mid-range bracket in the market refer, by contrast continues to suffer from the general reduction in consumption linked to the economic trend, with reference to the Italian market in particular, which the turnover of the Sportswear division relies heavily on.
In 2011, the Moncler Group generated turnover of EUR 516,1 million, compared to EUR 428,7 million in 2010, with growth of more than 20%, attributable, in particular, to the retail sector (mono-brand Moncler stores) and foreign markets. Turnover in 2011 is broken down as follows: Moncler division - roughly EUR 365 million (70%), Sportswear division - around EUR 150 million (30%); wholesale - roughly EUR 344 million (66%), retail - approximately EUR 172 million (34%): Italy - roughly EUR 220 million (43%), other EU countries - around EUR 155 million (30%), non-EU countries - roughly EUR 140 million (27%). EBITDA in 2011 totalled EUR 57,5 million (11,1% of turnover) compared to EUR 52,2 million (12,2% of turnover) in 2010. With reference to these figures, it should be noted that 2011 was adversely impacted by a strong increase in financial expenses as a result of the distribution of an extraordinary dividend of roughly EUR 150 million as part of the transaction that saw Eurazeo assume a stake in Moncler.
The net financial position as at 31 December 2011 amounted to EUR 272,5 million, compared to around EUR 142,7 million as at 31 December 2010. It should be noted that the net financial position at the end of 2011 was affected by: (i) the new loan taken out in October 2011 as part of the transaction that saw Eurazeo assume a stake in Moncler, (ii) the programme of investments implemented by the group in the year, in particular with reference to the opening of new Moncler mono-brand points of sale.

Companies not controlled by Mittel S.p.A.

- **Tower 6 Bis S.à.r.l.** (share capital EUR 4.500.000 – 49% owned)
  In March 2009, Tower 6 Bis S.à.r.l. acquired from Bios S.p.A. a 6,693% stake in Sorin S.p.A., a company listed on the market organised and managed by Borsa Italiana S.p.A., as part of a wider operation involving the restructuring of Bios S.p.A.'s debt position.
  A 51% stake in Tower 6 Bis S.à.r.l. is held by Tower 6 S.à.r.l. (a Luxembourg-based company headed up by Equinox Two S.c.a.).
  The financial statements of Tower 6 Bis S.à.r.l. for the year ended as at 31 December 2011 show shareholders' equity of EUR 5.354.888 (EUR 5.736.419 as at 31 December 2010), with a net loss of EUR 2.381.531 (EUR 414.240 as at 31 December 2010) attributable mainly to extraordinary costs of EUR 2 million and interest expense accrued in the year of EUR 0,3 million, on the 5-year loan in place for an amount of EUR 19,2 million.
  The statement of financial position and income statement of Tower 6 Bis S.à.r.l. for the 1 October 2011 - 30 September 2012 period, drafted for the purposes of the consolidated financial statements of the Mittel Group, posted a loss of EUR 0,3 million (portion pertaining to Mittel of EUR 0,15 million) and shareholders' equity of EUR 35,4 million, of which EUR 30,5 million relating to the valuation reserve which books the variation in the fair value valuation of the Sorin S.p.A. investment to shareholders' equity.

- **Liberata S.p.A.** (share capital EUR 6.750.000 – 27% owned by Mittel S.p.A.).
  Liberata S.p.A., a company that acquired full control of the Mittel Generale Investimenti S.p.A. investment during the year, as amply detailed in the previous sections.
  The company's financial statements for the year ended as at 30 September 2012 reported a profit of EUR 3.711.006 (loss of EUR 232 as at 30 September 2011) and shareholders' equity of EUR 10.463.942 (EUR 72.205 as at 30 September 2011). The profit for the year derives from the accounting of dividends distributed by the subsidiary according to the accrual principle, and therefore includes in its financial statements the dividend forecast on the basis of the proposal for the distribution of profits resolved by the subsidiary's directors according to accounting standard OIC 21.

Investments of Liberata S.p.A.

Mittel Generale Investimenti S.p.A. (share capital EUR 17.000.000 – wholly-owned by Liberata S.p.A.)
The company provides credit (directly and/or syndicated) or acts as a consultant in organising the financing of mainly extraordinary transactions, carried out by companies and private or institutional investors, on security and real estate markets. In line with the objective of offering an integrated service to the customer, Mittel Generale Investimenti S.p.A. may assume investments in companies (listed and unlisted) generally associated to guaranteed disposal options.
During the year, the company achieved a net profit of EUR 5,7 million, compared to a net loss of EUR 3,4 million as at 30 September 2011. As at 30 September 2012, the income statement of Mittel Generale Investimenti S.p.A. recorded gross profit from operations of EUR 6,9 million, an improvement over the negative EUR 0,4 million in the previous year, and a positive overall intermediation margin of EUR 8,8 million, clearly above the EUR 1,4 million registered in the previous year.
The change in the intermediation margin was determined by: (i) an increase in income from trading activity of a positive EUR 1,1 million as at 30 September 2012 (negative EUR 5,9 million in the previous year, mainly due to the fair value valuation of financial instruments classified as held for trading in the portfolio at the date of the close of the previous year, of which EUR 5 million relates to the change in the value of listed Intesa Sanpaolo S.p.A. and UBI Banca S.c.p.A. shares); (ii) the recording of a loss from the sale of financial assets of EUR 0,5 million (absent in the previous year); (iii) an increase of EUR 0,9 million in the interest margin.
Gross income (loss) from operations, amounting to a positive EUR 6,9 million (a negative EUR 0,4 million in the previous year), represents the income from operations before expenses and non-monetary costs (amortisation, net provisions for expenses and adjustments for impairment of assets) and is an indicator of the potential cash flow from the company's operations, in fact incorporating the level of self-financing generated by operations. The increase of EUR 7,3 million was determined by an increase of EUR 7,4 million in the intermediation margin (from a positive EUR 1,4 million in the previous year to a positive EUR 8,8 million as at 30 September 2012), compared to an increase in operating expenses of EUR 0,1 million, up from EUR 2,5 million in the previous year to EUR 2,7 million. Personnel expenses rose by EUR 0,1 million in the year, from EUR 1,1 million to EUR 1,2 million.
Net income (loss) from operations was a positive EUR 7,5 million (a negative EUR 3,7 million in the previous year). The considerable increase of EUR 11,2 million in income is mainly attributable to lower net value adjustments to financial assets of EUR 3,9 million and the increase in income from trading activity of EUR 6,5 million (an item that was affected in the previous year by the change in the fair value of listed shares in the portfolio).
Shareholders' equity as at 30 September 2012 amounted to EUR 86,3 million (compared to EUR 120,1 million as at 30 September 2011). The change in shareholders' equity is attributable to the distribution of the reserves resolved at the shareholders' meeting on 24 July 2012, which made provision for the distribution of reserves of EUR 40 million as well as income for the year.

Investments of Mittel Generale Investimenti S.p.A.

Ma-Tra Fiduciaria S.r.l. (discontinued operations) (share capital EUR 100.000 – 81% owned)
The company performs fiduciary administration activities with the authorisation of the Ministry of Economic Development, also providing auxiliary services to Mittel Generale Investimenti S.p.A..
The financial statements for the year ended as at 31 December 2011 posted a net profit of EUR 29.490, compared to EUR 77.140 in the previous year, and revenues of EUR 267.236, compared to a corresponding amount of EUR 334.897 in the previous year.
In the 1/10/2011 – 30/09/2012 period (figures taken from the statement of financial position as at 30 September 2012), the company realised a net profit of EUR 13.739, compared to an amount of EUR 40.959 in the corresponding period in the previous year.
Administered deposits as at 30 September 2012 totalled EUR 250 million, compared to EUR 262 million as at 30 September 2011.
The company was transferred from Mittel Generale Investimenti S.p.A. to Eurofinleading Fiduciaria S.p.A. on 15 October 2012, a company belonging to the Swiss group Banca del Ceresio.

Mit.Fin S.p.A. (share capital EUR 200.000 – 30% owned)
Mit.Fin S.p.A. is a company that provides financial services to businesses, private equity funds and institutional investors.
The company closed the year ended as at 31 December 2011 with a net profit of EUR 22.551, compared to EUR 55.570 in the previous year, and revenues of EUR 1.881.915, compared to a corresponding amount of EUR 2.237.950 in the previous year.

In the 1/10/2011 – 30/09/2012 period (figures taken from the statement of financial position as at 30 September 2012), the company realised a net profit of EUR 41.681, compared to net profit of EUR 134.985 in the corresponding period in the previous year.
On 15 October 2012, Mittel Generale Investimenti S.p.A. transferred to Mittel S.p.A. the entire shareholding, equal to 30% of share capital, held in Mit.Fin S.p.A., at a price of EUR 150.000. The transfer of the investment took place after the termination, by the third party shareholders of Mit.Fin S.p.A., of the communication of consent to exercise its right of pre-emption.

- **Progressio SGR S.p.A.** (share capital EUR 1.200.000 – 15% owned)
The company, authorised and listed in the Register of Asset Management Companies from 2004, is owned by Pteam S.r.l. (51%), Fondazione Cassa di Risparmio di Trento e Rovereto (22%), Mittel S.p.A. (15%) and Istituto Atesino di Sviluppo – ISA S.p.A. (12%).
The financial statements for the year ended as at 31 December 2011 posted a net profit of EUR 4,6 million (EUR 1,0 million in the previous year). Shareholders' equity as at 31 December 2011 amounted to EUR 6,4 million (EUR 2,7 million in the previous year).
Mittel currently holds 27 shares in the Fondo Progressio Investimenti with a commitment of EUR 13,5 million, of which EUR 11,7 million already paid. At the current state of play, the Fund has invested EUR 76,1 million by calling funds of EUR 86,4 million. Following the approval of the interim fund statement as at 22 December 2011 by the asset management company's Board of Directors on 23 December 2011, the company made a partial gross repayment, on 29 December 2011, for the 200 shares issued for a total amount of EUR 37,9 million, of which EUR 18,8 million as capital repayment and EUR 19,1 million as gross income, on which the relevant taxes were levied. The repayment was made by using excess liquidity from the total repayment of the Brands Partners 2 S.p.A. non-interest bearing shareholders' loan and dividends from Brands Partners 2 S.p.A. relating to the partial transfer of the Moncler S.r.l. investment by the latter.
Il Fondo Progressio Investimenti II is a closed-end reserved mutual real estate fund. Mittel S.p.A. subscribed a commitment of EUR 20 million, by subscribing 400 Class A shares. As at 30 September 2012, the residual commitment of Mittel S.p.A. to the Fondo Progressio Investimenti II stood at EUR 14,2 million.
Fund raising activities continued in 2011, which led, at the Final Closing Date, of subscriptions totalling EUR 205,7 million, of which EUR 20 million subscribed by some key managers, employees and partners of Progressio SGR S.p.A. in the form of Class B shares and EUR 500.000 subscribed by Progressio SGR S.p.A. in the form of Class C shares, that the asset management company reserved the right to transfer a part of to operational managers or companies controlled by the latter.
It should be pointed out that, at today's date, the Fondo Progressio Investimenti II has made two investments:
  - via Brands Partners 3 S.p.A. in which it holds an 89,47% stake, in JAL Group, a leading European company in the production and marketing of safety footwear under the Jallatte, Aimont and Lupos brand names;
  - via Luxlode S.A. in which it holds a 50% stake, in OC International (Oro Cash Group) which controls some companies operating under the Orocash brand name, present in various European countries and a leader in used jewel sales in Italy. As at 31 December 2011, the group had 420 shops, of which 187 under a franchising arrangement and 233 managed directly.

Il Fondo Progressio Investimenti not only holds a 48,78% stake in the company Brands Partners 2 S.p.A., in relation to which the above information has been provided given an investee of Mittel S.p.A., but holds:
  - 32% of the share capital of Publimethod Group S.p.A., a company that deals with the marketing of advertising spaces in the main national publications, obtaining in exchange goods or excellent discounts on services, which it sells to third parties, principally through its subsidiaries;
  - 44,5% of Rondine S.p.A., a company active in the production and marketing of ceramics in porcelain gres for internal and external floors and panelling, marketed under the Fontana-Bismantova, RHS and Kermont brand names;
  - 38,50% of Chromavis S.p.A., a company active in the development, creation and production of cosmetics for make-up on behalf of multinational companies in the sector;
  - 59,70% of Top Color S.p.A., a company with a controlling interest in CLX Europe S.p.A., a large international firm providing companies with communication solutions.

- **MVH S.p.A. (formerly MicroVentures S.p.A.)** (share capital EUR 14.117.000 – stake of 14,99%)
On 27 September 2010, Mittel S.p.A. subscribed 14,99% of the share capital of MVH (formerly MicroVentures S.p.A.), through the subscription of a reserved share capital increase of EUR 3,1 million, of which EUR 2,1 million in the form of the subscription of the nominal value of the shares and EUR 1 million in the form of share premium.

MVH S.p.A. is an Italian company, invested in by natural persons and private foundations as well as leading financial institutions.
The financial statements of MVH S.p.A. for the year ended as at 31 March 2012 posted a loss of EUR 819.264 (after write-downs of investments of EUR 625.634) and shareholders' equity totalling EUR 14.203.700.
The significant figure which emerged in the year ended as at 31 March 2012 was the write-down of the investee Sahayata Microfinance P. Ltd., India, whose potential was severely compromised and is difficult to forecast.
A negative figure that affects the economic result for the year, but which is important to view within the general context of the trend of the investees of MVH S.p.A. and, in particular by considering an opposing, and therefore positive trend of Equitas Holdings Pvt. Ltd., India, an investee which accounts for more than 60% of the MVH S.p.A. portfolio.
MVH S.p.A. invests exclusively in the microfinance sector and more than 80% of the company's investments are allocated in India. Therefore, it is clear that the performance of the sector in India represents the basis on which to analyse and plan the development of said company.
As already outlined in the previous report to the financial statements, the whole of 2011 in India was characterised by the so-called Andhra Pradesh crisis which froze financial resources and, therefore, growth in the microfinance sector for more than a year.
This crisis also led to a clearer and stricter regulatory context and heavy consolidation of the sector as a result of which, our two best investments, Equitas Holdings and Grameen Financial Services, ended up being considerably strengthened, especially now that the local banking system has started to grant a satisfactory volume of loans again.
The company's remaining investments are placed in Peru, a country which has been, for many years, included in the main industry surveys (e.g. the Microscope on Microfinance Business Environment 2010 of the Economist Intelligence Unit) as the most advanced microfinance market in terms of the level of institutional development, the quality of the regulatory framework and the overall macroeconomic climate. The Peruvian market stabilised during the year, although in a general context of less marked growth compared to the previous 5 years.

- **Equinox Two S.c.a.** (share capital EUR 133.720 – 5.7% owned)
  In 2012, the company Equinox Two S.c.a. continued to monitor the investments in the portfolio (Air Four S.p.A., Biotedim S.r.l., Alitalia S.p.A. , Esaote S.p.A. and Sorin S.p.A.). The latest significant disinvestment transaction took place in May 2011, i.e. the transfer of the investment held in Tethys S.p.A. (acquired at the end of 2008), generating a significant capital gain distributed to investors in subsequent weeks, in the form of an interest free loan which is still recorded in these financial statements. As part of this transaction, the fund acquired 50% of Bios S.p.A., a company which currently owns 18,9% of Sorin S.p.A..
  The total amount of committed contributions stood at EUR 301 million (Mittel group EUR 17 million), roughly 59% of which called at present.

- **Azimut – Benetti S.p.A.** (share capital EUR 9.756.000 – 5,465% owned)
  The Azimut Benetti Group operates through three divisions: Azimut division, active in the production of flybridge motor cruisers (from 39 to 62 feet), motor-yachts (from 68 to 116 feet) open boats (from 43 to 86 feet); Benetti division, active in the production of fibreglass and steel mega-yachts (from 90 to 210 feet); Atlantis division, active in the production of open boats under the Gobbi brand names (from 31 to 42 feet) and Atlantis (from 39 to 55 feet).
  The year 2010/2011 (the company closes each financial year on 31 August) closed with a value of production of EUR 649 million, up 40% compared to the previous year, a positive EBITDA of EUR 36 million, equal to 6% of the value of production and a positive EBIT of EUR 10 million.
  The group's net financial position as at 31 August 2011 was a positive EUR 7 million, marking an improvement of EUR 46 million compared to the previous year; shareholders' equity, including income for the year, stood at EUR 275 million.
  The company made investments during the year totalling around EUR 18 million (EUR 26 million in the previous year), targeted at improving the technological and quality content of the products and updating the product range.
  The value of production of the Azimut and Atlantis divisions came to EUR 318 million (revenues of EUR 306 million), an increase of 38% compared to the previous year. A total of 16% of sales of Azimut boats were made in Europe, 57% in North and South America, with 27% in the rest of the world, while 48% of sales of Atlantis boats were made in Europe and 46% in North and South America. Seven new models were presented during the year.
  The value of production of the Benetti division came to EUR 276 million (revenues of EUR 378 million), an increase of 37% compared to the previous year. A total of 48% of sales of Benetti boats were made in Europe, 44% in North and South America, with 8% in the rest of the world. The Yachtique division's

activities continued successfully in 2010/2011 too, integrating its services with those of the operational divisions, reaching turnover of roughly EUR 50 million, up 11% compared to the previous year.

- **SIA S.p.A.** (share capital EUR 22.091.286,62 – stake of 0,31%)
  The SIA Group is a European leader in financial services and payment systems, providing technology solutions to banks, corporate entities, public administrations and central institutions in the areas of credit and debit card processing, collections and payments, capital markets and network services for connectivity and messaging.
  In 2011, the company recorded revenues of EUR 283,3 million, a value of production of EUR 292,3 million and an operating margin of EUR 34,5 million. In comparison to the previous year, the year recorded a slight increase in revenues and in the costs of production, which incorporate certain provisions for future risks and expenses. Extraordinary expenses and value adjustments to financial assets, contained with respect to the previous year, relate to the continuation of the personnel restructuring plan and write-downs of the value of the investments and securities in the portfolio. Net income was a positive EUR 25,7 million compared to a loss recorded in 2010.
  Despite the conditions of market uncertainty, the company managed to maintain results to cover the effects of the crisis, benefitting from the growth potential of payment services, which allowed significant increases to be achieved both in terms of the number of transactions and the value exchanged. SEPA instruments continued their process of consolidation and gradual introduction to cross-border transactions and to domestic instruments, encouraged by the definition, by the European Council and Parliament, of the "SEPA end date", the deadline for migrating all credit transfers and domestic commercial collections in the euro area to SEPA tools.
  An international presence, especially in central Europe, has been reinforced by the relaunch of the SIA subsidiary, GBC, already a leader in Hungary in ATM and POS terminal management and in the processing of payment transactions, as a Group Sales Hub, with the new company name SIA Central Europe.
  Rationalisation activities continued during the year, also through actions to optimise technological platforms, the review of processes and instruments for the management and development of the Software Factory and the transfer of the company headquarters to the Milan eco-technological hub in the Lorenteggio zone.

Main risks and uncertainties to which Mittel S.p.A. and the investees are exposed

The main risks and uncertainties that can have a significant impact on the activities of Mittel S.p.A. and its subsidiaries are outlined below. Additional risks and uncertain events, that are unforeseeable at present or that are deemed unlikely at the moment, could likewise impact the Mittel Group's activities, economic and financial conditions and prospects.

Risks connected to the general conditions in the economy
The overall economic situation, characterised by a recessionary phase, could affect the Group's activities, with unique methods and repercussions with respect to the different sectors in which the Group operates, in particular:

- **Financial sector**: the ongoing weakness of the global economies and, in particular, of the financial sector in which the Group mainly operates, could adversely impact the activities carried out by the Group; in particular, the liquidity crisis in the markets and the general and widespread slowdown in industrial development could lead to a deterioration in the Group's assets across the board, and/or lack of adequate financial support with the need to dispose of those assets with a low valuation. With specific reference to investments in corporate holdings (including listed) - owing to their nature investments characterised by a high level of risk, especially in the current period of volatility in the financial markets - the process of disinvestment could require longer than expected times and/or be carried out using methods that are not entirely satisfactory or under conditions that do generate a return for the Group. Therefore, there is no guarantee that the Group will be able to identify and realise valid opportunities for investment and liquidate the investments made by reaching the profit objectives established beforehand from time to time, i.e. reaching these objectives within the expected timeframe or, within a reasonable period of time;
- **Outlet sector**: the persistence of the negative economic situation affects the spending capacity of potential customers, with an adverse impact on the trend in the revenues of tenants and, consequently, of the Group. In addition, there is a risk of the properties being left vacant by the current occupants, with a subsequent interruption in rents obtained from the merchants in the factory outlet and the associated difficulties in re-allocating the properties;
- **Advisory sector**: difficult economic phase in the Mergers and Acquisitions market;
- **Real Estate sector**, there is a risk deriving from the problems connected with the temporary stagnation in the real estate market, characterised by the cyclical nature of the purchase/sale and lease values (generally speaking, demand has fallen, bringing down the property prices on the market);

  Subsequently, real estate assets (including land) are subject to market trends, whose changes may affect the time and sale value of the real estate assets.

Risks connected with the obtainment of financial resources
In consideration of the major ongoing financial crisis, obtaining financial resources outside the Group represents a factor of criticality for maintaining the Group's investment growth strategy.
Consequently, any worsening in the economic terms and conditions of new loans and any future reduction in the banking system's credit capacity could have negative effects on the Group's economic and financial situation and/or limit its growth capacity.
There is also the risk that the Group may not be able to meet its payment commitments due to the difficulties in raising funds (funding liquidity risk) or liquidate assets on the market (asset liquidity risk), with a subsequent adverse impact on the economic result in the event in which the Group is forced to incur additional costs to meet its commitments or, in extreme cases, a situation of insolvency which places business continuity at risk.

Risk of default and debt covenants
Contractual clauses, commitments and covenants apply to certain credit lines obtained by the Mittel Group. Failure to comply with these may be considered a non-fulfilment of the contract, leading lending banks to request their immediate collection and causing problems in obtaining alternative financial resources. In particular, the contractual methods of bank exposure of the Fashion District Group make provision for capital covenants, non-compliance with which, currently unlikely, could involve the acceleration clause.

As regards the breakdown of bank payables as at 30 September 2012 totalling EUR 236,4 million, these are made up mainly of the current and non-current bank payables of the Fashion District Group (EUR 72,3 million), amounts due from Mittel S.p.A., (EUR 106,3 million), from Mittel Investimenti Immobiliari S.r.l. (EUR 47,4 million) and from Mittel Partecipazioni Stabili S.r.l. (EUR 9,3 million).
As regards the bank payables of the Fashion District Group, secured by property mortgages, it should be noted that in the previous year, the company intervened on the matter of existing debts with various

lenders. More specifically, in relation to loans in place with Unicredit S.p.A., Efibanca S.p.A. and BNL S.p.A., a request was made to be able to use the benefit deriving from subscription to the Common ABI (Italian Banking Association) agreement, a concession whose direct consequence was the suspension of the repayment of principal amounts of loans until 31 December 2011, 31 March 2012 and 29 June 2012 respectively, with the subsequent extension of the original expiry of the debts for a period corresponding to the above-mentioned suspension. Some of the mortgages held by the Fashion District Group are subject to annual compliance with given covenants, normal for said type of financing and calculated on the basis of the ratio of financial debt to shareholders' equity and rents to debt service. It is acknowledged that the covenants set forth in the loan agreements in place were observed as at the close of the financial year on 30 September 2012.

The various loans stipulated by the Fashion District Group secured by a property mortgage were granted:

- by Interbanca S.p.A. (now GE Capital S.p.A.) for EUR 11,2 million, expiring on 30 June 2015, extended, as a result of the above, until 30 June 2016. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 19,7 million, expiring on 30 June 2013;
- by BNL S.p.A. for EUR 16,9 million, expiring on 31 December 2019, extended, as a result of the above, until 30 June 2020. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 23,3 million, expiring on 30 June 2019;
- by Interbanca S.p.A. (now GE Capital S.p.A.) for EUR 10,2 million, expiring on 31 March 2020, extended, as a result of the above, until 31 March 2021. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 13,7 million, expiring on 30 June 2014;
- by a pool of banks composed of Unicredit S.p.A. and Monte dei Paschi di Siena S.p.A. for EUR 14,6 million, expiring on 30 June 2018, extended, as a result of the above, until 1 July 2019. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 19,6 million, expiring on 31 March 2018;
- by a pool of banks comprising Efibanca S.p.A. and Banco Popolare Italiano for EUR 17,6 million, expiring on 31 December 2019, deferred, as a result of the above, until 31 December 2020. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 22 million, expiring on 31 December 2019;

The bank payables of the parent company Mittel S.p.A. are composed as follows:

- the bank payable deriving from the loan granted to Tethys S.p.A. by Banca Popolare di Lodi S.p.A. and Banca Monte dei Paschi di Siena S.p.A. (EUR 28,8 million) for the acquisition of the Hopa S.p.A. investment. This loan was granted on 23 December 2008, expires on 23 December 2015, and is recognised together with interest accrued and calculated at a fixed annual rate of 4,875%;
- a loan granted by Banco di Brescia S.p.A. (EUR 15 million), expiring on 23 October 2015, at a rate of 4%;
- loans granted in the form of hot money (EUR 61,2 million) by the leading banks, regulated at rates indexed to the 1-3 month Euribor and expiring in four months;
- the current portion of medium/long-term bank loans of EUR 1,4 million.

The credit line from JP Morgan International Bank Ltd, partially used by Mittel Partecipazioni Stabili S.r.l., of EUR 9,3 million, in respect of which 15.000.000 Intesa Sanpaolo S.p.A. are pledged, granted at a fixed rate equal to the daily Eonia.

Loans (EUR 47,4 million) granted to Mittel Investimenti Immobiliari S.r.l. in the form of hot money by the leading banks regulated at fixed rates indexed to the 1-3 month Euribor and expiring in four months.

Risks related to interest rate fluctuation

The Mittel Group uses various forms of financing to support its investments, therefore, significant changes in interest rates could involve major increases/decreases in the cost of financing or in margins deriving from financial services. In order to mitigate these risks, Group deposits and loans are at a variable rate. Where necessary, the Group uses derivative financial instruments, periodically evaluating, through sensitivity analysis of its positions, the opportunity to stipulate generic/specific hedges.

As regards the bank debt of the company Fashion District Group S.p.A., for each debt position, contracts were stipulated involving fixed and/or variable rate IRSs within pre-established ranges as shown in the section Risk of default and debt covenants.

Credit risk

The Mittel Group is exposed to potential losses resulting from the non-fulfilment of the obligations assumed by the counterparties (both financial and commercial transactions), with specific reference to the following phenomena:

- in relation to the Private Equity/Investment Company segment, maintenance of heavy involvement in the entrepreneurial risk of the investments disposed of, also in relation to the presence of the vendor loan;
- concentration of credit on certain major customers;
- increase in the average collection times of trade receivables, with a subsequent worsening in the financial position with respect to the forecasts.

As at 30 September 2012, the consolidated exposure to credit risk with an indication of the future expiry period of financial receivables is detailed below:

Amounts in thousands of Euro

	Up to 6 months	From after 6 months to 1 year	From after 1 year to 3 years	From after 3 years to 5 years	After 5 years	Undetermined term	Total
Financial assets for receivables							
Medium/long-term financial receivables	-	-	78.044	32.752	44.674	1.500	**156.971**
Current financial receivables	42.121	6.499	-	-	-	-	**48.620**
	42.121	**6.499**	**78.044**	**32.752**	**44.674**	**1.500**	**205.591**

Risks related to management

The Group's success depends largely on certain key management figures who have made a significant contribution to business development. The loss of these personnel or the inability to attract, train and retain other qualified staff could lead to a reduction in the Group's competitive capacity, affect the forecast growth objectives and have an adverse impact on the Group's business prospects, and on the economic results and/or the financial position of the Group itself.

In addition, should one or more of the aforementioned key personnel end their partnership with the Group, there is a risk of this individual not being quickly replaced with someone who can ensure the same contribution in the short-term, potentially with a direct impact on company performances and on the ability to reproduce the results achieved over time.

Risks connected to legal disputes and judicial proceedings

These relate to the risk of the company and the Group having to cover liabilities / reputational damages resulting from various type of legal dispute, also with specific reference to the risk of having to be liable for previous work as a shareholder of transferred companies (e.g. legal disputes for guarantees issued).

In this case, the Group may be required to liquidate some extraordinary liabilities, with subsequent economic and financial effects and further image damage.

As regards the SNIA dispute, please refer to the section "Significant events in the year".

Risks relating to disputes in the real estate sector

Risks deriving from legal disputes (civil and administrative proceedings) to which real estate companies are exposed, with specific reference to:

- disputes regarding the buying/selling of properties;
- disputes with the tax authorities;
- disputes with tenants;
- disputes deriving from non-compliance with environmental / workplace health and safety legislation, planning controls, etc.

Risks related to changes in the legislation applicable to the Group

Many Group companies carry out their activities in regulated sectors. The activities of the Mittel Group are subject to Italian and EU regulations and legislation. There is no guarantee that there will not be any future changes to existing regulations and legislation, including at interpretative level, which may generate an increase in costs, expenses or levels of Group responsibility or adversely impact the Group's activities, with potential prejudicial effects on the activities and/or economic, equity and/or financial situation of the Group itself.

Significant events after 30 September 2012

On 16 November 2012, the extraordinary shareholders' meeting of Fashion District Group S.p.A. unanimously resolved an indivisible paid share capital increase, from EUR 1.380.000 to EUR 8.880.000, through the issuing of 7.500.000 ordinary shares with a nominal value of EUR 1,00 each, to be offered under option to shareholders in proportion to the stakes held in share capital.
The share capital increase was subscribed in full and proportionally by the three equal shareholders Earchimede S.p.A., FD33 S.p.A. - a company directly and indirectly controlled by Mittel S.p.A. through said company Earchimede S.p.A. - and Mixinvest S.p.A. through the payment of two tranches of which the first, equal to 25% of the share capital increase, on the same date as the extraordinary shareholders' meeting and the second on 12 December 2012.
Earchimede S.p.A. and FD33 S.p.A. each paid EUR 2.500.000 corresponding to the entire share capital increase. FD33 S.p.A. subscribed its share of the increase in share capital in Fashion District Group S.p.A., financing itself from its Parent Company Earchimede S.p.A. (of which it is a wholly-owned subsidiary).

On 19 November 2012, with reference to the shareholders' agreement signed on 18 May 2011 between Mittel S.p.A., Equinox Two S.c.A., Tower 6 S.àr.l., Ghea S.r.l. and Tower 6 bis S.àr.l., regarding mutual relations between Mittel, Tower 6 S.àr.l. and Ghea S.r.l., as shareholders holding a total of 72,73% of the share capital of Bios S.p.A. ("Bios"), as well as investments of Bios S.p.A. and Tower 6 bis S.àr.l. in the company Sorin S.p.A., equal to 25,4392% of share capital, Mittel S.p.A., Equinox Two S.c.A., Tower 6 S.àr.l., Ghea S.r.l. and Tower 6 bis S.àr.l. signed an agreement under which the term of the shareholders' agreement, expiring on 17 May 2014, was extended to 17 May 2015, with no provision for clauses of automatic renewal after said date.

As regards the offence committed by Emilio Gnutti (at the time the legal representative of Hopa S.p.A.) of market manipulation during the "takeover bid" at BNL S.p.A. to the detriment of Banco Bilbao Vizcaya Argentaria S.A. and the subsequent summons of Hopa S.p.A., pursuant to Italian Legislative Decree 231/2001, on 19 December 2012, the judgment of the Supreme Court of Cassation was filed, issued on 7 December 2012, which upheld the appeal of the Procurator General against the acquittal judgment of the Milan Court of Appeal on 30 May 2012 against the defendants and the entities involved (Hopa S.p.A.) and the reasons proposed by the defendants sentenced were rejected. It should be noted that, on 30 May 2012, the Milan Court of Appeal absolved, after the first instance conviction, Hopa S.p.A. from the payment of the administrative penalty of EUR 480.000.
At another sitting, the Milan Court of Appeal will be called to set a date for the new proceedings. In the meantime, Mittel S.p.A.'s legal representative asked the Court of Cassation to reject the appeal of the Milan Procurator General.

As regards the dispute between Mittel S.p.A. and Società Espansione Mediterranea S.r.l., relating to the preliminary contract for the sale of a piece of land in Naples, on Via Giochi del Mediterraneo, signed on 16 June 2008 and where the purchaser Espansione Mediterranea S.r.l. had filed an appearance, also requesting, by way of a counter-claim, the declaration of nullity, ineffectiveness, cancellation and/or termination of the preliminary contract and, as a consequence, the sentencing of Mittel to return the earnest money of EUR 1,9 million, at the hearing on last 29 November, the Judge did not make a decision on the case, granting the parties the terms for filing of the final statement and reply brief according to art. 190 of the Code of Criminal Procedure. The term for filing final statements expires on 28 January 2013, while the term for filing a reply brief expires on 17 February 2013.

On 30 November 2012, the extraordinary shareholders' meeting of Breme S.r.l. adopted provisions pursuant to art. 2482-ter of the Italian Civil Code given that, on the basis of the statement of financial position as at 31 August 2012, drafted by the company using financial statement criteria, negative shareholders' equity of EUR 74.732 emerged. The extraordinary shareholders' meeting resolved the coverage of losses and the reconstitution of share capital to EUR 10.000, through the payment of EUR 100.000 by shareholders (EUR 72.000 by Mittel Investimenti Immobiliari S.r.l.) with the allocation of the excess paid to the "capital reserve".
On 12 December 2012, Breme S.r.l.'s administrative body prepared and filed at its headquarters, a project for the partial and proportional split of the company, to be implemented through the allocation of part of the assets of the split-off company to a limited liability company which will be formed as a result of the split itself, with the proportional allocation of the shares of the beneficiary company to the shareholders of the split-off company, according to the proportion of shares held by the latter in the split-off company.
The beneficiary company will assume the name Santarosa S.r.l. with registered office in Milan, in piazza Diaz no. 7 and a share capital of EUR 10.000, formed through the use, for the same amount, of the shareholders' equity item "Capital reserves", transferred as a result of the split.

The split-off project was filed at the Milan Register of Companies on 12 December 2012 and on 13 December 2012.
On 14 December 2012, the extraordinary shareholders' meeting of Breme S.r.l. resolved favourably on said transaction.
On 28 December 2012, having obtained the consent of all creditors regarding the execution of the split-off, before the term established in art. 2503 of the Italian Civil Code, the split-off deed was signed.

In terms of developments in the Snia and Rizzoli cases after 30 September 2012, please refer to the section "Significant events in the year".

Business outlook for the year

The external economic and financial situation that represents the context in which Mittel operates is, at present, only expected to record slight improvement in the second half of 2013. The company drew up a Plan for the 2013-2015 period which envisages natural growth, predominantly internally, in activities that are more closely tied to the tradition and culture of the company itself, in order to make the best use of the available assets and know-how. Mittel wants to concentrate on Advisory, Private Equity and Real Estate activities, with the goal of reducing financial debt and creating a stable income base which provides shareholders with an adequate return.

Corporate Governance

Mittel S.p.A. signed up to the original 1999 version of the Corporate Governance Code of for listed companies promoted by Borsa Italiana S.p.A., and currently adheres to the Corporate Governance Code approved in March 2006 and amended in March 2010.

Given the date set as the end of the Issuer's financial year (30 September of each year, as set forth by article 23 of the Articles of Association), Mittel will assess the adjustments required by the Corporate Governance Code 2011, taking account of the temporary regulations contained therein, during the financial year ending at 30 September 2013, and will inform the market of such adjustments in the Report on Corporate Governance to be published the following year.

At the meeting on 20 December 2012, on the proposal of the Remuneration Committee, the Board of Directors resolved the Remuneration Policy, in compliance with the recommendations of the Corporate Governance Code and regulatory provisions issued by Consob which came into force on 31 December 2011. Pursuant to law, the Remuneration Policy constitutes the first section of the Remuneration Report and will be subject to review by the shareholders' meeting called to approve the 2012 separate financial statements.

The Director and Statutory Auditor offices held by the members of the Board of Directors and the Board of Statutory Auditors in other companies listed on regulated Italian and foreign markets, in financial companies, banks, insurance companies or large companies are shown below:

Franco Dalla Sega	Director of the Supervisory Board of Intesa Sanpaolo S.p.A. Standing Auditor of RCS Media Group S.p.A. Chairman of the Board of Statutory Auditors of Intesa Sanpaolo Previdenza SIM S.p.A.
Romain C. Zaleski	---
Arnaldo Borghesi	---
Maria Vittoria Bruno	---
Giorgio Franceschi	Deputy Chairman and Managing Director of Iniziative Finanziarie Atesine S.r.l. Deputy Chairman of Botzen Invest AG S.p.A. Managing Director of ISA Istituto Atesino di Sviluppo S.p.A. Managing Director of Calisio S.p.A. Director of Castello SGR S.p.A. Director of Mittel Investimenti Immobiliari S.r.l. Director of Dolomiti Energia S.p.A.

Stefano Gianotti	Director of Banco di Brescia S.p.A. Director of Calisio S.p.A.
Giambattista Montini	Director of Banco di Brescia S.p.A.
Giuseppe Pasini	Chairman of Feralpi Holding S.p.A. Chairman and Managing Director of Feralpi Siderurgica S.p.A.
Giampiero Pesenti	Chairman and Managing Director of Italmobiliare S.p.A. Chairman of the Board of Directors of Italcementi S.p.A. Deputy Chairman of Fondazione Italcementi Cav. Lav. Carlo Pesenti Director of Ciments Français S.A. Director of Compagnie Monégasque de Banque Director of Crédit Mobilier de Monaco Director of Finter Bank Zurich Director of Istituto Europeo di Oncologia (European Institute of Oncology)
Duccio Regoli	---
Angelo Rovati	Chairman of the Board of Directors of CAF S.p.A. Centrale Attività Finanziaria S.p.A. Chairman of the Board of Directors of MIRE Mittel Real Estate SGR S.p.A.
Massimo Tononi	Chairman of Borsa Italiana S.p.A. Chairman of Istituto Atesino di Sviluppo S.p.A. Chairman of Prysmian S.p.A. Director of Sorin S.p.A. Director of the London Stock Exchange Group Plc
Enrico Zobele	Chairman of the Board of Directors of Fondazione Cassa di Risparmio di Trento e Rovereto Director of Cattolica Assicurazioni S.p.A. Director of ISA Istituto Atesino di Sviluppo S.p.A. Director of La Finanziaria Trentina S.p.A.
Giovanni Brondi	Chairman of the Board of Statutory Auditors of Banca Prossima S.p.A. Chairman of the Board of Statutory Auditors of Bios S.p.A. Standing Auditor of Commerciale Siderurgica Bresciana S.p.A.
Flavio Pizzini	Deputy Chairman of the Management Board of Unione Banche Italiane S.c.p.A. Deputy Chairman of UBI Sistemi e Servizi S.c.p.A. Chairman of UBI INTERNATIONAL S.A.
Alfredo Fossati	Chairman of the Board of Statutory Auditors of Edison S.p.A. Chairman of the Board of Statutory Auditors of Mittel Corporate Finance S.p.A. Chairman of the Board of Statutory Auditors of Permira Associati S.p.A. Chairman of the Board of Statutory Auditors of Ventuno Group S.p.A. Standing Auditor of Marazzi Group S.p.A. Standing Auditor of Energetic Source S.p.A: Director of Metalcam S.p.A.
Roberta Crespi	---
Giulio Tedeschi	Chairman of the Board of Statutory Auditors of Italease Finance S.p.A. Chairman of the Board of Statutory Auditors of Bulova Italy S.p.A. Standing Auditor of Carlo Tassara S.p.A. Chairman of the Board of Statutory Auditors of Mittel Real Estate SGR S.p.A. Chairman of the Board of Statutory Auditors of Mittel Investimenti Immobiliari S.r.l.

Sole Director of Sorfid S.r.l.

The Report on Corporate Governance and Ownership Structures is available on www.mittel.it in the Corporate Governance section.

Other information

Research and development activities
Given the company operates in the financial, real estate and outlet sectors, no specific research and development activities are carried out.

Atypical and/or unusual transactions
Pursuant to Consob communication of 28 July 2006, it should be noted that the company and the Group did not carry out atypical and/or unusual transactions during the year which were not communicated to the market in accordance with the Issuers' Regulation.

Significant non-recurring events and transactions
Pursuant to the aforementioned Consob communication, no significant non-recurring transactions were performed during the year.

Information on the environmental impact
Given the company operates in the financial, real estate and outlet sectors, no activities were carried out that had an impact on the environment.
Therefore, there are no significant environmental issues to report.

Human resources
Personnel are suited to meeting the needs of companies belonging to the sector in which the Group operates.
Training activities were focused on updating staff on the changes in the legislation and regulations that apply to the Group and on training courses regarding IT tools for supporting the organisation of work.

Transactions with related parties of the Group
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 year 2011-2012, transactions were entered into with said counterparties as part of ordinary operations 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 activities connected with Group treasury services from Mittel Generale Investimenti S.p.A.;
- 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.

In particular, the most significant related party transactions include:
- the transfer of Mittel Generale Investimenti S.p.A.. For a detailed description see the section "events during the year" in this report and the information document regarding material transactions with related parties, available on www.mittel.it;
- obtainment of a loan of EUR 35,1 million by Mittel S.p.A. from subsidiary Earchimede S.p.A., on an arm's length basis;
- purchase of Castello SGR S.p.A. by Mittel S.p.A. in favour of Mittel Corporate Finance S.p.A.;
- the signing of a preliminary contract for the sale of a 65% stake in Mittel Real Estate SGR S.p.A. to Vantu S.p.A., a company headed up by a Mittel S.p.A. director.

For details on the statement of financial position and the income statement, please refer to the section in the explanatory notes.
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 2009/2010, the company Mittel Corporate Finance S.p.A. adhered to Group tax consolidation for the 2009/2010, 2010/2011 and 2011/2012 three-year period. It should be pointed out that, on 10 February 2011, the Board of Directors of Mittel S.p.A. acknowledged the renewal of Group tax consolidation pursuant to articles 117-129 of the Consolidated Law on Income Tax for the 2010/2011, 2011/2012 and

2012/2013 three-year period for the subsidiaries Mittel Investimenti Immobiliari S.r.l., Cad Immobiliare S.r.l., Esse Ventuno S.r.l., Gamma Uno S.r.l. in liquidazione (in liquidation), Spinone S.r.l. in liquidazione (in liquidation) and Livia S.r.l. in liquidazione (in liquidation).

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 Generale Investimenti S.p.A. and Mittel S.p.A. to natural persons and companies falling within the wider definition of related parties.

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

Treasury shares

Earchimede S.p.A. held 98.750.125 ordinary shares in Parent Company Hopa S.p.A., equal to 7,15% of the share capital of the latter. Hopa S.p.A. shares, following the merger by incorporation of Tethys S.p.A. in Mittel S.p.A. and the merger of Hopa S.p.A. in Mittel S.p.A., which took effect on 5 January 2012 as per the deed of notary Marchetti dated 30 December 2011, a total of 3.555.003 ordinary Mittel S.p.A. shares were swapped, equal to 4,04% of share capital of the latter. It should be noted that no acquisitions or disposals of additional treasury shares were carried out during the year 2011-2012, either directly or indirectly, with respect to those held indirectly via Earchimede S.p.A..

Share-based payment arrangements

No share-based payment plans were in place.

Security Policy Document

Despite the elimination of the obligation to draft the Security Policy Document due to art. 46 of Decree Law on simplifications and development, the Directors acknowledge that the company implemented all the necessary adjustment measures and actions in relation to the protection of personal data in accordance with the legal terms and methods with reference to changes that occurred within the company.

Interests of members of administration and control bodies, general managers and key managers

(pursuant to art. 79 of Consob resolution no. 11971 of 14.5.1999 and subsequent amendments)

Name and surname	Investee company	Shares held as at 30.09.2011		Shares purchased	Shares sold	Shares held as at 30.09.2012
Giovanni Bazoli	Mittel S.p.A.	351.432	(a) (b)	-	-	351.432
Arnaldo Borghesi	Mittel S.p.A.	-		68.319	-	68.319
Giovanni Brondi	Mittel S.p.A.	37.915	(c)	45.490	45.004	38.401
Stefano Gianotti	Mittel S.p.A.	143.029		-	-	143.029
Angelo Rovati	Mittel S.p.A.	276.059		192.511	-	468.570
Mario Spongano	Mittel S.p.A.	334.250	(d)	8.035	-	342.285
Massimo Tononi	Mittel S.p.A.	414.089		-	-	414.089
Romain Camille Zaleski	Mittel S.p.A.	685.851	(e)	-	-	685.851
Enrico Zobele	Mittel S.p.A.	52.000		5.000	-	57.000

(a) of which 141.242 held by spouse
(b) resigned on 26 April 2012
(c) of which 271 held by spouse
(d) of which 31.250 held by spouse
(e) of which 685.851 held by spouse

Proposal of the Board of Directors

Dear Shareholders,

We submit for your approval the separate financial statements for the 1.10.11 - 30.09.12 period, comprised of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of changes in Shareholders' Equity, Cash flow statement and the Explanatory notes, as well as the annexes and Report on operations.

The Board of Directors proposes that Shareholders' meeting allocate the profit for the year as follows:

• Profit for the year	**53.191.216**
• To the Legal reserve	**(2.659.561)**
• To be carried forward	**50.531.655**

Milan, 10 January 2013

For the Board of Directors
The Chairman

(Franco Dalla Sega)

Statement of reconciliation of shareholders' equity and profit for the year

The reconciliation between shareholders' equity and profit for the year of the Parent Company, as shown in the separate financial statements for the year ended as at 30 September 2012, and the shareholders' equity and profit for the year of the Group, as reported in the consolidated financial statements as at the same date, is as follows:

(amounts in thousands of Euro)	30 September 2012		30 September 2011	
	Shareholders' equity	Income (loss) for the year	Shareholders' equity	Income (loss) for the year
Shareholders' equity and income (loss) of the Parent Company	**327.761**	**53.191**	**191.539**	**(63.435)**
Elimination of book value of consolidated investments:				
Value of investments in consolidated companies	(190.228)		(146.301)	
Goodwill arising from consolidation				
Intangible assets arising from business combinations				
Net capital gain attributed to the activities of consolidated companies			230	
Pro rata amount of shareholders' equity of consolidated companies	162.132		251.594	
Results achieved by fully consolidated companies		(37.078)		(4.967)
Cancellation of write-downs of investments	60.148	55.986		69.153
Adjustments for consistency with Group accounting policies:				
Fair value adjustments of financial assets	41.218	(657)	61.858	(38.121)
Adjustments for pro-rata results of investments valued according to the equity method	17.113	19.302	11.429	(257)
Elimination of effects of transactions carried out between consolidated companies:				
Net intercompany income capitalised in consolidated companies	(76.136)	(41.004)	(76.555)	
Elimination of intercompany dividends:				
Dividends distributed by fully consolidated companies		(51.418)		(14.181)
Dividends distributed by associates		(16.243)		(187)
Shareholders' equity and income (loss) for the year pertaining to the Group	**342.008**	**(17.921)**	**293.794**	**(51.995)**
Non controlling interests	55.525	(4.187)	187.537	(7.351)
Consolidated shareholders' equity and income (loss)	**397.533**	**(22.108)**	**481.331**	**(59.346)**

INTRODUCTIONS ON CHANGES TO THE PRESENTATION LAYOUTS AND THE CLASSIFICATION CRITERIA APPLIED FOR THE DRAFTING OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS OF MITTEL S.p.A. AS AT 30 SEPTEMBER 2012

Financial statement structure and classification criteria adopted by Mittel S.p.A. for the drafting of the separate financial statements and consolidated financial statements in previous years
Mittel S.p.A. (hereinafter also the "Company") drafts its separate and consolidated financial statements according to the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set out in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002 starting from the year ended 30 September 2006.
In particular, the separate and consolidated financial statements are prepared in accordance with IAS/IFRS, in compliance with the provisions of art. 82 of Issuers' Regulation no. 11971 of 14 May 1999, amended by Consob Resolution no. 14990 of 14 April 2005.

With reference to the financial statement presentation criteria adopted by the company, it should be noted that, for the purposes of uniformity and relevance in the application of the drafting criteria adopted by the subsidiary Mittel Generale Investimenti S.p.A., a company registered in the special list of Financial Intermediaries pursuant to art. 107 of Legislative Decree 385/1993 (Consolidated Law on Banking) and subject to monitoring by the Bank of Italy, the company availed itself, starting from the first financial statements drafted in compliance with IAS/IFRS, of financial statement layouts and recognition and classification criteria compliant with the instructions issued by the Bank of Italy on 22 December 2005, supplemented and adapted in accordance with the specific presentation requirements of the Mittel Group.

Furthermore, it should be pointed out that Mittel S.p.A. was registered in the section of the general list of financial intermediaries pursuant to art. 113 of the Consolidated Law on Banking. This section of the general list of financial intermediaries pursuant to art. 113 of the Consolidated Law on Banking was repealed in accordance with Legislative Decree no. 141 of 13 August 2010, with the subsequent cancellation of the registered financial intermediaries.
Following the repeal of the general section of registered financial intermediaries pursuant to art. 113 of the Consolidated Law on Banking, the company was not registered in the list pursuant to art. 106 of the Consolidated Law on Banking, given it does not perform any significant financial activity for the purposes of said Consolidated Law on Banking according to the criteria of exclusion from the application of Legislative Decree 87/92, with particular regard to the incidence of financial activity on total activities carried out, to the entities with which these activities are performed and to the financial or non-financial composition of the investment portfolio.
In October 2010 (following the issuing of Legislative Decree 141/2010), the question of financial statement layouts and classification criteria to be adopted by companies that were registered in the general list of financial intermediaries pursuant to art. 113 of the Consolidated Law on Banking was put by Assirevi's Financial Services Commission to Bank of Italy, but there have been no announcements in this regard. In the absence of reference legal interpretations, according to the new legislation, no changes should take place that can affect the application of the financial statement layouts set forth by Legislative Decree 87/92, deemed possible yet non-mandatory.

Therefore, due to the needs for relevance and uniformity of presentation of the information on the statement of financial position, economic result and on changes to the financial structure and, at the same time, to avoid drafting criteria and techniques that are not homogeneous for the purposes of preparation of the consolidated financial statements, owing to the significance of the equity and financial items and of the economic result of the subsidiary Mittel Generale Investimenti S.p.A. for the consolidated results of the Group headed up by Mittel S.p.A., as regards the drafting of the separate and consolidated financial statements of Mittel S.p.A., in the past it was deemed appropriate to adopt financial statement layouts, classification and information criteria for the explanatory notes compliant with the provisions of the Bank of Italy set out to regulate the application of IAS/IFRS and adopted, as mandatory, by the subsidiary Mittel Generale Investimenti S.p.A. given a monitored financial intermediary.

I. Transfer of Mittel Generale Investimenti S.p.A.
On 24 July 2012, the Board of Directors of Mittel S.p.A. approved the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. to Liberata S.p.A., a company currently 36,5% owned by Istituto Atesino di Sviluppo - ISA S.p.A., 36,5% owned by Fondazione Cassa di Risparmio di Trento e Rovereto and 27% owned by Mittel S.p.A..

The transfer of Mittel Generale Investimenti S.p.A. was carried out on 25 July 2012, in accordance with the terms and conditions set out in the investment and purchase contract signed on 24 July 2012 by Mittel S.p.A., Istituto Atesino di Sviluppo – ISA S.p.A., Fondazione Cassa di Risparmio di Trento e Rovereto and Liberata S.p.A..
The purchase contract made provision for the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. by 25 July 2012, at a price of EUR 75 million, of which EUR 44,8 million to be paid on the date of execution of the transaction and EUR 30,2 million secured by a 30-month interest-bearing vendor loan.
The execution is subject to the stipulation of bank loans to Liberata S.p.A. totalling EUR 25 million, which augment the company's financial resources (share capital and shareholders' loan) for EUR 20 million, of which EUR 5,4 million pertains to Mittel S.p.A..

Through the transfer of control of Mittel Generale Investimenti S.p.A., Mittel S.p.A. confirmed its intention to pursue the objective of rationalising the Group's activities and focusing the hub of its activities on less capital intensive business with the simultaneous strengthening of the Mittel Group's equity and financial structure.
In addition, reduced interest in credit granting activities, as a result of the transfer, lastly involves a significant reduction in the concentration of financial risks for the Group.

II. Changes in the classification format and criteria adopted for the drafting of the separate and consolidated financial statements in compliance with IAS/IFRS as at 30 September 2012

In compliance with the general requirement of uniformity of presentation in the financial statements, an entity must retain the presentation and classification of items in the financial statements from one year to the next, unless it is evident that, following a significant change in the nature of an entity's transactions or a review of the financial statements, another presentation or classification would be more appropriate, taking into account the criteria for the selection and application of the accounting standards defined in IAS 1.

The transfer of control of Mittel Generale Investimenti S.p.A. is representative of a significant disposal which required a re-examination of the presentation methods of the financial statements, which meant the company considered it necessary to present its financial statements based on the adoption of new guidelines for the content and structure of the tables in the statement of financial position, income statement, statement of changes in shareholders' equity, cash flow statement and the associated explanatory notes. This new presentation is able to provide a better representation of the financial statements, adequately meeting the objectives of supplying information that is more relevant for financial statement users, a revised presentation structure that is likely to be used in the future and, at the same time, permits the required comparisons between accounting information.

The revision of the form and content of the financial statements involved the arrangement of new layouts for the tables in the statement of financial position, income statement, statement of changes in shareholders' equity and the cash flow statement, which was adopted on the basis of reference guidelines that are better detailed in the explanatory notes.
Items were identified which, in observance of the structure and content of the minimum information to be shown in the financial statements, are sufficiently different in nature or function to warrant separate presentation.

The statement of financial position layout adopted for the current year reflects the classification of items according to the current/non-current criterion whilst, for the income statement, the "by nature" layout was adopted for the classification of costs.

It should also be noted that, in order to comply with the indications in Consob resolution no. 15519 of 27 July 2006 "Provisions governing financial statement layouts", in addition to the mandatory tables, the appropriate consolidated statement of financial position and income statement tables were prepared, with evidence of the significant amounts of positions or transactions with related parties indicated separately from the respective reference items.

The cash flow statement was drafted by applying the indirect method, through which the pre-tax result was adjusted by the effects of non-monetary transactions, any deferment or provision of previous or future operating collections or payments and by elements of revenues or costs connected to the cash flows deriving from investment or financing activities.
In particular, with the indirect method, the net cash flow from operations is determined by adjusting the profit or loss for the effects of non-monetary items such as amortisations, provisions, deferred taxes, unrealised exchange gains and losses, undistributed profits of associates, and portions pertaining to third parties, variations in inventories and in receivables and payables generated by operations in the year and elements whose monetary effects are cash flows from investment or financing activities.

III. Comparative information of the statement of financial position

The change which occurred in the structure and classification criteria adopted for the preparation of the financial statements for the year ended as at 30 September 2012 entailed the need to present three comparative statement of financial position tables which relate to:

- the close of the current year (30 September 2012);
- the close of the previous year (30 September 2011);
- the start of the previous year (1 October 2010).

The section below "appendix on changes to the presentation layouts and the classification criteria applied for the drafting of the separate and consolidated financial statements of Mittel S.p.A." attached to these financial statements contains information relating to the purposes of the restatement of the financial statement layouts adopted and contains tables which show the reconciliation of the separate statement of financial position and consolidated statement of financial position with reference to the close of the previous year (30 September 2011) and the start of the first comparative year (1 October 2010), and the reconciliation of the separate and consolidated income statements at the close of the previous year.

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2012

- STATEMENT OF FINANCIAL POSITION
- INCOME STATEMENT
- STATEMENT OF COMPREHENSIVE INCOME
- STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
- CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

Amounts in EUR

	Notes	30.09.2012	30.09.2011	01.10.2010
Non-current assets				
Intangible assets	5	21.751.420	26.447.544	100.953
Property, plant and equipment	6	147.375.964	162.232.102	3.363.974
Investments accounted for using the equity method	7	39.098.753	29.518.941	49.297.502
Financial receivables	8	156.970.846	214.894.184	121.691.579
Other financial assets	9	143.249.182	143.919.965	134.136.974
Sundry receivables and other assets	10	329.648	331.300	146.562
Prepaid tax assets	11	9.456.406	7.687.009	679.366
Total non-current assets		**518.232.219**	**585.031.045**	**309.416.910**
Current assets				
Property inventories	12	117.640.612	103.653.643	79.828.059
Financial receivables	13	48.620.504	174.662.179	171.043.682
Other financial assets	14	-	41.342.234	18.225.312
Tax assets	15	16.580.927	17.629.827	2.854.210
Sundry receivables and other assets	16	18.213.603	9.510.951	3.686.867
Cash and cash equivalents	17	14.890.371	64.656.068	16.584.336
Total current assets		**215.946.017**	**411.454.902**	**292.222.466**
Assets held for sale	18	2.550.369	1.003.793	-
Total assets		**736.728.605**	**997.489.740**	**601.639.376**
Shareholders' equity				
Share capital		87.907.017	70.504.505	70.504.505
Share premium		53.716.218	53.716.218	53.716.218
Treasury shares		(9.875.000)	-	-
Reserves		228.181.886	221.568.741	263.567.100
Profit (loss) for the year		(17.920.929)	(51.995.537)	(37.801.674)
Shareholders' equity pertaining to the Group	19	**342.009.192**	**293.793.927**	**349.986.149**
Non controlling interests	20	55.524.942	187.536.987	8.154.157
Total shareholders' equity		**397.534.134**	**481.330.914**	**358.140.306**
Non-current liabilities				
Financial payables	21	109.922.609	134.138.946	27.907.918
Other financial liabilities	22	402.285	4.721.075	-
Provisions for personnel	23	1.500.636	1.616.088	859.425
Deferred tax liabilities	24	34.998.430	38.426.357	3.629.866
Provisions for risks and charges	25	4.510.158	6.215.354	2.896.468
Sundry payables and other liabilities	26	1.900.000	1.900.000	1.900.000
Total non-current liabilities		**153.234.118**	**187.017.820**	**37.193.677**
Current liabilities				
Financial payables	27	142.991.780	299.929.264	198.878.097
Other financial liabilities	28	7.049.128	861.212	-
Tax liabilities	29	739.783	684.110	-
Sundry payables and other liabilities	30	34.984.837	27.666.420	7.427.296
Total current liabilities		**185.765.528**	**329.141.006**	**206.305.393**
Liabilities held for sale	31	194.825	-	-
Total shareholders' equity and liabilities		**736.728.605**	**997.489.740**	**601.639.376**

(*) Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated statement of financial position of the Mittel Group are outlined in the appropriate statement of financial position table shown in the pages below and are described not only in the comments on the individual financial statement items but in the explanatory notes to these financial statements.

CONSOLIDATED INCOME STATEMENT (*)

Amounts in EUR

	Notes	01.10.2011 30.09.2012	01.10.2010 30.09.2011
Revenues	32	47.071.261	36.444.332
Other income	33	3.908.396	4.383.030
Variations in property inventories	34	15.098.076	7.590.207
Costs for purchases	35	(19.937.171)	(21.244.289)
Costs for services	36	(32.043.689)	(20.462.976)
Personnel costs	37	(9.625.253)	(6.615.222)
Other costs	38	(6.509.888)	(3.401.982)
Dividends	39	6.081.284	2.247.733
Profit (loss) from management of financial activities and investments	40	158.865	4.179.580
Gross operating margin (EBITDA)		**4.201.881**	**3.120.413**
Amortisation and value adjustments to intangible assets	41	(18.899.071)	(7.688.263)
Allocations to the provision for risks	42	(3.857.142)	(66.274)
Value adjustments to financial assets and receivables	43	(9.825.885)	(42.927.577)
Share of income (loss) of investments accounted for using the equity method	44	18.075.638	(1.653.738)
Operating result (EBIT)		**(10.304.579)**	**(49.215.439)**
Financial income	45	9.074.767	6.002.963
Financial expenses	46	(13.594.231)	(8.845.398)
Profit (loss) from trading of financial assets	47	(1.750.000)	(4.399.009)
Income (loss) before taxes		**(16.574.043)**	**(56.456.883)**
Income taxes	48	213.646	538.484
Income (loss) from continuing operations		**(16.360.397)**	**(55.918.399)**
Income (loss) from assets held for sale	49	(5.747.995)	(3.428.392)
Profit (loss) for the year		**(22.108.392)**	**(59.346.791)**
Attributable to:			
Income (loss) pertaining to non controlling interests	50	(4.187.463)	(7.351.254)
Income (loss) pertaining to the Group		**(17.920.929)**	**(51.995.537)**

Earnings/(loss) per share (in EUR)	51		
From continuing ordinary operations:			
- Basic		(0,222)	(0,737)
- Diluted		(0,222)	(0,591)
From assets transferred and disposed:			
- Basic		(0,071)	(0,049)
- Diluted		(0,071)	(0,039)

(*) Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated income statement of the Mittel Group are outlined in the appropriate income statement table shown in the pages below and are described not only in the comments on the individual financial statement items but in the explanatory notes to these financial statements, to which reference should be made.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in EUR

	Notes	01.10.2011 30.09.2012	01.10.2010 30.09.2011
Profit (loss) for the year (A)		**(22.108.392)**	**(59.346.791)**
Effective part of the profits/(losses) on cash flow hedges	19	677.361	706.997
Profits/(losses) from the redetermination of available-for-sale financial assets	19	(1.896.288)	1.196.305
Profits/(losses) from the transfer of available-for-sale financial assets	19	(1.483)	-
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	19	-	(12.100.558)
Profits/(losses) of companies valued using the equity method	19	7.318.921	(16.759.228)
Tax effect relating to other profits/(losses)	-	863.160	1.089.498
Total other profits/(losses), net of taxes (B)		**6.961.671**	**(25.866.986)**
Total comprehensive profit/(loss) (A) + (B)		**(15.146.721)**	**(85.213.777)**
Total comprehensive profit/(loss) attributable to:			
Non controlling interests		(4.481.771)	(23.723.013)
Income (loss) pertaining to the Group		(10.664.950)	(61.490.764)

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY FOR THE YEAR ENDED AS AT 30 SEPTEMBER 2012

Amounts in EUR

	Share capital	Treasury shares	Capital reserves	Profit reserves	Cash flow hedge reserve	Reserve from available-for-sale financial assets	Share of comprehensive profits/(losses) of companies valued using the equity method	Non controlling interests	Total
Balance as at 1 October 2010	**70.504.505**	**-**	**53.716.218**	**206.350.860**	**-**	**3.070.926**	**16.343.640**	**8.154.157**	**358.140.306**
Effect of changes in the area of consolidation	-	-	-	8.611.310	(570.216)	4.336.769	623.637	203.105.840	**216.107.340**
Other changes	-	-	-	(652.507)	-	-	-	-	**(652.507)**
Dividends distributed	-	-	-	(7.050.450)	-	-	-	-	**(7.050.450)**
Total comprehensive profit/(loss)	-	-	-	(51.995.537)	102.164	(3.552.358)	(6.045.034)	(23.723.013)	**(85.213.777)**
Balance as at 1 October 2011	**70.504.505**	**-**	**53.716.218**	**155.263.676**	**(468.052)**	**3.855.337**	**10.922.243**	**187.536.984**	**481.330.912**
Increase in share capital	17.402.512	-	-	-	-	-	-	-	**17.402.512**
Effects of merger by incorporation of Hopa SpA	-	(9.875.000)	-	8.393.750	-	-	-	1.481.250	**-**
Effect of changes in the area of consolidation	-	-	-	45.657.024	(1.237.680)	1.482.092	(2.945.449)	(124.343.405)	**(81.387.418)**
Other changes	-	-	-	-	-	-	-	-	**-**
Dividends distributed	-	-	-	-	-	-	-	(4.465.000)	**(4.465.000)**
Total comprehensive profit/(loss)	-	-	-	(17.920.929)	278.086	(338.062)	7.318.921	(4.684.887)	**(15.346.871)**
Balance as at 30 September 2012	**87.907.017**	**(9.875.000)**	**53.716.218**	**191.393.521**	**(1.427.646)**	**4.999.367**	**15.295.715**	**55.524.942**	**397.534.135**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in EUR	Notes	30.09.2012	30.09.2011
OPERATING ACTIVITIES			
Net income (loss) for the year pertaining to the Parent Company and non controlling interests		**(22.108.392)**	**(59.346.791)**
Adjustments to reconcile net income (loss) with cash flows generated (absorbed) by operating activities:			
Current taxes		1.232.825	33.815
Deferred taxes		(786.868)	(840.099)
Amortisation of property plant and equipment		14.091.490	7.468.431
Amortisation of intangible assets and write-downs		4.807.581	86.945
Dividends received		(6.081.284)	(2.433.563)
Financial income		(9.074.767)	(15.846.408)
Financial expenses		13.594.231	9.578.434
Allocations to provisions for risks and charges		3.857.142	66.274
Provisions for employee severance indemnity		251.678	310.724
Other non-monetary net income		-	(909.610)
Capital loss from net discontinued operations		5.650.000	-
Profits/(losses) of investments valued according to the equity method		(17.449.744)	(1.864.905)
Write-downs (write-backs) of receivables		6.576.010	3.400.953
Capital gains (losses) from transfer of investments		(751.299)	-
Write-downs (write-backs) of available-for-sale financial assets		3.183.302	42.659.428
Write-downs (write-backs) of investments		66.573	-
Cash flows from operating activities before changes in working capital		**(2.941.522)**	**(17.636.372)**
Increase/(decrease) in property inventories		(13.986.969)	(10.939.650)
Increase/(decrease) in other current assets		(10.324.658)	21.349.321
Increase/(decrease) in trade payables and other current liabilities		7.217.614	8.030.004
Cash and cash equivalents generated (absorbed) by operating activities		**(20.035.535)**	**803.303**
Change in current financial assets		187.585	(14.295.305)
Uses of provisions for risks and charges		(2.762.338)	(96.468)
Payments of employee severance indemnity		(73.130)	(49.505)
(A) CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES		**(22.683.418)**	**(13.637.975)**
INVESTMENT ACTIVITIES			
Dividends received from subsidiaries and associates		54.278.591	-
Dividends received on financial assets		6.081.284	2.433.563
Investments in interests for:			
Acquisitions		(37.761.186)	(1.000)
Recapitalisations of associates net of specific loans		(1.949.951)	-
Cash flow connected to business combinations		-	14.140.787
Increase in available-for-sale financial assets		(9.240.268)	(967.696)
Other investments (property, plant and equipment and intangible assets)		(3.078.258)	(3.137.068)
Realisation from disposal of:			
Equity instruments available for sale		5.959.996	-
Net cash flow connected with assets held for sale		(2.071.165)	-
Net cash flow connected with discontinued operations	**52**	38.017.000	-
Other non-current assets (Property, plant and equipment, intangible assets and other)		2.101.911	65.066
Increase (decrease) in financial receivables due from customers and financial institutions		(52.987.674)	(34.726.470)
Interest collected		5.070.576	15.846.408
(B) NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES		**4.420.856**	**(6.346.410)**
FINANCING ACTIVITIES			
Increase (decrease) in payables due to banks and other lenders		(17.758.904)	84.744.034
Interest paid		(13.594.231)	(9.578.434)
Payment of dividends		(150.000)	(7.050.450)
(C) NET CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES		**(31.503.135)**	**68.115.150**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D = A+B+C)		**(49.765.697)**	**48.130.765**
OPENING CASH AND CASH EQUIVALENTS (E)		64.656.068	16.525.303
CLOSING CASH AND CASH EQUIVALENTS (F= D+ E)		**14.890.371**	**64.656.068**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

Amounts in EUR

	Notes	30.09.2012	*of which related parties*	*% incidence*	30.09.2011	*of which related parties*	*% incidence*
Non-current assets							
Intangible assets	5	21.751.420	-		26.447.544	-	
Property, plant and equipment	6	147.375.964	-		162.232.102	-	
Investments accounted for using the equity method	7	39.098.753	-		29.518.941	-	
Financial receivables	8	156.970.846	104.615.716	66,6%	214.894.184	46.750.757	21,8%
Other financial assets	9	143.249.182	-		143.919.965	-	
Sundry receivables and other assets	10	329.648	-		331.300	-	
Prepaid tax assets	11	9.456.406	-		7.687.009	-	
Total non-current assets		**518.232.219**	**104.615.716**	20,2%	**585.031.045**	**46.750.757**	8,0%
Current assets							
Property inventories	12	117.640.612	-		103.653.643	-	
Financial receivables	13	48.620.504	11.696.429	24,1%	174.662.179	12.268.660	7,0%
Other financial assets	14	-	-		41.342.234	-	
Tax assets	15	16.580.927	-		17.629.827	-	
Sundry receivables and other assets	16	18.213.603	-		9.510.951	-	
Cash and cash equivalents	17	14.890.371	-		64.656.068	-	
Total current assets		**215.946.017**	**11.696.429**	5,4%	**411.454.902**	**12.268.660**	3,0%
Assets held for sale	18	2.550.369	-		1.003.793	-	
Total assets		**736.728.605**	**116.312.145**	**15,8%**	**997.489.740**	**59.019.417**	**5,9%**
Shareholders' equity							
Share capital		87.907.017	-		70.504.505	-	
Share premium		53.716.218	-		53.716.218	-	
Treasury shares		(9.875.000)	-		-	-	
Reserves		228.181.886	-		221.568.741	-	
Profit (loss) for the year		(17.920.929)	-		(51.995.537)	-	
Shareholders' equity pertaining to the Group	19	**342.009.192**			**293.793.927**		
Non controlling interests	20	55.524.942	-		187.536.987	-	
Total shareholders' equity		**397.534.134**	-		**481.330.914**	-	
Non-current liabilities							
Financial payables	21	109.922.609	-		134.138.946	-	
Other financial liabilities	22	402.285	-		4.721.075	-	
Provisions for personnel	23	1.500.636	-		1.616.088	-	
Deferred tax liabilities	24	34.998.430	-		38.426.357	-	
Provisions for risks and charges	25	4.510.158	3.650.000	80,9%	6.215.354	-	
Sundry payables and other liabilities	26	1.900.000	-		1.900.000	-	
Total non-current liabilities		**153.234.118**	**3.650.000**		**187.017.820**	-	
Current liabilities							
Financial payables	27	142.991.780	8.675.907	6,1%	299.929.264	-	
Other financial liabilities	28	7.049.128	-		861.212	-	
Tax liabilities	29	739.783	-		684.110	-	
Sundry payables and other liabilities	30	34.984.837	7.475.632	21,4%	27.666.420	1.097.187	4,0%
Total current liabilities		**185.765.528**	**16.151.539**		**329.141.006**	**1.097.187**	
Liabilities held for sale	31	194.825	-		-	-	
Total shareholders' equity and liabilities		**736.728.605**	**19.801.539**	**2,7%**	**997.489.740**	**1.097.187**	**0,1%**

CONSOLIDATED INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

Amounts in EUR

	Notes	01.10.2011 30.09.2012	of which related parties	% incidence	01.10.2010 30.09.2011	of which related parties	% incidence
Revenues	32	47.071.261	-		36.444.332	-	
Other income	33	3.908.396	331.367	8,5%	4.383.030	-	
Variations in property inventories	34	15.098.076	-		7.590.207	-	
Costs for purchases	35	(19.937.171)	-		(21.244.289)	-	
Costs for services	36	(32.043.689)	(1.653.559)	5,2%	(20.462.976)	(2.525.202)	12,3%
Personnel costs	37	(9.625.253)	(2.233.556)	23,2%	(6.615.222)	(769.572)	11,6%
Other costs	38	(6.509.888)	-		(3.401.982)	-	
Dividends	39	6.081.284	-		2.247.733	-	
Profit (loss) from management of financial activities and investments	40	158.865	-		4.179.580	-	
Gross operating margin (EBITDA)		**4.201.881**	**(3.555.748)**		**3.120.413**	**(3.294.774)**	
Amortisation and value adjustments to intangible assets	41	(18.899.071)	-		(7.688.263)	-	
Allocations to the provision for risks	42	(3.857.142)	-		(66.274)	-	
Value adjustments to financial assets and receivables	43	(9.825.885)	-		(42.927.577)	-	
Share of income (loss) of investments accounted for using the equity method	44	18.075.638	-		(1.653.738)	-	
Operating result (EBIT)		**(10.304.579)**	**-**		**(49.215.439)**	**-**	
Financial income	45	9.074.767	5.004.934	55,2%	6.002.963	742.976	12,4%
Financial expenses	46	(13.594.231)	(117.233)	0,9%	(8.845.398)	(113.993)	1,3%
Profit (loss) from trading of financial assets	47	(1.750.000)	-		(4.399.009)	-	
Income (loss) before taxes		**(16.574.043)**	**4.887.701**		**(56.456.883)**	**628.983**	
Income taxes	48	213.646	-		538.484	-	
Income (loss) from continuing operations		**(16.360.397)**			**(55.918.399)**		
Income (loss) from assets held for sale	49	(5.747.995)	(5.747.995)	100,0%	(3.428.392)	(3.428.392)	100,0%
Profit (loss) for the year		**(22.108.392)**			**(59.346.791)**		
Attributable to:							
Income (loss) pertaining to non controlling interests	50	(4.187.463)			(7.351.254)		
Income (loss) pertaining to the Group		**(17.920.929)**			**(51.995.537)**		

EXPLANATORY NOTES

1 FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The consolidated financial statements are composed of the statement of financial position, income statement, statement of comprehensive income, cash flow statement and statement of changes in shareholders' equity, accompanied by the explanatory notes. The income statement was drafted in line with the minimum contents of IAS 1 - Presentation of Financial Statements - with classification of costs by nature; the statement of financial position was prepared according to the layout which highlights the breakdown of "current/non-current" assets and liabilities. The cash flow statement was drafted using the indirect method.

2 SIGNIFICANT ACCOUNTING STANDARDS AND DRAFTING CRITERIA

2.1 General principles

The separate and consolidated financial statements for the year ended as at 30 September 2012 were drafted in compliance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union on 30 September 2012, and the provisions issued in implementation of art. 9 of Legislative Decree no. 38/2005. IFRS also mean all revised international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

The separate and consolidated financial statements were prepared on the basis of the general historical cost principles, amended as required for the valuation of certain financial instruments. The directors established that, despite the presence of a difficult economic and financial context, no significant uncertainties existed, as defined by paragraph 24 of IAS 1, regarding business continuity.

This chapter illustrates the general principles adopted in the drafting of the financial statements for the year ended as at 30 September 2012, as required by IAS.

a) Business continuity

Assets, liabilities and "off-balance sheet" transactions are valued according to operating values, given set to last over time.

b) Accrual basis accounting

Costs and revenues are recorded, regardless of the moment of their monetary settlement, on an accrual basis and according to the correlation criterion.

c) Consistency of presentation

The presentation and classification of items are maintained constant over time in order to ensure the comparability of information, except where their change is required by an international accounting standard or interpretation, or it makes the presentation of values more appropriate, in terms of significance and reliability. If a presentation or classification criterion is changed, the new one applies, where possible, retroactively; in this case, the nature and the reason for the change are also indicated, as well the affected items. In presenting and classifying the items, the layouts prepared by the Bank of Italy by means of the aforementioned circular are adopted.

d) Aggregation and relevance

Each relevant class of similar items is shown separately in the financial statements. Items with a dissimilar nature or function are presented separately.

e) Prohibition of offsetting

Assets and liabilities, costs and revenues are not offset against one another, except where required or permitted by an international accounting standard or interpretation, or by layouts drafted by the Bank of Italy for the financial statements of financial intermediaries.

f) Comparative information

Comparative information for the previous year is shown for all figures contained in the financial statements, unless prescribed or permitted otherwise by an international accounting standard or interpretation. Descriptive information is also included, when useful for understanding the data.

2.2. Discontinued operations

During the course of the year, Mittel S.p.A. concluded a strategic project for the transfer of activities relating to operating finance through the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. to Liberata S.p.A. (also the "Acquirer"), a company 36,5% owned by ISA (Istituto Atesino di Sviluppo S.p.A.), 36,5% owned by Fondazione CARITRO (Fondazione Cassa di Risparmio di Trento e Rovereto) and 27% owned by Mittel S.p.A..

Mittel Generale Investimenti S.p.A. (hereinafter “MGI”), is a company registered in the special list of financial intermediaries envisaged by art. 107 of Legislative Decree 385/1993 (“Consolidated Law on Banking”) and is subject to monitoring by the Bank of Italy.
MGI performs risk activities on its own behalf, consisting mainly of the granting of credit (directly and/or syndicated) targeted at extraordinary transactions carried out by companies and private or institutional investors, on security and real estate markets; the company also acts as a consultant in organising extraordinary finance transactions and assumes investments, including in unlisted companies, as part of agreements which generally provide guaranteed disposal options.
The transfer of MGI was carried out on 25 July 2012, in accordance with the terms and conditions set out in the investment and purchase contract signed on 24 July 2012 by Mittel, Istituto Atesino di Sviluppo, Fondazione Cassa di Risparmio di Trento e Rovereto and Liberata S.p.A..
The purchase contract made provision for the transfer of the entire share capital of MGI at a price of EUR 75 million, of which EUR 44,8 million paid on the date of execution of the transaction and EUR 30,2 million secured by a 30-month interest-bearing vendor loan.
The execution is subject to the stipulation of bank loans to Liberata S.p.A. totalling EUR 25 million, which augment the company’s financial resources (share capital and shareholders’ loan) for EUR 20 million, of which EUR 5,4 million pertains to Mittel S.p.A..
Following the subscription and release of the share capital increase, Mittel S.p.A. holds a stake of 27% in the share capital of the acquirer Liberata S.p.A. which, therefore, became a Group associate.
It should be noted that the transfer of MGI requires a portion of the price of EUR 30,2 million to be paid according to the terms and conditions of the vendor loan agreement stipulated between Mittel and Liberata S.p.A., on the basis of which Mittel granted to Liberata S.p.A. an interest-bearing loan of EUR 30,2 million, expiring on 25 January 2015. In addition, Mittel S.p.A., ISA and Fondazione granted Liberata S.p.A. an interest-bearing shareholder loan totalling EUR 13,25 million, of which EUR 3,55 million pertaining to Mittel.
Within the context of preliminary activities prior to the transfer of MGI, Mittel and one of its wholly-owned subsidiaries acquired two loans on a non-recourse basis from MGI totalling EUR 51,4 million, based on the need to ensure compliance with the supervisory provisions of the Bank of Italy governing major risks.
Through the transfer of control of the Mittel investment, Mittel confirmed its intention to pursue the objective of rationalising the Group’s activities and concentrating its capital intensive activities in the private equity and industrial investments sector, with a special focus on strengthening the equity structure.
In addition, the transaction allows the Mittel Group to significantly speed up the reduction of debt and equity strengthening, given that the income deriving from the transfer of the MGI investment will be used immediately to bolster the financial position.

The transfer of MGI involves, for the Mittel Group, a reduction in consolidated financial debt of EUR 179 million (equal to around 41%); a reduction in the interest in credit granting activities and therefore in the concentration of financial risks; the deconsolidation of MGI S.p.A. and the subsequent decrease in total Group assets by EUR 261 million and lastly, a reduction of roughly EUR 7,7 million in the equity of the Mittel Group, coinciding with the net overall loss at consolidated income statement level deriving from the transaction.

The consolidated financial statements as at 30 September 2012 refer to the Mittel Group subsequent to the disposal of MGI, given that said transaction took effect on 25 July 2012. Therefore, pursuant to IFRS 5 (“Assets held for sale and Discontinued Operations”), the group of MGI businesses qualifies as Discontinued Operations for the Mittel Group and has been represented as such in these financial statements.
A discontinued operation is defined as a group of transactions and cash flows that can be clearly distinguished, both operationally, and for financial statement purposes, from the rest of the entity that has been disposed and represents an independent branch of activity within a single coordinated disposal programme.
From a methodological point of view, it should be noted that, with reference to the presentation of discontinued operations envisaged under IFRS 5, these are included in the area of consolidation of the Mittel Group as at 30 September 2012 and, therefore, the total balances relating to the entire Group are determined by effecting the necessary cancellations of economic and financial transactions under continuing operations and discontinued operations.

This presentation as at 30 September 2012 and, for comparative purposes, as at 30 September 2011, involved the following:

- cost and revenue items relating to discontinued operations were classified under the item Income (loss) from discontinued operations in the income statement;

- all cash flows relating to discontinued operations were presented in the cash flow statement under the appropriate items relating to the operating activities in the year, investment activities and financing activities.

More specifically, the company carried out the following:

- the individual items of the income statement relating to continuing operations and the individual detailed items of Net profit /(loss) from discontinued operations shown in these financial statements are presented by considering the cancellation of intercompany transactions that occurred under continuing/discontinued operations, while the item Income/(loss) for the year includes the overall effects of the cancellation of said transactions.
  Therefore, income (loss) from discontinued operations is presented in a single amount reported in the income statement, represented by the total:
  - of profit from discontinued operations net of taxes;
  - of the capital loss, net of taxes, recorded following the disposal of discontinued operations;
- with reference to the cash flow statement, all cash flows relating to discontinued operations were presented in the appropriate items relating to the operating activities in the year, investment activities and financing activities. These items refer solely to cash flows resulting from transactions with entities outside the Mittel Group.

As outlined previously with reference to equity balances and the cash flows from discontinued operations shown in the previous tables, they represent the statement of financial position and cash flow statement of MGI considered separately.
For the purposes of complete information, the so-called “carved out” Group statement of financial position and cash flow statement tables (i.e. representative of the aggregate historical balance of MGI’s assets and liabilities and the book values of MGI’s assets and liabilities) as if MGI had not been part of the Mittel Group until 25 July 2012: in other words, the values included in these tables did not undergo any cancellation of relations deriving from transactions with the continuing operations of the Mittel Group.
As regards the income statement, the table shown in the previous paragraph represents MGI’s economic trend until 25 July 2012.

Income (loss) after taxes from discontinued operations
Details of the income statement values shown under discontinued operations are stated below:

(amounts in thousands of Euro)	25.07.2012	30.09.2011
Revenues	16	241
Other income	568	547
Costs for services	(1.347)	(1.645)
Personnel costs	(528)	(578)
Other costs	(4)	(189)
Dividends	399	186
Gross operating margin (EBITDA)	**(896)**	**(1.438)**
Amortisation/depreciation	(73)	(90)
Value adjustments to financial assets	(266)	(3.164)
Operating result (EBIT)	**(1.235)**	**(4.692)**
Financial income	10.620	10.003
Financial expenses	(4.252)	(3.141)
Profit (loss) from trading of financial assets	(1.826)	(5.866)
Income (loss) before taxes	**3.307**	**(3.696)**
Income taxes	(1.212)	268
Income (loss) after taxes	**2.095**	**(3.428)**

Assets and liabilities of discontinued operations
Details of the equity and financial values of discontinued operations at the date of disposal are shown below:

(amounts in thousands of Euro)	**25.07.2012**
ASSETS	
Property, plant and equipment	1.627
Investments	-
Financial receivables	140.837
Other financial assets	-
Sundry receivables and other assets	-
Prepaid tax assets	194
Total non-current assets	**142.658**
Financial receivables	73.672
Other financial assets	9.866
Sundry receivables and other assets	72
Cash and cash equivalents	35.940
Total current assets	**119.550**
Total assets of discontinued operations	**262.208**
LIABILITIES	
Provisions for personnel	328
Deferred tax liabilities	1.955
Provisions for risks and charges	2.800
Total non-current liabilities	**5.083**
Financial payables	172.642
Other financial liabilities	33
Sundry payables and other liabilities	1.705
Total current liabilities	**174.380**
Total liabilities of discontinued operations	**179.463**

Cash flows of discontinued operations

The cash flows resulting from discontinued operations for the 1 October 2011-25 July 2012 period and, for comparative purposes, the cash flows of the previous year ended as at 30 September 2011 are summarised as follows:

Amounts in thousands of Euro	25.07.2012	30.09.2011
Cash generated (absorbed) by operating activities in the year of discontinued operations		
Profit/(loss) from discontinued operations after tax	2.095	(3.428)
Amortisation/depreciation	73	90
(Capital gains)losses from transfer of non-current assets and other non-monetary items	-	5.866
Net value adjustments for impairment of financial assets	-	3.164
Dividends collected	399	185
Change in provisions for risks and charges	34	-
Change in current and deferred taxes	178	(292)
Change in operating capital	997	(262)
Total	**3.776**	**5.323**
Cash generated (absorbed) by investment activities of discontinued operations		
Investments in property, plant and equipment	-	(65)
Sale of property, plant and equipment	-	55
Investments	4.437	-
Net change in receivables from financing activities	68.245	(53.799)
Change in current financial assets	7.543	(14.118)
Other changes	-	-
Total	**80.225**	**(67.927)**
Cash generated (absorbed) by financing activities of discontinued operations		
Net change in financial payables and other financial liabilities	(14.844)	64.205
Payment of dividends	(40.000)	-
Total	**(54.844)**	**64.205**
Net increase/(decrease) in cash and cash equivalents	**29.157**	**1.601**
Cash and cash equivalents at start of period	6.783	5.182
Cash and cash equivalents at end of period	**35.940**	**6.783**

2.3 Financial statements and tables

The consolidated and separate financial statements are composed of the income statement, statement of comprehensive income, statement of financial position, cash flow statement and statement of changes in shareholders' equity, accompanied by the explanatory notes. The income statement was drafted in line with the minimum contents of IAS 1 - "Presentation of Financial Statements".

The table "Other comprehensive income" includes the components of income suspended in shareholders' equity such as:

- changes in the revaluation reserve of Property, Plant and Equipment (IAS 16) and Intangible Assets (IAS 38);
- actuarial profits and losses from defined benefit plans recorded in compliance with IAS 19 ("Employee Benefits");
- profits and losses from the redetermination of available-for-sale financial assets;
- the effective part of the profits and losses on cash flow hedges.

The variations generated by transactions with non-shareholders must be shown in a single separate table that shows the performance in the year (table of total profits and losses recorded) or in two separate tables: a table that shows the components of profit (loss) for the year (income statement) and a second table that starts from profit (loss) for the year and shows the items of the table of the other comprehensive income statement (statement of comprehensive income).

These changes generated by transactions with non-shareholders must also be shown separately in the statement of changes in shareholders' equity with respect to variations generated by transactions with shareholders.

The company chose to show all changes generated by transactions with non-shareholders in two tables which measure the performance in the period, entitled "Income Statement" and "Statement of comprehensive income" respectively.

The income statement is drafted according to the layout with the classification of costs by nature, showing the interim results relating to the gross operating margin (EBITDA), operating result (EBIT) and the pre-tax tax result. EBIT is determined as the difference between net revenues and operating costs (the latter including non-monetary costs relating to amortisations and write-downs of current and non-current assets, net of any write-backs and including capital gains and losses generated by the disposal of non-current assets. In order to permit a better measurement of the trend in ordinary operations, cost and revenue components deriving from events or transactions that are considered non-recurring due to their nature or the relevance of their amount, are indicated separately, where significant.

The statement of financial position is prepared according to the layout that shows a breakdown of assets and liabilities between current and non-current. Assets and liabilities are classified as current when they meet the following criteria:

- current assets are represented by cash or cash equivalents, by assets that are expected to be realised, sold or consumed during the normal execution of the company's operating cycle, assets held for trading, or those that are expected to be realised within twelve months from the closing date of the reporting period;
- current liabilities are those that are expected to be extinguished during the normal operating cycle of the company or within twelve months from the reporting date, liabilities held for trading or those that do not have an unconditional right to deferment of their extinguishment after twelve months. All other liabilities must be classified as non-current liabilities.

The statement of changes in shareholders' equity illustrates the changes that took place in items of shareholders' equity relating to:

- allocation of the company's profit for the period to non controlling shareholders;
- amounts relating to transactions with shareholders;
- each item of profit and loss net of taxes, which is booked directly to shareholders' equity or has a contra-item in a shareholders' equity reserve;
- change in the valuation reserve of available-for-sale financial assets and in the cash flow hedge reserve;
- effect of any changes in accounting standards.

The cash flow statement was drafted by applying the indirect method, through which the net income is adjusted by the effects of non-monetary transactions, any deferment or provision of previous or future operating collections or payments and by elements of revenues or costs connected to the cash flows deriving from investment or financing activities. Income and expenses relating to medium/long-term financing transactions and to the associated hedging instruments, as well as the dividends paid, are included in financing activities.

The figures of these financial statements are compared with those of last year's financial statements drafted using the same criteria.

It should also be noted that, in order to comply with the indications in Consob Resolution no. 15519 of 27 July 2006 "Provisions governing financial statement layouts", in addition to the mandatory tables, the appropriate income statement and statement of financial position tables were prepared, with evidence of the significant amounts of positions or transactions with related parties indicated separately from the respective reference items.

The values of the items in the consolidated financial statements are expressed in Euros.

These financial statements were authorised for publication, in accordance with IAS 10, by the Board of Directors on 10 January 2013.

2.4 Accounting standards adopted by Mittel S.p.A.

Intangible assets (IAS 38)
Intangible assets are non-monetary assets which are without physical substance and identifiable, held to be used in a multi-year or indefinite period. These are recorded at cost, adjusted for additional expenses only if it is probable that the future economic benefits that are attributable to the asset will be realised and if the cost of the asset can be measured reliably. In the opposite case, the cost of the intangible asset is booked to the income statement in the year in which it was incurred.
The cost of intangible fixed assets with a definite useful life is amortised using the straight line method on the basis of the relative useful life.
If the useful life is indefinite, no amortisation is carried out, solely the periodic verification of the adequacy of the book value of the fixed assets. Intangible assets originating from software developed internally and acquired from third parties are amortised on a straight line basis, effective from the completion and entry into operation of the applications based on the relative useful life. At the close of each financial year, in the presence of impairment, the recoverable value of the asset is estimated.
The amount of the loss, booked to the income statement, is equal to the difference between the asset's book value and its recoverable value.
An intangible asset is eliminated from the statement of financial position on disposal or when no future economic benefits are expected from its use.
Goodwill can be recorded if representative of future income capacities of the investee. A test is conducted at the close of each financial year to check the value of goodwill. Any reduction in value is determined on the basis of the difference between the book value of goodwill and its realisable value, equal to the higher of the fair value of the cash generating unit, less costs to sell, and the associated value in use.

Development costs refer to new product innovation projects and are recorded under assets in compliance with the considerations of IAS 38, i.e.:
- demonstrability of the technical feasibility of the products;
- intention of the company to complete the development project;
- reliable determination of the costs incurred for the project;
- recoverability of the values recorded through the future expected benefits from completion of the development project.

It should be noted that said item includes intangible assets under construction to be amortised starting from the year their useful life starts.

Intangible assets with an indefinite life

An intangible asset shall be regarded by the company as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the company.
Intangible assets with an indefinite useful life are not amortised but are subject to an impairment test, to verify the recoverability of the book value; this test pertains to the value of the individual asset and is carried out when impairment has been identified and, in any case, at least on an annual basis.

Property, plant and equipment (IAS 16)
Property, plant and equipment are initially measured at cost which includes not only the purchase price, but all additional expenses directly attributable to the purchase and to bringing the asset to working condition for its intended use.
Extraordinary maintenance costs which involve an increase in future economic benefits are booked to increase the value of the assets, while other ordinary maintenance costs are recognised in the income statement.
Property, plant and equipment include operating premises, plants, furniture, fittings and equipment of any type.
Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.
Property, plant and equipment are valued at cost, less any accumulated amortisation and impairment.
Property, plant and equipment are systematically amortised over their useful life, by adopting the straight line method.
The amortisation rates used by the company are as follows:
- Buildings, between a range of 3,0% and 6,0%
- Vehicles 25,00%
- Furniture and fittings 12,00%
- Electronic machines 33,33%
- Equipment 15,00%

Land is not amortised as it has an indefinite useful life.
Capitalisable costs for improvements to leased third-party assets are attributed to the asset classes to which they refer and amortised at the lower of the residual term of the rental agreement and the residual useful life of the nature of the asset to which the improvement relates. At the close of each financial year, testing must be performed for any signs of impairment, or indications that show that an asset may have been impaired.
In the event of signs of impairment, a comparison is made between the book value of the asset and its recoverable value, equal to the lower of the fair value, less costs to sell, and the associated value in use of the asset, understood as the present value of future cash flows originating from the asset. Any adjustments are booked to the income statement. If the reasons for the recognition of the loss no longer exist, the value is written back, which cannot exceed the value that the asset would have had, net of amortisation calculated in the absence of previous impairment.
A tangible asset is eliminated from the statement of financial position on disposal.
Profits and losses deriving from transfers or disposals of assets are determined as the difference between the sales revenue and the net book value of the assets and are recognised in the income statement in the year.

Improvements to third-party assets are classified under property, plant and equipment, consistent with the nature of the cost incurred. The amortisation period corresponds to the lower of the residual useful life of the tangible asset and the residual duration of the lease.

Leased assets (IAS 17)
Assets acquired under a finance lease are recorded under property, plant and equipment, with the recognition of a financial debt for the same amount under liabilities.
The debt is gradually reduced on the basis of the repayment plan of principal amounts included in contractual rents, while the value of the asset recorded under property, plant and equipment is systematically amortised on the basis of the economic-technical life of the asset itself, or if lower, based on the terms of expiry of the lease.
Costs for lease charges deriving from operating leases are recorded on a straight line basis, based on the duration of the lease.

Investments accounted for using the equity method (IAS 28)
The item includes interests held in:
- associates, recorded according to the equity method. Companies in which at least 20% of voting rights is held and companies whose interests (in any case, above 10%) ensure influence over governance are considered associates.
- jointly controlled companies, also recorded according to the equity method;
- other minor investments, maintained at cost.

Investments in associates are valued according to the equity method, determined on the basis of international accounting standards. According to said method, investments in associates are recognised in the statement of financial position at cost, adjusted for changes following the acquisition in the net assets of the associates, net of any impairment of the individual investments. The excess of the acquisition cost over the Group's percentage of the present value of the identifiable assets, liabilities and contingent liabilities of the associate at the acquisition date is recognised as goodwill.
If the acquisition cost is lower than the Group's percentage of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate at the acquisition date, the value is credited to the income statement in the year of the acquisition. With reference to transactions which take place between a Group company and an associate, unrealised profits and losses are eliminated to the extent of the Group's percentage interest in the associate, with the exception of the cases in which unrealised losses constitute evidence of impairment of the transferred asset.
If there is evidence that the value of an investment has been impaired, the recoverable value of said investment is estimated, taking into account the present value of future cash flows that the investment may generate, including the final disposal value of the investment.
If the recoverable value is lower than the book value the relative difference is booked to the income statement. If the reasons for the impairment no longer exist following an event that occurred after the recognition of the impairment, write-backs are effected which are booked to the income statement.

Other financial assets (IAS 32 and 39)
The item includes available-for-sale financial assets (current and non-current assets) and financial assets designated at fair value (non-current assets) and financial assets held for trading (current assets), as detailed below.

Available-for-sale financial assets
Financial assets are initially recognised at the settlement date for debt securities or equities.
The assets are initially recognised at fair value which corresponds to the prices recorded in active markets and, for unlisted securities, based on third party evaluations or on internal valuation models generally used in financial practice.
This category includes non-derivative financial assets that are not classified as receivables or financial assets designated at fair value through profit or loss.
In particular, this item includes unmanaged investments held for trading which do not qualify as subsidiaries, associates or joint ventures, and bonds which are not traded. Following initial recognition, available-for-sale financial assets continue to be designated at fair value, with profits/losses deriving from the change in fair value recorded in a special reserve of shareholders' equity, with the exception of impairment losses. Equities, for which the fair value cannot be determined reliably, are maintained at cost, adjusted in the event impairment losses are identified.
The fair value is determined using the same process illustrated for financial assets held for trading.
If the fair value cannot be determined reliably available-for-sale financial assets are maintained at cost.
Testing is carried out to check for any objective evidence of impairment at the close of each financial year or interim period.
The amount of any write-down recorded after impairment testing is booked to the income statement as a cost for the year under the item Net value adjustments for impairment of available-for-sale financial assets.
If the reasons for the impairment no longer exist following an event that occurred after the recognition of the impairment, write-backs are effected. These write-backs are booked to shareholders' equity, in the case of equities, and to the income statement in the case of debt securities.
Financial assets are derecognised when they are transferred, transferring substantially all inherent risks and rewards.
At the time of disposal, the effects deriving from the profit or loss accumulated in the reserve relating to available-for-sale financial assets are reversed to the income statement under the item Profits/(losses) from the management of financial assets and investments.
Dividends and interest relating to available-for-sale financial assets are recognised in the income statement.

Financial assets designated at fair value
This valuation category contains securities acquired for the purpose of being held in the medium/long-term, and which are specifically designated as "non-current assets", carried at fair value in the income statement These assets are valued at fair value with a contra-item in the income statement. No impairment testing is conducted on said assets. Additional costs are charged to the income statement. Purchases and sales of these financial assets are accounted for on the settlement date.

Financial assets held for trading
Financial assets are initially recognised at the settlement date for debt securities and for derivative contracts. Upon initial recognition, financial assets held for trading are recorded at their fair value which normally corresponds to the consideration paid without taking into account the transaction costs or income directly attributable to said instrument which are, instead, booked directly to the income statement.
Debt securities, equities acquired mainly in order to obtain profits in the short-term and the positive value of derivative contracts (with the exception of those designated as hedging instruments) are classified in this category.
After initial recognition, financial assets held for trading are valued at fair value, with the recognition of changes in a contra-item in the income statement.
For the determination of the fair value of financial instruments, a three-level hierarchy is envisaged:
1) Listing on an active market, not adjusted. An active market is one where prices, which reflect normal market transactions, are quickly and regularly available via stock markets, brokers, intermediaries, industry companies, listing services or authorised entities and express the price, of actual, adequate, continuous and regular market transactions that occur within a normal reference period.
2) Recognition of the fair value through components observable directly or indirectly on a listed market. In the event in which the components used contain elements not observable directly on the market and/or adjusted, the significance of the same is established with respect to the fair value to verify whether said fair value can be considered second or third level.
3) The use of estimate methods and evaluation models commonly adopted by the international financial community which take account of the specific characteristics of the instrument to be evaluated, with particular focus on the different types of risk associated to it and simultaneously used values not taken from the market and involve estimates and assumptions.

Financial assets are derecognised when the contractual rights on the cash flows derived from said assets expire or when the financial asset is transferred, transferring substantially all related risks and rewards.

Profits and losses deriving from the variation in the fair value of the financial assets are recorded in the income statement under the item Net income (loss) from trading activity.

Property inventories (IAS 2)
Property inventories are composed of land, properties under construction-renovation and properties completed for sale.
The initial recognition of inventories of completed properties held for sale occurs at the moment costs are incurred which are directly attributable to the order under construction. At the time of initial recognition, property inventories are valued at cost, increased by incremental expenses and the financial expenses incurred.
The release of property inventories to the income statement takes place proportionally and at the same time as the transfer of the properties or parts of them.
During the initial phases of the order, given no sales have been verified, the result of the order cannot be estimated reliably, therefore, revenues are recognised under changes in inventories up to the limits of the costs incurred which are expected to be recovered. At the time of the transfer of the properties or parts of them, the actual order costs are recorded (incurred and estimated) by thousandths transferred, with the release of the property inventories to the income statement, under variations in inventories. It is only at this moment that the margin of the order emerges in an accounting sense, in proportion to the part transferred.

Following the initial recognition, property inventories held for sale continue to be valued at the lower of the cost (increased by incremental expenses and the financial expenses) and the market value taken from transactions involving similar properties in terms of area and type.
Properties under construction and/or undergoing renovation are valued at the lower of the cost, increased by incremental expenses, capitalisable financial expenses and the corresponding presumed realisable value.

Receivables (IAS 32, 39 and 21)
All non-derivative financial assets with fixed or determinable payments that are not listed in an active market are classified under receivables, with the exception of:

- those that are set aside for immediate or short-term sale, which are classified as held for trading and those that, at the moment of initial recognition, are designated at fair value and booked to the income statement;
- those that, at the time of initial recognition, are designated as available for sale;
- those for which there is a risk of all the initial investment not being recovered, not due to the impairment of the receivable, which must be classified as available for sale.

Receivables are initially recognised when the right to receive the payment of the contractually agreed sums is acquired and, therefore, at the time of the disbursement. The initial book value coincides with the fair value of the asset, normally equal to the amount disbursed, including costs/income directly attributable to the individual instrument and determinable from the origin of the transaction, even if settled at a later date.
In the event in which the recognition under the item receivables takes place after the reclassification from financial assets designated at fair value through profit or loss, then the fair value of the asset at the date of the reclassification represents the initial recognition value.
Following the initial recognition, receivables are valued at amortised cost, equal to the initial recognition value, net of principal repayments, increased or decreased by adjustments or write-backs and amortisation calculated using the effective interest rate method.
The effective interest rate is the rate that matches the present value of the future cash flows of the receivable, for principal and interest, to the amount disbursed, including costs/income attributable directly to the receivable.
At the date of the statement of financial position, or interim situation, receivables are tested for impairment, in order to identify any objective evidence that said receivables have suffered impairment.
If there is objective evidence that the receivables have suffered impairment, the amount of the loss is measured as the difference between the book value of the asset and the present value of estimated future cash flows, discounted at the original effective interest rate of the financial asset. The amount of the adjustments is booked to the income statement.
The original value of the receivables is written back in subsequent years, with recognition in the income statement, to the extent in which the reasons that determined the adjustment no longer exist.
It should be noted that the disappearance of an active market due to the fact that the financial instruments are no longer publicly traded is not, in itself, evidence of impairment.
Receivables are derecognised from assets only if (i) the contractual rights to the cash flows deriving from the financial assets expire or (ii) the company transfers all risks and rewards related to the financial assets.
If it is not possible to ascertain the substantial transfer of the risks and rewards, the receivables are derecognised in the event no type of control is retained over said receivables. In the opposite case, the maintenance of control, including partial, involves the retention of the receivables in the financial statements to the extent of the continuing involvement. The value of the continuing involvement in the transferred receivables corresponds to the extent to which the company is exposed to a change in the value of said receivables.
Depending on their nature and expiry, receivables are classified into the following items:

- financial receivables;
- sundry receivables and other assets.

Where, at the time of the recognition, the collectability of the receivable is contractually established as after one year, these are classified under “non-current” assets. Receivables falling due within one year or indeterminate are classified under “current” assets.

Cash and cash equivalents (IAS 32 and 39)
Cash and cash equivalents include bank and postal deposits, cash at bank and in hand and other forms of short-term investment, originally expiring in three months or earlier. Bank overdrafts are classified under financial payables in current liabilities. Elements included under cash and cash equivalents are valued at fair value and the associated changes booked to the income statement.

Hedging derivatives (IAS 32 and 39)
The types of hedging transactions are as follows:
- fair value hedge, aimed at neutralising the exposure to changes in the fair value of a financial statement item;
- cash flow hedge, targeted at neutralising the exposure to changes in the future cash flows attributable to particular types of risks associated to financial statement items.

Hedging derivatives are designated at fair value and recognised in the items "other financial assets" and "other financial liabilities"; in particular:
- for hedging instruments the rules established by IAS 39 in relation to the provisions for "Fair Value Hedges" are complied with. These relate to hedging instruments whose objective is to hedge the exposure to fair value changes of certain financial activities relating to financial assets, deriving, in particular, from risks associated to variability in their value. Profit or loss resulting from the remeasurement of the fair value hedging instrument, is recorded in the income statement for a hedging derivative. Profit or loss on the hedged element attributable to the hedged risk adjusts the book value of the hedged element, recorded immediately in the income statement, even if the hedged element is otherwise valued at cost. As required by IAS 39, the recognition of profit or loss attributable to the hedged risk in the income statement also applies if the hedged element is an available-for-sale financial asset;
- in the case of cash flow hedges, fair value changes are booked to shareholders' equity for the effective portion of the hedge and to the income statement solely where, with reference to the hedged item, a change occurs in the cash flows to be offset.

The derivative can be considered a hedge if there is formalised documentation on the unique relationship with the hedged element and if this is effective at the time the hedge was entered into and, in prospective terms, throughout the life of the hedge.
A relationship only qualifies as a hedge, and is accounted for accordingly, when all the following conditions are met:
- at the start of the hedge there is formal designation and documentation of the hedge,

of the company's risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on an ongoing basis and is considered highly effective for all reporting periods for which the hedge was designated.

The hedge is considered highly effective if, both at the start and during its life, fair value changes in the monetary amount hedged are almost completely offset by fair value changes in the hedging derivative, i.e. the actual results of the hedge are within a range of 80% - 125%.
The effectiveness of the hedge is initially verified through the prospective test and at the time of preparation of the annual financial statements through the performance of a retrospective test; the result of said test justifies the application of hedge accounting given that it demonstrates its expected effectiveness.

Non-current assets held for sale (IFRS 5)
Non-current assets held for sale are measured at the lower of their previous net book value and the market value less costs to sell. Non-current assets are classified as held for sale if their book value is expected to be recovered through a sale transaction rather than use in the company's operations. This condition is only met when the sale is considered highly probable and the asset is available for immediate sale in its present condition. To this end, management must be committed to the sale, which should be completed within 12 months from the date of classification of said item.
Presentation of the aforementioned assets in the financial statements requires evidence of the profits and losses net of taxes resulting from the sale on a single line of the income statement. Assets and liabilities are likewise classified on separate rows of the statement of financial position.

Derecognition of financial assets and liabilities
Financial assets:
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:
- the rights to receive the cash flows from the asset expire;
- the company retains the right to receive the cash flows of the asset, but assumes a contractual obligation to pay the cash flows in full and without delay to a third party;
- the company has transferred the right to receive the cash flows from the asset and (a) has transferred

substantially all the risks and rewards of ownership of the financial asset or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

In cases where the company has transferred the rights to receive the cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards or has not lost control of the asset, the asset is recognised in the company's financial statements to the extent of its continuing involvement in the financial asset. Continuing involvement which takes the form of guaranteeing the transferred asset is measured at the lower of the initial book value of the asset and the maximum amount of the consideration that the company could be required to repay.

Financial liabilities:

A financial liability is derecognised from the financial statements when the obligation underlying the liability is extinguished, cancelled or fulfilled.

Payables (IAS 32 and 39)

These financial liabilities are initially recognised at the time the contract is signed, which coincides with the moment the sums collected are received.

Liabilities are initially recognised on the basis of the fair value, normally equal to the amount collected or the issue price, increased by additional costs/income directly attributable to the individual funding transaction and not repaid to the credit counterparty. Internal administrative costs are excluded.

The items bank payables, payables due to customers and payables due to financial institutions include various forms of funding, both from banks and customers.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Depending on their nature and expiry, payables are classified into the following items:

- financial payables;
- sundry payables and other liabilities.

Where, at the time of the recognition, the collectability of the payable is contractually established as after one year, these are classified under "non-current" liabilities. Payables falling due within one year or indeterminate are classified under "current" liabilities.

Other financial liabilities (IAS 32 and 39)

Financial liabilities are initially recognised at the settlement date both for debt securities and for derivative contracts.

Upon initial recognition, financial liabilities held for trading are recorded at their fair value which normally corresponds to the consideration collected without taking into account the transaction costs or income directly attributable to said instrument which are, instead, booked directly to the income statement.

Debt securities, equities acquired and the negative value of derivative contracts (with the exception of those designated as hedging instruments) are classified in this category.

After initial recognition, financial liabilities held for trading are valued at fair value, with the recognition of changes in a contra-item in the income statement.

For the determination of the fair value of financial instruments listed in an active market, market prices are used. In the absence of an active market, estimates and generally accepted valuation models are used, and which are based on observable market data, such as: methods based on the valuation of listed instruments with similar characteristics, discounting of future cash flows, models for the determination of option prices and values recorded in recent comparable transactions.

Financial liabilities are derecognised when they expire or are extinguished also against purchases of the same securities. The difference between the book value of the liability and the amount paid to acquire it is recorded in the income statement.

Profits and losses deriving from the variation in the fair value of the financial liabilities are recorded in the income statement in the item Net income (loss) from trading activity.

Treasury shares (IAS 32)

Treasury shares in the portfolio are deducted from shareholders' equity. No profit or loss deriving from the purchase, sale, issue or cancellation of treasury shares is recorded in the income statement. The difference between the purchase and sale prices deriving from said transactions are recorded under reserves of shareholders' equity.

Business combinations and Goodwill

A business combination consists of an amalgamation of businesses or company activities distinguished into a single entity responsible for preparing the financial statements.
The business combination may give rise to a shareholding relationship between the Parent Company (acquirer) and the subsidiary (acquiree) or may also involve the acquisition of the net assets of another entity, including goodwill.
Business combinations are accounted for using the acquisitions method provided by IFRS 3 – Business Combinations. The cost of a business combination identified as the fair value, on the date control is acquired, of the assets transferred, liabilities assumed and equity instruments issued for the purposes of performing the combination, including directly attributable costs, is therefore allocated by recording, at the acquisition date, the fair value of the identifiable assets, liabilities and contingent liabilities in the acquisition that meet the conditions for recognition set out in IFRS 3.
Additional costs in business combination transactions are booked to the income statement in the period in which they are incurred.
Conditional considerations are considered part of the transfer price of the net assets acquired and measured at fair value on the acquisition date. Similarly, if the business combination contract makes provision for the right to the return of certain price components when specified conditions are met, this right is classified by the acquirer as an asset. Any subsequent changes in fair value shall be recognised to adjust the original accounting treatment only if they are caused by additional or better information about this fair value and if they take place within 12 months from the acquisition date; all other changes shall be recognised in the income statement.
Any positive difference between the cost of the acquisition and the Group's share of the fair value of the acquired identifiable assets, liabilities or contingent liabilities is recorded as goodwill. If the difference is negative, it is booked directly to the income statement. If the initial accounting for a business combination can be determined only provisionally, the adjustments to values initially attributed are recorded within 12 months from the acquisition date.
Non controlling interests in the acquiree are initially measured to the extent of their share of the present values of the assets, liabilities and contingent liabilities recorded.
If a business combination is realised in several phases with subsequent purchases of shares, each phase is measured separately using the cost and information relating to the fair value of the assets, liabilities and contingent liabilities at the date of each transaction to determine the amount of any difference.
The initial allocation to the above assets and liabilities, by availing of the option provided by IFRS3, may be determined provisionally before the end of the year in which the transaction was carried out, and it is possible to record the adjustment to the values assigned provisionally in the initial accounting within 12 months from the date of the acquisition of control.
Following the initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill always relates to the profit-generating activities identified, whose income and cash-flow generating capacity is constantly monitored for the purposes of impairment testing.
In the case of an acquisition of a subsidiary in phases, the non controlling interest held previously, up until that moment accounted for in accordance with IAS 39 - Financial Instruments: Recognition, or according to IAS 28 - Investments in Associates or IAS 31 - Interests in Joint Ventures, is treated as if it had been sold and re-acquired on the date on which control was acquired. This investment is therefore measured at its fair value at the "transfer" date and the profits and losses resulting from the valuation are recorded in the income statement. In addition, each value previously recorded in shareholders' equity as Other comprehensive income and losses, booked to the income statement following the transfer of the asset to which it refers, is reclassified in the income statement. Goodwill or income (in the case of badwill) deriving from business concluded with subsequent acquisition is determined as the sum of the price paid to obtain control, the value of non controlling interests (measured according to one of the methods permitted by the standard), the fair value of the non controlling interest held previously, net of the fair value of the net identifiable assets acquired.
Accounting of the acquisition of additional investments in companies already controlled are considered transactions with shareholders and, therefore, the differences between the acquisition costs and the book value of the non controlling shares acquired are booked to Shareholders' equity pertaining to the Group.
Similarly, sales of non controlling shares without the loss of control do not generate profits/losses in the income statement, but changes to Shareholders' equity pertaining to the Group.

Income taxes (IAS 12)

The effects relating to current and deferred taxes calculated in compliance with national tax legislation based on the accrual principle are recognised, consistent with the methods of recognition in the financial statements of the costs and revenues that generated them, by applying the applicable tax rates.
Income taxes are recorded in the income statement, with the exception of those relating to items debited from or credited directly to shareholders' equity.

The provision for income taxes is determined on the basis of a prudential forecast of current, prepaid and deferred taxes.
In particular, current taxes include the net balance of current liabilities in the year and current tax assets represented by payments on account and other tax credits for withholding tax.
Prepaid and deferred taxes are determined on the basis of temporary differences - with no time limits - between the value assigned to an asset or to a liability according to statutory criteria and the corresponding values assumed for tax purposes.
Prepaid tax assets are recognised in the financial statements to the extent they are likely to be recovered, measured on the basis of the capacity of the interested company or group of subscribing companies, due to exercising of the “tax consolidation” option, to generate positive taxable income on an ongoing basis.
Prepaid and deferred taxes are accounted for at equity level by carrying out offsets at said tax level and for each year by taking into account the time profile of expected repayment.
In years in which the deductible temporary differences are higher than the taxable temporary differences, the associated prepaid taxes are recorded under assets in the statement of financial position, in the item deferred tax assets. By contrast, in years in which the taxable temporary differences are higher than the deductible temporary differences, the associated deferred taxes are recorded under liabilities in the statement of financial position, in the item deferred tax liabilities.
Prepaid and deferred tax assets and liabilities are systematically measured to take account of any changes to the regulations or the tax rates and any different subjective situations of Group companies. The amount of the tax provision is also adjusted to cover expenses that may result from tax assessments already announced or, in any case, ongoing disputes with the tax authorities.

Provisions for risks and charges (IAS 37)
Allocations to the provision for risks and charges are made exclusively when:
- there is an actual obligation (legal or implicit) as a result of a past event;
- it is likely that it will be necessary to use resources to generate economic benefits to fulfil the obligation;
- the amount of the obligation can be reliably estimated.

Where the time element is significant, the allocations are discounted. The allocation to the provision is recorded in the income statement. Interest expense accrued on provisions that have been discounted is also recorded in the income statement.
“Other provisions” include allocations to cover presumed losses on legal proceedings in which the company is the defendant and any revocatory action; estimated disbursements for customer complaints relating to activities; other estimated disbursements in respect of existing legal or implicit obligations at the close of the year.

Revenue recognition (IAS 18)
Revenues are measured at the fair value of the consideration received for the sale of the products or services.

Sales of products
Revenues from product sales are recorded when all the following conditions are met:
- the significant risks and rewards related to ownership of the assets have been transferred to the acquirer;
- effective control of the assets involved in the transaction and the normal continuous level of activity associated with ownership are discontinued;
- the value of revenues is determined in a reliable manner;
- it is likely that the economic benefits deriving from the sale will be used by the company;
- the costs incurred or to be incurred are determined reliably.

In cases where the nature and measurement of the seller involvement may mean that the risks and rewards relating to ownership may not, in fact, be transferred, revenue recognition is deferred to the date on which said transfer may be considered to have taken place.

Provision of services
Revenues from services are only recognised when the results of the transaction can be reliably estimated, with reference to the stage of completion of the transaction at the reporting date.
The results of a transaction can be reliably estimated when all the following conditions are met:
- the amount of revenues can be determined in a reliable manner;
- it is likely that the company will use the economic benefits of the transaction;
- the stage of completion of the transaction at the reporting date can be reliably measured;
- the costs incurred for the transaction and the costs to be incurred to complete it can be reliably determined.

Interest
Interest is recognised on a pro-rata temporis basis, based on the contractual interest rate or the effective interest rate in the case of application of the amortised cost method;

Commissions
Commissions for service revenues are recognised on the basis of the existence of contractual agreements, in the period in which said services have been provided;

Royalties
Royalties are recorded on an accrual basis, according to the provisions of the associated agreement.

Financial guarantees
Financial guarantees issued are initially recognised at fair value. If the financial guarantee has been issued in an arm's length transaction to a Group third party, the fair value equals the consideration agreed, unless there is evidence to the contrary. Subsequently, the value of the guarantee is equal to the higher amount of: (i) the amount determined in accordance with IAS 37; (ii) the amount initially recognised, redetermined in accordance with the method of cumulative amortisation recognised (IAS 18). Guarantees received that are excluded from the field of application of IAS 39 and IFRS 4 are accounted for in accordance with paragraphs 10-12 of IAS 8, i.e. through the recognition of the relative cost to the income statement.

Earnings per share (IAS 33)
Basic earnings per share are determined on the basis of the ratio of net profit for the period attributable to shareholders of the Parent Company's ordinary shares to the weighted average number of ordinary shares outstanding in the period.
Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to take account of all potential ordinary shares, deriving, for example, from the possibility of exercising stock options assigned, which may determine a dilutive effect.

Use of estimates
Preparation of the financial statements and the associated notes in application of IFRS requires management to use estimates and assumptions that effect the values of statement of financial position assets and liabilities and information relating to the contingent assets and liabilities at the reporting date.
The estimates and assumptions used are based on experience and other factors considered relevant. The final results may, therefore, differ from said estimates. The estimates and assumptions are reviewed periodically and the effects of each change made to them are reflected in the income statement in the period in which the estimate revision takes place if said revision only has an impact on said period, or also in subsequent periods if the revision has an effect on both the current year and future years.
The main items in the financial statements affected by this estimate process are goodwill, deferred taxes and the fair value of financial instruments.
Please refer to the specific areas for more details.

Main sources of uncertainty in making financial statement estimates
The critical valuation processes and key assumptions used by the Group in the IAS/IFRS application process are summarised below.

Discretional choices in the accounting standard application process

Available-for-sale financial assets in the portfolio
Available-for-sale financial assets in the portfolio are tested for impairment (evaluation of losses of value dependent on the deterioration in issuers' solvency) each time events occur which suggest that the investment has suffered impairment.
The evaluation process is structured into two phases:
- identification of situations of deterioration in issuers' solvency and identification of impaired assets;
- quantification of losses associated to impairment situations. These losses are compared with the negative difference between the current market value (or, for unlisted instruments, the present value - at current risk-free rates of return on similar investments - of expected cash flows) of impaired assets and their book value).

The criteria applied by the Group to identify impairment are differentiated between debt securities and equities.

Impairment of debt securities
Objective evidence that a debt security has suffered impairment can be traced to the list of loss events shown in IAS 39.59.
In the event of bonds with a rating, the deterioration of the creditworthiness of the issuer is evaluated; in this regard, it is deemed that bonds that suffer impairment which cause them to fall into rating categories below the "investment grade" threshold are, reasonably, subject to a write-down (impairment) while, in other cases, deterioration in the creditworthiness is instead to be assessed jointly with the other available factors.
In the case of bonds, the availability of specialised funds is considered (e.g. investment indications supplied by financial institutions, rating reports, etc.) or information available on "info-providers" (e.g. Bloomberg, Reuters, etc.), through which the relevance of the issuer's deterioration is determined more accurately).
In the absence of said elements, where possible, reference is made to the listing of bonds similar to those being examined in terms of both financial characteristics and the issuer's standing.
In the event of financial assets recorded at amortised cost, the impairment test is, in contrast, targeted at establishing whether the estimated value of future cash flows, discounted at the original effective interest rate, is lower than the asset's book value. If the present value, calculated at the original rate, of the new expected cash flows is lower than the book value, impairment must be recorded in the income statement.
In the event of investments recognised at cost, the impairment test is based on the estimate of the present value of the cash flows at the current market rate and the impairment test assumes the form of a "discounted cash flow test".
In this regard, it should be noted that the impairment test on debt instruments must be based on losses already actually incurred (incurred loss model) and not simply on expected losses.

Impairment testing according to the incurred loss model always assumes a cash flow forecast, but said forecast must be based exclusively on past events and not on expected events that attest to the existence of actual deterioration in the quality of credit and, therefore, of the reduction in expected cash flows (both for losses in principal and interest).

Impairment of equities
With reference to equities classified as available-for-sale, it is reasonable to assume that shares in the portfolio are to be written down before bonds issued by said issuer company; therefore, indicators of the write-down of debt securities issued by a company, i.e. the write-down of said debt securities, are in themselves strong indicators of the impairment of the equities of said company.

More generally speaking, to establish whether there is evidence of impairment of an equity, as well as the presence of the events indicated in IAS 39.59, and the considerations shown previously where applicable, the following two events are to be considered in particular (IAS 39.61):

- significant changes with adverse effects relating to technologies, markets, economic or legal environment relating to the issuer, which indicate that the cost of the investment can no longer be recovered;
- a significant or prolonged decline in the fair value of the investment below its cost.

In particular, in quantitative terms, if the fair value of the security is 30% lower than the book value or the time period of a situation of fair value lower than the book value is above 12 months, the company will conduct an analysis of the fundamental aspects of the investments and, in general, of the conditions that negatively impacted the market performance of the investment so as to keep the investment closely monitored.
By contrast, if one of the two parameters shown below is verified, impairment will automatically have to be recorded:

- fair value of the security 75% lower than the book value initially recognised;
- persistence of the situation of fair value lower than the book value initially recognised for a time period of more than 20 months.

In relation to investments in equity instruments, the need to record impairment also considers, on an individual basis or jointly, the following situations:

- the fair value of the investment is significantly below the acquisition cost or, in any case, is considerably lower than that of similar of companies in the same sector;
- company management is not considered of an adequate standing and, in any case, capable of ensuring a recovery in prices;
- a reduction in the credit rating from the acquisition date is recorded;
- a significant decrease in profits, of cash flows or in the net financial position of the issuer from the acquisition date;
- a reduction or interruption in the distribution of dividends is recorded;

- an active market for the bonds issued disappears;
- changes are verified in the legislative, economic and technological context of the issuer which have an adverse impact on the profit, equity and financial situation of the same;
- negative prospects exist in the market, sector or geographical area of the issuer.

For available-for-sale financial assets, the impairment test is targeted at establishing whether the variation between the acquisition cost and the present fair value is recoverable or if, on the contrary, an impairment of the asset must be recorded (fair value impairment test).
In the case in which there is evidence of impairment, it is necessary to calculate the impairment loss to be booked to the income statement coinciding with the accumulated loss in the statement of financial position without using additional estimates.

Recoverable value of non-current assets (including goodwill)
Non-current assets include property, plant and equipment and intangible assets (including goodwill), investments and other financial assets. Management periodically reviews the book value of the non-current assets held and used and the assets which must be disposed of, when facts and circumstances request said revision. This activity is performed by using estimates of expected future cash flows from the use or sale of the asset and adequate discount rates for the calculation of the present value. When the book value of a non-current asset has suffered impaired, the Group records a write-down for the value of the excess of the book value of the asset over its recoverable value through use or sale of the same, determined with reference to the company's more recent plans.
Owing to the current economic-financial crisis at national and international macroeconomic level which has generated risks of impairment of significant assets belonging to the company and to the Group it heads up, for the purposes of the drafting of the separate financial statements as at 30 September 2012, and in particular, in performing the investment impairment tests, forecasts of the expected trend in the next year were taken into consideration, as well as the effects of uncertainties identified with respect to the times, originally scheduled, of the process of disposal of investments at consistent values.

Realisability of deferred tax assets
As at 30 September 2012, the company has deferred tax assets deriving from deductible temporary differences.
Management recorded the value of deferred tax assets up to the value for which it deems their recovery likely, also taking into account a further worsening in the assumptions envisaged over a medium-term period and the fact that the net deferred tax assets allocated refer to temporary differences/tax losses which can be recovered.
The forecasts are based on taxable income that can be generated with reasonable certainty in light of budget results and the forecasts for subsequent years which consider the reasonable expectation of implementation of the planned transactions.

Receivables
For receivables and other assets evaluations are regularly performed in order to verify the existence of objective evidence that these have been impaired. In particular, in measuring receivables, account is taken of creditor solvency and of the characteristics of credit risk which is indicative of the individual debtor's payment capacity. Any impairment is recorded as cost in the income statement for the period.
Non-current receivables and loans, trade receivables and other receivables originated by the company fall into this category. The estimate of the bad debt provision is based on expected losses by Mittel S.p.A., determined on the basis of past experience with similar receivables, losses and collections.

Contingent liabilities
The Company is subject to legal and tax disputes, and considering the inherent uncertainties, it is difficult to predict with any certainty the disbursement involved with these disputes. Legal proceedings and disputes derive from complex legal problems, which are subject to a different degree of uncertainty, including facts and circumstances concerning each case. The company identifies a liability in respect of these disputes when it believes that the dispute will result in a financial outlay and when the amount of the resultant losses can be reasonably estimated. In the event in which a financial outlay becomes possible but the amount cannot be determined, this is reported in the notes to the separate financial statements.

Changes of accounting estimates

Pursuant to IAS 8, changes of accounting estimates are booked prospectively to the income statement starting from the year in which they are adopted.

Accounting standards and main amendments still not applicable and not adopted early by the company

The following amendments, improvements and interpretations, effective for the year in progress, govern events and cases not present for the company at the date of these financial statements, but which could have accounting effects on future transactions or agreements:
At the date of these financial statements, the competent bodies of the European Union have still not completed the approval process necessary for the adoption of the main accounting standards and amendments:
- on 12 November 2009, the IASB published IFRS 9 - Financial Instruments; said standard was subsequently amended. The standard, applicable from 1 January 2015 retrospectively, represents the first part of a phased process which aims to fully replace IAS 39 and introduce new criteria for the classification and measurement of financial assets and liabilities. In particular, as regards financial assets, the new standard applies a single approach based on the management criteria of financial instruments and the contractual cash flow characteristics of financial assets in order to determine a measurement standard that replaces the different rules envisaged by IAS 39. As regards financial liabilities, by contrast, the main change applied refers to the accounting of the fair value differences of a financial liability recognised as a financial liability valued at fair value through the income statement in the case in which these differences are due to a variation in the credit worthiness of the same liability. According to the new principle such variations must be recognised under “Other comprehensive income/(loss)” and no longer in the income statement.
- on 20 December 2010, the IASB issued a minor amendment to IAS 12 - Income Taxes which clarifies the calculation of deferred taxes on investment property valued at fair value. The amendment must be adopted retrospectively from 1 January 2012.
- on 12 May 2011, the IASB issued IFRS 10 - Consolidated Financial Statements, which will replace SIC 12 Consolidation - Special Purpose Entities and parts of IAS 27 - Consolidated and Separate Financial Statements, which will be renamed Separate Financial Statements and shall govern the accounting of investments in the separate financial statements. The new standard moves away from existing standards, identifying the concept of control as the determining factor for the purposes of consolidation of a company in the consolidated financial statements of the Parent Company. It also provides a guide for determining the existence of control where it is difficult to ascertain. The standard must be adopted retrospectively from 1 January 2013.
- on 12 May 2011, the IASB issued IFRS 11 - Joint Arrangements, which will replace IAS 31 - Interests in Joint Ventures and SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers. The new standard provides criteria for the identification of joint arrangements based on the rights and obligations deriving from the agreements rather than on their legal form and establishes the equity method as the only method of accounting for interests in jointly-controlled entities in the consolidated financial statements. The standard must be adopted retrospectively from 1 January 2013. Following the issuing of the standard, IAS 28 - Investments in Associates was amended to include in its field of application, from the effective date of the standard, also interests in jointly-controlled entities.
- on 12 May 2011, the IASB issued IFRS 12 - Disclosure of Interests in Other Entities, which constitutes a new and complete standard on additional information to be provided on each type of interest, including therein on subsidiaries, joint arrangements, associates, special purpose entities and other unconsolidated vehicle companies. The standard must be adopted retrospectively from 1 January 2013.
On 12 May 2011, the IASB issued IFRS 13 - Fair Value Measurement, which clarifies how to calculate fair value for financial statement purposes and applies to all IFRSs that require or permit fair value measurement or the presentation of information based on fair value. The standard must be adopted prospectively from 1 January 2013.
- on 16 December 2011, the IASB issued certain amendments to IAS 32 - Financial Instruments: Presentation, to clarify the application of certain criteria for offsetting financial assets and liabilities present in IAS 32. The amendments must be adopted retrospectively for years starting on or after 1 January 2014.
- on 16 December 2011, the IASB issued some amendments to IFRS 7 - Financial Instruments: Disclosures. The amendment requires information on the effects or potential effects of contracts for offsetting financial assets and liabilities on the statement of financial position. The amendments are applicable for years starting on or after 1 January 2013 and interim periods after said date. The information must be provided retrospectively.

- on 19 March 2011, the IASB published an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards - Government Loans which changes the reference to the accounting of government loans to the date of transaction to IFRSs (and therefore not applicable to the company).
- on 17 May 2012, the IASB published the document Annual Improvements to IFRS: 2009-2011 Cycle, which incorporates amendments to the standards as part of the annual improvements process, concentrating on the amendments deemed necessary, but not urgent. Shown below are those that will involve a change of presentation, recognition and measurement of items in the financial statements, instead omitting those that will only determine changes in terminology or publishing changes with minimal impact in accounting terms, or those that have an effect on standards or interpretations that are not applicable to the company:
- IAS 16 Property, Plant and Equipment - Classification of servicing equipment: clarifies that servicing equipment must be classified under the item Property, plant and equipment if used for more than one year, and under warehouse inventories in the opposite case.
- IAS 32 Financial Instruments: Presentation - Direct taxes on distributions to holders of equity instruments and on transaction costs of equity instruments: clarifies that direct taxes relating to these cases adhere to the rules of IAS 12.
- IAS 34 - Interim Financial Reporting - Total assets per reportable segment: total assets must only be disclosed if said information is regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

The effective date for the proposed amendments is for years starting on or after 1 January 2013 or at a later date, with early application permitted.

On 28 June 2012, the IASB published the document Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). Firstly, the document intends to clarify the Board's intentions with regard to the rules of transition of IFRS 10 Consolidated Financial Statements. The document issued defines the "date of initial application" of IFRS 10 as "the beginning of the annual period in which IFRS 10 is applied for the first time". Therefore, for an entity with financial year coinciding with the calendar year and first-time application of IFRS 10 to the financial statements for the year ended 31 December 2013, the "date of initial application" will be 1 January 2013. In the event in which the consolidation conclusions reached at the "date of initial recognition" are the same under IAS 27 Separate and Consolidated Financial Statements / SIC 12 Consolidation - Special purpose entities (vehicle companies) and IFRS 10, the entity will not have any obligation. Likewise, no obligation shall arise in the event in which the investment is transferred during the comparative period (and as such no longer present at the "date of initial application"). The document proposes to modify IFRS 10 to clarify how an investor should adjust comparative period(s) retrospectively if the consolidation conclusions reached at the "date of initial application" are different under IAS 27 / SIC 12 and IFRS 10. In particular, when a retrospective adjustment as defined above is not feasible, an acquisition/transfer will be accounted at the start of the comparative period presented, with a subsequent adjustment recorded under retained earnings. In addition, the Board amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide a similar allowance for the presentation or amendment of comparative information relating to periods preceding the one defined "the immediately preceding period" (i.e. the comparative period presented in the financial statements). IFRS 12 was further amended, limiting the request to present comparative information for disclosures relating to unconsolidated "structured entities" in periods prior to the date of application of IFRS 12.

These amendments are applicable, together with the reference standards, for years starting on or after 1 January 2013, unless adopted early.
At the date of these financial statements, the competent bodies of the European Union have completed the approval process necessary for the adoption of the following accounting standards and amendments that the company has decided not to adopt early:

- on 16 June 2011, the IASB issued an amendment to IAS 1 - Presentation of Financial Statements, to request companies to group together all items within OCI depending on whether they can then be reclassified to the income statement. The amendment must be applied for years starting on or after 1 July 2012.
- on 16 June 2011, the IASB issued an amendment to IAS 19 - Employee Benefits, which eliminates the option of deferring the recognition of actuarial gains and losses with the corridor method, requiring the presentation, in the statement of financial position, of the deficit or surplus of the fund and the recognition, in the income statement, of the components of cost connected to employment and net financial expenses, as well as the recognition of actuarial gains and losses that derive from the remeasurement of liabilities and assets under OCI. In addition, the return on assets included under net financial expenses must be

calculated on the basis of the liability discount rate and no longer on the expected return on the same. Lastly, the amendment introduces new additional disclosures to be provided in the notes to the financial statements, and must be applied retrospectively for years starting on or after 1 January 2013.

3 AREA OF CONSOLIDATION

The consolidated financial statements are prepared on the basis of the accounting situations as at 30 September 2012 drafted by the respective consolidated companies, adjusted, where necessary, in order to align these to the Group classification criteria and accounting standards compliant with IFRS.
The area of consolidation as at 30 September 2012 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.	Milan	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
2 Mittel Investimenti Mobiliari S.r.l. (formerly HPN S.r.l.)	Milan	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
3 Mittel Corporate Finance S.p.A.	Milan	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
4 Mittel Investimenti Immobiliari S.r.l.	Milan	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
5 Ghea S.r.l.	Milan	Full	Mittel S.p.A.	51,00%	51,00%	51,00%
6 Earchimede S.p.A.	Milan	Full	Mittel S.p.A.	85,01%	85,01%	85,01%
7 Locaeffe S.r.l. in liquidazione (n liquidation) (formerly F Leasing SpA)	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
8 Markfactor S.r.l. in liquidazione (in liquidation)	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
9 Sunset S.r.l. in liquidazione (in liquidation)	Brescia	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
10 Holinvest S.r.l. in liquidazione (in liquidation)	Milan	Full	Mittel S.p.A.	100,00%	100,00%	100,00%
11 CAD Immobiliare S.r.l.	Milan	Full	Mittel S.p.A. - MII S.r.l.	100,00%	100,00%	100,00%
12 Mittel Real Estate SGR S.p.A.	Milan	IFRS5	Mittel S.p.A.	100,00%	100,00%	100,00%
Indirect subsidiaries:						
13 Livia S.r.l. in liquidazione (in liquidation)	Milan	Full	MII S.r.l.	68,23%	68,23%	68,23%
14 Spinone S.r.l. in liquidazione (in liquidation)	Milan	Full	MII S.r.l.	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 Uno S.r.l. in liquidazione (in liquidation)	Milan	Full	MII S.r.l.	100,00%	100,00%	100,00%
17 Gamma Tre S.r.l.	Milan	Full	MII S.r.l.	80,00%	80,00%	80,00%
18 Breme S.r.l.	Milan	Full	MII S.r.l.	60,00%	60,00%	60,00%
19 Fede S.r.l.	Milan	Full	MII S.r.l.	51,00%	51,00%	51,00%
20 Immobiliare Volta Marconi S.r.l.	Milan	Full	MII S.r.l.	51,00%	51,00%	51,00%
21 Cerca S.r.l.	Milan	Full	MII S.r.l.	100,00%	100,00%	100,00%
22 Lucianita S.r.l.	Milan	Full	MII S.r.l.	51,00%	51,00%	51,00%
23 MiVa S.r.l.	Milan	Full	MII S.r.l.	51,00%	51,00%	51,00%
24 Regina S.r.l.	Milan	Full	MII S.r.l.	100,00%	100,00%	100,00%
25 FD33 S.p.A.	Brescia	Full	Earchimede S.p.A.	100,00%	100,00%	85,01%
26 Fashion District Group S.p.A.	Brescia	Full	Earchimede S.p.A. - FD33 S.p.A..	66,66%	66,66%	56,67%
27 Fashion District Roma S.r.l.	Brescia	Full	Fashion District Group	100,00%	100,00%	56,67%
28 Fashion District Molfetta S.r.l.	Brescia	Full	Fashion District Group	100,00%	100,00%	56,67%
29 Fashion District Mantova S.r.l.	Brescia	Full	Fashion District Group	100,00%	100,00%	56,67%
30 Parco Mediterraneo S.r.l.	Brescia	Full	FD33 – Fashion District G	100,00%	100,00%	59,50%
B. Companies consolidated using the equity method						
Direct associates:						
1 Liberata S.p.A.	Milan	Shareholders' equity	Mittel S.p.A.	27,00%	27,00%	27,00%
2 Bios S.p.A.	Milan	Shareholders' equity (*)	Mittel S.p.A.	50,00%	50,00%	50,00%
3 Tower 6 Bis S.à r.l.	Luxembourg	Shareholders' equity	Mittel S.p.A.	49,00%	49,00%	49,00%
4 Brands Partners 2 S.p.A.	Milan	Shareholders' equity	Mittel S.p.A.	25,20%	25,20%	25,20%
5 Everel Group S.p.A.	Verona	Shareholders' equity	Mittel S.p.A.	30,00%	30,00%	30,00%
6 Chase Mittel Capital Holding II NV	Netherlands Antilles	Shareholders' equity	Mittel S.p.A.	21,00%	21,00%	21,00%
7 Castello SGR S.p.A.	Milan	Shareholders' equity	Mittel S.p.A.	23,68%	23,68%	23,68%
Indirect associates:						
8 Mittel Generale Investimenti SpA	Milan	Shareholders' equity	Liberata S.p.A.	100,00%	100,00%	27,00%
9 Ma-tra Fiduciaria S.p.A..	Milan	Shareholders' equity	Mittel Generale Investimenti SpA	81,00%	81,00%	21,87%
10 Mit.Fin. SpA	Milan	Shareholders' equity	Mittel Generale Investimenti SpA	30,00%	30,00%	8,10%
11 Iniziative Nord Milano S.r.l.	Milan	Shareholders' equity (*)	MII S.r.l.	50,00%	50,00%	50,00%

(*) Investment subject to joint control

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 30 September 2012 shows the following changes with respect to 30 September 2011:

1. Acquisitions of additional investments in Tethys S.p.A. and Hopa S.p.A.

Gruppo Tethys S.p.A. was fully consolidated effective from the acquisition of control of Tethys S.p.A., which took place in the previous year.
It should be pointed out that Tethys S.p.A. held, directly and indirectly, controlling interests mainly in Gruppo Hopa S.p.A., Gruppo Earchimede S.p.A. and Gruppo Fashion District Group S.p.A., which are better detailed below.
During the year, Mittel S.p.A. started and completed the restructuring of the holdings in subsidiaries Tethys S.p.A. and Hopa S.p.A. through two mergers by incorporation of Tethys S.p.A. in Mittel S.p.A. ("Fusione I" - Merger I) and of Hopa S.p.A. in Mittel S.p.A., as a result of Merger I of Tethys S.p.A. in Mittel S.p.A. ("Fusione II" - Merger II).
Merger II did not involve the application of any share exchange ratio, given that, on the date of stipulation of Merger II, the merging company Mittel S.p.A., as a result of Merger I, did not hold 100% of the share capital of Hopa S.p.A.. Therefore, Mittel S.p.A. increased share capital to service the merger, and all Hopa S.p.A. shares held by Mittel S.p.A. were cancelled (art. 2504-ter, paragraph 2, Italian Civil Code).

On 30 December 2011:
- Mittel S.p.A. exercised the right to purchase, from Banca Monte dei Paschi di Siena S.p.A. and Banco Popolare Soc. Coop., for a total consideration of EUR 5 million, the residual stake of 16,67% in Tethys S.p.A., therefore holding 100% of the share capital of Tethys S.p.A.;
- Tethys S.p.A. exercised the right to purchase 325.172.513 Hopa S.p.A. shares from counterparties Banca Monte dei Paschi di Siena S.p.A., Banco Popolare Soc. Coop and UBI Banca S.c.p.A. for a consideration of EUR 32,5 million. Payment of the consideration of EUR 19.685.276 million to Banca Monte dei Paschi di Siena S.p.A. was deferred to 31 January 2012;
- at the end of the term for creditors to lodge an objection pursuant to art. 2503, Italian Civil Code, Mittel S.p.A., Tethys S.p.A. and Hopa S.p.A. stipulated the deed of merger of Tethys S.p.A. and Hopa S.p.A. in Mittel S.p.A. and, subsequently, filed it at the competent registers of companies, pursuant to art. 2504. The merger is therefore legally effective from 5 January 2012. Due to the merger by incorporation of Tethys S.p.A. in Mittel S.p.A. and Hopa S.p.A. in Mittel S.p.A. as a result of the previous merger and, in particular, due to the share swap relating to the non controlling interests of Hopa S.p.A., Mittel S.p.A. held all the share capital of Hopa S.p.A., subsequently increasing its indirect interest in the investees of Hopa S.p.A..

It should be noted that the variation in the area of consolidation resulting from the acquisition of the incremental investment of Tethys S.p.A., which allows Mittel to acquire exclusive control of the same, was not represented in application of the acquisition method set out by IFRS 3 - Business combinations, as it relates to the interest of a Group already fully consolidated.

2. Disposal of the investment Mittel Generale Investimenti S.p.A. and discontinued operations

During the course of the year, Mittel S.p.A. concluded a strategic project for the transfer of activities relating to operating finance through the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. ("MGI") to Liberata S.p.A., a company 36,5% owned by ISA (Istituto Atesino di Sviluppo S.p.A.), 36,5% owned by Fondazione CARITRO (Fondazione Cassa di Risparmio di Trento e Rovereto) and 27% owned by Mittel S.p.A..

With reference to Liberata S.p.A., it should be noted that, in June 2012, Mittel S.p.A acquired 100% of its share capital, of which 51% was acquired from subsidiary Mittel Investimenti Immobiliari S.r.l. and 49% from third parties.

The disposal of MGI was carried out on 25 July 2012, in accordance with the terms and conditions set out in the investment and purchase contract signed on 24 July 2012 by Mittel S.p.A., Istituto Atesino di Sviluppo S.p.A., Fondazione Cassa di Risparmio di Trento e Rovereto and Liberata S.p.A..
The purchase contract made provision for the transfer of the entire share capital of MGI at a price of EUR 75 million, of which EUR 44,8 million to be paid on the date of execution of the transaction and EUR 30,2 million secured by a 30-month interest-bearing vendor loan.

The execution of the transfer is subject to the stipulation of bank loans to Liberata S.p.A. totalling EUR 25 million, which augment the company's financial resources (share capital and shareholders' loan) for EUR 20 million, of which EUR 5,4 million pertains to Mittel S.p.A..
Following the subscription and release of the share capital increase, Mittel S.p.A. holds a stake of 27% in the share capital of the acquirer Liberata S.p.A. which, therefore, became a Group associate.

Therefore, during the course of the year, the scope of consolidation saw the full deconsolidation of the equity part of the MGI investment. The consolidated financial statements as at 30 September 2012 refer to the Mittel Group subsequent to the disposal of MGI, given that said transaction took effect on 25 July 2012. Therefore, pursuant to IFRS 5 ("Assets Held for Sale and Discontinued Operations"), the group of MGI businesses qualifies as discontinued operations for the Mittel Group and has been represented as such in these financial statements.
For the purposes of comparative information with the previous year in relation to the effects on the statement of financial position as at 30 September 2012 deriving from the full deconsolidation of MGI activities in respect of the Group, the main information on the asset and liability situation as at 25 September 2012 and 30 September 2011 pertaining to MGI and the consolidated capital loss following the transfer of said MGI is shown below:

(amounts in thousands of Euro)	25.07.2012	30.09.2011
Property, plant and equipment	1.627	1.700
Investments	-	4.437
Financial receivables	140.837	118.933
Other financial assets	-	-
Sundry receivables and other assets	-	-
Prepaid tax assets	194	207
Total non-current assets	**142.658**	**125.277**
Financial receivables	73.672	163.821
Other financial assets	9.866	17.808
Current tax assets	-	165
Sundry receivables and other assets	72	50
Cash and cash equivalents	35.940	6.783
Total current assets	**119.550**	**188.627**
Financial payables	-	(25.000)
Other financial liabilities	-	-
Provisions for personnel	(328)	(294)
Deferred tax liabilities	(1.955)	(1.955)
Provisions for risks and charges	(2.800)	(2.800)
Total non-current liabilities	**(5.083)**	**(30.049)**
Financial payables	(172.642)	(162.519)
Other financial liabilities	(33)	-
Sundry payables and other liabilities	(1.705)	(686)
Total current liabilities	**(174.380)**	**(163.205)**
Net assets	**82.745**	**120.650**
Capital losses from transfer	**(7.745)**	
Consideration for transfer of 100% of the MGI investment as at 25.07.2012	**75.000**	

3. Full deconsolidation of the Mittel Private Equity Srl investment

On 29 November 2011, the extraordinary shareholders' meetings of Mittel Private Equity S.r.l. and Brands Partners 2 S.p.A. resolved not only the approval of the amendment to the Articles of Association in terms of bringing forward the end of the company year to 31 October 2011, but the approval of the merger project prepared by the Administrative Bodies of said companies.
The two resolutions of the shareholders' meetings were recorded in the Register of Companies on 5 December 2011.
Following the reverse merger of Mittel Private Equity S.r.l. in Brands Partners 2 S.p.A., completed on 24 November 2011, said company Mittel Private Equity S.r.l. was fully deconsolidated effective from 1 November 2011.

The investee Brands Partners 2 S.p.A. was consolidated according to the equity method until the previous year given an investment held indirectly via Mittel Private Equity S.r.l., due to the above-mentioned extraordinary reverse merger transaction effective from 1 November 2011, the equity interest in Brands Partners 2 S.p.A. is 25,20% and, subsequently, the company is consolidated directly with the equity method.

On 4 November 2011, in respect of the repayment of the non-interest bearing shareholders' loan by Brands Partners 2 S.p.A., Mittel Private Equity S.r.l., as per the resolution of the shareholders' meeting dated 17 October 2011, proportionally repaid to shareholders the share premium amounting to EUR 475.672, the legal reserve totalling EUR 1.230.000, the other reserves amounting to EUR 11.456 and profits of previous years standing at EUR 11.149.328. On 7 November 2011 Mittel Private Equity S.r.l. transferred the entire investment held in Vimercati S.p.A. for a total of EUR 1.472.000.

STATEMENT OF FINANCIAL POSITION - ASSETS

NON-CURRENT ASSETS

5 INTANGIBLE ASSETS

Intangible assets totalled EUR 21,8 million, down EUR 4,7 million compared to the previous year, due in particular to the impairment of the value of goodwill of Fashion District Group S.p.A..
The item saw the following changes:

	Goodwill	Plant	Concessions and licences	Other	Total
Values as at 01.10.2011	**4.741.000**	**269**	**21.602.394**	**103.881**	**26.447.544**
Changes in the year:					
- acquisitions	0	0	38.171	133	**38.304**
- change in scope of consolidation	0	0	(39.220)	32.150	**(7.070)**
- disposals	0	0	0	0	**0**
- reclassifications	0	0	134.991	(54.768)	**80.223**
- amortisation	0	(269)	(36.432)	(29.880)	**(66.581)**
- value adjustments	(4.741.000)	0	0	0	**(4.741.000)**
Total changes	**(4.741.000)**	**(269)**	**97.510**	**(52.365)**	**(4.696.124)**
Values as at 30.09.2012	**0**	**0**	**21.699.904**	**51.516**	**21.751.420**

Impairment of the goodwill of Fashion District Group S.p.A.

In the previous year, the value of goodwill of EUR 4,7 million referred entirely to the consolidation difference of the Group headed up by the company Fashion District Group S.p.A., and deriving from consolidation following the business combination realised in previous years by the subsidiary Earchimede S.p.A..
The Fashion District Group operates in the management of retail trade activities via the concentration of points of sale for outlet use in purpose built extra-urban commercial complexes (factory outlet village), located in the province of Mantua and in Molfetta. A third outlet, managed by the Fashion District Group, but not owned by the latter, is located close to Rome (Valmontone).
Goodwill arising from consolidation of the Fashion District Group was allocated to the individual cash generating units (CGUs), identified with reference to the organisational, management and control structure of the Fashion District Group and coinciding with the three aforementioned outlets, managed by the Group through three wholly-owned vehicle companies.
The recoverable value per CGU was verified through the determination of the respective value in use, understood as the present value of estimated prospective flows of operating income relating to the CGUs.

The comparison between the book value of goodwill allocated to the three CGUs and the relative recoverable value determined by the value in use as at 30 September 2012, as better detailed in note no. 6 of the separate financial statements, highlighted the need for a full write-down of goodwill equal to EUR 4,7 million, which was recognised in the income statement under the item "Value adjustments to intangible assets".

Impairment of intangible assets with an indefinite life

Intangible assets include assets considered to have an indefinite life (EUR 21,7 million) given there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the Group.
These assets refer to the subsidiary Fashion District Group S.p.A. and relate to the 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.
Pursuant to IAS 36, assets with an indefinite useful life are not amortised, but are subject to verification of the recoverability of the book value at least on annual basis (impairment test).

In November 2012, with the help of a qualified independent expert, the company Fashion District Group S.p.A. prepared an update to the current evaluation of the fair value of the commercial licences of the

Mantua and Molfetta outlets. The fair value of the commercial licences was determined using a market method which is based on a comparison between certain relevant references in comparable transactions which are appropriately adjusted to take into account the specific capacity to generate income of the two commercial locations and their operating size, by adopting elaborate estimate methods both in terms of geomarketing aspects and from an economic and financial point of view.
It should be noted that the test carried out on 30 September 2012 had a successful outcome, and so no impairment was recognised.

6 PROPERTY, PLANT AND EQUIPMENT

This item totalled EUR 147,4 million, marking a decrease of EUR 14,9 million over 30 September 2012, attributable to the amortisation of the properties owned by the Fashion District Group (EUR 13,7 million).
More specifically, the item saw the following changes:

	Land and buildings	Investment property	Plant and machinery	Office machines and equipment	Other assets	Total
Values as at 01.10.2011	**20.848.700**	**136.681.312**		**3.740.712**	**961.378**	**162.232.102**
Changes in the year:						
- acquisitions	0	1.622.750	237.315	445.095	734.794	**3.039.954**
- change in scope of consolidation	(1.492.629)	0	0	(134.424)	(75.638)	**(1.702.691)**
- disposals	0	0	(27.292)	(244.627)	(154.239)	**(426.158)**
- reclassifications	0	0	0	0	0	**0**
- depreciation	(11.013)	(13.150.405)	(360.648)	(147.982)	(421.442)	**(14.091.490)**
- other changes	0	817.707	551.956	(3.262.718)	217.302	**(1.675.753)**
Total changes	**(1.503.642)**	**(10.709.948)**	**401.331**	**(3.344.656)**	**300.777**	**(14.856.138)**
Values as at 30.09.2012	**19.345.058**	**125.971.364**	**401.331**	**396.056**	**1.262.155**	**147.375.964**

The item investment property mainly relates to the value of the outlets owned by the Fashion District Group.

7 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The item is composed as follows:

	30.09.2012	30.09.2011
Tower 6 Bis S.a.r.l	17.324.545	15.512.932
Mit.Fin S.p.A.	-	279.874
Chase Mittel	6.249	6.249
Sunset S.r.l. in liquidazione	500	500
Everel Group S.p.A.	3.300.000	3.300.000
Bios S.p.a.	9.493.068	7.342.914
Liberata S.p.A.	3.912.768	-
Castello SGR S.p.A.	1.807.286	1.404.208
Brands Partners 2 S.p.A.	2.451.955	832.776
Iniziative Nord Milano S.r.l.	802.382	839.488
	39.098.753	**29.518.941**

The increases in the year relate mainly to:

- the increase in the value of the investee Tower 6 Bis S.a.r.l. (EUR 1,8 million) as a result of the adjustment to the valuation of the Sorin S.p.A. investment held by the latter;
- the increase in the value of the investee Bios S.p.A. (EUR 2,2 million) as a result of the adjustment to the valuation of the Sorin S.p.A. investment held by the latter;
- the Liberata S.p.A. investment (EUR 3,9 million) resulting from the capitalisation transactions of said investee performed prior to the purchase transaction of Mittel Generale Investimenti S.p.A. for a total of EUR 1,9 million, already amply detailed, and to the adjustment in the year deriving from the valuation according to the equity method, totalling EUR 2 million;

- the investment in Castello SGR S.p.A. (EUR 0,4 million), deriving from the acquisition of an incremental investment in the year totalling EUR 0,2 million and the pro-rata result recognised according to the equity method, amounting to EUR 0,2 million;
- the investment in Brands Partners 2 S.p.A. for EUR 2,5 million (a company held originally by Mittel Private Equity S.r.l. which was subject to a reverse merger transaction during the year, already described in detail in previous note no. 3 “Area of consolidation”) which was consolidated according to the equity method during the year.

The decreases in the year relate mainly to:
- the change in the scope of consolidation (EUR 0,3 million) relating to the investment in Mit. Fin S.p.A. which, in the previous year, was held by Mittel Generale Investimenti S.p.A (a company which was fully deconsolidated in the year, as comprehensively detailed in previous note no. 3 “Area of consolidation”);
- the deconsolidation according to the equity method of the investment in Mittel Private Equity S.r.l. (EUR 0,8 million), resulting from the reverse merger transaction with Brands Partners 2 S.p.A., already mentioned above.

8 FINANCIAL RECEIVABLES

Financial receivables totalled EUR 157,0 million, down by EUR 57,9 million.

	30.09.2012	30.09.2011
Loans	140.596.023	153.422.609
Other receivables	16.374.519	61.471.575
Security deposits	304	0
	156.970.846	**214.894.184**

The item “Loans” is composed as follows:

	30.09.2012	30.09.2011
Loans - financial institutions	30.000.000	38.350.000
Loans - customers	110.596.023	115.072.609
	140.596.023	**153.422.609**

The item “Loans” mainly includes:
- the value of the loan originally granted by Banco di Brescia to Bios S.p.A. (EUR 33,3 million), in respect of which Ghea S.r.l. took over as transferee;
- the vendor loan of EUR 30,5 million granted by Mittel S.p.A. to Liberata S.p.A. to purchase the Mittel Generale Investimenti S.p.A. investment;
- the mortgage loan of EUR 30,0 million due from Fondo Augusto acquired during the transfer of the Mittel Generale Investimenti S.p.A. investment;
- credit positions deriving from Hopa S.p.A. (EUR 28,7 million) following the aforementioned merger by incorporation;
- the non-current portion of a loan (EUR 8,5 million) totalling EUR 13,2 million payable in three equal instalments expiring on 31 July 2013, 31 July 2014 and 31 July 2015;
- receivables due from the Fashion District Group amounting to EUR 4,5 million;
- a shareholders’ loan granted to Liberata S.p.A. (EUR 3,6 million).

The item “Other receivables” is composed of the receivable deriving from the earn-out on the transfer of the Valmontone Roma outlet by Fashion District Group S.p.A. (EUR 13,7 million) and financial receivables for factoring (EUR 2,7 million) deriving from activities carried out in previous years by the subsidiary Markfactor S.r.l. in liquidazione (in liquidation) which expose the residual portion to the two counterparties.

9 OTHER FINANCIAL ASSETS

Other financial assets totalled EUR 143,2 million, down by EUR 0,7 million.
The item is composed as follows:

	30.09.2012	30.09.2011
Available-for-sale financial assets		
Equities and shares of funds	141.875.978	140.831.640
Bonds	534.868	874.710
Financial assets designated at fair value	838.336	2.213.615
	143.249.182	**143.919.965**

Available-for-sale financial assets

The item includes equity instruments recorded as available-for-sale financial assets and bonds and financial assets valued at fair value and is composed as follows:

	30.09.2012	30.09.2011
Available-for-sale financial assets		
Equities and shares of funds:		
Azimut - Benetti S.p.A.	29.186.630	29.186.630
SIA - SSB S.p.A.	1.400.000	1.400.000
Fondo Progressio Investimenti (Progressio Investimenti Fund)	4.587.788	7.733.669
Fondo Progressio Investimenti II (Progressio Investimenti II Fund)	3.091.388	1.691.954
Fondo Cosimo I (Cosimo I Fund)	4.207.000	4.430.029
Fondo Augusto (Augusto Fund)	15.143.605	12.300.465
Equinox Two S.c.a.	7.708.853	7.971.279
Progressio SGR S.p.A.	649.711	193.410
Micro Ventures S.p.A.	3.088.703	3.088.703
Società Editoriale Vita S.p.A.	99.999	99.999
Micro Ventures Investments S.c.a. Sicar	560.000	200.000
Nomisma S.p.A.	100.000	100.000
Intesa San Paolo S.p.A.	17.745.000	18.030.000
UBI Banca - Unione di Banche Italiane S.c.p.a.	12.488.348	12.214.786
RCS Media Group S.p.A.	12.651.682	6.721.175
Istituto Atesino di Sviluppo S.p.A.	3.312.953	3.312.953
Medinvest International S.A.	2.281.299	5.181.181
Opera Participations S.C.A.	712.441	757.061
Opera 2 Participations S.C.A.	2.019.256	1.954.917
Investitori Associati II S.A.	921.365	925.049
Alfieri Ass. Inv. S.A.	3.935.000	6.843.505
Dimensioni Network	241.516	269.144
IGI Sud	1.430.407	1.710.809
Inn. Tec S.r.l.	5.200	5.200
Isfor 2000 S.c.p.a.	3.000	3.000
CIS S.p.A.	1.234.214	1.471.882
Pioneer mutual investment fund	1.130.567	1.098.787
Alfa Park S.r.l.	11.936.053	11.936.053
Consorzio Polo Turistico (tourism hub consortium)	4.000	-
Bonds:		
A2A S.p.A. (bonds)	504.868	504.868
Editoriale Vita S.p.A. bonds	30.000	-
OMB Brescia S.p.A. bond loan	-	369.842
Financial assets designated at fair value:		
AXA-MPS policy	838.336	2.213.615
	143.249.182	**143.919.965**

The changes in available-for-sale financial assets are shown in the appropriate annex (table of available-for-sale financial assets).

10 SUNDRY RECEIVABLES AND OTHER ASSETS

The item "sundry receivables and other non-current assets" totalled EUR 329 thousand (EUR 331 thousand as at 30 September 2011) and is composed as follows:

	30.09.2012	30.09.2011
Other receivables	208.306	201.050
Other assets	121.342	130.250
	329.648	**331.300**

11 PREPAID TAXES

The item is composed as follows:

	30.09.2012	30.09.2011
Tax assets with contra-item in Income statement	7.043.572	6.688.685
Tax assets with contra-item in Shareholders' Equity	2.412.834	998.324
	9.456.406	**7.687.009**

	30.09.2012	30.09.2011
Prepaid taxes		
Assets/liabilities held for trading	424.890	1.615.239
Investments	1.254.250	896.796
Property, plant and equipment / intangible assets	663.332	873.796
Allocations	99.385	-
Other assets/liabilities	1.071.833	3.671
Receivables	2.323.728	2.708.728
Retained losses	3.613.845	1.215.691
Other	5.143	373.088
	9.456.406	**7.687.009**

Changes in the item tax assets with a contra-item in the income statement are as follows:

	30.09.2012	30.09.2011
Opening balance	**6.688.685**	**679.366**
Increases	**750.930**	**6.692.717**
Prepaid taxes recorded in the year:	**750.930**	**1.340.451**
- relating to previous years	-	-
- other	750.930	1.340.451
Increases in tax rates	-	-
Other increases	-	5.352.266
Decreases	**(396.043)**	**(683.398)**
Prepaid taxes cancelled in the year:	**-**	**(317.176)**
- reversals	-	(317.176)
Decreases in tax rates	-	-
Other reductions	(396.043)	(366.222)
	7.043.572	**6.688.685**

Changes in the item tax assets with a contra-item in shareholders' equity are as follows:

	30.09.2012	30.09.2011
Opening balance	**998.324**	**-**
Increases	**1.414.510**	**1.311.639**
Prepaid taxes recorded in the year:	**872.821**	**-**
- relating to previous years	-	-
- other	872.821	-
Increases in tax rates	-	-
Other increases	541.689	1.311.639
Decreases	**-**	**(313.315)**
Prepaid taxes cancelled in the year:	**-**	**(169.757)**
- reversals	-	(169.757)
Decreases in tax rates	-	-
Other reductions	-	(143.558)
	2.412.834	**998.324**

Prepaid taxes are recognised given that it is deemed likely that positive taxable income will be generated to allow the use of the amount recognised as at 30 September 2012.
Management recorded the value of deferred tax assets in Group companies up to the value for which it deems their recovery likely, also taking into account a further worsening in the assumptions envisaged over a medium-term period and the fact that the net deferred tax assets allocated refer to temporary differences/tax losses which can be recovered within a time period implicit in the Group's planning.

CURRENT ASSETS

12 PROPERTY INVENTORIES

As at 30 September 2012, the item amounted to EUR 117,6 million, an increase of EUR 103,7 million over the previous year. In particular, the item is composed as follows:

	30.09.2012	30.09.2011
Properties under construction	107.440.612	93.453.643
Properties under development	10.200.000	10.200.000
	117.640.612	**103.653.643**

Property inventories, which as at 30 September 2011, amounted to EUR 103,7 million, registered an increase of EUR 13,9 million in the year, due to typical property activities (purchase of buildable areas, sales of property units, etc.) carried out by Mittel Investimenti Immobiliari S.r.l. and by companies headed up by the latter.
In particular, property inventories relate to the following companies:

	30.09.2012	30.09.2011
Breme S.r.l.	22.991.078	19.790.202
Cad S.r.l.	23.097.637	24.981.747
Fede S.r.l.	8.520.531	9.432.528
Gamma Uno S.r.l. in liquidazione	153.000	153.000
Gamma Tre S.r.l.	9.091.551	9.523.129
Immobiliare Volta Marconi S.r.l.	3.801.540	3.720.507
Lucianita S.r.l.	12.388.930	7.363.739
Mittel Investimenti Immobiliari S.r.l.	14.063.761	8.428.970
Mi.Va S.r.l.	11.817.690	4.656.018
Regina S.r.l.	1.480.542	1.422.128
Spinone S.r.l. in liquidaizione	34.352	469.352
Esseventuno S.r.l.		3.512.323
	107.440.612	**93.453.643**

The item properties under development refers to a development site in the province of Catania held via Parco Mediterraneo S.r.l., a subsidiary of Fashion District Group.

13 FINANCIAL RECEIVABLES

As at 30 September 2012, the item amounted to EUR 48,6 million, a decrease of EUR 126,0 million, and is composed as follows:

	30.09.2012	30.09.2011
Loans	44.371.733	160.585.818
Other receivables	4.248.771	14.076.361
	48.620.504	**174.662.179**

The item Loans is composed as follows:

	30.09.2012	30.09.2011
Loans - financial institutions	10.802.145	38.008.249
Loans - customers	33.569.588	122.577.569
	44.371.733	**160.585.818**

The item “Loans” mainly includes:

- the short-term portion of the loan granted to third parties by Mittel Partecipazioni Stabili S.r.l. (EUR 21,2 million) and collected on 20 December 2012;

- the short-term portion (EUR 4,6 million) of an interest-bearing loan with total principal of EUR 13,2 million, of which EUR 4,6 million expiring on 31 July 2013 and the remaining EUR 8,6 million in two instalments expiring on 31 July 2014 and 31 July 2015;
- for EUR 6,9 million relating to loans granted to third parties by the subsidiary Locaeffe S.r.l. in liquidazione (in liquidation);
- for EUR 10,8 million, to the financial resources made available to Mittel Generale Investimenti S.p.A. by subsidiary Earchimede S.p.A..

The item “Other receivables” includes the receivable due from Mittel Corporate Finance S.p.A. (EUR 1,9 million) relating to the transfer of the ECPI S.r.l. and ECP International S.A. investments plus annual interest at the 6-month Euribor + 50 basis points, as envisaged in the purchase contract of 28 September 2010, and financial receivables for factoring (EUR 1,4 million) deriving from activities carried out in previous years by the subsidiary Markfactor S.r.l. in liquidazione (in liquidation) and represented exclusively by the residual position with two counterparties and receivables (EUR 0,3 million) deriving from the residual leasing activities of Locaeffe S.r.l. in liquidazione (in liquidation), formerly F.Leasing S.p.A., a company which, up until the previous year, operated in financial leasing, placed into liquidation on 11 October 2011. Locaeffe S.r.l. in liquidazione (in liquidation) currently handles the repayment of the residual active transactions.

14 OTHER FINANCIAL ASSETS

As at 30 September 2012, the item was eliminated given that the value recorded in the previous year of EUR 41,3 million referred to the fair value measurement of the call option (EUR 6,8 million) that the Parent Company held on a stake of 16,67% in the share capital of Tethys S.p.A., the fair value of the call options (EUR 16,5 million) that Tethys S.p.A. held on a stake of 23,53% in the share capital of Hopa S.p.A. and other financial assets (EUR 18 million) recorded by the company Mittel Generale Investimenti S.p.A., consolidated in the financial statements for the year ended as at 30 September 2011, subject to transfer in the current year, as amply detailed in this report on operations to which reference should be made.

The item is composed as follows:

	30.09.2012	**30.09.2011**
Bonds	0	7.376.424
Equity instruments	0	10.619.161
Derivative financial instruments	0	23.346.649
	0	**41.342.234**

15 TAX ASSETS

As at 30 September 2012, the item amounted to EUR 16,6 million, a decrease of EUR 1,0 million.

	30.09.2012	**30.09.2011**
IRES (corporate income tax)	15.953.661	16.815.014
IRAP (regional business tax)	149.400	665.087
Other taxes	477.866	149.726
	16.580.927	**17.629.827**

Current IRES tax assets relate, for EUR 13,0 million, to the receivable due from the tax authorities deriving from tax withholdings and payments on account made as of today relating to Mittel S.p.A. and deriving from National Global Tax Consolidation – former Hopa S.p.A. – currently interrupted and in force up to 31 December 2011.

The item showed the following changes:

	30.09.2012	30.09.2011
Opening balance	**17.629.827**	**2.854.210**
Increases	**13.840.709**	**22.556.486**
Current tax assets recorded in the year:	2.196	4.584
- relating to previous years	-	-
- other	2.196	4.584
Other increases	13.838.513	22.551.902
Decreases	**(14.889.609)**	**(7.780.869)**
Current tax assets cancelled in the year:	0	0
- reimbursements	-	-
Other decreases	(14.889.609)	(7.780.869)
	16.580.927	**17.629.827**

16 RECEIVABLES DUE FROM CUSTOMERS AND OTHER COMMERCIAL ASSETS

As at 30 September 2012, the item amounted to EUR 18,2 million, and is composed as follows:

	30.09.2012	30.09.2011
Trade receivables	2.396.843	2.202.952
Receivables from leases	1.801.277	1.707.492
Other tax receivables	10.670.067	2.874.055
Other receivables	1.115.764	888.506
Accrued income and prepaid expenses	2.229.652	1.837.946
	18.213.603	**9.510.951**

The item trade receivables is comprised of receivables due from the customers of the subsidiary Mittel Corporate Finance S.p.A. deriving from ordinary operations (EUR 1,9 million).
The item "Other tax receivables" is mainly composed of:

- for EUR 7,2 million, the receivables due from the tax authorities and acquired by Bios S.p.A. in execution of the contract for the purchase of the portion of share capital of Tethys S.p.A. on 18 May 2011 and relating to the IRES (corporate income tax) surplus, for which a refund was requested;
- for EUR 3,3 million, the Group VAT receivable.

The item accrued income and prepaid expenses is composed of the contribution of the Fashion District Group (EUR 1,5 million), and relates to the costs incurred by Outlet centre management companies for the marketing of commercial units through the stipulation of 8-year rental agreements for business units, the contribution to tax consolidation of the Parent Company Mittel S.p.A. (EUR 0,5 million) relating to deferrals (EUR 0,3 million) on contractual rents accrued in the future and the deferral on insurance premiums (EUR 0,2 million).

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, amounting to EUR 14,9 million (EUR 64,7 million as at 30 September 2011), include cash held by Group companies and investments in bank deposits, as follows:

	30.09.2012	30.09.2011
Cash	14.214	192.835
Bank and postal deposits	14.876.157	64.463.233
	14.890.371	**64.656.068**

As regards changes in the item, please refer to the consolidated cash flow statement.

18 ASSETS HELD FOR SALE

Assets held for sale amounted to EUR 2,6 million and relate to the assets of the investee Mittel Real Estate SGR S.p.A. recorded under assets held following the subscription of a preliminary sales agreement which involves the transfer of the same to Vantu S.p.A. (company headed up by a director of Mittel S.p.A.), a transaction outlined in more detail in the report on operations and in note no.55 of these financial statements.

	30.09.2012	30.09.2011
Non-current assets held for disposal		
Investments	-	-
Other non-current assets	-	-
Disposal group activities		
Financial receivables	2.468.995	-
Investments	-	1.003.793
Intangible assets	2.772	-
Property, plant and equipment	27.726	-
Prepaid tax assets	48.928	-
Other assets	1.948	-
	2.550.369	**1.003.793**

STATEMENT OF FINANCIAL POSITION - LIABILITIES

SHAREHOLDERS' EQUITY

19 SHAREHOLDERS' EQUITY PERTAINING TO THE GROUP

Shareholders' equity pertaining to the Group stood at EUR 342,0 million, a decrease of EUR 48,3 million over 30 September 2011.
The breakdown of Shareholders' equity pertaining to the Group is shown in the following table:

	30.09.2012	30.09.2011
Share capital	87.907.017	70.504.505
Legal reserve	14.100.901	14.100.901
Treasury shares	(9.875.000)	0
Share/holding premium reserve	53.716.218	53.716.218
Valuation reserves	18.867.436	14.309.528
Other reserves	121.370.521	127.017.667
Profit (loss) of previous years	73.843.028	66.140.645
Profit (loss) for the year	(17.920.929)	(51.995.537)
Shareholders' equity	**342.009.192**	**293.793.927**

Changes in shareholders' equity during the year are shown in detail in the relative table attached previously.

Share capital
Share capital is made up of 87.907.017 ordinary shares with a nominal value of EUR 1,00.

Treasury shares
The item "treasury shares" includes 3.555.003 treasury shares, a total investment of EUR 9,9 million held by the subsidiary Earchimede S.p.A..

Valuation reserve
The valuation reserve relates to the fair value adjustment to the following financial assets, represented by equity securities, classified as available for sale net of the associated taxes.

The breakdown and changes in the valuation reserve in the year are shown below:

Fair value measurement reserve	Revaluation reserve pertaining to the Group as at 01.10.2011	Increases/Decreases						Revaluation reserve pertaining to the Group as at 30.09.2012	Share pertaining to non controlling interests as at 30.09.2012	Total revaluation reserve as at 30.09.2012
		Changes in the area of consolidation	Fair value changes		Release of reserve to the income statement for transfers of financial assets	Release of reserve to the income statement for fair value impairment				
			Increases	Decreases				(A)	(B)	(A+B)
Available-for-sale financial assets:										
Ubi Banca	0	0	273.562	0	0	0		273.562	0	273.562
RCS	229.783	0	5.973.877	0	(1.483)	0		6.202.177	0	6.202.177
Isa	969.044	0	0	0	0	0		969.044	0	969.044
Fondo Progressio (Progressio Fund)	(978.484)	0	0	(403.655)	0	0		(1.382.139)	0	(1.382.139)
Fondo Progressio II (Progressio II Fund)	(46.958)	0	0	(1.210.195)	0	0		(1.257.153)	0	(1.257.153)
Fondo Cosimo I (Cosimo I Fund)	949.890	0	0	(149.273)	0	0		800.617	0	800.617
Fondo Augusto (Augusto Fund)	518.323	0	0	(422.208)	0	0		96.115	0	96.115
SIA	1.168.128	0	0	0	0	0		1.168.128	0	1.168.128
Equinox	0	0	0	(1.814.089)	0	0		(1.814.089)	(116.766)	(1.930.855)
CIS	0	0	0	(199.263)	0	0		(199.263)	(35.136)	(234.399)
IGI Sud	41.236	58.449	18.318	0	0	0		118.003	20.808	138.811
Fondo dimensione Network (dimensione Network fund)	75.656	107.238	0	(23.163)	0	0		159.731	28.166	187.897
Investitori Associati II (in liquidation)	195.442	277.027	0	(3.089)	0	0		469.380	82.767	552.147
Opera	262.562	372.167	0	(37.411)	0	0		597.318	105.326	702.644
Opera 2	(8.684)	(12.309)	72.486	(84.778)	0	0		(33.285)	(5.869)	(39.154)
Alfieri (in liquidation)	479.399	679.520	0	(2.438.523)	0	0		(1.279.604)	(225.635)	(1.505.239)
Fondo Pioneer (Pioneer fund)	0	0	110.825	0	0	0		110.825	84.745	195.570
Total	**3.855.337**	**1.482.092**	**6.449.068**	**(6.785.647)**	**(1.483)**	**0**		**4.999.367**	**(61.594)**	**4.937.773**
Investments valued using the equity method:										
Hopa	76.622	(76.622)	0	0	0	0		0	0	0
Tower 6 bis	12.948.329	0	1.974.729	0	0	0		14.923.058	0	14.923.058
Bios	(2.161.638)	(2.868.827)	5.326.568	0	0	0		296.103	0	296.103
Castello SGR	58.930	0	17.624	0	0	0		76.554	0	76.554
Total	**10.922.243**	**(2.945.449)**	**7.318.921**	**0**	**0**	**0**		**15.295.715**	**0**	**15.295.715**
Financial instruments for the hedging of cash flows:										
Derivative instruments for interest rate hedging	**(468.052)**	**(1.237.680)**	**278.086**	**0**	**0**	**0**		**(1.427.646)**	**(1.091.685)**	**(2.519.331)**
	14.309.528	**(2.701.037)**	**14.046.075**	**(6.785.647)**	**(1.483)**	**0**		**18.867.436**	**(1.153.279)**	**17.714.157**

Other comprehensive income/(loss)

The value of Other profits/(losses) is composed as follows:

			Non controlling interests		Income (loss) pertaining to the Group	
	01.10.2011 30.09.2012	01.10.2010 30.09.2011	01.10.2011 30.09.2012	01.10.2010 30.09.2011	01.10.2011 30.09.2012	01.10.2010 30.09.2011
Profit (loss) for the year (A)	**(22.108.392)**	**(59.346.791)**	**(4.187.463)**	**(7.351.254)**	**(17.920.929)**	**(51.995.537)**
Effective part of the profits/(losses) on cash flow hedges	677.361	706.997	293.794	566.081	383.567	140.916
Profits/(losses) from the redetermination of available-for-sale financial assets	(1.896.288)	1.196.305	(507.309)	1.439.170	(1.388.979)	(242.865)
Profits/(losses) from the transfer of available-for-sale financial assets	(1.483)	-	-	-	(1.483)	-
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	-	(12.100.558)	-	(7.845.365)	-	(4.255.193)
Profits/(losses) of companies valued using the equity method	7.318.921	(16.759.228)	-	(10.714.194)	7.318.921	(6.045.034)
Tax effect relating to other profits/(losses)	863.160	1.089.498	(80.793)	182.550	943.953	906.948
Total other profits/(losses), net of taxes (B)	**6.961.671**	**(25.866.986)**	**(294.308)**	**(16.371.759)**	**7.255.979**	**(9.495.227)**
Total comprehensive profit/(loss) (A) + (B)	**(15.146.721)**	**(85.213.777)**	**(4.481.771)**	**(23.723.013)**	**(10.664.950)**	**(61.490.764)**

The tax effect relating to Other consolidated profits/(losses) is composed as follows:

	01.10.2011 30.09.2012			01.10.2010 30.09.2011		
	Gross value	Tax expense / benefit	Net value	Gross value	Tax expense / benefit	Net value
Effective part of the profits/(losses) on cash flow hedges	677.361	(186.274)	491.087	706.997	(194.424)	512.573
Profits/(losses) from the redetermination of available-for-sale financial assets	(1.896.288)	1.049.434	(846.854)	1.196.305	(140.112)	1.056.193
Profits/(losses) from the transfer of available-for-sale financial assets	(1.483)	-	(1.483)	-	-	-
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	-	-	-	(12.100.558)	1.424.034	(10.676.524)
Profits/(losses) of companies valued using the equity method	7.318.921	-	7.318.921	(16.759.228)	-	(16.759.228)
Other components of the statement of comprehensive income reclassified to the income s	-	-	-	-	-	-
Total other profits/(losses)	**6.098.511**	**863.160**	**6.961.671**	**(26.956.484)**	**1.089.498**	**(25.866.986)**

20 NON CONTROLLING INTERESTS

The breakdown of shareholders' equity pertaining to non controlling interests is shown in the following table:

	30.09.2012	30.09.2011
Share capital pertaining to non controlling interests	3.063.507	5.691.523
Treasury shares pertaining to non controlling interests	(1.480.263)	0
Other reserves pertaining to non controlling interests	59.282.440	192.680.102
Non controlling interests - Reserve from available-for-sale financial assets	(61.594)	1.927.808
Non controlling interests - Cash flow hedge reserve	(1.091.685)	(2.542.366)
Non controlling interests - Reserve from valuation of company according to the equity method	0	(2.868.828)
Profit (loss) for the year pertaining to non controlling interests	(4.187.463)	(7.351.255)
Non controlling interests	**55.524.942**	**187.536.984**

In particular, as at 30 September 2012, non controlling interests fell by EUR 132,5 million due to (i) the incremental acquisition of the Tethys S.p.A. and Hopa S.p.A. investments (held directly and indirectly) for EUR 126 million and the related merger deed as a result of which both companies Tethys S.p.A. and Hopa S.p.A. were merged in Mittel S.p.A. and (ii) the deconsolidation of the investment in Mittel Private Equity S.p.A. (EUR 4 million). These transactions are described in more detail in the report to these financial statements, to which reference should be made.

NON-CURRENT LIABILITIES

21 FINANCIAL PAYABLES

As at 30 September 2012, the item stood at EUR 109,9 million, a decrease of EUR 24,2 million over the previous year.

The item is composed as follows:

	30.09.2012	30.09.2011
Bank loans	105.414.914	125.553.442
Other loans	0	0
Financial leasing payables	0	0
Other financial payables	4.507.695	8.585.504
	109.922.609	**134.138.946**

The item comprises the non-current bank payables of the subsidiary Fashion District Group S.p.A. (EUR 61,3 million), the non-current bank payables of the subsidiary Mittel S.p.A. (EUR 43,8 million) and the contribution of the indirect subsidiary FD33 S.p.A. (EUR 0,4 million)

As regards the bank payables of the Fashion District Group, secured by property mortgages, it should be noted that in the previous year, the company intervened on the matter of existing debts with various lenders. More specifically, in relation to loans in place with Unicredit S.p.A., Efibanca S.p.A. and BNL S.p.A., a request was made to be able to use the benefit deriving from subscription to the Common ABI (Italian Banking Association) agreement, a concession whose direct consequence was the suspension of the repayment of principal amounts of loans until 31 December 2011, 31 March 2012 and 29 June 2012 respectively, with the subsequent extension of the original expiry of the debts for a period corresponding to the above-mentioned suspension. Some of the mortgages held by the Fashion District Group are subject to annual compliance with given covenants, normal for said type of financing and calculated on the basis of the ratio of financial debt to shareholders' equity and rents to debt service. It is acknowledged that the covenants set forth in the loan agreements in place were observed as at the close of the financial year on 30 September 2012.

The various loans stipulated by the Fashion District Group secured by a property mortgage were granted:

- by Interbanca S.p.A. (now GE Capital S.p.A.) for EUR 11,2 million, expiring on 30 June 2015, extended, as a result of the above, until 30 June 2016. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 19,7 million, expiring on 30 June 2013;
- by BNL S.p.A. for EUR 16,9 million, expiring on 31 December 2019, extended, as a result of the above, until 30 June 2020. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 23,3 million, expiring on 30 June 2019;

- by Interbanca S.p.A. (now GE Capital S.p.A.) for EUR 10,2 million, expiring on 31 March 2021, extended, as a result of the above, until 31 March 2021. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 13,7 million, expiring on 30 June 2014;
- by a pool of banks composed of Unicredit S.p.A. and Monte dei Paschi di Siena S.p.A. for EUR 14,6 million, expiring on 30 June 2018, extended, as a result of the above, until 1 July 2019. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 19,6 million, expiring on 30 March 2018;
- by a pool of banks comprising Efibanca S.p.A. and Banco Popolare Italiano for EUR 17,6 million, expiring on 31 December 2019, deferred, as a result of the above, until 31 December 2020. In order to reduce the risk resulting from fluctuation in interest rates, a hedge contract was entered into for a notional amount of EUR 22 million, expiring on 31 December 2019;

The bank payables of the Parent Company Mittel S.p.A., amounting to EUR 43,8 million, are composed as follows:
- the bank payable deriving from the loan granted to Tethys S.p.A. by Banca Popolare di Lodi S.p.A. and Banca Monte dei Paschi di Siena S.p.A. (EUR 28,8 million) for the acquisition of the Hopa S.p.A. investment. This loan was granted on 23 December 2008, expires on 23 December 2015, and is recognised together with interest accrued and calculated at a fixed annual rate of 4,875%;
- a loan granted by Banco di Brescia S.p.A. (EUR 15 million), expiring on 23 October 2015, at a rate of 4%;

The amount of payables due to banks after 5 years amounted to EUR 24,4 million.

The item other financial payables is comprised of third party shareholder loans received from the companies Breme S.r.l. (EUR 0,7 million), Immobiliare Volta Marconi S.r.l. (EUR 0,7 million), Gamma Tre S.r.l. in liquidazione (in liquidation) (EUR 0,3 million), Fede S.r.l. (EUR 0,3 million), Lucianita S.r.l (EUR 0,9 million) and Mi.Va S.r.l. (EUR 1,7 million).

22 OTHER FINANCIAL LIABILITIES

As at 30 September 2012, the item amounted to EUR 0,4 million, a decrease of EUR 4,3 million over the previous year.
The item is composed as follows:

	30.09.2012	**30.09.2011**
Derivative financial instruments	402.285	4.721.075
Other financial liabilities	0	0
	402.285	**4.721.075**

Derivative financial instruments

	Type of underlying asset					
	Interest rates	**Currencies**	**Equities**	**Other**	**30.09.2012**	**30.09.2011**
"Over the counter" derivative financial instruments						
Interest Rate Swap	98.306.000	-	-	-	402.285	4.721.075
Equity Linked Swap	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other derivative financial instruments						
Interest Rate Swap	-	-	-	-	-	-
Equity Linked Swap	-	-	-	-	-	-
Options	-	-	-	-	-	-
					402.285	**4.721.075**

The derivative transactions of the Mittel Group as at 30 September 2012 are detailed below:

Cash flow hedge derivatives

Amounts in thousands of Euro			Mark to market (clean price)		
Description	**Outcome of "hedging" tests**	**Notional value**	**Non-current portion**	**Current portion**	**Total**
IRS operation performed by Fashion District Group SpA, subscribed on 01/07/2008 expiring on 30/06/2013 on the GE Capital mortgage loan, notional EUR 19,675,682, with which the fixed interest rate of 4.99% was transformed to a variable 3-month Euribor rate.	Effective hedge relationship	19.676	(402)	(392)	(794)
Capped dual rate IRS operation performed by Fashion District Group SpA, subscribed on 31/12/2006 expiring on 30/06/2019 on the Efibanca mortgage loan, notional EUR 23,314,890, with which the interest rate with a fixed component of + 1/2 6-month Euribor was transformed to a variable 6-month Euribor rate.	Ineffective hedge relationship	19.607	-	(1.676)	(1.676)
IRS operation performed by Fashion District Group SpA, subscribed on 01/07/2008 expiring on 30/06/2014 on the GE Capital mortgage loan, notional EUR 13,708,334, with which the fixed interest rate of 4.98% was transformed to a variable 3-month Euribor rate.	Effective hedge relationship	23.315	-	(251)	(251)
IRS operation performed by Fashion District Group SpA, subscribed on 01/09/2008 expiring on 31/03/2018 on the Unicredit mortgage loan, notional EUR 19,607,499, with which the fixed interest rate of 4.75% was transformed to a variable 3-month Euribor rate.	Ineffective hedge relationship	13.708	-	(1.537)	(1.537)
Capped dual rate IRS operation performed by Fashion District Group SpA, subscribed on 28/07/2006 expiring on 31/12/2019 on the Efibanca mortgage loan, notional EUR 22,000,000, with which the interest rate with a fixed component of + 1/2 6-month Euribor was transformed to a variable 6-month Euribor rate.	Ineffective hedge relationship	22.000	-	(1.436)	(1.436)
Total cash flow hedge derivatives		**98.306**	**(402)**	**(5.292)**	**(5.694)**

The method chosen beforehand for carrying out the retrospective and prospective effectiveness tests for cash flow hedge derivatives is the Volatility Risk Reduction (VRR) test. This test evaluates the relationship between the portfolio risk (where the portfolio means the derivative and the hedged element) and the risk of the hedged element considered individually. In summary, the portfolio risk must be significantly lower than the risk of the hedged element according to the references set forth by IAS 39.

The hedging of cash flows guaranteed by derivative instruments designated in cash flow hedges deemed effective involved, as at 30 September 2012:

- the recognition of unrealised net profits of EUR 0,5 million to shareholders' equity;
- the release from shareholders' equity to the income statement of net expenses from tax adjustments of EUR 1,3 million.

It should be noted that, as at 30 September 2012, the total net loss of hedging instruments which remains high in shareholders' equity, amounted to EUR 1,2 million.

23 PROVISIONS FOR PERSONNEL

The item is composed as follows:

	30.09.2012	30.09.2011
Employee severance indemnity	1.500.636	1.616.088
Other provisions for personnel	0	0
	1.500.636	**1.616.088**

Employee severance indemnity, which includes indemnities accrued by employees, totalled EUR 1,5 million, already net of employee advances, and refers to the Parent Company and subsidiaries operating in Italy.

The change in the item during the year is as follows:

	30.09.2012	30.09.2011
Opening balances	**1.616.088**	**859.425**
Increases:		
- Allocation in the year	395.770	300.148
- Other increases	363.424	554.749
Decreases:		
- Liquidations carried out	(217.145)	(49.505)
- Other decreases	(657.501)	(48.729)
	1.500.636	**1.616.088**

The item other decreases refers to the deconsolidation of Mittel Generale Investimenti S.p.A., amounting to EUR 0,3 million.

The valuation was performed on the basis of IAS 19, given that Employee Severance Indemnity is similar to a "post-employment benefit" of the "defined benefit plan" type, whose amount already accrued must be projected in the future to estimate the amount to be paid when the employment relationship ends and must then be discounted, using the "Projected unit credit method", to take account of the time that will elapse before the actual payment.

The actuarial assumptions adopted refer to:

a) assumptions regarding the causes of Group exit: death, total and permanent disability, staff turnover, such as resignations, dismissals and retirement due to seniority and old age;

b) economic and financial assumptions: rate of discounting of future services; salary growth curve, which determines the trend in remuneration; annual inflation and the rate of return recognised annually on accrued employee severance indemnity;

c) additional assumptions were formulated on the frequency of advances on employee severance indemnity, on tax withholdings and, on the whole, on the legislation in force.

All assumptions used in the valuations, given the small sample size of the community in question, were taken from market experiences, and reflect the current corporate, legislative and existing market conditions at the valuation date, and are based on the assumption of the company as a going concern.

As regards the quantification of employee severance indemnity, governed by art. 2120 of the Italian Civil Code, a portion of 7,41% of the amount of projected remuneration was calculated for each year of service, valid for employee severance indemnity purposes and due for the same year. The contribution to the employee severance indemnity (TFR) guarantee fund established at INPS (National Social Security Institute) is deducted from this amount.

The amount of projected salary in future years has been estimated, for each employee, annually increasing the salary of the year to which the valuation refers, valid for employee severance indemnity purposes, based on the projected inflation rate (estimated at a constant 2,5% over time) and other contractual increases. The projections also take account of any TFR additions, communicated by the Parent Company.

For revaluation purposes, TFR is increased, with the exclusion of the portion accrued in the year, each year through the application of a rate with a fixed component of 1,50%, on a fixed basis, and a variable component of 75% of the projected inflation rate. Substitute income tax of 11% is applied on annual returns (Legislative Decree 47/2000).

For each of the basic assumptions, an analysis is performed on the effect on the results of actuarial evaluations of a variation of 10% more or 10% less than said amount. One amount was varied at a time, without prejudice to all other amounts.
It should be pointed out that, for example, by focusing attention on the discount rate, that an increase in the rate of 10% (from 3,40% to 3,74%) involves, on the whole, a reduction of around 3,06% in the amount of the provision - TFR on an IAS basis - for companies as at 30 September 2012.
Similarly, a reduction in the annual rate of inflation of 10% (from 2,50% to 2,25%) involves, on the whole, a reduction of 1,84% in the amount of the provision for Group companies as at 30 September 2012.

24 DEFERRED TAX LIABILITIES

These amounted to EUR 35,0 million and include deferred taxes calculated on the basis of temporary differences which emerge between the values of assets and liabilities in the financial statements and the corresponding values relevant for tax purposes.

The item is composed as follows:

	30.09.2012	30.09.2011
Tax liabilities with contra-item in income statement	9.412.477	8.191.428
Tax liabilities with contra-item in shareholders' equity	25.585.953	30.234.929
	34.998.430	**38.426.357**

	30.09.2012	30.09.2011
Deferred liabilities		
Receivables	9.396.032	8.573.274
Assets/liabilities held for sale	18.266	228.932
Property, plant and equipment / intangible assets	25.466.906	27.508.221
Other assets/liabilities	117.226	2.115.930
Other	0	0
	34.998.430	**38.426.357**

Changes in the item tax liabilities with a contra-item in the income statement are as follows:

	30.09.2012	30.09.2011
Opening balance	**8.191.428**	**1.992.739**
Increases	**3.271.526**	**7.339.314**
Deferred taxes recorded in the year	1.324.186	1.421.890
- relating to previous years		
- other	1.324.186	1.421.890
Increases in tax rates		
Other increases	1.947.340	5.917.424
Decreases:	**(2.050.477)**	**(1.140.625)**
Deferred taxes cancelled in the year		(5.478)
- reversals		(5.478)
Decreases in tax rates		
Other reductions	(2.050.477)	(1.135.147)
	9.412.477	**8.191.428**

Changes in the item tax liabilities with a contra-item in shareholders' equity are as follows:

	30.09.2012	30.09.2011
Opening balance	**30.234.929**	**1.637.127**
Increases	**93.226**	**30.043.427**
Deferred taxes recorded in the year	93.226	41.455
- relating to previous years		
- other	93.226	41.455
Increases in tax rates		99.194
Other increases	0	29.902.778
Decreases:	**(4.742.202)**	**(1.445.625)**
Deferred taxes cancelled in the year		(21.052)
- reversals		(21.052)
Decreases in tax rates		
Other reductions	(4.742.202)	(1.424.573)
	25.585.953	**30.234.929**

25 PROVISIONS FOR RISKS AND CHARGES

The item is composed as follows:

	30.09.2012	30.09.2011
Provisions for risks:		
Tax disputes		2.800.000
Legal disputes	3.650.000	
Other provisions:		
Other expenses	860.158	3.415.354
	4.510.158	**6.215.354**

The item saw the following changes:

	30.09.2012	30.09.2011
Opening balance	**6.215.354**	**2.896.468**
Increases:		
Allocation in the year	3.857.142	66.274
Other increases	577.720	32.354.390
Decreases:		
Use in the year	(28.395)	(96.468)
Other decreases	(6.111.663)	(29.005.310)
	4.510.158	**6.215.354**

The item is made up of the allocation (EUR 3,6 million) for contractual disputes set aside to cover potential losses. At the date of these financial statements, the amounts and date of occurrence were still undetermined.
The decrease refers to the deconsolidation of Mittel Generale Investimenti S.p.A., amounting to EUR 2,8 million.

26 SUNDRY PAYABLES AND OTHER NON-CURRENT LIABILITIES

The item amounted to EUR 1,9 million, unchanged with respect to 30 September 2011, and refers to the advance received from the company Espansione Mediterranea S.r.l. relating to the preliminary sale agreement for a piece of land in Naples.

CURRENT LIABILITIES

27 FINANCIAL PAYABLES

Financial payables totalled EUR 143,0 million, down by EUR 156,9 million, mainly due to the deconsolidation of Mittel Generale Investimenti S.p.A., outlined in detail in the report on operations to these financial statements.

The item is composed as follows:

	30.09.2012	30.09.2011
Bank loans	120.407.506	292.304.607
Current portion of medium/long-term bank loans	10.582.731	2.864.910
Other loans	8.675.905	0
Other financial payables	3.325.638	4.759.747
	142.991.780	**299.929.264**

The item Bank loans is composed of the current bank payables of the Mittel S.p.A. (EUR 61,2 million), Mittel Investimenti Immobiliari S.r.l (EUR 47,4 million), Mittel Partecipazioni Stabili S.r.l. (EUR 9,3 million), the Fashion District Group (EUR 2,1 million) and FD33 S.p.A (EUR 0,4 million).

In particular, the bank loans of Mittel S.p.A. are composed of hot money granted by the leading banks, regulated at rates indexed to the 1-3 month Euribor and expiring in four months. The loans of Mittel Partecipazioni Stabili S.r.l. are composed of a partially used credit line totalling EUR 15 million, in respect of which 15.000.000 Intesa Sanpaolo S.p.A. shares are pledged at the daily Eonia rate. The loans of Mittel Investimenti Immobiliari S.r.l. are composed of hot money granted by the leading banks, regulated at rates indexed to the 1-3 month Euribor and expiring in four months.

The current portion of medium/long-term bank loans is composed of the current portion of the bank loans of the Fashion District Group (EUR 9,1 million) and of Mittel S.p.A. (EUR 1,4 million). As regards the description of the loans in place with Fashion District Group S.p.A., please refer to the section non-current financial payables.

The item Other loans is composed of payables for loans disbursed by the investee Mittel Generale Investimenti S.p.A. to the companies Breme S.r.l. (EUR 4,1 million), Mittel Corporate Finance S.p.A. (EUR 1,7 million) and Mittel Investimenti Immobiliari S.r.l. (EUR 2,9 million).

The item Other financial payables is made up of the contribution to the consolidated total of the financial payables of the Fashion District Group.

28 OTHER FINANCIAL LIABILITIES

Other financial liabilities totalled EUR 7,0 million, up by EUR 6,2 million. The item is composed as follows:

	30.09.2012	30.09.2011
Derivative financial instruments	7.049.128	861.212
Other financial liabilities	0	0
	7.049.128	**861.212**

The breakdown of the item relating to derivative financial instruments is as follows:

Derivative financial instruments

	Type of underlying asset					
	Interest rates	Currencies	Equities	Other	30.09.2012	30.09.2011
"Over the counter" derivative financial instruments						
Interest Rate Swap	98.306.000	-	-	-	5.291.428	861.212
Equity Linked Swap	-	-	-	-	-	-
Options	-	-	-	-	1.757.700	-
Other derivative financial instruments						
Interest Rate Swap	-	-	-	-	-	-
Equity Linked Swap	-	-	-	-	-	-
Options	-	-	-	-	-	-
					7.049.128	**861.212**

29 TAX LIABILITIES

As at 30 September 2012, the item amounted to EUR 0,7 million, a value in line with the previous year, and is composed as follows:

	30.09.2012	30.09.2011
IRES (corporate income tax)	309.229	0
IRAP (regional business tax)	430.554	684.110
	739.783	**684.110**

The item showed the following changes:

	30.09.2012	30.09.2011
Opening balance	**684.110**	**0**
Increases	**1.504.143**	**2.626.287**
Current tax liabilities recorded in the year:	**1.504.143**	**211.886**
- relating to previous years	-	-
- other	1.504.143	211.886
Other increases	0	2.414.401
Decreases	**(1.448.470)**	**(1.942.177)**
Current tax liabilities cancelled in the year:	**0**	**0**
- reimbursements		
Other decreases	(1.448.470)	(1.942.177)
	739.783	**684.110**

30 SUNDRY PAYABLES AND OTHER LIABILITIES

This item amounted to EUR 35,0 million, up by EUR 7,3 million compared to the previous year. The item is composed as follows:

	30.09.2012	30.09.2011
Trade payables	14.610.127	14.955.990
Tax payables	504.996	545.452
Payables relating to employees	1.442.384	1.610.588
Payables relating to other personnel	0	61.814
Payables due to directors and statutory auditors	275.632	846.591
Payables due to social security institutions	157.307	260.962
Other payables	17.128.765	9.309.135
Accrued expenses and deferred income	865.626	75.888
	34.984.837	**27.666.420**

The item trade payables mainly includes the payables recorded by Fashion District Group S.p.A. (EUR 6,6 million), the payables of real estate companies for the respective property projects in place (EUR 5,2 million) and trade payables recognised by the Parent Company Mittel S.p.A. (EUR 2,4 million).

The item Other payables includes the payable due to investee BIOS S.p.A. (EUR 7,2 million), which was recorded following the acquisition by Hopa S.p.A. of an equal amount of tax receivables deriving from the IRES surpluses for which a refund was requested, a transaction governed by the preliminary agreement of 18 May 2011 for the purchase of the Tethys S.p.A. investment held by Equinox Two S.c.p.A.. The item also includes the payables recorded by the Parent Company Mittel S.p.A. relating to the residual contractual payable related to the "Bernardi S.p.A." tax dispute (EUR 2,5 million) and payables recognised by the Fashion District Group S.p.A. (EUR 2,7 million).

31 LIABILITIES HELD FOR SALE

This item amounted to EUR 0,2 million and relates to the liabilities of the investee Mittel Real Estate SGR S.p.A. recorded under liabilities held for sale following the transfer of the same to Vantu S.p.A. (company headed up by a Mittel S.p.A. director), a transaction outlined in more detail in the report on operations and in note no. 55 of these financial statements.

	30.09.2012	**30.09.2011**
Liability disposal groups		
Tax liabilities	32.520	-
Other financial liabilities	152.227	-
Employee severance indemnity	10.078	-
	194.825	**-**

INCOME STATEMENT

32 REVENUES

The breakdown of revenues is shown below, with the main types highlighted:

	30.09.2012	30.09.2011
Revenues from property sales	10.141.500	15.666.400
Revenues from rent	34.372.129	18.005.939
Revenues from provision of services	726.892	494.124
Other revenues	1.830.740	2.277.869
	47.071.261	**36.444.332**

The item revenues from property sales is composed of revenues from sales of properties, down compared to the previous year mainly due to the negative economic situation which affected the construction sector in particular, already adversely impacted by the increase in taxes following the introduction of the IMU (Municipal Property Tax).

The item revenues from rent is not comparable with the previous year given that, as stated in the introduction to these financial statements and in the sections of the report on operations, the area of consolidation changed during the year, which saw the companies headed up by Tethys S.p.A. and Hopa S.p.A. fully consolidated only in the second half of the year ended as at 30 September 2011; therefore, in the year 2010/2011 the Outlet sector only contributed to the consolidated total of the Mittel Group on a 6-month basis.

33 OTHER INCOME

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Recoveries of various expenses	110.643	84.323
Contingent assets	2.640.801	3.373.380
Other revenues and income	1.156.952	925.327
	3.908.396	**4.383.030**

The item contingent assets is composed, for EUR 1,3 million, in relation to Mittel S.p.A., of the settlement of a dispute raised concerning the guarantees given by Banco Popolare Soc. Coop. and Banca Monte dei Paschi di Siena S.p.A. regulated by the Framework Agreement signed on 19 August 2008 between Tethys S.p.A. and the aforementioned banks, and EUR 0,9 million deriving from the Fashion District Group.
The item other revenues and income is mainly attributable to the Fashion District Group (EUR 0,8 million).

34 VARIATIONS IN PROPERTY INVENTORIES

The breakdown of revenues is shown below, with the main types highlighted:

	30.09.2012	30.09.2011
Increases in property inventories	19.091.980	20.500.387
Decreases in property inventories	(3.993.904)	(12.910.180)
	15.098.076	**7.590.207**

35 COSTS FOR PURCHASES

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Purchases and property increases	(19.422.540)	(17.319.943)
Provision of services and consultancy	(361.467)	(1.231.269)
Urbanisation expenses	(1.211)	(1.607.345)
Registration tax	(120.168)	(322.161)
Insurance	(5.172)	(34.059)
Maintenance	0	(280.742)
Other	(26.613)	(448.770)
	(19.937.171)	**(21.244.289)**

36 COSTS FOR SERVICES

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Legal consultancy	(2.572.924)	(1.618.884)
Notary consultancy	(268.219)	(79.986)
Other consultancy	(2.870.968)	(2.944.053)
General services and maintenance	(3.679.261)	(2.897.783)
Administrative, organisational and audit services	(281.081)	(589.690)
Project-based partner costs	(153.933)	(59.500)
Directors' fees	(2.126.386)	(1.810.569)
Board of Statutory Auditors' fees	(561.516)	(597.976)
Supervisory Body's fees	(148.569)	(91.943)
Fees for prosecutors and Manager in charge	(70.000)	(70.000)
Rentals	(13.402.418)	(6.689.750)
Leases	(654.113)	(363.349)
Insurance	(609.129)	(428.450)
Utilities	(1.051.494)	(572.768)
Advertising	(2.036.914)	(1.479.088)
Commercial services	(1.556.764)	(169.187)
	(32.043.689)	**(20.462.976)**

The increase in rentals, amounting to EUR 6,7 million, is due to the full consolidation of the Fashion District Group which, in 2011, only contributed for the 6-month period running from 1 April 2011 to 30 September 2011. This cost relates mostly to the rent of the Valmontone outlet managed by the Fashion District Group but not owned by the latter.

37 PERSONNEL COSTS

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Wages and salaries	(5.966.809)	(4.641.900)
Social security costs	(2.021.404)	(1.459.168)
Allocation to employee severance indemnity	(444.439)	(279.326)
Payments to external supplementary pension funds	(5.179)	(1.163)
Other personnel costs	(1.187.422)	(233.665)
	(9.625.253)	**(6.615.222)**

The increase in personnel costs is essentially due to the full consolidation of the Fashion District Group which, in 2011, only contributed for the 6-month period running from 1 April 2011 to 30 September 2011, and to settlement agreements reached in the year 1 October 2011 - 30 September 2012 totalling EUR 0,9 million, recorded under the item other personnel costs.

Average number of Group employees broken down by category:

	Exact number 30/09/2012	Average in year 2011/2012	Average in year 2010/2011
Managers	10	10	8
Officials			
Employees	108	102	94
Total	**118**	**112**	**102**

38 OTHER COSTS

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Taxes and duties	(3.462.598)	(1.298.174)
Adjustment to deferred price - Fashion District Group	(1.546.464)	(42.014)
Losses on receivables	(18.082)	(53.561)
Capital losses from transfer of property, plant and equipment	(5.567)	(2.093)
Extraordinary contingent liabilities	(605.738)	(585.537)
Other sundry operating expenses	(871.439)	(1.420.603)
	(6.509.888)	**(3.401.982)**

39 DIVIDENDS AND SIMILAR INCOME

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Dividends from financial assets held for trading	0	33.330
Dividends from available-for-sale financial assets	6.081.284	2.214.403
Other	0	0
	6.081.284	**2.247.733**

40 PROFIT (LOSS) FROM MANAGEMENT OF FINANCIAL ACTIVITIES AND INVESTMENTS

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Available-for-sale financial assets		
Capital gains	108.487	1.413.178
Other income	50.378	
Losses from fair value measurement		(3.252.990)
Capital gains (losses) from change in equity interest		**6.019.392**
	158.865	**4.179.580**

41 AMORTISATION

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Intangible assets		
Amortisation	(66.581)	(77.763)
Adjustments for impairment	(4.741.000)	0
Property, plant and equipment		
Amortisation of investment property	(13.150.405)	(7.228.576)
Amortisation of other assets owned	(941.085)	(381.924)
	(18.899.071)	**(7.688.263)**

The comparison between the book value of goodwill allocated during the initial consolidation and the relative recoverable value determined by the value in use as at 30 September 2012, highlighted the need for a full write-down of goodwill equal to EUR 4,7 million, which was recognised in the income statement. For more details see the detailed description in the item intangible assets in these financial statements.

The increase in amortisations recorded in the year is due to the full consolidation of the Fashion District Group S.p.A. which, in 2011, only contributed for the 6-month period running from 1 April 2011 to 30 September 2011.

42 ALLOCATIONS TO THE PROVISION FOR RISKS

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Provisions for ongoing disputes:		
Provisions for contractual disputes	(3.650.000)	0
Other provisions	(207.142)	(66.274)
	(3.857.142)	**(66.274)**

The item “provisions for contractual disputes” refers to an allocation set aside by Mittel S.p.A. to cover potential losses. At the date of these financial statements, the amounts and date of occurrence were still undetermined.

43 VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND RECEIVABLES

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Write-downs of financial receivables	(5.724.278)	0
Write-downs of other receivables	(1.123.344)	(268.149)
Write-downs of available-for-sale financial assets	(3.183.302)	(42.659.428)
Write-downs of investments	(66.573)	0
Write-backs of financial assets	271.612	0
	(9.825.885)	**(42.927.577)**

Write-downs of financial receivables are due:

- for EUR 2,8 million, to the value adjustment effected by subsidiary Markfactor S.r.l. in liquidazione (in liquidation) as a result of the deterioration in the receivables due to the latter in respect of two credit positions with companies declared bankrupt in 2010 and 2011;
- for EUR 2,4 million, to the value adjustment effected by Mittel S.p.A. for a credit position expiring in 2018 which was valued on the basis of the recoverable value of the future cash flows relating to expected reimbursements, discounted at a rate of return which reflects the increased counterparty risk in the year;
- for EUR 0,5 million to adjustments to the credit portfolio made by Locaeffe S.r.l. in liquidazione (in liquidation).

Write-downs of other receivables refer to the Fashion District Group (EUR 0,7 million) and to Mittel Corporate Finance S.p.A. (EUR 0,4 million).

Write-downs of available-for-sale financial assets concern the value adjustment (EUR 2,9 million) carried out in relation to subsidiary Earchimede S.p.A. relative to the impairment recognised on the Medinvest International S.c.a. security held by the subsidiary Earchimede S.p.A. and the impairment of Intesa Sanpaolo S.p.A. shares recognised (EUR 0,3 million) by Mittel Partecipazioni Stabili S.r.l..

44 SHARE OF INCOME (LOSS) OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The item includes:

- the pro-rata profit/(loss) of the net result of companies valued using the equity method, including any impairment;
- write-downs/(write-backs) of the value of investments valued according to the equity method;
- capital gains/(losses) realised on the transfer of investments valued according to the equity method;
- capital gains/(losses) corresponding to the net economic result of the period of investments no longer fully consolidated, due to the disposal of the controlling interest in the same;
- any write-downs for impairment of investees exceeding the respective book value to the extent corresponding to the actual obligations for the coverage of losses and with a contra-item in the form of an allocation to the provision for risks.

The item is composed as follows:

	30.09.2012	30.09.2011
Pro-rata profits		
BH Holding Spa in liquidazione (in liquidation)		65.666
Brands Partners 2 Spa	16.516.750	11.692
Castello SGR Spa	421.940	164.993
Mit.Fin. Spa	-	40.496
Liberata Spa	713.700	
	17.652.390	**282.847**
Pro-rata losses		
Iniziative Nord Milano Srl	(36.886)	(55.739)
Hopa SpA		(54.840)
Tower 6 Bis Sarl	(165.760)	(1.329.981)
Investees of former Tethys Group		(496.025)
	(202.646)	**(1.936.585)**
Capital gains/losses from transfer		
BH Holding Spa in liquidazione (in liquidation)	31.488	
Vimercati Spa	594.406	
	625.894	**-**
	18.075.638	**(1.653.738)**

45 FINANCIAL INCOME

The item is composed as follows:

	30.09.2012	30.09.2011
Bank interest income	651.785	661.679
Other interest income	160.861	412.416
Interest income on financial receivables	3.959.840	629.230
Other financial income	4.302.281	4.299.638
	9.074.767	**6.002.963**

The item "Other financial income" is composed of interests (EUR 4,0 million) on the loan granted by Ghea S.r.l., who replaced Banco di Brescia S.p.A. as transferee.

46 FINANCIAL EXPENSES

The item is composed as follows:

	30.09.2012	30.09.2011
Interest expense on bank current accounts	(78.881)	(100.897)
Interest expense on bank loans	(10.806.373)	(4.492.003)
Interest expense on other loans	(170.120)	0
Other interest expenses	(278.908)	(890.751)
Other financial expenses	(1.511.499)	(496.380)
Hedging activities		
Fair value hedging derivatives	(748.267)	(2.865.367)
Exchange losses	(183)	0
	(13.594.231)	**(8.845.398)**

The increase in the item is attributable to the change in the area of consolidation, which saw the companies headed up by Tethys S.p.A. and Hopa S.p.A. fully consolidated only in the second half of the year ended as at 30 September 2011; therefore, in the year 2010/2011, the former Tethys Group only contributed to the consolidated total of the Mittel Group on a 6-month basis.

47 PROFIT (LOSS) FROM TRADING OF FINANCIAL ASSETS

The item is composed as follows:

	30.09.2012	30.09.2011
Financial assets designated at fair value		
Equity instruments		
Profits from fair value measurement		2.501.084
Bonds:		
Capital losses		(7.087)
Derivative financial instruments	(1.750.000)	(6.893.006)
Credit derivatives		
	(1.750.000)	**(4.399.009)**

The loss from trading of financial assets derives from the valuation of a put option relating to Earchimede S.p.A. on 70% of the share capital of Cinestar taken from expected future cash flows.

48 INCOME TAXES

The amount is composed as follows:

	30.09.2012	30.09.2011
IRES (corporate income tax)	(49.661)	(31.163)
IRAP (regional business tax)	(1.913.654)	(280.586)
Taxes of previous years	(143.045)	(2.755)
Total current taxes	**(2.106.360)**	**(314.504)**
Deferred tax liabilities	(1.179.872)	(1.706.734)
Prepaid income taxes	3.732.189	2.559.722
Total deferred taxes	**2.552.317**	**852.988**
Other taxes	(232.311)	0
Total income taxes	**213.646**	**538.484**

49 INCOME (LOSS) FROM ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 24 July 2012, the Group signed an agreement for the transfer of the company Mittel Generale Investimenti S.p.A., which mainly performs all operating finance activities. The transfer was completed on 25 July 2012, the date on which control of MGI was transferred to the acquirer.
Through the transfer of control of the Mittel investment, Mittel confirmed its intention to pursue the objective of rationalising the Group's activities and concentrating its capital intensive activities in the private equity and industrial investments sector, with a special focus on strengthening the equity structure.

Income (loss) from the discontinued operations of MGI achieved in the period is shown below:

(amounts in thousands of Euro)	30.09.2012	30.09.2011
Profit (loss) achieved from MGI activities in the year	2.095	(3.428)
Capital loss deriving from the disposal of MGI activities	(7.745)	-
Total capital loss deriving from the disposal of MGI activities	**(5.650)**	**(3.428)**
Group consolidation adjustments on MGI's income statement	(239)	-
Income (loss) from discontinued operations	**(5.889)**	**(3.428)**
Income (loss) from assets held for sale	140	-
Income (loss) from assets held for sale and discontinued operations	**(5.749)**	**(3.428)**

The results from the discontinued operations of MGI for the 1 October 2011-25 July 2012 period and, for comparative purposes, the results of the previous year ended as at 30 September 2012, including transactions with Mittel Group related parties, are summarised as follows:

(amounts in thousands of Euro)	Total as at 25.07.2012	Total as at 30.09.2011
Revenues	16	241
Other income	568	547
Costs for services	(1.347)	(1.645)
Personnel costs	(528)	(578)
Other costs	(4)	(188)
Dividends	399	186
Gross operating margin (EBITDA)	**(896)**	**(1.437)**
Amortisation/depreciation	(73)	(90)
Value adjustments to financial assets	(266)	(3.164)
Operating result (EBIT)	**(1.235)**	**(4.691)**
Financial income	10.620	10.003
Financial expenses	(4.252)	(3.141)
Profit (loss) from trading of financial assets	(1.826)	(5.867)
Income (loss) before taxes	**3.307**	**(3.696)**
Income taxes	(1.212)	268
Income (loss) after taxes from discontinued operations	**2.095**	**(3.428)**

50 INCOME (LOSS) PERTAINING TO NON CONTROLLING INTERESTS

The item is composed as follows:

	30.09.2012	30.09.2011
pro-rate profit/(loss) of investees	(4.187.463)	(7.351.254)
	(4.187.463)	**(7.351.254)**

51 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

As set forth in IAS 33, the Mittel Group shows basic earnings per share calculated as net income for the year attributable to the Parent Company divided by the weighted average number of shares outstanding in the year; diluted earnings are calculated by adjusting net profit attributable to holders of ordinary equity instruments of the Parent Company Mittel S.p.A. to take account of the effects of all potential ordinary shares with a dilutive effect.

In particular, basic and diluted earnings per share are calculated as follows:

- *Basic earnings or loss per share:*

  Basic earnings or loss per share is determined by dividing the net profit attributable to holders of ordinary equity instruments of the Parent Company Mittel S.p.A. by the weighted average of ordinary shares outstanding during the year.

  The calculation of the weighted average number of shares outstanding includes the effect of the number of ordinary shares issued following the increase in share capital subscribed in service of the share swap of the merger by incorporation of Hopa S.p.A.. In this regard, it should be noted that, on 5 January 2012, the merger by incorporation with the swapping of Hopa S.p.A. shares for shares of the merging company Mittel S.p.A., resulting from the merger between Mittel S.p.A. and Tethys S.p.A., took effect for legal purposes.

  The merger transaction involved the application of a share swap ratio, given that on the date of stipulation of the merger, the merging company Mittel, as a result of the merger between Mittel S.p.A. and Tethys S.p.A., did not hold 100% of the share capital of Hopa S.p.A.. Therefore, Mittel S.p.A. increased share capital to service the merger, and all Hopa shares held by Mittel were cancelled (art. 2504-ter, paragraph 2, Italian Civil Code). Newly issued Mittel shares, for the servicing of the share swap, were issued on the date the merger took effect for legal purposes, with regular dividend

entitlement and listing on the MTA (screen-based stock market), at the par value of the Mittel shares in circulation.
For the purposes of the determination of the share swap ratio, it should be noted that Mittel, as a result of the merger, and Hopa, presented a subdivision of its share capital solely into ordinary shares.
Mittel's share capital was divided into 70.504.505 shares; Hopa's share capital was divided into 1.381.756.915 shares.
The share swap ratio was defined at 0,036 Mittel shares per Hopa share, through the cancellation of Hopa shares, with no nominal value, and the subsequent issuing of 17.402.512 ordinary Mittel shares with a unit nominal value of EUR 1.

- *Diluted earnings or loss per share:*
  As required by IAS 33, diluted earnings (loss) per share should take account of the effects of all potential ordinary shares with a dilutive effect.

Basic and diluted earnings or loss per share attributable to the Parent Company as at 30 September 2012, compared with the previous year, are as follows:

Earnings/(loss) per share attributable to the Parent Company (in EUR)	30.09.2012	30.09.2011 Recalculated	30.09.2011
From income statement:			
- Basic	(0,222)	(0,644)	(0,737)
- Diluted	(0,222)		(0,591)
From comprehensive income:			
- Basic	(0,132)	(0,762)	(0,872)
- Diluted	(0,132)		(0,699)

As required by the reference legislation, the recalculated figures for earnings (loss) per share in the previous year are presented for the purposes of comparative information, as a result of the increase in shares outstanding as a consequence of the capitalisation which occurred in the year.
The figures for "recalculated" earnings (loss) per share of the previous year were determined by taking into consideration the adjustment with retroactive effect on the weighted average number of shares outstanding in the previous year deriving from the number of ordinary shares issued for the purposes of the share swap for the merger by incorporation of Hopa S.p.A. in Mittel S.p.A., completed on 5 January 2012.
Reconciliation of the weighted average number of shares outstanding for the purposes of the calculation of basic earnings or loss per share from the consolidated income statement and from the statement of comprehensive income as at 30 September 2012, compared with the previous year, is as follows:

Basic earnings/(loss) per share attributable to the Parent Company	30.09.2012	30.09.2011
(no. ordinary shares)		
No. of shares at start of the year	70.504.505	70.504.505
Average weighted number of ordinary shares subscribed in the year	12.790.371	-
No. of treasury shares at start of the year	-	-
Average weighted number of treasury shares acquired in the year	(2.612.830)	-
Average weighted number of treasury shares sold in the year	-	-
Average weighted number of shares outstanding at the end of the year	**80.682.046**	**70.504.505**
EUR		
Net profit/(loss) attributable to the Parent Company	**(17.920.929)**	**(51.995.537)**
EUR		
Basic earnings/(loss) per share attributable to the Parent Company	**(0,222)**	**(0,737)**

EUR		
Total net profit/(loss) attributable to the Parent Company	**(10.664.950)**	**(61.490.764)**

EUR		
Total basic earnings/(loss) per share attributable to the Parent Company	**(0,132)**	**(0,872)**

Reconciliation of the weighted average number of shares outstanding for the purposes of the calculation of diluted earnings or loss per share from the consolidated income statement and from the statement of comprehensive income as at 30 September 2012, compared with the previous year, is as follows:

Diluted earnings / (loss) per share	**30.09.2012**	**30.09.2011**
(no. ordinary shares)		
Average weighted number of shares outstanding at the end of the year	80.682.046	70.504.505
more shares necessary for:		
subscription of shares	-	17.402.512
Potential dilution of ordinary shares	-	17.402.512
Average weighted number of shares at the end of the year	**80.682.046**	**87.907.017**

EUR		
Net profit/(loss) attributable to the Parent Company	(17.920.929)	(51.995.537)
Effect of subscriptions of potential new shares	-	-
Net profit/(loss) available for ordinary shareholders plus assumed subscriptions	**(17.920.929)**	**(51.995.537)**

EUR		
Diluted earnings / (loss) per share	**(0,222)**	**(0,591)**

EUR		
Net profit/(loss) attributable to the Parent Company	(10.664.950)	(61.490.764)
Effect of subscriptions of potential new shares	-	-
Total net profit/(loss) available for ordinary shareholders plus assumed subscriptions	**(10.664.950)**	**(61.490.764)**

EUR		
Total diluted earnings/(loss) per share attributable to the Parent Company	**(0,132)**	**(0,699)**

The figures relating to the consolidated earnings (loss) per share of groups of assets transferred and disposed of in the current year and in the previous year are as follows:

Earnings/(loss) per share attributable to the Parent Company (in EUR)	**30.09.2012**	**30.09.2011**
From assets transferred and disposed:		
- Basic	(0,071)	(0,049)
- Diluted	(0,071)	(0,039)

52 TRANSFER OF CONTROLLING INTEREST - MITTEL GENERALE INVESTIMENTI SPA

On 25 July 2012, the Group transferred its activities in the operating finance sector through the disposal of the subsidiary Mittel Generale Investimenti S.p.A. to the company Liberata S.p.A. (company in which Mittel S.p.A. holds a stake of 27% as at 30 September 2012).

Therefore, during the course of the year, the scope of consolidation saw the full deconsolidation of the equity part of the MGI investment.

MGI's net assets at the date of transfer and on 30 September 2011 are indicated below:

(amounts in thousands of Euro)	25.07.2012	30.09.2011
Property, plant and equipment	1.627	1.700
Investments	-	4.437
Financial receivables	140.837	118.933
Other financial assets	-	-
Sundry receivables and other assets	-	-
Prepaid tax assets	194	207
Total non-current assets	**142.658**	**125.277**
Financial receivables	73.672	163.821
Other financial assets	9.866	17.808
Current tax assets	-	165
Sundry receivables and other assets	72	50
Cash and cash equivalents	35.940	6.783
Total current assets	**119.550**	**188.627**
Financial payables	-	(25.000)
Other financial liabilities	-	-
Provisions for personnel	(328)	(294)
Deferred tax liabilities	(1.955)	(1.955)
Provisions for risks and charges	(2.800)	(2.800)
Total non-current liabilities	**(5.083)**	**(30.049)**
Financial payables	(172.642)	(162.519)
Other financial liabilities	(33)	-
Sundry payables and other liabilities	(1.705)	(686)
Total current liabilities	**(174.380)**	**(163.205)**
Net assets	**82.745**	**120.650**
Capital losses from transfer	**(7.745)**	
Consideration for transfer of 100% of the MGI investment as at 25.07.2012	**75.000**	
Paid as follows:		
In cash	44.800	
Payment deferred via vendor loan	30.200	
	75.000	
Net cash flow deriving from transfer:		
Collection in cash	(44.800)	
Cash and cash equivalents transferred	6.783	
	(38.017)	

The transfer of the entire share capital of MGI took place at a consideration of EUR 75 million, of which EUR 44,8 million paid on the date of execution of the transaction and EUR 30,2 million secured by a 30-month interest-bearing vendor loan.
The execution is subject to the stipulation of bank loans to Liberata S.p.A. totalling EUR 25 million, which augment the company's financial resources (share capital and shareholders' loan) for EUR 20 million, of which EUR 5,4 million pertains to Mittel S.p.A..
Following the subscription and release of the share capital increase of Liberata S.p.A., Mittel S.p.A. holds a stake of 27% in the share capital of said entity which, therefore, became a Group associate.
The amount relating to the deferred payment will be settled by the acquirer within 30 months from the date of execution of the MGI transfer (December 2015).

53 CONSOLIDATED NET FINANCIAL POSITION

According to the provisions of Consob Communication of 28 July 2006 and in compliance with the Recommendation of CESR dated 10 February 2005 "Recommendations for the consistent implementation of the regulation of the European Commission on prospectuses", it should be noted that the net position of the Mittel Group as at 30 September 2012 was a negative EUR 196,9 million (a negative EUR 39,9 million if we take into consideration non-current financial receivables), as shown in the table below:

(thousands of Euro)	30.09.2012	30.09.2011	Change
Cash	14	193	(179)
Other cash equivalents	25.678	64.463	(38.785)
Securities held for trading	-	17.995	(17.995)
Current liquidity	**25.692**	**82.651**	**(56.959)**
Current financial receivables	**37.819**	**174.662**	**(136.843)**
Current bank payables	(120.408)	(292.305)	171.897
Current portion of non-current debt	(10.583)	(2.865)	(7.718)
Other current financial payables	(19.050)	(5.620)	(13.430)
Current financial debt	**(150.041)**	**(300.790)**	**150.749**
Net current financial debt	**(86.530)**	**(43.477)**	**(43.053)**
Non-current bank payables	(105.415)	(125.553)	20.138
- Bank payables expiring in the medium-term	(105.415)	(125.553)	20.138
- Bank payables expiring in the long-term			
Bonds issued			
Other financial payables	(4.910)	(13.308)	8.398
Non-current financial debt	**(110.325)**	**(138.861)**	**28.536**
Net financial position	**(196.855)**	**(182.338)**	**(14.517)**

As regards the determination of the net financial position, please refer to the report on operations of these financial statements.

54 COMMITMENTS AND GUARANTEES

As at 30 September 2012, the guarantees below were given, summarised in the following table:

COMMITMENTS AND GUARANTEES	30/09/2012	30/09/2011
GUARANTEES		
FINANCIAL	5.220.475	49.253.472
COMMERCIAL	53.562.014	581.021
ASSETS PLEDGED AS COLLATERAL FOR THIRD PARTY BONDS	15.000.000	-
COMMITMENTS		
DISBURSEMENT OF FUNDS	25.893.219	28.749.919
OTHER IRREVOCABLE COMMITMENTS	13.282.944	25.708.189
	112.958.652	**104.292.601**

Financial guarantees are composed of the securities of Parco Mediterraneo S.r.l. (EUR 3,7 million) pledged to Mittel Generale Investimenti S.p.A. for a loan granted by the same, and the surety issued by Fashion District Group S.p.A. in favour of Alfa 3 S.r.l. (EUR 1,5 million).

Commercial guarantees refer to the sureties in favour of the Italian Inland Revenue for VAT for which a refund was requested (EUR 3,9 million), a bank guarantee relating to the residual contractual payable connected with the "Bernardi S.p.A." tax dispute (EUR 2,5 million), the guarantee in favour of Liberata S.p.A. (EUR 20 million) issued to secure the shareholders' equity of Mittel Generale Investimenti S.p.A. against risks on credit, labour law and tax losses, guarantees issued by the companies Mittel Investimenti Immobiliari S.r.l., Spinone S.r.l. and Gamma Tre S.r.l. (EUR 3,9 million) connected to their real estate activities and commercial guarantees of the Fashion District Group (EUR 22,7 million), of which EUR 14,8 million for the VAT refund and EUR 7,7 million for a surety issued in favour of Unicredit S.p.A. in the interest of REEF Investment Gmbh.

The assets pledged as collateral for third party bonds are composed of a share package comprising 15 million ordinary Intesa Sanpaolo S.p.A. shares, to secure a credit facility of EUR 20 million, of which around EUR 9,3 million was used as at 30 September 2012.

Commitments to disburse funds refer to the commitments for payments to be made into investment funds.

The item other irrevocable commitments refers to the guarantee given in the years 2003, 2004 and 2005 (EUR 7,1 million) in favour of the acquirers of leasing contracts transferred by the subsidiary Locaeffe S.r.l. in liquidazione (in liquidation), formerly F.Leasing S.p.A., and the valuation of the put option (EUR 6,2 million) of the company Cinestar Italia S.p.A. subscribed by Earchimede S.p.A. as part of the agreements for the non-proportional split of Draco S.p.A..

55 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 year 2011-2012, 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 refer:

	Due to directors	Due to associates	Due to other related parties	Total
Non-current assets				
Financial receivables	-	74.615.716	30.000.000	**104.615.716**
Current assets				
Financial receivables	-	11.696.429	-	**11.696.429**
Non-current liabilities				
Financial payables	-	-	-	**-**
Provisions for risks and charges	-	(3.650.000)	-	**(3.650.000)**
Current liabilities				
Financial payables	-	(8.675.907)	-	**(8.675.907)**
Sundry payables and other current liabiliti	(275.632)	(7.200.000)	-	**(7.475.632)**
Other income	-	331.367	-	**331.367**
Costs for services	(945.712)	-	(707.847)	**(1.653.559)**
Personnel costs			(2.233.556)	**(2.233.556)**
Financial income	-	4.744.662	260.272	**5.004.934**
Financial expenses	-	(117.233)	-	**(117.233)**
Income (loss) from assets held for sale	-	-	(5.747.995)	**(5.747.995)**

- Non-current financial receivables refer to loans granted by Mittel S.p.A. to Liberata S.p.A. (EUR 34,2 million), from Ghea S.r.l. to Bios S.p.A. (EUR 33,3 million), from Mittel Investimenti Immobiliari S.r.l. to Iniziative Nord Milano S.r.l. (EUR 1,5 million) to the loan granted by Fashion District Group S.p.A. to investee Alfa Park (EUR 4,6 million) and by Mittel S.p.A. to Everel Group S.p.A. (EUR 1,1 million). Receivables due from other related parties (EUR 30 million) relate to the loan granted by Mittel Generale Investimenti S.p.A. to Mittel S.p.A. in place with "Fondo Augusto", a closed-end mutual investment fund reserved to qualified investors, of which Mittel S.p.A. is a subscriber and which is managed by Castello SGR S.p.A..

- Current financial receivables refer to loans granted by Mittel S.p.A. to Everel Group S.p.A. (EUR 0,7 million) and funds provided to Mittel Generale Investimenti S.p.A. by Earchimede S.p.A. (EUR 10,8 million).

- The item financial payables refers to loans obtained by Mittel Investimenti Immobiliari S.p.A. (EUR 2,9 million), by Breme S.r.l. (EUR 4,1 million) and by Mittel Corporate Finance S.p.A. (EUR 1,7 million), disbursed by associate Mittel Generale Investimenti S.p.A.. For a more complete description of this transaction, please refer to the report on operations of these financial statements.

- The item provisions for risks and charges, amounting to EUR 3,7 million, refers to the allocation made in the year deriving from guarantees issued at the time of signing of the contract for the transfer of Mittel Generale Investimenti S.p.A. to Liberata S.p.A. on 25 July 2012. For a more complete description of this transaction, please refer to the report on operations of these financial statements.

- The item sundry payables and other current liabilities refers to the amount due to directors for fees accrued but still to be paid and to the amount due to the joint subsidiary Bios S.p.A. (EUR 7,2 million) following the acquisition by Mittel S.p.A. of a corresponding tax receivable amount, for which a refund was requested, in execution of the agreement of 18 May 2011 relating to the acquisition of Tethys S.p.A. shares as per the contract of 18 May 2011.

- The item other income refers to the chargeback (EUR 0,3 million) of services administered and direct debit services provided to third parties.

- The item costs for services refers to directors' fees (EUR 0,9 million), fees to the Board of Statutory Auditors (EUR 0,3 million) and fees paid to prosecutors and key managers of Mittel S.p.A.. For further details, please refer to the "Report on Remuneration" which will be available on www.mittel.it, "investor relations" section, according to the legal terms.

- The item personnel costs refers to the remuneration of the company's key managers. For further details, please refer to the "Report on Remuneration" which will be available on www.mittel.it, "investor relations" section, according to the legal terms.

- The item financial income refers to the yield on category B shares (EUR 4,0 million) subscribed by Ghea S.r.l. in the share capital of Bios S.p.A., interest income of EUR 0,4 million accrued by Mittel from Liberata and interest income of EUR 0,1 million accrued by Earchimede from Mittel Generale Investimenti S.p.A. and EUR 0,3 million accrued from Fondo Augusto.

- The item financial expenses refers to interest expenses accrued by the companies Breme S.r.l., Mittel Corporate Finance S.p.A. and Mittel Investimenti Immobiliari S.r.l. in respect of Mittel Generale Investimenti S.p.A. for loans granted in the year.

- The item income (loss) from assets held for sale refers to the results of the activities of Mittel Generale Investimenti S.p.A., discontinued on 25 July 2012, as reported in note 49 of these consolidated explanatory notes.

It should also be noted that the assets held for sale and related liabilities refer to the values of the assets and liabilities of the subsidiary Mittel Real Estate SGR S.p.A. following the signing of a preliminary contract for the transfer of a 65% stake in Mittel Real Estate SGR S.p.A. to Vantu S.p.A., a company headed up by Angelo Rovati, Director of Mittel S.p.A., and Chairman of the Board of Directors of Mittel Real Estate S.G.R. S.p.A..

56 ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

With reference to supplementary disclosures regarding financial instruments and the inherent risks required under IFRS 7, and aimed at outlining the impact of financial instruments with respect to the size of the associated risk exposures, details on the measures and mechanisms the company has implemented to manage the exposure to financial risks are shown below.

Introduction

As amply detailed previously, during the course of the year, Mittel S.p.A. concluded a strategic project for the transfer of activities relating to operating finance through the transfer of the entire share capital of Mittel Generale Investimenti S.p.A..

Mittel Generale Investimenti S.p.A. is a company registered in the special list of financial intermediaries envisaged by art. 107 of Legislative Decree 385/1993 ("Consolidated Law on Banking") and is subject to monitoring by the Bank of Italy.

MGI performs risk activities on its own behalf, consisting mainly of the granting of credit (directly and/or syndicated) targeted at extraordinary transactions carried out by companies and private or institutional investors, on security and real estate markets; the company also acts as a consultant in organising extraordinary finance transactions and assumes investments, including in unlisted companies, as part of agreements which generally provide guaranteed disposal options.

The transfer of MGI was carried out on 25 July 2012, in accordance with the terms and conditions set out in the investment and purchase contract signed on 24 July 2012 by Mittel and the acquiring counterparties.

Therefore, during the year, the scope of consolidation saw the full deconsolidation, as regards the equity part, of the MGI investment given that the consolidated financial statements as at 30 September 2012 refer to the Mittel Group after the disposal of MGI, as the transaction took effect on 25 July 2012 and, therefore, pursuant to IFRS 5 ("Assets Held for Sale and Discontinued Operations"), the group of MGI businesses qualifies as Discontinued Operations for the Mittel Group and has been represented as such in these financial statements.

The disposal of MGI is considered of crucial significance and is deemed to have a considerable influence on the general profile of current and prospective operating risks (including risks related to financial instruments) and on the uncertainties to which the Mittel Group is exposed.

Therefore, for the purposes of the reference disclosures, the main specific risk factors of the operating activities of Mittel S.p.A. and of the Group of companies headed up by the latter are, in any case, outlined below, which, during the course of the present year, were performed by taking into consideration control of operating activities relating to MGI and its subsidiaries until the date of its disposal on 25 July 2012.

56.1 Categories of financial instruments

Categories of financial assets and liabilities

Additional disclosures required by IFRS 7 in order to assess the relevance of the financial instruments with reference to the Mittel Group's financial position are shown below:

Amounts in EUR

Financial assets as at 30 September 2012	IAS 39 CATEGORIES Financial instruments designated at fair value	Assets held to maturity	Loans and receivables	Available-for-sale financial instruments	Book value
Non-current financial assets:					
Investments	-	-	-	141.583.747	**141.583.747**
Bonds	-	-	-	534.868	**534.868**
Other financial assets	-	-	-	1.130.567	**1.130.567**
Non-current receivables:					
Financial receivables	-	-	156.970.846	-	**156.970.846**
Sundry receivables	-	-	329.648	-	**329.648**
Receivables due from customers and other current commercial assets:					
Sundry receivables and other assets	-	-	18.213.603	-	**18.213.603**
Current financial assets:					
Financial receivables	-	-	48.620.504	-	**48.620.504**
Sundry receivables	-	-	-	-	**-**
Hedging derivatives	-	-	-	-	**-**
Non-hedge derivatives	-	-	-	-	**-**
Cash and cash equivalents					
Bank and postal deposits	-	-	14.876.157	-	**14.876.157**
TOTAL FINANCIAL ASSETS	**-**	**-**	**239.010.758**	**143.249.182**	**382.259.940**

Financial liabilities as at 30 September 2012	IAS 39 CATEGORIES Financial instruments designated at fair value	Liabilities at amortised cost			Book value
Non-current payables and financial liabilities:					
Payables due to banks	-	105.414.914	-	-	**105.414.914**
Other financial liabilities	-	4.507.695	-	-	**4.507.695**
Sundry payables and other liabilities		1.900.000			**1.900.000**
Current liabilities:					
Payables due to banks and other lenders	-	142.991.780	-	-	**142.991.780**
Trade payables	-	14.610.127	-	-	**14.610.127**
Sundry payables	-	20.374.710	-	-	**20.374.710**
Other financial liabilities:					
Hedging derivatives	5.693.713	-	-	-	**5.693.713**
Non-hedge derivatives	1.757.700	-	-	-	**1.757.700**
TOTAL FINANCIAL LIABILITIES	**7.451.413**	**289.799.226**	**-**	**-**	**297.250.639**

It should be pointed out that the table also includes the item sundry receivables and other assets and the items sundry payables and other liabilities.

Financial expenses and income recognised according to IAS 39

The net financial expenses and income from financial assets and liabilities are shown below, broken down into the categories required by IAS 39, highlighting the nature of said expenses and income for each category:

Amounts in EUR

IAS 39 categories as at 30 September 2012	From interest	From fair value changes	Write-downs for impairment	From shareholders' equity reserve	From capital losses/gains	From other income/expenses	Exchange gains/losses	Net profits/losses
Financial instruments held for trading	-	-	-	-	-	-	-	**-**
Liabilities at amortised cost	(11.334.282)	-	-	-	-	(1.511.499)	(183)	**(12.845.964)**
Available-for-sale financial instruments and equity securities	-	-	(3.183.302)	-		-	-	**(3.183.302)**
Loans and receivables	9.074.767	-	(6.847.622)	-	-	271.612	-	**2.498.757**
Derivative hedging instruments	(748.267)	-	-	-	-	-	-	**(748.267)**
Derivative trading instruments	-	(1.750.000)	-	-	-	-	-	**(1.750.000)**
TOTAL - IAS 39 CATEGORIES	**(3.007.782)**	**(1.750.000)**	**(10.030.924)**	**-**	**-**	**(1.239.887)**	**(183)**	**(16.028.776)**

56.2. Information on fair value

In relation to the financial instruments recorded in the Statement of Financial Position at fair value, IFRS 7 requires said values to be classified on the basis of a fair value hierarchy which reflects the significance of the inputs used in determining the fair value.

The fair value used for the purposes of the valuation of financial instruments is determined on the basis of a hierarchy split into the following levels:

- **Level 1** - determined by listed prices (not adjusted) in active markets; the valuation of the financial instruments is equal to the market price of the instrument, i.e. its listing price.
  The market is defined as active when prices reflect normal market transactions, are regularly and quickly available and if said prices represent actual and standard market transactions;
- **Level 2** - determined used valuation techniques based on variables that are directly or indirectly observable on the market; these valuation techniques are used if the instrument to be valued is not listed in an active market. The valuation of the financial instrument is based on market prices taken from market listings of similar assets or through valuation techniques for which all significant values are taken from parameters observable on the market. Although we are talking about the application of a valuation technique, the resultant price essentially lacks discretionality given that all parameters used can be observed on the market and the calculation methods used replicate prices present on active markets;
- **Level 3** - determined using valuation techniques based on significant variables not observable on the market; these techniques consist of the calculation of the listed price of the instrument by using significant parameters not observable on the market and therefore, involve estimates and assumptions by management.

More specifically:

<u>Derivative financial instruments</u>

All derivative instruments included under financial assets and liabilities held for trading relate to Over the counter derivative instruments. These instruments are measured using internal models that use market inputs.

The valuation methods remained the same as those used in the previous year.

The fair value of derivative instruments, if listed in an active market, is determined on the basis of market prices; if these prices are not published, different valuation techniques are used depending on the type of instrument.

In particular, as regards the valuation of Interest rate swaps (IRS) subscribed by the Group, to determine the fair value of IRSs, the "discounted cash flow analysis" technique is used.

<u>Securities (other than non controlling interests recorded in the AFS (Available-for-sale financial assets) portfolio)</u>

Shares of hedge funds and private equity funds are measured using the last NAV (net asset value) available on a sufficiently active market (level 2).
Where a market is not functioning normally, i.e. when the market does not have a sufficient and continuous number of transactions and volatility is not adequately contained, the fair value of these financial instruments is calculated predominantly by using valuation techniques whose objective is to establish the price of a hypothetical independent transaction, on the basis of normal market considerations, at the valuation date (level 3).

Non controlling interests recognised in the AFS (Available-for-sale financial assets) portfolio
As at 30 September 2012, 41,3% of non controlling interests recorded in the statement of financial position under available-for-sale assets was valued according to methods based on the fundamental analysis of the company (level 3).
For the years 2011-2012 and 2010-2011, no use was made of valuation methods that consider transactions involving the share over a period deemed reasonable with respect to the moment of the valuation or methods involving stock market multiples of comparable companies (level 2).
Equity interests maintained at cost are of a marginal amount.

Financial instrument fair value valuation techniques:
The valuation techniques used to measure the fair value of the non controlling interests recognised in the AFS portfolio include:
- the reference to market values that can be indirectly linked to the instrument to be measured and taken from similar products in terms of risk characteristics (comparable approach);
- valuations performed by using inputs not taken from observable market parameters for which use is made of estimates and assumptions prepared by the evaluator (mark to model approach).

The choice from the aforementioned methods is not optional, given that these must be applied in hierarchical order; priority is given to official prices available in active markets for assets and liabilities to be measured (effective market quotes) or for similar assets and liabilities (comparable approach), with the lowest priority given to non-observable and, therefore, more discretional inputs (Mark to model approach).

In incorporating all the factors that operators take into consideration in establishing the price, the valuation models developed take account of the time value of money at the risk-free rate, insolvency risks, the volatility of the financial instruments and, if necessary, foreign currency exchange rates.

The valuation method defined for a financial instrument is adopted on a continuing basis over time and is only modified as a result of significant changes in the market or subjective conditions of the issuer of the financial instrument.

For derivative contracts, valuation models have been defined which refer to the current market values of essentially similar instruments, the time value of money and to pricing models, by making reference to the specific elements of the entity subject to the valuation and by considering the parameters observable from the market. In using a calculation model, account is also taken of the need to make an adjustment to incorporate the credit risk of the counterparty.
In particular, bonds are measured using the method of discounting future cash flows set out in the contractual plan of the security, adjusted to take account of the issuer's credit risk.
For derivative instruments, reference models have been defined which present common criteria (calculation algorithms, market data processing model, basic assumptions of the model) on which the valuation of each category of derivative instruments is based.

For shares, use of different valuation methods is envisaged. Direct transactions, or significant share transactions over a period of time deemed sufficiently short with respect to the time of the valuation and in constant market conditions, comparable transactions of companies that operate in the same sector and with each type of product/service supplied similar to those of the investee subject to valuation, the application of the average of significant stock market multiples of comparable companies with respect to the economic-equity amounts of the investee and, lastly, analytical financial, profit and equity valuation methods.

For active credit relations and financial liabilities recognised in the financial statements at amortised cost, the fair value is determined in accordance with the following methods:

- for medium/long-term assets and liabilities, the valuation is carried out through the discounting of future cash flows. The latter method is based on the "discount rate adjustment approach" which requires the risk factors connected with the disbursement of credit to be included in the rate used for the discounting of future cash flows;
- for assets and liabilities on demand with a short-term or undetermined expiry and for the initial disbursements of financial receivables, the book value recognised net of the analytical write-down is a suitable representation of fair value.

The following table highlights the company's assets and liabilities which are measured at fair value as at 30 September 2012 and 2011, by hierarchical level of fair value measurement:

Amounts in EUR	30 September 2012				30 September 2011			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	Prices listed on an active market	Valuation techniques based on variables observable from the market	Valuation techniques which incorporate significant variables not observable from the market	Total	Prices listed on an active market	Valuation techniques based on variables observable from the market	Valuation techniques which incorporate significant variables not observable from the market	Total
Financial assets:								
- at fair value through profit or loss (FVTPL)	-	-	838.336	838.336	17.995.585	23.346.649	2.213.615	43.555.849
- available-for-sale assets (AFS)	44.520.465	39.602.721	58.287.660	142.410.846	38.569.616	41.929.557	61.207.177	141.706.350
- hedging derivatives	-	-	-	-	-	-	-	-
- loans and receivables	-	-	-	-	-	-	-	-
TOTAL	**44.520.465**	**39.602.721**	**59.125.996**	**143.249.182**	**56.565.201**	**65.276.206**	**63.420.792**	**185.262.199**
Financial liabilities:								
- at fair value through profit or loss	-	-	-	-	-	-	-	-
- hedging derivatives	-	(5.693.713)	-	(5.693.713)	-	(5.582.287)	-	(5.582.287)
- trading derivatives	(7.700)	-	(1.750.000)	(1.757.700)	-	-	-	-
- financial guarantees issued	-	-	-	-	-	-	-	-
TOTAL	**(7.700)**	**(5.693.713)**	**(1.750.000)**	**(7.451.413)**	**-**	**(5.582.287)**	**-**	**(5.582.287)**

Transfer between portfolios and reclassifications of financial assets
The Group did not carry out any portfolio reclassifications in the year 2011-2012.

Annual variations to financial assets designated at fair value level 3
No transfers from level 3 to other levels and vice-versa were effected during the year, deriving from changes to significant input variables of observable valuation techniques.
With reference to financial instruments classified in level 3 of the fair value hierarchy, details of changes in the year, including profits/(losses) booked to the income statement, are shown below:

Amounts in EUR	Financial assets:			Financial liabilities:	
	At fair value through profit or loss (FVTPL)	Available-for-sale assets (AFS)	Derivative instruments	At fair value through profit or loss	Derivative instruments
Values as at 1 October 2011	**2.213.615**	**61.207.177**	**-**	**-**	**-**
Profits/losses in the year:					
- in the income statement	49.721	(2.899.343)	-	-	(1.750.000)
- in the statement of comprehensive income	-	(2.190.285)	-	-	-
Other changes:					
Purchases	-	2.540.492	-	-	-
Transfers	-	-	-	-	-
Reimbursements	(1.425.000)	(370.381)	-	-	-
Accounting eliminations and reclassifications	-	-	-	-	-
Reclassifications to other levels of the fair value hierarchy	-	-	-	-	-
Values as at 30 September 2012	**838.336**	**58.287.660**	**-**	**-**	**(1.750.000)**

The financial asset measured at fair value is representative of the value of the AXA MPS policy held via the subsidiary Fashion District Group S.p.A..
Available-for-sale financial assets refer mainly to the shares held in Azimut Benetti S.p.A. (EUR 29,2 million), shares held in Alfa Park S.r.l. (EUR 11,9 million), shares held in Equinox Two ScA (EUR 7,7 million) and shares held in Medinvest International S.c.A. (EUR 2,2 million).

56.3. Risk management policies

1. Credit risks

Credit risk represents the exposure of the Mittel Group to potential losses resulting from the non-fulfilment of the obligations assumed by both financial and commercial counterparties. This risk mainly originates from economic-financial factors, or the possibility of counterparty default, or from more strictly technical-commercial factors.
The Mittel Group's maximum theoretical exposure to credit risk is represented by the book value of the financial assets and trade receivables recorded in the financial statements. It should be pointed out that certain credit positions are secured by mortgages and pledges on securities.
Allocations to the bad debt provision are made specifically on credit positions that present unique elements of risk. By contrast, allocations are made to credit positions that do not present these characteristics on the basis of the average estimated collectability in line with statistical indicators.

As regards credit risk pertaining to income components that contribute to the calculation of net financial debt, it should be noted that the management of Group liquidity is based on prudential criteria and is structured into the following areas:

- money market management, dealing with the investment of temporary cash surpluses during the year, which are expected to be re-absorbed within the next twelve months;
- bond portfolio management, dealing with the investment of a permanent level of liquidity, the investment of that part of liquidity, whose re-absorption for cash requirements is expected to occur after twelve months, as well as the improvement of the average yield on the asset.

In order to reduce the risk of the non-fulfilment of the obligations assumed by the counterparty, deposits have been made with leading banks with high credit standing.
In order to minimise credit risk, the Group also pursues a policy of diversification of its use of liquidity and of assignment of credit positions to the different bank counterparties; therefore, there are no significant positions with single counterparties to report.
The Group is not exposed to sovereign debts.

Qualitative information

General aspects

The Group performs its activities in the private equity sector, buys and sells proprietary securities and, through the company MGI, control of which was transferred during the year, provides customer loans.
Credit risk represents the risk of counterparty default with a partial or total loss of capital and of the interest on the credit position.
The analysis of credit risk is a key factor, for the purposes of preparation of the financial statements, in the evaluation of the receivables in the portfolio and as regards their impairment testing required by IAS 39.
In particular, as regards individual impairment, receivables due from customers in the company's portfolio do not present significant evidence of impairment.
Therefore, the portfolio must be subject to collective impairment testing in order to determine any adjustments for homogeneous risk categories.
This analysis did not highlight any impairment of expected cash flows, given that said receivables are monitored by a system of direct and indirect guarantees, as specified below.
For each of the above-mentioned sectors, the Board of Directors, as the part of the strategies of the company and of the Group, sets specific quantitative and qualitative limits for operations, defining the limits on the assumption of risks, and procedures for risk management and control.
The Group Internal Control and Risk Management Committees constantly monitor risk positions at overall and analytical level.
The risk control department measures the market risks of the Parent Company and those of the individual Group companies, in order to ensure that the overall exposure is monitored.

Organisational aspects

The organisational aspects described in this paragraph refer to the investee Mittel Generale Investimenti S.p.A., whose operating activities in the current year are represented by discontinued operations as a result of the disposal of control of the investment in July 2012.

The credit process is regulated as part of the credit management procedure, which represents the reference model and defines the credit management criteria and methods.
The credit process is structured into the following phases: (i) analysis of the applications for credit lines; (ii) deliberation of credit lines; (iii) granting and monitoring of credit lines; (iv) settlement of credit lines.
The Board of Directors is fully responsible for the credit policy, which deliberates on lending and treasury department proposals. The assessment of creditworthiness is targeted at centralising the debtor's actual and prospective repayment capacity.
The Lending and Treasury Department Manager is responsible for evaluation activities. The purpose of the aforementioned activity is to define the areas of intervention, the characteristics of said intervention (type, duration, economic conditions and contractual guarantees) and highlight any problems.
After having completed the evaluation process and assigned the internal risk category, with the preparation of the credit line application, the Lending and Treasury Department Manager sends the case to the Board of Directors for a decision. The decisions of the Board of Directors are documented in the minutes of the Board meetings and in the book of credit resolutions.
The lending and treasury department draws up a daily overview of customer positions which outlines the credit facilities in place, the associated utilisation and the applicable interest rate.
Credit monitoring is also carried out through: (i) verification of the observance of the payment of past due instalments; (ii) constant and frequent relations with customers; (iii) periodic meetings with professional firms that have acted as intermediary between the Group and the borrower; (iv) feedback information flows from *Centrale Rischi* (Italian Central Credit Register). Furthermore, at least once per year, the lending and treasury department reviews the credit line application.
In the event insolvency is verified, recovery activities start with an informal pre-dispute process, with the preparation of an information report to the Managing Director and/or the Deputy Chairman who signs for acknowledgement. In the event the pre-dispute process is unsuccessful, the Managing Director or the Deputy Chairman are authorised to agree a repayment plan with the customer, subject to a decision by the Board of Directors, which also resolves on the classification of the credit risk. In the event no repayment plan is stipulated, the out-of-court credit recovery process is launched. If this is unsuccessful, the Managing Director or the Deputy Chairman commence actions for the legal recovery of the credit, informing the Board of Directors of the classification in the non-performing category.

Management, measurement and control systems
Generally speaking, the credit granting processes of Mittel Generale Investimenti S.p.A. are discretionary and centralised at the Board of Directors, which resolves on justified proposals from the Lending and Treasury Department Manager.
As reported previously, the Lending and Treasury Department Manager evaluates the creditworthiness of the individual customer in order to identify the associated category of credit risk. Based on the limits and parameters established by internal regulations, four categories of credit risk have been defined. A maximum financial commitment is associated to each risk category which the company deems sustainable for each type of transaction.
These maximum limits are reviewed annually, confirmed by the Board of Directors and brought to the attention of the departments concerned.
At each meeting of the Board of Directors whose agenda is the examination and resolution of Credit Line Applications, the Lending and Treasury Department Manager presents the updated situation of maximum internal risk limits in force and their status of use, and all maximum limits set by the supervisory body concerning risk concentration.

Credit risk mitigation techniques
Credit risk is mitigated using precise procedures that start with the preliminary process that precedes the credit facility decision and which subsequently outline the credit line monitoring and renewal activities until the credit lines are extinguished, also formally defining the steps for managing any disputes until credit recovery. The precise and accurate assessment of the size of the guarantees, before and during the execution of the relationship, is also fundamental.
Prudential differentials are applied to financial guarantees at the market value.

Impaired financial assets
At each reporting date, receivables are recognised in order to identify those that, as a result of events following their initial recognition, show objective evidence of possible impairment. The value adjustment is booked to the income statement.
The original value of the receivables is written back in subsequent years to the extent in which the reasons that determined the adjustment no longer exist, provided that said valuation can be objectively linked to an event which occurred after said adjustment. The write-back is recorded in the income statement and

cannot, in any case, exceed the amortised cost that the receivable would have had in the absence of previous adjustments.
Operating criteria are used to determine the presumed recoverable value, aimed at quantifying the presence of any guarantees and/or the existence of bankruptcy proceedings.
The recovery plans are approved by the decision-making body and monitored extremely carefully.
The Board of Directors is responsible for the classification of receivables and their evaluation, normally on the proposal of the Managing Director.

Quantitative information
Distribution of credit exposures by relevant portfolio and by credit quality:

Portfolios / quality	Receivables written down due to non-collectability	Restructured exposures	Past due exposures	Other assets	Total
Financial assets held for trading	-	-	-	-	-
Financial assets designated at fair value	-	-	-	838.336	838.336
Available-for-sale financial assets	-	-	-	534.867	534.867
Financial assets held to maturity	-	-	-	-	-
Receivables due from banks	-	-	-	14.876.157	14.876.157
Receivables due from financial institutions	-	-	-	40.802.145	40.802.145
Receivables due from customers	7.389.150	3.738.908	-	153.661.139	164.789.197
Hedging derivatives	-	-	-	-	-
Total 30/09/2012	**7.389.150**	**3.738.908**	**0**	**210.712.644**	**221.840.702**
Total 30/09/2011	**10.386.666**	**7.665.216**	**-**	**613.577.145**	**631.629.027**

Credit exposures

Credit exposures: gross and net values

The situation as regards financial receivables due from private companies, prevalently in the real estate and services sectors, are shown in detail below.

Type of exposures/amounts	Gross exposure	Specific value adjustments	Portfolio value adjustments	Net exposure
Impaired exposures:				
- Exposures written down	24.491.686	(17.102.536)	-	7.389.150
- Restructured exposures	3.801.859	(62.951)	-	3.738.908
	28.293.544	**(17.165.487)**	**-**	**11.128.058**
Performing exposures:				
- Past due exposures	-	-	-	-
- Other exposures	196.811.724	(2.348.432)	-	194.463.292
	196.811.724	**(2.348.432)**	**-**	**194.463.292**
Total 30/09/2012	**225.105.269**	**(19.513.919)**	**-**	**205.591.350**
Total 30/09/2011	**470.927.205**	**(11.158.118)**	**(2.785.098)**	**456.985.989**

Details of trade receivables as at 30 September 2012 are shown below, by trade receivables still not past due (“Falling due” row) and past due receivables, with an indication of the expired period (rows “0-180 days”, and “180-360 days” and “After 360 days”):

Amounts in EUR

	30.9.2012		
	Nominal value	Write-downs	Net value
Falling due	2.470.504	(265.450)	2.205.054
0-180 days	1.739.820	-	1.739.820
180-360 days	752.533	(724.535)	27.998
After 360 days	3.184.992	(3.041.188)	143.804
	8.147.849	**(4.031.173)**	**4.116.676**

Positions for which there is an objective condition of partial or total uncollectability are subject to an individual write-down. The amount of the write-down takes account of the estimate of recoverable flows, the relative collection date and the fair value of any guarantees.

With reference to the valuation criteria of loans and receivables, it should be noted that these financial assets are subject to impairment only if there is objective evidence of a reduction in value as a result of one or more events that occurred after the initial recognition of the asset and that event (or events) has an impact on the estimated future cash flows of the asset.

Expected losses from future events are not incorporated in the impairment estimates, regardless of the likelihood of occurrence (expected loss). If the presence of impairment is verified, Group companies proceed with the evaluation with reference to each receivable when individually significant or when it becomes significant in consideration of the receivables as a whole.

Group companies calculate impairment according to rules which are differentiated by the different credit accounting methods; in particular, the method for calculating the amount of impairment applicable to the loans and receivables recorded at amortised cost requires the impairment loss on loans and receivables or investments held to maturity and recognised at amortised cost to be measured as the difference between the book value of the asset and present value of estimated future cash flows discounted at the original effective interest rate of the financial instrument.

From an accounting point of view, the value of the asset must be reduced directly or indirectly through an allocation to the liability provision; the amount of the adjustment is recognised in the income statement in the period.

Cash and cash equivalents

Cash and cash equivalents of the Group totalled EUR 14.890 thousand (EUR 64.656 thousand as at 30 September 2011) and are composed of bank deposits.

As regards the choice of counterparties for the management of temporary surpluses of cash and the stipulation of financial hedge contracts (derivative instruments), the Group only uses contacts with a high credit standing.

In this regard, it should be noted that, as at 30 September, no significant exposures to risks connected to a further deterioration in the overall financial context were highlighted.

Guarantees given

By contrast, sureties were issued in favour of third parties totalling EUR 22.720 thousand (EUR 49.834 thousand as at 30 September 2011) and commercial guarantees were issued amounting to EUR 33.562 thousand (EUR 581 thousand as at 30 September 2011) including EUR 20.000 thousand in guarantees issued by Mittel S.p.A. as a result of the transfer of the 100% investment in Mittel Generale Investimenti S.p.A. completed in the year.

The financial statement values as at 30 September 2012 and 2011 relating to the financial and commercial guarantees issued, assets pledged as collateral in favour of third parties for financial liabilities and irrevocable commitments are shown below:

	30/09/2012	**30/09/2011**
Financial guarantees issued	20.220.475	49.253.472
Commercial guarantees issued	53.562.014	581.021
Irrevocable commitments to disburse funds	25.893.219	28.749.919
Commitments underlying credit derivatives	-	-
Other irrevocable commitments	13.282.944	25.708.189
	112.958.652	**104.292.601**

With reference to the guarantee of EUR 20 million issued by Mittel S.p.A. following the transfer, by Mittel, of shares making up 100% of the share capital of Mittel Generale Investimenti S.p.A. to Liberata S.p.A. (hereinafter "the Acquirer"), a company in which Mittel S.p.A. ended up holding a stake of 27%, it should be pointed out that, based on the transfer contract, Mittel S.p.A. issued declarations and guarantees in favour of the Acquirer, according to the practice for similar transactions. In particular, Mittel S.p.A. issued declarations and guarantees in relation to the economic, financial and equity position, the existence and collectability of the receivables of Mittel Generale Investimenti S.p.A. deriving from financing transactions carried out during its company activities, as well as payment at the respective expiry dates, compliance with the legislation and the absence of labour law, social security and tax disputes, and the absence of disputes in general.
The potential indemnity obligations deriving from a breach of the aforementioned declarations and guarantees are subject to a maximum total limit of EUR 20,0 million, limited to losses relating to the credit portfolio existing at the date of the transfer and an absolute excess of EUR 50,0 thousand; this guarantee will remain in place until the 24th month after the closing date.
Pursuant to the transfer contract, the amount of any indemnities must be reduced by an amount equal to the specific provisions and/or allocations in the financial statements, insurance indemnities or third party reimbursements and contingent assets. The indemnity obligations assumed by Mittel shall remain valid and effective until the 24th month after the date of execution of the transfer of the 100% investment in Mittel Generale Investimenti S.p.A. (25 July 2012), with the exception of indemnities relating to any labour law liabilities for which the indemnity obligation is valid for five years.
In relation to information on the financial assets used as collateral for liabilities, set forth in paragraph 14 of IFRS 7, it should be noted that the Group pledged a share package comprising 15 million ordinary Intesa Sanpaolo S.p.A. shares, classified under available-for-sale financial assets, to secure a credit facility of EUR 20 million, of which around EUR 9,3 million was used as at 30 September 2012.

2. Market risks

Interest rate risk

General aspects

Interest rate risk generally refers to the effects of changes in market interest rates on the income statement and on the statement of financial position.
In order to measure and monitor the interest rate risk profile at individual company and consolidated level, reports are generated which ensure the accurate monitoring of the trend in debt rates.
This reporting system makes it possible to continuously record the "margin" between the average rate of debt and lending and to determine the impacts of changes in the structure of interest rates on the entire financial statements for the year.

Derivative financial instruments hedging interest rate risk
The group of companies headed up by the company Fashion District Group S.p.A. adopted an interest rate risk management policy which makes exclusive provision for the subscription of interest rate swaps defined for the specific hedging of given medium/long-term mortgages with the objective of limiting the fluctuation in financial expenses which affect the economic result, containing the risk of a potential increase in interest rates.
The designation of these derivatives as "hedging transactions" for the purposes of IAS 39 is authorised by the company's finance department.

The counterparties are leading banks and financial intermediaries with a minimum rating level equal to investment grade (BBB, S&P), except for exceptions formally authorised by the Board of Directors.
The effectiveness of the hedges is checked by performing the necessary tests, which are carried out:

- at the date of stipulation of the hedge and for the production of accounting/management reports, for the prospective test;
- at the date of each report and at the date of closing of the hedging relationship, for retrospective tests.

Hedge accounting is carried out from the date of stipulation of the derivative contract until the date of its extinguishment or expiry, by documenting, through the appropriate report (so-called hedging relationship) the risk being hedged and the objectives of the hedge, periodically verifying its effectiveness.
In particular, the “cash flow hedge” method set out in IAS 39 is adopted; according to this method, the effective portion of the change in the value of the derivative is recognised in the reserve of shareholders’ equity, adjusting the value of interest in the income statement subject to hedging.
The valuation of the effectiveness aims to demonstrate the high correlation between the technical-financial characteristics of the liabilities hedged (expiry, amount, etc.) and those of the hedging instrument by performing the necessary prospective tests.
Hedge accounting is carried out from the date of stipulation of the derivative contract until the date of its extinguishment or expiry, by documenting, through the appropriate report (so-called hedging relationship) the risk being hedged and the objectives of the hedge, periodically verifying its effectiveness. In particular, the “cash flow hedge” method set out in IAS 39 is adopted; according to this method, the effective portion of the change in the value of the derivative is recognised in the reserve of shareholders’ equity, which is used to adjust the value of interest in the income statement subject to hedging.
The valuation of the effectiveness aims to demonstrate the high correlation between the technical-financial characteristics of the liabilities hedged (expiry, amount, etc.) and those of the hedging instrument by performing the necessary retrospective and prospective tests.
The total cash flow hedge reserve recognised in shareholders’ equity as at 30 September 2012 with reference to said derivative instruments totalled a negative EUR 1,4 million, of which EUR 402 thousand is the non-current part, net of the relative prepaid taxes.
The fair value of the interest rate swap contracts is obtained by using a cash flow model on the basis of the values of the forward curve recorded as at 30 September 2012.
The fair value of the interest rate swap contracts is obtained by discounting cash flows, determined as the differential between fixed and variable interest rates provided for in the contract.
During the course of the year ended as at 30 September 2012, as a result of the misalignment of the amortisation plans between derivatives and the relative underlying mortgages to Efibanca S.p.A., Unicredit S.p.A. and BNL S.p.A., for which the request to access the benefits set out in the common agreement of 3 August 2009 and subsequent additions was accepted, the effectiveness test for said derivatives was ineffective, as in the previous year, for the contracts signed with Efibanca and attributable to specific loans for given implementation phases of the Mantua outlet. In addition, in the current year, the derivative contract entered into with Unicredit S.p.A. and relating to the financing of an implementation phase of the Molfetta outlet was ineffective. For more details, please refer to previous note 22 which contains an analysis of the economic effect of derivative financial instruments.

Quantitative information
The table below identifies the book value of the interest-bearing financial assets and liabilities as at 30 September 2012:

Distribution by residual duration of financial assets and liabilities

Amounts in thousands of Euro

Items/residual duration	Up to 6 months	From after 6 months to 1 year	From after 1 year to 3 years	From after 3 years to 5 years	After 5 years	Undetermined term	Total
Assets							
Debt securities	-	-	534	-	-	-	**534**
Medium/long-term financial receivables	-	-	78.044	32.752	44.674	-	**155.471**
Current financial receivables	42.121	6.499	-	-	-	-	**48.620**
Available-for-sale financial assets	-	-	1.131	-	-	-	**1.131**
Financial assets designated at fair value	-	-	838	-	-	-	**838**
	42.121	**6.499**	**80.547**	**32.752**	**44.674**	**-**	**206.594**
Liabilities							
Non-current bank loans	-	-	(471)	(61.118)	(43.826)	-	**(105.415)**
Current bank loans	(142.992)	-	-	-	-	-	**(142.992)**
Other financial payables due to related parties	-	-	-	(4.507)	-	-	**(4.507)**
	(142.992)	**0**	**(471)**	**(65.625)**	**(43.826)**	**-**	**(252.914)**
Financial derivatives							
Hedging derivatives	(5.026)	(264)	(281)	(121)	-	-	**(5.692)**
Trading derivatives	(1.757)	-	-	-	-	-	**(1.757)**
	(6.783)	**(264)**	**(281)**	**(121)**	**-**	**-**	**(7.449)**
	(107.654)	**6.235**	**79.795**	**(32.994)**	**848**	**-**	**(53.769)**

The financial liabilities which expose the Group to interest rate risk include bank loans payable at a medium/long-term variable rate.

Models and other methods for the measurement and management of interest rate risk
Interest rate risk is a variable which the Group dedicates considerable attention to and has provided the basis for the operational decisions taken, regarding both financing instruments and lending.
In fact, positions are mostly short on the funding side and loans are characterised by indexed rates. These strategic decisions represent an important factor in mitigating risk and involve a moderate impact in respect of unexpected changes in interest rates on the economic value of the Parent Company and of Group companies.

Price risk

Qualitative information
General aspects
Market risks encompass the risks generated by market transactions with regard to financial instruments, currencies and commodities.
Market risks are composed of position, settlement and concentration risk, with reference to the trading portfolio for supervisory purposes; from exchange risk to the position risk on commodities, with reference to the entire financial statements.
The investment process starts with an analytical activity carried out jointly on a daily basis by the Manager of Securities Investments and the Front Office Manager, which together form the Securities Investments Area. This activity consists essentially of an analysis of the market scenario (i.e. the existing macroeconomic context in terms of real variables, monetary conditions, current dominant themes..) plus verification of the temporary phase of the various financial markets (in terms of volatility, liquidity,..), supplementing the data with detailed technical information available (research on specific aspects). This analysis is conducted by using IT platform media (mainly Bloomberg and the Internet) and written research distributed via e-mail and the web by the main foreign and Italian intermediaries. Subsequently, via discussions and an exchange of opinions, the “market view” is prepared, which is, in any case, updated constantly during each day of operations. This phase of the process consists of: (i) the preparation/revision of expectations regarding development in the values of the various asset classes (bonds, shares, currencies, ...); (ii) the identification of the target asset classes for the construction of investment portfolios; (iii) the evaluation of relationships of correlation between the different asset classes.

Based on the results of the preceding activities, a decision is taken to undertake “strategic investments” (characterised by a target time period of up to 12 months) by identifying the appropriate investment instruments, such as: futures and options on share indexes; futures and options on interest rates; individual shares (selected on the basis of growth potential, quality and the size of past profits, direct knowledge of management, information obtained from available research,..); bonds (diversified in terms of duration, return/spread and credit standing, relevant issuer sector,...).
The dimensions of the strategic investments are established beforehand on the basis of: the desired size of the overall portfolio; the desired share of risk that each individual investment must represent with respect to the total portfolio; use of available scope within the operating limits (delta and VAR) generated by the single investments.
Sometimes, for reduced amounts with respect to the size of the portfolio and always on instruments characterised by a high level of liquidity, “tactical investment” decisions are taken, that is, characterised by particularly reduced time periods and considered prevalently of a “technical nature”.
The positions assumed in the various investment instruments are inserted in the Front Office system in portfolio groups that are subdivided on the basis of the asset class criterion (Bond, Equity, FX) and, secondarily, based on sub-criteria (corporate bonds, convertible bonds, government bonds,..).

Quantitative information

Models and other methods for the measurement and management of price risk
As regards the Group’s situation, actual and prospective market risk is low.
The strategies implemented in the current year are extremely prudent and have made provision for limited trading in financial assets, on the basis of a careful evaluation of the risks connected to the current phase of market volatility.
Procedures for controlling securities trading activities have been notably improved and strengthened in the last period, introducing a structure of “limits of the portfolio of direct investments in tradable instruments”, supported by a daily check on said limits, formalised in a daily report which shows the percentage use of each limit.

Other quantitative information on price risk

Qualitative information

General aspects
Currency risk may be generally defined as the effects of variations in the different pairs of non-Euro currencies on the performances of the company in terms of economic results of operations and cash flows.
Financial intermediaries are required, as per the legislation, to contain their “net exchange positions” to an amount not exceeding twice the regulatory capital.
Monitoring of the incidence of the trend in exchange rates as regards transactions realised on real estate securities in the various non-Euro currencies, is carried out through reporting which shows the overall exposure and the incidence on the level of intra-year loss.
These indicators are produced on a daily basis and made available to the managers of the operating and control units.
At the current state of play, the Group has no operations in place in areas subject to exchange rate risks.

Quantitative information
The Group has no exposures in foreign currency.

Sensitivity analysis
The exposure to the different market risks is measured through sensitivity analysis, as envisaged under IFRS 7; this analysis illustrates the effects of a given hypothetical variation in the levels of relevant variables in the different markets (interest rates, prices, currency) on financial expenses and income and, sometimes, directly on shareholders’ equity.

The sensitivity analysis was conducted on the basis of the hypotheses and assumptions shown below:

- the sensitivity analyses were carried out by applying reasonably possible changes in the relevant risk variables to financial statement values as at 30 September 2012, assuming that said values are representative of the entire year;
- changes in the value of fixed rate financial instruments, other than derivative instruments, brought about by variations in interest rates, generate an impact on profit only when accounted for at their fair value, as per IAS 39. All fixed rate instruments which are accounted for at amortised cost are not subject to interest rate risk, as defined in IFRS 7;
- changes in the value of the financial instruments designated in a cash flow hedge relationship, brought about by variations in interest rate, generate an impact on the level of debt and shareholders' equity and, therefore, are taken into consideration in this analysis;
- changes of value brought about by variations in interest rates, variable rate financial instruments, other than derivative instruments, which are not part of a cash flow hedge relationship, generate an impact on financial income and expenses in the year; therefore, they are taken into consideration in this analysis.

Interest rate risk - Sensitivity analysis

The variation in interest rates on the variable component of payables and liquidity may involve higher or lower financial expenses/income, while changes in the level of expected interest rates influence the fair value measurement of Group derivatives. Specifically:

- in relation to derivative instruments that transform liabilities incurred by the Group into a fixed rate (cash flow hedging), in application of international accounting standards that regulate hedge accounting, valuation at fair value (mark to market) of said instruments is allocated to the appropriate reserve of shareholders' equity. The joint variation in market variables to which the calculation of the mark to market value is subject between the date of stipulation of the transactions and the date of the valuation, makes the use of alternative hypotheses regarding the trend in said variables insignificant. With the approaching expiry of the contracts, the accounting effects described will gradually be absorbed until they are fully exhausted. However, for interest rate swaps, a variation is assumed in the fair value measurement calculated on the basis of implied forward rates in the current interest rate curve at the reporting date by applying a parallel and symmetric shift of 100 basis points to the current interest rate curve at the reporting date.

  By preparing the data relating to said hypothesis, we obtain:
  - increasing interest rate scenario (increase of 100 basis points): negative mark to market value of the IRSs falls by EUR 1,8 million compared to 30 September 2012;
  - downward interest rate scenario (decrease of 100 basis points): negative mark to market value of the IRSs increases by EUR 1,8 million compared to 30 September 2012.
- in relation to the variation in interest rates: if, at 30 September 2012, the interest rates were 100 basis points higher/lower than the rates actually registered, at income statement level, higher/lower financial expenses would be recorded, before the associated taxes, amounting to EUR 2,9 million.

Breakdown of the financial structure between fixed and variable rates

In relation to the breakdown of the financial structure between the fixed rate and variable rate components, both for financial assets and liabilities, the following tables are considered.

In the preparation of these tables, account is taken of the nominal value of reimbursement/use and, as regards financial assets, of the intrinsic nature (financial characteristics and duration) of the transactions considered, rather than solely the contractually defined conditions.

Amounts in thousands of Euro

	30 September 2012		
	Fixed rate	Variable rate	Total
Bank loans	28.826	207.581	**236.406**
Other financial liabilities	-	11.969	**11.969**
Total	**28.826**	**219.550**	**248.376**

Amounts in thousands of Euro

	30 September 2012		
	Fixed rate	Variable rate	Total
Financial receivables	63.883	115.495	**179.378**
Other financial assets	1.373	-	**1.373**
Total	**65.256**	**115.495**	**180.751**

The tables indicated above do not include the value of non-interest bearing receivables and payables.

Effective interest rate
The effective interest rate, for categories for which it can be determined, is the one relating to the original transaction net of the effect of any derivative hedging instruments.

The information, given provided by categories of financial assets and liabilities, has been prepared by using, as a weight for weighting purposes, the adjusted book value of accruals, deferrals and fair value adjustments; therefore, this refers to the amortised cost, net of any accruals and fair value adjustments due to hedge accounting.

Amounts in thousands of Euro

	30 September 2012		30 September 2011	
	Adjusted book value	Effective interest rate (%)	Adjusted book value	Effective interest rate (%)
Deposits and cash	14.890	1,6%	63.987	0,6%
Other financial assets	206.430	4,1%	343.937	4,3%
Total	**221.320**	**3,92%**	**407.924**	**3,71%**

Amounts in thousands of Euro

	30 September 2012		30 September 2011	
	Adjusted book value	Effective interest rate (%)	Adjusted book value	Effective interest rate (%)
Bank loans	207.612	(3,59)%	421.133	(3,00)%
Other financial liabilities	11.969	(1,61)%	5.618	(0,99)%
Total	**219.581**	**(3,48)%**	**426.752**	**(2,98)%**

As regards the management of market risks by using derivative financial instruments, please see previous note 22 “Other financial liabilities”.

Currency risk - Sensitivity analysis
As at 30 September 2012 (as at 30 September 2011), no active and passive financial instruments were denominated in currencies different from the financial statement currency of the individual companies and, therefore, currency risk is not subject to sensitivity analysis.

3. Liquidity risk
Liquidity risk is the risk of a company finding it difficult to fulfil future obligations associated to the financial liabilities given that available financial resources are not sufficient to cover the obligations according to the pre-established terms and expiry dates.

The Group pursues the objective of having an adequate degree of financial flexibility, by maintaining a solvency margin that allows refinancing requirements to be met at least for the next twelve months through the availability of irrevocable bank credit lines, liquidity and hot money.
The company’s goal is to maintain a balance between the bank credit line capacity and the flexibility of financial resources through the use of overdrafts.

Current financial assets as at 30 September 2012, together with unused committed lines, allow expiry dates to be fully observed as regards the repayment of debt envisaged over the coming 24 months.
A total of 9,6% of gross non-current financial debt as at 30 September 2012 (nominal repayment values) will fall due and/or is subject to revocation within twelve subsequent months.

With reference to the expiries of cash flows related to the Group's financial exposure, for liquidity risk purposes, the repayment plan set forth for medium-term debt, including medium-term loans obtained for projects to acquire investments, assumes particular significance.
The risk analysis performed is aimed at quantifying, based on contractual expiries, the cash flows deriving from the repayment of non-current financial liabilities held by the company as at 30 September 2012, given deemed relevant for liquidity risk purposes.
For the purposes of a representation of the liquidity risk on the financial exposure of the company deriving from expected cash flows for the repayment of financial debt and other non-current liabilities, the development of cash flows relating to the plan of payments for annual periods is shown below.

Details of expiries of financial liabilities

Amounts in thousands of Euro	expiring within 30.9 of the year:				
	2013	**2014**	**2015**	**After 2015**	**Total**
Bank loans	138.678	10.795	8.832	100.103	258.408
Other loans	12.190	-	-	4.508	16.698
Derivative financial instruments	7.047	155	127	121	7.449
Total	**157.915**	**10.950**	**8.959**	**104.731**	**282.555**

The non-discounted contractual cash flows of gross non-current financial debt at nominal repayment values and the interest flows are shown below, determined by using the conditions and interest rates in place as at 30 September 2012.

More specifically, the "worst case scenario" is presented, which highlights:
- nominal future cash outflows, both for the principal and interest portions, with reference to financial liabilities (excluding trade payables) and derivative contracts on interest rates;
- does not consider financial assets;
- assumes that bank loans expire on demand, if relating to revocable credit lines, and, in the opposite case, are scheduled on the basis of the first expiry on which repayment can be requested.

The principal and interest portions of liabilities subject to hedging include both the disbursements and the collections of the associated hedging derivative instruments.

Financial liabilities - Analysis by expiry of contractually envisaged disbursements

Amounts in thousands of Euro	expiring within 30.9 of the year:				
	2013	**2014**	**2015**	**After 2015**	**Total**
Non-current bank loans					
Portion of capital	11.218	8.353	6.834	90.229	116.634
Portion of interest	3.199	2.443	1.998	9.874	17.514
Current bank loans					
Portion of capital	119.804	-	-	-	119.804
Portion of interest	4.457	-	-	-	4.457
Non-current financial liabilities					
Portion of capital	11.969	-	-	4.508	16.477
Portion of interest	221	-	-	-	221
Current financial liabilities					
Portion of capital	-	-	-	-	-
Portion of interest	-	-	-	-	-
Total financial liabilities					
Portion of capital	142.992	8.353	6.834	94.737	252.915
Portion of interest	7.877	2.443	1.998	9.874	22.191

Derivative instruments on financial liabilities - Analysis of expected flows of interest

Amounts in thousands of Euro	expiring within 30.9 of the year:				
	2013	**2014**	**2015**	**After 2015**	**Total**
Hedging derivatives - net disbursement (collections)	5.290	155	127	121	5.692
Non-hedge derivatives - net disbursements (collections)	1.757	-	-	-	1.757
Total	**7.047**	**155**	**127**	**121**	**7.449**

In relation to information on the financial assets used as collateral for liabilities, set forth in paragraph 14 of IFRS 7, the Group pledged a share package comprising 15 million ordinary Intesa Sanpaolo S.p.A. shares, classified under available-for-sale financial assets, to secure a credit facility of EUR 20 million, of which around EUR 9,3 million was used as at 30 September 2012.

It should be noted that the Group headed up by Fashion District Group S.p.A. has short- and long-term loans in place relating to the implementation of the individual property projects.
During the year, Fashion District Group S.p.A requested and obtained the benefit deriving from subscription to the Common ABI (Italian Banking Association) agreement, whose direct consequence was the suspension of the repayment of principal amounts of loans until 31 December 2011, 31 March 2012 and 29 June 2012 respectively, with the subsequent extension of the expiry of the debts for a period corresponding to the above-mentioned suspension.
In addition, it should be noted that Fashion District Group S.p.A. has mortgages in place for a total residual value of EUR 35,9 million, stipulated with GE Capital Interbanca S.p.A. and with a pool of banks composed of Unicredit S.p.A. and Monte dei Paschi di Siena S.p.A. which make provision for equity and profit covenants. The covenants are linked to equity ratios (shareholders’ equity/debt) and profit ratios (rents collected/debt).
It should be noted that non-compliance with covenants would involve the acceleration clause. As at 30 September 2012, these covenants were respected.

4 Information on equity

Shareholders have always been worried about providing the Group with sufficient equity to allow it carry out its activities and to cover risks.
For this reason, a portion of the profits achieved has been carried forward over the years.
The objectives of the Parent Company Mittel S.p.A. as regards the management of capital are based on the protection of the Group’s ability to continue, simultaneously, to ensure profitability for shareholders and to retain an efficient capital structure.

57. ONGOING DISPUTES

It should be noted that certain Group companies have disputes in progress. The main legal proceedings in progress (i.e. Snia S.p.A. in amministrazione straordinaria - "in extraordinary administration") are detailed in the report on operations. In light of the opinions of its consultants, the Directors did not deem it necessary to set aside any provision for risks with respect to potential liabilities.

58. PUBLISHING OF THE FEES FOR AUDITING AND OTHER NON-AUDITING SERVICES PURSUANT TO CONSOB ISSUERS' REGULATION, ART. 149-DUODECIES.

Pursuant to the provisions of art. 149-duodecies of Consob Issuers' Regulation, the table below provides information on the fees paid to Independent Auditors Deloitte & Touche S.p.A. and to companies belonging to the same network for the following services:

1) Auditing services which include:
   • auditing of the annual accounts, targeted at expressing a professional judgment;
   • auditing of the interim accounts.

2) Certification services which include offices with which the auditor assesses a specific element, whose determination is made by another responsible party, through the necessary criteria, in order to reach a conclusion that provides the recipient with a degree of reliability in relation to said specific element.

3) Tax consultancy services.

4) Other services.

The fees shown in the table, pertaining to the year 2011-2012, are those set out in the contract, including any indexing (but not including out-of-pocket expenses, any supervisory fees and VAT).

As per the aforementioned provision, the fees paid to any secondary auditors or subjects in the respective networks are not included.

Type of services	Service provider		Recipient	Fees (in €/.000)
	Independent auditors	Other entities belonging to the network		
Auditing	Deloitte & Touche S.p.A.		Mittel S.p.A.	190
Certification services (*)	Deloitte & Touche S.p.A.		Mittel S.p.A.	155
Tax consultancy services				
Other services				
- Signing of tax declarations			Mittel S.p.A.	4
- Due Diligence activities	Deloitte & Touche S.p.A.	Deloitte Financial Advisory Services S.p.A.	Mittel S.p.A.	61
Total				**410**

(*) fees paid as part of the activities prior to the merger by incorporation of Tethys SpA and Hopa SpA
- Report on the examination of the consolidated pro-forma financial statements as at 30 September 2010
- Independent Auditors' Report on the provisional data in the income statement for the 2011/2012-2013/2014 period

Type of services	Service provider		Recipient	Fees (in €/.000)
	Independent auditors	Other entities belonging to the network		
Auditing	Deloitte & Touche S.p.A.		Mittel Group	331
Certification services				
Tax consultancy services				
Other services - Signing of tax declarations - Due Diligence activities	Deloitte & Touche S.p.A.		Mittel Group	19
Total				**350**

Milan, 10 January 2013

For the Board of Directors
The Chairman
(Franco Dalla Sega)

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

The undersigned Arnaldo Borghesi, Executive Director 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 financial statements for the year ended as at 30 September 2012.

It is also certified that the consolidated financial statements for the year ended as at 30 September 2012:

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 report on operations includes a reliable analysis of the performance and result of operations, and of the position of the issuer and group of consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Milan, 10 January 2013

Chief Executive Officer	Manager responsible for preparing the Company's financial reports
Arnaldo Borghesi	Pietro Santicoli

Mittel Group
Statement of changes in investments accounted using the equity method

Name	% interest	Opening balances 01/10/2011	Purchases and subscriptions	Sales	Dividends distributed	Profit (loss) pro-rata	Change in area of consolidation	Adjustments to valuation reserve	Other changes	Closing balances 30/09/2012
Investments										
Tower 6 bis S.a.r.l.	49,00%	15.512.932	-	-	-	(165.760)	-	1.974.729	2.644	17.324.545
Chase Mittel Capital Holding II NV	27,55%	6.249	-	-	-	-	-	-	-	6.249
Brands Partners 2 S.p.A.	25,20%	832.776	-	-	(14.691.600)	16.516.750	-	-	(205.971)	2.451.955
Liberata S.p.A.	27,00%	-	1.822.500	-	-	713.700	1.376.568	-	-	3.912.768
Mit.Fin S.p.A.	-	279.874	-	-	-	-	(279.874)	-	-	-
Castello Sgr SpA	23,68%	1.404.208	733.276	-	(213.796)	421.940	-	17.624	(555.966)	1.807.286
Iniziative Nord Milano S.r.l.	50,00%	839.488	-	-	-	(36.886)	-	-	(220)	802.382
Sunset Srl in liquidazione (in liquidation)	100,00%	500	-	-	-	-	-	-	-	500
Everel Group Spa	30,00%	3.300.000	-	-	-	-	-	-	-	3.300.000
Bios Spa	50,00%	7.342.914	-	-	-	-	-	2.457.741	(307.587)	9.493.068
		29.518.941	**-**	**-**	**(14.905.396)**	**17.449.744**	**1.096.694**	**4.450.094**	**(1.067.100)**	**39.098.753**

Mittel Group
List of investments

	Registered office		Share capital	Nominal value	Interest	Availability votes in shareholders' meeting	Business performed	Book value consolidated	Close of the year	Assets Statement of financial position	Liabilities Statement of financial position	Shareholders' equity	Last result	Revenues
					%			€/000		€/000	€/000	€/000	€/000	€/000
Investments														
Direct														
Chase Mittel Capital Holding II NV in liquidazione (in liquidation)	Netherlands Antill	€	18.720	-	27,55	27,55	Financial	6	31 December	-	-	9	-	-
Tower 6 bis S.a.r.l.	Luxembourg	€	4.500.000	10	49,00	49,00	Investment holding	17.325	31 December	25.219	19.864	5.355	(2.382)	-
Brands Partners 2 S.p.A.	Milan - Italy	€	150.000	1	25,20	25,20	Investment holding	2.452	31 October	69.055	2.480	66.575	64.240	68.502
Liberata S.p.A.	Milan - Italy	€	6.750.000	1	27,00	27,00	Investment holding	3.913	30 September	79.914	69.450	10.464	3.711	4.659
Bios S.p.A.	Milan - Italy	€	3.000.000	1	25,00	25,00	Investment holding	9.493	31 December	165.494	106.136	59.358	(6.169)	-
Everel Group S.p.A.	Verona - Italy	€	15.359.290	-	30,00	30,00	Industrial	3.300	31 December	42.430	29.636	12.794	(7.097)	40.467
Sunset S.r.l. in liquidazione (in liquidation)	Brescia - Italy	€	55.529	1	100,00	100,00	-	1	31 December	146	1.339	(1.193)	(41)	-
Castello SGR S.p.A.	Milan - Italy	€	2.664.556	1	23,68	23,68	Fund management	1.807	31 December	10.404	2.364	8.040	1.446	6.508
Indirect														
Mittel Generale Investimenti S.p.A.	Milan - Italy	€	17.000.000	1	100,00	100,00	Financial	-	30 September	216.491	130.175	86.316	5.666	8.823
Ma-tra Fiduciaria S.r.l.	Milan - Italy	€	100.000	1	81,00	81,00	Fiduciary	-	31 December	501	85	416	29	267
Mit.Fin S.p.A.	Milan - Italy	€	200.000	1	30,00	30,00	Financial	-	31 December	1.045	220	825	23	1.882
Iniziative Nord Milano S.r.l.	Milan - Italy	€	50.000	1	50,00	50,00	Property	802	31 December	11.479	10.361	1.118	103	2.065
Total								**39.099**						

Mittel Group

Statement of available-for-sale financial assets

		Changes in the period						
Name/company name	Amounts as at 1.10.2011	Purchases	(Recall of funds) Reimbursements	Transfers	Capital losses (gains)	Write-downs for impairment	Fair value adjustments	Values as at 30.09.2012
SIA - SSB S.p.A.	1.400.000	-	-	-	-	-	-	1.400.000
Azimut - Benetti S.p.A.	29.186.630	-	-	-	-	-	-	29.186.630
Intesa San Paolo S.p.A.	18.030.000	-	-	-	-	(285.000)		17.745.000
UBI Banca - Unione di Banche Italiane S.c.p.a.	12.214.786	-	-	-	-	-	273.562	12.488.348
RCS Media Group S.p.A.	6.721.175	-	-	(150.374)	107.004	-	5.973.877	12.651.682
Istituto Atesino di Sviluppo S.p.A.	3.312.953	-	-	-	-	-	-	3.312.953
Progressio SGR S.p.A.	193.410	456.301	-	-	-	-	-	649.711
Fondo Progressio Investimenti (Progressio Investimenti Fund)	7.733.669	-	(2.542.780)	-	-	-	(603.101)	4.587.788
Fondo Progressio Investimenti II (Progressio Investimenti II Fund)	1.691.954	3.207.584	-	-	-	-	(1.808.150)	3.091.388
Fondo Cosimo I (Cosimo I Fund)	4.430.029	-	-	-	-	-	(223.029)	4.207.000
Fondo Augusto (Augusto Fund)	12.300.465	3.473.961	-	-	-	-	(630.821)	15.143.605
Equinox Two S.c.a. Mittel	2.917.459	596.369	-	-	-	-	(792.934)	2.720.894
Equinox Two S.c.a. Earchimede	5.053.820	1.093.822					(1.159.683)	4.987.959
Micro Ventures S.p.A.	3.088.703	-	-	-	-	-	-	3.088.703
Micro Ventures Investments S.c.a. Sicar	200.000	360.000	-	-	-	-	-	560.000
Società Editoriale Vita S.p.A.	99.999	-	-	-	-	-	-	99.999
Nomisma S.p.A.	100.000	-	-	-	-	-	-	100.000
Alfa Park S.r.l.	11.936.053	-	-	-	-	-	-	11.936.053
CIS S.p.A.	1.471.882	-	-	-	-	-	(237.668)	1.234.214
Inn. Tec S.r.l.	5.200	-	-	-	-	-	-	5.200
Isfor 2000 S.c.p.a.	3.000	-	-	-	-	-	-	3.000
Pioneer mutual investment fund	1.098.787	-	-	-	-	-	31.780	1.130.567
OMB Brescia S.p.A. bond loan	369.842	-	(369.842)	-	-	-	-	-
Medinvest International S.A.	5.181.181	-	-	-	-	(2.899.882)	-	2.281.299
Opera Participations S.C.A.	757.061	-	-	-	-	-	(44.620)	712.441
Opera 2 Participations S.C.A.	1.954.917	-	-	-	-	-	64.339	2.019.256
Investitori Associati II S.A.	925.049	-	-	-	-	-	(3.684)	921.365
Alfieri Ass. Inv. S.A.	6.843.505	-	-	-	-	-	(2.908.505)	3.935.000
Dimensioni Network	269.144	-	-	-	-	-	(27.628)	241.516
IGI Sud	1.710.809	-	(302.250)	-	-	-	21.848	1.430.407
Consorzio Polo Turistico (tourism hub consortium)	-	4.000	-	-	-	-	-	4.000
AXA policy	2.213.615	-	(1.425.000)	-	-	-	49.721	838.336
Editoriale Vita S.p.A. bonds	-	30.000	-	-	-	-	-	30.000
A2A S.p.A. (bonds)	504.868	-	-	-	-	-	-	504.868
	143.919.965	**9.222.037**	**(4.639.872)**	**(150.374)**	**107.004**	**(3.184.882)**	**(2.024.696)**	**143.249.182**

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AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of MITTEL S.p.A.

1. We have audited the consolidated financial statements of Mittel S.p.A. and subsidiaries (the "Mittel Group"), which comprise the statement of financial position as of September 30, 2012, and the income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the year then ended, and the related explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements present for comparative purposes prior year data and the statement of financial position as of October 1, 2010. As explained in the notes to the consolidated financial statements, the Directors have reclassified certain comparative data related to the prior year's consolidated financial statements and to the statement of financial position as of October 1, 2010 with respect to the data previously reported and audited by us, on which we issued auditors' reports dated January 27, 2012 and January 28, 2011, respectively. This reclassification was necessary because of a change in the financial statements structure and in accordance with the provisions of IFRS 5 - "Non-current Assets Held for Sale and Discontinued Operations". These revisions to comparative data and related disclosures included in the notes to the consolidated financial statements have been audited by us for the purpose of expressing our opinion on the consolidated financial statements as of September 30, 2012.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Mittel Group as of September 30, 2012, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

Member of Deloitte Touche Tohmatsu Limited

4. The Directors of Mittel S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the consolidated financial statements of the Mittel Group as of September 30, 2012.

DELOITTE & TOUCHE S.p.A.

Signed by
Vittorio Frigerio
Partner

Milan, Italy
January 28, 2013

This report has been translated into the English language solely for the convenience of international readers.

SEPARATE FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2012

- STATEMENT OF FINANCIAL POSITION
- INCOME STATEMENT
- STATEMENT OF COMPREHENSIVE INCOME
- STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
- CASH FLOW STATEMENT

STATEMENT OF FINANCIAL POSITION (*)

Amounts in EUR

	Notes	30.09.2012	30.09.2011	01.10.2010
Non-current assets				
Intangible assets	4	33.467	27.408	57.475
Property, plant and equipment	5	1.115.755	1.122.779	1.420.954
Investments	6	190.804.293	145.438.962	156.198.942
Financial receivables	7	150.158.056	62.352.004	98.844.535
Other financial assets	8	64.865.718	63.342.317	52.985.844
Sundry receivables and other assets	9	263.838	168.091	153.677
Prepaid tax assets	10	972.206	-	115.651
Total non-current assets		**408.213.333**	**272.451.561**	**309.777.078**
Current assets				
Financial receivables	11	54.841.983	228.069	625.950
Other financial assets	12	-	6.820.649	8.087.655
Current tax assets	13	15.621.044	2.966.090	2.863.291
Sundry receivables and other assets	14	10.212.306	3.439.097	3.161.544
Cash and cash equivalents	15	4.063.954	951.956	2.358.880
Total current assets		**84.739.287**	**14.405.861**	**17.097.320**
Assets held for sale	16	2.500.000	45.714	-
Total assets		**495.452.620**	**286.903.136**	**326.874.398**
Shareholders' equity				
Share capital		87.907.017	70.504.505	70.504.505
Share premium		53.716.218	53.716.218	53.716.218
Reserves		132.946.832	130.753.388	155.380.952
Profit (loss) for the year		53.191.216	(63.435.291)	(17.764.357)
Total shareholders' equity	17	**327.761.283**	**191.538.820**	**261.837.318**
Non-current liabilities				
Financial payables	18	43.825.716	-	-
Provisions for personnel	19	522.280	423.452	327.582
Deferred tax liabilities	20	-	218.769	119.575
Provisions for risks and charges	21	4.196.800	-	-
Sundry payables and other liabilities	22	1.900.000	1.900.000	1.900.000
Total non-current liabilities		**50.444.796**	**2.542.221**	**2.347.157**
Current liabilities				
Financial payables	23	101.152.517	88.564.625	59.598.739
Tax liabilities	24	348.721	-	-
Sundry payables and other liabilities	25	15.745.303	4.257.470	3.091.184
Total current liabilities		**117.246.541**	**92.822.095**	**62.689.923**
Liabilities held for sale	26	-	-	-
Total shareholders' equity and liabilities		**495.452.620**	**286.903.136**	**326.874.398**

(*) Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the statement of financial position of the Mittel S.p.A. are outlined in the appropriate statement of financial position table shown in the pages below and are described not only in the comments on the individual financial statement items but in the explanatory notes to these financial statements, to which reference should be made.

INCOME STATEMENT (*)

Amounts in EUR

	Notes	01.10.2011 30.09.2012	01.10.2010 30.09.2011
Revenues	27	2.029.655	1.856.569
Other income	28	1.586.606	180.371
Costs for services	29	(7.287.852)	(4.963.781)
Personnel costs	30	(4.022.909)	(2.371.978)
Other costs	31	(1.977.385)	(388.452)
Dividends	32	68.513.678	13.481.895
Profit (loss) from management of financial activities and investments	33	38.643.408	-
Gross operating margin (EBITDA)		**97.485.201**	**7.794.624**
Amortisation/depreciation	34	(395.920)	(376.712)
Allocations to the provision for risks	35	(3.650.000)	-
Value adjustments to financial assets and receivables	36	(2.417.171)	-
Value adjustments to investments	37	(33.477.118)	(68.968.681)
Operating result (EBIT)		**57.544.992**	**(61.550.769)**
Financial income	38	2.993.943	891.284
Financial expenses	39	(6.547.174)	(1.968.143)
Profit (loss) from trading of financial assets	40	-	(1.267.006)
Income (loss) before taxes		**53.991.761**	**(63.894.634)**
Income taxes	41	(800.545)	459.343
Income (loss) from continuing operations		**53.191.216**	**(63.435.291)**
Income (loss) from assets held for sale		-	-
Profit (loss) for the year		**53.191.216**	**(63.435.291)**

	Notes		
Earnings/(loss) per share (in EUR)	42		
From continuing ordinary operations:			
- Basic		0,639	(0,900)
- Diluted		0,639	(0,722)

(*) Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated income statement of Mittel S.p.A. Mittel are outlined in the appropriate income statement table shown in the pages below and are described not only in the comments on the individual financial statement items but in the explanatory notes to these financial statements, to which reference should be made.

STATEMENT OF COMPREHENSIVE INCOME

Amounts in EUR

	Notes	01.10.2011 30.09.2012	01.10.2010 30.09.2011
Profit (loss) for the year (A)		**53.191.216**	**(63.435.291)**
Effective part of the profits/(losses) on cash flow hedges	17	-	-
Profits/(losses) from the redetermination of available-for-sale financial assets	17	(4.058.035)	286.437
Profits/(losses) from the transfer of available-for-sale financial assets	17	-	-
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	17	-	-
Profits/(losses) of companies valued using the equity method	17	-	-
Tax effect relating to other profits/(losses)	17	1.090.673	(99.194)
Total other profits/(losses), net of taxes (B)		**(2.967.362)**	**187.243**
Total comprehensive profit/(loss) (A) + (B)		**50.223.854**	**(63.248.048)**

Total earnings/(loss) per share (in EUR)		
- Basic	0,603	(0,897)
- Diluted	0,603	(0,719)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED AS AT 30 SEPTEMBER 2012

Amounts in EUR

	Share capital	Treasury shares	Capital reserves	Profit reserves	Reserve from available-for-sale financial assets	Total
Balance as at 1 October 2010	**70.504.505**	**-**	**53.716.218**	**137.361.066**	**255.529**	**261.837.318**
Increase in share capital	-	-	-	-	-	**-**
Other changes	-	-	-	-	-	**-**
Dividends distributed	-	-	-	(7.050.450)	-	**(7.050.450)**
Total comprehensive profit/(loss)	-	-	-	(63.435.291)	187.243	**(63.248.048)**
Balance as at 1 October 2011	**70.504.505**	**-**	**53.716.218**	**66.875.325**	**442.772**	**191.538.820**
Effects of merger by incorporation of Hopa SpA	17.402.512	-	-	68.596.097	-	**85.998.609**
Other changes	-	-	-	-	-	**-**
Dividends distributed	-	-	-	-	-	**-**
Total comprehensive profit/(loss)	-	-	-	53.191.216	(2.967.362)	**50.223.854**
Balance as at 30 September 2012	**87.907.017**	**-**	**53.716.218**	**188.662.638**	**(2.524.590)**	**327.761.283**

CASH FLOW STATEMENT

Amounts in EUR

	30.09.2012	30.09.2011
OPERATING ACTIVITIES		
Net income (loss) for the year	**53.191.216**	**(63.435.291)**
Adjustments to reconcile net income (loss) with cash flows generated (absorbed) by operating activities:		
Current taxes	1.190.047	(577.749)
Deferred taxes	(386.637)	118.406
Amortisation of property plant and equipment	363.675	99.800
Amortisation of intangible assets	32.245	53.861
Dividends received	(68.513.678)	(13.481.895)
Financial income	(2.993.943)	(891.284)
Financial expenses	6.547.174	1.472.002
Capital gain from transfer of 100% investment - Mittel Generale Investimenti SpA	(38.593.030)	-
Allocations to provisions for risks	3.650.000	-
Provisions for employee severance indemnity	125.416	99.553
Write-downs of receivables	2.417.171	-
Other non-monetary net income	(50.380)	-
Losses on receivables	-	1.267.006
Write-downs (write-backs) of investments	33.502.118	68.968.681
Cash flows from operating activities before changes in working capital	**(9.518.606)**	**(6.306.910)**
Increase/(decrease) in other current assets	(3.413.680)	(350.717)
Increase/(decrease) in trade payables and other current liabilities	(1.188.638)	999.031
Cash and cash equivalents generated (absorbed) by operating activities	**(14.120.924)**	**(5.658.596)**
Uses of provisions for risks and charges	-	-
Payments of employee severance indemnity	(140.388)	-
(A) CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES	**(14.261.312)**	**(5.658.596)**
INVESTMENT ACTIVITIES		
Dividends received from subsidiaries and associates	64.759.865	12.999.699
Dividends received on financial assets	3.753.813	482.196
Investments in interests for:		
Acquisitions	(46.000.185)	(36.009.002)
Recapitalisations of subsidiaries	(30.000)	(1.550.413)
Recapitalisations of associates net of specific loans	(1.773.500)	-
Liquidity deriving from merged companies	5.449.984	-
Increase in available-for-sale financial assets	(8.124.216)	(10.070.036)
Other investments (Property, plant and equipment, intangible assets and other financial assets)	-	(45.470)
Increases in other non-current assets	(243.678)	-
Realisation from disposal of:		
Investments net of granting of a specific vendor loan	44.800.000	4.305.000
Equity instruments available for sale	2.542.780	-
Investments held for sale	96.094	-
Other non-current assets (Property, plant and equipment, intangible assets and other)	88.791	-
Collections/payments deriving from derivative financial instruments held for trading	-	-
Increase (decrease) in financial receivables due from customers and financial institutions	(70.869.209)	12.063.742
Interest collected	2.993.943	891.284
(B) NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	**(2.555.518)**	**(16.933.000)**
FINANCING ACTIVITIES		
Increase (decrease) in payables due to banks and other lenders	26.476.002	29.710.890
Interest paid	(6.547.174)	(1.475.685)
Payment of dividends	-	(7.050.450)
(C) NET CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	**19.928.828**	**21.184.755**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D = A+B+C)	**3.111.998**	**(1.406.841)**
OPENING CASH AND CASH EQUIVALENTS (E)	951.956	2.358.747
CLOSING CASH AND CASH EQUIVALENTS (F= D+ E)	**4.063.954**	**951.906**

STATEMENT OF FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

Amounts in EUR

	Notes	30.09.2012	*of which related parties*	*% incidence*	30.09.2011	*of which related parties*	*% incidence*
Non-current assets							
Intangible assets	4	33.467			27.408		
Property, plant and equipment	5	1.115.755			1.122.779		
Investments	6	190.804.293			145.438.962		
Financial receivables	7	150.158.056	114.046.330	76,0%	62.352.004	49.569.706	79,5%
Other financial assets	8	64.865.718			63.342.317		
Sundry receivables and other assets	9	263.838			168.091		
Prepaid tax assets	10	972.206			-		
Total non-current assets		**408.213.333**	**114.046.330**	27,9%	**272.451.561**	**49.569.706**	18,2%
Current assets							
Financial receivables	11	54.841.983	49.924.201	91,0%	228.069	163.370	71,6%
Other financial assets	12	-			6.820.649		
Current tax assets	13	15.621.044			2.966.090		
Sundry receivables and other assets	14	10.212.306	806.342	7,9%	3.439.097		
Cash and cash equivalents	15	4.063.954			951.956		
Total current assets		**84.739.287**	**50.730.543**	59,9%	**14.405.861**	**163.370**	1,1%
Assets held for sale	16	2.500.000			45.714	-	
Total assets		**495.452.620**	**164.776.873**	**33,26%**	**286.903.136**	**49.733.076**	**17,33%**
Shareholders' equity							
Share capital		87.907.017			70.504.505		
Share premium		53.716.218			53.716.218		
Reserves		132.946.832			130.753.388		
Profit (loss) for the year		53.191.216			(63.435.291)		
Total shareholders' equity	17	**327.761.283**			**191.538.820**		
Non-current liabilities							
Financial payables	18	43.825.716			-		
Provisions for personnel	19	522.280			423.452		
Deferred tax liabilities	20	-			218.769		
Provisions for risks and charges	21	4.196.800	3.650.000	87,0%	-		
Sundry payables and other liabilities	22	1.900.000			1.900.000		
Total non-current liabilities		**50.444.796**	**3.650.000**	7,2%	**2.542.221**		
Current liabilities							
Financial payables	23	101.152.517	38.505.205	38,1%	88.564.625	5.000.000	5,6%
Tax liabilities	24	348.721			-		
Sundry payables and other liabilities	25	15.745.303	7.495.495	47,6%	4.257.470	608.216	14,3%
Total current liabilities		**117.246.541**	**46.000.700**	39,2%	**92.822.095**	**5.608.216**	6,0%
Liabilities held for sale	26	-	-		-	-	
Total shareholders' equity and liabilities		**495.452.620**	**49.650.700**	**10,02%**	**286.903.136**	**5.608.216**	**1,95%**

INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

Amounts in EUR

	Notes	01.10.2011 30.09.2012	*of which related parties*	*% incidence*	01.10.2010 30.09.2011	*of which related parties*	*% incidence*
Revenues	27	2.029.655	1.943.338	95,7%	1.856.569	1.697.831	91,4%
Other income	28	1.586.606			180.371		
Costs for services	29	(7.287.852)	(1.907.805)	26,2%	(4.963.781)	(299.099)	6,0%
Personnel costs	30	(4.022.909)	(1.692.867)	42,1%	(2.371.978)	(769.572)	32,4%
Other costs	31	(1.977.385)			(388.452)		
Dividends	32	68.513.678	65.278.564	95,3%	13.481.895	13.356.196	99,1%
Profit (loss) from management of financial activities and investments	33	38.643.408	38.643.408	100,0%			
Gross operating margin (EBITDA)		**97.485.201**			**7.794.624**		
Amortisation/depreciation	34	(395.920)			(376.712)		
Allocations to the provision for risks	35	(3.650.000)					
Value adjustments to financial assets and receivables	36	(2.417.171)					
Value adjustments to investments	37	(33.477.118)			(68.968.681)		
Operating result (EBIT)		**57.544.992**			**(61.550.769)**		
Financial income	38	2.993.943	1.512.407	50,5%	891.284	479.679	53,8%
Financial expenses	39	(6.547.174)	(1.111.103)	17,0%	(1.968.143)	(48.937)	2,5%
Profit (loss) from trading of financial assets	40	-			(1.267.006)		
Income (loss) before taxes		**53.991.761**			**(63.894.634)**		
Income taxes	41	(800.545)			459.343		
Income (loss) from continuing operations		**53.191.216**			**(63.435.291)**		
Income (loss) from assets held for sale		-			-		
Profit (loss) for the year		**53.191.216**			**(63.435.291)**		

EXPLANATORY NOTES

1 GENERAL INFORMATION

Mittel S.p.A. (hereinafter the "Company") is a joint-stock company incorporated in Italy and listed in the Milan Register of Companies.
The Parent Company holds, directly or indirectly through other sub-holdings, stakes in the share capital of companies in the business sectors in which Mittel S.p.A. operates.
The address of the registered office is Piazza Diaz, 7 – Milan.
The main activities of the company and its subsidiaries are indicated in the Report of Operations.
These separate financial statements are prepared in Euros.
Mittel S.p.A., as Parent Company, also drafted the consolidated financial statements of Mittel S.p.A. as at 30 September 2012.

Merger by incorporation of the subsidiaries Tethys S.p.A. and Hopa S.p.A. in Mittel S.p.A.

During the year, Mittel S.p.A. completed the strategic project for the restructuring of the corporate investments in subsidiaries Tethys S.p.A. and Hopa S.p.A., a process started in 2010-2011, implemented through two mergers by incorporation of Tethys S.p.A. in Mittel S.p.A. ("Fusione I" - Merger I) and of Hopa S.p.A. in Mittel S.p.A., as a result of Merger I of Tethys S.p.A. in Mittel S.p.A. ("Fusione II" - Merger II).
The mergers by incorporation of Tethys S.p.A. in Mittel S.p.A. and of Hopa S.p.A. in Mittel S.p.A., as a result of Merger I, consist of procedures and functionally related legal deeds that were completed in the order in which they are presented in the Merger project, but, however, in a single substantial context. For said reason, the Boards of Directors approved a single Merger project which takes in Merger I and Merger II.
The transactions of each merged company were booked to the financial statements of the merging company as of 1 October 2011, pursuant to art. 2504-bis of the Italian Civil Code.
Due to the effect of the merger transactions, the merging company took over all income and expense generating legal relationships of each of the merged companies determining:

- In Merger I, the extinction of the incorporated company, while in Merger II, the increase in share capital in the merging company with the subsequent assignment to the shareholders of the incorporated company Hopa S.p.A. of Mittel S.p.A. shares and simultaneous cancellation of Hopa S.p.A. shares; the economic equivalence of said share swap is measured by the "exchange ratio", defined as the price of the shares of the extinguished companies in terms of the shares of the merging company;
- the transfer to the merging company of the entire equity of the merged companies and all inherent legal relationships.

In this regard, with reference to the specific methods of conversion of the stakes of the shareholders of the merged companies, the merger transactions are distinguished as follows:

Merger I: Merger by incorporation with the cancellation of the ordinary shares of Tethys S.p.A. without share swap

Merger I did not involve the application of any share exchange ratio, given that, on the date of stipulation of Merger I, Mittel S.p.A. held 100% of the share capital of Tethys. Therefore, Mittel S.p.A. did not increase share capital to service the merger, and all Tethys S.p.A. shares held by Mittel S.p.A. were cancelled (art. 2504-ter, paragraph 2, Italian Civil Code).

Merger II: Merger by incorporation with share swap by the merged company with the shares of the merging company Mittel S.p.A. resulting from Merger I between Mittel S.p.A. and Tethys S.p.A.

Merger II did not involve the application of any share exchange ratio, given that, on the date of stipulation of Merger II, the merging company Mittel S.p.A., as a result of Merger I, did not hold 100% of the share capital of Hopa S.p.A.. Therefore, Mittel S.p.A. increased share capital to service the merger, and all Hopa S.p.A. shares held by Mittel S.p.A. were cancelled (art. 2504-ter, paragraph 2, Italian Civil Code).
Newly issued Mittel S.p.A. shares, destined to service the share swap, were issued on the date the Merger took effective for legal purposes, with regular dividend entitlement and listing on the MTA (screen-based stock market), at the par value of the Mittel S.p.A. shares in circulation at the time of issue of the shares destined to service the share swap.
For the purposes of the determination of the share swap ratio, it should be noted that Mittel S.p.A., as a result of Merger I, and Hopa S.p.A., presented a subdivision of its share capital solely into ordinary shares.

Mittel' S.p.A.'s share capital was divided into 70.504.505 shares; Hopa's share capital was divided into 1.381.756.915 shares.
The share swap ratio was defined at 0,036 Mittel S.p.A. shares per Hopa S.p.A. share, through the cancellation of Hopa shares, with no nominal value, and the subsequent issuing of 17.402.512 ordinary Mittel S.p.A. shares with a unit nominal value of EUR 1.
The main phases of the merger procedures were as follows:

- on 29 July 2011 the administrative bodies of Mittel S.p.A, Tethys S.p.A. and Hopa S.p.A. drafted and approved the project for the merger by incorporation, pursuant to articles 2501-bis and 2501-ter of the Italian Civil Code, of Tethys S.p.A. in Mittel S.p.A. (Merger I) and Hopa S.p.A. in Mittel S.p.A., as a result of Merger I;
- the extraordinary shareholders' meeting of Mittel S.p.A., held on 14 October 2011, favourably resolved the merger project. At the same time, the extraordinary shareholders' meetings of the merging companies Tethys S.p.A. and Hopa S.p.A., held on 13 October 2011, also passed favourable resolutions;
- on 30 December 2011, at the end of the term for creditors to lodge an objection pursuant to art. 2503, Italian Civil Code, Mittel S.p.A., Tethys S.p.A. and Hopa S.p.A. stipulated the deed of merger of Tethys S.p.A. and Hopa S.p.A. in Mittel and, subsequently, filed it at the competent registers of companies, pursuant to art. 2504. The merger is therefore legally effective from 5 January 2012.

The merger project contains details of the financial resources envisaged to meet the obligations of the merging company, pursuant to art. 2501-bis, paragraph 2, Italian Civil Code.
The reasons that justify the merger transaction and the share swap ratio, from a legal and economic point of view, are contained in the reports drafted by the Boards of Directors of the merging company and merged companies, pursuant to art. 2501-quinquies, Italian Civil Code. These reports also contain an economic and financial plan with details of the sources of financial resources and a description of the objectives that the merging company and merged companies intend to reach through the merger, pursuant to art. 2505-bis, paragraph 3, Italian Civil Code.
In addition, the transactions involving the interests in Tethys S.p.A. and Hopa S.p.A. which led to the completion of the merger transactions are set out below:

- **Exercising of call options on the residual stake of 16,667% in the share capital of Tethys S.p.A.**

On 30 December 2011, Mittel S.p.A. exercised the right to purchase, from Banca Monte dei Paschi di Siena S.p.A. and Banco Popolare Soc. Coop., for a total consideration of EUR 5 million, the residual stake of 16,667% in Tethys S.p.A., therefore holding 100% of the share capital of Tethys S.p.A..

- **Exercising of call options on 23,53% of the share capital of Hopa S.p.A.**

On 30 December 2011,Tethys S.p.A. exercised the right to purchase 325.172.513 Hopa S.p.A. shares from counterparties Banca Monte dei Paschi di Siena S.p.A., Banco Popolare Soc. Coop and UBI Banca S.c.p.A. for a total consideration of EUR 32,5 million.

The effects on the statement of financial position of Mittel S.p.A. deriving from Merger I and II transactions as at 30 September 2012 are shown below, which can be described separately for the two merger transactions as follows:

❑ **Merger by incorporation of Tethys S.p.A. (Merger I)**

The effects of Merger I on the statement of financial position of merging company Mittel S.p.A. include: i) recognition of the balances of the merged company Tethys S.p.A. at the effective accounting date of the merger (30 September 2011) and recording of the elimination through cancellation of the total investment in Tethys S.p.A. held by Mittel S.p.A. at the effective date of the merger (5 January 2012) equal to EUR 59,3 million and ii) the balances held in share capital and reserves of the merged company totalling EUR 39,3 million, with the subsequent recognition of a merger deficit of EUR 20,0 million which was used to increase the value of the investment in Hopa S.p.A. held by Tethys S.p.A..

The cancellation of the total investment in Tethys S.p.A. includes the incremental investment deriving from Mittel S.p.A.'s exercising of call options on the residual stake of 16,67% in the share capital of Tethys S.p.A. which involved:

- the payment of the consideration for exercising of the call option amounted to EUR 5 million, increasing Tethys S.p.A.'s investment;
- the conversion of the value of said derivative instrument recorded under "current financial assets" valued as at 30 September 2011 on the basis of the respective fair value equal to EUR 6,8 million.

- **Merger by incorporation of Hopa S.p.A. (Merger II)**

The effects of Merger II on the statement of financial position of merging company Mittel S.p.A. include the recognition of the balances of merged company Tethys S.p.A. at the effective accounting date of the merger (30 September 2011) which concern:

- the cancellation of the investment in the merged company Hopa S.p.A. at the effective legal date of the merger (5 January 2012) and the balances held in share capital and reserves of the merged company totalling EUR 209,9 million;
- the increase in the shareholders' equity of Mittel S.p.A. deriving from the conversion of the investments relating to the non controlling shareholders of Hopa S.p.A. (for a share corresponding to 34,90% of the share capital of Hopa S.p.A.) into the equivalent investments of Mittel S.p.A. as a result of Merger I between Mittel S.p.A. and Tethys S.p.A..

More specifically, these effects include:

- the recognition of the elimination by cancellation of the stake of 39,78% in the share capital of Hopa S.p.A. held by Tethys S.p.A. amounting to EUR 52,5 million;
- the recognition of the elimination by cancellation of an additional stake of 23,53% in the share capital of Hopa S.p.A. deriving from the exercising of two call options on 325.172.513 Hopa S.p.A. shares, exercised at a price of EUR 0,10 per share and totalling EUR 32,5 million;
- the recognition of the elimination by cancellation of the incremental investment in Hopa S.p.A. deriving from the allocation of the deficit deriving from Merger I equal to EUR 20,0 million;
- the recognition of the elimination by cancellation of the stake of 1,70% in the share capital of Hopa held by Mittel S.p.A. amounting to EUR 2,4 million;
- the share capital increase transaction of Mittel S.p.A. in service of the share swap of Merger II totalling EUR 17,4 million corresponding to 17.402.512 ordinary shares with unit nominal value of EUR 1 each. Recognition of the conversion of the interests relating to the non controlling shareholders of Hopa S.p.A. into the equivalent investments of Mittel S.p.A. as a result of Merger I between Mittel S.p.A. and Tethys S.p.A., i.e. to investments of an equal real value in the merging company, with the subsequent cancellation of the shares of Hopa S.p.A. with no nominal value and their replacement with ordinary Mittel S.p.A. shares, as a result of Merger I, based on the share exchange ratio which was defined at 0,036 Mittel S.p.A. shares per Hopa S.p.A. share.
- Therefore, the effects of Merger I on the statement of financial position of merging company Mittel S.p.A. include the recognition of the balances of the merging company Hopa S.p.A. at the effective accounting date of the merger (30 September 2011), the elimination through cancellation of the total investment in Hopa S.p.A., resulting from the effective date of the merger (5 January 2012) equal to EUR 141,4 million and the balances held in share capital and reserves of the merged company totalling EUR 209,9 million, with the subsequent recognition of a merger surplus of EUR 68,6 million booked to the shareholders' equity of Mittel S.p.A..

The aforementioned effects on the statement of financial position of Mittel S.p.A. deriving from Merger I and II transactions as at 30 September 2012 are summarised in the table below:

Amounts in EUR	**Merger I** incorporation of Tethys SpA **Equity position of Tethys SpA**	**Merger II** incorporation of Hopa SpA **Equity position of Hopa SpA**	**Mergers I and II** Total
Intangible assets	-	103.950	103.950
Property, plant and equipment	-	263.392	263.392
Investments	-	153.966.448	153.966.448
Investments in Hopa SpA	52.483.924	-	-
Other financial assets	16.526.000	369.842	16.895.842
Sundry receivables and other assets	-	31.631.000	31.631.000
Total non-current assets	**69.009.924**	**186.334.632**	**202.860.632**
Financial receivables	-	11.479.751	11.479.751
Current tax assets	-	13.216.157	13.216.157
Sundry receivables and other assets	204.265	2.689.808	2.894.073
Cash and cash equivalents	93	5.449.891	5.449.984
Total current assets	**204.358**	**32.835.607**	**33.039.965**
Financial payables	(29.822.068)	-	(29.822.068)
Provisions for personnel	-	(113.800)	(113.800)
Provisions for risks and charges	-	(150.000)	(150.000)
Total non-current liabilities	**(29.822.068)**	**(263.800)**	**(30.085.868)**
Other financial liabilities	-	(115.538)	(115.538)
Sundry payables and other liabilities	(74.699)	(8.808.226)	(8.882.925)
Total current liabilities	**(74.699)**	**(8.923.764)**	**(8.998.463)**
Shareholders' equity	**39.317.515**	**209.982.675**	**196.816.266**
Cancellation of Tethys SpA investment for incorporation			
Value of initial investment	(47.517.975)		(47.517.975)
Increases in the year:			
Consideration paid on call option	(5.000.000)		(5.000.000)
Valuation of call option on Tethys SpA shares	(6.820.649)		(6.820.649)
Total Tethys SpA investment	**(59.338.624)**		**(59.338.624)**
Merger deficit allocated to increase the investment in Hopa SpA	**(20.021.109)**		
Cancellation of Hopa SpA investment for incorporation			
Value of initial investment in Tethys SpA		(52.483.924)	
Value of initial investment in Mittel SpA		(2.435.781)	(2.435.781)
Increases in the year:			
Valuation of call option on Hopa SpA shares in Tethys SpA		(16.526.000)	(16.526.000)
Allocation of merger deficit from incorporation of Tethys SpA		(20.021.109)	
Consideration paid		(32.517.252)	(32.517.252)
Increase in share capital of Mittel SpA reserved to minority shareholders		(17.402.512)	(17.402.512)
Total Hopa SpA investment		**(141.386.578)**	**(68.881.545)**
Merger surplus for incorporation		**68.596.097**	**68.596.097**

2 FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The separate financial statements are composed of the statement of financial position, income statement, statement of comprehensive income, cash flow statement and statement of changes in shareholders' equity, accompanied by the explanatory notes. The income statement was drafted in line with the minimum contents of IAS 1 - Presentation of Financial Statements - with classification of costs by nature; the statement of financial position was prepared according to the layout which highlights the breakdown of "current/non-current" assets and liabilities. The cash flow statement was drafted using the indirect method.

3 SIGNIFICANT ACCOUNTING STANDARDS ADOPTED BY THE PARENT COMPANY

Intangible assets (IAS 38)

Intangible assets are non-monetary assets which are without physical substance and identifiable, held to be used in a multi-year or indefinite period. These are recorded at cost, adjusted for additional expenses only if it is probable that the future economic benefits that are attributable to the asset will be realised and if the cost of the asset can be measured reliably. In the opposite case, the cost of the intangible asset is booked to the income statement in the year in which it was incurred.

The cost of intangible fixed assets with a definite useful life is amortised using the straight line method on the basis of the relative useful life.

If the useful life is indefinite, no amortisation is carried out, solely the periodic verification of the adequacy of the book value of the fixed assets. Intangible assets originating from software developed internally and acquired from third parties are amortised on a straight line basis, effective from the completion and entry into operation of the applications based on the relative useful life. At the close of each financial year, in the presence of impairment, the recoverable value of the asset is estimated.

The amount of the loss, booked to the income statement, is equal to the difference between the asset's book value and its recoverable value.

An intangible asset is eliminated from the statement of financial position on disposal or when no future economic benefits are expected from its use.

Goodwill can be recorded if representative of future income capacities of the investee. A test is conducted at the close of each financial year to check the value of goodwill. Any reduction in value is determined on the basis of the difference between the book value of goodwill and its realisable value, equal to the higher of the fair value of the cash generating unit, less costs to sell, and the associated value in use.

Development costs refer to new product innovation projects and are recorded under assets in compliance with the considerations of IAS 38, i.e.:

- demonstrability of the technical feasibility of the products;
- intention of the company to complete the development project;
- reliable determination of the costs incurred for the project;
- recoverability of the values recorded through the future expected benefits from completion of the development project.

It should be noted that said item includes intangible assets under construction to be amortised starting from the year their useful life starts.

Property, plant and equipment (IAS 16)

Property, plant and equipment are initially measured at cost which includes not only the purchase price, but all additional expenses directly attributable to the purchase and to bringing the asset to working condition for its intended use.

Extraordinary maintenance costs which involve an increase in future economic benefits are booked to increase the value of the assets, while other ordinary maintenance costs are recognised in the income statement.

Property, plant and equipment include operating premises, plants, furniture, fittings and equipment of any type.

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment are valued at cost, less any accumulated amortisation and impairment.

Property, plant and equipment are systematically amortised over their useful life, by adopting the straight line method.

The amortisation rates used by the company are as follows:
- Buildings, between a range of 3,0% and 6,0%
- Vehicles 25,00%
- Furniture and fittings 12,00%
- Electronic machines 33,33%
- Equipment 15,00%

Land is not amortised as it has an indefinite useful life.
Capitalisable costs for improvements to leased third-party assets are attributed to the asset classes to which they refer and amortised at the lower of the residual term of the rental agreement and the residual useful life of the nature of the asset to which the improvement relates. At the close of each financial year, testing must be performed for any signs of impairment, or indications that show that an asset may have been impaired.
In the event of signs of impairment, a comparison is made between the book value of the asset and its recoverable value, equal to the lower of the fair value, less costs to sell, and the associated value in use of the asset, understood as the present value of future cash flows originating from the asset. Any adjustments are booked to the income statement. If the reasons for the recognition of the loss no longer exist, the value is written back, which cannot exceed the value that the asset would have had, net of amortisation calculated in the absence of previous impairment.
A tangible asset is eliminated from the statement of financial position on disposal.
Profits and losses deriving from transfers or disposals of assets are determined as the difference between the sales revenue and the net book value of the assets and are recognised in the income statement in the year.

Improvements to third-party assets are classified under property, plant and equipment, consistent with the nature of the cost incurred. The amortisation period corresponds to the lower of the residual useful life of the tangible asset and the residual duration of the lease.

Investments in subsidiaries and associates
Investments in subsidiaries, associates and joint ventures are valued using the cost method, less impairment according to IAS 36.
In the event of a write-down due to impairment, the cost is charged to the income statement; the original value is restored in subsequent years if the reasons for the write-down no longer exist.
Investments in associates pursuant to IAS 28 are investments in which Mittel S.p.A. exercises a significant influence, but not control or joint control and are valued using the cost method.
If the reasons for the impairment no longer exist following an event that occurred after the recognition of the impairment, write-backs are effected which are booked to the income statement.

Other financial assets (IAS 32 and 39)
The item includes available-for-sale financial assets (current and non-current assets) and financial assets designated at fair value (non-current assets) and financial assets held for trading (current assets), as detailed below.

Available-for-sale financial assets
Financial assets are initially recognised at the settlement date for debt securities or equities.
The assets are initially recognised at fair value which corresponds to the prices recorded in active markets and, for unlisted securities, based on third party evaluations or on internal valuation models generally used in financial practice.
This category includes non-derivative financial assets that are not classified as receivables or financial assets designated at fair value through profit or loss. In particular, this item includes unmanaged investments held for trading which do not qualify as subsidiaries, associates or joint ventures, and bonds which are not traded. Following initial recognition, available-for-sale financial assets continue to be designated at fair value, with profits/losses deriving from the change in fair value recorded in a special reserve of shareholders' equity, with the exception of impairment losses. Equities, for which the fair value cannot be determined reliably, are maintained at cost, adjusted in the event impairment losses are identified.
The fair value is determined using the same process illustrated for financial assets held for trading.
If the fair value cannot be determined reliably available-for-sale financial assets are maintained at cost.
Testing is carried out to check for any objective evidence of impairment at the close of each financial year or interim period.
The amount of any write-down recorded after impairment testing is booked to the income statement as a cost for the year under the item Net value adjustments for impairment of financial assets and receivables.

If the reasons for the impairment no longer exist following an event that occurred after the recognition of the impairment, write-backs are effected. These write-backs are booked to shareholders' equity, in the case of equities, and to the income statement in the case of debt securities.
Financial assets are derecognised when they are transferred, transferring substantially all inherent risks and rewards.
At the time of disposal, the effects deriving from the profit or loss accumulated in the reserve relating to available-for-sale financial assets are reversed to the income statement under the item Profits/(losses) from the management of financial assets and investments. Dividends and interest relating to available-for-sale financial assets are recognised in the income statement.

Financial assets designated at fair value
This valuation category contains securities acquired for the purpose of being held in the medium/long-term, and which are specifically designated as "non-current assets", carried at fair value in the income statement These assets are valued at fair value with a contra-item in the income statement. No impairment testing is conducted on said assets. Additional costs are charged to the income statement. Purchases and sales of these financial assets are accounted for on the settlement date.

Financial assets held for trading
Financial assets are initially recognised at the settlement date for debt securities and for derivative contracts. Upon initial recognition, financial assets held for trading are recorded at their fair value which normally corresponds to the consideration paid without taking into account the transaction costs or income directly attributable to said instrument which are, instead, booked directly to the income statement.
Debt securities, equities acquired mainly in order to obtain profits in the short-term and the positive value of derivative contracts (with the exception of those designated as hedging instruments) are classified in this category.
After initial recognition, financial assets held for trading are valued at fair value, with the recognition of changes in a contra-item in the income statement.
For the determination of the fair value of financial instruments, a three-level hierarchy is envisaged:
1) Listing on an active market, not adjusted. An active market is one where prices, which reflect normal market transactions, are quickly and regularly available via stock markets, brokers, intermediaries, industry companies, listing services or authorised entities and express the price, of actual, adequate, continuous and regular market transactions that occur within a normal reference period.
2) Recognition of the fair value through components observable directly or indirectly on a listed market. In the event in which the components used contain elements not observable directly on the market and/or adjusted, the significance of the same is established with respect to the fair value to verify whether said fair value can be considered second or third level.
3) The use of estimate methods and evaluation models commonly adopted by the international financial community which take account of the specific characteristics of the instrument to be evaluated, with particular focus on the different types of risk associated to it and simultaneously used values not taken from the market and involve estimates and assumptions.

Financial assets are derecognised when the contractual rights on the cash flows derived from said assets expire or when the financial asset is transferred, transferring substantially all related risks and rewards.

Profits and losses deriving from the variation in the fair value of the financial assets are recorded in the income statement under the item Net income (loss) from trading activity.

Receivables (IAS 32, 39 and 21)
All non-derivative financial assets with fixed or determinable payments that are not listed in an active market are classified under receivables, with the exception of:
- those that are set aside for immediate or short-term sale, which are classified as held for trading and those that, at the moment of initial recognition, are designated at fair value and booked to the income statement;
- those that, at the time of initial recognition, are designated as available for sale;
- those for which there is a risk of all the initial investment not being recovered, not due to the impairment of the receivable, which must be classified as available for sale.

Receivables are initially recognised when the right to receive the payment of the contractually agreed sums is acquired and, therefore, at the time of the disbursement. The initial book value coincides with the fair value of the asset, normally equal to the amount disbursed, including costs/income directly attributable to the individual instrument and determinable from the origin of the transaction, even if settled at a later date.

In the event in which the recognition under the item receivables takes place after the reclassification from financial assets designated at fair value through profit or loss, then the fair value of the asset at the date of the reclassification represents the initial recognition value.
Following the initial recognition, receivables are valued at amortised cost, equal to the initial recognition value, net of principal repayments, increased or decreased by adjustments or write-backs and amortisation calculated using the effective interest rate method.
The effective interest rate is the rate that matches the present value of the future cash flows of the receivable, for principal and interest, to the amount disbursed, including costs/income attributable directly to the receivable.
At the date of the statement of financial position, or interim situation, receivables are tested for impairment, in order to identify any objective evidence that said receivables have suffered impairment.
If there is objective evidence that the receivables have suffered impairment, the amount of the loss is measured as the difference between the book value of the asset and the present value of estimated future cash flows, discounted at the original effective interest rate of the financial asset. The amount of the adjustments is booked to the income statement.
The original value of the receivables is written back in subsequent years, with recognition in the income statement, to the extent in which the reasons that determined the adjustment no longer exist.
It should be noted that the disappearance of an active market due to the fact that the financial instruments are no longer publicly traded is not, in itself, evidence of impairment.
Receivables are derecognised from assets only if (i) the contractual rights to the cash flows deriving from the financial assets expire or (ii) the company transfers all risks and rewards related to the financial assets.
If it is not possible to ascertain the substantial transfer of the risks and rewards, the receivables are derecognised in the event no type of control is retained over said receivables. In the opposite case, the maintenance of control, including partial, involves the retention of the receivables in the financial statements to the extent of the continuing involvement. The value of the continuing involvement in the transferred receivables corresponds to the extent to which the company is exposed to a change in the value of said receivables.
Depending on their nature and expiry, receivables are classified into the following items:
- financial receivables
- sundry receivables and other assets

Where, at the time of the recognition, the collectability of the receivable is contractually established as after one year, these are classified under "non-current" assets. Receivables falling due within one year or indeterminate are classified under "current" assets.

Cash and cash equivalents (IAS 32 and 39)
Cash and cash equivalents include bank and postal deposits, cash at bank and in hand and other forms of short-term investment, originally expiring in three months or earlier. Bank overdrafts are classified under financial payables in current liabilities. Elements included under cash and cash equivalents are valued at fair value and the associated changes booked to the income statement.

Non-current assets held for sale (IFRS 5)
Non-current assets held for sale are measured at the lower of their previous net book value and the market value less costs to sell. Non-current assets are classified as held for sale if their book value is expected to be recovered through a sale transaction rather than use in the company's operations. This condition is only met when the sale is considered highly probable and the asset is available for immediate sale in its present condition. To this end, management must be committed to the sale, which should be completed within 12 months from the date of classification of said item.
Presentation of the aforementioned assets in the financial statements requires evidence of the profits and losses net of taxes resulting from the sale on a single line of the income statement. Assets and liabilities are likewise classified on separate rows of the statement of financial position.

Derecognition of financial assets and liabilities
Financial assets:
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised from the financial statements when:
- the rights to receive the cash flows from the asset expire;
- the company retains the right to receive the cash flows of the asset, but assumes a contractual obligation to pay the cash flows in full and without delay to a third party;
- the company has transferred the right to receive the cash flows from the asset and (a) has transferred substantially all the risks and rewards of ownership of the financial asset or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

In cases where the company has transferred the rights to receive the cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards or has not lost control of the asset, the asset is recognised in the company's financial statements to the extent of its continuing involvement in the financial asset. Continuing involvement which takes the form of guaranteeing the transferred asset is measured at the lower of the initial book value of the asset and the maximum amount of the consideration that the company could be required to repay.

Financial liabilities:
A financial liability is derecognised from the financial statements when the obligation underlying the liability is extinguished, cancelled or fulfilled.

Payables (IAS 32 and 39)
These financial liabilities are initially recognised at the time the contract is signed, which coincides with the moment the sums collected are received.
Liabilities are initially recognised on the basis of the fair value, normally equal to the amount collected or the issue price, increased by additional costs/income directly attributable to the individual funding transaction and not repaid to the credit counterparty. Internal administrative costs are excluded.
The items bank payables, payables due to customers and payables due to financial institutions include various forms of funding, both from banks and customers.
After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Depending on their nature and expiry, payables are classified into the following items:
- financial payables;
- sundry payables and other liabilities.

Where, at the time of the recognition, the collectability of the payable is contractually established as after one year, these are classified under "non-current" liabilities. Payables falling due within one year or indeterminate are classified under "current" liabilities.

Other financial liabilities (IAS 32 and 39)
Financial liabilities are initially recognised at the settlement date both for debt securities and for derivative contracts.

Upon initial recognition, financial liabilities held for trading are recorded at their fair value which normally corresponds to the consideration collected without taking into account the transaction costs or income directly attributable to said instrument which are, instead, booked directly to the income statement.
Debt securities, equities acquired and the negative value of derivative contracts (with the exception of those designated as hedging instruments) are classified in this category.
After initial recognition, financial liabilities held for trading are valued at fair value, with the recognition of changes in a contra-item in the income statement.
For the determination of the fair value of financial instruments listed in an active market, market prices are used. In the absence of an active market, estimates and generally accepted valuation models are used, and which are based on observable market data, such as: methods based on the valuation of listed instruments with similar characteristics, discounting of future cash flows, models for the determination of option prices and values recorded in recent comparable transactions.
Financial liabilities are derecognised when they expire or are extinguished also against purchases of the same securities. The difference between the book value of the liability and the amount paid to acquire it is recorded in the income statement.
Profits and losses deriving from the variation in the fair value of the financial liabilities are recorded under the item profit (loss) from trading of financial assets.

Treasury shares (IAS 32)
Treasury shares in the portfolio are deducted from shareholders' equity. No profit or loss deriving from the purchase, sale, issue or cancellation of treasury shares is recorded in the income statement. The difference between the purchase and sale prices deriving from said transactions are recorded under reserves of shareholders' equity.

Income taxes (IAS 12)
The effects relating to current and deferred taxes calculated in compliance with national tax legislation based on the accrual principle are recognised, consistent with the methods of recognition in the financial statements of the costs and revenues that generated them, by applying the applicable tax rates.
Income taxes are recorded in the income statement, with the exception of those relating to items debited from or credited directly to shareholders' equity.

The provision for income taxes is determined on the basis of a prudential forecast of current, prepaid and deferred taxes.
In particular, current taxes include the net balance of current liabilities in the year and current tax assets represented by payments on account and other tax credits for withholding tax.
Prepaid and deferred taxes are determined on the basis of temporary differences - with no time limits - between the value assigned to an asset or to a liability according to statutory criteria and the corresponding values assumed for tax purposes.
Prepaid tax assets are recognised in the financial statements to the extent they are likely to be recovered, measured on the basis of the capacity of the interested company or group of subscribing companies, due to exercising of the “tax consolidation” option, to generate positive taxable income on an ongoing basis.
Prepaid and deferred taxes are accounted for at equity level by carrying out offsets at said tax level and for each year by taking into account the time profile of expected repayment.
In years in which the deductible temporary differences are higher than the taxable temporary differences, the associated prepaid taxes are recorded under assets in the statement of financial position, in the item deferred tax assets. By contrast, in years in which the taxable temporary differences are higher than the deductible temporary differences, the associated deferred taxes are recorded under liabilities in the statement of financial position, in the item deferred tax liabilities.
Prepaid and deferred tax assets and liabilities are systematically measured to take account of any changes to the regulations or the tax rates and any different subjective situations of Group companies. The amount of the tax provision is also adjusted to cover expenses that may result from tax assessments already announced or, in any case, ongoing disputes with the tax authorities.

Provisions for risks and charges (IAS 37)
Allocations to the provision for risks and charges are made exclusively when:
- there is an actual obligation (legal or implicit) as a result of a past event;
- it is likely that it will be necessary to use resources to generate economic benefits to fulfil the obligation;
- the amount of the obligation can be reliably estimated.

Where the time element is significant, the allocations are discounted. The allocation to the provision is recorded in the income statement. Interest expense accrued on provisions that have been discounted is also recorded in the income statement.
“Other provisions” include allocations to cover presumed losses on legal proceedings in which the company is the defendant and any revocatory action; estimated disbursements for customer complaints relating to activities; other estimated disbursements in respect of existing legal or implicit obligations at the close of the year.

Revenue recognition (IAS 18)
Revenues are measured at the fair value of the consideration received for the sale of the products or services.

Sales of products
Revenues from product sales are recorded when all the following conditions are met:
- the significant risks and rewards related to ownership of the assets have been transferred to the acquirer;
- effective control of the assets involved in the transaction and the normal continuous level of activity associated with ownership are discontinued;
- the value of revenues is determined in a reliable manner;
- it is likely that the economic benefits deriving from the sale will be used by the company;
- the costs incurred or to be incurred are determined reliably.

In cases where the nature and measurement of the seller involvement may mean that the risks and rewards relating to ownership may not, in fact, be transferred, revenue recognition is deferred to the date on which said transfer may be considered to have taken place.

Provision of services
Revenues from services are only recognised when the results of the transaction can be reliably estimated, with reference to the stage of completion of the transaction at the reporting date.
The results of a transaction can be reliably estimated when all the following conditions are met:
- the amount of revenues can be determined in a reliable manner;
- it is likely that the company will use the economic benefits of the transaction;
- the stage of completion of the transaction at the reporting date can be reliably measured;
- the costs incurred for the transaction and the costs to be incurred to complete it can be reliably determined.

Interest
Interest is recognised on a pro-rata temporis basis, based on the contractual interest rate or the effective interest rate in the case of application of the amortised cost method;

Commissions
Commissions for service revenues are recognised on the basis of the existence of contractual agreements, in the period in which said services have been provided;

Royalties
Royalties are recorded on an accrual basis, according to the provisions of the associated agreement.

Dividends
Dividends are recorded at the time the right to collection arises, which normally corresponds to the resolution on the distribution of dividends of the shareholders' meeting.

Financial guarantees
Financial guarantees issued are initially recognised at fair value. If the financial guarantee has been issued in an arm's length transaction to a third party of Mittel S.p.A., the fair value equals the consideration agreed, unless there is evidence to the contrary. Subsequently, the value of the guarantee is equal to the higher amount of: (i) the amount determined in accordance with IAS 37; (ii) the amount initially recognised, redetermined in accordance with the method of cumulative amortisation recognised (IAS 18). Guarantees received that are excluded from the field of application of IAS 39 and IFRS 4 are accounted for in accordance with paragraphs 10-12 of IAS 8, i.e. through the recognition of the relative cost to the income statement.

Earnings per share (IAS 33)
Basic earnings per share are determined on the basis of the ratio of net profit for the period attributable to shareholders of the Parent Company's ordinary shares to the weighted average number of ordinary shares outstanding in the period.
Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to take account of all potential ordinary shares, deriving, for example, from the possibility of exercising stock options assigned, which may determine a dilutive effect.

Use of estimates
Preparation of the financial statements and the associated notes in application of IFRS requires management to use estimates and assumptions that effect the values of statement of financial position assets and liabilities and information relating to the contingent assets and liabilities at the reporting date.
The estimates and assumptions used are based on experience and other factors considered relevant. The final results may, therefore, differ from said estimates. The estimates and assumptions are reviewed periodically and the effects of each change made to them are reflected in the income statement in the period in which the estimate revision takes place if said revision only has an impact on said period, or also in subsequent periods if the revision has an effect on both the current year and future years.
The main items in the financial statements affected by this estimate process are goodwill, deferred taxes and the fair value of financial instruments.
Please refer to the specific areas for more details.

Main sources of uncertainty in making financial statement estimates
The critical valuation processes and key assumptions used by Mittel S.p.A. in the IAS/IFRS application process are summarised below.

Discretional choices in the accounting standard application process

Available-for-sale financial assets in the portfolio
Available-for-sale financial assets in the portfolio are tested for impairment (evaluation of losses of value dependent on the deterioration in issuers' solvency) each time events occur which suggest that the investment has suffered impairment.
The evaluation process is structured into two phases:
- identification of situations of deterioration in issuers' solvency and identification of impaired assets;
- quantification of losses associated to situations of impairment.

These losses are compared with the negative difference between the current market value (or, for unlisted instruments, the present value - at current rates of return on similar investments - of expected cash flows) of impaired assets and their book value).

The criteria applied by the Mittel S.p.A. to identify impairment are differentiated between debt securities and equities.

Impairment of debt securities

Objective evidence that a debt security has suffered impairment can be traced to the list of loss events shown in IAS 39.59.

In the event of bonds with a rating, the deterioration of the creditworthiness of the issuer is evaluated; in this regard, it is deemed that bonds that suffer impairment which cause them to fall into rating categories below the “investment grade” threshold are, reasonably, subject to a write-down (impairment) while, in other cases, deterioration in the creditworthiness is instead to be assessed jointly with the other available factors.

In the case of bonds, the availability of specialised funds is considered (e.g. investment indications supplied by financial institutions, rating reports, etc.) or information available on “info-providers” (e.g. Bloomberg, Reuters, etc.), through which the relevance of the issuer’s deterioration is determined more accurately).

In the absence of said elements, where possible, reference is made to the listing of bonds similar to those being examined in terms of both financial characteristics and the issuer’s standing.

In the event of financial assets recorded at amortised cost, the impairment test is, in contrast, targeted at establishing whether the estimated value of future cash flows, discounted at the original effective interest rate, is lower than the asset’s book value. If the present value, calculated at the original rate, of the new expected cash flows is lower than the book value, impairment must be recorded in the income statement.

In this regard, it should be noted that the impairment test on debt instruments must be based on losses already actually incurred (incurred loss model) and not simply on expected losses.

Impairment testing according to the incurred loss model always assumes a cash flow forecast, but said forecast must be based exclusively on past events and not on expected events that attest to the existence of actual deterioration in the quality of credit and, therefore, of the reduction in expected cash flows (both for losses in principal and interest).

Impairment of equities

With reference to equities classified as available-for-sale, it is reasonable to assume that shares in the portfolio are to be written down before bonds issued by said issuer company; therefore, indicators of the write-down of debt securities issued by a company, i.e. the write-down of said debt securities, are in themselves strong indicators of the impairment of the equities of said company.

More generally speaking, to establish whether there is evidence of impairment of an equity, as well as the presence of the events indicated in IAS 39.59, and the considerations shown previously where applicable, the following two events are to be considered in particular (IAS 39.61):

- significant changes with adverse effects relating to technologies, markets, economic or legal environment relating to the issuer, which indicate that the cost of the investment can no longer be recovered;
- a significant or prolonged decline in the fair value of the investment below its cost.

In particular, in quantitative terms, if the fair value of the security is 30% lower than the book value or the time period of a situation of fair value lower than the book value is above 12 months, the company will conduct an analysis of the fundamental aspects of the investments and, in general, of the conditions that negatively impacted the market performance of the investment so as to keep the investment closely monitored.

By contrast, if one of the two parameters shown below is verified, impairment will automatically have to be recorded:

- fair value of the security 75% lower than the book value initially recognised;
- persistence of the situation of fair value lower than the book value initially recognised for a time period of more than 20 months.

In relation to investments in equity instruments, the need to record impairment also considers, on an individual basis or jointly, the following situations:

- the fair value of the investment is significantly below the acquisition cost or, in any case, is considerably lower than that of similar of companies in the same sector;
- company management is not considered of an adequate standing and, in any case, capable of ensuring a recovery in prices;
- a reduction in the credit rating from the acquisition date is recorded;
- a significant decrease in profits, of cash flows or in the net financial position of the issuer from the acquisition date;
- a reduction or interruption in the distribution of dividends is recorded;
- an active market for the bonds issued disappears;
- changes are verified in the legislative, economic and technological context of the issuer which have an adverse impact on the profit, equity and financial situation of the same;

- negative prospects exist in the market, sector or geographical area of the issuer.

For available-for-sale financial assets, the impairment test is targeted at establishing whether the variation between the acquisition cost and the present fair value is recoverable or if, on the contrary, an impairment of the asset must be recorded (Fair Value impairment Test).
In the case in which there is evidence of impairment, it is necessary to calculate the impairment loss to be booked to the income statement coinciding with the accumulated loss in the statement of financial position without using additional estimates.

In the event of investments recognised at cost, the impairment test is based on the estimate of the present value of the cash flows at the current market rate and the impairment test assumes the form of a "discounted cash flow test".

Recoverable value of non-current assets
Management periodically reviews the recoverable value of non-current assets, represented by property, plant and equipment, intangible assets and investments held and used and the assets which must be disposed of, when facts and circumstances request said revision. This activity is performed by using estimates of expected future cash flows from the use or sale of the asset and adequate discount rates for the calculation of the present value. When the book value of a non-current asset has suffered impaired, the company records a write-down for the value of the excess of the book value of the asset over its recoverable value through use or sale of the same, determined with reference to the company's more recent plans.
Owing to the current economic-financial crisis at national and international macroeconomic level which has generated risks of impairment of significant assets belonging to the company and to the Group it heads up, for the purposes of the drafting of the separate financial statements as at 30 September 2012, and in particular, in performing the investment impairment tests, forecasts of the expected trend in the next year were taken into consideration, as well as the effects of uncertainties identified with respect to the times, originally scheduled, of the process of disposal of investments at consistent values.

Realisability of deferred tax assets
As at 30 September 2012, the company has deferred tax assets deriving from deductible temporary differences.
Management recorded the value of deferred tax assets up to the value for which it deems their recovery likely, also taking into account a further worsening in the assumptions envisaged over a medium-term period and the fact that the net deferred tax assets allocated refer to temporary differences/tax losses which can be recovered.
The forecasts are based on taxable income that can be generated with reasonable certainty in light of budget results and the forecasts for subsequent years which consider the reasonable expectation of implementation of the planned transactions.

Receivables
For receivables and other assets evaluations are regularly performed in order to verify the existence of objective evidence that these have been impaired. In particular, in measuring receivables, account is taken of creditor solvency and of the characteristics of credit risk which is indicative of the individual debtor's payment capacity. Any impairment is recorded as cost in the income statement for the period.
Non-current receivables and loans, trade receivables and other receivables originated by the company fall into this category. The estimate of the bad debt provision is based on expected losses by Mittel S.p.A., determined on the basis of past experience with similar receivables, losses and collections.

Contingent liabilities
The company is subject to legal and tax disputes, and considering the inherent uncertainties, it is difficult to predict with any certainty the disbursement involved with these disputes. Legal proceedings and disputes derive from complex legal problems, which are subject to a different degree of uncertainty, including facts and circumstances concerning each case. The company identifies a liability in respect of these disputes when it believes that the dispute will result in a financial outlay and when the amount of the resultant losses can be reasonably estimated. In the event in which a financial outlay becomes possible but the amount cannot be determined, this is reported in the notes to the separate financial statements.

Changes of accounting estimates

Pursuant to IAS 8, changes of accounting estimates are booked prospectively to the income statement starting from the year in which they are adopted.

Accounting standards and main amendments still not applicable and not adopted early by the company

The following amendments, improvements and interpretations, effective for the year in progress, govern events and cases not present for the company at the date of these financial statements, but which could have accounting effects on future transactions or agreements:
At the date of these financial statements, the competent bodies of the European Union have still not completed the approval process necessary for the adoption of the main accounting standards and amendments:
- on 12 November 2009, the IASB published IFRS 9 - Financial Instruments; said standard was subsequently amended. The standard, applicable from 1 January 2015 retrospectively, represents the first part of a phased process which aims to fully replace IAS 39 and introduce new criteria for the classification and measurement of financial assets and liabilities. In particular, as regards financial assets, the new standard applies a single approach based on the management criteria of financial instruments and the contractual cash flow characteristics of financial assets in order to determine a measurement standard that replaces the different rules envisaged by IAS 39. As regards financial liabilities, by contrast, the main change applied refers to the accounting of the fair value differences of a financial liability recognised as a financial liability valued at fair value through the income statement in the case in which these differences are due to a variation in the credit worthiness of the same liability. According to the new principle such variations must be recognised under “Other comprehensive income/(loss)” and no longer in the income statement.
- on 20 December 2010, the IASB issued a minor amendment to IAS 12 - Income Taxes which clarifies the calculation of deferred taxes on investment property valued at fair value. The amendment must be adopted retrospectively from 1 January 2012.
- on 12 May 2011, the IASB issued IFRS 10 - Consolidated Financial Statements, which will replace SIC 12 Consolidation - Special Purpose Entities and parts of IAS 27 - Consolidated and Separate Financial Statements, which will be renamed Separate Financial Statements and shall govern the accounting of investments in the separate financial statements. The new standard moves away from existing standards, identifying the concept of control as the determining factor for the purposes of consolidation of a company in the consolidated financial statements of the Parent Company. It also provides a guide for determining the existence of control where it is difficult to ascertain. The standard must be adopted retrospectively from 1 January 2013.
- on 12 May 2011, the IASB issued IFRS 11 - Joint Arrangements, which will replace IAS 31 - Interests in Joint Ventures and SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers. The new standard provides criteria for the identification of joint arrangements based on the rights and obligations deriving from the agreements rather than on their legal form and establishes the equity method as the only method of accounting for interests in jointly-controlled entities in the consolidated financial statements. The standard must be adopted retrospectively from 1 January 2013. Following the issuing of the standard, IAS 28 - Investments in Associates was amended to include in its field of application, from the effective date of the standard, also interests in jointly-controlled entities.
- on 12 May 2011, the IASB issued IFRS 12 - Disclosure of Interests in Other Entities, which constitutes a new and complete standard on additional information to be provided on each type of interest, including therein on subsidiaries, joint arrangements, associates, special purpose entities and other unconsolidated vehicle companies. The standard must be adopted retrospectively from 1 January 2013.
On 12 May 2011, the IASB issued IFRS 13 - Fair Value Measurement, which clarifies how to calculate fair value for financial statement purposes and applies to all IFRSs that require or permit fair value measurement or the presentation of information based on fair value. The standard must be adopted prospectively from 1 January 2013.
- on 16 December 2011, the IASB issued certain amendments to IAS 32 - Financial Instruments: Presentation, to clarify the application of certain criteria for offsetting financial assets and liabilities present in IAS 32. The amendments must be adopted retrospectively for years starting on or after 1 January 2014.
- on 16 December 2011, the IASB issued some amendments to IFRS 7 - Financial Instruments: Disclosures. The amendment requires information on the effects or potential effects of contracts for offsetting financial assets and liabilities on the statement of financial position. The amendments are applicable for years starting on or after 1 January 2013 and interim periods after said date. The information must be provided retrospectively.
- on 19 March 2011, the IASB published an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards - Government Loans which changes the reference to the accounting of government loans to the date of transaction to IFRSs (and therefore not applicable to the company).
- on 17 May 2012, the IASB published the document Annual Improvements to IFRS: 2009-2011 Cycle, which incorporates amendments to the standards as part of the annual improvements process, concentrating on the amendments deemed necessary, but not urgent. Shown below are those that will involve a change of presentation, recognition and measurement of items in the financial statements,

instead omitting those that will only determine changes in terminology or publishing changes with minimal impact in accounting terms, or those that have an effect on standards or interpretations that are not applicable to the company:
- IAS 16 Property, Plant and Equipment - Classification of servicing equipment: clarifies that servicing equipment must be classified under the item Property, plant and equipment if used for more than one year, and under warehouse inventories in the opposite case.
- IAS 32 Financial Instruments: Presentation - Direct taxes on distributions to holders of equity instruments and on transaction costs of equity instruments: clarifies that direct taxes relating to these cases adhere to the rules of IAS 12.
- IAS 34 - Interim Financial Reporting - Total assets per reportable segment: total assets must only be disclosed if said information is regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

The effective date for the proposed amendments is for years starting on or after 1 January 2013 or at a later date, with early application permitted.
On 28 June 2012, the IASB published the document Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). Firstly, the document intends to clarify the Board's intentions with regard to the rules of transition of IFRS 10 Consolidated Financial Statements. The document issued defines the "date of initial application" of IFRS 10 as "the beginning of the annual period in which IFRS 10 is applied for the first time". Therefore, for an entity with financial year coinciding with the calendar year and first-time application of IFRS 10 to the financial statements for the year ended 31 December 2013, the "date of initial application" will be 1 January 2013. In the event in which the consolidation conclusions reached at the "date of initial recognition" are the same under IAS 27 Separate and Consolidated Financial Statements / SIC 12 Consolidation - Special Purpose Entities (vehicle companies) and IFRS 10, the entity will not have any obligation. Likewise, no obligation shall arise in the event in which the investment is transferred during the comparative period (and as such no longer present at the "date of initial application"). The document proposes to modify IFRS 10 to clarify how an investor should adjust comparative period(s) retrospectively if the consolidation conclusions reached at the "date of initial application" are different under IAS 27 / SIC 12 and IFRS 10. In particular, when a retrospective adjustment as defined above is not feasible, an acquisition/transfer will be accounted at the start of the comparative period presented, with a subsequent adjustment recorded under retained earnings. In addition, the Board amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide a similar allowance for the presentation or amendment of comparative information relating to periods preceding the one defined "the immediately preceding period" (i.e. the comparative period presented in the financial statements). IFRS 12 was further amended, limiting the request to present comparative information for disclosures relating to unconsolidated "structured entities" in periods prior to the date of application of IFRS 12.

These amendments are applicable, together with the reference standards, for years starting on or after 1 January 2013, unless adopted early.

At the date of these financial statements, the competent bodies of the European Union have completed the approval process necessary for the adoption of the following accounting standards and amendments that the company has decided not to adopt early:

- on 16 June 2011, the IASB issued an amendment to IAS 1 - Presentation of Financial Statements, to request companies to group together all items within OCI depending on whether they can then be reclassified to the income statement. The amendment must be applied for years starting on or after 1 July 2012.
- on 16 June 2011, the IASB issued an amendment to IAS 19 - Employee Benefits, which eliminates the option of deferring the recognition of actuarial gains and losses with the corridor method, requiring the presentation, in the statement of financial position, of the deficit or surplus of the fund and the recognition, in the income statement, of the components of cost connected to employment and net financial expenses, as well as the recognition of actuarial gains and losses that derive from the remeasurement of liabilities and assets under OCI. In addition, the return on assets included under net financial expenses must be calculated on the basis of the liability discount rate and no longer on the expected return on the same. Lastly, the amendment introduces new additional disclosures to be provided in the notes to the financial statements, and must be applied retrospectively for years starting on or after 1 January 2013.

STATEMENT OF FINANCIAL POSITION - ASSETS

NON-CURRENT ASSETS

4 INTANGIBLE ASSETS

This item totalled EUR 33 thousand (EUR 27 thousand as at 30 September 2011). The item recorded an increase of EUR 38 thousand compared to the previous year, and fell by EUR 32 thousand as a result of amortisation in the year.
Details of the item are as follows:

	Concessions and licences	Other	Total
Values as at 01.10.2011	**26.931**	**477**	**27.408**
Changes in the year:			
- acquisitions	38.171	133	**38.304**
- amortisation	(31.962)	(283)	**(32.245)**
Total changes	**6.209**	**(150)**	**6.059**
Values as at 30.09.2012	**33.140**	**327**	**33.467**

5 PROPERTY, PLANT AND EQUIPMENT

This item totalled EUR 1.116 thousand (EUR 1.123 thousand as at 30 September 2011). The item recorded a decrease of EUR 7 thousand as at 30 September 2011.
More specifically, the item saw the following changes:

	Land and buildings	Office machines and equipment	Other assets	Total
Values as at 01.10.2011	**256.071**	**135.254**	**731.454**	**1.122.779**
Changes in the year:				
- acquisitions		23.505	181.869	**205.374**
- increases for business combinations		240.068		**240.068**
- disposals		(74.289)	(14.502)	**(88.791)**
- reclassifications				**0**
- depreciation	(11.013)	(83.933)	(268.729)	**(363.675)**
Total changes	**(11.013)**	**105.351**	**(101.362)**	**(7.024)**
Values as at 30.09.2012	**245.058**	**240.605**	**630.092**	**1.115.755**

The category “other assets” includes improvements to third party assets of EUR 492 thousand.

The most significant increases in the year concern:
- various furniture and equipment in the company’s premises;
- other assets relating to new investments in electronic office machinery;
- the increase deriving from the merger between Mittel S.p.A., Tethys S.p.A. and Hopa S.p.A. which is detailed in the general information in these financial statements.

The most significant decreases in the year concern:

- disposals and other decreases totalling EUR 89 thousand which concern furniture, fittings and cars;
- amortisation in the year amounting to EUR 364 thousand.

6 INVESTMENTS

This item totalled EUR 190.804 thousand (EUR 145.439 thousand as at 30 September 2011). The item recorded an increase of EUR 45.365 thousand over 30 September 2011.
Details of the item are as follows:

	30.09.2012	30.09.2011
Earchimede S.p.A.	122.653.970	
Mittel Investimenti Immobiliari S.r.l.	20.947.085	16.626.996
Mittel Partecipazioni Stabili S.r.l.	12.248.507	18.844.433
Brands Partners 2 S.p.A.	8.221.850	
Mittel Corporate Finance S.p.A.	5.832.145	5.832.145
Tower 6 Bis S.à r.l.	4.178.038	4.178.038
Castello SGR S.p.A.	3.861.406	
Locaeffe S.r.l. in liquidation	3.784.913	
Everel Group S.p.A.	3.300.000	
Ghea S.r.l.	2.805.000	2.805.000
Liberata S.p.A.	1.822.500	
Bios S.p.A.	750.000	
Castello SGR S.p.A. SFP	240.000	
Mittel Investimenti Mobiliari S.r.l. (formerly HPN S.r.l.)	93.525	63.525
Holinvest S.r.l. in liquidation	26.000	
Markfactor S.r.l. in liquidation	20.604	
Brands Partners 2 S.p.A. SFP	7.000	
Chase Mittel	6.249	6.249
CAD Immobiliare S.r.l.	5.000	
Sunset S.r.l. in liquidation	500	
Chase Mittel Priv	1	1
Hopa S.p.A.		2.435.781
Mittel Real Estate SGR S.p.A.		2.500.000
Mittel Generale Investimenti Priv		25.013.100
Mittel Generale Investimenti SpA		11.393.870
Mittel Private Equity S.p.A.		8.221.850
Tethys S.p.A.		47.517.974
	190.804.293	**145.438.962**

Changes in investments during the year are shown in the following table:

Initial balance 01.10.2011	**145.438.963**
Increases for:	
Purchases	15.285.994
Contributions from mergers	296.301.402
Profits from disposals	38.593.029
Decreases for:	
Sales	(75.000.000)
Merger effect	(193.837.977)
Write-downs for impairment	(33.477.118)
Reclassifications	(2.500.000)
Closing balance 30.09.2012	**190.804.293**

The analytical description of the estimate criteria adopted to carry out impairment tests is detailed in the next paragraph “Impairment test for reductions in the recoverable value of investments”.

Impairment test for reductions in the recoverable value of investments

As indicated in the explanatory notes, the value of interests in subsidiaries and associates is subject to systematic testing of the consistency of its book value (impairment test) based on IAS 36, which

establishes that the recoverable value is represented by the greater of the fair value of the investment, less costs to sell, and its value in use.
In the absence of a direct fair value of official prices in an active market of the investees subject to impairment in the year 2011-2012, the recoverable value was assumed to be equal to the value in use of the investment.

The impairment tests performed as at 30 September 2012 entailed adjustments to the value of the investments recorded in the income statement under the item “Profits (losses) of investments” totalling EUR 33.446 thousand, as detailed below:

- Mittel Partecipazioni Stabili S.r.l.: EUR 6,6 million;
- Earchimede S.p.A.: EUR 22,1 million;
- Locaeffe S.r.l. in liquidazione (in liquidation) EUR 0,8 million;
- Markfactor S.r.l. in liquidazione (in liquidation) EUR 3,9 million;

Impairment of controlling interest - Mittel Partecipazioni Stabili S.r.l.

The value in use of Mittel Partecipazioni Stabili S.r.l. was calculated by taking into consideration the results of an impairment test performed as at 30 September 2012 on the listed bank equity instruments held by said entity. There were no indications of impairment of the RCS S.p.A. and Istituto Atesino di Sviluppo S.p.A. investments or of the credit exposures held by the same.
The evaluative analysis of the investments in Intesa Sanpaolo and Ubi Banca was carried out by applying the financial matrix valuation model known as the Discounted Dividends Model (or DDM) - Excess Capital version.
More specifically, the main amounts used to calculate the valuation range of the scenario adopted are as follows:

- a projection of net profits for the 2012-2014 three-year period, which take into consideration the median value of the consensus forecasts of the analysts recorded by Bloomberg-Reuters, to which the pay-out ratios envisaged by the consensus are applied;
- a projection of net profits for the 2015-2017 three-year period, according to a constant but decreasing rate of growth with respect to the one observed at the end of the consensus period;
- a reference K(e) determined on the basis of:
  - Risk free rate of 5,7%, established on the basis of the average return of a benchmark of Italian 10-year government bonds recorded in the April-September 2012 period,
  - Sector beta of 1,385 for Intesa San Paolo and 1,15 for Ubi Banca, both estimated on the basis of the median of the values recorded on Bloomberg on an interval of 1 to 5 years,
  - Equity market risk premium: of 5% (estimated on the basis of a sample of estimates supplied by a broker report and in line with the previous impairment test).
- an estimate of the terminal value which assumes a fully distributable dividend of 78,9% for Intesa SanPaolo and 66,8% for Ubi Banca equal to the average of the net profits for the 2016-2017 two-year period, according to the consensus forecasts of the analysis, consistent with the assumption of a medium/long-term growth rate (“g”) of 1,5%.

Impairment of controlling interest - Earchimede S.p.A.

The value in use was determined on the basis of the current value in use of interests in subsidiaries, taking into consideration the results of a specific internal evaluation of the respective fundamental value, of the current fair value of financial assets represented by equities and the fair value of existing derivative financial instruments representing liabilities with future settlement highly likely.
On the basis of these assumptions, the value in use of Earchimede S.p.A. was calculated, by also considering the results of the impairment test performed as at 30 September 2012 on the significant investee Fashion District Group S.p.A..
Goodwill arose from the consolidation of Fashion District Group S.p.A. and, therefore, the impairment test in the separate financial statements must be viewed together with the impairment test on the goodwill in the consolidated financial statements.
The determination of the recoverable value of the total investment in Fashion District Group S.p.A. was carried out by applying the Sum-of-parts method where the value in use of the three operating cash-generating units (CGUs) was calculated using the financial Discounted Cash Flow (DCF) model - unlevered version.

More specifically, the main amounts used to calculate the valuation range of the scenario adopted are as follows:

- Expected cash flows of the CGUs in line with the 2012-2015 Industrial Plan updated by Fashion District Group's Board of Directors on 12 January 2012;
- WACC of 8,93% with:
  - Risk free rate of 5,2%, corresponding to a beta return on 10-year BTPs (government bonds) of 0,97, auction on 27-28/09/2012;
  - equity risk premium equal to 5% (source: Damodaran);
  - specific risk factor of 1,5% to take account of the uncertainties that characterise the overall macroeconomic picture and the business segment;
  - medium and long-term growth rate ("g") of the sector the company belongs to considered to be 1%.

Impairment of controlling interests in Locaeffe S.p.A. – in liquidazione (in liquidation) (formerly F. Leasing S.p.A.) and Markfactor S.r.l. - in liquidazione (in liquidation)

In consideration of the liquidation status of the companies and of the negative results in 2011 and in the interim period in 2012, the recoverable value of the investments was calculated on the basis of the presumed minimum sale value in view of the forced liquidation of the companies, net of the associated sale expenses. The result is in line with the current liquidation-related shareholders' equity totals of the investees and lower than their book values: these lower fair value figures are deemed to be objective evidence of impairment of the recoverable values of the investments.

7 FINANCIAL RECEIVABLES

This item totalled EUR 150.158 thousand (EUR 62.352 thousand as at 30 September 2011). Financial receivables increased by a total of EUR 100.588 thousand over 30 September 2011.
Details of the item are as follows:

	30.09.12	**30.09.11**
Loans	150.158.056	62.352.004
	150.158.056	**62.352.004**

	30.09.12	**30.09.11**
Loans - financial institutions	30.000.000	
Loans - customers	120.158.056	62.352.004
	150.158.056	**62.352.004**

Total loans are broken down as follows:
- loans amounting to EUR 120.836 thousand, interest-bearing at market rates,
- non-interest bearing loans of EUR 29.322 thousand in place with subsidiary Mittel Partecipazioni Stabili S.r.l..

The most significant increases in the year are specified below:
- loans deriving from the aforementioned merger by incorporation with Hopa S.p.A. of EUR 28.727 thousand
- the vendor loan of EUR 30.502 thousand granted by Mittel S.p.A. to Liberata S.p.A. to purchase the Mittel Generale Investimenti S.p.A. investment, interest-bearing at the 3-month/365 Euribor rate + 5%;
- the mortgage loan of EUR 30.000 thousand due from Fondo Augusto acquired during the transfer of the Mittel Generale Investimenti S.p.A. investment, interest-bearing at the 6-month/365 Euribor rate + 2,5%;
- a shareholders' loan granted to Liberata S.p.A. (EUR 3.550 thousand).

8 OTHER FINANCIAL ASSETS

This item totalled EUR 64.866 thousand (EUR 63.342 thousand as at 30 September 2011). An increase of EUR 1.524 thousand was registered over 30 September 2011.

Details of the item are as follows:

	30.09.2012	30.09.2011
Available-for-sale financial assets		
Equities and shares of funds	64.835.718	63.342.317
Bonds	30.000	0
	64.865.718	**63.342.317**

Available-for-sale financial assets

The item includes equity instruments recorded as available-for-sale financial assets and is composed as follows:

	30.09.2012	30.09.2011
Equity and shares of funds:		
Azimut Benetti	29.186.630	29.186.630
SIA	1.400.000	1.400.000
Fondo Progressio Investimenti	4.587.788	7.733.669
Fondo Progressio Investimenti II	3.091.388	1.691.954
Fondo Cosimo	4.207.000	4.430.029
Fondo Augusto	15.143.605	12.300.465
Equinox Two cat.A	30.399	30.399
Equinox Two cat.B	2.690.495	2.887.059
Progressio SGR	649.711	193.410
Microventures S.p.A.	3.088.703	3.088.703
Società Editoriale Vita	99.999	99.999
Microventures Equity 1cl b	560.000	200.000
Nomisma S.p.A.	100.000	100.000
Bonds:		
prestito obbligazionario Vita 5% 2015	30.000	-
	64.865.718	**63.342.317**

Some information on the main changes is provided below:
The item increased during the year:

- by EUR 6.681 thousand as a result of the payment for the subscription of fund shares, relating respectively to the Fondo Progressio II (Progressio II Fund), amounting to EUR 3.207 thousand, and the Fondo Augusto (Augusto Fund) amounting to EUR 3.474 thousand;
- by EUR 596 thousand for the subscription of a capital call made during the year by Equinox two S.a.r.l.;
- by EUR 456 thousand owing to the rise in the book value of Progressio SGR S.p.A.;
- by EUR 360 thousand relating to the increase in the share capital of Microventures Equity;
- by EUR 30 thousand for the purchase of the Vita 5% bond expiring in 2015.

The item decreased during the year:

- by EUR 2.542 thousand due to the partial redemption of shares of the Fondo Progressio I (Progressio I Fund);
- by EUR 4.058 thousand, due to the negative change in the fair value of Investment Funds, recorded on the basis of the estimated values in the period communicated by the individual funds involved in the investment, lower than the book value. It should be noted that certain valuations, in consideration of objective valuation difficulties and the absence of a liquid market, could differ from the definitive values recorded in the approved fund statements and represent the fair value calculated by directors on the basis of their best judgment and assessment, using the available knowledge and evidence at the date

of drafting of these financial statements. These fair value changes do not constitute impairment, also in consideration of the company policy; in this regard, please refer to the accounting standards in the explanatory notes to the consolidated financial statements.

9 SUNDRY RECEIVABLES AND OTHER ASSETS

The item "Sundry receivables and other non-current assets" totalled EUR 264 thousand (EUR 168 thousand as at 30 September 2012) and includes the beneficial interest on a share equal to EUR 142 thousand.

10 PREPAID TAX ASSETS

This item totalled EUR 972 thousand, and corresponds to the increase in the year.
Details of the item are as follows:

	30.09.2012	30.09.2011
Tax assets with contra-item in Income statement	99.385	-
Tax assets with contra-item in Shareholders' Equity	872.821	-
	972.206	**-**

	30.09.2012	30.09.2011
Prepaid taxes		
Allocations	99.385	-
Other assets/liabilities	872.821	-
	972.206	**-**

Prepaid taxes are recognised given that it is deemed likely that positive taxable income will be generated to allow the use of the amount recognised as at 30 September 2012.
Management recorded deferred tax assets up to the value for which it deems their recovery likely, also taking into account a further worsening in the assumptions envisaged over a medium-term period and the fact that the net deferred tax assets allocated refer to temporary differences/tax losses which can be recovered within a time period implied in the company's planning.

The table below shows the changes in the year:

Tax assets with contra-item in Income statement

	30.09.12	30.09.11
Opening balance	**0**	**115.651**
Increases	**99.385**	**0**
Prepaid taxes recorded in the year:	99.385	0
- relating to previous years		
- other	99.385	
Decreases:	**0**	**-115.651**
Prepaid taxes cancelled in the year:	0	-115.651
- reversals		-115.651
	99.385	**0**

Tax assets with contra-item in Shareholders' Equity

	30.09.12	30.09.11
Opening balance	**0**	**0**
Increases	**872.821**	**0**
Prepaid taxes recorded in the year:	872.821	0
- relating to previous years		
- other	872.821	
Decreases:	**0**	**0**
Prepaid taxes cancelled in the year:	0	0
- reversals		
	872.821	**0**

CURRENT ASSETS

11 FINANCIAL RECEIVABLES

This item totalled EUR 54.842 thousand (EUR 228 thousand as at 30 September 2011). An increase of EUR 54.614 thousand was registered over 30 September 2011.
Details of the item are as follows:

	30.09.12	30.09.11
Loans to customers	58.113.459	228.069
Less bad debt provision	-4.397.554	0
Other receivables	1.126.078	0
	54.841.983	**228.069**

The item "Loans to customers" includes:

- non-interest bearing loan of EUR 21.028 thousand to Mittel Partecipazioni Stabili S.r.l.;
- the remainder of EUR 37.085 thousand refers mainly to the loan with Markfactor (EUR 5.087 thousand), the loan with Locaeffe (EUR 3.691 thousand), the loan with Mittel Investimenti Immobiliari S.r.l. (EUR 18.335 thousand) and the loan with Sofimar (EUR 4.315 thousand).
- The bad debt provision refers to certain credit positions the company saw fit to fully write down due to the uncertainty of their recoverability.

12 OTHER FINANCIAL ASSETS

As at 30 September 2012, the item was eliminated. The item stood at EUR 6.821 thousand in the previous year and related to the fair value measurement of the call option that the Parent Company held on a share of Tethys S.p.A., exercised as described in detail in the report on operations to these financial statements.

	30.09.12	30.09.11
Derivative financial instruments		6.820.649
	0	**6.820.649**

13 CURRENT TAX ASSETS

This item totalled EUR 15.621 thousand (EUR 2.966 thousand as at 30 September 2011). The item increased by a total of EUR 12.655 thousand over 30 September 2011.
The item is mainly composed of:

- IRES (corporate income tax) receivables totalling EUR 12.962 thousand, relating to amounts due from the tax authorities deriving from tax withholdings and payments on account made by Hopa S.p.A. and its subsidiaries which applied, up until 31 December 2011, the Hopa tax consolidation option, interrupted following the merger in Mittel S.p.A.;
- receivables relating to the tax consolidation of Mittel S.p.A. (EUR 2.448 thousand).

Changes in the item during the year are shown below:

	30.09.2012	30.09.2011
Opening balance	**2.966.090**	**2.863.291**
Increases	**13.838.513**	**114.544**
Current tax assets recorded in the year:	**0**	**0**
- relating to previous years	-	-
- other	-	-
Other increases	13.838.513	114.544
Decreases	**(1.183.559)**	**(11.745)**
Current tax assets cancelled in the year:	**0**	**0**
- reimbursements	-	-
Other decreases	(1.183.559)	(11.745)
	15.621.044	**2.966.090**

14 SUNDRY RECEIVABLES AND OTHER ASSETS

This item totalled EUR 10.212 thousand (EUR 3.439 thousand as at 30 September 2011). An increase of EUR 6.773 thousand was registered over 30 September 2011.
Details of the item are as follows:

	30.09.12	30.09.11
Trade receivables	417.050	424.672
Other tax receivables	8.361.865	1.322.175
Other receivables	894.239	1.481.837
Accrued income and prepaid expenses	539.152	210.413
	10.212.306	**3.439.097**

The item “Other tax receivables” is mainly composed of:

- the receivable due (EUR 7.200 thousand) from the tax authorities that Hopa S.p.A., now Mittel S.p.A., acquired from Bios S.p.A. as part of the contract for the purchase of the portion of share capital of Tethys S.p.A. on 18 May 2011; this receivable relates to the IRES (corporate income tax) surplus, for which a refund was requested;
- VAT credits due from the tax authorities (EUR 982 thousand).

The item “Other receivables”, amounting to EUR 894 thousand, fell by EUR 588 thousand compared to the previous year and mainly includes receivables due from Group companies for taxes, VAT and sundry charges totalling EUR 806 thousand.

The item “Accrued income and prepaid expenses” includes accruals (EUR 63 thousand), deferrals on contractual rents accruing in the future (EUR 254 thousand) and deferrals on insurance premiums (EUR 222 thousand).

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, amounting to EUR 4.063 thousand (EUR 952 thousand as at 30 September 2011), include cash held by the company and investments in bank deposits and bank certificates expiring within three months and, therefore, considered readily convertible to cash.

	30.09.12	30.09.11
Cash	2.205	1.450
Bank and postal deposits	4.061.749	950.506
Other		
	4.063.954	**951.956**

Please see the cash flow statement of the separate financial statements for developments in cash and cash equivalents.

16 ASSETS HELD FOR SALE

This item totalled EUR 2.500 thousand (EUR 46 thousand as at 30 September 2011). An increase of EUR 2.454 thousand was registered over 30 September 2011.

Details of the item are as follows:

	30.09.2012	30.09.2011
Non-current assets held for disposal	**2.500.000**	**45.714**
Investments	2.500.000	45.714
Disposal groups of activities	-	-
Investments	-	-
	2.500.000	**45.714**

As at 30 September 2012 the item includes the book value of the investment in Mittel Real Estate, reclassified under said item as a result of the preliminary sale agreement signed on 12 June 2012. This value is below the agreed sale price; for more information see the detailed description in the report on operations to these financial statements.

STATEMENT OF FINANCIAL POSITION - LIABILITIES

SHAREHOLDERS' EQUITY

17 SHAREHOLDERS' EQUITY

This item totalled EUR 327.761 thousand (EUR 191.539 thousand as at 30 September 2011). An increase of EUR 136.222 thousand was registered over 30 September 2011.
The breakdown of Shareholders' equity pertaining to the Group is shown in the following table:

	30.09.12	30.09.11
Share capital	87.907.017	70.504.505
Legal reserve	14.100.901	14.100.901
Share/holding premium reserve	53.716.218	53.716.218
Valuation reserves	(2.524.591)	442.772
Other reserves	121.370.522	116.209.715
Profit (loss) for the year	53.191.216	-63.435.291
Shareholders' equity	**327.761.283**	**191.538.820**

Table showing the formation and usability of reserves

	amount	possibility of use	Available portion	Summary of uses made in three previous years: To cover losses	Summary of uses made in three previous years: For other reasons
Share capital	87.907.017				
Capital reserves					
Share premium reserve	53.716.218	A,B,C	53.716.218		
Other:					
- surplus from share swap	10.218.278	A,B	10.218.278		
- revaluation reserve pursuant to Law no. 72/1983	2.372.917	A,B	2.372.917		
- revaluation reserve pursuant to Law no. 413/1991	43.908	A,B	43.908		
Profit reserves					
Legal reserve	14.100.901	B			
Other:					
- extraordinary reserve	39.359.961	A,B,C	39.359.961	81.199.647	7.050.450
- HOPA merger reserve	68.596.096	A,B,C	68.596.096		
- taxed provision for future risks and expenses	774.685	A,B,C	774.685		
- FTA	4.676	A,B,C	4.676		
Valuation reserve	(2.524.591)	B			
Retained earnings in the year	0	A,B,C			
Total reserves	**186.663.049**		**175.086.739**		
Undistributable portion			12.635.103		
Residual distributable portion			162.451.636		

Key: A, for share capital increase - B, to cover losses - C, for distribution to shareholders.

Changes in shareholders' equity during the year are shown in detail in the relative table attached previously.

Share capital
Share capital is made up of 87.907.017 ordinary shares with a nominal value of EUR 1,00. It should be noted that, after the merger by incorporation of Tethys S.p.A. and Hopa S.p.A. took effect, the share capital of Mittel S.p.A. increased by 17.402.512 shares with a nominal value of EUR 1,00 each.

Treasury shares
As at 30 September 2012, the company held no treasury shares. It should be noted that the subsidiary Earchimede S.p.A. held 98.750.125 ordinary shares in Parent Company Hopa S.p.A., equal to 7,15% of the latter's share capital. Hopa S.p.A. shares, following the merger by incorporation of Tethys S.p.A. in Mittel S.p.A. and the merger of Hopa S.p.A. in Mittel S.p.A., which took effect on 5 January 2012 as per the deed of notary Marchetti dated 30 December 2011, a total of 3.555.003 ordinary Mittel S.p.A. shares were swapped, equal to 4,04% of share capital of the latter.

Valuation reserve
The valuation reserve relates to the fair value adjustment to financial assets, represented by equity securities, classified as available for sale net of the associated taxes.

The breakdown and changes in the valuation reserve in the year are shown below:

FAIR VALUE VALUATION RESERVE	Amounts as at 1.10.2011	Fair value changes		Release of reserve to the income statement for fair value impairment	Release of reserve to the income statement for transfers of financial assets	Deferred taxes	Values as at 30.09.2012
		Increases	Decreases				
Available-for-sale financial assets:							
Fondo Progressio (Progressio Fund)	(978.484)	-	(603.100)	-	-	199.445	(1.382.139)
Fondo Progressio II (Progressio II Fund)	(46.958)	-	(1.808.150)	-	-	597.955	(1.257.153)
Fondo Cosimo I (Cosimo I Fund)	949.890	-	(223.029)	-	-	73.756	800.617
Fondo Augusto (Augusto Fund)	518.323	-	(630.821)	-	-	208.613	96.115
Equino Two			(792.934)	-	-	10.903	(782.031)
Financial instruments for the hedging of cash flows:							
Derivative instruments for interest rate hedging	-	-	-	-	-	-	-
	442.771	-	**(4.058.034)**	-	-	**1.090.672**	**(2.524.591)**

NON-CURRENT LIABILITIES

18 FINANCIAL PAYABLES

As at 30 September 2012, the item stood at EUR 43.826 thousand, an increase of the same amount over the previous year.
Details of the item are as follows:

	30.09.12	30.09.11
Bank loans	43.825.716	
	43.825.716	**0**

The item includes:
- a loan granted by Banco di Brescia S.p.A. (EUR 15.000 thousand), expiring on 23 October 2015;
- a loan granted by Monte Paschi di Siena (EUR 28.826 thousand), expiring on 23 December 2015.

19 PROVISIONS FOR PERSONNEL

As at 30 September 2012, the item amounted to EUR 522 thousand (EUR 423 thousand as at 30 September 2011), and is composed as follows:

	30.09.12	30.09.11
Employee severance indemnity	522.280	423.452
Other provisions for personnel	0	0
	522.280	**423.452**

Employee severance indemnity, which includes indemnities accrued predominantly by employees, totalled EUR 522 thousand, already net of advances disbursed.
Changes during the year are shown in the following table:

	30.09.12	30.09.11
Opening balances	**423.452**	**327.582**
Increases:		
- Allocation in the year	122.749	90.849
- Increase due to merger by incorporation	104.701	
- Other increases	11.766	9.373
Decreases:		
- Liquidations carried out	(140.388)	
- Other decreases		(4.352)
	522.280	**423.452**

The valuation was performed on the basis of IAS 19, given that Employee Severance Indemnity is similar to a "post-employment benefit" of the "defined benefit plan" type, whose amount already accrued must be projected in the future to estimate the amount to be paid when the employment relationship ends and then discounted, using the "Projected unit credit method", to take account of the time that will elapse before the actual payment.

The actuarial assumptions adopted refer to:

a) assumptions regarding the causes of Group exit: death, total and permanent disability, staff turnover, such as resignations, dismissals and retirement due to seniority and old age;

b) economic and financial assumptions: rate of discounting of future services; salary growth curve, which determines the trend in remuneration; annual inflation and the rate of return recognised annually on accrued employee severance indemnity;

c) additional assumptions were formulated on the frequency of advances on employee severance indemnity, on tax withholdings and, on the whole, on the legislation in force.

All assumptions used in the valuations, given the small sample size of the community in question, were taken from market experiences, and reflect the current corporate, legislative and existing market conditions at the valuation date, and are based on the assumption of the company as a going concern.

As regards the quantification of employee severance indemnity, governed by art. 2120 of the Italian Civil Code, a portion of 7,41% of the amount of projected remuneration was calculated for each year of service, valid for employee severance indemnity purposes and due for the same year. The contribution to the employee severance indemnity (TFR) guarantee fund established at INPS (National Social Security Institute) is deducted from this amount.

The amount of projected salary in future years has been estimated, for each employee, annually increasing the salary of the year to which the valuation refers, valid for employee severance indemnity purposes, based on the projected inflation rate (estimated at a constant 2,5% over time) and other contractual increases. The projections also take account of any TFR additions, communicated by the Parent Company.

For revaluation purposes, TFR is increased, with the exclusion of the portion accrued in the year, each year through the application of a rate with a fixed component of 1,50%, and a variable component of 75% of the projected inflation rate. Substitute income tax of 11% is applied on annual returns (Legislative Decree 47/2000).
For each of the basic assumptions, an analysis is performed on the effect on the results of actuarial evaluations of a variation of 10% more or 10% less than said amount. One amount was varied at a time, without prejudice to all other amounts.
It should be pointed out that, for example, by focusing attention on the discount rate, that an increase in the rate of 10% (from 3,40% to 3,74%) involves, on the whole, a reduction of around 3,06% in the amount of the provision - TFR on an IAS basis - for companies as at 30 September 2012.
Similarly, a reduction in the annual rate of inflation of 10% (from 2,50% to 2,25%) involves, on the whole, a reduction of 1,84% in the amount of the provision for Mittel S.p.A. companies as at 30 September 2011.

20 DEFERRED TAX LIABILITIES

As at 30 September 2012, the item was eliminated, compared to a value of EUR 219 thousand in the previous year. Details of the item are as follows:

	30.09.12	30.09.11
Tax liabilities with contra-item in income statement		
Tax liabilities with contra-item in shareholders' equity		218.769
	0	**218.769**

21 PROVISIONS FOR RISKS AND CHARGES

As at 30 September 2012, the item stood at EUR 4.197 thousand, an increase of the same amount over the previous year.
Details of the item are as follows:

	30.09.12	30.09.11
Provisions for risks:		
Contractual disputes	3.650.000	
Other provisions:		
Other expenses	546.800	
	4.196.800	**0**

The item saw the following changes:

	30.09.12	30.09.11
Opening balance		
Increases:		
Allocation in the year	3.650.000	
Changes due to company merger	546.800	
Decreases:		
Use in the year		
Other decreases		
	4.196.800	**0**

The item "Provisions for risks" refers to an allocation set aside (EUR 3.650 thousand) to cover potential losses. At the date of these financial statements, the amounts and date of occurrence were still undetermined.

CURRENT LIABILITIES

23 FINANCIAL PAYABLES

This item totalled EUR 101.153 thousand (EUR 88.565 thousand as at 30 September 2011), an increase of EUR 12.588 thousand.
The item is composed as follows:

	30.09.12	30.09.11
Bank loans	61.183.349	83.564.625
Current portion of medium/long-term bank loans	1.432.988	
Other loans	35.137.075	
Other financial payables	3.399.105	5.000.000
	101.152.517	**88.564.625**

The item "Bank loans" include hot money loans granted by the leading banks, regulated at rates indexed to the 1-3 month Euribor rates and expiring in four months.
The item "Other loans" includes a term deposit of EUR 20.004 thousand expiring on 28 June 2013 and regulated at the rate of 4,5% over the year with the company Earchimede S.p.A., and the funds made available by the latter amounting to EUR 15.132 thousand regulated at a rate of 3,5% over the year.
The item "Other financial payables" mainly includes the payable due to Mittel Corporate Finance S.p.A. amounting to EUR 3.368 thousand and refers to the balance still to be paid in respect of the transfer of the Castello S.p.A. investment.

24 TAX LIABILITIES

This item totalled EUR 348 thousand (EUR 0 as at 30 September 2011) and comprises the payable for the IRAP tax charge in the year.

The item showed the following changes in the year:

	30.09.2012	30.09.2011
Opening balance	**-**	**-**
Increases	**1.423.497**	**-**
Current tax liabilities recorded in the year:	**1.423.497**	**-**
- relating to previous years	-	-
- other	1.423.497	-
Other increases	-	-
Decreases	**(1.074.776)**	**-**
Current tax liabilities cancelled in the year:		
- reimbursements		
- Other decreases	(1.074.776)	-
	348.721	**-**

25 SUNDRY PAYABLES AND OTHER LIABILITIES

This item totalled EUR 15.745 thousand (EUR 4.257 thousand as at 30 September 2011). The item increased by a total of EUR 11.488 thousand over 30 September 2011.
Details of the item are as follows:

	30.09.12	**30.09.11**
Trade payables	2.410.086	1.992.034
Tax payables	320.744	178.489
Payables relating to employees	579.968	573.233
Payables due to directors and statutory auditors	103.471	233.677
Payables due to social security institutions	89.239	67.932
Other payables	12.104.370	1.194.919
Accrued expenses and deferred income	137.425	17.186
	15.745.303	**4.257.470**

The item “Other payables” includes mainly:

- the payable due (EUR 7.208 thousand) to the company Bios regarding the tax receivable Mittel S.p.A. acquired from the company Bios S.p.A. as part of the contract for the purchase of the portion of share capital of Tethys S.p.A. on 18 May 2011; this receivable relates to the IRES (corporate income tax) surplus, for which a refund was requested;
- the contractual payable (EUR 2.545 thousand) related to a tax dispute regarding the company Bernardi S.p.A..

INCOME STATEMENT

Comments on the main items are shown below.

27 REVENUES

This item totalled EUR 2.030 thousand (EUR 1.857 thousand as at 30 September 2011). The item increased by a total of EUR 173 thousand over 30 September 2011.
The breakdown of revenues is shown below, with the main types highlighted:

	30.09.2012	30.09.2011
Revenues from rent	703.165	501.722
Revenues from provision of services	1.326.490	1.354.847
	2.029.655	**1.856.569**

The item revenues for rentals refers to annual rents on properties owned, leased to subsidiaries and associates.
The item revenues for the provision of services relates to chargebacks to subsidiaries and associates for outsourced direct debit, administrative and IT services.

28 OTHER INCOME

This item totalled EUR 1.587 thousand (EUR 180 thousand as at 30 September 2011). The item increased by a total of EUR 1.407 thousand over 30 September 2011.
The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Contingent assets	1.472.868	180.059
Other revenues and income	113.738	312
	1.586.606	**180.371**

The item "Contingent assets" includes, for EUR 1.237 thousand, relating to the settlement of a dispute raised concerning the guarantees given by Banco Popolare and Monte dei Paschi di Siena regulated by the agreement signed on 19 August 2008 between Tethys S.p.A. and the aforementioned banks.

29 COSTS FOR SERVICES

This item totalled EUR 7.287 thousand (EUR 4.964 thousand as at 30 September 2011). Costs for services increased by a total of EUR 2.323 thousand over 30 September 2011.
The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Legal consultancy	(1.973.236)	(264.305)
Notary consultancy	(179.461)	(59.113)
Other consultancy	(1.366.805)	(2.089.006)
General services and maintenance	(657.724)	(466.468)
Administrative, organisational and audit services	(270.724)	(274.099)
Project-based partner costs	(57.167)	(59.500)
Directors' fees	(971.611)	(476.567)
Board of Statutory Auditors' fees	(287.190)	(234.272)
Supervisory Body's fees	(74.281)	(57.375)
Fees for prosecutors and Manager in charge	(70.000)	(70.000)
Leases	(979.710)	(733.574)
Rentals	(8.409)	(7.875)
Insurance	(256.825)	(69.784)
Utilities	(131.537)	(98.878)
Advertising	(3.172)	(2.965)
	(7.287.852)	**(4.963.781)**

Legal consultancy, amounting to EUR 1.973 thousand, increased by EUR 1.709 thousand. This increase relates mainly to ongoing disputes with Angelo Rizzoli and Snia S.p.A. in amministrazione straordinaria (extraordinary administration). For details please refer to the report on operations to these financial statements.

30 PERSONNEL COSTS

This item totalled EUR 4.023 thousand (EUR 2.372 thousand as at 30 September 2011). The item increased by a total of EUR 1.651 thousand over 30 September 2011.
The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Wages and salaries	(2.114.421)	(1.702.438)
Social security costs	(762.162)	(544.998)
Allocation to employee severance indemnity	(146.878)	(99.553)
Other personnel costs	(999.448)	(24.989)
	(4.022.909)	**(2.371.978)**

Personnel costs as at 30 September 2012 recorded an increase over the previous year, due to both the incorporations of companies with personnel carried out during the year and settlement agreements stipulated in the same period.

Average number of employees broken down by category:

	Average in year 2011/2012	Average in year 2010/2011
Managers	5	3
Officials		
Employees	17	14
	22	17

31 OTHER COSTS

This item totalled EUR 1.977 thousand (EUR 388 thousand as at 30 September 2011). Other costs rose by a total of EUR 1.589 thousand over 30 September 2011.

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Taxes and duties	(1.305.470)	(217.787)
Extraordinary contingent liabilities	(417.075)	
Other sundry operating expenses	(254.840)	(170.665)
	(1.977.385)	**(388.452)**

The item “taxes and duties” mainly includes non-deductible pro-rata VAT costs. The increase compared to the previous year is attributable, among other factors, to the rise in consultancy costs.

32 DIVIDENDS AND SIMILAR INCOME

This item totalled EUR 68.514 thousand (EUR 13.482 thousand as at 30 September 2011). The item increased by a total of EUR 55.032 thousand over 30 September 2011.

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Dividends from available-for-sale financial assets	3.753.813	482.196
Dividends from investments	64.759.865	12.999.699
	68.513.678	**13.481.895**

Dividends on investments refer to:
- the distribution of the reserves of Mittel Generale Investimenti S.p.A. (EUR 40.000 thousand),
- the dividend received from Brands Partners 2 S.p.A. (EUR 14.692 thousand),
- the dividend received from Mittel Private Equity S.p.A. (EUR 10.068 thousand),

For more details, please refer to the section "Significant events in the year" in these financial statements.

33 PROFIT (LOSS) FROM MANAGEMENT OF FINANCIAL ACTIVITIES AND INVESTMENTS

In order to permit a better measurement of the actual trend in ordinary operations, net income from cost and revenue components deriving from disposals of non-current assets is indicated separately under EBIT.
The item "Profits/(losses) deriving from investments includes:

- capital gains/losses from the disposal of investments in available-for-sale assets;
- capital gains/losses from the disposal of investments classified as available-for-sale, included in the item "Other non-current financial assets";
- the fair value adjustment from the non-application of the equity method due to the loss of a significant influence.

This item totalled EUR 38.643 thousand, an increase of the same amount over September.
The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Capital gains (losses) from transfer of investments	38.643.408	
	38.643.408	**0**

This capital gain refers to the transfer of Mittel Generale Investimenti in favour of Liberata S.p.A.. For more details, please refer to the section "Significant events in the year".

34 AMORTISATION

This item totalled EUR 396 thousand (EUR 377 thousand as at 30 September 2011). The item increased by a total of EUR 19 thousand over 30 September 2011.
The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Intangible assets		
Amortisation	(32.245)	(53.861)
Property, plant and equipment		
Amortisation of other assets owned	(363.675)	(322.851)
	(395.920)	**(376.712)**

35 ALLOCATIONS TO THE PROVISION FOR RISKS

This item totalled EUR 3.650 thousand, an increase for the same amount over 30 September 2011.
The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Provisions for contractual disputes	(3.650.000)	
	(3.650.000)	**0**

The item "provisions for contractual disputes" refers to an allocation set aside to cover potential losses. At the date of these financial statements, the amounts and date of occurrence were still undetermined.

36 VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND RECEIVABLES

This item totalled EUR 2.417 thousand, an increase for the same amount over 30 September 2011.
The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Write-downs of financial receivables	(2.417.171)	
	(2.417.171)	**0**

The item "Write-downs of financial receivables" refers mainly to the value adjustment effected for a credit position expiring in 2018 which was valued on the basis of the recoverable value of the future cash flows relating to expected reimbursements, discounted at a rate of return which reflects the increased counterparty risk in the year.

37 VALUE ADJUSTMENTS TO INVESTMENTS

This item totalled EUR 33.477 thousand (EUR 68.969 thousand as at 30 September 2011). The item decreased by a total of EUR 35.492 thousand over 30 September 2011.

The breakdown of the item is shown in the following table:

	30.09.2012	30.09.2011
Write-downs of investments	(33.477.118)	(68.968.681)
	(33.477.118)	**(68.968.681)**

The item "Write-downs of investments", totalling EUR 33.477 thousand, relates mainly to:
- the impairment of Earchimede S.p.A. (EUR 22.036 thousand);
- the impairment of Mittel Partecipazioni Stabili S.r.l. (EUR 6.596 thousand);
- the impairment of Markfactor S.r.l. in liquidazione (in liquidation) (EUR 3.999 thousand);
- the impairment of Locaeffe S.r.l. in liquidazione (in liquidation) (EUR 779 thousand);

For a description of the impairment indicated above, please refer to the paragraph "Impairment test for reductions in the recoverable value of investments" in note 6 investments.

38 FINANCIAL INCOME

This item totalled EUR 2.994 thousand (EUR 891 thousand as at 30 September 2011). The item increased by a total of EUR 2.103 thousand over 30 September 2011.

The item is composed as follows:

	30.09.2012	30.09.2011
Bank interest income	46.614	17.069
Interest income on financial receivables	2.942.018	874.187
Other interest income	5.311	28
	2.993.943	**891.284**

39 FINANCIAL EXPENSES

This item totalled EUR 6.547 thousand (EUR 1.968 thousand as at 30 September 2011). The item increased by a total of EUR 4.579 thousand over 30 September 2011.
The item is composed as follows:

	30.09.2012	30.09.2011
Interest expense on bank loans	(4.697.457)	(1.410.270)
Interest expense on other loans	(1.014.771)	(48.937)
Other interest expenses	(262.361)	
Other financial expenses	(572.585)	(508.936)
	(6.547.174)	**(1.968.143)**

40 PROFIT (LOSS) FROM TRADING OF FINANCIAL ASSETS

The item had no balance as at 30 September 2012. In the previous year, the item was represented by the decrease in the valuation of the call option Mittel held on 16,67% of Tethys S.p.A. shares.

41 INCOME TAXES

This item totalled EUR 801 thousand (EUR 459 thousand as at 30 September 2011).
The item increased by a total of EUR 342 thousand over 30 September 2011.
The amount is composed as follows:

	30.09.2012	30.09.2011
IRES (corporate income tax)	465.761	585.041
IRAP (regional business tax)	(1.423.497)	(7.292)
Taxes of previous years	2.865	(2.755)
Total current taxes	**(954.871)**	**574.994**
Deferred tax liabilities		
Prepaid income taxes	386.637	(115.651)
Total deferred taxes	**386.637**	**(115.651)**
Other taxes	(232.311)	
Total income taxes	**(800.545)**	**459.343**

The statement of reconciliation between actual tax and theoretical tax at Group level is shown in the table below, calculated on the basis of the applicable income tax rate:

	IRES (corporate income tax)			IRAP (regional business tax)			TOTAL
Description	**Gross value**	**Rate**	**Tax**	**Gross value**	**Rate**	**Tax**	**Tax**
Income (loss) before taxes	53.991.761	27,50%	14.847.734	53.991.761	5,57%	-	14.847.734
Corrective measure for IRAP/IRES comparison	-	27,50%	-	3.415.621	5,57%	190.250	190.250
Permanent increase	50.587.015	27,50%	13.911.429	1.575.387	5,57%	87.749	13.999.178
Temporary increase	412.308	27,50%	113.385	-	5,57%	-	113.385
Reversals of non-deductible costs in previous years	- 420.385	27,50%	- 115.606	-	5,57%	-	- 115.606
Profit (loss) from PEX investments	- 45.804.565	27,50%	-12.596.255	-	5,57%	-	-12.596.255
Dividends	- 62.148.929	27,50%	-17.090.955	- 32.709.962	5,57%	-1.821.945	-18.912.900
10% IRAP recovery	- 688	27,50%	- 189	-	5,57%	-	- 189
Tax wedge	-	27,50%	-	- 716.310	5,57%	- 39.898	- 39.898
Other decreases	-	27,50%	-	-	5,57%	-	-
Change in prepaid/deferred taxes		27,50%	-	-	5,57%	-	-
Total	**- 3.383.483**	**27,50%**	**- 930.458**	**25.556.497**	**5,57%**	**1.423.497**	**493.039**
Prepaid taxes on tax loss (not recognised)	3.383.483	27,50%	930.458				930.458
Change in prepaid/deferred taxes	(361.400)	27,50%	- 99.385				- 99.385
Change in prepaid/deferred taxes - incorporated company	(1.044.553)	27,50%	- 287.252				
Effective tax benefit from application of tax consolidation	(1.693.675)	27,50%	- 465.761				(465.761)
Substitute tax			232.311				232.311
Change in taxes in the previous year			- 2.865				- 2.865
Total			**(622.952)**			**1.423.497**	**800.545**

The tax losses of Mittel S.p.A. as at 30 September 2012 amounted to EUR 8,9 million. The company did not set aside any deferred tax assets on tax losses, unless within the limits of the amount recorded under current taxes considered recoverable in the year through the fee due in accordance with the provisions of the tax consolidation contract.

42 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

As set forth in IAS 33, the Mittel Group shows i) basic earnings per share calculated as net income for the year attributable to the Parent Company divided by the weighted average number of shares outstanding in the year, and ii) diluted earnings calculated by adjusting net profit attributable to holders of ordinary equity instruments of Mittel S.p.A. to take account of the effects of all potential ordinary shares with a dilutive effect.

In particular, basic and diluted earnings per share are calculated, respectively, as follows:

- *Basic earnings or loss per share:*
  Basic earnings or loss per share are determined by dividing the net profit attributable to holders of ordinary equity instruments of Mittel S.p.A. by the weighted average of ordinary shares outstanding during the year.

  The calculation of the weighted average number of shares outstanding includes the effect of the number of ordinary shares issued following the increase in share capital subscribed in service of the share swap of the merger by incorporation of Hopa S.p.A.. In this regard, it should be noted that, on 5 January 2012, the merger by incorporation with the swapping of Hopa S.p.A. shares for shares of the merging company Mittel S.p.A., resulting from the merger between Mittel S.p.A. and Tethys S.p.A., took effect for legal purposes.
  The merger transaction involved the application of a share swap ratio, given that on the date of stipulation of the merger, the merging company Mittel, as a result of the merger between Mittel S.p.A. and Tethys S.p.A., did not hold 100% of the share capital of Hopa S.p.A.. Therefore, Mittel S.p.A. increased share capital to service the merger, and all Hopa shares held by Mittel were cancelled (art. 2504-ter, paragraph 2, Italian Civil Code). Newly issued Mittel shares, for the servicing of the share swap, were issued on the date the merger took effect for legal purposes, with regular dividend entitlement and listing on the MTA (screen-based stock market), at the par value of the Mittel shares in circulation.
  For the purposes of the determination of the share swap ratio, it should be noted that Mittel, as a result of the merger, and Hopa, presented a subdivision of its share capital solely into ordinary shares.
  Prior to the merger, Mittel's share capital was divided into 70.504.505 shares and Hopa's share capital was divided into 1.381.756.915 shares.
  The share swap ratio was defined at 0,036 Mittel shares per Hopa share, through the cancellation of Hopa shares, with no nominal value, and the subsequent issuing of 17.402.512 ordinary Mittel shares with a unit nominal value of EUR 1.

- *Diluted earnings or loss per share:*
  As required by IAS 33, diluted earnings (loss) per share should take account of the effects of all potential ordinary shares with a dilutive effect.

Basic and diluted earnings or loss per share as at 30 September 2012, compared with the previous year, are as follows:

Earnings/(loss) per share (in EUR)	30.09.2012	30.09.2011 Recalculated	30.09.2011
From income statement:			
- Basic	0,639	(0,762)	(0,900)
- Diluted	0,639		(0,722)
From comprehensive income:			
- Basic	0,603	(0,759)	(0,897)
- Diluted	0,603		(0,719)

As required by the reference legislation, the recalculated figures for earnings (loss) per share in the previous year are presented for the purposes of comparative information, as a result of the increase in shares outstanding as a consequence of the capitalisation which occurred in the year.
The figures for "recalculated" earnings (loss) per share of the previous year were determined by taking into consideration the adjustment with retroactive effect on the weighted average number of shares outstanding in the previous year deriving from the number of ordinary shares issued for the purposes of the share swap for the merger by incorporation of Hopa S.p.A. in Mittel S.p.A., completed on 5 January 2012.

Reconciliation of the weighted average number of shares outstanding for the purposes of the calculation of basic earnings or loss per share from the separate income statement and from the statement of comprehensive income as at 30 September 2012, compared with the previous year, is as follows:

	30.09.2012	30.09.2011
Basic earnings/(loss) per share		
(no. ordinary shares)		
no. of shares at start of the year	70.504.505	70.504.505
Average weighted number of ordinary shares subscribed in the year	12.790.371	-
No. of treasury shares at start of the year	-	-
Average weighted number of treasury shares acquired in the year	-	-
Average weighted number of treasury shares sold in the year	-	-
Average weighted number of shares outstanding at the end of the year	**83.294.876**	**70.504.505**
EUR		
Net profit/(loss)	**53.191.216**	**(63.435.291)**
EUR		
Basic earnings/(loss) per share	**0,639**	**(0,900)**
EUR		
Total net profit/(loss)	**50.223.854**	**(63.248.048)**
EUR		
Total basic earnings/(loss) per share	**0,603**	**(0,897)**

Reconciliation of the weighted average number of shares outstanding for the purposes of the calculation of diluted earnings or loss per share from the income statement and from the statement of comprehensive income as at 30 September 2012, compared with the previous year, is as follows:

	30.09.2012	30.09.2011
Diluted earnings / (loss) per share		
(no. ordinary shares)		
Average weighted number of shares outstanding at the end of the year	83.294.876	70.504.505
more shares necessary for:		
Subscription of shares	-	17.402.512
Potential dilution of ordinary shares	-	17.402.512
Average weighted number of shares at the end of the year	**83.294.876**	**87.907.017**
EUR		
Net profit/(loss)	53.191.216	(63.435.291)
Effect of subscriptions of potential new shares	-	-
Net profit/(loss) available for ordinary shareholders plus assumed subscriptions	**53.191.216**	**(63.435.291)**
EUR		
Diluted earnings / (loss) per share	**0,639**	**(0,722)**

EUR		
Net profit/(loss)	50.223.854	(63.248.048)
Effect of subscriptions of potential new shares	-	-
Total net profit/(loss) available for ordinary shareholders plus assumed subscriptions	**50.223.854**	**(63.248.048)**

EUR		
Total diluted earnings/(loss) per share	**0,603**	**(0,719)**

Given no consolidated profit or loss was recorded by disposal groups in the current year and in the previous year, Mittel S.p.A. did not calculate profit or loss relating to said disposal groups.

43 NET FINANCIAL POSITION

According to the provisions of Consob Communication of 28 July 2006 and in compliance with the Recommendation of CESR dated 10 February 2005 “Recommendations for the consistent implementation of the regulation of the European Commission on prospectuses”, it should be noted that the net position of Mittel S.p.A. as at 30 September 2012 was a negative EUR 86.073 thousand (a positive EUR 64.085 thousand if we take into consideration non-current financial receivables), as shown in the table below:

(thousands of Euro)	**30.09.2012**	**30.09.2011**	**Change**
Cash	2	1	1
Other cash equivalents	4.062	951	3.111
Securities held for trading	-	-	-
Current liquidity	**4.064**	**952**	**3.112**
Current financial receivables	**54.842**	**228**	**54.614**
Current bank payables	(62.616)	(83.565)	20.949
Current portion of non-current debt	-	-	
Other current financial payables	(38.537)	(5.000)	(33.537)
Current financial debt	**(101.153)**	**(88.565)**	**(12.588)**
Net current financial debt	**(42.247)**	**(87.385)**	**45.138**
Non-current bank payables	(43.826)	-	(43.826)
- Bank payables expiring in the medium-term	(43.826)	-	(43.826)
- Bank payables expiring in the long-term			
Bonds issued			
Other financial payables	-	-	-
Non-current financial debt	**(43.826)**	**-**	**(43.826)**
Net financial position	**(86.073)**	**(87.385)**	**1.312**

Please refer to the report on operations for comments on the trend in the net financial position.

44 COMMITMENTS AND GUARANTEES

As at 30 September 2012, the guarantees below were given, summarised in the following table:

COMMITMENTS AND GUARANTEES	30/09/2012	30/09/2011
GUARANTEES		
FINANCIAL	-	-
COMMERCIAL	26.758.714	3.320.697
COMMITMENTS		
DISBURSEMENT OF FUNDS	18.469.260	25.708.189
OTHER IRREVOCABLE COMMITMENTS	-	-
	45.227.974	**29.028.886**

Commercial guarantees refer to the sureties in favour of the Italian Inland Revenue for VAT for which a refund was requested (EUR 4,0 million), a bank guarantee relating to the residual contractual payable connected with the “Bernardi S.p.A.” tax dispute (EUR 2,5 million), the guarantee in favour of Liberata S.p.A. (EUR 20 million) issued to secure the shareholders’ equity against risks on credit, labour law and tax losses for the sale of Mittel Generale Investimenti S.p.A..

Commitments to disburse funds refer to the commitments for payments to be made into investment funds.

45 INTERCOMPANY TRANSACTIONS AND TRANSACTIONS WITH RELATED PARTIES

Intercompany transactions and transactions with related parties

As regards transactions with related counterparties identified on the basis of art. 2359 of the Italian Civil Code and IAS 24, it should be noted that, in the year 2011 - 2012, transactions relating to the Group’s ordinary operations were entered into with said counterparties and no atypical and unusual transactions were recorded. All transactions were performed on an arm’s length basis and refer:

	Due to directors, statutory auditors and internal committees	Due to subsidiaries	Due to associates	Due to other related parties	Total
Non-current assets					
Financial receivables		48.857.568	35.188.762	30.000.000	114.046.330
Current assets					
Financial receivables		48.761.597	902.332	260.272	49.924.201
Sundry receivables and other assets		806.342		-	806.342
Non-current liabilities					
Provisions for risks and charges			3.650.000		3.650.000
Current liabilities					
Financial payables		38.505.208			38.505.208
Sundry payables and other current liabilities		286.982	7.208.513		7.495.495
Income statement					
Revenues from services	880.662	558.672	504.004		1.943.338
Costs for services	1.508.801	35.194	235.529	128.281	1.907.805
Personnel costs				1.692.867	1.692.867
Dividends			64.759.864	518.700	65.278.564
Profit from management of financial activities and investments			38.643.408		38.643.408
Financial income		850.891	401.244	260.272	1.512.407
Financial expenses		999.746	111.356		1.111.102

- Non-current financial receivables refer to loans granted by Mittel S.p.A. to Mittel Partecipazioni Stabili S.p.A. (EUR 27,0 million), to Liberata S.p.A. (EUR 34,1 million), to Ghea S.r.l. (EUR 21,4 million), to Everel Group S.p.A. (EUR 1,1 million) and to Mittel Investimenti Mobiliari S.r.l. (EUR 0,5 million). The receivable of EUR 30 million relates to the loan granted by Mittel Generale Investimenti S.p.A. to Mittel S.p.A. in place with Castello SGR S.p.A, the “Fondo Augusto” management company, a closed-end mutual investment fund reserved to qualified investors, of which Mittel S.p.A. is a subscriber. For a more complete description of this transaction, please refer to the report on operations of these financial statements.

- Current financial receivables refer to loans granted to Mittel Partecipazioni Stabili S.p.A. (EUR 21,0 million), to Mittel Investimenti Immobiliari S.p.A. (EUR 18,3 million), to Markfactor S.r.l. in liquidazione - in liquidation - (EUR 5,3 million), to Locaeffe S.r.l. in liquidazione - in liquidation - (EUR 3,7 million), to Everel Group S.p.A. (EUR 0,8 million), to Castello SGR S.p.A. (EUR 0,3 million), to Ghea S.r.l (EUR 0,1 million), to Liberata S.p.A. (EUR 0,1 million) and to Earchimede S.p.A. (EUR 0,3 million).

- The item sundry receivables and other assets is comprised of receivables due from companies subscribing to the tax consolidation of the consolidating company Mittel S.p.A..

- The item financial payables refers to the funds made available to Mittel S.p.A. by subsidiary Earchimede S.p.A. (EUR 35,1 million) and the receivable for the transfer of 19,8% of the share capital of Castello SGR S.p.A. and the associated equity instruments (EUR 3,4 million). Through said acquisition, performed on 20 September 2012, Mittel directly holds a 23,68% stake in Castello SGR S.p.A.. For a more complete description of this transaction, please refer to the report on operations of these financial statements.

- The item provisions for risks and charges, amounting to EUR 3,7 million, refers to the allocation made in the year deriving from guarantees issued at the time of signing of the contract for the transfer of Mittel Generale Investimenti S.p.A. to Liberata S.p.A. on 25 July 2012. For a more complete description of this transaction, please refer to the report on operations of these financial statements.

- The item sundry payables and other current liabilities refers to the payable due (EUR 7,2 million) to Bios S.p.A. following the acquisition by Mittel S.p.A. of tax receivable for a corresponding amount, for which a refund was requested by said Bios, payables (EUR 0,3 million) deriving from tax consolidation accrued from subsidiaries Holinvest S.r.l. in liquidazione (in liquidation), Earchimede S.p.A., Locaeffe S.r.l. in liquidazione (in liquidation) and Markfactor S.r.l. in liquidazione (in liquidation) following the remuneration of losses as part of the regulation of the tax consolidation of former Hopa S.p.A. which concluded on 31 December 2011, as a result of the merger in Mittel S.p.A. and payables due to directors and statutory auditors for fees accrued and not paid (EUR 0,1 million).

- The item revenues for services provided refers mainly to chargebacks for administrative and direct debt services supplied to Group companies and to the chargeback of the Directors & Officers policy subscribed by the Parent Company Mittel S.p.A..

- The item costs for services refers to directors' fees (EUR 1,0 million), fees to the Board of Statutory Auditors (EUR 0,3 million), charges for services supplied to Group companies (EUR 0,3 million) with the remainder concerning fees paid to prosecutors and to key managers of the company. For further details, please refer to the "Report on Remuneration" which will be available on www.mittel.it, "investor relations" section, according to the legal terms.

- The item personnel costs refers to the remuneration of the company's key managers. For further details, please refer to the "Report on Remuneration" which will be available on www.mittel.it, "investor relations" section, according to the legal terms.

- The item dividends and similar income totalling EUR 65,2 million is composed of dividends from investments distributed from Brands Partners 2 S.p.A. (EUR 14,7 million), from Mittel Private Equity S.p.A. (EUR 10,1 million) resulting from the sale of an investment in Moncler S.r.l., for EUR 40 million following the distribution of reserves by Mittel Generale Investimenti S.p.A. resolved on 24 July 2012 and for EUR 0,5 million from income deriving from the "Fondo Augusto" (Augusto Fund).

- The item profit from the transfer of investments refers to the transfer of Mittel Generale Investimenti S.p.A. to Liberata S.p.A..

- The item financial income refers to interest income accrued by Mittel from Liberata (EUR 0,4 million), from Ghea S.r.l. (EUR 0,5 million), from Markfactor S.r.l. in liquidazione - in liquidation - (EUR 0,2 million), from Locaeffe S.r.l. in liquidazione - in liquidation - (EUR 0,1 million), from Mittel Investimenti Immobiliari S.r.l. (EUR 0,1 million) and from Fondo Augusto (EUR 0,3 million).

- The item financial expenses refers to interest expenses accrued in respect of Earchimede S.p.A. (EUR 1,0 million) and Mittel Generale Investimenti S.p.A. (EUR 0,1 million)

46 ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

With reference to supplementary disclosures regarding financial instruments and the inherent risks required under IFRS 7, and aimed at outlining the impact of financial instruments with respect to the size of the associated risk exposures, details on the measures and mechanisms the company has implemented to manage the exposure to financial risks are shown below.

46.1 Categories of financial instruments

Categories of financial assets and liabilities

Additional disclosures required by IFRS 7 in order to assess the relevance of the financial instruments with reference to Mittel S.p.A.'s equity and financial situation are shown separately below for the two years being compared:

Amounts in EUR

	IAS 39 CATEGORIES				
Financial assets as at 30 September 2012	Financial instruments designated at fair value held for trading	Assets held to maturity	Loans and receivables	Available-for-sale financial instruments	Book value
Non-current financial assets:					
Investments	-	-	-	64.835.718	**64.835.718**
Bonds	-	-	-	30.000	**30.000**
Other financial assets	-	-	-	-	**-**
Non-current receivables:					
Financial receivables	-	-	36.111.726	-	**36.111.726**
Financial receivables due from related parties	-	-	114.046.330	-	**114.046.330**
Sundry receivables	-	-	263.838	-	**263.838**
Receivables due from customers and other current					
Sundry receivables and other assets	-	-	10.212.306	-	**10.212.306**
Current financial assets:					
Financial receivables	-	-	4.557.777	-	**4.557.777**
Financial receivables due from related parties	-	-	49.924.201	-	**49.924.201**
Hedging derivatives	-	-	-	-	**-**
Non-hedge derivatives	-	-	-	-	**-**
Cash and cash equivalents					
Bank and postal deposits	-	-	4.061.749	-	**4.061.749**
TOTAL FINANCIAL ASSETS	**-**	**-**	**219.177.927**	**64.865.718**	**284.043.645**

Amounts in EUR

	IAS 39 CATEGORIES				
Financial liabilities as at 30 September 2012	Financial instruments designated at fair value held for trading	Liabilities at amortised cost			Book value
Non-current payables and financial liabilities:					
Payables due to banks	-	43.825.716	-	-	**43.825.716**
Other financial liabilities	-	-	-	-	**-**
Current liabilities:					
Payables due to banks and other lenders	-	101.152.517	-	-	**101.152.517**
Trade payables	-	-	-	-	**-**
Trade payables due to related parties	-	-	-	-	**-**
Sundry payables	-	15.745.303	-	-	**15.745.303**
Other financial liabilities:					
Hedging derivatives	-	-	-	-	**-**
Non-hedge derivatives	-	-	-	-	**-**
TOTAL FINANCIAL LIABILITIES	**-**	**160.723.536**	**-**	**-**	**160.723.536**

Financial expenses and income recognised according to IAS 39

The net financial expenses and income from financial assets and liabilities are shown below, broken down into the categories required by IAS 39, highlighting the nature of said expenses and income for each category:

Amounts in EUR

IAS 39 categories as at 30 September 2012	From interest	From fair value changes	Write-downs for impairment	From shareholders' equity reserve	From capital losses/gains	From other income/expenses	Exchange gains/losses	Net profits/losses
Financial instruments held for trading	-	-	-	-	-	-	-	**-**
Liabilities at amortised cost	(5.974.589)	-	-	-	-	(572.585)	-	**(6.547.174)**
Available-for-sale financial instruments and equity securities	-	-	-	-	-	-	-	**-**
Loans and receivables	2.988.632	-	-	-	-	5.311	-	**2.993.943**
Derivative hedging instruments	-	-	-	-	-	-	-	**-**
Derivative trading instruments	-	-	-	-	-	-	-	**-**
TOTAL - IAS 39 CATEGORIES	**(2.985.957)**	**-**	**-**	**-**	**-**	**(567.274)**	**-**	**(3.553.231)**

46.2. Information on fair value

In relation to the financial instruments recorded in the Statement of Financial Position at fair value, IFRS 7 requires said values to be classified on the basis of a fair value hierarchy which reflects the significance of the inputs used in determining the fair value.

The fair value used for the purposes of the valuation of financial instruments is determined on the basis of a hierarchy split into the following levels:

- **Level 1 -** determined by listed prices (not adjusted) in active markets; the valuation of the financial instruments is equal to the market price of the instrument, i.e. its listing price.
  The market is defined as active when prices reflect normal market transactions, are regularly and quickly available and if said prices represent actual and standard market transactions;
- **Level 2 -** determined used valuation techniques based on variables that are directly or indirectly observable on the market; these valuation techniques are used if the instrument to be valued is not listed in an active market. The valuation of the financial instrument is based on market prices taken from market listings of similar assets or through valuation techniques for which all significant values are taken from parameters observable on the market. Although we are talking about the application of a valuation technique, the resultant price essentially lacks discretionality given that all parameters used can be observed on the market and the calculation methods used replicate prices present on active markets;
- **Level 3 -** determined using valuation techniques based on significant variables not observable on the market; these techniques consist of the calculation of the listed price of the instrument by using significant parameters not observable on the market and therefore, involve estimates and assumptions by management.

More specifically:

<u>Securities (other than non controlling interests recorded in the AFS (Available-for-sale financial assets) portfolio)</u>

The fair value of securities (bonds and bank certificates of deposit) is measured using commonly accepted valuation techniques and based on analysis models through discounted cash flows, by using prices observable from recent market transactions and from broker prices for similar instruments (level 2) as variables.

Shares of hedge funds and private equity funds are measured using the last NAV (net asset value) available on a sufficiently active market (level 2).

Where a market is not functioning normally, i.e. when the market does not have a sufficient and continuous number of transactions and volatility is not adequately contained, the fair value of these financial instruments is calculated predominantly by using valuation techniques whose objective is to establish the price of a hypothetical independent transaction, on the basis of normal market considerations, at the valuation date (level 3).

Non controlling interests recognised in the AFS (Available-for-sale financial assets) portfolio

As at 30 September 2012, 58,3% of non controlling interests recorded in the statement of financial position under available-for-sale assets was valued according to methods based on the fundamental analysis of the company (level 3).
For the years 2011-2012 and 2010-2011, no use was made of valuation methods that consider transactions involving the share over a period deemed reasonable with respect to the moment of the valuation or methods involving stock market multiples of comparable companies (level 2).
Equity interests maintained at cost are of a marginal amount.

Financial instrument fair value valuation techniques:
The valuation techniques used to measure the fair value of the non controlling interests recognised in the AFS portfolio include:
- the reference to market values that can be indirectly linked to the instrument to be measured and taken from similar products in terms of risk characteristics (comparable approach);
- valuations performed by using inputs not taken from observable market parameters for which use is made of estimates and assumptions prepared by the evaluator (mark to model approach).

The choice from the aforementioned methods is not optional, given that these must be applied in hierarchical order; priority is given to official prices available in active markets for assets and liabilities to be measured (effective market quotes) or for similar assets and liabilities (comparable approach), with the lowest priority given to non-observable and, therefore, more discretional inputs (Mark to model approach).

In incorporating all the factors that operators take into consideration in establishing the price, the valuation models developed take account of the time value of money at the risk-free rate, insolvency risks, the volatility of the financial instruments and, if necessary, foreign currency exchange rates.

The valuation method defined for a financial instrument is adopted on a continuing basis over time and is only modified as a result of significant changes in the market or subjective conditions of the issuer of the financial instrument.

For shares, use of different valuation methods is envisaged. Direct transactions, or significant share transactions over a period of time deemed sufficiently short with respect to the time of the valuation and in constant market conditions, comparable transactions of companies that operate in the same sector and with each type of product/service supplied similar to those of the investee subject to valuation, the application of the average of significant stock market multiples of comparable companies with respect to the economic-equity amounts of the investee and, lastly, analytical financial, profit and equity valuation methods.

For active credit relations and financial liabilities recognised in the financial statements at amortised cost, the fair value is determined in accordance with the following methods:
- for medium/long-term assets and liabilities, the valuation is carried out through the discounting of future cash flows. The latter method is based on the "discount rate adjustment approach" which requires the risk factors connected with the disbursement of credit to be included in the rate used for the discounting of future cash flows;
- for assets and liabilities on demand with a short-term or undetermined expiry and for the initial disbursements of financial receivables, the book value recognised net of the analytical write-down is a suitable representation of fair value.

The following table highlights the company's assets and liabilities which are measured at fair value as at 30 September 2012 and 2011, by hierarchical level of fair value measurement:

Amounts in EUR	30 September 2012				30 September 2011			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	Prices listed on an active market	Valuation techniques based on variables observable from the market	Valuation techniques which incorporate significant variables not observable from the market	Total	Prices listed on an active market	Valuation techniques based on variables observable from the market	Valuation techniques which incorporate significant variables not observable from the market	Total
Financial assets:								
- at fair value through profit or loss (FVTPL)	-	-	-	-	-	6.820.649	-	6.820.649
- available-for-sale assets (AFS)	-	27.029.781	37.835.937	64.865.718	-	26.156.118	37.186.199	63.342.317
- hedging derivatives	-	-	-	-	-	-	-	-
- loans and receivables	-	-	-	-	-	-	-	-
TOTAL	**-**	**27.029.781**	**37.835.937**	**64.865.718**	**-**	**32.976.767**	**37.186.199**	**70.162.966**
Financial liabilities:								
- at fair value through profit or loss	-	-	-	-	-	-	-	-
- hedging derivatives	-	-	-	-	-	-	-	-
- trading derivatives	-	-	-	-	-	-	-	-
- financial guarantees issued	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Transfer between portfolios and reclassifications of financial assets
The company did not carry out any portfolio reclassifications in the year 2011-2012.

Annual variations to financial assets designated at fair value level 3
No transfers from level 3 to other levels and vice-versa were effected during the year, deriving from changes to significant input variables of observable valuation techniques.

With reference to financial instruments classified in level 3 of the fair value hierarchy, details of changes in the year, including profits/(losses) booked to the income statement, are shown below:

Amounts in EUR	Financial assets:		
	At fair value through profit or loss (FVTPL)	Available-for-sale assets (AFS)	Derivative instruments
Values as at 1 October 2011	**-**	**37.186.199**	**-**
Profits/losses in the year:			
- in the income statement	-	-	-
- in the statement of comprehensive income	-	(792.934)	-
Other changes:			
Purchases	-	1.442.672	-
Transfers	-	-	-
Reimbursements	-	-	-
Accounting eliminations and reclassifications	-	-	-
Reclassifications to other levels of the fair value hierarchy	-	-	-
Values as at 30 September 2012	**-**	**37.835.937**	**-**

Available-for-sale financial assets refer mainly to the shares held in Azimut Benetti S.p.A. (EUR 29,2 million), shares held in Microventures SpA (EUR 3,0 million) and shares held in SIA S.p.A. (EUR 1,4 million).

46.3. RISK MANAGEMENT POLICIES

1 Credit risks

Credit risk represents the exposure of Mittel S.p.A. to potential losses resulting from the non-fulfilment of the obligations assumed by both financial and commercial counterparties. This risk mainly originates from economic-financial factors, or the possibility of counterparty default, or from more strictly technical-commercial factors.
Mittel S.p.A.'s maximum theoretical exposure to credit risk is represented by the book value of the financial assets and trade receivables recorded in the financial statements. It should be pointed out that certain credit positions are secured by mortgages and pledges on securities.
Allocations to the bad debt provision are made specifically on credit positions that present unique elements of risk. By contrast, allocations are made to credit positions that do not present these characteristics on the basis of the average estimated collectability in line with statistical indicators.
As regards credit risk pertaining to income components that contribute to the calculation of net financial debt, it should be noted that the management of Group liquidity is based on prudential criteria and is structured into the following areas:

- money market management, dealing with the investment of temporary cash surpluses during the year, which are expected to be re-absorbed within the next twelve months;
- bond portfolio management, dealing with the investment of a permanent level of liquidity, the investment of that part of liquidity, whose re-absorption for cash requirements is expected to occur after twelve months, as well as the improvement of the average yield on the asset.

In order to reduce the risk of the non-fulfilment of the obligations assumed by the counterparty, deposits have been made with leading banks with high credit standing.
In order to minimise credit risk, the Group also pursues a policy of diversification of its use of liquidity and of assignment of credit positions to the different bank counterparties; therefore, there are no significant positions with single counterparties to report.

Qualitative information

1.1. General aspects

Mittel S.p.A. performs its activities in the private equity sector and buys and sells proprietary securities.
Credit risk represents the risk of counterparty default with a partial or total loss of capital and of the interest on the credit position.
The analysis of credit risk is a key factor, for the purposes of preparation of the financial statements, in the evaluation of the receivables in the portfolio and as regards their impairment testing required by IAS 39.
In particular, as regards individual impairment, receivables due from customers in the company's portfolio do not present significant evidence of impairment.
The Group Internal Control and Risk Management Committees constantly monitor risk positions at overall and analytical level.
The risk control department measures market risks in order to ensure that the overall exposure is monitored.

1.2 Impaired financial assets

At each reporting date, receivables are recognised in order to identify those that, as a result of events following their initial recognition, show objective evidence of possible impairment. The value adjustment is booked to the income statement.
The original value of the receivables is written back in subsequent years to the extent in which the reasons that determined the adjustment no longer exist, provided that said valuation can be objectively linked to an event which occurred after said adjustment. The write-back is recorded in the income statement and cannot, in any case, exceed the amortised cost that the receivable would have had in the absence of previous adjustments.
Operating criteria are used to determine the presumed recoverable value, aimed at quantifying the presence of any guarantees and/or the existence of bankruptcy proceedings.
The recovery plans are approved by the decision-making body and monitored extremely carefully.
The Board of Directors is responsible for the classification of receivables and their evaluation, normally on the proposal of the Managing Director.

Quantitative information

Distribution of credit exposures by relevant portfolio and by credit quality:

Portfolios / quality	Receivables written down due to non-collectability	Restructured exposures	Past due exposures	Other assets	Total
Financial assets held for trading	-	-	-	-	-
Financial assets designated at fair value	-	-	-	-	-
Available-for-sale financial assets	-	-	-	30.000	30.000
Financial assets held to maturity	-	-	-	-	-
Receivables due from banks	-	-	-	4.061.748	4.061.748
Receivables due from financial institutions	-	-	-	30.280.036	30.280.036
Receivables due from customers	-	2.315.813	-	172.404.191	174.720.003
Hedging derivatives	-	-	-	-	-
Total 30/09/2012	**-**	**2.315.813**	**-**	**206.775.975**	**209.091.787**

2. Credit exposures

2.1 Credit exposures: gross and net values

Type of exposures/amounts	Gross exposure	Specific value adjustments	Portfolio value adjustments	Net exposure
Impaired exposures:				
- Exposures written down	4.397.553	(4.397.553)	-	-
- Restructured exposures	2.378.764	(62.951)	-	2.315.813
	6.776.316	**(4.460.504)**	**-**	**2.315.813**
Performing exposures:				
- Past due exposures	-	-	-	-
- Other exposures	205.032.658	(2.348.432)	-	202.684.226
	205.032.658	**(2.348.432)**	**-**	**202.684.226**
Total 30/09/2012	**211.808.975**	**(6.808.936)**	**-**	**205.000.039**
Total 30/09/2011	**64.697.527**	**-**	**-**	**64.697.527**

The table shown above includes financial receivables due from Group companies totalling EUR 87,8 million (42,8% of the total exposure).

Positions for which there is an objective condition of partial or total uncollectability are subject to an individual write-down. The amount of the write-down takes account of the estimate of recoverable flows, the relative collection date and the fair value of any guarantees.

With reference to the valuation criteria of loans and receivables, it should be noted that these financial assets are subject to impairment only if there is objective evidence of a reduction in value as a result of one or more events that occurred after the initial recognition of the asset and that event (or events) has an impact on the estimated future cash flows of the asset.

Expected losses from future events are not incorporated in the impairment estimates, regardless of the likelihood of occurrence (expected loss). If the presence of impairment is verified, the company proceeds with the valuation with reference to each receivable when individually significant or when it becomes significant in consideration of the receivables as a whole.
The company calculates impairment according to rules which are differentiated by the different credit accounting methods; in particular, the method for calculating the amount of impairment applicable to the loans and receivables recorded at amortised cost requires the impairment loss on loans and receivables or

investments held to maturity and recognised at amortised cost to be measured as the difference between the book value of the asset and present value of estimated future cash flows discounted at the original effective interest rate of the financial instrument.
From an accounting point of view, the value of the asset must be reduced directly or indirectly through an allocation to the liability provision; the amount of the adjustment is recognised in the income statement in the period.

Cash and cash equivalents
Cash and cash equivalents of the company totalled EUR 4.063 thousand (EUR 952 thousand as at 30 September 2011) and are composed of bank deposits.
As regards the choice of counterparties for the management of temporary surpluses of cash and the stipulation of financial hedge contracts (derivative instruments), the company only uses contacts with a high credit standing.
In this regard, it should be noted that, as at 30 September, no significant exposures to risks connected to a further deterioration in the overall financial context were highlighted.

Guarantees given and received
The financial statement values as at 30 September 2012 and 2011 relating to the guarantees issued in favour of third parties and commitments for the disbursements of funds are shown below:

	30/09/2012	**30/09/2011**
Financial guarantees issued	3.953.614	3.108.197
Commercial guarantees issued	22.805.100	212.500
Irrevocable commitments to disburse funds	18.469.260	25.708.189
Commitments underlying credit derivatives	-	-
Assets pledged as collateral for third party bonds	-	-
Other irrevocable commitments	-	-
	45.227.974	**29.028.886**

Sureties were issued in favour of third parties totalling EUR 6.759 thousand (EUR 3.381 thousand as at 30 September 2011) in the form of tax guarantees and to secure commercial lease contracts as well as a guarantee of EUR 20 million as a result of the transfer of the 100% investment in Mittel Generale Investimenti S.p.A. completed in the year.
With reference to the guarantee issued by the company following the transfer, by Mittel, of shares making up 100% of the share capital of Mittel Generale Investimenti S.p.A. to Liberata S.p.A. (hereinafter “the Acquirer”), a company in which Mittel S.p.A. ended up holding a stake of 27%, it should be pointed out that, based on the transfer contract, Mittel S.p.A. issued declarations and guarantees in favour of the Acquirer, according to the practice for similar transactions. In particular, Mittel S.p.A. issued declarations and guarantees in relation to the economic, financial and equity position, the existence and collectability of the receivables of Mittel Generale Investimenti S.p.A. deriving from financing transactions carried out during its company activities, as well as payment at the respective expiry dates, compliance with the legislation and the absence of labour law, social security and tax disputes, and the absence of disputes in general.
The potential indemnity obligations deriving from a breach of the aforementioned declarations and guarantees are subject to a maximum total limit of EUR 20,0 million and an absolute excess of EUR 50,0 thousand.
Pursuant to the transfer contract, the amount of any indemnities must be reduced by an amount equal to the specific provisions and/or allocations in the financial statements, insurance indemnities or third party reimbursements and contingent assets. The indemnity obligations assumed by Mittel shall remain valid and effective until the 24th month after the date of execution of the transfer of the 100% investment in Mittel Generale Investimenti S.p.A. (25 July 2012), with the exception of indemnities relating to any tax or labour law liabilities for which the indemnity obligation is valid for five years.

3. Market risks

3.1. Interest rate risk

1. General aspects

Interest rate risk generally refers to the effects of changes in market interest rates on the income statement and on the statement of financial position.
Interest rate risk represents the variation in the economic value of the intermediary following unexpected changes in interest rates that impact the bank portfolio, defined as the entire group of assets and liabilities sensitive to interest rates not classified in the trading portfolio.
In order to measure and monitor the interest rate risk profile at individual company and consolidated level, reports are generated which ensure the accurate monitoring of the trend in debt rates.
This reporting system makes it possible to continuously record the "margin" between the average rate of debt and lending and to determine the impacts of changes in the structure of interest rates on the entire financial statements for the year.

Quantitative information

The financial liabilities which expose the company to interest rate risk include a bank loan payable at a medium/long-term variable rate.

The table below identifies the book value of the financial assets and liabilities subject to interest rate risk:

Distribution by residual duration of financial assets and liabilities

Amounts in thousands of Euro

Items/residual duration	Up to 6 months	From after 6 months to 1 year	From after 1 year to 3 years	From after 3 years to 5 years	After 5 years	Undetermined term	**Total**
Assets							
Debt securities	-	-	30	-	-	-	**30**
Medium/long-term financial	-	-	42.910	32.752	44.674	29.822	**150.158**
Current financial receivables	50.267	4.575	-	-	-	-	**54.842**
	50.267	**4.575**	**42.940**	**32.752**	**44.674**	**29.822**	**205.030**
Liabilities							
Non-current bank loans	-	-	-	(43.826)	-	-	**(43.826)**
Current bank loans	(101.153)	-	-	-	-	-	**(101.153)**
	(101.153)	**-**	**-**	**(43.826)**	**-**	**-**	**(144.978)**
	(50.885)	**4.575**	**42.940**	**(11.074)**	**44.674**	**29.822**	**60.052**

2. Models and other methods for the measurement and management of interest rate risk

Interest rate risk is a variable which the Company dedicates considerable attention to and has provided the basis for the operational decisions taken, regarding both financing instruments and lending. In fact, positions are mostly short on the funding side and loans are characterised by indexed rates. These strategic decisions represent an important factor in mitigating risk and involve a moderate impact in respect of unexpected changes in interest rates on the economic value of the company.

3.2 Price risk

Qualitative information

1. General aspects

Market risks encompass the risks generated by market transactions with regard to financial instruments, currencies and commodities.
The dimensions of the strategic investments are established beforehand on the basis of: the desired size of the overall portfolio; the desired share of risk that each individual investment must represent with respect to the total portfolio; use of available scope within the operating limits (delta and VAR) generated by the single investments.
Sometimes, for reduced amounts with respect to the size of the portfolio and always on instruments characterised by a high level of liquidity, "tactical investment" decisions are taken, that is, characterised by particularly reduced time periods and considered prevalently of a "technical nature".

Quantitative information

1. Models and other methods for the measurement and management of price risk
As regards the company's situation, actual and prospective market risk is low.
The strategies and the budget for the current year are based on extremely prudent guidelines and have made provision for limited trading in financial assets, on the basis of a careful evaluation of the risks connected to the current phase of market volatility.

2. Other quantitative information on price risk
Qualitative information

1. General aspects
Currency risk may be generally defined as the effects of variations in the different pairs of non-Euro currencies on the performances of the company in terms of economic results of operations and cash flows.
Financial intermediaries are required, as per the legislation, to contain their "net exchange positions" to an amount not exceeding twice the regulatory capital.
Monitoring of the incidence of the trend in exchange rates as regards transactions realised on real estate securities in the various non-Euro currencies, is carried out through reporting which shows the overall exposure and the incidence on the level of intra-year loss.
These indicators are produced on a daily basis and made available to the managers of the operating and control units.
At the current state of play, the company has no operations in place in areas subject to currency risks.

Quantitative information
The company has no exposures in foreign currency.

3.3. Sensitivity analysis
The exposure to the different market risks is measured through sensitivity analysis, as envisaged under IFRS 7; this analysis illustrates the effects of a given hypothetical variation in the levels of relevant variables in the different markets (interest rates, prices, currency) on financial expenses and income and, sometimes, directly on shareholders' equity.

Interest rate risk - Sensitivity analysis
The effect of a variation in interest rates on the variable component of payables and liquidity may involve higher or lower financial expenses/income and, in particular, if, at 30 September 2012, the interest rates were 100 basis points higher/lower than the rates actually registered, at income statement level, higher/lower financial expenses would be recorded, before the associated taxes, amounting to roughly EUR 1 million.

Breakdown of the financial structure between fixed and variable rates
In relation to the breakdown of the financial structure between the fixed rate and variable rate components, both for financial assets and liabilities, the following tables are considered.

Amounts in thousands of Euro	**30 September 2012**		
	Fixed rate	Variable rate	Total
Bank loans	28.826	77.616	**106.442**
Total	**28.826**	**77.616**	**106.442**

Effective interest rate
The information, given provided by categories of financial assets and liabilities, has been prepared by using, as a weight for weighting purposes, the adjusted book value of accruals and deferrals.

Amounts in thousands of Euro	30 September 2012	
	Adjusted book value	Effective interest rate (%)
Deposits and cash	4.064	1,9%
Other financial receivables due from third parties	41.030	2,6%
Other financial receivables due from related parties	163.970	3,9%
Total	**209.064**	**3,08%**
Bank loans	77.616	(4,89)%
Total	**77.616**	**(4,89)%**

Currency risk - Sensitivity analysis
As at 30 September 2012 (as at 30 September 2011), no active and passive financial instruments were denominated in currencies different from the financial statement currency of the individual companies and, therefore, currency risk is not subject to sensitivity analysis.

Liquidity risk
Liquidity risk is the risk of a company finding it difficult to fulfil future obligations associated to the financial liabilities given that available financial resources are not sufficient to cover the obligations according to the pre-established terms and expiry dates.
The company pursues the objective of having an adequate degree of financial flexibility, by maintaining a solvency margin that allows refinancing requirements to be met at least for the next twelve months through the availability of irrevocable bank credit lines, liquidity and short-term hot money loans.
The company's goal is to maintain a balance between the bank credit line capacity and the flexibility of financial resources through the use of overdrafts.
Current financial assets as at 30 September 2012, together with unused committed lines, allow expiry dates to be fully observed as regards the repayment of debt envisaged over the coming 24 months.
With reference to the expiries of cash flows related to the company's financial exposure, for liquidity risk purposes, the repayment plan set forth for medium-term debt, including medium-term loans obtained for projects to acquire investments, assumes particular significance.
The risk analysis performed is aimed at quantifying, based on contractual expiries, the cash flows deriving from the repayment of non-current financial liabilities held by the company as at 30 September 2012, given deemed relevant for liquidity risk purposes.
For the purposes of a representation of the liquidity risk on the financial exposure of the company deriving from expected cash flows for the repayment of financial debt and other non-current liabilities, the development of cash flows relating to the plan of payments for annual periods is shown below.

Amounts in thousands of Euro	expiring within 30.9 of the year:				
	2013	**2014**	**2015**	**After 2015**	**Total**
Bank loans	732	732	732	49.505	51.699
Total	**732**	**732**	**732**	**49.505**	**51.699**

The non-discounted contractual cash flows of gross non-current financial debt at nominal repayment values and the interest flows are shown below, determined by using the conditions and interest rates in place as at 30 September 2012.

More specifically, the “worst case scenario” is presented, which highlights:

- nominal future cash outflows, both for the principal and interest portions, with reference to financial liabilities (excluding trade payables) and derivative contracts on interest rates;
- does not consider financial assets;
- assumes that bank loans expire on demand, if relating to revocable credit lines, and, in the opposite case, are scheduled on the basis of the first expiry on which repayment can be requested.

The principal and interest portions of liabilities subject to hedging include both the disbursements and the collections of the associated hedging derivative instruments.

Non-current financial liabilities - Analysis by expiry of contractually envisaged disbursements

Amounts in thousands of Euro	expiring within 30.9 of the year:				
	2013	**2014**	**2015**	**After**	**Total**
Non-current bank loans					
Portion of capital	-	-	-	43.826	43.826
Portion of interest	732	732	732	5.679	7.874
Current bank loans					
Portion of capital	101.153	-	-	-	101.153
Portion of interest	4.087	-	-	-	4.087
Total financial liabilities					
Portion of capital	101.153	-	-	43.826	144.978
Portion of interest	4.818	732	732	5.679	11.960

4 Information on equity

Shareholders have always been worried about providing the company with sufficient equity to allow it carry out its activities and to cover risks.

For this reason, a portion of the profits achieved has been carried forward over the years.

The objectives of Mittel S.p.A. as regards the management of capital are based on the protection of the company’s ability to continue, simultaneously, to ensure both profitability for shareholders and to retain an efficient capital structure.

Milan, 10 January 2013

For the Board of Directors

The Chairman

(Franco Dalla Sega)

Annexes

Table A

Investments	Registered office		Share capital	Nominal value	N. of shares or stakes owned	Unit book value	Total book value	Percentage interest
Investments in other relevant Group companies								
Tower 6 bis S.a.r.l.	Lussemburgo	€	4.500.000	10,00	220.500	18,948	4.178.038	49,00
Chase Mittel Capital Holding II NV	Antille Olandesi	€	18.720	-	66,122	94,507	6.249	27,55
Chase Mittel Capital Holding II NV priv.	Antille Olandesi	€	18.720	-	3	-	1	-
Investments in relevant Group companies								
Mittel Partecipazioni Stabili S.r.l.	Milano -Italia	€	99.000	1,00	99.000	123,722	12.248.506	100,00
Mittel Corporate Finance S.p.A.	Milano -Italia	€	1.591.540	10,00	159.154	36,645	5.832.145	100,00
Mittel Investimenti Mobiliari (già HPN)	Milano -Italia	€	100.000	1,00	100.000	0,935	93.525	100,00
Mittel Investimenti Immobiliari S.r.l.	Milano -Italia	€	17.693.878	1,00	16.320.000	1,284	20.947.084	92,24
Ghea S.r.l.	Milano -Italia	€	1.000.000	1,00	510.000	5,500	2.805.000	51,00
Brands Partners 2	Milano -Italia	€	150.000	1,00	37.800	217,509	8.221.850	25,20
Brands Partners 2 SFP	Milano -Italia	€		1,00	7.000	1,000	7.000	
Liberata S.p.A.	Milano -Italia	€	6.750.000	1,00	1.822.500	1,000	1.822.500	27,00
Cad Immobiliare Srl	Milano -Italia	€	100.000	1,00	5.000	1,000	5.000	5,00
Castello SGR S.p.A.	Milano -Italia	€	2.664.556	1,00	631.119	6,118	3.861.406	23,69
Castello SGR S.p.A. SFP	Milano -Italia	€		1,00	240.000	1,000	240.000	
Holinvest Srl in liquidazione	Milano -Italia	€	20.000	1,00	20.000	1,300	26.000	100,00
Sunset Srl in liquidazione	Brescia - Italia	€	55.529	1,00	55.529	0,009	500	100,00
Bware technologies							0	
Locaeffe Srl in liquidazione già F. Leasing Spa in liquidazione	Milano - Italia	€	3.640.000	0,52	7.000.000	0,541	3.784.913	100,00
Cit ord.							0	
Markfactor Srl in liquidazione	Milano - Italia	€	91.938	10,00	91.938	0,224	20.604	1.000,00
Vauban Spa							0	
Sangemini Spa	Terni - Italia	€	10.147.286	0,03	9.607.519	0,000	0	
Earchimede Spa	Milano - Italia	€	4.680.000	na	6.886.139	17,812	122.653.970	
Sangemini Holding Spa	Terni - Italia	€	42.948.466	1,00	4.257.891	0,000	0	
Everel Group Spa	Verona - Italia	€	15.359.290	na	23.038.935	0,143	3.300.000	
Bios Spa	Milano - Italia	€	3.000.000	1,00	750.000	1,000	750.000	
							190.804.291	

Other Financial Assets	Registered office		Share capital	Nominal value	N. of shares or stakes owned	Unit book value	Total book value	Percentage interest
Fondo Cosimo I	Milano - Italia	€			78	53.935,897	4.207.000	-
Fondo Augusto	Milano - Italia	€			300	50.478,683	15.143.605	-
Fondo Progressio Investimenti	Trento -Italia	€			27	169.918,074	4.587.788	-
Fondo Progressio Investimenti II	Trento -Italia	€			400	7.728,473	3.091.389	-
Progressio SGR S.p.A.	Trento -Italia	€	1.200.000	1,00	180.000	3,610	649.711	15,00
SIA - SSB S.p.A.	Milano - Italia	€	22.091.287	0,13	521.500	2,685	1.400.000	0,31
Equinox Two S.C.A. cat A	Lussemburgo	€			23	1.321,696	30.399	
Equinox Two S.C.A. cat B	Lussemburgo	€			2.304	1.167,749	2.690.494	
Azimut Benetti S.p.A.	Viareggio - Italia	€	9.756.000	1,50	355.450	82,112	29.186.630	5,47
MicroVentures S.p.A.	Brescia - Italia	€	14.117.000	1.000,00	2.117	1.459,000	3.088.703	14,99
MicroVentures Investments S.C.A. SICAR	Lussemburgo	€	43.516.509	1,00	1.000.000	0,560	560.000	5,07
Società Editoriale Vita S.p.A.	Milano - Italia	€	2.436.000	0,28	106.382	0,940	99.999	1,22
Nomisma S.p.A.	Bologna - Italia	€	5.345.328	0,32	309.329	0,323	100.000	1,85
Obbligazioni Vita 5%							30.000	
							64.865.718	

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

The undersigned Arnaldo Borghesi, Executive Director and Pietro Santicoli, the Manager responsible for preparing the Company's financial reports of Mittel S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, attest to the adequacy of the characteristics of the company and the effective application of administrative and accounting procedures for the preparation of the separate financial statements for the year ended as at 30 September 2012.

It is also certified that the separate financial statements for the year ended as at 30 September 2012:

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.

The report on operations includes a reliable analysis of the performance and result of operations, and of the position of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Milan, 10 January 2013

Chief Executive Officer	Manager responsible for preparing the Company's financial reports
Arnaldo Borghesi	Pietro Santicoli

“REPORT OF THE BOARD OF STATUTORY AUDITORS PURSUANT TO ART. 153 OF ITALIAN LEGISLATIVE DECREE NO. 58/1998 AND ART. 2429 OF THE ITALIAN CIVIL CODE”

To the Shareholders’ Meeting of Mittel SpA.

In the year ended as at 30 September 2012, we carried out the audit required by law and the Articles of Association - according to the principles of conduct of the Board of Statutory Auditors recommended by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants) - which we refer to with this report, that has been drafted by also taking into account the indications provided by CONSOB by means of Communication no. 1025564 of 6 April 2001 and subsequent updates. Specifically:

- we took part in Shareholders’ Meetings, meetings of the Board of Directors and of the Executive Committee held during the year and obtained prompt and appropriate information from directors on the general trend in operations and on the business outlook, as well as on the transactions of the greatest economic, financial and equity importance, in terms of size and their characteristics, carried out by the company and its subsidiaries. In particular, we acknowledge that we acquired suitable information on the completion, during the year 2011-2012, of the project involving the merger of Tethys SpA and Hopa SpA in Mittel SpA, which took effect on 5 January 2012 (as a result of which the company indirectly holds, through the subsidiary Earchimede SpA, 3.555.003 treasury shares) and concerning the transfer of the subsidiary Mittel Generale Investimenti SpA (hereinafter MGI) which took place in the year 2011/2012 through the transfer of the entire share capital of MGI to the associate Liberata SpA;
- we acquired knowledge and monitored, as regards matters within our competence, compliance with the law and the Articles of Association, respect for the principles of proper administration and the degree of adequacy of the company’s organisational structure, through direct surveys, by gathering information from the managers of the departments concerned, periodic exchanges of information with the Independent Auditors and with members of the Internal Control Committee, Remuneration Committee and Group Risk Committee;
- we checked the adequacy of the internal control and administrative and accounting systems and, in particular, the latter’s reliability in representing operating events;
- we carried out monitoring activities in line with the provisions of art. 19 of Legislative Decree 39/2010 which assigns the Board of Statutory Auditors the role of “Internal control and auditing committee”, with reference: a) to the financial information process; b) the

effectiveness of internal control, internal auditing and risk management systems; c) the audit of the annual and consolidated accounts; d) the independence of the Independent Auditors.

With reference to the aforementioned monitoring of the operations of the Independent Auditors, the Board of Statutory Auditors carried out a periodic exchange of information with the managers of said entity regarding the activities performed in accordance with art. 150 of the Consolidated Law on Finance; analysed the results of the work carried out by the Independent Auditors; received from said Independent Auditors the reports required by art. 14 and art. 19, paragraph 3, of Legislative Decree 39/2010; received from said Independent Auditors the "Annual confirmation of independence" pursuant to art. 17, paragraph 9, letter a) of Legislative Decree 39/2010; analysed, in accordance with said art. 17, paragraph 9, letter b) of Legislative Decree 39/2010, the risks relating to the independence of the Independent Auditors and the measures adopted by said entity to limit said risks;

- we monitored the functionality of the control system of Group companies and the adequacy of the provisions handed down to them, also pursuant to art. 114, paragraph 2, of Legislative Decree 58/1998;
- we acknowledged the preparation of the Report on Remuneration pursuant to art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and art. 84-quater of Consob Regulation 11971/1999 ("Issuers' Regulation") and we have no particular remarks to make;
- we monitored the updating of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 in order to acknowledge recent legislative amendments on "predicate offences", and its gradual extension to other Group companies.

  The Supervisory Body reported on the activities carried out during the year ended 30 September 2012, with no particular critical issues worthy of mention;
- we checked the consistency of the actions to bring the Articles of Association into line with the provisions laid down by Law no. 120 of 12 July 2012, which introduced regulations governing gender balance in administrative and control bodies of listed companies to Legislative Decree no. 58 of 24 February 1998, under articles 147-ter and 148.
- we monitored, as regards matters within our competence, the compliance of the Procedures for transactions with related parties with the applicable legislation, also with reference to verification of the application of market conditions;
- we monitored the financial information process and verified compliance with the legal and regulatory provisions concerning the formation and layout of the separate and consolidated financial statements, and the associated supporting documents, with particular reference to changes in the drafting criteria for the separate and consolidated financial statements: as a result of the significant change in the Group's operating profile following the transfer of control of Mittel Generale Investimenti SpA together with the development of Group

activities in the Outlet sector, the company adopted financial statement layouts drafted in accordance with the provisions of IAS 1, with respect to the layouts adopted previously and prepared in accordance with the Provision of the Bank of Italy dated 16 December 2009 and subsequent updates.

The separate and consolidated financial statements are accompanied by the required declarations of conformity signed by the Executive Director and the Manager responsible for preparing the Company's financial reports;

- we verified the adequacy, from a methodological point of view, of the impairment process implemented to identify the existence of any losses of value of assets recorded in the financial statements;
- we checked that the Directors’ Report on Operations for the year 2011/2012 is compliant with the applicable laws and regulations, consistent with the resolutions adopted by the Board of Directors, with the events reported in the separate and consolidated financial statements and with the significant events after the close of the year.

  The consolidated half-yearly report did not require any observations from the Board of Statutory Auditors. The Half-yearly report and the quarterly reports were published in accordance with the law and regulations in force.

During the course of our monitoring activities, carried out according to the above methods, no significant events emerged which need to be reported to the control bodies, or mentioned in this report.

* * * * *

The specific indications to be provided with this report are listed below, according to the provisions of the above-mentioned CONSOB Communication of 6 April 2001 and subsequent updates.

1. We acquired information on the transactions of the greatest economic, financial and equity importance entered into during the year, also via subsidiaries, to confirm that they were carried out in compliance with the law and the Articles of Association and that they were not manifestly imprudent, hazardous or, in any case, as such to compromise the integrity of the company’s assets.

   In referring you to an illustration of the main initiatives undertaken during the year contained in the section “Significant events in the year” of the Directors’ Report, we certify that, as far as we are aware, these initiatives are shaped by the principles of proper administration and that problems relating to potential or possible conflicts of interest were carefully assessed.

2. We did not receive any information on atypical and/or unusual transactions in the year, including intercompany transactions or transactions with related parties.
3. Solely the main economic effects of ordinary intercompany transactions or transactions with related parties are indicated in the Directors' Report and in the Explanatory notes to the Separate and Consolidated Financial Statements.

   The Board of Statutory Auditors verified that these transactions conform to the law and to the Articles of Association, are in keeping with the company's interest and are not likely to give rise to doubts regarding their accuracy and the completeness of the associated financial statement information, the existence of conflicts of interests, the safeguarding of company assets and the protection of non controlling shareholders.
4. Independent Auditors Deloitte & Touche SpA, with whom we held periodic meetings during the year, to whom the audit was assigned, on today's date issued audit reports pursuant to art. 14 of Legislative Decree 39/2010, relating to the separate and consolidated financial statements as at 30 September 2012, also including the judgment of consistency required by art. 14, paragraph 2, letter e) of Legislative Decree 39/2010 and art. 123-bis of Legislative Decree no. 58/1998. These do not contain informative remarks or references.
5. No complaints were received from shareholders pursuant to art. 2408 of the Italian Civil Code.
6. No petitions or other reports were received.
7. During the year, in compliance with the legislation, the company assigned the company Deloitte & Touche SpA with the following offices in addition to the tasks envisaged by the audit:
   a) as part of the activities prior to the merger by incorporation of Tethys SpA and Hopa SpA:

   • Report on the examination of the pro-forma consolidated financial statements as at 30 September 2010 (consideration of EUR 65.000);

   • Report on the provisional data in the income statement for the 2011/2012 – 2013/2014 period (consideration of EUR 90.000).

   b) Vendor Due Diligence procedures (consideration of EUR 35.000).

   No critical aspects emerged during the year regarding the independence of the Independent Auditors, also taking into consideration the provisions of Legislative Decree no. 39/2010.
8. During the year, Deloitte Financial Advisory Services SpA, a company belonging to the network of the Independent Auditors Deloitte & Touche SpA, was assigned the job of performing the accounting and tax due diligence (consideration of EUR 26.000).

9. The Board of Statutory Auditors expressed a favourable judgment during the year on the appointment by the Board of Directors on 9 February 2012, in compliance with the provisions of art. 154-bis of the Consolidated Law on Finance and art. 9 of the Articles of Association, of Pietro Santicoli (Chief Operating Officer of Mittel SpA) as the "Manager responsible for preparing the Company's financial reports".
10. Fourteen meetings of the Board of Directors were held during the year, as well as twelve meetings of the Executive Committee, twelve meetings of the Board of Statutory Auditors, five meetings of the Internal Control Committee and two meetings of the Remuneration Committee.
11. We have no particular remarks to make on compliance with the principles of proper administration. In particular, also on the basis of findings that emerged during the meetings held with the Independent Auditors, the principles of proper administration were constantly observed.
12. On the basis of the knowledge acquired during the execution of the monitoring activities required by law, also realised through meetings with the Manager responsible for preparing the Mittel Group's financial reports, the Manager of the Internal Audit Department, the Internal Control Committee, representatives of the Independent Auditors Deloitte & Touche SpA, we acknowledge that, during the year, the organisational strengthening of the company and of the Group again continued. With specific reference to the management-accounting information system, we confirmed that this is suitable to provide the required information for the execution of company activities according to the guidelines indicated by the Board of Directors.
13. The internal control system appeared to be suited to the dimensional and management characteristics of the company, as also ascertained during the meetings of the Internal Control Committee to which, based on the regulations adopted by the Committee, the Board of Statutory Auditors is entitled to participate.

    In addition, the Manager of the Internal Audit Department and the entities in charge of internal control pursuant to the Corporate Governance Code for listed companies ensured the necessary functional and information collaboration regarding the execution of their institutional audit tasks, as well as on the outcomes of the checks carried out, also through participation in meetings of the Board of Statutory Auditors.
14. We have no observations to make on the adequacy of the administrative-accounting system and on its reliability to provide a proper representation of operating events. With reference to the accounting information contained in the separate and consolidated financial statements for the year ended as at 30 September 2012, we acknowledge the provision of the certification of the Executive Director and of the Manager responsible for preparing the

Company's financial reports pursuant to art. 154-bis of Legislative Decree 58/1998 and art. 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions.

15. We have no observations to make on the adequacy of information flows provided by the subsidiaries to the Parent Company aimed at ensuring the prompt fulfilment of the communication obligations required by law. The coordination of Group companies, pursuant to art. 114, paragraph 2, of Legislative Decree no. 58/1998, is also ensured by the presence, in the corporate bodies of the main subsidiaries, of Boards of Directors, of members of Top Management and members of the Board of Statutory Auditors of the Parent Company.
16. During the periodic meetings held by the Board of Statutory Auditors with the Independent Auditors, also in accordance with art. 150, paragraph 3, of Italian Legislative Decree no. 58/1998, no aspects came to light which need to highlighted in this Report.
17. The Board of Statutory Auditors monitored the actual methods of implementation of the corporate governance rules set forth by the Corporate Governance Code for listed companies promoted by Borsa Italiana SpA, as adopted by the company.

    Mittel adheres to the Corporate Governance Code approved in March 2006 and amended in March 2010 by Borsa Italiana SpA, as illustrated in the “Report on Corporate Governance and Ownership Structures” pursuant to art. 123-bis of Legislative Decree no. 58/1998. Owing to the close of the company year (30 September each year, as envisaged in art. 23 of the Articles of Association), the company will assess the adjustments required by the Corporate Governance Code, amended in December 2011 by Borsa Italiana SpA - taking into account the transitory regulations contained therein - during the course of the company year that will close on 30 September 2013, notifying the market with the Report on Corporate Governance to be published in the next year.

    The Board successfully verified the existence of the independence requirements of its members, and monitored the correct application of the procedures and criteria adopted by the Board of Directors for assessing the independence of its members.
18. The company did not carry out any treasury share transactions in the year.
19. The company currently has no stock-option plans in place.
20. We carried out normal monitoring activity in the year ended as at 30 September 2012, and said activity did not bring to light any omissions, censurable events or irregularities to be documented in this Report.
21. In terms of an overview of the monitoring activity carried out, we have no proposals to put forward, pursuant to art. 153, paragraph 2 of Legislative Decree 58/1998, regarding the separate financial statements, their approval and matters within our competence, and we have no observations to make regarding the proposed allocation of profit for the year.

Milan, 28/01/2013

The Board of Statutory Auditors

Giovanni Brondi

Alfredo Fossati

Flavio Pizzini

Deloitte.

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AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
MITTEL S.p.A.

1. We have audited the financial statements of Mittel S.p.A., which comprise the statement of financial position as of September 30, 2012, and the income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement for the year then ended, and the related explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   The financial statements present for comparative purposes prior year data and the statement of financial position as of October 1, 2010. As explained in the notes to the financial statements, the Directors have reclassified certain comparative data related to the prior year's financial statements and to the statement of financial position as of October 1, 2010 with respect to the data previously reported and audited by us, on which we issued auditors' reports dated January 27, 2012 and January 28, 2011, respectively. This reclassification was necessary because of a change in the financial statements structure.These revisions to comparative data and related disclosures included in the notes to the financial statements have been audited by us for the purpose of expressing our opinion on the financial statements as of September 30, 2012.

3. In our opinion, the financial statements give a true and fair view of the financial position of Mittel S.p.A. as of September 30, 2012, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005.

4. The Directors of Mittel S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the financial statements of Mittel S.p.A. as of September 30, 2012.

DELOITTE & TOUCHE S.p.A.

Signed by
Vittorio Frigerio
Partner

Milan, Italy
January 28, 2013

This report has been translated into the English language solely for the convenience of international readers.

Appendix:

APPENDIX ON CHANGES TO THE PRESENTATION LAYOUTS AND THE CLASSIFICATION CRITERIA APPLIED FOR THE DRAFTING OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS OF MITTEL S.p.A. AS AT 30 SEPTEMBER 2012

CHANGES TO THE PRESENTATION LAYOUTS AND THE CLASSIFICATION CRITERIA APPLIED FOR THE DRAFTING OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS OF MITTEL S.p.A. AS AT 30 SEPTEMBER 2012

Financial statement structure and classification criteria adopted by Mittel S.p.A. for the drafting of the separate financial statements and consolidated financial statements in previous years

Mittel S.p.A. (hereinafter also the "Company") drafts its separate and consolidated financial statements according to the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set out in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002 starting from the year ended 30 September 2006.

In particular, the separate and consolidated financial statements are prepared in accordance with IAS/IFRS, in compliance with the provisions of art. 82 of Issuers' Regulation no. 11971 of 14 May 1999, amended by Consob Resolution no. 14990 of 14 April 2005.

With reference to the financial statement presentation criteria adopted by the company, it should be noted that, for the purposes of uniformity and relevance in the application of the drafting criteria adopted by the subsidiary Mittel Generale Investimenti S.p.A., a company registered in the special list of Financial Intermediaries pursuant to art. 107 of Legislative Decree 385/1993 (Consolidated Law on Banking) and subject to monitoring by the Bank of Italy, the company availed itself, starting from the first financial statements drafted in compliance with IAS/IFRS, of financial statement layouts and recognition and classification criteria compliant with the instructions issued by the Bank of Italy on 22 December 2005, supplemented and adapted in accordance with the specific presentation requirements of the Mittel Group.

Furthermore, it should be noted that Mittel S.p.A. was registered in the section of the general list of financial intermediaries pursuant to art. 113 of the Consolidated Law on Banking, then repealed in accordance with Legislative Decree no. 141 of 13 August 2010, with the subsequent cancellation of the registered financial intermediaries.

Following the general repeal of the financial intermediaries pursuant to art. 113 of the Consolidated Law on Banking, the company was not registered in the list pursuant to art. 106 of the Consolidated Law on Banking, given it does not perform any significant financial activity for the purposes of said Consolidated Law on Banking according to the criteria of exclusion from the application of Legislative Decree 87/92, with particular regard to the incidence of financial activity on total activities carried out, to the entities with which these activities are performed and to the financial or non-financial composition of the investment portfolio.

In October 2010 (following the issuing of Legislative Decree 141/2010), the question of financial statement layouts and classification criteria to be adopted by companies that were registered in the general list of financial intermediaries pursuant to art. 113 of the Consolidated Law on Banking was put by Assirevi's Financial Services Commission to Bank of Italy, but there have been no announcements in this regard. In the absence of reference legal interpretations, according to the new legislation, no changes should take place that can affect the application of the financial statement layouts set forth by Legislative Decree 87/92, deemed possible yet non-mandatory.

Therefore, due to the needs for relevance and uniformity of presentation of the information on the statement of financial position, economic result and on changes to the financial structure and, at the same time, to avoid drafting criteria and techniques that are not homogeneous for the purposes of preparation of the consolidated financial statements, owing to the significance of the equity and financial items and of the economic result of the subsidiary Mittel Generale Investimenti S.p.A. for the consolidated results of the Group headed up by Mittel S.p.A., as regards the drafting of the separate and consolidated financial statements of Mittel S.p.A., in the past it was deemed appropriate to adopt financial statement layouts, classification and information criteria for the explanatory notes compliant with the provisions of the Bank of Italy set out to regulate the application of IAS/IFRS and adopted, as mandatory, by the subsidiary Mittel Generale Investimenti S.p.A. given a monitored financial intermediary.

I. Transfer of Mittel Generale Investimenti S.p.A.

On 24 July 2012, the Board of Directors of Mittel S.p.A. approved the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. to Liberata S.p.A., a company currently 36,5% owned by Istituto Atesino di Sviluppo - ISA S.p.A., 36,5% owned by Fondazione Cassa di Risparmio di Trento e Rovereto and 27% owned by Mittel S.p.A..

The transfer of Mittel Generale Investimenti S.p.A. was carried out on 25 July 2012, in accordance with the terms and conditions set out in the investment and purchase contract signed on 24 July 2012 by Mittel S.p.A., Istituto Atesino di Sviluppo – ISA S.p.A., Fondazione Cassa di Risparmio di Trento e Rovereto and Liberata S.p.A..
The purchase contract made provision for the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. by 25 July 2012, at a price of EUR 75 million, of which EUR 44,8 million to be paid on the date of execution of the transaction and EUR 30,2 million secured by a 30-month interest-bearing vendor loan.
The execution is subject to the stipulation of bank loans to Liberata S.p.A. totalling EUR 25 million, which augment the company's financial resources (share capital and shareholders' loan) for EUR 20 million, of which EUR 5,4 million pertains to Mittel S.p.A..
Through the transfer of control of the Mittel Generale Investimenti S.p.A. investment, Mittel S.p.A. confirmed its intention to pursue the objective of rationalising the Group's activities and focusing the hub of its activities on less capital intensive business with the simultaneous strengthening of the Mittel Group's equity and financial structure.
In addition, reduced interest in credit granting activities, as a result of the transfer, lastly involves a significant reduction in the concentration of financial risks for the Group.
investment or financing.

II. Changes in the classification format and criteria adopted for the drafting of the separate and consolidated financial statements in compliance with IAS/IFRS as at 30 September 2012

In compliance with the general requirement of uniformity of presentation in the financial statements, an entity must retain the presentation and classification of items in the financial statements from one year to the next, unless it is evident that, following a significant change in the nature of an entity's transactions or a review of the financial statements, another presentation or classification would be more appropriate, taking into account the criteria for the selection and application of the accounting standards defined in IAS 8.

The transfer of control of MGI is representative of a significant disposal which required a re-examination of the presentation methods of the financial statements, which meant the company considered it necessary to present its financial statements based on the adoption of new guidelines for the content and structure of the tables in the statement of financial position, income statement, statement of changes in shareholders' equity, cash flow statement and the associated explanatory notes, which are able to provide a better representation of the financial statements, adequately meeting the objectives of supplying information that is more relevant for financial statement users, a revised presentation structure that is likely to be used in the future and, at the same time, permits the required comparisons between accounting information.

The revision of the form and content of the financial statements involved the arrangement of new layouts for the tables in the statement of financial position, income statement, statement of changes in shareholders' equity and the cash flow statement, which was adopted on the basis of the following reference guidelines.
Items were identified which, in observance of the structure and content of the minimum information to be shown in the financial statements, are sufficiently different in nature or function to warrant separate presentation.

The statement of financial position layout adopted for the current year reflects the classification of items according to the current/non-current criterion whilst, for the income statement, the "by nature" layout was adopted for the classification of costs.
For each significant item shown in the aforementioned tables, the references to the subsequent explanatory notes are indicated, in which the relative information is provided and the breakdown and changes with respect to the previous year are detailed.

In particular, the changes in the structure of the financial statement layouts and classification criteria adopted concerned:

Layout of the statement of financial position
With reference to the assets and liabilities of the statement of financial position, a mixed form of presentation was adopted, with a distinction between current and non-current assets, according to IAS 1.
The layout of the statement of the financial position adheres to a presentation method which highlights the breakdown of current/non-current assets and liabilities and shows, under two separate items, "discontinued operations/assets held for sale" and "Liabilities related to discontinued operations/assets held for sale", as required by IFRS 5.

An asset/liability is classified as current when it meets one of the following criteria:

- it is expected to be realised/extinguished or sold or used during the normal operating cycle of the Group entity or
- is mainly held for trading or
- it is expected to be realised/extinguished within 12 months from the reporting date
- in the absence of all three conditions, assets/liabilities are classified as non-current.

Current assets include:

- assets destined to be realised, sold or consumed during the normal operating cycle of the Group entity;
- assets held mainly for trading;
- assets destined to be realised within 12 months from the reporting date; or
- the asset constituted by cash or cash equivalents (as defined in IAS 7) unless it is prohibited to exchange it or to use to extinguish a liability for at least twelve months from the reporting date

The operating cycle of an entity is the time that passes between the acquisition of assets for the production process and their generation of cash or cash equivalents. When the normal operating cycle of an entity is not clearly identifiable, its duration is presumed to be twelve months.
Current assets include assets (such as inventories and trade receivables) that are sold, used or realised as part of the normal operating cycle, even when they are not expected to be realised within twelve months from the reporting date.
Current assets also include assets held mainly for trading (some examples include financial assets classified as held for trading according to the provisions of IAS 39) and the current part of non-current financial assets.
All other assets are classified as non-current and mainly include property, plant and equipment, intangible assets and long-term investments.

Current liabilities include:

- liabilities destined to be extinguished during the normal operating cycle of the Group entities;
- liabilities held mainly for trading;
- liabilities that have to be extinguished within twelve months from the reporting date or for which the entity does not have an unconditional right to defer their settlement for at least twelve months from the reporting date.

All other liabilities are classified as non-current.
Certain current liabilities, such as trade payables, some provisions relating to personnel and other operating costs, are part of the working capital used in the normal operating cycle of the entity and are classified as current liabilities even if they are extinguished after twelve months from the reporting date.
Financial liabilities classified as current include bank overdrafts, the current portion of non-current financial liabilities, liabilities for income taxes and other non-commercial payables.
Financial liabilities which relate to long-term loans and do not have to be settled within twelve months from the reporting date are non-current liabilities.

Income statement layout
The income statement is drafted according to the layout with the classification of costs by nature, in compliance with the methods of drafting internal Group reports, showing the interim results relating to the Gross Operating Margin (EBITDA), Operating Result (EBIT) and the Income (loss) before taxes.

The Gross Operating Margin is calculated as the difference between operating revenues and costs, income from dividends received and capital gains/losses generated by the disposal of investments and non-current financial assets.

EBIT is determined as the difference between operating costs and revenues, income from dividends received, capital gains/losses generated by the disposal of investments and non-current financial assets and includes non-monetary operating costs relating to amortisation and write-downs of current and non-current assets, net of any write-backs and provisions for risks and charges.

Financial income and expenses include elements deriving from financial trading and financing activities, are represented separately from EBIT and include:

- income deriving from short or long-term loans granted;
- expenses deriving from the issuing of bonds, loans, mortgages and other short or long-term loans obtained;
- capital gains/losses generated by the purchase and transfer of current financial assets held for trading;
- changes in the value of current financial assets held for trading;
- expenses and income deriving from derivative financial instruments represented by contracts held for trading;
- changes in the value of derivative financial instruments represented by contracts held for trading;
- expenses and income deriving from derivative financial instruments recorded as interest rate hedging transactions (cash flow hedging derivatives);
- changes in the value of derivative financial instruments recorded as interest rate hedging transactions (cash flow hedging derivatives);

In addition, the economic results of continuing operations were separated from net profit/loss from discontinued operations/assets held for sale, as required by IFRS 5.

In order to permit a better measurement of the actual trend in ordinary operations, within the operating result, cost and revenue components deriving from events or transactions that are considered non-recurring due to their nature or the relevance of their amount, are indicated separately.
Non-recurring events or transactions are identified predominantly on the basis of the nature of the transactions. In particular, events which, owing to their nature, are not verified on a continuing basis as part of ordinary operations, are included under non-recurring expenses/income

The statement of other comprehensive income includes revenue and cost items that are not recorded under profit (loss) for the year, as required or permitted by the other IFRSs.
The items in the statement of other comprehensive income are as follows:

- changes in the revaluation reserve (see IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets);
- actuarial profits and losses from defined benefit plans recorded in compliance with paragraph 93A of IAS 19 Employee Benefits;
- profits and losses deriving from the translation of financial statements in foreign currency (see IAS 21 Effects of Changes in Foreign Exchange Rates);
- profits and losses from the redetermination of available-for-sale financial assets (see IAS 39 Financial Instruments: Recognition and Measurement);
- the effective part of the profits and losses on cash flow hedges (see IAS 39).

The statement of **changes in shareholders’ equity** illustrates the changes that took place in items of shareholders’ equity relating to:

- the statement of comprehensive income total for the year, showing total amounts attributable to shareholders of the Parent Company and those attributable to non controlling interests separately;
- each item of profit and loss net of taxes which, as required by IFRS, are either booked directly to shareholders’ equity (profits or losses from the buying/selling of treasury shares, actuarial profits and losses generated by the valuation of defined benefit plans) or have a contra-item in a shareholders’ equity reserve (share-based payments for stock option plans);
- allocation of the profit for the period of the Parent Company and of subsidiaries to non controlling shareholders;
- amounts relating to transactions with shareholders (purchase or sale of treasury shares);
- changes in the valuation reserves of derivative instruments hedging future cash flows net of taxes;
- changes in the valuation reserve of available-for-sale financial assets;
- the effect of any retroactive adjustments deriving from the application of changes in accounting standards.
- the effect deriving from retroactive adjustments deriving from the redeterminations of value to correct errors recorded in compliance with IAS 8.

Lastly, it should be noted that, in order to comply with the indications in Consob resolution no. 15519 of 27 July 2006 “Provisions governing financial statement layouts”, in addition to the mandatory tables, the appropriate consolidated statement of financial position and income statement tables were prepared, with evidence of the significant amounts of positions or transactions with related parties indicated separately from the respective reference items.

The **cash flow statement** was drafted by applying the indirect method, through which the pre-tax result was adjusted by the effects of non-monetary transactions, any deferment or provision of previous or future operating collections or payments and by elements of revenues or costs connected to the cash flows deriving from investment or financing activities.
In particular, with the indirect method, the net cash flow from operations is determined by adjusting the profit or loss for the effects of non-monetary items such as amortisations, provisions, deferred taxes, unrealised exchange gains and losses, undistributed profits of associates, and portions pertaining to third parties, variations in inventories and in receivables and payables generated by operations in the year and elements whose monetary effects are cash flows from investment or financing activities.

The cash flow statement must present cash flows that occurred during the year, classifying them under operating, investment and financing activities.

Operating activities represent the main generators of company revenues and other operating activities that are not investment or financing activities.
Investment activities include the purchase and the sale of fixed assets and other financial investments that do not fall under cash and cash equivalents.
Financing activity represents activities that involve a change of the size and composition of net capital and of the loans obtained by the company and the Group.

Cash flows deriving from operating activities relate mainly to income-generating activities and are presented by using the indirect method; according to said method, profit for the year is adjusted for the effects of items that did not involve disbursements during the year, or did not give rise to liquidity (monetary transactions).
Cash flows generated by operating activities derive principally from the main revenue-generating activities of the company. Therefore, they derive from management operations and other facts and transactions that contribute to the determination of profit or loss for the year.
Cash flows deriving from the purchase or sale of financial assets (prevalently movable securities) held for trading fall under operating activities.
Costs and income relating to interest are not included in cash flows generated by operations.
While tax expenses can easily be identifiable with investment or financing activities, the relative cash flows are often difficult to identify and may materialise in a different year from the cash flows of the underlying transaction. For this reason, taxes paid are classified as cash flows from operating activities.

Investment activities are indicated separately because they are, among other things, indicative of investments/disinvestments made with the objective of obtaining future revenues and positive cash flow.
Cash flows deriving from investment activities include: (a) payments to acquire property, plant and equipment, intangible assets and other fixed assets; (b) income from sales of property, plant and equipment, intangible assets and other long-term assets; (c) payments for the acquisition of equity instruments or debt instruments of other companies and investments in joint ventures (other than payments for securities similar to cash and cash equivalents or held for trading); (d) collections from the sale of equity instruments or debt instruments of other companies and investments in joint ventures (other than income for securities similar to cash and cash equivalents or held for trading); (e) advances and loans to third parties; (f) collections from the repayment of advances and loans to third parties; (g) payments for forward contracts, premium contracts and swap contracts except when contracts are held for commercial trading, or payments fall under financing activities; and (h) collections deriving from forward contracts, premium contracts and swap contracts except when contracts are held for trading, or collections fall under financing activities.
When a contract is recorded as a hedge of an identifiable position, cash flows related to the contract must be classified in the same way as cash flows connected with the position that was hedged.
Interest and dividends received are classified as cash flows from investment activities as they are income from financial investments.
Total cash flows deriving from the acquisition or disposal of subsidiaries or business units are presented separately and classified as investment activities.
The total value of collections and payments made as considerations for purchases or sales is presented in the cash flow statement net of cash and cash equivalents acquired or disposed of.

Cash flow from financing activity: financing activity represents activities that involve a change of the size and composition of shareholders' equity and of the loans obtained.
Cash flows deriving from financing activity include: (a) collections deriving from the issuing of shares or other equity instruments; (b) payments to shareholders to purchase or release company shares; (c) collections deriving from the issuing of bonds, loans, bills of exchange, fixed-income securities, mortgages and other short or long-term loans; (d) repayments of loans.

Dividends paid are classified as cash flows from financing activity as they represent a cost incurred to obtain financial resources.
Interest paid is classified as a cash flow from financing activity as it represent a cost incurred to obtain financial resources.

Cash and cash equivalents represent short-term and highly liquid financial investments which are readily convertible to known cash values and which are subject to an insignificant risk of a variation in their value.
Therefore, a financial investment is normally classified as cash and cash equivalents when short-term, i.e. with a duration of three months or less from the acquisition date.
In order for an investment to be considered as cash and cash equivalents it must be readily convertible to a known cash value and must be subject to an insignificant risk of a variation in its value.
Bank overdrafts which are repayable on demand form an integral part of the management of the cash and cash equivalents of a company.

III. Comparative information of the statement of financial position

The change which occurred in the structure and classification criteria adopted for the preparation of the financial statements for the year ended as at 30 September 2012 entailed the need to present three comparative statement of financial position tables which relate to:
- the close of the current year (30 September 2012);
- the close of the previous year (30 September 2011);
- the start of the first comparative year (1 October 2010).

IV. Statements of reconciliation of the statement of financial position and of the separate and consolidated income statement

The data published in the annual financial reports of Mittel S.p.A. for the years ended as at 30 September 2011 and as at 30 September 2010 which includes the balance sheet and income statement drafted in compliance with the financial statement format and classification criteria set out in Legislative Decree 87/92 and the provisions issued by the Bank of Italy, were subject to reclassifications to bring them into line with the new layouts drafted in application of IAS/IFRS.
These reclassifications did not have an impact on the separate and consolidated result and shareholders' equity of Mittel S.p.A. published previously.

The tables below show the reconciliation of the separate and consolidated statements of financial position with reference to the close of the previous year (30 September 2011) and the start of the first comparative year (1 October 2010), and the reconciliation of the separate and consolidated income statements at the close of the previous year.
These reconciliation statements were prepared in accordance with the provisions set forth by IAS 1, whose goal is to link the effects of the change in the presentation layout and classification criteria to the comparative values in the last set of financial statements, drafted in application of IAS/IFRS compliant with the instructions issued by the Bank of Italy in circular no. 154 of 14 February 2006 and in consideration of Legislative Decree no. 87 of 27 January 1992 with respect to the values presented in application of IFRSs issued by the International Accounting Standards Board ("IASB") and approved by the European Union as at 30 September 2012, as well as the provisions issued in implementation of art. 9 of Legislative Decree no. 38/2005.
IFRS also mean all revised international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

RECONCILIATION STATEMENTS - SEPARATE FINANCIAL STATEMENTS

STATEMENT OF RECONCILIATION BETWEEN THE STATEMENT OF FINANCIAL POSITION PURSUANT TO IAS/IFRS AND THE POSITION IN ACCORDANCE WITH LEGISLATIVE DECREE 87/92 AS AT 30 SEPTEMBER 2011

Amounts in EUR

IAS /IFRS for Legislative Decree 87/92	IAS /IFRS	Intangible assets	Property, plant and equipment	Investments	Non-current financial receivables	Other non-current financial assets	Sundry receivables and other non-current assets	Prepaid tax assets	Financial receivables	Other financial assets	Tax assets	Sundry receivables and other assets	Cash and cash equivalents	Assets held for sale
ASSETS														
10. CASH AND CASH EQUIVALENTS	1.450	-	-	-	-	-	-	-	-	-	-	-	1.450	-
20. FINANCIAL ASSETS HELD FOR TRADING	6.820.649	-	-	-	-	-	-	-	-	6.820.649	-	-	-	-
40. AVAILABLE-FOR-SALE FINANCIAL ASSETS	63.342.317	-	-	-	-	63.342.317	-	-	-	-	-	-	-	-
60. RECEIVABLES DUE FROM BANKS	950.506	-	-	-	-	-	-	-	-	-	-	-	950.506	-
65. RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS	12.880.839	-	-	-	12.782.298	-	-	-	81.620	-	-	16.921	-	-
70. RECEIVABLES DUE FROM CUSTOMERS	50.866.182	-	-	-	49.569.706	-	168.091	-	146.449	-	-	981.936	-	-
100. INVESTMENTS	145.438.962	-	-	145.438.962	-	-	-	-	-	-	-	-	-	-
110. PROPERTY, PLANT AND EQUIPMENT	472.920	-	472.920	-	-	-	-	-	-	-	-	-	-	-
120. INTANGIBLE ASSETS	27.408	27.408	-	-	-	-	-	-	-	-	-	-	-	-
130. TAX ASSETS														
a) current	2.966.090	-		-	-	-	-	-	-	-	2.966.090	-	-	-
b) deferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140. NON-CURRENT ASSETS HELD FOR SALE AND DISPOSAL GROUPS	45.714	-	-	-	-	-	-	-	-	-	-	-	-	45.714
160. OTHER ASSETS	3.090.099	-	649.859	-	-	-	-	-	-	-	-	2.440.240	-	-
TOTAL ASSETS	**286.903.136**	**27.408**	**1.122.779**	**145.438.962**	**62.352.004**	**63.342.317**	**168.091**	**-**	**228.069**	**6.820.649**	**2.966.090**	**3.439.097**	**951.956**	**45.714**

		Share capital	Share premium	Reserves	Profit (loss) for the year	Non-current financial payables	Other non-current financial liabilities	Provisions for personnel	Deferred tax liabilities	Sundry payables and other non-current liabilities	Financial payables	Other financial liabilities	Sundry payables and other liabilities	Liabilities held for sale
LIABILITIES														
10. PAYABLES DUE TO BANKS	83.564.625	-	-	-	-	-	-	-	-	-	83.564.625	-	-	-
15. PAYABLES DUE TO FINANCIAL INSTITUTIONS	297.833	-	-	-	-	-	-	-	-	-	-	-	297.833	-
20. PAYABLES DUE TO CUSTOMERS	5.836.508	-	-	-	-	-	-	-	-	-	5.000.000	-	836.508	-
70. TAX LIABILITIES													-	
a) current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) deferred	218.769	-	-	-	-	-	-	-	218.769	-	-	-	-	-
90. OTHER LIABILITIES	5.023.129	-	-	-	-	-	-	-	-	1.900.000	-	-	3.123.129	-
100. EMPLOYEE SEVERANCE INDEMNITY	423.452	-	-	-	-	-	-	423.452	-	-	-	-	-	-
110. PROVISIONS FOR RISKS AND CHARGES														
a) retirement and similar obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) other provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**95.364.316**	**-**	**-**	**-**	**-**	**-**	**-**	**423.452**	**218.769**	**1.900.000**	**88.564.625**	**-**	**4.257.470**	**-**
120. SHARE CAPITAL	70.504.505	70.504.505	-	-	-	-	-	-	-	-	-	-	-	
150. SHARE PREMIUM	53.716.218	-	53.716.218	-	-	-	-	-	-	-	-	-	-	-
160. RESERVES	130.310.616	-	-	130.310.616	-	-	-	-	-	-	-	-	-	-
170. VALUATION RESERVES	442.772	-	-	442.772	-	-	-	-	-	-	-	-	-	-
180. PROFIT (LOSS) FOR THE YEAR	(63.435.291)	-	-	-	(63.435.291)	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY	**191.538.820**	**70.504.505**	**53.716.218**	**130.753.388**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**286.903.136**	**70.504.505**	**53.716.218**	**130.753.388**	**(63.435.291)**	**-**	**-**	**423.452**	**218.769**	**1.900.000**	**88.564.625**	**-**	**4.257.470**	**-**

STATEMENT OF RECONCILIATION BETWEEN THE INCOME STATEMENT PURSUANT TO IAS/IFRS AND THE INCOME STATEMENT IN ACCORDANCE WITH LEGISLATIVE DECREE 87/92 AS AT 30 SEPTEMBER 2011

Amounts in EUR

	IAS /IFRS	Revenues	Other income	Costs for purchases	Costs for services	Personnel costs	Other costs	Dividends	Profit (loss) from management of financial activities and investments	Amortisation/depreciation	Allocations to the provision for risks	Value adjustments to financial assets and receivables	Value adjustments to investments	Financial income	Financial expenses	Profit (loss) from trading of financial assets	Income taxes	Income (loss) from assets held for sale
IAS /IFRS for Legislative Decree 87/92																		
10. INTEREST AND SIMILAR INCOME	891.284	-	-	-	-	-	-	-	-	-	-	-	-	891.284	-	-	-	-
20. INTEREST AND SIMILAR EXPENSES	(1.472.002)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.472.002)	-	-	-
INTEREST MARGIN	**(580.718)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**891.284**	**(1.472.002)**	**-**	**-**	**-**
30. COMMISSION INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40. COMMISSION EXPENSE	(496.141)	-	-	-	-	-	-	-	-	-	-	-	-	-	(496.142)	-	-	-
NET COMMISSIONS	**(496.141)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(496.142)**	**-**	**-**	**-**
50. DIVIDENDS AND SIMILAR INCOME	13.481.895	-	-	-	-	-	-	13.481.895	-	-	-	-	-	-	-	-	-	-
60. NET INCOME (LOSS) FROM TRADING ACTIVITY	(1.267.006)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.267.006)	-	-
90. NET INCOME (LOSS) FROM FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100. PROFIT (LOSS) FROM PURCHASES OR REPURCHASES OF																		
a) financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERMEDIATION MARGIN	**12.214.889**	**-**	**-**	**-**	**-**	**-**	**-**	**13.481.895**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.267.006)**	**-**	**-**
110. VALUE ADJUSTMENTS/WRITE-BACKS FOR IMPAIRMENT OF:																		
a) financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS) FROM FINANCIAL MANAGEMENT	**11.138.030**	**-**	**-**	**-**	**-**	**-**	**-**	**13.481.895**	**-**	**-**	**-**	**-**	**-**	**891.284**	**(1.968.144)**	**(1.267.006)**	**-**	**-**
110. ADMINISTRATIVE EXPENSES																		
a) personnel expenses	(3.269.692)	-	-	-	-	(2.881.240)	(388.452)	-	-	-	-	-	-	-	-	-	-	-
b) other administrative expenses	(4.454.519)	-	-	-	(4.963.781)	509.262	-	-	-	-	-	-	-	-	-	-	-	-
120. NET VALUE ADJUSTMENTS/WRITE-BACKS TO PROPERTY, PLANT AND EQUIPMENT	(99.800)	-	-	-	-	-	-	-	-	(99.800)	-	-	-	-	-	-	-	-
130. NET VALUE ADJUSTMENTS/WRITE-BACKS TO INTANGIBLE ASSETS	(53.861)	-	-	-	-	-	-	-	-	(53.861)	-	-	-	-	-	-	-	-
140. NET INCOME FROM FAIR VALUE MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150. NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160. OTHER OPERATING INCOME AND EXPENSES	1.813.889	1.856.881	180.059	-	-	-	-	-	-	(223.051)	-	-	-	-	-	-	-	-
INCOME (LOSS) FROM OPERATIONS	**5.074.047**	**1.856.881**	**180.059**	**-**	**(4.963.781)**	**(2.371.978)**	**(388.452)**	**13.481.895**	**-**	**(376.712)**	**-**	**-**	**-**	**891.284**	**(1.968.144)**	**(1.267.006)**	**-**	**-**
170. PROFIT (LOSS) OF INVESTMENTS	(68.968.681)	-	-	-	-	-	-	-	-	-	-	-	(68.968.681)	-	-	-	-	-
PROFIT (LOSS) FROM CURRENT OPERATIONS BEFORE TAXES	**(63.894.634)**	**1.856.881**	**180.059**	**-**	**(4.963.781)**	**(2.371.978)**	**(388.452)**	**13.481.895**	**-**	**(376.712)**	**-**	**-**	**(68.968.681)**	**891.284**	**(1.968.144)**	**(1.267.006)**	**-**	**-**
210. INCOME TAXES FOR THE YEAR ON CURRENT OPERATIONS	459.343	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	459.343	-
PROFIT (LOSS) FROM CURRENT OPERATIONS AFTER TAXES	**(63.435.291)**	**1.856.881**	**180.059**	**-**	**(4.963.781)**	**(2.371.978)**	**(388.452)**	**13.481.895**	**-**	**(376.712)**	**-**	**-**	**(68.968.681)**	**891.284**	**(1.968.144)**	**(1.267.006)**	**459.343**	**-**
PROFIT (LOSS) FOR THE YEAR	**(63.435.291)**	**1.856.881**	**180.059**	**-**	**(4.963.781)**	**(2.371.978)**	**(388.452)**	**13.481.895**	**-**	**(376.712)**	**-**	**-**	**(68.968.681)**	**891.284**	**(1.968.144)**	**(1.267.006)**	**459.343**	**-**

STATEMENT OF RECONCILIATION BETWEEN THE STATEMENT OF FINANCIAL POSITION PURSUANT TO IAS/IFRS AND THE POSITION IN ACCORDANCE WITH LEGISLATIVE DECREE 87/92 AS AT 01 OCTOBER 2010

Amounts in EUR

IAS /IFRS for Legislative Decree 87/92	IAS /IFRS	Intangible assets	Property, plant and equipment	Investments	Non-current financial receivables	Other non-current financial assets	Sundry receivables and other non-current assets	Prepaid tax assets	Financial receivables	Other financial assets	Tax assets	Sundry receivables and other assets	Cash and cash equivalents	Assets held for sale
ASSETS														
10. CASH AND CASH EQUIVALENTS	641	-	-	-	-	-	-	-	-	-	-	-	641	-
20. FINANCIAL ASSETS HELD FOR TRADING	8.087.655	-	-	-	-	-	-	-	-	8.087.655	-	-	-	-
40. AVAILABLE-FOR-SALE FINANCIAL ASSETS	52.985.844	-	-	-	-	52.985.844	-	-	-	-	-	-	-	-
60. RECEIVABLES DUE FROM BANKS	2.358.239	-	-	-	-	-	-	-	-	-	-	-	2.358.239	-
65. RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS	13.491.952	-	-	-	12.782.298	-	-	-	64.233	-	-	645.421	-	-
70. RECEIVABLES DUE FROM CUSTOMERS	87.318.728	-	-	-	86.062.237	-	-	-	561.717	-	-	694.774	-	-
100. INVESTMENTS	156.198.942	-	-	156.198.942	-	-	-	-	-	-	-	-	-	-
110. PROPERTY, PLANT AND EQUIPMENT	551.044	-	551.044	-	-	-	-	-	-	-	-	-	-	-
120. INTANGIBLE ASSETS	57.475	57.475	-	-	-	-	-	-	-	-	-	-	-	-
130. TAX ASSETS														
a) current	2.863.291	-	-	-	-	-	-	-	-	-	2.863.291	-	-	-
b) deferred	115.651	-	-	-	-	-	-	115.651	-	-	-	-	-	-
140. NON-CURRENT ASSETS HELD FOR SALE AND DISPOSAL GROUPS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160. OTHER ASSETS	2.844.936	-	869.910	-	-	-	153.677	-	-	-	-	1.821.349	-	-
TOTAL ASSETS	**326.874.398**	**57.475**	**1.420.954**	**156.198.942**	**98.844.535**	**52.985.844**	**153.677**	**115.651**	**625.950**	**8.087.655**	**2.863.291**	**3.161.544**	**2.358.880**	**-**

	IAS /IFRS	Share capital	Share premium	Reserves	Profit (loss) for the year	Non-current financial payables	Other non-current financial liabilities	Provisions for personnel	Deferred tax liabilities	Provisions for risks and charges	Sundry payables and other non-current liabilities	Financial payables	Other financial liabilities	Sundry payables and other liabilities	Liabilities held for sale
LIABILITIES															
10. PAYABLES DUE TO BANKS	59.598.739	-	-	-	-	-	-	-	-	-	-	59.598.739	-	-	-
15. PAYABLES DUE TO FINANCIAL INSTITUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20. PAYABLES DUE TO CUSTOMERS	389.337	-	-	-	-	-	-	-	-	-	-	-	-	389.337	-
70. TAX LIABILITIES															
a) current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) deferred	119.575	-	-	-	-	-	-	-	119.575	-	-	-	-	-	-
90. OTHER LIABILITIES	4.601.847	-	-	-	-	-	-	-	-	-	1.900.000	-	-	2.701.847	-
100. EMPLOYEE SEVERANCE INDEMNITY	327.582	-	-	-	-	-	-	327.582	-	-	-	-	-	-	-
110. PROVISIONS FOR RISKS AND CHARGES															
a) retirement and similar obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) other provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**65.037.080**	**-**	**-**	**-**	**-**	**-**	**-**	**327.582**	**119.575**	**-**	**1.900.000**	**59.598.739**	**-**	**3.091.184**	**-**
120. SHARE CAPITAL	70.504.505	70.504.505	-	-	-	-	-	-	-	-	-	-	-	-	-
150. SHARE PREMIUM	53.716.218	-	53.716.218	-	-	-	-	-	-	-	-	-	-	-	-
160. RESERVES	155.125.423	-	-	155.125.423	-	-	-	-	-	-	-	-	-	-	-
170. VALUATION RESERVES	255.529	-	-	255.529	-	-	-	-	-	-	-	-	-	-	-
180. PROFIT (LOSS) FOR THE YEAR	(17.764.357)	-	-	-	(17.764.357)	-	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY	**261.837.318**	**70.504.505**	**53.716.218**	**155.380.952**	**(17.764.357)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**326.874.398**	**70.504.505**	**53.716.218**	**155.380.952**	**(17.764.357)**	**-**	**-**	**327.582**	**119.575**	**-**	**1.900.000**	**59.598.739**	**-**	**3.091.184**	**-**

RECONCILIATION STATEMENTS - CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RECONCILIATION BETWEEN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION PURSUANT TO IAS/IFRS AND THE POSITION IN ACCORDANCE WITH LEGISLATIVE DECREE 87/92 AS AT 30 SEPTEMBER 2011

Amounts in EUR

IAS /IFRS for Legislative Decree 87/92		Intangible assets	Property, plant and equipment	Investments accounted for using the equity method	Non-current financial receivables	Other non-current financial assets	Sundry receivables and other non-current assets	Prepaid tax assets	Property inventories	Financial receivables	Other financial assets	Current tax assets	Sundry receivables and other assets	Cash and cash equivalents	Assets held for sale
ASSETS															
10. CASH AND CASH EQUIVALENTS	192.835	-	-	-	-	-	-	-	-	-	-	-	-	192.835	-
20. FINANCIAL ASSETS HELD FOR TRADING	41.342.234	-	-	-	-	-	-	-	-	-	41.342.234	-	-	-	-
30. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	2.213.615	-	-	-	-	2.213.615	-	-	-	-	-	-	-	-	-
40. AVAILABLE-FOR-SALE FINANCIAL ASSETS	141.706.350	-	-	-	-	141.706.350	-	-	-	-	-	-	-	-	-
60. RECEIVABLES DUE FROM BANKS	64.382.366	-	-	-	-	-	-	-	-	-	-	-	-	64.382.366	-
65. RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS	51.256.231	-	-	-	51.174.611	-	-	-	-	81.620	-	-	-	-	-
70. RECEIVABLES DUE FROM CUSTOMERS	341.347.392	-	-	-	163.719.573	-	-	-	-	174.580.559	-	-	3.047.260	-	-
90. INVESTMENTS	29.518.940	-	-	29.518.941	-	-	-	-	-	-	-	-	-	-	-
100. PROPERTY, PLANT AND EQUIPMENT	161.576.774	-	161.576.774	-	-	-	-	-	-	-	-	-	-	-	-
110. INTANGIBLE ASSETS	26.447.544	26.447.544	-	-	-	-	-	-	-	-	-	-	-	-	-
120. TAX ASSETS															
a) current	17.527.719	-	-	-	-	-	-	-	-	-	-	17.527.719	-	-	-
b) deferred	7.687.009	-	-	-	-	-	-	7.687.009	-	-	-	-	-	-	-
130. NON-CURRENT ASSETS HELD FOR SALE AND DISPOSAL GROUPS	1.003.793	-	-	-	-	-	-	-	-	-	-	-	-	-	1.003.793
140. OTHER ASSETS	7.633.295	-	655.328	-	-	-	331.300	-	-	-	-	102.108	6.463.691	80.867	-
150. PROPERTY INVENTORIES	103.653.643	-	-	-	-	-	-	-	103.653.643	-	-	-	-	-	-
TOTAL ASSETS	**997.489.740**	**26.447.544**	**162.232.102**	**29.518.941**	**214.894.184**	**143.919.965**	**331.300**	**7.687.009**	**103.653.643**	**174.662.179**	**41.342.234**	**17.629.827**	**9.510.951**	**64.656.068**	**1.003.793**

		Share capital	Share premium	Treasury shares	Reserves	Profit (loss) for the year	Shareholders' equity pertaining to non controlling interests	Non-current financial payables	Other non-current financial liabilities	Provisions for personnel	Deferred tax liabilities	Provisions for risks and charges	Sundry payables and other non-current liabilities	Financial payables	Other financial liabilities	Tax liabilities	Sundry payables and other liabilities	Liabilities held for sale
LIABILITIES																		
10. PAYABLES DUE TO BANKS	421.062.069	-	-	-	-	-	-	126.132.954	-	-	-	-	-	294.929.115	-	-	-	-
15. PAYABLES DUE TO FINANCIAL INSTITUTIONS	568.459	-	-	-	-	-	-	-	-	-	-	-	-	149	-	-	568.310	-
20. PAYABLES DUE TO CUSTOMERS	10.121.035	-	-	-	-	-	-	5.121.035	-	-	-	-	-	5.000.000	-	-	-	-
50. HEDGING DERIVATIVES	5.582.287	-	-	-	-	-	-	-	4.721.075	-	-	-	-	-	861.212	-	-	-
70. TAX LIABILITIES																		
a) current	334.481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334.481		-
b) deferred	38.426.359	-	-	-	-	-	-	-	-	-	38.426.357	-			-	-	-	-
90. OTHER LIABILITIES	32.232.695	-	-	-	-	-	-	2.884.957	-	-	-	-	1.900.000	-	-	349.629	27.098.110	-
100. EMPLOYEE SEVERANCE INDEMNITY	1.616.088	-	-	-	-	-	-	-	-	1.616.088	-	-	-	-	-	-	-	-
110. PROVISIONS FOR RISKS AND CHARGES																		
a) retirement and similar obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) other provisions	6.215.354	-	-	-	-	-	-	-	-	-	-	6.215.354	-	-	-	-	-	-
TOTAL LIABILITIES	**516.158.827**	**-**	**-**	**-**	**-**	**-**	**-**	**134.138.946**	**4.721.075**	**1.616.088**	**38.426.357**	**6.215.354**	**1.900.000**	**299.929.264**	**861.212**	**684.110**	**27.666.420**	**-**
120. SHARE CAPITAL	70.504.505	70.504.505	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
150. SHARE PREMIUM	53.716.218	-	53.716.218	-	-	-	-	-	-	-	-	-	-	-	-		-	-
160. RESERVES	207.259.214	-	-	-	207.259.213	-	-	-	-	-	-	-	-	-	-		-	-
170. VALUATION RESERVES	14.309.528	-	-	-	14.309.528	-	-	-	-	-	-	-	-	-	-		-	-
180. PROFIT (LOSS) FOR THE YEAR	(51.995.536)	-	-	-	-	(51.995.537)	-	-	-	-	-	-	-	-	-		-	-
190. SHAREHOLDERS' EQUITY PERTAINING TO NON CONTROLLING INTERESTS	187.536.984	-	-	-	-	-	187.536.987	-	-	-	-	-	-	-	-			-
TOTAL SHAREHOLDERS' EQUITY	**481.330.913**	**70.504.505**	**53.716.218**	**-**	**221.568.741**	**(51.995.537)**	**187.536.987**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**997.489.740**	**70.504.505**	**53.716.218**	**-**	**221.568.741**	**(51.995.537)**	**187.536.987**	**134.138.946**	**4.721.075**	**1.616.088**	**38.426.357**	**6.215.354**	**1.900.000**	**299.929.264**	**861.212**	**684.110**	**27.666.420**	**-**

STATEMENT OF RECONCILIATION BETWEEN THE CONSOLIDATED INCOME STATEMENT PURSUANT TO IAS/IFRS AND THE CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH LEGISLATIVE DECREE 87/92 AS AT 30 SEPTEMBER 2011

Amounts in EUR

IAS /IFRS for Legislative Decree 87/92	IAS /IFRS	Revenues	Other income	Variations in property inventories	Costs for purchases	Costs for services	Personnel costs	Other costs	Dividends	Profit (loss) from management of financial activities and investments	Amortisation and value adjustments to intangible assets	Allocations to the provision for risks	Value adjustments to financial assets and investments	Share of income (loss) of investments accounted for using the	Financial income	Financial expenses	Profit (loss) from trading of financial assets	Income taxes	Income (loss) from assets held for sale
10. INTEREST AND SIMILAR INCOME	15.846.408		-	-	-	-	-	-	-	-	-	-	-	-	5.843.847	-	-	-	10.002.561
20. INTEREST AND SIMILAR EXPENSES	(9.578.434)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.499.149)	-	- -	3.079.285
INTEREST MARGIN	**6.267.974**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.843.847**	**(6.499.149)**	**-**	**-**	**6.923.276**
30. COMMISSION INCOME	2.494.934	2.094.894		-	-	-	-	-	-	-	-	-	-	-	159.116	-	-	-	240.924
40. COMMISSION EXPENSE	(564.660)	-	-	-	-	(3.866)	-	-	-	-	-	-	-	-	-	(499.473)	-	-	(61.321)
NET COMMISSIONS	**1.930.274**	**2.094.894**	**-**	**-**	**-**	**(3.866)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**159.116**	**(499.473)**	**-**	**-**	**179.603**
50. DIVIDENDS AND SIMILAR INCOME	2.433.563	-	-	-	-	-	-	-	2.247.733	-	-	-	-	-	-	-	-	-	185.830
60. NET INCOME (LOSS) FROM TRADING ACTIVITY	(10.265.497)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.399.009)	-	(5.866.488)
70. NET INCOME (LOSS) FROM HEDGING ACTIVITY	(1.749.143)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.749.143)	-	-	-
80. NET INCOME (LOSS) FROM FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	(97.633)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(97.633)		-	-
90. PROFIT (LOSS) FROM PURCHASES OR REPURCHASES OF																			
a) financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERMEDIATION MARGIN	**(1.480.462)**	**2.094.894**	**-**	**-**	**-**	**(3.866)**	**-**	**-**	**2.247.733**	**-**	**-**	**-**	**-**	**-**	**6.002.963**	**(8.845.398)**	**(4.399.009)**	**-**	**1.422.221**
100. VALUE ADJUSTMENTS/WRITE-BACKS FOR IMPAIRMENT OF:																			
a) financial assets	(46.060.381)	-	-	-	-	-	-	-	-	-	-	-	(42.896.276)	-	-	-	-	-	(3.164.105)
b) financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS) FROM FINANCIAL MANAGEMENT	**(47.540.843)**	**2.094.894**	**-**	**-**	**-**	**(3.866)**	**-**	**-**	**2.247.733**	**-**	**-**	**-**	**(42.896.276)**	**-**	**6.002.963**	**(8.845.398)**	**(4.399.009)**	**-**	**(1.741.884)**
101. REVENUES FROM PROPERTY SALES AND SERVICES	15.678.700	15.678.700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
102. OTHER REVENUES	17.840.700	17.840.700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
103. VARIATIONS IN PROPERTY INVENTORIES	7.590.207	-	-	7.590.207	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
104. COSTS FOR RAW MATERIALS AND SERVICES	(21.244.289)	-	-	-	(21.244.289)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS) FROM FINANCIAL AND PROPERTY MANAGEMENT	**(27.675.525)**	**35.614.294**	**-**	**7.590.207**	**(21.244.289)**	**(3.866)**	**-**	**-**	**2.247.733**	**-**	**-**	**-**	**(42.896.276)**	**-**	**6.002.963**	**(8.845.398)**	**(4.399.009)**	**-**	**(1.741.884)**
110. ADMINISTRATIVE EXPENSES																			
a) personnel expenses	(10.390.629)	-	-	-	-	(2.625.992)	(6.615.222)	-	-	-	-	-	-	-	-	-	-	-	(1.149.415)
b) other administrative expenses	(21.047.036)	-	-	-	-	(17.833.118)	-	(1.978.103)	-	-	-	-	-	-	-	-	-	-	(1.235.815)
120. NET VALUE ADJUSTMENTS/WRITE-BACKS TO PROPERTY, PLANT AND EQUIPMENT	(7.468.431)	-	-	-	-	-	-	-	-	-	(7.378.149)	-	-	-		-	-	-	(90.282)
130. NET VALUE ADJUSTMENTS/WRITE-BACKS TO INTANGIBLE ASSETS	(86.945)	-	-	-	-	-	-	-	-	-	(86.945)	-	-	-	-	-	-	-	-
150. NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES	(66.274)	-	-	-	-	-	-	-	-	-	-	(66.274)	-	-	-	-	-	-	-
160. OTHER OPERATING INCOME AND EXPENSES	3.341.435	830.038	4.383.030	-	-	-	-	(1.423.879)	-	(745.789)	(223.169)	-	-	-	-	-	-	-	521.204
INCOME (LOSS) FROM OPERATIONS	**(63.393.405)**	**36.444.332**	**4.383.030**	**7.590.207**	**(21.244.289)**	**(20.462.976)**	**(6.615.222)**	**(3.401.982)**	**2.247.733**	**(745.789)**	**(7.688.263)**	**(66.274)**	**(42.896.276)**	**-**	**6.002.963**	**(8.845.398)**	**(4.399.009)**	**-**	**(3.696.192)**
170. PROFIT (LOSS) OF INVESTMENTS	3.240.330	-	-	-	-	-	-	-	-	4.925.369	-	-	(31.301)	(1.653.738)	-	-	-	-	-
175. VALUE ADJUSTMENTS TO GOODWILL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180. PROFIT (LOSS) FROM TRANSFER OF INVESTMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT (LOSS) FROM CURRENT OPERATIONS BEFORE TAXES	**(60.153.075)**	**36.444.332**	**4.383.030**	**7.590.207**	**(21.244.289)**	**(20.462.976)**	**(6.615.222)**	**(3.401.982)**	**2.247.733**	**4.179.580**	**(7.688.263)**	**(66.274)**	**(42.927.577)**	**(1.653.738)**	**6.002.963**	**(8.845.398)**	**(4.399.009)**	**-**	**(3.696.192)**
210. INCOME TAXES FOR THE YEAR ON CURRENT OPERATIONS	806.284	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	538.484	267.800
PROFIT (LOSS) FROM CURRENT OPERATIONS AFTER TAXES	**(59.346.791)**	**36.444.332**	**4.383.030**	**7.590.207**	**(21.244.289)**	**(20.462.976)**	**(6.615.222)**	**(3.401.982)**	**2.247.733**	**4.179.580**	**(7.688.263)**	**(66.274)**	**(42.927.577)**	**(1.653.738)**	**6.002.963**	**(8.845.398)**	**(4.399.009)**	**538.484**	**(3.428.392)**
220. PROFIT (LOSS) FROM NON-CURRENT ASSETS HELD FOR SALE AFTER TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT (LOSS) FOR THE YEAR	**(59.346.791)**	**36.444.332**	**4.383.030**	**7.590.207**	**(21.244.289)**	**(20.462.976)**	**(6.615.222)**	**(3.401.982)**	**2.247.733**	**4.179.580**	**(7.688.263)**	**(66.274)**	**(42.927.577)**	**(1.653.738)**	**6.002.963**	**(8.845.398)**	**(4.399.009)**	**538.484**	**(3.428.392)**

STATEMENT OF RECONCILIATION BETWEEN THE STATEMENT OF FINANCIAL POSITION PURSUANT TO IAS/IFRS AND THE POSITION IN ACCORDANCE WITH LEGISLATIVE DECREE 87/92 AS AT 01 OCTOBER 2010

Amounts in EUR

IAS /IFRS for Legislative Decree 87/92	IAS /IFRS	Intangible assets	Property, plant and equipment	Investments accounted for using the equity method	Non-current financial receivables	Other non-current financial assets	Sundry receivables and other non-current assets	Prepaid tax assets	Property inventories	Financial receivables	Other financial assets	Tax assets	Sundry receivables and other assets	Cash and cash equivalents	Assets held for sale
ASSETS															
10. CASH AND CASH EQUIVALENTS	4.901	-	-	-	-	-	-	-	-	-	-	-	-	4.901	-
20. FINANCIAL ASSETS HELD FOR TRADING	18.225.312	-	-	-	-	-	-	-	-	-	18.225.312	-	-	-	-
30. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40. AVAILABLE-FOR-SALE FINANCIAL ASSETS	134.136.974	-	-	-	-	134.136.974	-	-	-	-	-	-	-	-	-
60. RECEIVABLES DUE FROM BANKS	16.579.435	-	-	-	-	-	-	-	-	-	-	-	-	16.579.435	-
65. RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS	22.932.922	-	-	-	22.932.922	-	-	-	-	-	-	-	-	-	-
70. RECEIVABLES DUE FROM CUSTOMERS	269.802.339	-	-	-	98.758.657	-	-	-	-	171.043.682	-	-	-	-	-
90. INVESTMENTS	49.297.502	-	-	49.297.502	-	-	-	-	-	-	-	-	-	-	-
100. PROPERTY, PLANT AND EQUIPMENT	2.455.957	-	2.455.957	-	-	-	-	-	-	-	-	-	-	-	-
110. INTANGIBLE ASSETS	100.953	100.953	-	-	-	-	-	-	-	-	-	-	-	-	-
120. TAX ASSETS															
a) current	2.854.210	-	-	-	-	-	-	-	-	-	-	2.854.210	-	-	-
b) deferred	679.366	-	-	-	-	-	-	679.366	-	-	-	-	-	-	-
130. NON-CURRENT ASSETS HELD FOR SALE AND DISPO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140. OTHER ASSETS	4.741.446	-	908.017	-	-	-	146.562	-	-	-	-	-	3.686.867	-	-
150. PROPERTY INVENTORIES	79.828.059	-	-	-	-	-	-	-	79.828.059	-	-	-	-	-	-
TOTAL ASSETS	**601.639.376**	**100.953**	**3.363.974**	**49.297.502**	**121.691.579**	**134.136.974**	**146.562**	**679.366**	**79.828.059**	**171.043.682**	**18.225.312**	**2.854.210**	**3.686.867**	**16.584.336**	**-**

IAS /IFRS for Legislative Decree 87/92	IAS /IFRS	Share capital	Share premium	Treasury shares	Reserves	Profit (loss) for the year	Non controlling interests	Non-current financial payables	Other non-current financial liabilities	Provisions for personnel	Deferred tax liabilities	Provisions for risks and charges	Sundry payables and other non-current liabilities	Financial payables	Other financial liabilities	Tax liabilities	Sundry payables and other liabilities	Liabilities held for sale
LIABILITIES																		
10. PAYABLES DUE TO BANKS	208.665.703	-	-	-	-	-	-	25.000.000	-	-	-	-	-	183.665.703	-	-	-	-
15. PAYABLES DUE TO FINANCIAL INSTITUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20. PAYABLES DUE TO CUSTOMERS	18.960.094	-	-	-	-	-	-	2.147.918	-	-	-	-	-	15.212.394	-	-	1.599.782	-
50. HEDGING DERIVATIVES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70. TAX LIABILITIES																		
a) current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) deferred	3.629.866	-	-	-	-	-	-	-	-	-	3.629.866	-	-	-	-	-	-	-
90. OTHER LIABILITIES	8.487.514	-	-	-	-	-	-	760.000	-	-	-	-	1.900.000	-	-	-	5.827.514	-
100. EMPLOYEE SEVERANCE INDEMNITY	859.425	-	-	-	-	-	-	-	-	859.425	-	-	-	-	-	-	-	-
110. PROVISIONS FOR RISKS AND CHARGES																		
a) retirement and similar obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) other provisions	2.896.468	-	-	-	-	-	-	-	-	-	-	2.896.468	-	-	-	-	-	-
TOTAL LIABILITIES	**243.499.070**	**-**	**-**	**-**	**-**	**-**	**-**	**27.907.918**	**-**	**859.425**	**3.629.866**	**2.896.468**	**1.900.000**	**198.878.097**	**-**	**-**	**7.427.296**	**-**
120. SHARE CAPITAL	70.504.505	70.504.505	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150. SHARE PREMIUM	53.716.218	-	53.716.218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160. RESERVES	244.152.534	-	-	-	244.152.534	-	-	-	-	-	-	-	-	-	-	-	-	-
170. VALUATION RESERVES	19.414.566	-	-	-	19.414.566	-	-	-	-	-	-	-	-	-	-	-	-	-
180. PROFIT (LOSS) FOR THE YEAR	(37.801.674)	-	-	-	-	(37.801.674)	-	-	-	-	-	-	-	-	-	-	-	-
190. SHAREHOLDERS' EQUITY PERTAINING TO NON CONTROLLING INTERESTS	8.154.157	-	-	-	-	-	8.154.157	-	-	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY	**358.140.306**	**70.504.505**	**53.716.218**	**-**	**263.567.100**	**(37.801.674)**	**8.154.157**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**601.639.376**	**70.504.505**	**53.716.218**	**-**	**263.567.100**	**(37.801.674)**	**8.154.157**	**27.907.918**	**-**	**859.425**	**3.629.866**	**2.896.468**	**1.900.000**	**198.878.097**	**-**	**-**	**7.427.296**	**-**