Offices in Milan - Piazza A. Diaz 7
Share Capital EUR 87.907.017 fully paid-in
Listed in the Milan Register of Companies at no. 00742640154
www.mittel.it

Reports and Financial Statements

as at 30 September 2015

130th company year

Contents

"THIS IS A TRANSLATION OF THE ITALIAN FINANCIAL STATEMENTS AT 30 SEPTEMBER 2015 PREPARED SOLELY FOR THE CONVENIENCE OF INTERNATIONAL READERS. IN THE EVENT OF ANY AMBIGUITY THE ITALIAN TEXT WILL PREVAIL."

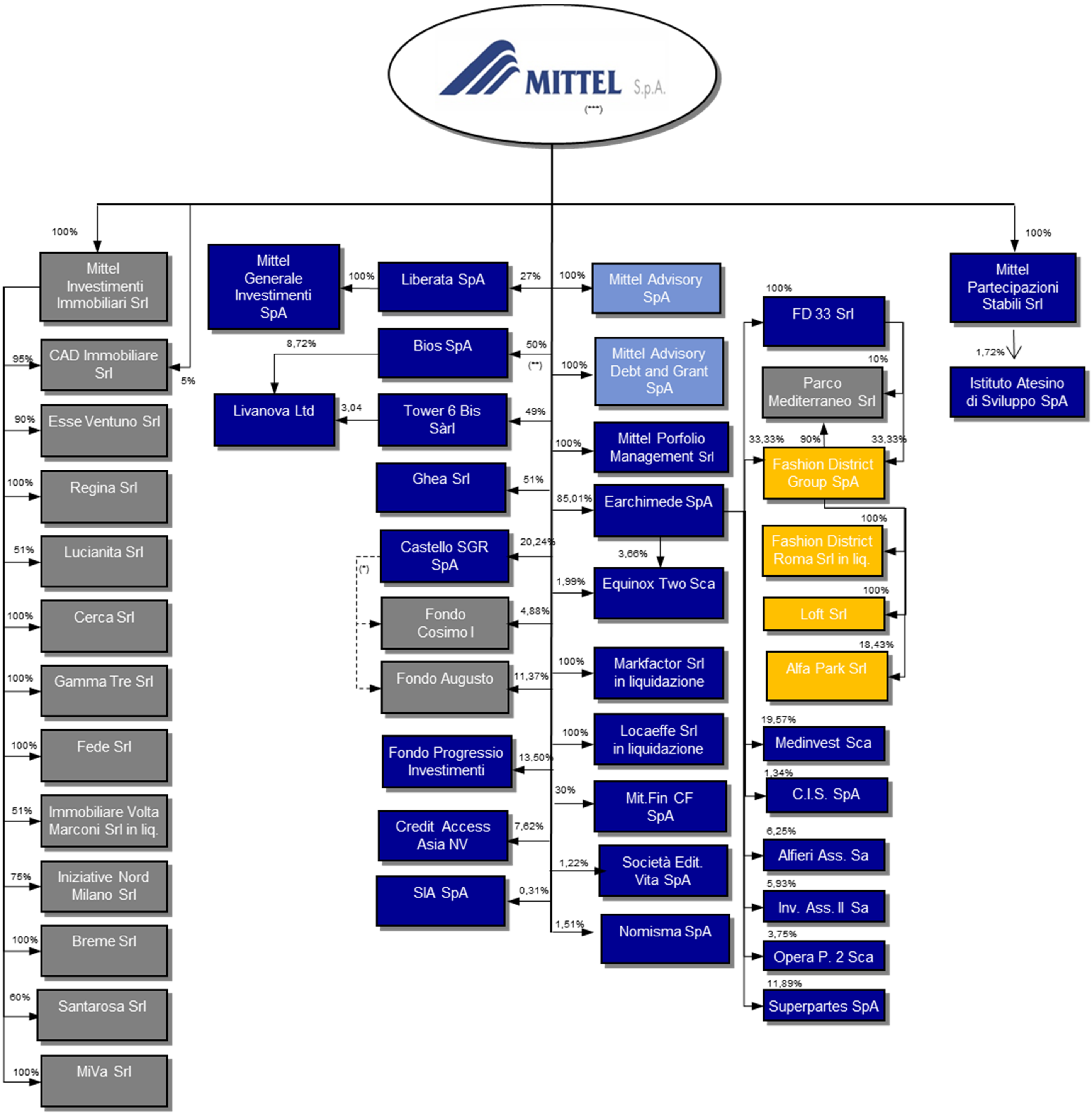
Corporate bodies

Board of Directors
Chairman
Franco Dalla Sega
Chief Executive Officer
Rosario Bifulco
Deputy Chairman
Giorgio Franceschi
Directors
Maria Vittoria Bruno (a) (b) (d)
Marco Colacicco
Michele Iori
Marco Merler (a) (b) (c)
Giuseppe Pasini
Duccio Regoli (a) (b) (d) (c)
Carla Sora (a) (c)
Michela Zeme (a) (d)
General Manager
Gaetano Casertano
Manager responsible for preparing the Company's financial reports
Pietro Santicoli

Board of Statutory Auditors
Standing auditors
Giovanni Brondi – Chairman
Maria Teresa Bernelli
Simone Del Bianco
Alternate auditors
Roberta Crespi
Giulio Tedeschi
Independent Auditors
Deloitte & Touche S.p.A.

(a) Independent Director
(b) Member of the Control and Risks Committee
(c) Member of the Remuneration and Appointments Committee
(d) Member of the Related Party Committee
The duration of the Company shall be until 31 December 2100, as stated in art. 4 of the Articles of Association.

Group Structure
as at 12 January 2016



Real Estate

Investments and Private Equity

Advisory and Grant Finance Services

Outlet

(*) management relationship

(**) of ordinary share capital

(***) it holds 11,386% of treasury shares

Group Performance

Dear Shareholders,

during the year, the Mittel Group continued with the process to restructure the services and operations currently provided. The Group undertook a process to redefine the business strategies, that will be included in the new business plan in the process of being drawn up. During the year ended as at 30 September 2015, the completion of the transfer of the entire share capital of Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l., and of the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets, together with the sale of the non-controlling stake in Azimut Benetti S.p.A., made a significant contribution to the improvement in the Group's net financial position for a total of EUR 120,3 million.

As at 30 September 2015, the consolidated equity of the Group amounted to EUR 283,8 million, marking an increase compared to EUR 280,6 million as at 30 September 2014, due to the increase in the valuation reserve, partially offset by the reduction related to the loss in the year. Non-controlling interests, totalling EUR 38,5 million, fell by EUR 0,5 million compared to EUR 39,0 million as at 30 September 2014. Total equity amounted to EUR 322,3 million, compared to EUR 319,6 million as at 30 September 2014.

The net financial position came to EUR 81,5 million, compared to EUR 201,8 million as at 30 September 2014, an improvement of EUR 120,3 million.

The consolidated financial statements for the year ended as at 30 September 2015 posted a loss of EUR 22,3 million, compared to a loss of EUR 33,6 million as at 30 September 2014.

The consolidated profit posted in the year 2014-2015 was influenced by the following elements:

- price adjustment of EUR 6,0 million as the compensation paid to Liberata S.p.A., the purchaser of Mittel Generale Investimenti S.p.A. in 2012, as a result of the stipulation of a settlement agreement on a guarantee issued by Mittel S.p.A. relating to the collectability of some receivables due to Mittel Generale Investimenti S.p.A.;
- loss related to the sale of the non-controlling stake in Azimut Benetti S.p.A. for EUR 2,7 million;
- write-downs of property inventories for EUR 6,2 million, in respect of the lengthy delay in the marketing of properties and the modification of some development plans;
- impairment on the investee Liberata S.p.A. for EUR 2,2 million;
- allocation of EUR 1,8 million for restructuring costs linked to the cessation of business activities of Fashion District Group S.p.A. as a result of the non-renewal of the service contract for the management of the Mantua and Molfetta outlets. In this regard, we should point out that the effect on the income statement of the sale of the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets and the two companies Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l. was acknowledged, for the relevant aspects, in the financial statements of the previous year. The sale transaction, finalised on 18 November 2014 with IDeA FIMIT SGR S.p.A. made provision for the payment of the consideration of EUR 120,1 million at the closing date, bringing a benefit of around EUR 115 million, in terms of the Mittel Group's net financial position, net of the cash tied up in the escrow account.

Financial highlights of the Mittel Group

Introduction

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

Economic summary

The economic, equity and financial tables below are shown in reclassified form with respect to those contained in the financial statements, 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)	30.09.2015	30.09.2014
Revenues	**16.980**	**41.453**
Purchases, provision of services, sundry costs	(29.087)	(45.882)
Personnel costs	(9.363)	(11.675)
Operating costs	**(38.450)**	**(57.558)**
Income (expenses) from investments	4.547	13.571
Operating margin (EBITDA)	**(16.923)**	**(2.533)**
EBITDA %	*(99,67)%*	*(6,11)%*
Amortisation/depreciation, allocations and adjustments to non-current assets	(3.078)	(29.180)
Value adjustments to financial assets and receivables	(3.757)	(25.963)
Value adjustments to investments	-	-
Share of income (loss) of investments	(1.362)	25.787
Income (loss) from non-recurring transactions net of tax	176	(13.155)
Operating result (EBIT) (*)	**(24.944)**	**(45.044)**
EBIT %	*(146,90)%*	*(108,66)%*
Income (loss) from financial management	(2.094)	(15.200)
Income (loss) from trading of financial assets	5.357	2.426
Income (loss) before taxes (*)	**(21.682)**	**(57.818)**
Taxes	(1.524)	5.870
Net income (loss) for the year	**(23.205)**	**(51.948)**
Income (loss) pertainig to non controlling interests	887	18.358
Income (loss) pertainig to the Group	**(22.318)**	**(33.590)**

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

The income statement figures commented on refer to the reclassified tables shown above; details on the most significant items are shown below:

- **Revenues**: the item includes revenues, other income and the change in property inventories and amounted to EUR 17,0 million, compared to EUR 41,5 million as at 30 September 2014, marking a decrease of EUR 24,5 million. This variation is the combined result of lower revenues of EUR 33,3 million (from EUR 52,0 million as at 30 September 2014 to EUR 18,7 million as at 30 September 2015), of which EUR 26,4 million attributable to the lower contribution from the Outlet sector and the fall in other income (from EUR 5,3 million as at 30 September 2014 to EUR 1,5 million as at 30

September 2015), partly offset by the increase of EUR 12,6 million inferred from a comparison between the change in property inventories (i.e. the net value between the increase in inventories for property development and the reduction for the sales of living units and write-downs) of the two periods (from a negative EUR 15,9 million as at 30 September 2014 to a negative EUR 3,3 million as at 30 September 2015)

- **Costs for purchases, provision of services, other**: this item is comprised of costs for purchases of EUR 6,3 million (EUR 2,9 million in the previous year), costs for services of EUR 17,0 million (EUR 37,2 million in the previous year), other costs of EUR 5,7 million (EUR 5,8 million in the previous year). The increase in costs for purchases is attributable to more construction activity in the Real Estate sector, with particular reference to the vehicle Santarosa S.r.l. which made a contribution of EUR 5,0 million to the item in the year (EUR 0,4 million as at 30 September 2014). The decrease in costs for services is due mainly, for EUR 15,6 million out of a total of EUR 20,2 million, to the decrease deriving from the contribution of the Outlet sector.

- **Personnel costs**: this item amounted to EUR 9,4 million, posting decrease of EUR 2,3 million compared to EUR 11,7 million in the previous year. This decrease is attributable, for EUR 1,6 million, to the lower costs of the Outlet sector and, for EUR 1,8 million, to the reduced costs of the Advisory sector, partly offset by an increase in the costs of the Real Estate and Holding sectors.

- **Income and expenses from investments**: this item is composed of dividends of EUR 2,0 million (EUR 7,7 million in the previous year) and profit from management of financial activities and investments of EUR 2,6 million (EUR 5,9 million in the previous year). Dividends are attributable to the distribution of the Fondo Immobiliare Augusto (EUR 0,6 million), Progressio SGR S.p.A. (EUR 0,5 million), the distributions of non-controlling interests in listed companies held through Mittel Partecipazioni Stabili S.r.l. and other securities held by Mittel S.p.A. (EUR 0,3 million). The item profit from management of financial activities and investments is mainly attributable, for EUR 11,7 million, to the partial disposal of the portfolio of listed securities (UBI Banca S.p.A. and Intesa Sanpaolo S.p.A.), carried out during the year by the subsidiary Mittel Partecipazioni Stabili S.r.l. and, for EUR 0,3 million, to the contribution of Earchimede S.p.A.; these amounts were partially offset by the losses realised by Mittel S.p.A. on the investee Azimut Benetti S.p.A. for EUR 2,7 million and on Fondo Progressio Investimenti II (Progressio Investimenti II Fund) for EUR 0,8 million as well as, for EUR 6,0 million, by the loss deriving from the compensation recognised to Liberata S.p.A. for the stipulation of the settlement agreement, in respect of the guarantee issued on the collectability of certain receivables due to Mittel Generale Investimenti S.p.A., subject to transfer to Liberata S.p.A. in 2012.

- **Operating margin (EBITDA)**: a negative EUR 16,9 million, compared to a negative EUR 2,5 million in the previous year, marking a decrease of EUR 14,4 million.

- **Amortisation/depreciation, allocations and adjustments to non-current assets**: EUR 3,1 million, compared to EUR 29,2 million in the previous year. The item is composed of amortisation and value adjustments on intangible assets for EUR 0,7 million, compared to EUR 22,6 million in the previous year, and allocations to the provision for risks of EUR 2,4 million, compared to EUR 6,6 million in the previous year. The item is attributable to the contribution of the Outlet sector (EUR 2,0 million), the contribution of the Real Estate sector (EUR 0,5 million) and the Advisory sector (EUR 0,5 million). In particular, as regards the contribution of the Outlet sector, it should be underlined that, for the share of EUR 1,8 million, the cost is attributable to the restructuring costs to be incurred as a result of the cessation of business activities and of the subsequent collective dismissal due to the non-renewal of the service contract for the management of the Mantua and Molfetta outlets.

- **Value adjustments to financial assets and receivables**: amounting to EUR 3,8 million (EUR 26,0 million as at 30 September 2014), mainly comprised, for EUR 1,4 million, of the value adjustments recorded by Fashion District Group S.p.A. on receivables recorded by it, for EUR 0,8 million, of impairment of two credit positions effected by the subsidiaries Locaeffe S.r.l. and Markfactor S.r.l., both in liquidation, for EUR 0,6 million to Mittel S.p.A. and Earchimede S.p.A. in relation to their investments in private equity funds and foreign investment vehicles, for EUR 0,4 million for the write-down of receivables deemed non-collectible in the real estate sector and, lastly, for EUR 0,4 million for Mittel Advisory S.p.A..

- **Share of income (loss) of investments**: this item, amounting to a negative EUR 1,4 million, recorded a decrease of EUR 24,4 million compared to the previous year. The previous year was impacted by the pro-rata result of the investment in Brands Partners 2 S.p.A. in liquidation owing to the sale of Moncler S.p.A. securities.

- **Income (loss) from non-recurring transactions after taxes**: amounting to a positive EUR 0,2 million, refers to the effect of the transfer of the companies Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l. and the associated property complexes, and is in contrast to a negative EUR 13,2 million, net of taxes, last year.

- **Operating result (EBIT)**: a loss of EUR 24,9 million compared to a loss of EUR 45,0 million in the previous year.

- **Income (loss) from financial management**: amounting to a loss of EUR 2,1 million compared to a loss of EUR 15,2 million in the previous year, marking an improvement of EUR 13,1 million. The item is mostly attributable to the negative contribution of EUR 6,6 million from the Parent Company Mittel S.p.A., influenced by interest accrued on the bond and on bank loans, in contrast to the positive contribution of EUR 4,6 million from the subsidiary Ghea S.r.l., for the receivable due to the latter from Bios S.p.A..

- **Income (loss) from trading of financial assets**: amounting to EUR 5,4 million, compared to EUR 2,4 million in the previous year, marking an increase of EUR 3,0 million. The item is composed of the income from the trading of securities for EUR 4,9 million, augmented by the profit obtained from derivative instrument transactions for EUR 0,8 million, partially offset by the market valuation of the trading securities in the portfolio as at 30 September 2015 (a negative EUR 0,3 million);

- **Taxes**: a negative EUR 1,5 million, compared to a positive EUR 5,9 million in the previous year, marking a decrease of EUR 7,4 million. The item is composed primarily of the contribution of EUR 1,2 million from the subsidiary Ghea S.r.l..

Main financial and equity figures of the Group

(Thousands of Euro)	30.09.2015	30.09.2014
Intangible assets	147	310
Property, plant and equipment	854	1.669
Investments	87.968	56.184
Non-current financial assets	207.969	243.231
Non-current assets (liabilities) held for sale	-	120.317
Provisions for risks, employee severance indemnity and employee benefits	(7.148)	(13.996)
Other non-current assets (liabilities)	(475)	(618)
Tax assets (liabilities)	139	1.428
Net working capital (*)	114.337	112.937
Net invested capital (**)	**403.792**	**521.462**
Shareholders' equity	(283.805)	(280.605)
Non controlling interests	(38.483)	(39.015)
Total shareholders' equity	**(322.288)**	**(319.620)**
Net financial position (***)	**(81.504)**	**(201.842)**

(*) Comprised of the sum of property inventories and sundry receivables (payables) and other current assets (liabilities)
(**) As at 30 September 2014 does not include the Net financial position of EUR 50,8 million of the Group of Assets and Liabilities classified as held for sale pursuant to IFRS 5
(**) As at 30 September 2014 includes the Net financial position of EUR 50,8 million of the Group of Assets and Liabilities classified as held for sale pursuant to IFRS 5.

Intangible assets amounted to EUR 0,1 million, down compared to EUR 0,3 million in the year ended as at 30 September 2014.

Property, plant and equipment totalled EUR 0,9 million compared to EUR 1,7 million in 2013-2014, representing a decrease of EUR 0,8 million, attributable to the disposals and depreciation of the assets owned by Fashion District Roma S.r.l. in liquidation following the transfer to RREEF Inv. Gmbh of ownership of the business unit including the commercial licences relating to management of the Valmontone factory outlet (Rome).

Investments valued using the equity method totalled EUR 88,0 million, marking an increase of EUR 31,8 million compared to EUR 56,2 million in the year 2013-2014. The increase is mainly due to the higher value of the vehicles Bios S.p.A. and Tower 6 Bis S.à.r.l., equal to EUR 24,3 million and EUR 9,5 million respectively, which hold shares in Livanova Plc..

Non-current financial assets amounted to EUR 208,0 million, compared to EUR 243,2 million in 2013-2014, marking a decrease of EUR 35,2 million. This variation is due to the combined effect of the increase of EUR 16,7 million in non-current financial receivables, in contrast to the decrease of EUR 52,0 million in the value of other financial assets. The item ‘non-current financial receivables’ recorded an increase, for an amount of EUR 5,0 million, for the term current account as guarantee established in accordance with the contract for the transfer of the factory outlets to IDeA FIMIT SGR S.p.A., for EUR 3,8 million for the loan disbursed to Alfa Park S.r.l. by Fashion District Group S.p.A., for an amount of EUR 3,6 million, for the higher value of the receivable of Ghea S.r.l. from Bios S.p.A., for an amount of EUR 1,5 million for the classification under non-current assets of two credit positions reclassified on the basis of the changed time period in which the collection is presumed to be realised and, for the residual portion, mainly based on interest accrued on non-current loans provided to Liberata S.p.A. and Montini S.p.A., whose payment is envisaged on expiry. The decrease in other financial assets is mainly due, for EUR 23,5 million, to the reclassification under current financial assets of the entire portfolio of listed shares held by Mittel Partecipazioni Stabili S.r.l., for EUR 23,5 million, to the decrease in assets held by Mittel S.p.A., of which EUR 20,2 million deriving from the transfer of Azimut Benetti S.p.A., and for EUR 2,9 million to the decrease registered in Earchimede S.p.A. on financial assets held by the latter, and mostly relating to the liquidation of the foreign investment vehicle Alfieri Associated Investors S.A., which distributed a total of EUR 3,1 million during the year.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 7,1 million, compared to EUR 14,0 million in 2013-2014, marking a decrease of EUR 6,9 million. In particular, as at 30 September 2015, this item is composed, for EUR 1,8 million, of *Provisions for personnel* (EUR 2,3 million as at 30 September 2014) and, for EUR 5,4 million, of *Provisions for risks and charges* (EUR 11,7 million as at 30 September 2014). The decrease in the provision for risks and charges is due mainly to the use of EUR 5,3 million in relation to Mittel S.p.A., aimed at covering part of the total expense relating to the settlement agreements signed in July between Mittel S.p.A. and Liberata S.p.A.; for the contents, refer to the section "significant events in the year".

The item **other net non-current liabilities** totalled EUR 0,5 million, essentially unchanged with respect to the figure in 2013-2014.

Net tax assets amounted to EUR 0,1 million, composed of the sum of deferred tax assets of EUR 4,6 million and current tax assets of EUR 14,7 million, in contrast to deferred tax liabilities of EUR 17,7 million and current tax liabilities of EUR 1,5 million.

Net working capital amounted to EUR 114,3 million, compared to EUR 112,9 million as at 30 September 2014. The item net working capital is composed of the value of Property inventories of EUR 109,8 million (EUR 115,8 million in the financial statements of the previous year), sundry receivables and other current assets totalling EUR 16,1 million (EUR 23,4 million in the financial statements of the previous year) and sundry payables and other current liabilities amounting to EUR 11,6 million (EUR 26,2 million in last year's financial statements). The reduction in sundry receivables is mainly due to the collection in August 2015 of the tax receivable of former Bios due from the Italian Revenue Agency amounting to EUR 7,2 million. The reduction in sundry payables of EUR 14,6 million is mainly due to deferred payment of EUR 7,2 million by Mittel S.p.A. to Bios S.p.A. for the purchase in 2011 of the tax receivable due to the latter from the Italian Revenue Agency described above, as well as the reduction of EUR 5,2 million in sundry payables, recorded by the subsidiary Fashion District Group S.p.A., as a result of the downsizing of its activities following completion of the transfer of the factory outlets.

As a result, **net invested capital** decreased by EUR 117,7 million to EUR 403,8 million, mainly a result of the transfers of the outlet property complexes, and is financed by equity for EUR 322,3 million and by the net financial position for EUR 81,5 million.

Equity pertaining to the Group amounted to EUR 283,8 million, marking an increase of EUR 3,2 million, while non-controlling interests, amounting to EUR 38,5 million, decreased by EUR 0,5 million. Total equity thus amounted to EUR 322,3 million, marking an increase of EUR 2,7 million on the EUR 319,6 million in the previous year. The increase in equity pertaining to the Group is mainly attributable to the higher value of the valuation reserve relating to the investments held by Mittel S.p.A. in the vehicles that own shares in the company Livanova Plc, or Bios S.p.A. and Tower 6 bis S.à.r.l., valued at equity and which recorded, during the period, an overall increase of EUR 34,1 million in the value of the reserve (and EUR 24,3 million and EUR 9,9 million respectively), which contrasts with the decrease deriving from the loss of EUR 23,2 million recorded in the year, as well as the drop of EUR 7,2 million in the valuation reserve relating to the transfer of the securities held by Mittel Partecipazioni Stabili S.r.l..

As a result of a decrease in net invested capital and essentially unchanged consolidated equity, the net financial position (negative) decreased by a total of EUR 120,3 million to EUR 81,5 million. This improvement is primarily attributable to the collection, amounting to around EUR 115 million, which took place at the same time as completion of the transfer by the Fashion District Group of the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets. As regards the payment relating to the factory outlets, it should be noted that this income allowed the extinguishment of bank payables relating to the Fashion District Group amounting to around EUR 52,0 million and the generation of cash totalling roughly EUR 70,0 million (of which EUR 5,0 million restricted as guarantee). It should be noted that the cash and cash equivalents net of bank payables totalled EUR 3,7 million as at 30 September 2015, marking an improvement of EUR 136,7 million compared to 30 September 2014.

Statement relating to the net financial position

(Thousands of Euro)	30.09.2015	30.09.2014	Variation
Cash	15	706	(691)
Other cash equivalents (*)	100.583	35.887	64.696
Securities held for trading (**)	20.074	15.812	4.262
Current liquidity	**120.673**	**52.405**	**68.268**
Current financial receivables (*)	**911**	**20.294**	**(19.383)**
Bank payables	(96.870)	(168.912)	72.042
Bonds	(98.553)	(97.974)	(578)
Other financial payables	(7.664)	(7.655)	(9)
Financial debt	**(203.087)**	**(274.541)**	**71.454**
Net financial position	**(81.504)**	**(201.842)**	**120.339**

(*) as at 30 September 2014, the item other cash equivalents included EUR 3,1 million in amounts owed classified under current financial receivables in the financial statements, referring to the giro account in place between Earchimede S.p.A. and the investee Mittel Generale Investimenti S.p.A.. This inclusion reflects the fact that the receivables can readily be converted to a known amount of cash, with no risk of a change in the value.
(**) Available-for-sale assets posted under current assets and financial assets held for trading were reclassified to this item.

INCOME STATEMENT BY BUSINESS SEGMENT AND CONTRIBUTIONS TO GROUP RESULTS

as at 30 September 2015

Figures in millions of Euro	30 September 2015										
AGGREGATE / CONSOLIDATED	**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 non-recurring transactions net of taxes**	**Taxes**	**Income (loss) pertaining to non controlling interests**	**Income (loss) pertaining to the Group**
Real Estate Sector	3,2	(9,3)	0,6	(1,1)	0,0	(4,4)	0,0	0,0	(0,1)	(0,6)	(10,5)
Advisory Sector	3,5	(3,6)	0,0	(0,9)	0,0	(0,2)	0,0	0,0	(0,0)	0,0	(1,1)
Investments and PE Sector	2,0	(16,1)	4,0	(1,4)	(1,4)	2,6	5,4	0,0	(1,3)	1,8	8,1
Outlet Sector	8,9	(10,2)	0,0	(3,5)	0,0	(0,1)	0,0	0,2	(0,0)	(2,1)	(2,6)
IC ELIMINATION	(0,6)	0,6	0,0	0,0	0,0	(0,0)	0,0	0,0			
CONSOLIDATED TOTAL	**17,0**	**(38,5)**	**4,5**	**(6,8)**	**(1,4)**	**(2,1)**	**5,4**	**0,2**	**(1,5)**	**(0,9)**	**(22,3)**

as at 30 September 2014

Figures in millions of Euro	30 September 2014										
AGGREGATE / CONSOLIDATED	**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 non-recurring transactions net of taxes**	**Taxes**	**Income (loss) pertaining to non controlling interests**	**Income (loss) pertaining to the Group**
Real Estate Sector	(2,8)	(5,3)	0,7	(1,6)	0,0	(4,4)	0,0	0,0	(1,7)	(3,1)	(12,0)
Advisory Sector	4,4	(6,2)	0,0	(8,8)	0,0	(0,3)	0,0	0,0	(0,1)	0,0	(10,9)
Investments and PE Sector	4,4	(18,6)	12,9	(17,8)	25,8	(2,2)	2,4	0,0	1,4	(0,1)	8,6
Outlet Sector	36,3	(28,3)	0,0	(27,0)	0,0	(8,3)	0,0	(13,2)	6,2	(15,1)	(19,2)
IC ELIMINATION	(0,9)	0,9	0,0	0,0	0,0	(0,0)	0,0	0,0			
CONSOLIDATED TOTAL	**41,5**	**(57,6)**	**13,6**	**(55,1)**	**25,8**	**(15,2)**	**2,4**	**(13,2)**	**5,9**	**(18,4)**	**(33,6)**

STRUCTURE OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY BUSINESS SEGMENT

as at 30 September 2015

Figures in millions of Euro	30 September 2015										
AGGREGATE / CONSOLIDATED	**Net working capital**	**Fixed assets**	**Other assets (liabilities)**	**Assets (liabilities) held for sale (*)**	**Invested capital**	**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	112,0	18,4	(1,0)	0,0	129,4		(93,7)	35,6		2,0	33,6
Advisory Sector	2,8	0,1	0,2	0,0	3,1		0,3	3,5		0,0	3,5
Investments and PE Sector	(1,8)	266,7	2,0)	0,0	266,9		(17,8)	249,1		21,7	227,4
Outlet Sector	1,4)	11,7	(8,7)	0,0	4,4		29,7	34,1		14,8	19,3
IC ELIMINATION	0,0	0,0	0,0	0,0	0,0		0,0				
CONSOLIDATED TOTAL	**114,3**	**296,9**	**(7,5)**	**0,0**	**403,8**		**(81,5)**	**322,3**		**38,5**	**283,8**

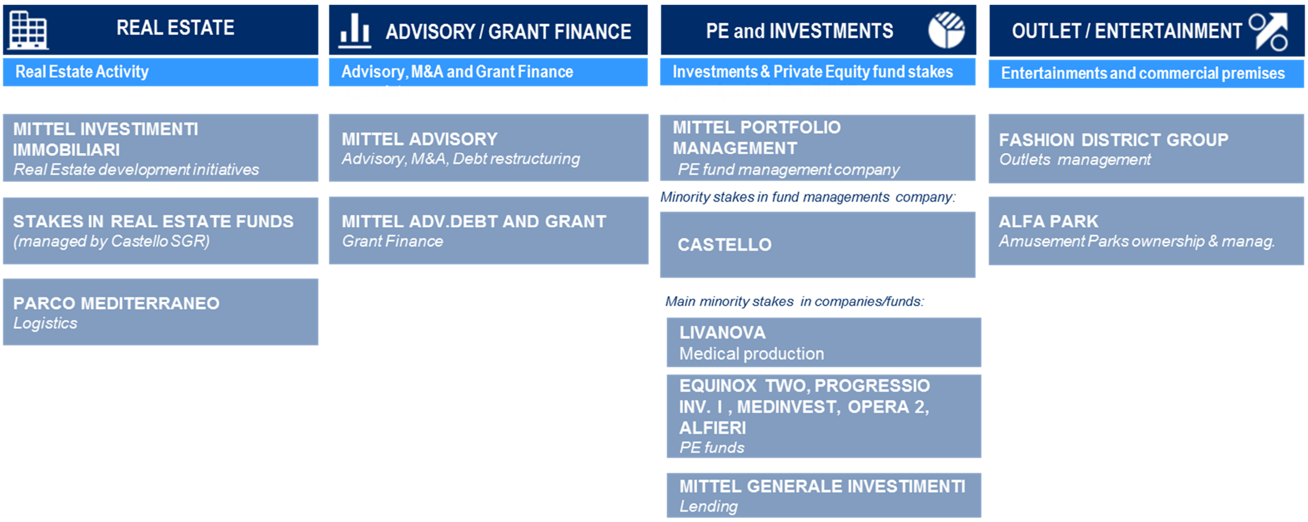
as at 30 September 2014

Figures in millions of Euro	30 September 2014										
AGGREGATE / CONSOLIDATED	**Net working capital**	**Fixed assets**	**Other assets (liabilities)**	**Assets (liabilities) held for sale (*)**	**Invested capital**	**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	117,6	18,5	(0,9)	0,0	135,1		(101,6)	33,5		0,1	33,4
Advisory Sector	4,7	0,4	(0,2)	0,0	4,9		(3,1)	1,9		0,0	1,9
Investments and PE Sector	(4,2)	278,8	(0,3)	0,0	274,3		(35,0)	239,3		19,5	219,8
Outlet Sector	(5,2)	3,7	(11,8)	120,3	107,0		(62,1)	44,9		19,4	25,5
IC ELIMINATION	0,0	0,0	0,0	0,0	0,0		0,0				
CONSOLIDATED TOTAL	**112,9**	**301,4**	**(13,2)**	**120,3**	**521,5**		**(201,8)**	**319,6**		**39,0**	**280,6**

(*) As at 30 September 2014: (i) Income (loss) from non-recurring transactions after taxes includes taxes of EUR 5,2 million; (ii) net financial position shown includes EUR 50,8 million relating to net financial payables reclassified in the financial statements under assets/liabilities held for sale

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 Mittel Group's activities as at 30 September 2015 break down into the following operating sectors:

- **Real Estate**: the sector includes (i) real estate transactions predominantly of a residential/tertiary nature, currently located in northern Italy, with the exception of an initiative in the province of Catania; investments are made directly by the Group or through companies in which non-controlling interests can be held by external entrepreneurs; (ii) investments held in closed-end real estate funds held by an investee Asset Management Company (see Private Equity sector);

- **Advisory Services and Grants Finance**: activities targeted at corporate customers, private equity funds and institutions consisting mainly 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; and iii) support in obtaining subsidised loans for research, development or other initiatives;

- **Private Equity and Investments**: investments made directly by the Group or indirectly through the subscription of specialised closed-end funds, which invest in the capital of medium-sized companies, including listed, with the objective of increasing value in the medium-term;

- **Outlet / Entertainment**: as a result of the extraordinary transactions which took place in the previous year and completed in the first few months of 2014 - 2015, Fashion District Group, as at 30 September 2015, was operational in the sector as manager of two structures geared towards Outlet centres (Mantua and Molfetta). Following the close of the year, on 18 November 2015, as a result of the non-renewal of the service contract, the company terminated its management activities, remaining, up until today, an investment holding company (investment in Alfa Park S.r.l., which owns and manages the Valmontone (Rome) and Molfetta (Bari) theme parks.

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 (main):

- <u>Real Estate Sector</u>: Mittel Investimenti Immobiliari S.r.l.; Breme S.r.l.; CAD Immobiliare S.r.l.; Fede S.r.l.; Gamma Tre S.r.l.; Iniziative Nord Milano S.r.l.; Lucianita S.r.l.; MiVa S.r.l.; Santarosa S.r.l.; Regina S.r.l.; Parco Mediterraneo S.r.l. and the Augusto and Cosimo I real estate funds;
- <u>Advisory Services and Grants Finance Sector:</u> Mittel Advisory S.p.A. and Mittel Advisory Debt and Grant S.p.A.;

- Private Equity and Investments Sector: Mittel S.p.A.; Bios S.p.A; Ghea S.r.l.; Earchimede S.p.A.; Mittel Portfolio Management S.r.l.; Mittel Partecipazioni Stabili S.r.l.; Tower 6 Bis S.à r.l.; Locaeffe S.r.l. in liquidation; Markfactor S.r.l. in liquidation; Castello SGR S.p.A.; Liberata S.p.A.;
- Outlet/Entertainment Sector: Fashion District Group S.p.A. and Loft S.r.l.. In relation to Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l., present as at 30 September 2014, it should be noted, in execution of the preliminary contracts signed in the previous year, that they were sold in the first few months of the year 2014/15 (18 November 2014).

Performance of the Real Estate sector

Real Estate Sector	**sept-15**	**sept-14**
Revenues	3.240	(2.766)
Sales and other revenues	*6.537*	*13.089*
Variations in property inventories	*(3.298)*	*(15.855)*
Gross Operating Margin	(5.429)	(7.447)
Income (loss) before taxes	(10.913)	(13.433)
Net profit	(11.062)	(15.137)

Property sales which, after seven years of losses, started to rise again in 2014, also maintained a positive trend in the first few quarters of 2015. In the third quarter of 2015, the Italian real estate sector, after recording a solid previous quarter, saw a considerable boost in its recovery, registering a trend-based growth rate of 8,8% in relation to total sales (Source: OMI data - Italian Revenue Agency). The growth was driven by the residential sector (+10,8%) and the metropolitan areas in particular, the areas of greatest interest for the initiatives in the portfolio of the Group's real estate sub-holding, Mittel Investimenti Immobiliari S.r.l..

In the year ended as at 30 September 2015, sales and other revenues in the real estate sector amounted to EUR 6,5 million (from EUR 13,1 million), marking a decrease of EUR 3,3 in inventories, also impacted, this year, by extraordinary adjustments of EUR 5,7 million.
Sales and other revenues were generated primarily by the initiatives (i) Lucianita S.r.l. (Euro 4,6 million), in relation to theproperty located in Milan, Via Lomellina no. 12 and (ii) CAD Immobiliare S.r.l. (EUR 1,0 million), in relation to the residential complex in the area located in the Municipality of Paderno Dugnano, with a lower contribution from the initiatives relating to the vehicles Fede S.r.l. (EUR 0,4 million) and Mittel Investimenti Immobiliari S.r.l. (EUR 0,3 million).

The invested capital of the Group in the real estate area amounted, as at 30 September 2015, to EUR 129,4 million, with property inventories standing at EUR 109,8 million as at 30 September 2015 (EUR 115,8 million as at 30 September 2014) and fixed assets, referring to the shares held in closed-end real estate funds Augusto and Cosimo I, managed by the investee Castello SGR S.p.A., stable at EUR 18,5 million.

Performance of the Advisory Services and Grants Finance sector

Figures in EUR/000

Advisory Sector	**sept-15**	**%**	**sept-14**	**%**
Mittel Advisory	1.902	*54%*	1.546	*35%*
Mittel Debt & Grant	1.619	*46%*	2.837	*65%*
NET REVENUES	**3.522**		**4.384**	

Revenues in the Advisory Services and Grants Finance Sector include the operating results of the wholly-owned subsidiaries Mittel Advisory Debt and Grant S.p.A. and Mittel Advisory S.p.A..

In line with the significant growth trend, which characterised the M&A global market last year, 2015 also registered further positive signs. The number of transactions announced during the year came to around 32 thousand transactions (up 2% compared to 2014), for a value of roughly USD 3,2 billion, marking an increase of 32% with respect to the levels reached last year. This value represents the most significant value recorded from 2007 (Source: Thomson Reuters).

In this context, Mittel Advisory S.p.A. revenues, exhibiting the first positive signs following the significant restructuring operation implemented in recent years, highlighted considerable growth, up to EUR 1,9 million from EUR 1,5 million; this positive trend was partially offset by the trend in the revenues of Mittel Advisory Debt&Grant S.p.A., a Group company specialised in obtaining alternative forms of funding from the banking system, which saw a marked decrease to EUR 1,6 million from EUR 2,8 million, in a market context shaped by exceptional quantities of liquidity and interest rates close to zero, consequently with less appetite for alternative structured debt instruments.
Therefore, despite a reassuring recovery in advisory activities, with healthy prospects for the coming years, the total decrease in revenues in the sector, combined with the amortisation/depreciation, allocations and adjustments of EUR 0,9 million, plus lower non-recurring costs within EBIT, meant the sector posted a loss of EUR 1,1 million.

Performance of the Private Equity and Investments sector

Figures in EUR/000		
Investments and PE Sector	**sept-15**	**sept-14**
Fixed assets	266.726	278.832
Equity	249.091	239.330
Net financial position	(17.815)	(35.015)

During the year, this sector, representing the Group’s core business, was heavily impacted by the significant transaction involving the development and simplification of the investment portfolio which saw (i) on the one hand, the operation entailing support for the project proposed by Sorin S.p.A., an investment held in partnership with the private equity fund Equinox Two S.c.a., with the signing, in February 2015, of a Support Agreement to aid the project for the integration with US company Cyberonics, integration which took effect on 19 October 2015 with the listing of the newly formed company Livanova Plc on the Nasdaq and on the London Stock Exchange; (ii) on the other, a major operation involving the rationalisation of the portfolio of non-controlling interests held by the Group, with the disposal or the sale of shares held by Mittel S.p.A. in Azimut Benetti S.p.A., Progressio SGR S.p.A., Brands Partners 2 S.p.A. in liquidation and Fondo Progressio Investimenti II, completed in the second half of the year, and of those determined by Earchimede in IGI Sgr S.p.A. and in Alfieri Associated Investor S.A..

Mainly as a result of these transactions, fixed assets, amounting to EUR 266,7 million as at 30 September 2015, fell by EUR 12,1 million compared to the situation at the end of the previous year (EUR 278,8 million), mainly attributable to the change in the value of the Sorin S.p.A. (now Livanova Plc) security held through the vehicles Bios S.p.A. and Tower 6 Bis S.à.r.l., whose valuation, with respect to 30 September 2014, increased by EUR 33,7 million, up from EUR 45,4 million to EUR 79,1 million as at 30 September 2015; this variation was more than partially offset by the reclassification to current assets of the portfolio of listed securities held by Mittel Partecipazioni Stabili S.r.l. (UBI, Intesa and RCS Mediagroup shares, the latter sold in full in the year). The significant performance of the Sorin S.p.A. (now Livanova Plc) security followed the announcement of the extraordinary transaction involving the integration with the US company Cyberonics Inc., in respect of which the market appreciated the potential both in terms of cost synergies and as regards the development of revenues thanks to the almost perfectly complementary nature of the two groups.
Equity, which recorded an increase of EUR 9,8 million in the period, was directly impacted by the change in the valuation reserve, which fully offset the losses in the period.

At income statement level, the sector posted a loss of EUR 6,3 million (Group and Non-controlling interests) deriving from the contribution of (i) revenues of EUR 2,0 million (from EUR 4,4 million), (ii) income from investments and financial assets of EUR 4,0 million (from EUR 12,9 million), (iii) from financial management for EUR 2,6 million (from a negative EUR 2,2 million) and (iv) the income from the trading of financial assets of EUR 5,4 million (from EUR 2,4 million), compared to primarily (i) operating costs of EUR 16,1 million (from EUR 18,6 million), (ii) amortisation/depreciation and write-downs of EUR 1,4 million (from EUR 17,8 million), (iii) the share of the loss from investments at equity of EUR 1,4 million (from a positive EUR 25,8 million) and (iv) taxes for a negative EUR 1,3 million (from a positive EUR 1,4 million).

Income from investments and financial assets for a positive EUR 4,0 million includes the positive effect of the partial disposal of the long-established portfolio of listed investments held by Mittel Partecipazioni Stabili S.r.l. offset (i) by the negative impact of the disposal of the portfolio of non-controlling interests relating to Mittel S.p.A., particularly the disposal of Azimut Benetti S.p.A., which generated a loss of EUR 2,7 million, as well as (ii) by the latest, conclusive price adjustment relating to the transfer of the investment of Mittel Generale Investimenti S.p.A. carried out in July 2012 (EUR 6,0 million); the income from trading of financial assets of

EUR 5,4 million includes the positive effect on Mittel S.p.A. and Mittel Partecipazioni Stabili S.r.l. of the trading of listed securities.

Operating costs, including the items costs for services, personnel costs and other costs, saw a sizeable decrease in year, down to EUR 16,1 million from EUR 18,6 million, while the item amortisation/depreciation and write-downs amounted to EUR 1,4 million in the twelve-month period (EUR 17,8 million), of which amortisation/depreciation for EUR 0,3 million and allocations and adjustments of EUR 1,1 million, of which EUR 0,8 million relating to the residual credit portfolio (totalling EUR 2,0 million as at 30 September 2015) relating to the companies Markfactor and Locaeffe in liquidation.

Performance of the Outlet/Entertainment Sector

Figures in EUR/000

Outlet/Entertainment Sector	**sept-15**	**sept-14**
Invested capital	4.401	107.020
Financed by		
Shareholders' equity	34.138	44.880
Net financial position	29.736	(62.139)

As at 30 September 2015, the income statement results of the Outlet/Entertainment Sector, relating to Fashion District Group S.p.A. and including the 18,4% share held by said company in Alfa Park S.r.l., a company which manages theme parks, were not comparable with the results of the same period in the previous year based on the extraordinary transactions which involved the Fashion District group in the year under review.
In particular, it should be noted that, on 18 November 2014, in execution of the preliminary contract signed in the previous months, Fashion District Group S.p.A. sold to the real estate fund MoMa, managed by Idea Fimit SGR S.p.A., the outlet property structures located in Bagnolo San Vito (MN) and Molfetta (BA), retaining management up until last November, the month the service contract expired with the transfer of management to a third party. In the same year, the management contract for the Valmontone outlet also expired, on 31 December 2014.

Therefore, the group remained operational in the sector throughout the year ended as at 30 September 2015, albeit exclusively in outlet structure centre activities from November 2014: 3 until December 2014 (Valmontone, Mantua and Molfetta), 2 subsequently and up until 18 November 2015 (Mantua and Molfetta).
This significant change is due to the different contribution of the sector to the Group's results (Revenues, Operating costs, Amortisation/depreciation), which remained negative, nonetheless, as at 30 September 2015 (EUR 4,7 million), also as a consequence of the restructuring and simplification following the extraordinary transactions described above, as well as the provisions set aside in relation to the termination of company activities and the subsequent collective dismissal, due to the non-renewal of the service contract for the management of the Mantua and Molfetta outlets, which expired on 18 November 2015.

In terms of equity, the weight of the sector witnessed an extremely large decrease in invested capital (from EUR 107,0 million to EUR 4,4 million), with equity of EUR 34,1 million and a positive net financial position of EUR 29,7 million, due to the collections deriving from the above-mentioned transfers. In this regard, it should be noted that a further distribution of liquidity to shareholders (Earchimede S.p.A. and FD 33 S.r.l., in which Mittel S.p.A. invests directly and indirectly - 85%) totalling EUR 10,0 million was made following the close of the year ended as at 30 September 2015.
Fixed assets rose by EUR 8,0 million to EUR 11,7 million, and mainly include (i) EUR 5,0 million relating to the escrow amount agreed at the time of the transfer of the Mantua and Molfetta outlets, tied up until May 2017, as well as (ii) EUR 5,4 million relating to the valuation of the receivable due to Fashion District Group S.p.A. from the investee Alfa Park S.r.l. for a nominal EUR 9,9 million. In relation to the latter company, it should be noted that, in April 2015, said company completed a debt restructuring agreement with the banking system, which required shareholder Fashion District Group S.p.A. to disburse a loan of EUR 3,8 million to the investee. This loan made it possible to make a positive contribution to the plan to revamp the theme parks constructed and managed by Alfa Park S.r.l. and, in particular, the Valmontone theme park (Rome), one of the leading Italian amusement parks.

Performance of the Parent Company

Dear Shareholders,

your Company closed the year ended as at 30 September 2015 with a net loss of EUR 20,4 million, compared to a net loss of EUR 50,4 million as at 30 September 2014.

The result posted in the year 2014-2015 was mainly influenced by the following elements of greater importance:

- price adjustment of EUR 6,0 million as the compensation paid to Liberata S.p.A., the purchaser of Mittel Generale Investimenti S.p.A. in 2012, as a result of the stipulation of a settlement agreement on a guarantee issued by Mittel S.p.A. relating to the collectability of some receivables due to Mittel Generale Investimenti S.p.A.;
- loss related to the sale of the non-controlling stake in Azimut Benetti S.p.A. for EUR 2,7 million;
- operating costs of EUR 14,7 million.

Equity amounted to EUR 205,8 million, compared to EUR 226,1 million in the year ended as at 30 September 2014, marking a decrease of EUR 20,3 million.

The net financial position came to EUR 103,7 million, compared to EUR 90,7 million in the previous year, a worsening of EUR 13,0 million.

Financial highlights of Mittel S.p.A.

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

(Thousands of Euro)	30.09.2015	30.09.2014
Revenues	**1.968**	**4.331**
Purchases, provision of services, sundry costs	(10.379)	(13.292)
Personnel costs	(4.345)	(3.443)
Operating costs	**(14.725)**	**(16.735)**
Income (expenses) from investments	(8.724)	35.564
Operating margin (EBITDA)	**(21.481)**	**23.161**
Amortisation/depreciation and allocations	(43)	(2.901)
Value adjustments to financial assets and receivables	(1.044)	(12.960)
Value adjustments to investments	(1.380)	(57.213)
Operating result (EBIT)	**(23.948)**	**(49.913)**
Income (loss) from financial management	(1.812)	(2.999)
Income (loss) from trading of financial assets	4.897	774
Income (loss) before taxes	**(20.863)**	**(52.139)**
Taxes	453	1.773
Net income (loss) for the year	**(20.410)**	**(50.366)**

- **Revenues**: EUR 2,0 million compared to EUR 4,3 million as at 30 September 2014, marking a decrease of EUR 2,3 million, mostly due to the incidence, in last year's financial statements, of revenues of EUR 2,5 million recorded relating to the sale of an area of land in Naples.

- **Operating costs**: EUR 14,7 million, compared to EUR 16,7 million in the previous year; the decrease of EUR 2,0 million was determined by the reduction in the item costs for services of EUR 3,7 million (from EUR 10,9 million to EUR 7,2 million), compared to increases in the other cost items amounting to EUR 0,8 million (from EUR 2,4 million to EUR 3,2 million) and personnel costs, totalling EUR 0,9 million (up from EUR 3,4 million to EUR 4,3 million). With reference to the latter, it should be noted that the increase is due, for EUR 0,9 million, to the signing of settlement agreements for the exit of some Managers.

- **Income (expenses) from investments**: EUR 8,7 million compared to EUR 35,6 million in the previous year. The item is composed mainly of dividends of EUR 2,4 million (EUR 35,4 million as at 30 September 2014), in contrast to a loss from the management of financial assets and investments of EUR 11,1 million, of which EUR 6,0 million in the form of compensation paid to Liberata S.p.A., as purchaser of Mittel Generale Investimenti S.p.A., as a result of the stipulation of a settlement agreement on a guarantee issued by Mittel S.p.A. relating to the collection of some receivables due to Mittel Generale Investimenti S.p.A., and EUR 2,7 million, for the transfer of Azimut Benetti S.p.A. finalised in September.

- **Operating margin (EBITDA):** A negative EUR 21,5 million compared to a positive EUR 23,2 million in the previous year, marking a decrease of EUR 44,7 million.

- **Amortisation/depreciation and allocations**: essentially nil compared to EUR 2,9 million in the previous year. The item is composed of the sum of amortisation and depreciation for EUR 0,3 million, compared to an increase of EUR 0,2 million in the provision for risks. The balance in the previous year was composed primarily of the allocations for contractual disputes amounting to EUR 2,4 million.

- **Value adjustments to financial assets and receivables**: EUR 1,0 million compared to EUR 13,0 million in the previous year. This item is mainly composed as follows: EUR 0,6 million due to the write-down of a receivable due from Markfactor S.r.l. in liquidation, considered uncollectable, and EUR 0,5 million due to the write-downs of available-for-sale financial assets, mostly attributable to impairment charged on Fondo Progressio Investimenti (Progressio Investimenti Fund), amounting to EUR 0,3 million, and on the Fondo Augusto (Augusto Fund) (EUR 0,2 million).

- **Value adjustments to investments:** EUR 1,4 million compared to EUR 57,2 million. The item is composed of write-downs of EUR 16,1 million, partially offset by a revaluation of the investee Mittel Partecipazioni Stabili S.r.l. (EUR 14,8 million). In particular, the item "write-downs of investments", is composed of the impairment effected, in relation to Mittel Investimenti Immobiliari S.r.l. (EUR 10,5 million), to Earchimede S.p.A. (EUR 3,1 million), Locaeffe S.r.l. in liquidation (EUR 1,0 million), Mittel Advisory S.p.A. (EUR 0,8 million), Mittel Portfolio Management S.r.l. (EUR 0,4 million) and Mittel Advisory Debt and Grant S.p.A. (EUR 0,3 million).

- **Income (loss) from financial management:** Loss of EUR 1,8 million compared to a loss of EUR 3,0 million. The item is the result of financial income of EUR 8,7 million, mainly relating to interest income on financial receivables, net of financial expenses of EUR 10,5 million, of which EUR 6,6 million for interest expenses on bonds and EUR 2,9 million for interest expenses on bank loans.

- **Income (loss) from trading of financial assets:** Profit of EUR 4,9 million compared to a profit of EUR 0,8 million in the previous year: the item is composed of the profit from the sale of securities during the year.

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

(Thousands of Euro)	30.09.2015	30.09.2014
Intangible assets	113	174
Property, plant and equipment	528	395
Investments	148.746	135.603
Non-current financial assets	150.034	175.892
Provisions for risks, employee severance indemnity and employee benefits	(1.568)	(8.260)
Other non-current assets (liabilities)	160	(159)
Tax assets (liabilities)	12.078	15.641
Net working capital (*)	(663)	(2.416)
Net invested capital	**309.429**	**316.869**
Shareholders' equity	**(205.759)**	**(226.131)**
Net financial position	**(103.670)**	**(90.738)**

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

Property, plant and equipment and intangible assets amounted to EUR 0,6 million, in line with the figure in the previous year's financial statements.

Investments amounted to EUR 148,7 million, compared to EUR 135,6 million in the year ended as at 30 September 2014. This net increase of EUR 13,1 million is attributable to the total increases of EUR 16,0 million, of which EUR 13,4 million for the waiving of shareholders' loans targeted at raising the equity resources of the subsidiaries Mittel Investimenti Immobiliari S.r.l. (EUR 13,0 million) and Mittel Portfolio Management S.r.l. (EUR 0,4 million) and EUR 2,6 million in respect of the purchase of Mittel Advisory Debt & Grant S.p.A. in September. This increase is in contrast to the changes made due to net value adjustments of EUR 1,4 million, comprised of the sum of amounts of impairment recorded in the year totalling EUR 16,2 million (EUR 10,5 million of Mittel Investimenti Immobiliari S.r.l., EUR 3,1 million of Earchimede S.p.A., EUR 1,0 million of Locaeffe S.r.l. in liquidation, EUR 0,8 million of Mittel Advisory S.p.A., EUR 0,4 million of Mittel Portfolio Management S.r.l. and EUR 0,3 million of Mittel Advisory Debt and Grant S.p.A.), offset, for EUR 14,8 million, by the write-back of Mittel Partecipazioni Stabili S.r.l..

Non-current financial assets amounted to EUR 150,0 million, compared to EUR 175,9 million in the year ended as at 30 September 2014, marking a decrease of EUR 25,9 million. This was essentially due to the effects of:

- the decrease in non-current financial receivables of EUR 2,3 million, mostly due to the repayment of the loan in place with the subsidiary Mittel Partecipazioni Stabili S.r.l., booked in the financial statements of last year for EUR 4,8 million, compared, mainly, to the increase due interest accrued totalling EUR 2,5 million on the loans granted to Liberata S.p.A. and to Montini S.p.A.;
- the decrease of EUR 23,5 million relating to financial assets as a result of (i) transfers totalling EUR 26 million, of which EUR 17,5 million for Azimut Benetti S.p.A., EUR 7,6 million for Fondo Progressio Investimenti II (Progressio Investimenti II Fund), EUR 0,4 million for Fondo Progressio (Progressio Fund), (ii) capital losses realised for EUR 3,5 million, of which EUR 2,7 million for the transfer of Azimut Benetti S.p.A. and EUR 0,8 million for the transfer of Fondo Progressio II (Progressio II Fund) and (iii) write-downs due to impairment of EUR 0,5 million, of which EUR 0,3 million on Fondo Progressio Investimenti (Progressio Investimenti Fund) and EUR 0,2 million on Fondo Augusto (Augusto Fund) (iv) partially offset by increases of EUR 6,5 million for the subscriptions/calls of private equity funds, investment vehicles and bonds.

Provisions for risks, employee severance indemnity and employee benefits amounted to EUR 1,6 million, compared to EUR 8,3 million in the previous year, marking a decrease of EUR 6,7 million. In particular, as at 30 September 2015, this item is composed, for EUR 0,8 million, of *Provisions for personnel*, the same amount as in the previous year, and, for EUR 0,8 million, of *Provisions for risks and charges* (EUR

7,4 million as at 30 September 2014). The decrease in the provision for risks and charges is due mainly to the use of EUR 5,3 million, aimed at covering part of the total expense relating to the settlement agreements signed in July between Mittel S.p.A. and Liberata S.p.A.; for the contents, refer to the section “significant events in the year”.

The item **other tax assets** amounted to EUR 12,1 million, compared to EUR 15,6 million in the previous year, marking a decrease of EUR 3,5 million. This item is mainly composed of tax receivables due to overpayments of advances by Hopa S.p.A., transferred, as a result of incorporation, to Mittel S.p.A., net of uses made in the year.

Net working capital made up of sundry receivables and other current assets and sundry payables and other current liabilities, amounted to a negative EUR 0,7 million, (negative EUR 2,4 million in the previous year) marking an increase of EUR 1,7 million. The change refers to the combined effect of the decrease of EUR 7,0 million in sundry receivables and other assets, and the decrease in sundry payables and other liabilities of EUR 8,7 million. For the details of the individual items, see the description in the explanatory notes.

Total equity amounted to EUR 205,8 million, compared to EUR 226,1 million in the year ended as at 30 September 2014, marking a decrease of EUR 20,3 million. The change in the year is attributable to the loss for the year of EUR 20,4 million and the EUR 0,1 million increase in the valuation reserve.

The negative **net financial position** amounted to EUR 103,7 million, compared to EUR 90,7 million in the previous year, worsening by EUR 13,0 million, essentially due to the variation in other payables relating to intercompany loans.

Statement relating to the net financial position

(Thousands of Euro)	30.09.2015	30.09.2014	Variation
Cash	4	2	2
Other cash equivalents	36.468	5.617	30.851
Securities held for trading	2.110	9.305	(7.195)
Current liquidity	**38.583**	**14.924**	**23.658**
Current financial receivables	**78.163**	**77.031**	**1.132**
Bank payables	(79.654)	(83.507)	3.853
Bonds	(98.553)	(97.974)	(579)
Other financial payables	(42.208)	(1.212)	(40.996)
Financial debt	**(220.415)**	**(182.693)**	**(37.722)**
Net financial position	**(103.670)**	**(90.738)**	**(12.932)**

Significant events in the year

Governance

On 1 October 2014, Mittel S.p.A.’s Board of Directors co-opted Marco Colacicco, replacing Director Gianluca Ponzellini, subsequently confirmed by the Shareholders' Meeting on 12 March 2015;

On 9 October 2014, Mittel S.p.A.’s Board of Directors resolved to expand the Executive Committee to 5 members: Giorgio Franceschi (Chairman), Marco Giovanni Colacicco, Stefano Gianotti, Michele Iori and Giuseppe Pasini. At the same meeting, Franco Dalla Sega, Chairman of the Board of Directors, resigned from the Company’s Executive Committee, making some authoritative best practice recommendations regarding corporate governance, suggesting that it would be advisable for the Chairman of the Board of Directors not to hold executive or management roles.

On 28 January 2015, Mittel S.p.A.'s Board of Directors appointed Gaetano Casertano as the new General Manager of Mittel S.p.A., effective from 31 January 2015. Said Board meeting also acknowledged Ms. Maurizia Squinzi's leaving of the Group effective from the end of January 2015;

On 12 March 2015, Mittel S.p.A.'s Shareholders' Meeting confirmed the appointments to the post of Director of Michele Iori and Marco Giovanni Colacicco respectively, whose term of office was due to expire. Lastly, the Shareholders' Meeting endorsed the Report on Remuneration drafted by the Board of Directors. In this regard, with reference to the termination of the professional relationship with the previous General Manager of Mittel S.p.A., Ms. Squinzi, communicated to the market on 28 January 2015, it was disclosed that, following and as a result of the signing of the associated agreement on the same date, based on the favourable prior opinion of the Remuneration and Appointments Committee and the Related Party Committee, the company paid Ms. Squinzi not only the fees already accrued and due until 31 January 2015 (effective date of termination of office of General Manager and additional offices covered in the bodies of the subsidiaries) but the following additional gross amounts: (i) EUR 241.666,67 equal to the fixed and variable fee that Ms. Squinzi, based on the contract signed at the time office was taken, would have had the right to receive until the original contractual expiry, i.e. 14 May 2015, as well as (ii) EUR 75.000,00 for special recognition for the undoubted value of the work she performed in the transfer, from the subsidiary Fashion District Group S.p.A., of the property complexes of the Mantua and Molfetta outlets, as well as the entire share capital of Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l., the companies responsible for the commercial management of said outlets.

On 31 March 2015, Mittel S.p.A.'s Board of Directors resolved to confirm the composition of the Executive Committee appointed on 9 October 2014. The Board of Directors confirmed, up until approval of the financial statements for year ended 30 September 2016, Pietro Santicoli as the "Manager responsible for preparing the Company's financial reports" pursuant to art. 154 bis of Legislative Decree 58/1998.

Transactions involving investments

On 18 November 2014, Fashion District Group S.p.A. (66,7% owned by Earchimede S.p.A., in turn 85% owned by Mittel S.p.A.) executed the sale contract signed on 31 July 2014, regarding the two factory outlets of Bagnolo San Vito (MN) and Molfetta (BA), and 100% of the share capital of the two companies responsible for the local commercial management of the aforementioned outlets, Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.. The purchaser is IDeA FIMIT SGR S.p.A., a company managing the closed-end real estate investment fund reserved to qualified investors called "MOMA", fully subscribed by entities attributable to the funds managed by the Blackstone Real Estate Partners IV group, a major international operator with a track record in acquiring outlets and shopping centres in Italy. The total consideration of EUR 122,2 million, including around EUR 2 million in payables which remained under discontinued operations, was collected in full on 18 November 2014, also through the simultaneous repayment to banks of mortgages, for an amount of approximately EUR 51 million. On 23 December 2014, in exercising the call option communicated on 17 September 2013 from RREEF Investment Gmbh to Fashion District Roma S.r.l. (indirect subsidiary of Mittel S.p.A.), the latter transferred to RREEF Inv. Gmbh ownership of the business unit including the commercial licences relating to the Valmontone outlet (Rome) for EUR 12,7 million. RREEF Investment Gmbh operates on behalf of the German open-ended real estate investment fund called "Grundbesitz Europa", owner of the properties of the Valmontone outlet.

On 26 February 2015, Mittel S.p.A.'s Board of Directors resolved to give its support to the project for the integration of Sorin S.p.A. and Cyberonics Inc. (NASDAQ: CYBX), a company active in the production of medical devices in the United States and specialised in the field of neuromodulation. Mittel S.p.A. and Equinox Two S.c.a., which indirectly hold 25,4% of the share capital of Sorin S.p.A. through the companies Bios S.p.A. and Tower 6bis S.à r.l., stipulated a Support Agreement with Cyberonics Inc., committing to support the integration with Sorin S.p.A. and in particular: (i) to vote in favour at the extraordinary shareholders' meeting of Sorin S.p.A, called to resolve on the transaction; (ii) not to sell its shares until completion of the transaction.
The proposed transaction spawned a new global leader in medical technologies with a total capitalisation of around EUR 2,4 billion, calculated on the basis of the closing prices of Sorin S.p.A. and Cyberonics Inc. shares at 25 February 2015. The terms of the transaction required Sorin S.p.A. and Cyberonics Inc. to merge into a newly formed holding company ("NewCo"). Each Sorin S.p.A. shareholder received ordinary NewCo shares for each Sorin S.p.A. share held, based on the share swap ratio fixed at 0,0472. Every Cyberonics Inc. shareholder received 1 ordinary NewCo share for every Cyberonics Inc. share held. As a result of the transaction completed on 19 October 2015, Mittel S.p.A. and Equinox Two S.c.a. hold, indirectly through Bios S.p.A. and Tower 6Bis S.ar.l., around 11,7% of the new entity, Livanova PLC, listed on the New York (on the NASDAQ) and the London Stock Exchange;

On 23 July 2015, Mittel signed some agreements and, in particular:

- the settlement agreement with Progressio SGR S.p.A. and Brands Partners 2 S.p.A. in liquidation, regarding the potential dispute with Progressio SGR S.p.A. and Brands Partners 2 S.p.A. in liquidation, described in the report on operations to Mittel's financial statements as at 30 September 2014, to which reference should be made. It should be noted that, to avoid the risk of being the losing party in the potential dispute, as well as the associated legal costs, the parties agreed to reach a settlement agreement in compliance with the resolution of the Board of Directors of Mittel S.p.A at the meeting on 3 July 2015, based on the prior justified favourable opinion of the Related Party Transactions Committee, given a transaction classified as of lesser importance. This agreement required Mittel S.p.A., in full settlement of any claim presented to it by Brands Partners 2 S.p.A. and Progressio SGR S.p.A., the latter on behalf of Fondo Progressio Investimenti set up and managed by said entity, to pay Progressio SGR S.p.A, on behalf of Fondo Progressio Investimenti, EUR 1,050 million in the form of an indemnity. As part of these agreements, on 23 July 2015, Mittel S.p.A. transferred the 25,20% stake it held in Brand Partners 2 S.p.A. in liquidation for a value of EUR 0,4 million, with the simultaneous payment on signing of the agreement.

- Settlement agreement between Mittel S.p.A. and Liberata S.p.A.. Pursuant to the agreement for the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. by Mittel S.p.A. to Liberata S.p.A., signed in July 2012, Mittel S.p.A. issued a guarantee in favour of the transferee (of a duration of two years and within a compensation limit of EUR 20 million) on the collection of Mittel Generale Investimenti S.p.A.'s receivables at the transfer date. In compliance with the resolution of the Board of Directors of Mittel S.p.A, which met on 3 July 2015, based on the prior justified favourable opinion issued by the Related Party Transactions Committee, given a transaction classified as of lesser importance, settlement agreements were signed on 23 July 2015 with Liberata S.p.A. regarding the payment of a total amount of EUR 11,3 million to definitively close the compensation requests formulated by Liberata regarding the non-collection of the receivables involved in the guarantee issued by Mittel in the aforementioned Purchase Contract.

Main ongoing legal proceedings and disputes

Snia S.p.A. under extraordinary administration

On 5 November 2013 the parties' first hearing was held in relation to the writ of summons served on 20 January 2012, from SNIA S.p.A. in Amministrazione Straordinaria (hereinafter, "SNIA"), by which that company summoned Mittel S.p.A. (then Hopa S.p.A.), GE Capital S.p.A., Banca Monte Paschi di Siena S.p.A, Unipol Gruppo Finanziario S.p.A.- Unipol S.p.A, Bios S.p.A. and various natural persons (former Directors and Statutory auditors of Snia and Bios S.p.A.) before the Court of Milan to ascertain their alleged joint liability pursuant to articles 2394 bis, 2476, paragraph 7, 2497, 1175, 1375, 2043 of the Italian Civil Code, as well as art. 90 of Legislative Decree no. 270 of 1999 and to have them sentenced to compensate the damages allegedly suffered by Snia, provisionally quantified at approximately EUR 4 billion. As grounds for the claims, the plaintiff company has made allegations of significant illegal conduct attributable to its parent companies, directly and indirectly, as well as to former Directors and Statutory Auditors of Snia and Bios S.p.A. These specifically include the alleged illegality of the Snia Shareholders' Meeting resolution adopted on 26 June 2003 with the decisive vote of Bios S.p.A., which allegedly approved a split-off damaging to Snia and the company's creditors with abuse of management and coordination. According to the plaintiff's line of reasoning, that transaction was specifically carried out to gain interest outside of the company, exclusively attributable to the direct shareholder Bios S.p.A. and the indirect shareholders Mittel S.p.A., GE Capital S.p.A., Banca Monte Paschi di Siena S.p.A. and Unipol Gruppo Finanziario S.p.A.- Unipol S.p.A. It is also alleged that the split-off objected to was carried out by drawing up and subsequently approving untruthful financial statements, including, specifically, those for 2002, which, as no significant liabilities were recorded for Snia, suitable for writing down some of their investments as a result of for environmental charges and reclamation costs, allegedly represented a financial situation of the plaintiff company much different from the actual situation. In any event, Snia attributes liability to Bios S.p.A. as the direct, controlling shareholder, due to management and coordination and unified management, pursuant to art. 2497 of the Italian Civil Code and art. 90 of Legislative Decree no. 270 of 1999, respectively.
Snia is asking for compensation from the defendants (i) of EUR 388 million relating to the above-mentioned split-off, (ii) of around EUR 3,5 billion in relation to alleged environmental damages deriving from the management of chemical sites belonging to Snia and to its parent companies, and (iii) of around EUR 200 million in relation to the consequences of Snia continuing in its business despite the fact that, according to the plaintiff's arguments, it had already lost its share capital. The case is currently pending before the Court of Milan.
On 4 November 2013 the Ministry of the Environment and Protection of Land and Sea and the Ministry of the Economy and Finance appeared before the court, having filed a single notice of voluntary joinder pursuant to articles 105 and 267 of the code of civil procedure supporting the claims formulated by Snia and, specifically, those regarding the considerable environmental damages for which the plaintiff is demanding compensation. On 5 November 2013, the parties' first hearing was held.

During the preliminary brief, by means of order dated 30 June 2014, the Judge, having acknowledged the number of parties in the case and the complexity of the matters inferred therein, formally notified the plaintiff company of the need to examine in-depth (i) the precise identification of the occurrences of damages attributable to each defendant; and (ii) the plaintiff's actual and concrete interest in taking action, with reference to the first instance of conduct (abuse of management and coordination) and the fifth instance of conduct (environmental damage).

By means of the brief filed in accordance with terms prescribed on 30 July 2014, the plaintiff company partially amended its line of reasoning and also introduced new claims in relation to both the "second instance of conduct" (the "distractive" split) and the "fifth instance of conduct" (the causation of environmental damage), by providing, among other things, an "alternative" criterion for quantifying the so-called instantaneous damage derived from the second instance of conduct - criterion on the basis of which the original compensation claim of EUR 388 million would rise to EUR 572 million - and reformulating, on the other hand, the claims relating to the fifth instance of conduct in the sense of introducing conditional claims for sentencing subject to the outcome of the aforementioned judgments proving the liabilities of Snia and Caffaro, and in order to surreptitiously provide for the evident absence of a certain and actual damage on the part of plaintiff company in relation to the fifth instance of conduct.

Mittel, by means of the brief filed on 14 October 2014 (like the other defendants), objected, among other things, to the inadmissibility and, in any case, the groundlessness of the new lines of reasoning of the plaintiff, at the same time supplementing its preliminary applications by producing a technical party consultancy report in the interest of Mittel, drafted jointly by Angelo Provasoli and Gabriele Villa. Once again, Mittel produced an additional report by Nelson Marmiroli aimed at refuting the extent of the environmental damages caused by Caffaro at the Brescia plant and the reclamation work methods recommended on behalf of the Ministry of the Environment by ISPRA. Mittel then produced solid documentation in support of its case.

Also as a result of the change to the claims made by the plaintiff by means of the brief filed on 30 July 2014, the claims formulated appear, according to Mittel's defence lawyers, to be totally unfounded, owing to the absence of a certain and actual damage as well as the clear absence of a causal relationship between the alleged unlawful conduct engaged in by Mittel and the damages for which compensation is sought.

In fact, first of all, the environmental damage which, based on the investigations conducted by the lawyer assigned through Nelson Marmiroli, in the reclamation works would amount to a figure in line with (or, in any event, not far from) the allocations indicated at the time in the financial statements of SNIA and Caffaro, is attributable to Caffaro S.p.A. and not to SNIA, therefore, it is not clear how this could be reported by the Ministries to SNIA and, by the latter, to SNIA's shareholders as a result of the split-off.

Caffaro, in fact, has never been involved, as an entity, in any split-off, unlike that which occurred in its parent company SNIA. For that matter, the financial claims put forward by SNIA's extraordinary administration against Mittel are the result of SNIA's position as the undeclared sole shareholder of Caffaro as well as its influence as dominant shareholder (and, thus, the influence of the alleged dominant shareholders in the SNIA shareholders' meeting through BIOS, a circumstance firmly denied by Mittel). However, irrespective of the fact that the declaration that SNIA was the sole shareholder – even though this was not finalised in administrative form – was filed prior to the reform, it is important to note that the statute of limitations of SNIA's liability as sole shareholder is five years, thus, all claims for this purpose would seem null and void, especially due to the fact that almost all of the events that SNIA cites as grounds for its claims – in addition to having occurred in Caffaro – date back to periods from the beginning of the 1900's to the 1980's. As regards liability for management and coordination, at the current state of play, it is not clear what this would consist of and, in any event, this could not relate to events occurring such a long time ago.

At the hearing on 6 February 2015, the Judge, deeming the case to be ready for a decision and no other preliminary necessary, postponed the judgment to 23 May 2015 for the pre-trial conclusions. At the hearing, given Mittel requested, with the other defendants, the presentation of the deed of appearance and reply filed by SNIA in the proceedings no. 70240/14 pending before the Second Civil Section of the Court of Milan, – considering that in this deed the Extraordinary Administration acknowledges a number of arguments presented by Mittel in its defence – the case, on the request of Snia's defence counsel, was put back to the hearing on 4 July 2015 for the same pending issues and for any necessary discussion and verbal reply on said document. At the hearing, the production of the document was allowed and the Judge invited the parties to give their pre-trial conclusions, setting the legal terms for the filing of closing briefs and responses. These activities concluded on 26 October 2015: therefore, the legal term took effect on said date for the filing of the judgment: said term was established by art. 275 of the Code of Civil Procedure at 60 days, therefore, strictly speaking, the term for filing the judgment expired on 28 December 2015. However, it is worth noting that this term is mandatory.

In view of the foregoing, based on considerations expressed, Mittel is excluded from having to pay any damages, damages that, in the remote case of being ascertained by the Judicial Authorities, should be shared, if necessary, with a large number of defendants. The risk of being the losing party in these proceedings, also in light of the considerations expressed by the lawyers participating in the case, appears to be remote for both Mittel and Bios.

At the same time, it should be noted that, neither the Ministry of Environment and of the Economy and Finance, nor Caffaro were included, due to the environmental damages ascertained, in the list of creditors of SNIA's Extraordinary Administration; with respect to this exclusion, the Ministry of Environment and of the Economy and Finance lodged an objection and proceedings no. 70240/14 are pending before the Second Civil Section of the Court of Milan. On 11 May 2015, Mittel appeared in opposition proceedings in relation to the measure for the exclusion from the list of SNIA creditors, filed by the above-mentioned Ministries against the Extraordinary Administration, filing a statement of intervention pursuant to art. 105 of the Code of Civil Procedure to see the exclusion measure of the appellant Ministries confirmed. Sorin also appeared at the aforementioned proceedings with the same objective. Mittel's participation in this proceedings was deemed appropriate because Mittel could bring both the appraisal of Mr. Marmiroli, filed in proceedings 5463/2012, and a plenty of documents suited to proving that the claimed damage by the Ministries is non-existent. At the hearing on 12 May, Judge Mammone rejected the application of Mittel and Sorin for expulsion from the proceedings and granted the parties the terms for presenting further arguments, putting the case back to 12 January 2016, then postponed to 3 May 2016.
Lastly, on 28 July 2015, Mittel, together with Sorin, Bios, GE Capital, Monte dei Paschi di Siena and Unipol, received notification of a deed, via certified e-mail, from the Ministry of the Environment regarding the order to adopt (formal notice to comply), with immediate effect, all the necessary initiatives to control, contain, eliminate or manage in another way, any damages in the sites identified as Torviscosa, Brescia and Colleferro, by observing an Extraordinary Administration decontamination programme with no more details provided. Mittel filed a challenge before the Regional Administrative Court of Lazio to the formal ministerial notice to comply, availing itself, for this activity, of the support of the appropriate specialist lawyer in administrative law and requesting the suspension of the provision. The administrative case will be heard at the public hearing on 3 February 2016 at the Regional Administrative Court of Rome. Mittel also established contacts with skilled technical experts who provided their advisory services in case 5463/2012 RG., with a dual purpose, in particular, to prepare precise technical support for the specialist in administrative law and draw up a decontamination project in the assumption - deemed to be remote by the appointed legal representative - of a confirmation of the order by the administrative judge.
In relation to the communications received from some parties resident in the Municipality of Brescia in proximity to the industrial plants of companies in the Caffaro Group, and from the Attorney General of the Municipality of Brescia, these communications have not been followed, to date, by additional findings.

GE Capital S.p.A. and Tellus S.r.l.

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") – at that time 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 into 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.
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 into Mittel was stipulated, with the subsequent registration of the same in the Registers of Companies of the participants in the merger. Given that the registration of the merger in the Register 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, the plaintiffs requested, first and foremost, the compensation for estimated damages totalling EUR 10,2 million (of which EUR 7,8 million claimed by GE Capital, and EUR 2,5 million claimed by Tellus), plus legal interest and monetary revaluation, due to the alleged absence, for Hopa, of "economic grounds" for the merger. Alternatively, said parties requested damages totalling EUR 9,7 million (of which EUR 7,3 million for GE Capital and EUR 2,3 million 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 9 November 2012 the Judge appointed the Court-appointed expert witness in the person of Mr. Renato Camodeca who was called to fulfil 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

transaction 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) into Mittel S.p.A. (merging company) consistent, he shall redetermine and calculate the correct share exchange ratio and as a result, determine the financial harm suffered by the shareholders of Hopa S.p.A., GE Capital S.p.A. and Tellus S.r.l."
On 2 February 2015, the Court-appointed expert witness filed the final version of his appraisal document; in his conclusions, the Court-appointed expert witness deemed the pre-chosen valuation methods to be adequate with respect to the activities, the characteristics and the nature of the companies involved in the transaction; however, it considered the share swap ratio proposed by the directors as part of the merger project to be inconsistent, recalculating it at 0,040 against a share swap ratio calculated by directors at 0,036, by estimating, in this way, the financial harm suffered by GE Capital (holder of 3,54% prior to the merger) and Tellus (holder of 1,12% prior to the merger) at EUR 0,6 million and EUR 0,2 million respectively.
At the hearing on 26 February 2015, set for the discussion of the appraisal document, the defence counsels of GE Capital and Tellus filed an application for the declaration of nullity of the aforementioned Court-appointed expert witness and Mittel's defence counsel recorded his inadmissibility and groundlessness in a subsequent authorised brief; at the latest hearing on 21 May 2015, the Judge ordered the adjournment of the case to 16 June 2016 for the pre-trial conclusions, without prejudice to any decision regarding the nullity of the Court-appointed expert witness, raised by the plaintiffs, which will be subject to a ruling. Mittel's defence counsel believe that it is plausible that the Judge, in rejecting the application for declaration of nullity, could endorse the results of the Court-appointed expert witness and in view of the reduced extent of the deviation, could, nonetheless, reach a judgment of substantial consistency of share swap ratio applied.
At the current state of play, in light of the content of the Court-appointed expert report filed and the counterclaims of Mittel and the opinions of its advisors, continuing with the approach adopted in previous years, the company did not deem it appropriate to set aside any provision for said dispute.

Sofimar S.A. and Mr. Alfio Marchini

In relation to the receivable of EUR 12,8 million (scheduled by way of supplementary private agreement of 23 June 2009 into three tranches of EUR 4,3 million plus interest - the first tranche of which due on 31 July 2013), in execution of the commitments undertaken by Sofimar S.A. and by Mr. Alfio Marchini due to the acquisition of bare ownership of the 222.315 shares of Finaster S.p.A. (now Finaster S.p.A. in liquidation) during the year ended as at 30 September 2005, on 2 August 2013 Mittel S.p.A. warned the counterparties to comply, to be able to collect the first instalment, including interest, amounting to EUR 4,6 million. The notice to comply with payment sent by Mittel S.p.A. did not receive a response, and the counterparty did not formulate any proposals concerning an amicable settlement of the issue. That being said, in October 2013, due to the persistent breach by Sofimar S.A. and Mr. Alfio Marchini, Mittel S.p.A. notified the counterparties of the termination of the private agreement of 23 June 2009, with the consequent obligation for the Defendants to fully repay the amounts for principal, interest and arrears interest. Mittel S.p.A., having received no response from the counterparty following the communication in October 2013, filed a petition for arbitration with the Board of Arbitrators of Milan in December 2013, by virtue of the express arbitration clause in the sales contract of 30 September 2005, appointing Domenico Di Pietro as its arbitrator, in order to obtain fulfilment of the obligations undertaken by Sofimar S.A. and Mr. Alfio Marchini. In the past, the counterparties had regularly paid, up to July 2012 (last deadline for repayment of interest alone), Mittel S.p.A. the interest due on the extension of the payment into three tranches, expressly recognising its payable.
The defendants regularly appeared before the court with the associated brief and making a preliminary request to ascertain the lack of standing to be sued of Mr. Marchini and, in this regard, to reject Mittel's claims. Furthermore, the defendants, in sustaining that the parties, over the years, would have verbally supplemented the sale contract, requested that Mittel S.p.A. be sentenced to the payment of damages allegedly suffered by Sofimar S.A. due to Mittel S.p.A.'s claimed non-fulfilment of the presumed supplementary verbal agreements. The counterparty also appointed Enrico Gabrielli of Rome as its arbitrator.
The council of the Chamber of Arbitration of Milan, by means of communication of 14 March 2014, appointed Swiss national Paolo Michele Patocchi as Chairman of the Board of Arbitrators, dealing specifically with international arbitration.
Following the completion of the preliminary activity and the filing, in June 2015, of the closing briefs of reply, the Court of Arbitration did not deem it necessary to hold a hearing for discussion, preferring to proceed with a decision. On 20 October 2015, the President of the Court of Arbitration asked the council of the Chamber of Arbitration of Milan to extend to 31 January 2016 the term for filing the arbitration award envisaged for the end of October 2015.
Mittel S.p.A., for its part, despite acknowledging the demands made by the President of the Court of Arbitration, sent the Secretary of the Chamber of Arbitration of Milan its observations in this regard, in the hope that the arbitration award would be filed as soon as possible and in view of the already lengthy nature of the proceedings.

By means of a decision on 23 October 2015, the council of the Chamber of Arbitration of Milan granted the extension requested by the President. The filing of the arbitration award is therefore expected by 31 January 2016.

In light of the opinions of its consultants and the legal actions undertaken, the Directors did not deem it necessary to set aside any bad debt provision as at 30 September 2015, deeming said receivable fully recoverable.

Information on investees

Mittel S.p.A. subsidiaries

❖ **Mittel Advisory S.p.A.** (share capital EUR 2.520.000 – 100% owned)
The Company operates in the advisory sector, at national level, with a skilled team of ten collaborators with experience in the financial sector and in various industrial sectors, and capable of offering services in all financial consultancy areas: corporate finance consultancy, debt restructuring (restructuring companies in crisis and reorganising their financial structure), corporate governance (defining shareholders' agreements, reviewing existing agreement, family agreements, etc.).
On 21 September 2015, Mittel Advisory S.p.A., transferred to Mittel S.p.A. the shares representing the entire share capital of Mittel Advisory Debt and Grant S.p.A..
Mittel Advisory S.p.A. closed the year 1 October 2014 - 30 September 2015 with a loss of around EUR 0,9 million (EUR 3,0 million as at 30 September 2014), equity totalling EUR 3,2 million (EUR 4,2 million as at 30 September 2014) and revenues from sales and services of EUR 1,9 million (EUR 1,5 million as at 30 September 2014).

❖ **Mittel Advisory Debt and Grant S.p.A.**, (share capital EUR 120.000 – 100% owned)
Mittel Advisory Debt and Grant S.p.A. offers consultancy to customers in the analysis and obtainment of alternative sources of financing or which complement bank funding (including subsidised loans and outright grants) to support the companies' growth and development plans.
The company targets dynamic, medium-large growth companies, who are leaders in their respective sectors, focused on exports and/or with a high level of product and process innovation, as well as with a solid financial position. The usual target sectors are: chemical-pharmaceutical, manufacturing, energy and infrastructures.
The company closed the year 1 October 2014 - 30 September 2015 with a loss of EUR 0,2 million (EUR 0,1 million as at 30 September 2014), equity totalling EUR 0,3 million (EUR 0,2 million as at 30 September 2014), which benefitted from the waiving of a shareholders' loan by the parent company of EUR 0,2 million and revenues from sales and services of EUR 1,7 million (EUR 2,6 million as at 30 September 2014).

❖ **Mittel Portfolio Management S.r.l.** (share capital EUR 110.000 – 100% owned)
The corporate purpose of the Company is to offer private equity investment management services. The previous year saw a partial redefinition of the mission of the company, former Mittel Management S.r.l., now renamed Mittel Portfolio Management S.r.l..
The Mittel Group operates on the financial market as an equity partner for medium-sized Italian companies, based on a business approach and a medium/long-term view. In this regard, the company is dedicated to the active management of all the different phases that characterise the scouting and investment processes and the post-investment phase.
Therefore, the company's activity is focused, on the one hand, on the research and analysis of potential investment opportunities, to be presented to other Mittel Group companies, and, on the other, on the management and monitoring of some of the Mittel Group's investments.
The company closed the year 1 October 2014 - 30 September 2015 with a loss of EUR 0,4 million (EUR 0,9 million as at 30 September 2014), equity totalling EUR 0,1 million (EUR 0,2 million as at 30 September 2014), which benefitted from the waiving of a shareholders' loan by the parent company of EUR 0,3 million.

❖ **Mittel Investimenti Immobiliari S.r.l.** (share capital EUR 17.693.878 – 100% 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 who contribute specific skills that complement those of the Mittel Group.
The year closed with a loss of EUR 11,9 million, compared to a loss of EUR 11,3 million in the year ended as at 30 September 2014. The loss for the year was affected by the value adjustments on investments totalling EUR 9,9 million, compared to a write-down of EUR 9,7 million in the previous year (of which EUR 5,7 million recorded directly in the item write-downs of investments and EUR 4,0 million through the write-down of receivables - interest-bearing and non-interest bearing shareholders' loans - due from said investees). These adjustments in the year are attributable mainly to the following investments: Santarosa S.r.l. (EUR 0,2 million), Cad immobiliare S.r.l. (EUR 2,3 million), Fede S.r.l. (EUR 0,7 million), Breme S.r.l.

(EUR 1,3 million), Iniziative Nord Milano S.r.l. (EUR 0,9 million), Gamma Tre S.r.l. (EUR 0,8 million) and MiVa S.r.l. (EUR 3,5 million), due to the effect of the valuation at equity and at the lower between the cost and the market value of the property inventories held by the latter. The properties held by the investees mentioned were valued with the help of independent external appraisers. Mittel Investimenti Immobiliari S.r.l.'s income statement also includes a write-down of EUR 1,1 million of the property project managed directly and located in Arluno (MI). The value adjustments to the property inventories are attributable almost entirely to the situation in the Italian real estate market that, despite showing a continuation, in the first half of 2015, of the positive trend that characterised the final part of 2014, highlighted non-homogeneous situations in both the individual segments and between the different areas. Throughout 2015, the most peripheral property projects therefore continued to feel the effects of the conditions for accessing credit that were not optimal for this type of product. In spite of this, in the same year, a gradual increase was recorded in the mortgages granted by banks to support the residential sector, which started to grow again after years of contraction and which stayed positive in the first half of the year. The office market is improving. In fact, Italy is witnessing, after many years, an increase in primary demand for office space. The market is increasingly more polarised in the main cities, in which foreign investments are also concentrated. The logistics market has been favourably impacted by the perception of risk diversification and the development in e-commerce. The fall in prices has slowed and returns are decreasing, albeit to a lesser extent that in the past. Despite the specific, less favourable conditions, an increase in the overall volume of investments was recorded.

Equity as at 30 September 2015 amounted to EUR 13,7 million, compared to EUR 12,6 million as at 30 September 2014. This variation was determined mainly by the effect of the loss recorded as at 30 September 2015, offset by the waiving, by the shareholder, of a loan disbursed by said entity of EUR 13,0 million, as an increase in the company's equity.

Direct investments of Mittel Investimenti Immobiliari S.r.l.:

Arluno – Via Giorgio Ambrosoli
In April 2013, the company completed the construction, on an area purchased in December 2008 in Arluno (MI), of a residential complex composed of two buildings of four floors each above ground, in addition to attics and basements, for a total of 98 apartments, a garage with 1 underground level, for a total of 105 garages, and uncovered parking for a total of 44 parking spaces.
Next to the residential complex, according to the provisions of the Agreement, the urban development works, consisting of green areas and car parks, were completed in June 2013; the procedures were completed for testing with the Public Administration, the finishing works on the unsold units are at the completion phase; works are expected to finish by June 2016.
As at 30 September 2015, 11 apartments, 6 garages and 3 parking spaces were sold, for a total of EUR 1,7 million.
As at today's date, 8 apartments, 4 garages and 3 parking spaces have already been agreed on, for a total of EUR 1,4 million.

Investments of Mittel Investimenti Immobiliari S.r.l.

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, in an area owned in the municipality of Paderno Dugnano (MI), centrally located and in the immediate vicinity of the railway station, constructed 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. As at 30 September 2015, 88 apartments and 94 garages were sold, for a total of EUR 22,2 million. As at today's date, 1 apartment and 1 garage have been agreed on, for a total of EUR 0,4 million.
The loss reported in the financial statements for the year ended as at 30 September 2015 was significant for the purposes of art. 2482-ter of the Italian Civil Code and, therefore, in accordance with said provision, it was necessary to ask the parent company to waive a part of its financial receivable. The parent company of the real estate sector, Mittel Investimenti Immobiliari S.r.l., ensured the business continuity of Cad Immobiliare S.r.l. with the appropriate capitalisation measures.
As at 30 September 2015, the company recorded a loss of EUR 2,5 million (loss of EUR 2,2 million as at 30 September 2014) and positive equity of EUR 0,5 million (negative EUR 0,2 million as at 30 September 2014).
The result for the year incorporates the value adjustments to the property initiative managed by the company for EUR 1,4 million (EUR 1,2 million in the previous year) due to the valuation at the lower between the cost value and the market value of the property inventory held by the latter. The property owned by the company was valued with the help of independent external appraisers.

Lucianita S.r.l. (share capital EUR 10.400 - 51% owned)
The company, 49% owned by the Valsecchi family, both personally and through its company Ediltecnica S.r.l., owns a property complex on Via Lomellina no. 12, in Milan, which is almost completed.
As at 30 September 2015, 35 apartments, 48 garages and 8 basements were sold, for a total of EUR 16,0 million.
As at today's date, notary deeds are still to be drawn up for an additional EUR 2,0 million, corresponding to 4 apartments and 2 garages.
As at 30 September 2015, the company recorded a net profit of EUR 0,4 million (EUR 1,8 million as at 30 September 2014) and equity of EUR 2,4 million (EUR 1,9 million as at 30 September 2014).

Gamma Tre S.r.l. (share capital EUR 200.000 - 100% owned)
The company 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.
For the Via Cumano area, the Recovery Plan approved and the associated Agreement stipulated in November 2010, with expiry extended until November 2018 for the completion of the urban development works, 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, to be built by October 2023.
In order to guarantee that the area is made safe, in May 2013 the contract for the demolition of the existing buildings was assigned, for a total amount of EUR 0,5 million. The company awarded the contract carried out the works and is awaiting an authorisation to complete the disposal of the rubble.
At a later stage the project and the possibility of implementing it in several stages will be assessed, in relation to the trend in purchases and sales in the residential real estate market. Assessments are under way for the transfer of the buildable land to local operators and/or co-operatives. For the office building, notary deeds were stipulated for a total of EUR 1,5 million.
As at 30 September 2015, the company recorded a loss of EUR 0,8 million (EUR 4,3 million as at 30 September 2014) and positive equity of EUR 0,5 million (negative EUR 3,1 million as at 30 September 2014).
The result for the year incorporates the value adjustments to the property initiative managed by the company for EUR 0,5 million (EUR 4,1 million in the previous year), due to the valuation at the lower between the cost and the market value of the property inventories held by the latter. The property inventories owned by the company were valued with the help of independent external appraisers.

Breme S.r.l. (share capital EUR 100.000 - 100% owned)
The company constructed a management building in Milan, Via Di Breme 78, 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 took place in February 2014.
A lease agreement is in place, effective from 1 January 2015, for a period of six years, with automatic renewal for a further six years, for the entire first floor, in addition to other parts of the property for warehouse and services use, as well as some covered and uncovered parking spaces.
The loss reported in the financial statements for the year ended as at 30 September 2015 was significant for the purposes of art. 2482-ter of the Italian Civil Code and, therefore, in accordance with said provision, it was necessary to ask the parent company to waive a part of its financial receivable. The parent company of the real estate sector, Mittel Investimenti Immobiliari S.r.l., ensured the business continuity of Breme S.r.l. with the appropriate capitalisation measures.
As at 30 September 2015, the company recorded a loss of EUR 1,3 million (EUR 1,5 million as at 30 September 2014) and positive equity of EUR 0,7 million (EUR 0,2 million as at 30 September 2014).
The result for the year incorporates the value adjustments to the property initiative managed by the company for EUR 0,3 million (EUR 0,7 million in the previous year) due to the valuation at the lower between the cost value and the market value of the property inventories held by the latter. The property inventories owned by the company were valued with the help of independent external appraisers.

Fede S.r.l. (share capital EUR 300.000 - 100% owned)
The company owns two property complexes located in Vimodrone (MI) and Felizzano (AL) described hereunder.
Vimodrone (MI) - an industrial/craft trade complex covering roughly 5.000 square metres in which the expected renovation and expansion works were performed by the contracted company Ediltecnica S.r.l., for the relevant split-up sale. The works have been completed and tested.
As at today's date, preliminary purchase agreements are in place for an additional 5 lots and a total value of roughly EUR 1,0 million.

Felizzano (AL) - a property complex 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, currently vacant and free.
As at 30 September 2015, the company recorded a loss of EUR 0,1 million (EUR 0,7 million as at 30 September 2014) and equity of EUR 0,5 million (negative EUR 0,1 million as at 30 September 2014).
The result for the year incorporates the value adjustments to the property initiative located in Vimodrone managed by the company for EUR 0,5 million (EUR 0,4 million in the previous year), due to the valuation at the lower between the cost and the market value of the property inventories held by the latter. The property inventories owned by the company were valued with the help of independent external appraisers.

Iniziative Nord Milano S.r.l. (share capital EUR 100.000 - 75% owned)
The company, 25% owned by RRE S.p.A. in liquidation, owns a management/industrial/craft building complex in Bresso (MI), composed of three lots which have been gradually renovated.
As of today, 20 property units, including offices, laboratories and shops were sold, with the associated car parking spaces, for a total of EUR 8,4 million.
It should be pointed out that the year 1 October 2014 - 30 September 2015 represents the first year lasting 12 months closed by the company, given that, on 10 July 2014, the extraordinary shareholders' meeting resolved to change the closing date of the company year, bringing it forward to 30 September from 31 December of every year. This determination was dictated by the need to align the company year with that of the company which exercises management and coordination, Mittel S.p.A..
As at 30 September 2015, the company recorded a loss of EUR 2,8 million (loss of EUR 0,3 million as at 30 September 2014) and equity of EUR 0,5 million (EUR 0,9 million as at 30 September 2014), which benefitted from the waiving of a shareholders' loan of EUR 2,4 million.
The result for the year incorporates the value adjustments to the property initiative managed by the company for EUR 0,8 million (EUR 1,6 million in the previous year), due to the valuation at the lower between the cost and the market value of the property inventories held by the latter. The property inventories owned by the company were valued with the help of independent external appraisers.

Mi.Va S.r.l. (share capital EUR 3 million - 100% owned)
The company's only activity is targeted at increasing the value of the property complex located in Milan, in Via Vespri Siciliani 29 and Via Metauro 9 now at the construction phase.
In the year ended as at 30 September 2015, activities were implemented targeted at regaining possession of the site, despite the possessory action exercised by the general contractor, which saw MiVa S.r.l. re-take full possession of the property complex. As of today, the property is under the custody, day and night, of night-watchmen, pending the re-commencement of works completion activities.
It should be noted that, the difficulties of the General contractor led the company, on 20 June 2014, to terminate the agreement with Ediltecnica S.r.l. due to serious non-fulfilment of obligations, reserving the right, in any case, for MiVa S.r.l. to take action against Ediltecnica S.r.l. for compensation for all damages suffered and to be suffered.
It should be noted that, on 24 July 2014, the company, in respect of the communication to the Municipality of Milan showing that Ediltecnica S.r.l. had effectively been appointed general contractor, received a settlement request from the Public Administration amounting to EUR 1,4 million for the construction contribution and standard valuation also including legal interest and penalties pursuant to art. 42 of Presidential Decree 380/2001. This is the balance of the total amount due net of the amount already paid by the general contractor. It should be noted that the company had already paid Ediltecnica S.r.l., as urban development expenses, an amount of EUR 0,7 million and, in respect of this, is moving to recover the debt.
In July 2014, in order to assume management of the site in the absence of operating and economic risks, the company filed a Preventive Technical Appraisal request to the Court of Milan to assess the status of the works performed. The Court-appointed expert took the standard oath and accepted the appointment in August 2014. In April 2015, the final report of the Court-appointed expert was filed, which highlighted a lower value for the works performed, by around EUR 2,0 million, with respect to the figure indicated in the progress report subject to a Preventive Technical Appraisal.
As at 30 September 2015, the preliminary purchase agreements stipulated were subject to renegotiation between the parties given that, as a result of the suspension of the site, MiVa S.r.l. is currently non-compliant with the relevant timescales. To this end, a provision for risks was set aside for a total of EUR 0,6 million, to cover any compensation to be paid to the purchasing parties.
Site works are expected to recommence in January 2016, based on prior issuing of the change to the Building Permit which is being carefully examined by the Public Administration, and the delivery of the living units is currently being analysed by the technicians appointed.
As at 30 September 2015, the company recorded a net loss of EUR 1,9 million (loss of EUR 1,5 million as at 30 September 2014) and equity of EUR 4,1 million (negative equity of EUR 1,4 thousand as at 30 September 2014). The result for the year incorporates the value adjustments to the property initiative managed by the company for EUR 0,8 million due to the valuation at the lower between the cost and the

market value of the property inventories held by the latter. The property inventories owned by the company were valued with the help of independent external appraisers.
On 7 November 2014, the company's extraordinary shareholders' meeting, based on the situation prepared in accordance with art. 2482 bis of the Italian Civil Code, reported as at 31 August 2014, which posted total accounting losses of EUR 0,9 million and negative equity of EUR 0,9 million, resolved to cover said losses by replenishing the share capital with a premium totalling EUR 0,9 million, offering the increase to shareholders in proportion to their shareholdings. Furthermore, it resolved the increase in share capital from EUR 10.000 to EUR 3.000.000, with no premium. This increase was offered for subscription to shareholders, with the final term for subscribing the increase and for exercising the option right set for 15 January 2015.
Mittel Investimenti Immobiliari S.r.l. subscribed, at the shareholders' meeting, both its share of the increase and that of the third party shareholders, making said subscription expressly subject to the condition precedent regarding the third party shareholders' exercising of their option rights. Mittel Investimenti Immobiliari S.r.l. also simultaneously subscribed a nominal share of EUR 1,5 million, with premium, equal to 51% of the resolved share capital increase and simultaneously paid in 25% of said share, through payment of an amount of EUR 381.225.
Given the share capital increase was not subscribed nor the option right exercised within the minimum legal term, the third party shareholders, holders of 49% of the share capital of MiVa S.r.l., were eliminated, as regards their investment in favour of Mittel Investimenti Immobiliari S.r.l. which therefore became its sole shareholder. The company's equity as at 30 September 2015 benefitted from a further capitalisation initiative carried out by Mittel Investimenti Immobiliari S.r.l. through the waiving of interest-bearing and non-interest bearing loans totalling EUR 3,5 million. This additional initiative allowed the company to continue as a going concern.

Santarosa S.r.l. (share capital EUR 10.000 - 60% owned)
The company, which was initially 40% owned by Sant'Ilario S.r.l., was incorporated on 28 December 2012 for the purpose of purchasing from BREME S.r.l. the business unit comprising the area located in Piazzale Santorre di Santarosa 9, Milan, through the partial split-off of the latter, which became operational on 15 January 2013.
Subsequently, on 14 February 2013 Sant'Ilario Srl transferred its investment in the company to Residenza Altaguardia 11 S.r.l..
In 2012, following the requested construction authorisations, a property was built "on an unfinished basis" covering a gross floor area totalling around 5.000 square metres for tertiary use. A change of use (residential) was requested and obtained in 2013.
On 19 June 2014, the company Mangiavacchi Pedercini S.p.A. was assigned the contract for completion of the building, with the immediate launch of the site, whose works are at the conclusion phase; only some property units and the commercial road-facing part will remain incomplete, in order to allow future users to choose the finishes best suited to the final use.
As at today's date, notary deeds are still to be drawn up for EUR 3,5 million, corresponding to 11 apartments and 8 garages.
As at 30 September 2015, the company recorded a loss of EUR 0,2 million (EUR 0,4 million as at 30 September 2014) and equity of EUR 0,2 million (EUR 0,2 million as at 30 September 2014). The loss reported in the financial statements for the year ended as at 30 September 2015 was significant for the purposes of art. 2482-ter of the Italian Civil Code and, therefore, in accordance with said provision, it was necessary to ask the parent company to waive a part of its financial receivable. The parent company of the real estate sector, Mittel Investimenti Immobiliari S.r.l., ensured the business continuity with the appropriate capitalisation measures.

Regina S.r.l. (share capital EUR 50.000 - 100% owned)
The Regina S.r.l. owns a property complex in Via Regina 23 in Como, 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.
The verification of the executive design is under way, targeted at the tender between companies and the planning of the works start times that are compatible with the trend in the real estate market, as well as with the expiry of the Agreement extended until March 2019.
As at 30 September 2015, the company recorded a net loss of EUR 15 thousand (loss of EUR 12 thousand as at 30 September 2014) with equity of EUR 23 thousand (equity of EUR 38 thousand as at 30 September 2014).

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 September 2015, a rental agreement remains in place between the company and the telephone operator H3G S.p.A. for the positioning of a radio-telephonic station on a portion of the solar panel. The original agreement of 1 November 2009 was terminated on 30 September 2015; simultaneously, a new

agreement was signed, effective from 1 October 2015 and with expiry envisaged in October 2021, which can be further extended for 6 years. The lessee requested and obtained a reduction in the annual rent, which dropped from EUR 34.000 to EUR 28.000.
As at 30 September 2015, the company posted a net profit of EUR 24 thousand (net profit of EUR 16 thousand as at 30 September 2014). Equity as at 30 September 2014 amounted to EUR 210 thousand (EUR 186 thousand as at 30 September 2014).

Cerca S.r.l. (share capital EUR 50.000 - 100% owned)
The company, incorporated on 6 June 2011, is now non-operational.
As at 30 September 2015, the company recorded a loss of EUR 2 thousand (loss of EUR 1 thousand as at 30 September 2014) with equity of EUR 40 thousand (equity of EUR 41 thousand as at 30 September 2014).

Immobiliare Volta Marconi S.r.l. in liquidation (share capital EUR 15.000 - 51% owned)
The company, 49% owned by RRE S.p.A. in liquidation, owned a disused industrial building in a central location in Bresso (MI) – Viale Vittorio Veneto, which was sold by deed dated 2 September 2013 to LIDL Italia S.r.l. for a total price of EUR 4,1 million, in addition to VAT, collected on 2 September 2013.
On 18 November 2014, the extraordinary shareholders' meeting of the company resolved to wind the company up early, effective from the date of registration of the resolution in the Register of Companies, by placing it into liquidation.
The company year ends on 30 June each year. As at 30 June 2015, the company recorded a loss of EUR 4 thousand (loss of EUR 24 thousand as at 30 June 2014) and equity of EUR 23 thousand (EUR 48 thousand as at 30 June 2014).

- **Mittel Partecipazioni Stabili S.r.l.** (share capital EUR 99.000 - 100% 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 2014, the last set approved as at today's date, posted a profit of EUR 15,2 million, compared to a loss of EUR 3,4 million in the previous year. The consolidated equity of the Group as at 31 December 2014 amounted to EUR 154,0 million (EUR 142,7 million as at 31 December 2013).
At the same date, bonds and other short-term securities totalled EUR 78,8 million (EUR 82,0 million as at 31 December 2013), while investments, including those in Group companies, amounted to EUR 124,8 million (EUR 97,5 million as at 31 December 2013).

- **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 30 September 2015 posted a loss for the year of EUR 3,8 million (loss of EUR 22,9 million as at 30 September 2014). The equity of Earchimede S.p.A. as at 30 September 2015 amounted to EUR 93,8 million (EUR 97,6 million as at 30 September 2014). The company carries out private equity fund activities and acts as a holding company for investments. As regards holding activities, it is important to note the investment held in Fashion District Group S.p.A., 66,67% of the share capital, held in equal measure both directly and through the wholly-owned subsidiary FD33 S.r.l.. The latter company was incorporated following the conclusion of the non-proportional split of Draco S.p.A., finalised on 15 September 2011, 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. (subsequently merged into Fashion District Group S.p.A) and 10% in Parco Mediterraneo S.r.l..
It should also be pointed out that Fashion District Group S.p.A. holds a 90% stake in the capital of Parco Mediterraneo S.r.l., owner of an area of land covering around 600.000 square metres in the Belpasso (Catania) district, in addition to a further 10% share held through the subsidiary FD33 S.r.l., and an 18,43% share in the capital of Alfa Park S.r.l, operating in the amusement park sector (Rainbow Magicland in Valmontone Rome and Terra dei Giganti in Molfetta – Bari) and 100% of the share capital of Loft S.r.l., whose activities involve the sale of home accessories and gift items and which will be the lessee of a commercial space in the Molfetta centre.
It should be pointed out that the year 1 October 2014 - 30 September 2015 represents the first year lasting 12 months closed by the company, given that, on 17 July 2014, the extraordinary shareholders' meeting resolved to change the closing date of the company year, bringing it forward to 30 September from 31

December of every year. This determination was dictated by the need to align the company year with that of the company which exercises management and coordination, Mittel S.p.A..

The loss in the draft financial statements as at 30 September 2015 was the result of the recognition of write-downs of investments and of securities posted to current assets for a total of EUR 4,2 million. The write-downs refer (for EUR 4,0 million) to the investees FD33 S.r.l. and Fashion District Group S.p.A. and were calculated on the basis of the valuation of the recoverable value of the investment in Fashion District Group S.p.A. through the exposure, at current values, of the individual elements that make up the company's capital and the updating of its liabilities, by estimating the value of the Economic Capital of the Fashion District Group at a total of EUR 35,5 million.

Investments of Earchimede S.p.A.

Fashion District Group S.p.A. (share capital EUR 8.880.000 - 66,66% owned)
The company's statutory financial statements for the year ended as at 30 September 2015 posted a loss of EUR 4,6 million (loss of EUR 37,8 million as at 30 September 2014). The equity of Fashion District Group S.p.A. as at 30 September 2015 amounted to EUR 33,7 million (EUR 44,4 million as at 30 September 2014). It should be noted that, during the year, as per the information provided at the close of the previous year, the company definitively transferred its main company assets, an operation that concerned, in particular: (i) the transfer of the investment in Fashion District Mantova S.r.l. and the property complex relating to the Bagnolo San Vito (MN) outlet; (ii) the transfer of the investment held in Fashion District Molfetta S.r.l. relating to the property complex relating to the Molfetta (BA) outlet; (iii) the transfer of the business unit managed by the investee Fashion District Roma S.r.l. in liquidation relating to management of the Valmontone (Rome) outlet, with the subsequent placement of said company into liquidation. The aforementioned transactions allowed the shareholders to simultaneously extinguish the bank loans taken out with various banks, and the associated derivative contracts, and allowed the repayment of all shareholders' loans in place, as well as the distribution of reserves to shareholders for EUR 6.000.000 on 23 December 2014 and for EUR 10.000.000 on 26 October 2015. It is also appropriate to point out that the company's shareholders issued pro-rata (not joint and several) guarantees and an escrow account is still pledged by Fashion District Group S.p.A. for EUR 5 million, which will be released 30 months from the date of implementation of the transfers (17 May 2017). It should also be noted that, 18 November 2015 saw the termination of the Transitional Service Agreement, stipulated in November 2014 with IDEA FIMIT, relating to the services provided for the Bagnolo San Vito - Mantua and Molfetta - Bari outlets. On conclusion of these transactions, the company therefore had to implement an incisive company restructuring process, started at the end of July, which led, inter alia, to the consensual termination of employment relations with personnel tasked with managing the operations relating to the assets subject to transfer. Following the aforementioned extraordinary transactions and the restructuring commenced, the scope and nature of company activities managed by Fashion District Group S.p.A. reduced and changed considerably, and are currently limited to solely management of the investments held in some subsidiaries (Parco Mediterraneo S.r.l., Loft S.r.l. and Fashion District Roma S.r.l. in liquidation) and in the company Alfa Park S.r.l..

As regards the performance of the subsidiary **Parco Mediterraneo S.r.l.,** the company's statutory financial statements for the year ended as at 30 September 2015 posted a loss of EUR 955 thousand (loss of EUR 2,4 million as at 30 September 2014). The equity of Parco Mediterraneo as at 30 September 2015 amounted to EUR 1,3 million (negative EUR 0,2 million as at 30 September 2014), as a result of the waiving of the shareholders' loans by the shareholder Fashion District Group S.p.A. for EUR 2,5 million. The company owns an area located in the Municipality of Belpasso (CT) of around 600.000 square metres used for the "Centro di Logistica Mediterraneo" ('Mediterranean Logistics Centre') property project. In 2015 no concrete opportunity materialised to develop the land owned by the company and activities continued targeted at an assessment of a better/different development of said land. It should be noted that, in June 2013, the company filed, at the competent municipal office of Belpasso, an application for an extension of another five years of the term for completion of the construction work authorised by said Municipality, with Building Permit no. 195/2008. Due to the filing of said application, the company exercised, in accordance with the legal terms, the right expressly provided in its favour by art. 4 of the Town Planning Agreement, stipulated with the Municipality of Belpasso on 21 May 2008 as part of the Urban Implementation Plan approved by the municipal council of Belpasso by means of resolution no. 24 of 27 March 2008. On 28 June 2013, the competent office - Town Planning Sector - of the Municipality of Belpasso expressed a favourable opinion on the recognition of the extension. As of today, the company is still awaiting formal completion of the administrative procedure. Owing to the inactivity of the Municipality of Belpasso which, as of today's date, had still not acknowledged the favourable judgment of the competent office - as envisaged in the Town Planning Agreement - on 12 May 2014, the company filed an appeal before the Regional Administrative Court of Sicily, with the sole purpose of protecting its interests. On 3 December 2015, the Regional Administrative Court set the hearing, whose judgment is still not known as of today; it should be communicated in January 2016. The Directors, deeming its grounds to be valid, will appeal any adverse decision in the event of an unfavourable ruling. It should also be noted that, in order to identify the most likely market value of the asset held at the close of the financial year, an independent third party expert was assigned the job also in this year. The appraisal was issued on 23 October 2015 and the associated value is EUR 7,7 million, marking a decrease of EUR 0,3 million compared to the previous year, presented in the financial statements through the appropriate provision for the adjustment of the asset value. The appraisal takes account of the current situation of the asset, in which potential developments of the area were shelved, pending the administrative procedure targeted at the extension of the associated building licence and the settlement of the dispute pending before the Regional Administrative Court of Catania. The expert deemed it necessary, also for the purposes of an acceptance of the compensation claims formulated to the Municipality of Belpasso, to produce an estimate of the two different configurations of the area: agricultural and industrial. In fact, if, as a result of the pending judgment and the consequent conclusion of the aforementioned administrative extension procedure, the area in question lost its development characteristics, due to the revision in the general town planning tool of the Municipality of Belpasso, its value would decrease to the market value of an agricultural area, as estimated in the aforementioned appraisal, well below the current value (around EUR 1,2 million compared to the EUR 7,7 million recorded). Owing to the favourable judgment of the recognition of the extension for the completion of works issued by the Town Planning Section of the Municipality of Belpasso on 28 June 2013, and in light of the appeal filed by the company to the Regional Administrative Court of Sicily, the Directors of the investee believe the recognition of the land at a value of EUR 7,7 million to be consistent, attributing said land with the development characteristics identified in the town planning revision.

As regards the performance of the investee **Loft S.r.l.**, the company's statutory financial statements for the year ended as at 30 September 2015 posted a loss of EUR 0,7 million (loss of EUR 1,3 million as at 30 September 2014). The equity as at 30 September 2015 amounted to EUR 0,3 million (negative EUR 0,4 million as at 30 September 2014), and benefitted from the waiving of the shareholders' loans for EUR 1,3 million. The company deals with the sale of domestic accessories and gift items and is the lessee of a commercial space at the Molfetta centre.

As regards the performance of the investee **Alfa Park S.r.l.**, it should be noted that the company is a holding company for investments which mainly holds 100% of the share capital of the vehicle companies responsible for the management of the amusement parks in Valmontone (Rainbow Magicland) and Molfetta (Miragica) through the companies Rainbow Magicland S.r.l. (formerly Alfa 3 S.r.l.), Miragica S.r.l. (formerly Alfa 6 S.r.l.) of which it is the parent company and single shareholder. Through Alfa 4 S.r.l. with sole shareholder, Alfa Park S.r.l. operates in hotel sector in the Integrated Tourist Area of the park of Valmontone. The overall performance of the group headed up by Alfa Park S.r.l. was marked by the continuation of unsatisfactory income statement results, which were reflected in the statement of financial position of Alfa Park S.r.l., characterised by excess debt and the prospect of inadequate cash flows from operating activities related to amusement parks to service the debt in the absence of new capital contributions. This company's situation of financial imbalance made it necessary to identify incisive measures that are reflected in the preparation of the 2014 – 2026 Business Plan, approved by the Board of Directors on 31 March 2015, confirmed by an independent expert on 5 December 2014. This plan made provision for some extraordinary measures for the revamping of parks capable of counteracting, at least partly, the negative trend being experienced by the industry. The plan, also subject to an Independent Business Review and certified by an independent expert, makes provision not only for a review of sales and promotional policies, but some significant investments which should allow diversification of the amusement offer for visitors. In relation to the approved plan, the associated financial manoeuvre makes provision, inter alia, for access to new financial resources to support the Group (around EUR 18 million). The unforeseeable protraction of definition of the process, with banking and leasing institutions that finance the Group companies, aimed at restructuring the existing financial debt, meant it was impossible for companies to promptly access the new financial resources provided for by the financial manoeuvre. In spite of this, the processes and activities prior to the opening of the parks and the preparation for the 2015 season set out in the Business Plan were implemented, albeit with significant delays concerning some marketing and sales initiatives. Agreements were signed by each Group company on 3 April 2015, and became effective, in execution of the certified redevelopment plan and the related contracts. Therefore, the financial debt profile was redefined, with the amendment and lengthening of the repayment plans for existing loans, and the associated interest accrued and accruing, as well as with a "grace period" (from 1 January 2014 until 31 December 2016) during which no repayments will be made. The agreements also make provision for access to new financial resources, in the form of new credit lines by way of VAT advances, freeing up of tied-up resources for the Group totalling around EUR 18 million, including the contribution of new resources by majority shareholders. Fashion District Group S.p.A. was called to pay Alfa Park a total of EUR 3.752.758 and to sign a mandate to be conferred to an advisor for going ahead with the valuation and/or sale of the investment held. This mandate represents a protective measure requested by the lenders involved in the manoeuvre, targeted at actual application as a result of the non-fulfilment, by companies in the Alfa Park Group, of the commitments and/or covenants assumed within the context of the agreements relating to the aforementioned financial manoeuvre, or in the assumption of these companies' underperformance. With reference to the valuation of the aforementioned investment, it should be noted that, as a result of the valuations performed at the time of drafting of the financial statements for the year ended as at 30 September 2014, the book value of the investment was written down in full and that the valuations performed in the previous year, in consideration of the persistence of the difficult situation (including financial) the investee is in, were confirmed for the year under review.

FD33 S.r.l. (share capital EUR 7.608.177 - 100% owned)
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. (10% of share capital). It should be pointed out that the year 1 October 2014 - 30 September 2015 represents the first year lasting 12 months closed by the company, given that, on 17 July 2014, the extraordinary shareholders' meeting resolved to change the closing date of the company year, bringing it forward to 30 September from 31 December of every year. This determination was dictated by the need to align the company year with that of the company which exercises management and coordination, Mittel S.p.A..
As at 30 September 2015, the company posted a loss of EUR 23 thousand (loss of EUR 167 thousand as at 30 September 2014). Equity as at 30 September 2015 amounted to EUR 6,8 million (same figure as at 30 September 2014).

- **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 681.818 category B shares with no voting rights - Mittel S.p.A. holds 750.000 ordinary shares).
The company is a holding company which holds a 8,72% stake in the new company, Livanova Ltd, created as a result of the project completed on 19 October 2015 for the integration of Sorin S.p.A., a company 19% owned by Bios S.p.A. and Cyberonics Inc. The Livanova Ltd group is a global leader in the treatment of cardiovascular diseases and the field of neuromodulation.

As reported in the section "Significant events in the year", on 26 February 2015, Mittel S.p.A.'s Board of Directors resolved to give its support to the project for the integration of Sorin S.p.A. and Cyberonics Inc., a company active in the production of medical devices in the United States and specialised in the field of neuromodulation, undertaking, inter alia and together with Equinox Two, an investment partner, to vote in favour of the transaction at the company's shareholders' meeting, and not to dispose of Sorin S.p.A. shares until the effective date of the transaction. On 19 October, due to completion of the transaction, each Sorin shareholder therefore received 0,0472 shares in the new entity Livanova Plc, a company listed on the Nasdaq and on the London Stock Exchange. As a result of this transaction, the percentage held by the vehicles Bios S.p.A. and Tower 6 Bis S.a.r.l., in which Mittel holds stakes of 50% and 49% respectively, is now at 8,7% and 3,0% in Livanova Plc.. The transaction spawned a new global leader in medical technologies operating in three divisions: neuromodulation, heart surgery and Cardiac Rhythm Management (CRM). Lastly, it should be noted that, following completion of the transaction on 19 October, the restrictions assumed by Mittel and Equinox in relation to Livanova shares no longer applied, while in the days immediately after, the shareholders' agreement between Mittel and Equinox was terminated.

Bios S.p.A. closed the financial year ended as at 31 December 2014 with a loss for the year of EUR 5,4 million (profit of EUR 62,6 million as at 31 December 2013). The equity of Bios S.p.A. as at 31 December 2014 amounted to EUR 94,8 million (EUR 100,2 million as at 31 December 2013). The loss for the year was generated, for the most part, by interest expenses accrued on the Ghea S.r.l. and Monte dei Paschi di Siena S.p.A. loans (EUR 4,9 million). It should be noted that, as at 30 September 2015, it has a financial payable of EUR 78,2 million due to Banca Monte dei Paschi di Siena S.p.A. and EUR 22,7 million due to Ghea S.r.l.. These loans, previously secured by a pledge on Sorin shares, are not guaranteed by Livanova Plc shares and, after 30 September 2015, given the conditions exist based on the Loan to Value underlying the loan, Bios exercised the option (i) to extend their expiry until the end of December 2016 and (ii) to capitalise the interest accrued. For a description of the loans and their origin, please refer to the description of the investee Ghea S.r.l. below.
Also note that Bios, along with Mittel S.p.A., was notified, at the request of Snia S.p.A. in Amministrazione Straordinaria (under extraordinary administration), of a writ of summons whose details are illustrated in the paragraph pertaining to ongoing legal disputes, as with the same paragraph relating to the description of the provision (formal notice to comply) received in July 2015 from the Ministry of the Environment and for which Bios S.p.A. filed a challenge before the Regional Administrative Court of Lazio. From 1 January 2015 to 30 September 2015, the company's statement of financial position, before IAS and consolidation entries, posted a loss of EUR 4,6 million and equity of EUR 90,2 million. The loss for the period was

generated, for EUR 3,7 million, by interest expenses accrued on the Ghea S.r.l. and Monte dei Paschi di Siena S.p.A. loans.

Investment of Bios S.p.A.

Livanova Plc (share capital EUR 48.867.065 divided into 48.867.065 ordinary shares - BIOS S.p.A. directly holds 8,72%).
As indicated above, the company Livanova Plc was incorporated on 19 October, listed on the Nasdaq and on the London Stock Exchange. Livanova Plc is a global leader in medical technologies operating in three divisions: neuromodulation, heart surgery and Cardiac Rhythm Management (CRM), with pro-forma turnover of USD 1,3 billion and a leading position in high-growth markets (sleep apnea, heart failure and mitral valve regurgitation).

Geographically speaking, the new company is present in all markets with roughly 40% exposure towards Europe, 35% to the United States and, for the remainder, to the rest of the world, with a major presence in Japan, China and Brazil. The new entity, LivaNova, should benefit from sales and cost synergies. The sales synergies are expected mainly through former Cyberonics' exploitation of Sorin's strong presence in Europe and in Japan, where it has already established its infrastructures. Cost synergies are expected from the presence of the existing company structure in the various geographic areas, as well as on R&D projects and on the supply chain.

- **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 (EUR 50 million in nominal value) 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 class B shares, of EUR 37.404.127, plus a return of 4,875% capitalised on an annual basis and effective from 1 July 2008".
On 20 December 2013 Ghea finalised a significant transaction to renegotiate and restructure the credit position with respect to Bios S.p.a., in order to strengthen the company's equity.
The agreements made provision for (i) the simultaneous use, by Ghea, for an amount of EUR 11.061.698, of the existing receivable for the purposes of the equity strengthening of Bios; (ii) the rescheduling of the two-year position, i.e. until 22 December 2015, with the possibility of renewal for a further year provided that the loan-to-value of 130% determined on the value of the guarantees issued is observed; (iii) the signing of a deed of partial cancellation of the pledge in order to the align the loan guarantees with the guarantees granted by Bios to MPS. In particular, Ghea, as secured creditor, partially cancelled the pledge, for 19.217.438 shares, therefore reducing the previous 34.796.687 shares to the current 15.579.249 shares pledged.

Following the integration, completed on 19 October, Ghea S.r.l. and Banca Monte dei Paschi di Siena S.p.A. received Livanova Plc securities as guarantee for the share swap with respect to Sorin S.p.A. shares previously pledged.

In the Mittel Group consolidated financial statements, the total investment of Ghea S.r.l. in Bios S.p.A. is recognised as a financial receivable with a value of EUR 53,5 million.

The financial statements for the year ended 31 December 2014 posted a net loss of EUR 0,1 million compared to EUR 0,4 million in the previous year. Equity totalled EUR 3,0 million, the same as in the previous year.

The statement of financial position and income statement of Ghea S.r.l. for the 1 January 2015 - 30 September 2015 period, drafted for the purposes of the consolidated financial statements of the Mittel Group, prior to IAS adjustments, (the company year ends on 31 December each year) posted a loss of EUR 47 thousand and equity of EUR 2,9 million.

- **Locaeffe S.r.l. in liquidation** (share capital EUR 3.640.000 - 100% owned by Mittel S.p.A.)
  The company's financial statements for the year ended as at 31 December 2014 posted a loss of EUR 0,1 million (loss of EUR 0,3 million as at 31 December 2013). The equity of Locaeffe S.r.l. in liquidation as at 31 December 2014 amounted to EUR 3,4 million (EUR 3,5 million as at 31 December 2013). The company was put into liquidation on 11 October 2011. From 1 January 2015 to 30 September 2015, the company's statement of financial position posted a loss of EUR 1,0 million and equity of EUR 2,5 million. The loss for the year was mostly generated by the write-down of a receivable still existing, subject to restructuring, for around EUR 0,5 million and the loss recorded on a receivable collected during the year (EUR 0,5 million).

- **Markfactor S.r.l. in liquidation** (share capital EUR 91.138 - 100% owned by Mittel S.p.A.). The company's financial statements for the year ended as at 31 December 2014 posted a loss of EUR 0,3 million (loss of EUR 3,6 million as at 31 December 2013). The equity of Markfactor S.r.l. in liquidation as at 31 December 2014 amounted to a negative EUR 4,0 million (negative EUR 3,7 million as at 31 December 2013). In the 1 January 2015 - 30 September 2015 period, the company's statement of financial position posted a loss of EUR 0,5 million and negative equity of EUR 4,5 million. The loss for the year was mostly generated by the write-down of a receivable still existing for around EUR 0,3 million and interest expenses for EUR 0,2 million.

Mittel S.p.A. associates

- **Castello SGR S.r.l.** (share capital EUR 3.626.163 – 20,24% owned)
  Castello SGR S.p.A. is a real estate Asset Management Company and provides a professional collective management service targeted at creating value over time through dynamic asset management. The main activities include the renovation and development of areas, enhancement of properties, dynamic and professional management of different categories of assets and property portfolios. By availing itself of expertise in the sector, Castello SGR now manages real estate funds, for a gross asset value of EUR 1,5 billion, ranking among the top 10 Italian operators.
  The company closed the year ended as at 31 December 2014 with a net profit of EUR 2,4 million (net profit of EUR 2,2 million as at 31 December 2013) while equity totalled EUR 13,3 million (EUR 13,7 million as at 31 December 2013).
  Mittel S.p.A. subscribes to two closed-end real estate funds managed by Castello SGR S.p.A and, more specifically, to:

  Fondo Augusto (Augusto Fund)
  The main objective of the Fondo Augusto is to invest in property assets with a stable (on a trend basis) return profile and performances that can be easily predicted. The Fondo Augusto's target is, above all, to invest in income-generating property assets in Italy, in particular, for the following uses: management - logistics - commercial - light industrial - and hotel. Together with income-generating investments, the Fondo Augusto's objective is to invest in assets with an opportunistic component (renovation/trading), with the goal of earning extra income with respect to the target yield.
  As at 30 September 2015, Mittel S.p.A. holds 300 class A shares, equal to 11,37% of the Fund's shares.

  Fondo Cosimo 1 (Cosimo 1 Fund)
  The Fondo Cosimo I, a closed-end mutual real estate fund reserved to qualified investors, set up and managed by Castello SGR S.p.A., started operations on 11 March 2008.
  The Fund is a partner of tourist operators that want to concentrate on operating activities, transferring property management to a management team able to actively contribute to the achievement of significant growth objectives.
  Through these partnerships, the Fund aims to reach a "critical mass" of Assets Under Management able to offer huge appeal to leading institutional investors in the Italian and European scenario.
  The common thread of the investment is the search for assets which express the quality of "Made in Italy" hospitality in the "Leisure" segment of the hotel tourist market.
  As at 30 September 2015, Mittel S.p.A. holds 78 shares of the 1.599 issued, equal to 4,88% of the Fund's shares.

Companies not controlled by Mittel S.p.A.

- **Tower 6 Bis S.à.r.l.** (share capital EUR 4.500.000 - 49% owned)
  Tower 6 Bis S.à.r.l., in March 2009, acquired the 6,693% stake in Sorin S.p.A. from Bios S.p.A., an investment that, as a result of the integration completed on 19 October for which each Sorin shareholder therefore received 0,0472 shares in the new entity Livanova Plc, is now represented by 3,04% of Livanova Plc, a company listed on the Nasdaq and on the London Stock Exchange and a global leader in medical technologies operating in three divisions: neuromodulation, heart surgery and Cardiac Rhythm Management (CRM).

  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 2014 showed equity of EUR 3,9 million (EUR 4,9 million as at 31 December 2013), with a net loss of EUR 0,9 million (EUR 0,1 million as at 31 December 2013), deriving mainly from the interest accrued on the bank borrowing raised at the time of acquisition of Sorin.
  The statement of financial position and income statement of Tower 6 Bis S.à.r.l. for the 1 January 2015 - 30 September 2015 period, drafted for the purposes of the consolidated financial statements of the Mittel Group, posted a loss of EUR 828 thousand (portion pertaining to Mittel of EUR 405 thousand) and equity of EUR 59,6 million, of which EUR 56,3 million relating to the valuation reserve which books the variation in the fair value valuation of the Sorin S.p.A. investment to equity.

- **Liberata S.p.A.** (share capital EUR 6.750.000 - 27% owned by Mittel S.p.A.)
  Liberata S.p.A. is the corporate vehicle which has full control of the Mittel Generale Investimenti S.p.A. investment.
  The company's statement of financial position as at 30 September 2015 recorded a loss of EUR 3,1 million (loss of EUR 1,1 million as at 30 September 2014) and equity of EUR 19,4 million (EUR 22,4 million as at 30 September 2014).

Mittel Generale Investimenti S.p.A. (share capital EUR 17.000.000 - 100% 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.
As at 30 September 2015, the income statement of Mittel Generale Investimenti S.p.A. recorded gross profit from operations of EUR 3,7 million, a decrease of EUR 3,5 million from the previous year (positive EUR 7,1 million in the previous year) as well as a positive overall intermediation margin of EUR 5,5 million compared to the EUR 8,2 million recorded in the previous year.
The decrease of EUR 2,8 million in the intermediation margin was mainly determined by:
- a decrease of EUR 1,1 million in the interest margin, amounting to EUR 4,5 million as at 30 September 2015 (positive EUR 5,6 million at the closing date of the previous year);
- a decrease of EUR 1,7 million in income from trading activity to a positive EUR 0,5 million as at 30 September 2015 (positive EUR 2,2 million in the previous year).

Gross income from operations, amounting to EUR 3,7 million (a positive EUR 7,1 million in the previous year), represents the income from operations before expenses and non-monetary costs (amortisation/depreciation, 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 decrease of EUR 3,5 million was determined by the reduction of EUR 2,8 million in the intermediation margin (from a positive EUR 8,2 million in the previous year to a positive EUR 5,5 million as at 30 September 2015), augmented by an increase in operating expenses of EUR 0,7 million, up from EUR 1,1 million in the previous year to EUR 1,8 million in this year. Personnel expenses fell when compared to the previous year, standing at EUR 0,8 million.

Net income (loss) from operations (equal to the difference between the gross profit from operations and value adjustments to property, plant and equipment and intangible assets, allocations to the provision for risks and charges and value adjustments for impairment of loans and available-for-sale assets) was a positive EUR 0,6 million (positive EUR 5,1 million in the previous year). The decrease of EUR 4,5 million in income is mainly attributable to the decrease of EUR 1,1 million in the interest margin, lower income from

trading of EUR 1,7 million, higher net value adjustments on financial assets of EUR 1,4 million, lower other net income of EUR 0,8 million and lower provisions for risks of EUR 0,3 million.
Equity as at 30 September 2015 amounted to EUR 84,4 million (compared to EUR 87,0 million as at 30 September 2014). The change in equity, which includes net profit for the year of EUR 0,2 million, is attributable to the partial distribution of profit for the year for EUR 2,8 million, as resolved by the Shareholders' Meeting of 28 January 2015.

❖ **Credit Access Asia N.V.** (formerly Microventure Finance Group S.A - share capital EUR 25.070.801 - share of 7,62%)
Credit Access Asia NV is a company specialised in the start-up and development of Microfinance Institutions, whose mission is to supply microcredit and other financial services to people with low incomes in selected emerging countries. The Group comprises a network of four Microfinance Institutions based in India, Indonesia and the Philippines. The Microfinance Institutions controlled have a total portfolio worth around EUR 500 million and more than 5.000 employees.
The simplification and re-branding operation completed in the last few months of 2014 (reverse merger of Microventure Finance Group S.A in the wholly-owned subsidiary Credit Access Asia N.V.) and the simultaneous launch of the EUR 40 million bond, fully subscribed with the entry of new investors, are incorporated within the Group's growth process which envisages a company IPO (Initial Public Offering) in the next few years.
Lastly, it should be noted that, on 6 January 2016, Credit Access Asia Nv, and the Pan-Asian private equity Group Olympus Capital Asia, announced the signing of a strategic partnership in which the private equity company will invest a minimum of 30 million dollars to finance the expansion plans of the microfinance provider and, in particular, the supply of microcredit throughout Asia. The strategic partnership, a joint memo explains, will help accelerate Credit Access' growth plans in the Asian market for the 'unbanked' population (people not served by any bank or financial institution).

❖ **Equinox Two S.c.a.** (share capital EUR 176.647 – 5,7% owned)
In 2014/15, the company Equinox Two S.c.a. continued to monitor the investments in the portfolio (Biotedim S.r.l., Esaote S.p.A., Livanova Plc and Adler). It did not make any new investments in the period except to follow up the investments already made. The total amount of committed contributions of the fund stood at EUR 301 million (Mittel group EUR 17 million), roughly 80% of which called at present (fund investment period ended in May 2014).

❖ **SIA S.p.A.** (share capital EUR 22.274.619,51 - stake of 0,30%)
For a description of the investee please refer to the company's website www.sia.eu.

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 the Mittel Group 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, could affect the Group's activities, with unique methods and repercussions with respect to the different sectors in which the Group operates, in particular:

- *Investments and Private Equity*: the weakness of the global economies, despite a recovery with respect to previous years, could adversely impact the activities carried out by the Group and lead to a general deterioration in the Group's assets and/or, in the absence of adequate financial support, the need to carry out disposals without performing an adequate valuation of the investments currently in the portfolio. 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 sufficient 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 in previous years 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;

- *Real estate sector*: there is a risk deriving from the problems connected with the cyclical nature of the purchase/sale and lease values (generally speaking, market stagnation in previous years and the evolution in demand have brought 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

The Group has obtained significant credit lines, granted by numerous leading banks and, in July 2013, successfully finalised the issue of the Mittel S.p.A. 2013 - 2019 Loan listed on the Mercato Telematico delle Obbligazioni e dei Titoli di Stato (Screen-based bond market - MOT), organised and managed by Borsa Italiana S.p.A. However, 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.
The Group's ability to cover payments will depend on its capacity to generate sufficient liquidity, also through disposals and/or divestments, and/or to refinance its debt. This capacity depends to a certain extent on the economic, financial and market situations, laws and regulations applicable at each time, competition with other operators and other factors, many of which are outside of the Mittel Group's control.
In relation to potential payments that the Group may have to cover, the Group has signed investment commitments for its units held in private equity funds and in foreign investment vehicles. The amount of these commitments is set at the time of subscription, while the time frame for the actual payments, to be made in the event the investments are called, cannot be predicted, as it mainly depends on the investments made by the funds/investment vehicles, which in turn cannot be predicted, and is only residually linked to the costs and expenses incurred by the funds/investment vehicles, which, on the contrary, have scheduled due dates.
Therefore, also in consideration of the potential misalignment between the duration of the Group's invested assets, mainly medium and long term, and the related sources of funding, though this has improved after the finalisation of the Mittel 2013 - 2019 bond loan, the risk that the Group may not be able to meet its payment commitments at the set due dates due to the difficulties in liquidating assets on the market (asset liquidity risk) or raising funds (funding liquidity risk) cannot be ruled out. This would have 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. The income of EUR 120 million, relating to the sale of outlets, which took place in November 2015, together with the income from the sale of non-controlling interests, including Azimut Benetti S.p.A., improves this risk position.

Risk of default and debt covenants

Contractual clauses, commitments and covenants are applied 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 Mittel S.p.A. make provision for capital covenants, non-compliance with which, currently unlikely, could involve the acceleration clause.

Bank payables as at 30 September 2015, totalling EUR 96,9 million, are made up of the bank payables of the Mittel S.p.A. (EUR 79,7 million), Mittel Investimenti Immobiliari S.r.l (EUR 11,7 million) and Mittel Partecipazioni Stabili S.r.l. (EUR 5,5 million).

As regards the Parent Company Mittel S.p.A., it should be noted that a covenant was in place, as at 21 May 2015, on a revolving credit line of EUR 25 million, granted by Banca Monte dei Paschi di Siena S.p.A., which required compliance, on a half-yearly basis, with certain parameters; for a description of these, please refer to the consolidated financial statements as at 30 September 2014. These parameters were respected until the date of extinguishment of the loan. During the year, the extinguished loan was replaced by a Revolving Credit Facility with the same institution, expiring on 7 December 2015, and an effective drawdown of EUR 11,0 million as at 30 September 2015. This transaction does not have covenants, but solely mandatory early repayment clauses in the event the company is delisted, or other forms of revocation of the listing of shares or the suspension of listing for a period of more than 10 working days.
On expiry, the Revolving Credit Facility transaction was replaced with a credit line of EUR 25 million, valid until revocation, which can be used through the opening of credit settled via current account and drawing transactions with a maximum duration of 30 days.
Although now extinguished, for completeness of information, it is also noted that Mittel S.p.A. has a bullet loan in place, for an amount of around EUR 26,7 million as at 30 September 2015, with duration until 23 December

2015. This loan contains a set of clauses and commitments of the debtor, which are usual for that type of loan. Specifically, the contract provides for, inter alia: (i) commitments by Mittel S.p.A. not to implement specific types of extraordinary transactions without the advance approval from the banks, (ii) a negative pledge, and (iii) pari passu clauses, i.e., of non-deferral, which, if breached, could result in Mittel's obligation of early repayment of the amounts disbursed, with resulting negative effects on the Group's economic, equity and financial position. As at 30 September 2015, these clauses and commitments pertaining to Mittel S.p.A. were respected.

In December 2015, Mittel, respectively:

- repaid the bullet loan with Banca Monte dei Paschi di Siena, expiring on 23 December 2015, with the subsequent elimination of the associated commitments and clauses;
- renegotiated the line of EUR 25 million with Monte dei Paschi di Siena, for which the associated covenant had already been eliminated with the renegotiation in May/June 2015;
- took out an unsecured loan with Banco Popolare for EUR 8 million, with repayment plan that envisages the final instalment on 31 December 2017.

The unsecured loan with Banco Popolare makes provision for a covenant (Net Debt/Equity ≤1) to be verified on an annual basis on 30 April of each year, regarding the financial statements as at 30 September of the previous year.

Lastly, it should be noted that, as at 30 September 2014, short- and long-term loans relating to the construction of the Mantua and Molfetta outlets relating to Fashion District Group S.p.A., amounting to around EUR 51 million on 18 November 2014, were repaid and the various covenants and commitments linked to debt were eliminated.

Risks connected with Mittel's obligations pursuant to the regulations of the fixed-rate bond loan "Mittel S.p.A. 2013-2019" (Loan) issued in July 2013 by Mittel S.p.A.

Pursuant to the Loan Regulations, Mittel is required to respect the following for the entire duration of the Loan: (i) limits to dividend distribution and profit reserves, (ii) compliance with a financial covenant calculated as the ratio of net financial debt to equity in the separate financial statements, (iii) a negative pledge on future bond issues by Mittel or by Significant Subsidiaries within the limits and save for the exceptions set out in the Regulations. In the event of breach that is not remedied, of said obligations set out in Loan Regulations, Mittel could be held to the mandatory early redemption of the Loan, which in turn, could result in the obligation of early repayment, or application of the acceleration clause, termination of or withdrawal from the other loans contracted by Mittel. As at 30 September 2015 the covenant on the loan were respected.
Furthermore, for the entire duration of the Loan, Mittel S.p.A. has undertaken not to distribute dividends or profit reserves exceeding 5% of equity resulting from the financial statements of Mittel S.p.A. approved during each year of the duration of the Loan ("Cap"). In the event of voluntary early reimbursement, the Cap applicable to the year under way at the date of the redemption will be increased by the same percentage of the nominal value of the Bonds redeemed, i.e., by 25% or 50%, depending on the case. In the event that the Issuer purchases and cancels Bonds, prior to four years from the Loan Use Date, in amounts of 25% or 50% of the Bonds issued, the Cap applicable to the year under way at the date of the purchases and cancellations reached 25% or 50% of the Bonds issued will be increased by the same percentage, i.e., by 25% or 50%, depending on the case.

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.
As at 30 September 2015, 69% of the Group's bank payables, amounting to EUR 101,4 million, are variable rate (based on the Euribor) (72,9% as at 30 September 2014).
As at 30 September 2015, the Group had a bond loan in place maturing in July 2019 for EUR 98,5 million at a fixed rate (6%).
In the event of a significant rise in interest rates, and considering the partial sterilisation of interest rate risk through variable rate loans, the increase in financial expenses borne by the Group on variable rate debt could have negative effects on the economic, equity and financial situations of Mittel S.p.A. and the Group.

In relation to changes in interest rates, note that if, as at 30 September 2015, the interest rates were 100 basis points higher/lower than the rates actually registered at said date, at consolidated income statement level, higher/lower financial expenses would be recorded of around EUR 1,0 million, before the associated taxes.

Credit risk

Financial transactions realised by the Group expose it to credit risk, understood as the possibility that an unexpected change in the counterpart's creditworthiness could impact the credit position, resulting in insolvency (default risk) or in terms of the market value of the position (spread risk).
In detail, 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 for a significant amount;
- 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 2015 the credit portfolio is largely composed of receivables relating to the deferred component of payment of the consideration for the transfer of investments, mainly represented by the vendor loan granted by Mittel to Liberata S.p.A. and by credit positions acquired following the merger of Hopa S.p.A..

Risks related to management

The Group's success depends largely on certain key management figures who provide a significant contribution to business development. Though the Group has adopted a remuneration policy set up in order to ensure a remuneration structure capable of recognising the value and contributions of its managers, the loss of this 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.

Risks connected to legal disputes and judicial proceedings

In the normal course of its business, the Group is a party in numerous civil (also concerning employment law), tax and administrative proceedings, as well as an arbitration procedure, whose progress is periodically monitored.

Therefore, there is the risk of the Group having to cover liabilities/reputational damages resulting from various types of legal disputes, 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.

In its consolidated financial statements as at 30 September 2015, the Group allocated a specific provision for risks and charges totalling EUR 5,4 million (EUR 11,7 million as at 30 September 2014), to cover, inter alia, the liabilities that could result from the legal proceedings and other pending disputes.

The total amount of this provision for risks and charges and the amount of annual allocations to the provision are determined based on the probability that the proceedings will have a negative outcome for the Group. Certain proceedings which the Group is a party to and which are predicted to have a possible, remote or unquantifiable negative outcome are not included in the provision for legal risks and charges, as envisaged by IAS 37. Therefore, it is not possible to rule out the possibility that the Group may be required to fulfil payment obligations in the future that are not covered by the provision for risks and charges, or that the allocations made to the provision for risks and charges may be insufficient to cover liabilities deriving from an outcome more negative than expected.

Moreover, in general, irrespective of the legitimate grounds of the claims made, any initiation of legal or arbitration proceedings against Mittel and/or other Group companies, including any disputes concerning the Group's past operations as a shareholder of transferred companies, could result in possibly significant damage to the Group's image and reputation in its sector, with possible negative effects on the business and economic, equity and financial situations of Mittel S.p.A. and the Group.

In order to reduce the risks connected with legal disputes and judicial proceedings, it should be noted that, on 23 July 2015, negotiations were successfully concluded with the counterparties in two disputes: Liberata/MGI and Brands Partners 2/MPE, as better detailed in the section "Significant events in the year" to which reference should be made.

As regards the most significant disputes of the Group, such as those with Snia and GE Capital/Tellus, there were no new developments with regard to that reported in the section on the Main Ongoing Legal Proceedings, to which reference should be made.

Risks connected with the market value of property inventories

In the last few years, the Italian real estate has continued to register a fall in investments in both residential and non-residential construction, with a parallel reduction in property sales due primarily to economic uncertainty, poor job market prospects, the decrease in disposable income, and the worsening of tax charges on all types of properties.

The Group recognises its property inventories at cost value; in support of these values, when drafting the financial statements for the year ended as at 30 September 2015, the Group requested third-party professionals with the necessary skills and qualifications for an appraisal of the main property assets at market values based on the measurement criteria normally used in the practice. The Group effected property asset write-downs in the cases in which the appraisals of the main property assets showed their net sale values to be lower than their book values in the financial statements (EUR 5,9 million as at 30 September 2015 compared to EUR 10,8 million as at 30 September 2014).

The Group cannot ignore the fact that any worsening in the reference market may involve the future need for further potential value adjustments, with the subsequent negative effects on the Group's statement of financial position and income statement.

Risks relating to disputes in the real estate sector

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

- disputes regarding the buying/selling of properties;
- disputes with the tax authorities;
- disputes with tenants;
- administrative disputes relating to uses;
- 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

Some 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.

Risks connected with the status of holding company for investments – Parent Company Mittel S.p.A.

Considering Mittel's status as a holding company for investments, its economic performance is linked, inter alia, to circumstances that are not periodic and/or recurring in nature, such as the distribution of dividends by investee companies and the formation and realisation of capital gains on divestments of investments held. Thus, the performance of the company's results in different years may not be linear and/or significantly comparable. In addition, there is no guarantee regarding the amount of dividends that will be distributed by Mittel due to the lack of stable flows, partly structural (characteristic of private equity) and partly dependent on the prompt renewal of major investments. In particular, the portfolio of assets held by the Group constantly shrank. However, in respect of the disinvestment described, the Group is searching for new investment opportunities at the time of the disposals, with the subsequent non-replacement of the investments held, use of cash freed up and further deferment of the sector investment cycle and achievement of the associated profit flows with respect to the normal duration (already extended).

Significant events after 30 September 2015

Governance

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

On 15 November 2015, the Board of Directors of Mittel S.p.A., having acknowledged the renunciation, by members of the Executive Committee, of their responsibilities, co-opted Rosario Bifulco, replacing the Director Stefano Gianotti, assigning him the role of Chief Executive Officer. Therefore, Mittel S.p.A. adopts a Governance model composed of a Board of Directors and a Chief Executive Officer, the latter in place of the Executive Committee. The Board of Directors also delegated the Chairman with calling an ordinary shareholders' meeting, to be held by the end of the year, in which to propose the confirmation of the appointment of Rosario Bifulco. At said meeting, considering the strategic value of the expected contribution of Rosario Bifulco, the Board of Directors resolved, in favour of the latter, the transfer of 5.300.000 treasury shares at a share price of EUR 1,73, equal to the average book value of treasury shares in the portfolio, for a total of EUR 9.169.000;

- On 23 December 2015, the shareholders' meeting of Mittel S.p.A. met on first call; the ordinary and extraordinary meeting was called to resolve on the items on the agenda. The shareholders' meeting resolved to confirm the appointment of Rosario Bifulco as Director, whose mandate was due to expire on the date of today's shareholders' meeting pursuant to art. 2386 of the Italian Civil Code. The Board of Directors of Mittel S.p.A., which met on conclusion of shareholders' meeting proceedings, confirmed the appointment of Rosario Bifulco as Chief Executive Officer. The extraordinary shareholders' meeting approved the proposed amendments to the Articles of Association and the subsequent adoption of a new text of the Articles of Association and, more specifically, the proposal to extend the company duration until 31 December 2100, and to insert in Mittel's Articles of Association - availing itself of the right set out in art. 2437, paragraph 2, of the Italian Civil Code - the exclusion of the right of withdrawal of shareholders who did not contribute to approval of the resolutions regarding (i) the extension of duration of the company and (ii) the introduction or removal of restrictions on the circulation of shares involving the right of withdrawal for shareholders who will not contribute to approval of the above resolution pursuant to art. 2437 of the Italian Civil Code. This right of withdrawal is regulated, in relation to the unit value per share, by the provisions of art. 2437-ter, paragraph 3, of the Italian Civil Code, a regulation that makes exclusive reference to the arithmetic mean of the closing prices in the six months prior to the date of publication of the call notice of the shareholders' meeting, equal to EUR 1,585 for each Mittel share.
  As of today, the above-mentioned shareholders' meeting resolution has still not been registered in the Milan Register of Companies, therefore, the shareholders can exercise the right of withdrawal no later than fifteen days from said registration.

Business outlook for the year

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

Corporate Governance

Mittel S.p.A. signed up to the original 1999 version of the Corporate Governance Code for listed companies promoted by Borsa Italiana S.p.A., and currently adheres to the Corporate Governance Code approved in July 2015.

The Company shall annually provide disclosure concerning its governance system and its acceptance of the Corporate Governance Code, through a Report, also drawn up pursuant to article 123-bis of the Consolidated Law on Finance, which shall illustrate the degree of compliance with the principles and criteria applied thereto, established by the Code and by international best practice.

The Report shall be provided to Shareholders annually with the documentation envisaged for the Shareholders' Meeting to approve the financial statements, and shall also be promptly published on the Company's website (www.mittel.it) in the "Corporate Governance/Corporate Documents" section.

At the meeting on 20 December 2012, on the proposal of the Remuneration Committee (now the Remuneration and Appointments 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. Pursuant to law, the Remuneration Policy constitutes the first section of the Remuneration Report and was subject to review by the Shareholders' Meeting held on 11 March 2014, also called to approve the 2013 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 Secretary of the Supervisory Board of Intesa Sanpaolo S.p.A.
Giorgio Franceschi	Chief Executive Officer of ISA Istituto Atesino di Sviluppo S.p.A. Chief Executive Officer of Calisio S.p.A. Director of Banco di Brescia S.p.A. Director of C.I.S. (Compagnia Investimenti e Sviluppo) S.p.A. Director of Dolomiti Energia S.p.A. Director of In.Bre. S.p.A. Director of Castello SGR S.p.A.
Rosario Bifulco	Chairman of Banca ITB S.p.A. Director for Regional Competitiveness of Assolombarda Director of Humanitas S.p.A. Director of Italian Hospital Group S.p.A. Sole Director of Unico Bootes S.r.l. Director of DeA Capital S.p.A. Director of Finarte S.p.A.

Maria Vittoria Bruno	Chairman of the Board of Statutory Auditors of COOP Lombardia
Marco Giovanni Colacicco	Standing Auditor of Assietta Private Equity SGR S.p.A. Standing Auditor of Partners Group (Italy) SGR S.p.A.
Michele Iori	Chairman of the Management Board of Fondazione Cassa di Risparmio di Trento e Rovereto Standing Auditor of Dolomiti Energia S.p.A.
Marco Merler	Chief Executive Officer and member of the Executive Committee of Dolomiti Energia S.p.A. Chief Executive Officer of Trenta S.p.A. Standing Auditor of Istituto Atesino di Sviluppo S.p.A.
Giuseppe Pasini	Chairman of Feralpi Holding S.p.A. Chairman and Chief Executive Officer of Feralpi Siderurgica S.p.A.
Duccio Regoli	---
Carla Sora	Independent director of Retelit S.p.A.
Michela Zeme	Standing Auditor of Telecom Italia Sparkle S.p.A. Standing Auditor of Prelios S.p.A.
Giovanni Brondi	Chairman of the Board of Statutory Auditors of Banca Prossima S.p.A. Standing Auditor of Commerciale Siderurgica Bresciana S.p.A.
Simone Del Bianco	---
Maria Teresa Bernelli	Chairman of the Board of Statutory Auditors of Dana Italia S.p.A. Member of the Board of Autostrade del Brennero S.p.A.
Roberta Crespi	Member of the Board of ISP CB IPOTECARIO S.r.l.
Giulio Tedeschi	Chairman of the Board of Statutory Auditors of Agos Ducato S.p.A. Chairman of the Board of Statutory Auditors of Italease Finance S.p.A. Standing Auditor of Carlo Tassara S.p.A.

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 by the Company or the Group during the year. The plan for the disposal of the group of assets and liabilities relating to the Mantua and Molfetta outlet centre complexes and the investees Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l. was completed, whose income statement effect was acknowledged, for the relevant aspects, in the financial statements of the previous 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 and workplace safety.

Transactions with related parties of the Group
The Group is equipped with the necessary regulations in terms of transactions with related parties, available on the website http://www.mittel.it/en/procedures. As regards transactions with related parties identified on the basis of art. 2359 of the Italian Civil Code and IAS 24, it should be noted that, in the year 2014-2015, transactions were entered into with said counterparties as part of ordinary Group operations and that no atypical and unusual transactions were carried out. All transactions were performed on arm's length basis and generally refer:
- to the supply of general and administrative services between the Group companies;
- to intercompany loan relationships and surety obligations;
- to the purchase/sale of securities and investments between Group companies;
- to the intercompany transfer of IRES (corporate income tax)/VAT receivables;
- to the issuing of guarantees from Group companies to investees.

On 14 February 2015 the Board of Directors of Mittel S.p.A. resolved, also pursuant to articles 117 to 129 of the TUIR (Consolidated Law on Income Tax), the renewal for a further three years and, thus, up to the financial year 2016/2017, of the Group tax consolidation option for Mittel Partecipazioni Stabili S.r.l., Gamma Tre S.r.l., Cerca S.r.l., Regina S.r.l., Lucianita S.r.l. and Mi.Va S.r.l.. In addition, said Board of Directors extended the tax area of consolidation to certain investees for which the conditions required by the legislation to access Group taxation were only satisfied in the year 2014/2015. These companies are: FD33 S.r.l., Earchimede S.p.A., Breme S.r.l., Santarosa S.r.l., Fashion District Group S.p.A., Parco Mediterraneo S.r.l., Fashion District Roma S.r.l. in liquidation, Loft S.r.l..

Transactions with related parties other than Group companies
Other transactions with related parties other than Group companies refer to:
- activities connected with Group treasury services from Mittel Generale Investimenti S.p.A. up to 31 January 2015;
- billing of administrative and consultancy services, falling under ordinary operations, by associate Mittel Generale Investimenti S.p.A. and by Mittel S.p.A. to natural persons and companies falling within the wider definition of related parties;
- salaries and other fees due to key Group managers.

All transactions with related parties were conducted on an arm's length basis and, therefore, there are no atypical and unusual transactions to report. On 23 July 2015, Mittel signed two settlement agreements respectively with Progressio SGR S.p.A., Brands Partners 2 S.p.A. in liquidation and with Liberata S.p.A., better described in the section 'Significant events in the year'. These agreements were subject to a favourable opinion from the Related Party Transactions Committee and classified as transactions of lesser importance. The Related Party Transactions Committee expressed its favourable opinion regarding the compensation paid to terminate the professional relationship of the General Manager Maurizia Squinzi, as per the market communication of 28 January 2015.

Treasury shares

As at 30 September 2015, the Company held 15.308.706 treasury shares. On 15 November 2015, the Board of Directors of Mittel S.p.A. co-opted Rosario Bifulco, appointing him to the post of Chief Executive Officer. At said meeting, considering the strategic value of the expected contribution of Rosario Bifulco, the Board of Directors resolved, in favour of the latter, the transfer of 5.300.000 treasury shares at a share price of EUR 1,73, equal to the average book value of treasury shares in the portfolio. Therefore, as of today's date, the Group holds 10.008.706 treasury shares.

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 Group.

Interests of members of administration and control bodies, general managers and key managers
(pursuant to art. 79 of Consob resolution no. 11971 of 14 May 1999 and subsequent amendments)

Name and Surname	**Investee company**	**Shares held as at 30.09.2014**		**Shares purchased**	**Shares sold**	**Shares held as at 30.09.2015**
Colacicco Marco	Mittel S.p.A.	-	(a)	65.241	-	65.241
Gianotti Stefano	Mittel S.p.A.	143.029		-	-	143.029
Brondi Giovanni	Mittel S.p.A.	38.401	(b)	-	-	38.401

(a) Shares held before the co-optation to director (1 October 2014)
(b) of which 271 held by spouse.

Proposal of the Board of Directors

Dear Shareholders,

We submit for your approval the separate financial statements for the 1 October 2014 - 30 September 2015 period, comprised of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of changes in Equity, Cash flow statement and the Explanatory notes, as well as the annexes and Report on operations.

The Board of Directors proposes that the Shareholders' Meeting cover the loss for the year of EUR 20.409.769 up to the amount of the extraordinary reserve of EUR 11.141.423 and, for the remainder of EUR 9.268.346, through the partial use of other reserves.

Milan, 12 January 2016

for the Board of Directors

The Chairman

(Franco Dalla Sega)

Statement of reconciliation of equity and profit (loss) for the year

The reconciliation between equity and profit (loss) for the year of the Parent Company, as shown in the separate financial statements for the year ended as at 30 September 2015, and the equity and profit (loss) 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 2015**		**30 september 2014**	
	Equity	Income (loss) for the year	Equity	Income (loss) for the year
Equity and income (loss) of the Parent Company	**205.759**	**(20.410)**	**226.131**	**(50.366)**
Elimination of book value of consolidated investments:				
Value of investments in consolidated companies	(158.972)		(146.953)	
Goodwill arising from consolidation				(7.963)
Intangible assets arising from business combinations				
Net capital gain attributed to the activities of consolidated companies				
Pro rata amount of equity of consolidated companies	157.102		177.402	
Results achieved by fully consolidated companies		(9.285)		(27.027)
Cancellation of write-downs of investments	4.567	1.933	4.015	57.213
Adjustments for consistency with Group accounting policies:				
Fair value adjustments of financial assets	3.062	6.078	3.756	(3.015)
Investments valued according to the equity method:				
Adjustments for pro-rata results of investments valued according to the equity method	72.287		16.254	
Income (loss) from Investments valued according to the equity method		368		25.736
Elimination of effects of transactions carried out between consolidated companies:				
Net intercompany income capitalised in consolidated companies				
Elimination of intercompany dividends:				
Dividends distributed by fully consolidated companies				
Dividends distributed by associates		(1.002)		(28.168)
Taxes:				
Adjustment of tax rates				
Other adjustments				
Equity and income (loss) for the year pertaining to the Group	**283.805**	**(22.318)**	**280.605**	**(33.590)**
Non controlling interests	38.483	(887)	39.015	(18.358)
Consolidated equity and income (loss)	**322.288**	**(23.205)**	**319.620**	**(51.948)**

Consolidated financial statements as at 30 September 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

Amounts in Euro

	Notes	30.09.2015	30.09.2014
Non-current assets			
Intangible assets	5	146.850	310.371
Property, plant and equipment	6	854.379	1.668.796
Investments accounted for using the equity method	7	87.967.803	56.184.488
Financial receivables	8	163.545.698	146.840.674
Other financial assets	9	44.423.663	96.389.888
Sundry receivables and other assets	10	244.000	277.605
Prepaid tax assets	11	4.608.355	5.504.693
Total non-current assets		**301.790.748**	**307.176.515**
Current assets			
Property inventories	12	109.829.602	115.790.721
Financial receivables	13	910.615	23.347.959
Other financial assets	14	20.074.272	15.811.879
Tax assets	15	14.720.698	17.492.198
Sundry receivables and other assets	16	16.135.740	23.388.997
Cash and cash equivalents	17	100.598.453	32.424.389
Total current assets		**262.269.380**	**228.256.143**
Assets held for sale	18	-	131.434.568
Total assets		**564.060.128**	**666.867.226**
Equity			
Share capital		87.907.017	87.907.017
Share premium		53.716.218	53.716.218
Treasury shares		(26.514.895)	(26.514.895)
Reserves		191.014.946	199.086.192
Profit (loss) for the year		(22.317.948)	(33.589.692)
Equity pertaining to the Group	19	**283.805.338**	**280.604.840**
Non controlling interests	20	38.482.908	39.014.770
Total Equity		**322.288.246**	**319.619.610**
Non-current liabilities			
Bond issue	21	97.239.392	96.660.922
Financial payables	22	2.918.777	41.151.035
Provisions for personnel	23	1.750.581	2.274.730
Deferred tax liabilities	24	17.697.691	20.552.113
Provisions for risks and charges	25	5.397.233	11.721.669
Sundry payables and other liabilities	26	718.618	896.054
Total non-current liabilities		**125.722.292**	**173.256.523**
Current liabilities			
Bond issue	27	1.313.142	1.313.142
Financial payables	28	101.370.087	80.710.121
Other financial liabilities	29	245.641	2.803.791
Tax liabilities	30	1.492.384	1.017.039
Sundry payables and other liabilities	31	11.628.336	26.242.221
Total current liabilities		**116.049.590**	**112.086.314**
Liabilities held for sale	32	-	61.904.779
Total equity and liabilities		**564.060.128**	**666.867.226**

(*) 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 Euro

		30.09.2015	30.09.2014
Revenues	33	18.739.780	52.039.408
Other income	34	1.537.905	5.268.871
Variations in property inventories	35	(3.297.757)	(15.855.461)
Costs for purchases	36	(6.342.096)	(2.859.914)
Costs for services	37	(17.006.401)	(37.194.298)
Personnel costs	38	(9.363.319)	(11.675.361)
Other costs	39	(5.738.297)	(5.827.952)
Dividends	40	1.957.979	7.720.952
Profit (loss) from management of financial activities and investments	41	2.589.033	5.850.489
Gross operating margin (EBITDA)		**(16.923.173)**	**(2.533.266)**
Amortisation and value adjustments to intangible assets	42	(705.142)	(22.581.077)
Allocations to the provision for risks	43	(2.373.167)	(6.598.901)
Value adjustments to financial assets and receivables	44	(3.757.433)	(25.962.792)
Share of income (loss) of investments accounted for using the equity method	45	(1.361.720)	25.787.038
Income (loss) from non-recurring transactions	46	176.490	(18.375.208)
Operating result (EBIT)		**(24.944.145)**	**(50.264.206)**
Financial income	46	9.599.937	6.922.506
Financial expenses	47	(11.694.348)	(22.122.392)
Profit (loss) from trading of financial assets	48	5.356.974	2.425.725
Income (loss) before taxes		**(21.681.582)**	**(63.038.367)**
Income taxes	49	(1.523.690)	11.090.422
Income (loss) from continuing operations		**(23.205.272)**	**(51.947.945)**
Income (loss) from assets held for sale	50	-	-
Profit (loss) for the year		**(23.205.272)**	**(51.947.945)**
Attributable to:			
Income (loss) pertaining to non controlling interests	51	(887.324)	(18.358.253)
Income (loss) pertaining to the Group		**(22.317.948)**	**(33.589.692)**

Earnings (loss) per share (in EUR)	52		
From continuing ordinary operations:			
- Basic		(0,307)	(0,463)
- Diluted		(0,307)	(0,463)

(*) 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 Euro

	Notes	01.10.2014 30.09.2015	01.10.2013 30.09.2014
Profit (loss) for the year (A)		**(23.205.272)**	**(51.947.945)**
Other comprehensive profit/(loss) that will not be subsequently reclassified under profit (loss) for the year:			
Profits/(losses) from remeasurement of defined benefit plans		49.036	67.645
Tax effect relating to Other profits/(losses) that will not be subsequently reclassified under profit (loss) for the year		(10.047)	(20.608)
Total other profit/(loss) that will not be subsequently reclassified under profit (loss) for the year, net of taxes (B.1)		**38.989**	**47.037**
Other comprehensive profit/(loss) that will be subsequently reclassified under profit (loss) for the year:			
Effective part of the profits/(losses) on cash flow hedges	19	-	2.313.383
Profits/(losses) from the redetermination of available-for-sale financial assets	19	450.006	7.261.450
Profits/(losses) from the transfer of available-for-sale financial assets	19	(7.231.563)	(4.095.952)
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	19	(6.350)	894.732
Share of profits/(losses) of companies valued using the equity method	19	33.913.503	(18.838.930)
Tax effect relating to other profits/(losses) that will be subsequently reclassified under profit (loss) for the year		(718)	155.197
Total other profit/(loss) that will be subsequently reclassified under profit (loss) for the year, net of taxes (B.2)		**27.124.878**	**(12.310.120)**
Total other profit/(loss) net of taxes (B) = (B.1) + (B.2)		**27.163.867**	**(12.263.083)**
Total comprehensive profit/(loss) (A) + (B)		**3.958.595**	**(64.211.028)**
Total comprehensive income/(loss) attributable to:			
Non-controlling interests		(903.069)	(17.555.410)
Income (loss) pertaining to the Group		4.861.664	(46.655.618)

Statement of changes in consolidated equity for the year ended as at 30 September 2015

Amounts in Euro

	Share capital	Treasury shares	Capital reserves	Profit reserves	Reserve from remeasurement of defined benefit plans	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 2013	**87.907.017**	**(26.514.895)**	**53.716.218**	**146.125.998**	**(181.789)**	**(950.432)**	**13.776.867**	**53.166.924**	**56.389.143**	**383.435.051**
Increase in share capital	-	-	-	-	-	-	-	-	-	**-**
Change in the area of consolidation	-	-	-	196.670	-	-	-	-	156.164	**352.834**
Other changes	-	-	-	17.880	-	-	-	-	999.375	**1.017.255**
Dividends distributed	-	-	-	-	-	-	-	-	(974.502)	**(974.502)**
Total comprehensive profit/(loss)	-	-	-	(33.589.692)	47.037	950.432	4.775.535	(18.838.930)	(17.555.410)	**(64.211.028)**
Balance as at 30 September 2014	**87.907.017**	**(26.514.895)**	**53.716.218**	**112.750.856**	**(134.752)**	**-**	**18.552.402**	**34.327.994**	**39.014.770**	**319.619.610**
Changes in the area of consolidation	-	-	-	(1.590.283)	-	-	-	-	1.577.120	**(13.163)**
Other changes	-	-	-	(70.883)	-	-	-	-	(71.895)	**(142.778)**
Capital payments by non-controlling shareholders	-	-	-	-	-	-	-	-	865.982	**865.982**
Dividends distributed	-	-	-	-	-	-	-	-	(2.000.000)	**(2.000.000)**
Total comprehensive profit/(loss)	-	-	-	(22.317.948)	47.841	-	(6.781.732)	33.913.503	(903.069)	**3.958.595**
Balance as at 30 September 2015	**87.907.017**	**(26.514.895)**	**53.716.218**	**88.771.742**	**(86.911)**	**-**	**11.770.670**	**68.241.497**	**38.482.908**	**322.288.246**

Consolidated cash flow statement

Amounts in EUR	Notes	30.09.2015	30.09.2014
OPERATING ACTIVITIES			
Net income (loss) for the year pertaining to the Parent Company and non-controlling interests		**(23.205.272)**	**(51.947.945)**
Adjustments to reconcile net income (loss) with cash flows generated (absorbed) by operating activities:			
Current taxes		1.785.590	645.248
Deferred taxes		(300.268)	(11.284.174)
Depreciation of property, plant and equipment		461.489	14.181.577
Amortisation of intangible assets and write-downs		205.312	436.500
Dividends received		(1.957.979)	(7.720.952)
Financial income		(9.599.937)	(6.922.169)
Financial expenses		11.685.558	22.122.392
Exchange gains/(losses)		8.790	(337)
Allocations to provisions for risks and charges		2.373.167	6.598.901
Provisions for employee severance indemnity		398.771	494.441
Other non-monetary net income		59.863	1.975.665
Net capital loss from disposal group		(176.490)	18.375.208
Profits/(losses) of investments valued according to the equity method		1.361.720	(25.787.039)
Write-downs (write-backs) of receivables		3.097.121	4.023.221
Losses on receivables		555.937	-
Capital gains (losses) from transfer of investments and available-for-sale financial assets		(8.683.316)	(9.341.116)
Write-downs of property inventories		5.670.983	10.876.652
Value adjustments to intangible assets:		38.341	7.963.000
Write-downs (write-backs) of available-for-sale financial assets		624.316	22.030.216
Profits/(losses) from trading of financial assets		(4.935.679)	-
Cash flows from operating activities before changes in working capital		**(20.531.983)**	**(3.280.711)**
(Increase)/decrease in property inventories		290.136	2.441.554
(Increase)/decrease in other current assets		7.677.117	(613.679)
Increase/(decrease) in trade payables and other current liabilities		(15.338.475)	(7.443.734)
Cash and cash equivalents generated (absorbed) by operating activities		**(27.903.205)**	**(8.896.580)**
Change in current financial assets		-	(2.135.951)
Uses of provisions for risks and charges		(8.697.603)	(534.062)
Payments of employee severance indemnity		(869.449)	(419.745)
(A) CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES		**(37.470.257)**	**(11.986.338)**
INVESTMENT ACTIVITIES			
Dividends received from subsidiaries and associates		1.002.189	29.142.419
Dividends received on financial assets		1.957.979	7.720.952
Investments in interests for:			
Acquisitions		-	(500.000)
Recapitalisations of associates			(4.596.563)
Cash flow connected to business combinations		-	218.261
Increase in available-for-sale financial assets		(6.716.091)	(1.441.122)
Increases in financial assets held for trading		(16.861.655)	(8.531.655)
Other investments (property, plant and equipment and intangible assets)		(420.284)	(464.917)
Realisation from disposal of:			
Investments		393.126	4.327.599
Equity instruments available for sale		52.377.599	27.932.442
Equity instruments held for trading		24.277.482	
Net cash flow connected with assets held for sale	55	62.956.472	(1.115.231)
Other non-current assets (property, plant and equipment, intangible assets and other)		633.126	144.090
(Increase) decrease in financial receivables due from customers and financial institutions		9.782.950	12.914.843
Interest collected		8.615.290	5.776.865
(B) NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES		**137.998.183**	**71.527.983**
FINANCING ACTIVITIES			
Increase (decrease) in payables due to banks and other lenders		(17.572.292)	(55.845.174)
Interest paid		(11.076.240)	(13.647.741)
Change in financial liabilities for derivative instruments		(2.558.150)	(3.766.313)
Payment of dividends		(2.000.000)	(974.502)
Capital payments by non-controlling shareholders		852.820	1.499.375
(C) NET CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES		**(32.353.862)**	**(72.734.356)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D = A+B+C)		**68.174.064**	**(13.192.711)**
OPENING CASH AND CASH EQUIVALENTS (E)		32.424.389	45.617.101
CLOSING CASH AND CASH EQUIVALENTS (F= D+ E)		**100.598.453**	**32.424.390**

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

Amounts in Euro

	Notes	30.09.2015	*of which related parties*	*% incidence*	30.09.2014	*of which related parties*	*% incidence*
Non-current assets							
Intangible assets	5	146.850	-		310.371	-	
Property, plant and equipment	6	854.379	-		1.668.796	-	
Investments accounted for using the equity method	7	87.967.803	-		56.184.488	-	
Financial receivables	8	163.545.698	124.157.809	75,9%	146.840.674	115.265.102	78,5%
Other financial assets	9	44.423.663	-		96.389.888	-	
Sundry receivables and other assets	10	244.000	-		277.605	-	
Prepaid tax assets	11	4.608.355	-		5.504.693	-	
		301.790.748	**124.157.809**	**41,1%**	**307.176.515**	**115.265.102**	**37,5%**
Current assets							
Property inventories	12	109.829.602	-		115.790.721	-	
Financial receivables	13	910.615	192.898	21,2%	23.347.959	3.314.094	14,2%
Other financial assets	14	20.074.272	-		15.811.879	-	
Tax assets	15	14.720.698	-		17.492.198	-	
Sundry receivables and other assets	16	16.135.740	6.250	0,0%	23.388.997	23.857	0,1%
Cash and cash equivalents	17	100.598.453	-		32.424.389	-	
Total current assets		**262.269.380**	**199.148**	**0,1%**	**228.256.143**	**3.337.951**	**1,5%**
Assets held for sale	18	-	-		131.434.568	-	
Total assets		**564.060.128**	**124.356.957**	**22,0%**	**666.867.226**	**118.603.053**	**17,8%**
Equity							
Share capital		87.907.017	-		87.907.017	-	
Share premium		53.716.218	-		53.716.218	-	
Treasury shares		(26.514.895)	-		(26.514.895)	-	
Reserves		191.014.946	-		199.086.192	-	
Profit (loss) for the year		(22.317.948)	-		(33.589.692)	-	
Equity pertaining to the Group	19	**283.805.338**	**-**		**280.604.840**	**-**	
Non controlling interests	20	38.482.908	-		39.014.770	-	
Total Equity		**322.288.246**	**-**		**319.619.610**	**-**	
Non-current liabilities							
Bond issue	21	97.239.392	-		96.660.922	-	
Financial payables	22	2.918.777	-		41.151.035	-	
Provisions for personnel	23	1.750.581	-		2.274.730	-	
Deferred tax liabilities	24	17.697.691	-		20.552.113	-	
Provisions for risks and charges	25	5.397.233	-		11.721.669	-	
Sundry payables and other liabilities	26	718.618	-		896.054	-	
Total non-current liabilities		**125.722.292**	**-**		**173.256.523**	**-**	
Current liabilities		-					
Bond issue	27	1.313.142	-		1.313.142	-	
Financial payables	28	101.370.087	4.500.000	4,4%	80.710.121	1.211.772	1,5%
Other financial liabilities	29	245.641	-		2.803.791	-	
Tax liabilities	30	1.492.384	-		1.017.039	-	
Sundry payables and other liabilities	31	11.628.336	652.456	5,6%	26.242.221	8.203.820	31,3%
Total current liabilities		**116.049.590**	**5.152.456**	**4,4%**	**112.086.314**	**9.415.592**	**8,4%**
Liabilities held for sale	32	-			61.904.779		
Total equity and liabilities		**564.060.128**	**5.152.456**	**0,9%**	**666.867.226**	**9.415.592**	**1,4%**

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

Amounts in Euro

		30.09.2015	*of which related parties*	*% incidence*	30.09.2014	*of which related parties*	*% incidence*
Revenues	33	18.739.780	418.337	2,2%	52.039.408	681.402	1,3%
Other income	34	1.537.905	27.570	1,8%	5.268.871	11.421	0,2%
Variations in property inventories	35	(3.297.757)	-		(15.855.461)	-	
Costs for purchases	36	(6.342.096)	-		(2.859.914)	-	
Costs for services	37	(17.006.401)	(2.465.907)	14,5%	(37.194.298)	(6.438.111)	17,3%
Personnel costs	38	(9.363.319)	(1.482.169)	15,8%	(11.675.361)	(775.159)	6,6%
Other costs	39	(5.738.297)	(1.050.000)	18,3%	(5.827.952)	-	
Dividends	40	1.957.979	1.589.297	81,2%	7.720.952	668.400	8,7%
Profit (loss) from management of financial activities and investments	41	2.589.033	(6.000.000)	-231,7%	5.850.489	-	
Gross operating margin (EBITDA)		**(16.923.173)**			**(2.533.266)**		
Amortisation and value adjustments to intangible assets	42	(705.142)	-		(22.581.077)	-	
Allocations to the provision for risks	43	(2.373.167)	-		(6.598.901)	-	
Value adjustments to financial assets and receivables	44	(3.757.433)	-		(25.962.792)	-	
Share of income (loss) of investments accounted for using the equity method	45	(1.361.720)	-		25.787.038	-	
Income (loss) from non-recurring transactions	46	176.490	-		(18.375.208)	-	
Operating result (EBIT)		**(24.944.145)**			**(50.264.206)**		
Financial income	47	9.599.937	6.961.373	72,5%	6.922.506	2.820.465	40,7%
Financial expenses	48	(11.694.348)	(21.828)	0,2%	(22.122.392)	(214.027)	1,0%
Profit (loss) from trading of financial assets	49	5.356.974	-		2.425.725	-	
Income (loss) before taxes		**(21.681.582)**			**(63.038.367)**		
Income taxes	50	(1.523.690)			11.090.422		
Profit (loss) for the year		**(23.205.272)**			**(51.947.945)**		
Attributable to:							
Income (loss) pertaining to non controlling interests	51	(887.324)			(18.358.253)		
Income (loss) pertaining to the Group		**(22.317.948)**			**(33.589.692)**		

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 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 consolidated financial statements for the year ended as at 30 September 2015 were drafted in compliance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union as at 30 September 2015, 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 consolidated financial statements were prepared on the basis of the general historical cost principle, 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 25 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 2015, 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.

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.

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 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 equity, accompanied by the explanatory notes. The financial statements were 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 equity such as:

- profits and losses from the redetermination of available-for-sale financial assets;
- the effective part of the profits and losses on cash flow hedges.

Other profits (losses) that will or will not be subsequently reclassified under profit (loss) for the year are also shown.

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 equity with respect to variations generated by transactions with shareholders.

The Group chose to show all changes generated by transactions with non-shareholders in two tables which measure the performance in the year, 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 result. EBIT is determined as the difference between net revenues and operating costs (the latter including non-monetary costs relating to amortisation/depreciation 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, by available-for-sale assets, 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 equity illustrates the changes that took place in items of equity relating to:

- allocation of the Group's profit (loss) for the year to non-controlling shareholders;
- amounts relating to transactions with shareholders;
- each item of profit and loss net of taxes, which is booked directly to equity or has a contra-item in an 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.

Events which occurred after the close of the year (IAS 10)

These financial statements were authorised for publication, in accordance with IAS 10, by the Board of Directors on 12 January 2016. Reference should be made to the information in the Report on Operations for a description of the significant events after the close of the year.

2.3 Accounting standards adopted by the Mittel Group

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 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 Group 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 Group.
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 depreciation and impairment.
Property, plant and equipment are systematically depreciated over their useful life, by adopting the straight line method.
The depreciation rates used by Group companies 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 depreciated 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 higher 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 depreciation 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 depreciation 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 depreciated 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)
<u>Associates</u>
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 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.

Companies subject to joint control
IFRS 11, in force from 1 January 2014, replaces IAS 31, "Interests in joint ventures", and SIC 13, "Jointly Controlled Entities - Non-monetary Contributions by Venturers", and eliminated the possibility of adopting the proportional consolidation method, imposing the move to the equity method for consolidating jointly controlled entities.

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 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 below 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 Value adjustments to 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 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.
Based on the time frame for sale (within or beyond twelve months from the date of closing of the financial year), available-for-sale financial assets are classified under "Other financial assets" in current or non-current assets.

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 designated 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 designated 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 use 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 Profit (Loss) from trading of financial assets.

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 and 39)
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.
Receivables are derecognised from assets only if (i) the contractual rights to the cash flows deriving from the financial assets expire or (ii) the Group 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 fair value 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 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 Group's risk management objectives 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 retrospective and prospective tests; the results of said tests justify the application of hedge accounting given that it demonstrates its expected effectiveness.

Assets and Liabilities held for sale and discontinued operations (IFRS 5)

Assets and Liabilities held for sale and Discontinued Operations are classified as such if their book value will be recovered mainly through sale rather than continuous use.

These conditions are considered to be met at the moment in which the sale or discontinuity of the disposal group are considered highly likely and the assets and liabilities are immediately available for sale in the conditions in which they are found.

When the Group is involved in a disposal plan which involves the loss of control of an investee, all assets and liabilities of said investee are classified as held for sale when the above conditions are satisfied, also in the case in which, after the disposal, the Group continues to hold a non-controlling interest in the subsidiary.

Assets held for sale are measured at the lower of their net book value and the fair value less costs to sell.

Non-current assets held for disposal, disposal groups and discontinued operations whose book value will be recovered mainly through sale rather than continuous use, are measured at the lower of their net book value and the fair value less costs to sell.

In particular, a disposal group is a collection of directly related assets and liabilities held for disposal as part of a single transaction.

Discontinued operations are, by contrast, comprised of a significant component of the group, e.g. an important autonomous branch of activity or geographic business area or a subsidiary acquired on the exclusive basis of a resale.

In compliance with IFRS, the data relating to non-current assets held for disposal, disposal groups and discontinued operations are presented in two specific items of the Statement of financial position: assets held for sale and liabilities directly associated to assets held for sale.

Non-current assets held for sale are not subject to amortisation/depreciation and are measured at the lower of their book value and associated fair value, less costs to sell; any difference between the book value and the fair value less costs to sell is charged to the Income statement as a write-down.

With exclusive reference to any discontinued operations, the net economic results achieved by them pending disposal, capital gains/losses deriving from said disposal and the corresponding comparative data of the previous year/period are presented in a specific item of the Income Statement: net profit (loss) from discontinued operations/assets held for sale.

By contrast, as regards capital gains/losses recorded as a result of the fair value measurement at fair value less costs to sell or from the disposal of non-current assets (or disposal groups) classified as “held for sale” pursuant to IFRS 5, a specific item was created in the income statement called “Income (loss) from non-recurring transactions” included in the operating result, as better described in the previous paragraph of the Financial Statements.

As at 30 September 2015, this item included the net income recorded as a result of the effective sale of property complexes and outlet centre management companies amounting to EUR 0,2 million.

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 Group 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 Group 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 (b) 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 Group has transferred the rights to receive the cash flows from an asset and has neither transferred nor substantially retained 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 and Bond Loans (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.
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:
- bond loans;
- 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 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.

Provisions for personnel (IAS 19)

The employee severance indemnity (TFR) is considered a defined benefit plan. Benefits guaranteed to employees are recognised monthly on an accrual basis and disbursed at the time of termination of employment.
The severance indemnity is allocated on the basis of the seniority reached at the end of the year by each individual employee in compliance with the laws and labour agreements in force at the financial statements date. The allocation reflects the actual amount due to employees, based on the seniority accrued and salaries paid, recalculated on the basis of its actuarial value. The actuarial evaluations adopted are the best estimates regarding the variables that determine the final cost of the services after the termination of employment.
For discounting purposes, the company uses the projected unit credit method which projects future disbursements on the basis of historical statistical analysis and the demographic curve and the financial discounting of these flows on the basis of a market interest rate. Actuarial gains and losses are recognised in the valuation reserve following the adoption of IAS 19 Revised.

Treasury shares (IAS 32)

Treasury shares in the portfolio are deducted from 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 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 acquisition 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 designated 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 and 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 equity as Other comprehensive profit and loss, 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 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 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 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. In addition to the allocation of current and deferred/prepaid tax items, the Group monitors, in line with IAS 37, any risks 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 contents of the related 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 year 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, the fair value of financial instruments and the provision for risks and charges.
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 rates of return on investments with similar levels of risk - 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 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 impairment, 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 Group'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 Parent Company and to the Group it heads up, for the purposes of the drafting of the separate and consolidated financial statements as at 30 September 2015, and in particular, in performing the 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 2015, the Group has deferred tax assets deriving from deductible temporary differences.
Management recorded the value of deferred tax assets for a total of EUR 4,6 million, 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.
More specifically, it should be noted that the Group 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. For more details, please refer to note no. 11 of the consolidated financial statements

Receivables
As at 30 September 2015, the Group has receivables and other assets totalling EUR 180,8 million, which are regularly subject to evaluations 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 year.
Non-current loans and receivables, trade receivables and other receivables originated by the Group fall into this category. The estimate of the bad debt provision is based on expected losses by the Group, determined on the basis of past experience with similar receivables, losses and collections.

Contingent liabilities
The Group 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 Group 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 consolidated 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. It should be noted that 2014-2015 was not characterised by changes to the estimate criteria already applied to draft the financial statements as at 30 September 2014.

Accounting standards, amendments and interpretations applied from 1 October 2014
The following accounting standards and amendments were adopted by the Group from 1 October 2014 for the preparation of the Consolidated Financial Statements and, as far as applicable, the Separate Financial Statements:

Through Regulation no. 1254/2012, certain changes were introduced in 2014 regarding consolidation through the approval of some accounting standards (IFRS 10, IFRS 11, IFRS 12) and the subsequent introduction of amendments to already existing standards (IAS 27 and IAS 28).

IFRS 10 - Consolidated Financial Statements
The objective of IFRS 10 is to provide a single model for the consolidated financial statements, a model that provides for the presence of "control" or "de facto" control as a basis for the consolidation of all possible types of entities. The standard accurately defines the case of an investor's control of a company.
In fact, according to IFRS 10, control exists if - and only if - the investor:
- has the power to decide on the activities of the investee;
- is exposed to the variability of the returns of the investee in which it has invested;
- has the capacity to influence, through using its available power, the future returns of the investee.

The Group adopted IFRS 10 from 1 October 2014 (application of the standard from the year starting on 1 January 2014).
The new standard is based on existing standards, identifying a single control model applicable to all entities, including "structured entities".
It also provides a guide for determining the existence of control where it is difficult to ascertain. In accordance with the rules of transition of IFRS 10, the Group re-examined the conclusions regarding control over its investees as at 1 October 2014 without recording any significant effects from the adoption of the new standard.
As regards consolidation, Regulation 1174/2013 is worthy of note which, as part of IFRS 10, introduced the definition of investment entity, certain exceptions regarding consolidation and disclosure requirements (amendments to IFRS 12).
The scope of consolidation of the Mittel Group was not impacted by the adoption of the new standard which did not involve any effect on these Consolidated Financial Statements.

IFRS 11 – Joint arrangements
By contrast, IFRS 11 establishes standards for financial reporting for parties to a joint arrangement, which may take the form of a joint venture (entity in which the parties are entitled to a share of equity) or a joint operation, i.e., an operation over which the parties that have joint control have rights to the assets involved and the obligations for the liabilities.
The Group adopted IFRS 11 from 1 October 2014.
The adoption of the new standards required the classification of interests in jointly controlled companies pursuant to IAS 31 – Interests in joint ventures, under "jointly controlled assets" (if the Group has rights over the assets and obligations for the liabilities relating to the arrangement) and interests in "joint ventures" (if the Group has rights over the net assets of the arrangement).
The classification of the arrangements is based on the rights and obligations of the same, and on their legal form. In accordance with the new standard, interests in joint ventures are valued using the equity method, while for jointly controlled assets, the Group recognises its share of the assets, liabilities, costs and revenues (as per IAS 31, these interests were accounted for using the equity method).
The adoption of the new standard did not involve any effect on these Consolidated Financial Statements.

IFRS 12 - Disclosure of interests in other entities
Lastly, IFRS 12 combines, enhances and replaces the disclosure obligations for subsidiaries, joint arrangements, associates and unconsolidated structured entities.
This standard was developed with the objective of unifying and improving, also through the introduction of some changes regarding the information required, the disclosure requirements set out in the previous IAS 27, 28 and 31.
The Group adopted IFRS 12, as amended, from 1 October 2014, a new and complete standard on disclosure to be provided on each type of interest, including therein on subsidiaries, joint arrangements, associates, structured entities and other unconsolidated vehicle companies.
In addition to the amendments to the information reported in these Consolidated Financial Statements, the adoption of the new standard did not entail any effect on these Consolidated Financial Statements.

Accounting standards, amendments and interpretations effective for the year ended as at 30 September 2015 and irrelevant for the Group

- 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 29 May 2013, the IASB published the amendment to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets, which limits the obligation to indicate in disclosures the recoverable amount of assets or of cash generating units (CGU). To this end, note that IFRS 13 "Fair Value Measurement" amended IAS 36, introducing the requirement of indicating in the disclosures the recoverable value of each (group of) CGU(s) to which a significant portion of the net book value of goodwill or intangible assets with an indefinite life is attributed. This amendment also explicitly requires the provision of information on the discount rate used to determine an impairment loss (or a reversal) when the recoverable value (based on the fair value less costs to sell) is determined using the present value technique.

- On 20 May 2013 the IFRS IC issued IFRIC 21 - Levies, which defines the accounting treatment of levies paid to government authorities (based on laws in a specific jurisdiction), in exchange for which the entity does not receive any performance (i.e. specific goods or services). The event that triggers the obligation of the entity is usually specified in the legislation introducing the levy. A liability must be recognised on the occurrence of the obligating event, even if the levy is calculated on a past performance (i.e. revenues from the previous year). The occurrence of the past performance is mandatory, but not sufficient, to trigger the recognition of a liability. The Interpretation applies retrospectively from financial statements for years starting on or after 1 January 2014.

- On 27 June 2013, the IASB published amendments to IAS 39 - Financial Instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting". The amendments concern the introduction of some exemptions to the hedge accounting requirements defined by IAS 39 in the case in which an existing derivative needs to be replaced with a new derivative, in a specific situation where this replacement is with a Central Counterparty (CCP) following the introduction of a new law or regulation. The amendments apply retrospectively from 1 January 2014.

Accounting standards, amendments and interpretations not yet applicable and not adopted early by the Group

- On 12 December 2013 the IASB issued a set of amendments to the IFRS (Annual Improvements to IFRSs - 2010-2012 Cycle and Annual Improvements to IFRSs - 2011-2013 Cycle). Among others, the most important issues covered by those amendments are: the definition of vesting conditions in IFRS 2 – Share-Based Payments, the aggregation of operating segments in IFRS 8 – Operating Segments, the definition of key managers in IAS 24 – Related Party Disclosures, the exclusion from the scope of application of IFRS 3 – Business Combinations, of all types of joint arrangements (as defined in IFRS 11 – Joint Arrangements), and several clarifications on the exceptions to the application of IFRS 13 – Fair Value Measurement. EU Regulation 1361/2014 of the Commission dated 18 December 2014 which adopts the 2011-2013 annual cycle of improvements was published in the Official Gazette - Law 365 of 19 December 2014. The amendments apply from financial years starting on or after 1 January 2015. EU Regulation 28/2015 of the Commission dated 17 December 2014 which adopts the 2010-2012 annual cycle of improvements was published in the Official Gazette - Law 5 of 9 December 2015. The amendments apply from financial years starting on or after 1 February 2015.

- On 21 November 2013, the IASB published several minor improvements to IAS 19 – Employee Benefits entitled "Defined Benefit Plans: Employee Contributions". These amendments regard the simplification of the accounting treatment of employee contributions to defined benefit plans from employees or third parties in specific cases. EU Regulation 29/2015 of the Commission dated 17 December 2014 which adopts the amendments was published in the Official Gazette - Law 5 of 9 December 2015. The amendments are applicable retrospectively, for financial years beginning from 1 February 2015 and early adoption is permitted.

- Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on 12 August 2014); The amendments apply from financial years starting on 1 January 2016.

- Amendments to IAS 1: Disclosure Initiative (issued on 18 December 2014). The amendments apply from financial years starting on 1 January 2016.

- Annual Improvements to IFRSs 2012–2014 Cycle (issued on 25 September 2014). The amendments apply from financial years starting on 1 January 2016.

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on 12 May 2014). The amendments apply from financial years starting on 1 January 2016.

- Amendments to IAS 16 and IAS 41: Bearer Plants (issued on 30 June 2014). The amendments apply from financial years starting on 1 January 2016.

- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014). The amendments apply from financial years starting on 1 January 2016.

IFRS and IFRIC accounting standards, amendments and interpretations not yet approved by the European Union

At the date of these consolidated financial statements, the competent bodies of the European Union have still not completed the approval process necessary for the adoption of the following main accounting standards and amendments:

- IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014);
- IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (issued on 18 December 2014);
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014).

The publication of IFRS 9 "Financial Instruments" on 24 July 2014 should be noted. The IASB concluded the process, subdivided into the three phases "Classification and Measurement", "Impairment" and "General Hedge Accounting", of full revision of IAS 39 "Financial Instruments: Recognition and Measurement". The standard, now subject to the approval process by the European Commission, which will only become effectively applicable in the EU Member States on completion of the process, establishes mandatory adoption of the new provisions from 1 January 2018.

The standard introduces some 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 in the statement of “Other comprehensive profit/(loss)” and no longer in the income statement. IFRS 9 also contains provisions relating to the so-called “general hedge accounting model” aimed at better reflecting the risk management policies of company management.
The Group will adopt these new standards and amendments according to the specified application dates, and will assess the potential impacts on the consolidated financial statements, once the standards and amendments have been approved by the European Union.

On 11 September 2015, the IASB published the document IFRS 15 Effective Date (following ED 2015/2 ”Effective Date of IFRS 15 (proposed amendments to IFRS 15)” issued in May 2015), which define the one-year deferral, i.e. from 1 January 2017 to 1 January 2018, of the date of first-time mandatory application of IFRS 15 “Revenue from contracts with customers”.

3. Area of consolidation

The Consolidated Financial Statements include Mittel S.p.A. and its direct and indirect subsidiaries, including in the area of consolidation - as specifically provided for in IAS/IFRS also companies operating in business sectors dissimilar to those to which the Parent Company belongs.
The following are considered subsidiaries: companies in which Mittel is exposed to variable returns, or holds rights over said returns, deriving from its relationship with the same and at the same time has the capacity to affect the returns by exercising its power over said entities.
Control only exists when the following elements are simultaneously present:

- power to direct the relevant activities of the investee;
- exposure or the rights to variable returns deriving from the relationship with the investee;
- the ability to use its power over the investee to affect the amount of the investor’s returns.

The area of consolidation does not include structured entities for which the requirements of effective control may be met, including regardless of the existence of an equity interest.
Entities in which, on a contractual basis, control is shared between the Parent Company, directly or indirectly, and one or more other entities, or when decisions about the relevant activities require the unanimous consent of the parties sharing control, are considered jointly controlled.
Companies in which Mittel, directly or indirectly, holds at least 20% of voting rights (including therein “potential” voting rights) or in which - despite with a lower share of voting rights - has the power to participate in the determination of the financial and management policies by virtue of particular legal links, such as participation in shareholders’ agreements, are considered associates, i.e. subject to a significant influence.
Any interests exceeding 20%, however for a small amount are excluded from the area of consolidation and classified under available-for-sale assets, given that Mittel directly or indirectly, exclusively holds rights over a portion of the profits from the investments, has no access to the management policies and can exercise governance rights limited to the protection of its own equity interests.
Lastly, the area of consolidation excludes non-investee companies for which pledged shares have been received with voting rights exceeding 20%, in consideration of the purpose of said instrument which is the protection of the credit granted and not the exercising of control and management of the financial and economic policies, in order to enjoy the economic benefits deriving from them.
With respect to the situation as at 30 September 2014, no changes were recorded in the area of consolidation, as regards companies consolidated on a line-by-line basis, associates and investments subject to joint control deriving from the application of IFRS 10 and IFRS 11.

The table below indicates the investments included in the area of full consolidation of the consolidated financial statements as at 30 September 2015:

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

(a) Type of relationship:
1 – majority of voting rights at ordinary shareholders' meeting;
2 – dominant influence at ordinary shareholders' meeting;
3 – agreements with other shareholders;
4 – joint control;
5 – other forms of control which, pursuant to IFRS 10, simultaneously attribute availability of the power of governance over the relevant activities and exposure to the variability of the resultant returns;
6 – company subject to significant influence;
7 - company subject to significant influence based on agreements with other shareholders which regulate their governance and administration with binding veto power over significant specific matters;
(b) Availability of votes at ordinary shareholders' meeting, distinguishing between actual and potential.
(c) The investment in Chase Mittel Capital Holding NV which is inactive and irrelevant is maintained at cost given that the valuation using the equity method is approximated by the cost.

Significant valuations and assumptions for determining the area of consolidation

As stated previously, the following are considered subsidiaries: companies in which Mittel S.p.A. is exposed to variable returns, or holds rights over said returns, deriving from its relationship with the same and at the same time has the capacity to affect the returns by exercising its power over said entities. Control only exists when the following elements are simultaneously present:

- power to direct the relevant activities of the investee;
- exposure or the rights to variable returns deriving from the relationship with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

More specifically, the Group considers the following factors when assessing the existence of control:

- the purpose and the structure of the investee, in order to identify the entity's objectives, its relevant activities or those that significantly affect returns, and how these activities are governed;
- the power, in order to understand whether the Group has contractual rights that attribute the ability to direct the relevant activities;
- the exposure to the variability of the returns of the investee, in order to evaluate whether the return received by the Group may potentially vary based on the results achieved by the investee.

Furthermore, in order to assess the existence of control, the potential principal-agent relations are taken into consideration; to assess whether the Group operates as a principal or an agent, it takes into consideration the following factors:

- decision-making power over the relevant activities of the investee;
- the rights held by other entities;
- the remuneration the Group is entitled to;
- the Group's exposure to the variability of the returns deriving from any investment held in the investee.

IFRS 10 identifies only activities that significantly impact the returns of the investee as "relevant activities". In general terms, when the relevant activities are managed through voting rights, the following factors provide evidence of control:

- ownership, directly or indirectly through its subsidiaries, of more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control;
- ownership of half, or less than half, of voting rights that can be exercised at shareholders' meetings and the practical ability to unilaterally govern the relevant activities through: power over more than half of the voting rights by virtue of an agreement with other investors; or the power to determine the financial and operating policies of the entity under a statute or an agreement; or the power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or the power to cast the majority of votes at meetings of the board of directors or equivalent governing body.

In order to exercise this power, the Group's rights over the investee must be substantial; to be substantial, these rights must be practically exercisable when the decisions over relevant activities must be taken.
The existence and effect of potential voting rights, where substantial, are taken into consideration when assessing whether the power to direct the financial and management policies of another entity exists or not.
No situations are recognised in which the Group is in a condition to exercise "de facto control" over an entity which, despite the absence of the majority of voting rights, demonstrates the ownership of rights, including of a non-participatory nature, as such to allow the uni-directional management of the investee's relevant activities.
Under subsidiaries, no "structured entities" are identified in which the voting rights do not represent key elements for the evaluation of control, including therein vehicle companies (SPE/SPV) and investment funds.

As at 30 September 2015, it should be noted that the Group owns the majority of the voting rights in all operating entities subject to line-by-line consolidation.
It should also be pointed out that there are no cases in which:

- control derives from the ownership of potential voting rights and/or other substantive rights;
- the Group holds the majority of voting rights and is not exposed to the variability of returns and is able to influence them;

The investment funds managed by management companies subject to a significant influence of the Group are considered subsidiaries if the Group has the "power", is significantly exposed to the variability of returns and in the event in which third party investors do not have the rights to remove the asset management company.
In this regard, it is presumed, unless there is evidence to the contrary, that the exposure to the variability of returns is significant if the Group is exposed to the same for at least 30% due to the subscription of shares and due to the receipt of commissions for the management of the fund's assets.
Subsequently, the investment funds managed by Castello SGR S.p.A., in which there are shares held directly and indirectly by the Group, are not considered under the control of the Group in consideration of the

insignificant exposure to the variability of the associated returns and the absence of a control relationship with the management company.

The investment funds managed by third party companies are considered controlled if the Group is significantly exposed to the variability of returns and at the same time holds a unilateral right to remove the management company.
In this regard, it is presumed, unless there is evidence to the contrary, that the exposure to the variability of returns is significant if the Group has subscribed at least 30% of the fund's shares.

Significant valuations and assumptions for establishing whether joint control or a significant influence exists

Entities for which, on a contractual basis, control is shared between the Group and one or more other entities, or when decisions about the relevant activities require the unanimous consent of all the parties sharing control, are considered joint ventures.

An associate is a company in which the investor exercises a significant influence and which is neither a wholly-owned subsidiary nor a joint venture.
Entities in which the Group holds at least 20% of voting rights (including therein "potential" voting rights) or in which - despite with a lower share of voting rights - has the power to participate in the determination of the financial and management policies by virtue of particular legal links, such as participation in shareholders' agreements, are considered to be companies subject to a significant influence (associates).
A significant influence is presumed to exist when the investor owns, directly or indirectly, at least 20% of the capital of another company, or is able, also through shareholders' agreements, to exercise a significant influence through:

- representation in the company's governing body;
- participation in the policy definition process, including therein participation in decisions relating to dividends or other distributions;
- the existence of significant transactions;
- the exchange of managerial personnel;
- the supply of essential technical information.

Any interests exceeding 20% in which the Group exclusively holds equity rights over a portion of the profits from the investments, has no access to the management policies and can exercise governance rights limited to the protection of its own equity interests, are not considered subject to a significant influence.

Changes in the area of consolidation

The following significant changes to the area of consolidation occurred in the year ended as at 30 September 2015:

On 30 September 2014, the subsidiary Mittel Investimenti Immobiliari S.r.l. participated in the coverage of the interim losses as at 30 June 2014 of the subsidiary Gamma Tre S.r.l. (subsidiary already consolidated in the Group on a line-by-line basis), resolved by the extraordinary shareholders' meeting through the elimination of share capital of EUR 100 thousand and use of the share premium reserve for EUR 69 thousand and the simultaneous recomposition of share capital on a payment basis, bringing it to EUR 100 thousand, with total premium of EUR 200 thousand offered to shareholders for subscription.
Due to the recomposition of the share capital of Gamma Tre S.r.l. subscribed exclusively by Mittel Investimenti Immobiliari S.r.l., with total premium of EUR 70 thousand, its interest in the share capital of Gamma Tre S.r.l. rose from 80% to 100%, given the completion of the proportional subscription of capital by the other non-controlling shareholder, due to relinquishment of the option right in accordance with the legal terms.

On 30 September 2014, the subsidiary Mittel Investimenti Immobiliari S.r.l. participated in the coverage of the interim losses as at 30 June 2014 of the subsidiary Fede S.r.l. (subsidiary already consolidated in the Group on a line-by-line basis), resolved by the extraordinary shareholders' meeting through the elimination of share capital of EUR 100 thousand and use of the available reserves for EUR 100 thousand and the simultaneous recomposition of share capital on a payment basis, bringing it to EUR 300 thousand, with total premium of EUR 111 thousand offered to shareholders for subscription and to be allocated to cover residual losses.
Due to the recomposition of the share capital of Fede S.r.l. subscribed exclusively by Mittel Investimenti Immobiliari S.r.l., with total premium of EUR 111 thousand, given the non-completion of the proportional subscription of capital by the other non-controlling shareholder due to relinquishment of the option right in accordance with the legal terms, in the current year, the interest in Fede S.r.l. rose from 51% to 100%.

On 7 November 2014, the subsidiary Mittel Investimenti Immobiliari S.r.l. participated in the coverage of the interim losses as at 31 August 2014 of its subsidiary MiVa S.r.l. (subsidiary already consolidated in the Group on a line-by-line basis), resolved by the extraordinary shareholders' meeting through the elimination of share capital of EUR 100 thousand and use of the available reserves for EUR 16,2 thousand and the simultaneous recomposition of share capital on a payment basis for EUR 10 thousand, with total premium of EUR 916,2 thousand offered to shareholders for subscription and to be allocated to cover residual losses. Said extraordinary shareholders' meeting of MiVa S.r.l. also resolved the paid increase in share capital from EUR 10 thousand to EUR 3.000 thousand, without premium offered to shareholders for subscription in proportion to their stake in share capital.
Due to the recomposition and increase of the share capital of MiVa S.r.l. subscribed exclusively by Mittel Investimenti Immobiliari S.r.l. totalling EUR 1.510 thousand with total premium of EUR 916,2 thousand, its interest in MiVa S.r.l. rose from 51% to 100%, given the non-completion of the proportional subscription of capital also by the other shareholders due to relinquishment of the option right in accordance with the legal terms.

On 24 June 2015, the subsidiary Fashion District Group S.r.l. participated in the coverage of the interim losses as at 31 March 2015 of the subsidiary Loft S.r.l. (subsidiary already consolidated in the Group on a line-by-line basis), resolved by the extraordinary shareholders' meeting through the elimination of share capital of EUR 10 thousand and use of the available reserves for EUR 600 thousand and the simultaneous recomposition of share capital on a payment basis, bringing it to EUR 146 thousand, and reducing the same to be allocated to cover residual losses.
Due to the recomposition of the share capital of Loft S.r.l. subscribed exclusively by Fashion District Gruppo S.p.A., given the non-completion of the proportional subscription of capital by the other non-controlling shareholder due to relinquishment of the option right in accordance with the legal terms, in the current year, the interest in Loft S.r.l. rose from 98% to 100%.

In addition, during the year, the area of consolidation changed due to the deconsolidation of the subsidiaries consolidated on a line-by-line basis Mittel Investimenti Mobiliari S.r.l. (in liquidation), Holinvest S.r.l. (in liquidation) and the associate consolidated using the equity method, Brands Partners 2 S.p.A. (in liquidation) as a result of the completion and closing of liquidation proceedings and the transfer of the latter.

Disposal of the group of assets relating to the Mantua and Molfetta outlet centre property complexes and the investees Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.

For the purposes of a comparison with the information in the previous year, the effects on the presentation of the consolidated income statement as at 30 September 2015 deriving from the disposal of the group of assets represented by the Mantua and Molfetta Factory Outlet Centres performed by the subsidiary Fashion District Group S.p.A. on 18 November 2014 concerned the income statement figures from 1 October 2014 until 18 November 2014 relating to the management companies of the Factory Outlet Centres, Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l., which are presented on a line-by-line basis, according to the normal rules of full consolidation.
Therefore, the consolidated financial statements of the Mittel Group as at 30 September 2015 involved the line-by-line deconsolidation of the subsidiaries falling under the disposal operation which took effect on 18 November 2014.

Additional information on companies controlled with significant non-controlling interests:

With reference to the information required by IFRS 12 aimed at illustrating the interest non-controlling interests have in the Group's activities and cash flows, the subsidiaries with significant non-controlling interests are considered to be represented by investments with non-controlling interests of greater than 10% of the relative higher value.
For each of the subsidiaries with significant non-controlling interests a summary is provided below of the economic and financial data of the subsidiary as at 30 September 2015 and the information relating to the share of the interests held by non-controlling shareholders and the percentage of voting rights.

The aforementioned economic and equity data derive from the accounting situations as at 30 September 2015 of the subsidiaries with significant non-controlling interests, appropriately reclassified and adjusted to take account of the consolidation requirements and, where necessary, to bring them into line with the Group accounting standards for the purpose of the consolidated financial statements as at 30 September 2015:

Subsidiaries:	**Ghea S.r.l.**	**Iniziative Nord Milano S.r.l.**	**Immobiliare Volta Marconi S.r.l.**	**Lucianita S.r.l.**	**Esse Ventuno S.r.l.**	**Santarosa S.r.l.**	**Earchimede S.p.A.**	**FD 33 S.r.l.**	**Fashion District Group S.p.A.**	**Loft S.r.l**	**Parco Meditterraneo S.r.l.**
Gross operating margin (EBITDA)	**(70)**	**(816)**	**(17)**	**891**	**22**	**495**	**156**	**(26)**	**(580)**	**(710)**	**(621)**
of which:											
Revenues	-	*83*	-	*4.620*	*37*	-	-	-	*8.088*	*316*	-
Variations in property inventories	-	*(800)*	-	*(3.077)*	-	*5.735*	-	-	-	-	*(370)*
Costs for purchases	-	-	-	*(370)*	-	*(5.041)*	-	-	*(41)*	*(186)*	-
Costs for services	*(58)*	*(95)*	*(11)*	*(165)*	*(13)*	*(176)*	*(180)*	*(22)*	*(5.874)*	*(686)*	*53*
Personnel costs	-	-	-	-	-	-	-	-	*(2.287)*	*(162)*	-
Operating result (EBIT)	**(70)**	**(821)**	**(17)**	**891**	**22**	**495**	**(20)**	**(26)**	**(4.567)**	**(1.427)**	**(623)**
of which:											
Amortisations	-	-	-	-	-	-	-	-	(175)	(3)	-
Allocations	-	-	-	-	-	-	-	-	(1.840)	-	-
Value adjustments to financial assets	-	(6)	-	-	-	-	(154)	-	(1.436)	-	(2)
Income (loss) from non-recurring transactions	-	-	-	-	-	-	-	-	176	-	-
Financial income	4.641	-	-	-	12	-	1.011	5	772	-	-
Financial expenses	(1.081)	(374)	-	(227)	(0)	(740)	-	(1)	(522)	(44)	(515)
Income (loss) before taxes	**3.490**	**(1.196)**	**(17)**	**664**	**33**	**(245)**	**990**	**(22)**	**(3.604)**	**(757)**	**(963)**
Income taxes	(1.176)	-	-	(218)	(9)	(3)	(222)	2	(108)	57	7
Profit (loss) for the year	**2.314**	**(1.196)**	**(17)**	**446**	**24**	**(248)**	**768**	**(20)**	**(3.713)**	**(700)**	**(955)**
of which Income (loss) pertaining to non controlling interests	1.134	(299)	(8)	219	2	(99)	119	(3)	(1.234)	(304)	(414)
Non-current assets	**53.512**	**2**	**-**	**3**	**2**	**1**	**10.944**	**-**	**15.767**	**20**	**-**
of which:											
Financial receivables	53.512	-	-	-	-	-	-	-	10.441	-	-
Other financial assets	-	-	-	-	-	-	10.462	-	1.124	-	-
Current assets	**30**	**7.630**	**28**	**6.621**	**302**	**19.124**	**66.185**	**27**	**27.834**	**625**	**7.892**
of which:											
Property inventories	-	7.500	-	4.783	-	18.543	-	-	-	-	7.700
Financial receivables	-	-	-	-	265	-	32.130	-	-	-	-
Cash and cash equivalents	20	62	22	59	32	124	30.208	23	23.789	-	-
Total assets	**53.542**	**7.632**	**28**	**6.624**	**304**	**19.125**	**77.130**	**27**	**43.601**	**645**	**7.892**
Non-current liabilities	**9.152**	**414**	**-**	**273**	**-**	**80**	**7**	**1.130**	**6.346**	**23**	**6.044**
of which:											
Financial payables	-	379	-	270	-	80	-	1.130	-	-	-
Current liabilities	**22.941**	**6.707**	**-**	**3.958**	**94**	**18.813**	**1.248**	**16**	**4.098**	**62**	**121**
of which:											
Financial payables	22.882	6.644	-	3.569	-	17.430	-	-	-	-	-
Equity	**21.449**	**511**	**28**	**2.393**	**210**	**231**	**75.874**	**(1.115)**	**33.156**	**560**	**1.726**
of which attributable to non-controlling interests	***10.510***	***134***	***14***	***1.173***	***21***	***93***	***11.374***	***(167)***	***14.367***	***266***	***699***

Non-controlling interests, availability of non controlling interests and dividends distributed to non controlling interests

	Interests in capital of non-controlling interests	Availability of votes of non-controlling interests % (1)	Income (loss) pertaining to non-controlling interests	Equity pertaining to non-controlling interests	Dividends distributed to non-controlling interests
Ghea S.r.l.	49,00%	49,00%	1.133.942	10.510.023	-
Iniziative Nord Milano S.r.l.in liquidation	25,00%	25,00%	(298.910)	133.980	-
Immobiliare Volta Marconi S.r.l.	49,00%	49,00%	(8.202)	13.617	-
Lucianita S.r.l.	49,00%	49,00%	218.639	1.172.534	-
Esse Ventuno S.r.l.	10,00%	10,00%	2.392	21.030	-
Santarosa S.r.l.	40,00%	40,00%	(99.199)	92.574	-
Earchimede S.p.A.	14,99%	14,99%	118.605	11.373.631	-
FD 33 S.p.A.	14,99%	0,00%	(2.957)	(167.190)	-
Fashion District Group S.p.A.	43,33%	33,34%	(1.234.092)	14.367.409	2.000.000
Loft Srl	43,33%	0,00%	(303.510)	266.249	-
Parco Mediterraneo S.r.l.	40,50%	0,00%	(414.032)	699.051	-
			(887.324)	**38.482.908**	**2.000.000**

(1) Availability of vote in ordinary meeting

With reference to these significant non-controlling interests in subsidiaries, it should be noted that there are no particular rights of protection of non-controlling shareholders that can significantly limit the Group's ability to transfer assets and extinguish liabilities.

The section 'significant accounting standards and drafting criteria', to which reference should be made, contains an illustration of the criteria and methods of determination of the area of consolidation and the reasons for which an investee is subject to joint control or a significant influence.

The consolidated financial statements are prepared on the basis of the accounting situations as at 30 September 2015 drafted by the respective consolidated companies, adjusted, where necessary, in order to align these to the Mittel Group classification criteria and accounting standards compliant with IFRS.

Information on the Consolidated Statement of Financial Position

Non-current assets

5. Intangible assets

These totalled EUR 0,1 million, down by EUR 0,2 million compared to the previous year. The decrease is due in particular to the amortisation of the item in the year.

The item saw the following changes:

	Goodwill	Patents	Plant	Concessions and licences	Other	Total
Values as at 01.10.2014	**-**		**-**	**129.520**	**180.851**	**310.371**
Changes in the year:						
- acquisitions				27.635	52.498	**80.133**
- change in scope of consolidation						**-**
- disposals				(38.342)		**(38.342)**
- reclassifications						**-**
- amortisation			-	(67.652)	(137.660)	**(205.312)**
- value adjustments			-	2.080	(2.080)	**-**
Total changes	**-**	**-**	**-**	**(76.279)**	**(87.242)**	**(163.521)**
Values as at 30.09.2015	**-**		**-**	**53.241**	**93.609**	**146.850**

6. Property, plant and equipment

This item totalled EUR 0,8 million, marking a decrease of EUR 0,8 million over 30 September 2014. More specifically, the item saw the following changes:

	Land and buildings	Investment property	Plant and machinery	Office machines and equipment	Other assets	Total
Value as at 01.10.2014	**164.059**	**563.249**	**126.071**	**392.711**	**422.706**	**1.668.796**
Changes in the year:						
- acquisitions				183.962	117.848	**301.810**
- change in scope of consolidation						**-**
- disposals		(105.965)	(105.645)	(17.009)	(83.999)	**(312.618)**
- reclassifications						**-**
- amortisation	(11.013)	(54.966)	(16.815)	(110.929)	(267.766)	**(461.489)**
- other changes	-	(342.120)		-	-	**(342.120)**
Total changes	**(11.013)**	**(503.051)**	**(122.460)**	**56.024**	**(233.917)**	**(814.417)**
Values as at 30.09.2015	**153.046**	**60.198**	**3.611**	**448.735**	**188.789**	**854.379**

7. Investments accounted for using the equity method

These totalled EUR 88,0 million, up by EUR 31,8 million.

	30.09.2015	30.09.2014
Chase Mittel Capital Holding II NV in liquidation	6.249	6.249
Tower 6 bis S.a.r.l.	29.194.750	19.727.213
Brands Partners 2 S.p.A. in liquidation	-	419.432
Liberata S.p.A.	5.342.653	6.763.145
Bios S.p.A.	49.916.944	25.666.455
Castello SGR S.p.A.	2.843.808	2.945.313
Mit.Fin S.p.A.	186.460	156.181
Sunset S.r.l. in liquidation	-	500
Superpartes S.p.A.	476.939	500.000
	87.967.803	**56.184.488**

The change in the item is as follows:

Name	% interest	Balances 1.10.2014	Purchase	Sales	Profit (loss) pro rata	Adjustments to valuation reserve	Other changes	Dividends distributed	Closing balances 30.09.2015
Direct associates									
Liberata S.p.A.	27%	6.763.145			(1.419.638)	(853)			5.342.654
Tower 6 bis S.a.r.l.	49%	19.727.213			(406.111)	9.873.648			29.194.750
Chase Mittel Capital Holding II NV	28%	6.249							6.249
Brands Partners 2 S.p.A. in liquidation	25%	419.432		(393.126)	71.786	(126.999)	627.431	(598.524)	-
Castello SGR S.p.A.	20%	2.945.313			385.795	(83.636)		(403.666)	2.843.806
Bios S.p.A.	50%	25.666.455				24.250.489			49.916.944
Sunset S.r.l. in liquidation	100%	500					(500)		-
Mit.Fin Compagnia Finanziara S.p.A.	30%	156.181			29.510		769		186.460
Over Earchimede S.p.A.									
Superpartes S.p.A.	12%	500.000			(23.061)				476.939
		56.184.488	**-**	**(393.126)**	**(1.361.720)**	**33.912.649**	**627.700**	**(1.002.190)**	**87.967.803**

The other changes that occurred during the year include the increase in the value of the investee Liberata S.p.A, which involved an increase in its equity totalling EUR 6 million. In particular, this change is due to the fact that Mittel and Liberata, for the sole purpose of avoiding the risk, costs and timings of a judgment regarding the compensation claims formulated by Liberata in relation to some disputed receivables (other than the JAL Credit), covered by the guarantee given by Mittel at the time of stipulation of the Mittel Generale Investimenti S.p.A. purchase contract, concluded a transaction that made provision for the payment to Liberata of an all-inclusive amount of EUR 6 million by way of compensation. This compensation was paid in 4 instalments of EUR 1,5 million each, on the following expiries: the first instalment at the same time as signing of the agreement, the second on 30 October 2015, the third on 31 December 2015 and the fourth instalment on 28 February 2016.

Information on joint interests and associates:

The companies Bios S.p.A. and Tower 6 Bis S.à.r.l., entities for which, on a contractual basis, control is shared between the Group and one or more other entities, or when decisions about the relevant activities require the unanimous consent of all the parties sharing control, are considered joint ventures.

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 681.818 category B shares with no voting rights - Mittel S.p.A. holds 750.000 ordinary shares).

The income statement and statement of financial position figures deriving from the accounting positions as at 30 September 2015 of the jointly controlled companies adjusted to reflect the adjustments made in compliance with IAS/IFRS for the purposes of application of the equity method to the consolidated position of the Group and the reconciliation between the summary of the economic-financial data presented and the book value of the joint interests are detailed below:

	Bios S.p.A.	Tower 6 bis S.a.r.l.
Jointly controlled companies (thousands of Euro)		
Non-current assets	**232.985**	**81.231**
Available-for-sale financial assets – Equity investments	232.985	81.231
Current assets	**2.569**	**16**
Cash and cash equivalents	2.569	7
Total Assets	**235.554**	**81.247**
Equity	**99.834**	**59.581**
Non-current liabilities	**-**	**-**
Current liabilities	**135.720**	**21.666**
	235.554	**81.247**
Gross operating margin (EBITDA)	**8.498**	**(73)**
Costs for services	(774)	(77)
Operating result (EBIT)	**8.486**	**(73)**
Amortisation/depreciation	(4)	-
Financial income	7	-
Financial expenses	(8.493)	(728)
Income (loss) before taxes	**-**	**(801)**
Income taxes	-	(28)
Profit/(Loss) for the period (1)	**-**	**(829)**
Other profit components after taxes (2)	48.500	20.151
Comprehensive profit (loss) (3) = (1) + (2)	**48.500**	**19.322**
% Interest	50%	49%
Pro-rata comprehensive profit (loss)	**24.250**	**9.468**

In terms of significant restrictions on the capacities of investees subject to joint control or a significant influence to transfer funds to the investor, it should be noted that Bios S.p.A. and Tower 6 Bis S.à.r.l., companies subject to joint control, the loan agreements in place with two banks provide that the company can distribute dividends subject to the transfer of investments in Sorin S.p.A. (now Livanova Plc) and limited to the available resources after the fulfilment of the obligations with repayment priorities based on the contractual agreements.

In particular, it should be noted that two agreements were signed between Bios S.p.A. and Hopa S.p.A. (now Mittel SpA) and two of Bios' creditor banks (MPS and UBI-Banco di Brescia) for the restructuring of the loans granted to the latter by Bios S.p.A.. The banks participated in the coverage of the losses accrued through the lowering of Bios S.p.A.'s share capital and its simultaneous recomposition, through the subscription of preference shares.

The Articles of Association of Bios S.p.A, as set out in the restructuring agreements, envisaged the recognition of rights to the preference shares (class "B" shares without voting rights) on the basis of which, for each distribution resolved after the achievement, by the preference shares, of the guaranteed amount, will exclusively benefit the ordinary shares, until a total of EUR 75 million is distributed in respect of the latter and any additional distribution will equally benefit each of the ordinary and preference shares.

On 20 December 2013, Mittel S.p.A. finalised a significant transaction involving the renegotiation and general restructuring of the equity and corporate structures aimed at strengthening the equity of Bios S.p.A, in particular through: (i) the purchase by Bios S.p.A of 818.182 preference shares owned by Monte dei Paschi di Siena pursuant to and in accordance with art. 2357 of the Italian Civil Code and the full cancellation of these; (ii) the maintenance, by the shareholder Ghea S.r.l. of preference shares owned with the simultaneous recognition by said Ghea S.r.l., in respect of Bios S.p.A. that, as at said date, no profits or other income is collectable that has been accrued in relation to preference shares owned; (iii) the simultaneous use, by Ghea S.r.l., of a portion of the receivable due in accordance with the Ghea S.r.l. loan agreement for the purposes of the equity strengthening of Bios S.p.A. equal to EUR 11 million in the form of principal and EUR 10,7 million in interest which would have accrued as at 20 December 2013; (iv) the rescheduling of existing debt positions with Monte dei Paschi di Siena S.p.A. and Ghea S.r.l..

This transaction was made necessary to prevent Bios S.p.A., in consideration of the applicable loan agreements, from being obliged to sell the assets it owned.

The shareholders' agreement in place, signed by Mittel, Equinox, Tower 6, and, for aspects within their respective competence, by Tower 6Bis and Ghea S.r.l., a company jointly controlled by Mittel and Equinox and

holder of special preference shares of Bios S.p.A. renewed on 12 November 2012, with extension of the expiry term of 17 May 2015, and on 9 March 2015, with extension of the term until the fifteenth day effective from the earlier of the effective date of the planned aggregation between Sorin (merger between Sorin and UK company Sand Holdeo Limited through Cyberonics INC) and 26 February 2016, establishes that Bios S.p.A. does not carry out any activities, aside from those targeted at the disposal, management and development of the investment in Sorin S.p.A. (now Livanova Plc).
Therefore, the same availability of the investment in Sorin S.p.A. (now Livanova Plc) is now considered subject to protection rights reserved to the creditor banks of Bios S.p.A regarding the loans granted, pledged to protect its interests, which essentially exclude the exercising of a substantive right over the activities of Sorin S.p.A. (now Livanova S.p.A.) by Bios S.p.A. investors that are not exposed, or are entitled, to variable returns from involvement in the investee.

In addition, the non-controlling shareholders (equal measure) of Bios S.p.A, are not only excluded from substantive control over the relevant activities of Bios but, despite being exposed to the variable returns of the investee, do not have the possibility of actually using its power to influence the investee’s returns.

It should be pointed out that the indirect investment in Sorin S.p.A. (now Livanova Plc) is considered an investment classified as a financial asset, given that, as specifically reported above, based on the contractual agreements in place, Bios S.p.A. is a vehicle company dedicated exclusively to performing the transfer of the Sorin S.p.A. investment, whose revenue is allocated exclusively, on a pre-deduction basis, to the full repayment of existing bank loans and, therefore, with reference to said equity interest, Bios S.p.A. essentially holds exclusively equity rights subject to the repayment of financial payables and, solely in said exclusive eventuality of protection of its equity interests, exercises the subsequent governance rights over the investment in Sorin S.p.A. (now Livanova Plc).

Therefore, with regard to the existence and measurement of protection rights and guarantees regarding the joint interests which limit the capacity to access the associated assets, or use them, it should be noted that the shares of Bios S.p.A. and Tower 6 Bis S.à.r.l. are pledged entirely in favour of its two creditor banks.
It should be noted that, as at 30 September 2015, Bios S.p.A. has a financial payable of EUR 81 million due to Banca Monte dei Paschi di Siena S.p.A. and EUR 22,7 million due to Ghea S.r.l.. As regards these loans, previously secured by a pledge on Sorin S.p.A. shares (now Livanova Plc shares), after 30 September 2015, given the conditions exist based on the Loan to Value underlying the loan, Bios S.p.A. exercised the option to extend their expiry until the end of December 2016 and to recapitalise the interest accrued.

In addition, with reference to the risks associated to events or circumstances which could expose the Group to a loss in relation to joint interests, it should be noted that Bios S.p.A. has a dispute in progress relating to the Snia S.p.A. (under extraordinary administration) proceedings described in detail in the previous paragraph “Main ongoing legal proceedings”.

The income statement and statement of financial position figures deriving from the accounting positions as at 30 September 2015 of the associates adjusted to reflect the adjustments made in compliance with IAS/IFRS for the purposes of application of the equity method to the preparation of the consolidated position of the Group and the reconciliation between the summary of the economic-financial data presented and the book value of the associate investments are detailed below:

Companies subject to significant influence	Castello SGR S.p.A.	Mit.Fin Compagnia Finanziaria S.p.A.	Superpartes S.p.A.	Liberata S.p.A.	Mittel Generale Investimenti S.p.A.
(thousand of Euro)					
Non-current assets	**15.628**	**10**	**576**	**67.849**	**137.132**
Financial receivables	8.660	-	7	-	128.552
Other financial assets	5.720	-	-	-	4.647
Current assets	**2.061**	**842**	**585**	**6.500**	**2.530**
Cash and cash equivalents	-	698	249	1.919	1.861
Total assets	**17.689**	**852**	**1.161**	**74.349**	**139.662**
Equity	**14.050**	**622**	**948**	**19.356**	**84.426**
Non-current liabilities	**335**	**26**	**11**	**35.170**	**649**
Non-current financial payables	-	-	-	35.170	-
Current liabilities	**3.304**	**204**	**202**	**19.823**	**54.587**
Current financial payables	-	-	5	19.387	54.034
Total equity and liabilities	**17.689**	**852**	**1.161**	**74.349**	**139.662**

Gross operating margin	**5.270**	**128**	**(194)**	**(487)**	**(1.340)**
Costs for services	(237)	(848)	(469)	(479)	(1.096)
Operating result	**5.084**	**125**	**(229)**	**(487)**	**(4.416)**
Amortisations	(111)	(2)	-	-	(49)
Value adjustments to financial assets	-	-	(14)	-	(2.977)
Financial income	73	2	1	43	6.145
Financial expenses	(6)	(1)	(0)	(2.639)	(1.634)
Profit (loss) from trading of financial assets	-	-	-	-	484
Income (loss) before taxes	**5.151**	**126**	**(228)**	**(3.038)**	**579**
Income taxes	(3.245)	(28)	-	-	(354)
Profit (loss) for the year (1)	**1.906**	**98**	**(228)**	**(3.083)**	**225**
Other income net of taxes (2)	363	-	-	-	-
Total profit(loss) (3) = (1) + (2)	**2.269**	**98**	**(228)**	**(3.083)**	**225**

There are no significant restrictions on the capacities of investees subject to a significant influence to transfer funds to the investor and particularly significant commitments relating to companies subject to a significant influence.

The reconciliation between the summary of the economic-financial data presented and the book value of the joint interests and associates are detailed below:

(thousands of Euro)	Totale equity	Pro rata equity	Goodwill	Adjustments for impairment	Other changes	Financial statements value
Jointly controlled companies:						
Bios S.p.A.	99.834	49.917	-	-	-	**49.917**
Tower 6 bis S.a.r.l.	59.581	29.195	-	-	-	**29.195**
	159.415	**79.112**	**-**	**-**	**-**	**79.112**
Companies subject to a significant influence:						
Liberata S.p.A./Mittel Generale Investimenti S.p.A. (*)	35.933	9.702	-	(2.267)	(2.092)	**5.343**
Chase Mittel Capital Honding II NV	-	-	-	-	-	**6**
Castello SGR S.p.A.	14.050	2.844	-	-	-	**2.844**
Mit.Fin Compagnia Finanziara S.p.A.	622	187	-	-	-	**187**
Superparters S.p.A.	948	113	364	-	-	**477**
	51.553	**12.845**	**364**	**(2.267)**	**(2.092)**	**8.856**
	210.968	**91.957**	**364**	**(2.267)**	**(2.092)**	**87.968**

(*) data of Liberata S.p.A. inclusive of the consolidation of the entire shareholding in Mittel Generale Investimenti S.p.A. in charge at Eur 67,8 million

It should be noted that, at the current state of play, there are no commitments deriving from contractual agreements, particular events or circumstances that could subject the parent company Mittel S.p.A. and its subsidiaries to providing financial support to associates or non-consolidated structured entities which could determine future cash outflows and obligations from unconditional purchase commitments or unregistered commitments to grant loans or guarantee any other type of financial support, including the intention to assist investees in obtaining financial assistance.

8. Financial receivables

These totalled EUR 163,5 million, up by EUR 16,7 million.

	30.09.2015	30.09.2014
Loans	157.831.944	146.421.025
Other receivables	5.713.754	419.649
Security deposits		
	163.545.698	**146.840.674**

The item Loans is composed as follows:

	30.09.2015	30.09.2014
- Loans - financial institutions	30.000.000	30.000.000
- Loans - customers	127.831.944	116.421.025
	157.831.944	**146.421.025**

The item “Loans” mainly includes:

- the receivable of EUR 53,5 million due to Ghea from Bios S.p.A.;
- loans of EUR 35,2 million, in place between Mittel S.p.A. and Liberata S.p.A., taken out on the transfer of the Mittel Generale Investimenti S.p.A. investment and subject to renegotiation, as illustrated under significant events in the year;
- the mortgage loan of EUR 30,0 million due from Fondo Augusto acquired at the time of the transfer of the Mittel Generale Investimenti S.p.A. investment;
- the loan in place between Mittel S.p.A. and Montini S.p.A. amounting to EUR 16,8 million, taken out at the same time as the transfer of the investment in 2008, originally held by Hopa S.p.A. (incorporated into Mittel S.p.A. on 5 January 2012);
- the residual loan of EUR 1,9 million to Fingruppo Holding S.p.A. in liquidation, originally held by Hopa S.p.A. (incorporated into Mittel S.p.A. on 5 January 2012);
- the receivable of EUR 13,7 million due from Sofimar SA currently at the dispute phase, deemed to be fully recoverable;
- the receivable of EUR 5,4 million of Fashion District Group S.p.A. for loans granted to the investee Alfa

Park S.r.l., of which EUR 3,8 million disbursed in the year in order to make a positive contribution to the plan to revamp the theme parks constructed and managed by the company;

- for EUR 2,0 million, for the receivables due from Locaeffe S.r.l. in liquidation and Markfactor S.r.l in liquidation, subject to impairment in the year.

The item “other receivables” comprises EUR 5,0 million from a restricted current account as guarantee pursuant to the contract for the sale of the outlets to IDeA FIMIT SGR S.p.A..

9. Other financial assets

These totalled EUR 44,4 million, down by EUR 52,0 million.

The item is composed as follows:

	30.09.2015	30.09.2014
Available-for-sale financial assets		
Equities and shares of funds	43.313.411	96.359.888
Bonds	1.110.252	30.000
Derivative financial instruments	-	-
Financial assets designated at fair value	-	-
	44.423.663	**96.389.888**

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:

	30.09.2015	30.09.2014
Available-for-sale financial assets		
Equities and shares of funds:		
Fondo Augusto	14.257.508	14.417.999
Equinox Two S.c.a. (Earchimede)	7.000.000	6.860.000
Credit Access Asia NV (former Micro Ventures Finance S.p.A.)	4.088.703	4.088.703
Fondo Cosimo I	4.041.198	4.038.109
Equinox Two S.c.a.	3.818.448	3.732.366
Istituto Atesino di Sviluppo S.p.A.	3.312.953	3.312.953
SIA - SSB S.p.A.	1.400.000	1.400.000
Opera 2 Participations S.C.A.	1.301.120	1.362.920
Medinvest International S.A.	1.265.064	1.356.954
Pioneer - Fondo comune di investimento	1.123.506	1.125.998
Investitori Associati II S.A.	891.458	906.692
Fondo Progressio Investimenti	286.097	1.006.327
Lu-Ve S.p.A.	184.184	
Mc Link	121.176	131.076
Nomisma S.p.A.	100.000	100.000
Frendy Energy	76.594	115.967
Warrant Lu-Ve S.p.A.	30.784	
Società Editoriale Vita S.p.A.	10.638	9.354
Isfor 2000 S.c.p.a.	3.000	3.000
Inn. Tec S.r.l.	980	980
Azimut - Benetti S.p.A.	-	20.189.000
Alfieri Ass. Inv. S.A.	-	2.680.907
Fondo Progressio Investimenti II	-	3.335.312
Industrial Stars	-	200.000
IGI Sud	-	193.007
Progressio SGR S.p.A.	-	245.000
Intesa San Paolo S.p.A.	-	10.827.000
UBI Banca - Unione di Banche Italiane S.c.p.a.	-	8.675.842
RCS Media Group S.p.A.	-	6.035.646
Consorzio Polo Turistico	-	4.000
Warrant Mc Link	-	4.776
	-	-
Bonds:	-	-
Credit Acess 6,50% (bonds)	1.059.480	-
Editoriale Vita S.p.A. 4%(bonds)	50.772	
Editoriale Vita S.p.A. 5%(bonds)		30.000
	44.423.663	**96.389.888**

The change in current and non-current available-for-sale financial assets breaks down as follows:

Amount in Euro

		Changes in the period							
Name/company name	Amounts as at 01/10/2014	Purchases	(Recall of funds) Reimbursements	Transfers	Capital gains (losses)	Write-downs for impairment	Fair value adjustments	Reclassification in the current and other charges	Value as at 30/09/2015
Non-current available for sale financial assets:									
SIA - SSB S.p.A.	1.400.000	-	-	-	-	-	-	-	1.400.000
Azimut - Benetti S.p.A.	20.189.000	-	-	(17.500.000)	(2.689.000)	-	-	-	-
Intesa San Paolo S.p.A.	10.827.000	-	-	-	-	-	-	(10.827.000)	-
UBI Banca - Unione di Banche Italiane S.c.p.a.	8.675.842	-	-	-	-	-	-	(8.675.842)	-
RCS Media Group S.p.A.	6.035.646	-	-	-	-	-	-	(6.035.646)	-
Istituto Atesino di Sviluppo S.p.A.	3.312.953	-	-	-	-	-	-	-	3.312.953
Progressio SGR S.p.A.	245.000	-	-	-	-	-	-	(245.000)	-
Fondo Progressio Investimenti	1.006.327	-	(437.400)	-	-	(282.830)	-	-	286.097
Fondo Progressio Investimenti II	3.335.312	-	5.142.018	(7.642.018)	(835.312)		-	-	-
Fondo Cosimo I	4.038.109	-	-	-	-	-	3.089	-	4.041.198
Fondo Augusto	14.417.999	-	-	-	-	(160.492)	-	-	14.257.507
Equinox Two S.c.a. (Mittel)	3.732.365	-	90.316	-	-	-	(4.234)	-	3.818.447
Equinox Two S.c.a. (Earchimede)	6.860.000	-	164.862	-	-	-	(24.862)	-	7.000.000
Credit Access Asia NV (former Micro Ventures Finance S.p.A.)	4.088.703	-	-	-	-	-	-	-	4.088.703
Società Editoriale Vita S.p.A.	9.354	-	-	(110)	110	-	1.284	-	10.638
Diritti Società Editoriale Vita S.p.A.	-	-	-	-	-	-	-	-	-
Nomisma S.p.A.	100.000	-	-	-	-	-	-	-	100.000
Mc Link	131.076	-	-	-	-	(9.900)	-	-	121.176
warrant Mc Link	4.776	-	-	(2)	(4.774)	-	-	-	0
Frendy Energy	115.968	-	-	-	-	(17.405)	(21.968)	-	76.594
Industrial Stars	200.000	-	-	(200.262)	262	-	-	-	-
Warrant Industrial Stars	-	-	-	-	-	-	-	-	-
Alfa Park S.r.l.	-	-	-	-	-	-	-	-	-
Inn. Tec S.r.l.	980	-	-	-	-	-	-	-	980
Isfor 2000 S.c.p.a.	3.000	-	-	-	-	-	-	-	3.000
Fondo comune di investimento Pioneer	1.125.998	-	-	-	-	-	(2.492)	-	1.123.506
Medinvest International S.A.	1.356.954	-	-	-	-	(91.890)	-	-	1.265.064
Opera 2 Participations S.C.A.	1.362.920	-	-	-	-	(61.800)		-	1.301.120
Investitori Associati II S.A.	906.692	-	-	-	-	-	(15.234)	-	891.458
Alfieri Ass. Inv. S.A.	2.680.907	-	(3.086.686)	-	405.779	-	-	-	-
Dimensioni Network	-	-	-	-	-	-	-	-	-
IGI Sud	193.007	-	(83.210)	-	(109.797)	-	-	-	-
Consorzio Polo Turistico	4.000	-	-	(4.000)	-	-	-	-	-
Credit Access 6,5%	-	1.000.000	-	-	-	-	59.479	-	1.059.480
Obbligazioni Editoriale Vita S.p.A.	30.000	50.000	(30.000)	-	-	-	772	-	50.772
Lu-Ve S.p.A.		198.500	-	(17.835)	1.335	-	32.968	-	214.968
	96.389.888	**1.248.500**	**1.759.899**	**(25.364.226)**	**(3.231.398)**	**(624.317)**	**28.802**	**(25.783.488)**	**44.423.663**
Current available for sale financial assets:									
Intesa San Paolo S.p.A. (current)	3.609.000			(15.129.652)	3.701.152		937.500	10.827.000	3.945.000
UBI Banca - Unione di Banche Italiane S.c.p.a. (current)	2.897.659			(1.819.528)	194.488		(478.003)	8.675.842	9.470.457
RCS Media Group S.p.A.	-	-	-	(6.484.627)	543.386		(15.602)	6.035.646	78.803
	16.506.659	**-**	**-**	**(23.433.807)**	**4.439.026**	**-**	**443.895**	**25.538.488**	**13.494.260**
	102.896.547	**1.248.500**	**1.759.899**	**(48.798.033)**	**1.207.628**	**(624.317)**	**472.697**	**(245.000)**	**57.917.923**

Some information on the main changes in investments classified as “Available-for-sale financial assets” is provided below: As regards increases, EUR 1,8 million are due mainly to calls made during the year by the private equity funds held and, in particular, by commitments subscribed for EUR 5,1 million in the Progressio Investimenti II fund, partially offset by the repayments received, primarily from the foreign investment vehicle Alfieri Associated Investor S.A. held by Earchimede S.p.A..

Transfers of EUR 25,3 million are attributable not only to the transfer of the Progressio Investimenti II fund, but also to the sale of the entire shareholding held in Azimut on 30 September 2015.

Decreases for impairment relate to the write-downs performed by the Parent Company for a total of EUR 471 thousand and, for EUR 153 thousand, to the write-downs made by Earchimede S.p.A. in relation to the funds Opera 2 Partecipations S.p.A. (EUR 61 thousand) and Medinvest International S.A. (EUR 92 thousand).

The reclassification to current assets, for EUR 25,7 million, is attributable to the transfer to current financial assets for sale, of the book value of all listed securities owned by Mittel Partecipazioni Stabili S.r.l. and the associated investments in Intesa Sanpaolo S.p.A. (EUR 10,8 million), UBI Banca S.c.p.a (EUR 8,7 million) and RCS Media Group S.p.A. (EUR 6 million) due to the change in the purpose of said equity investment portfolio, which was identified as for trading by way of resolution of the administrative body of the subsidiary Mittel Partecipazioni Stabili S.r.l.;

10. Sundry receivables and other assets

The item “Sundry receivables and other non-current assets” totalled EUR 244 thousand (EUR 278 thousand as at 30 September 2014) and is composed as follows:

	30.09.2015	30.09.2014
Tax receivables	34.788	34.788
Other receivables	188.046	219.219
Other assets	21.166	23.598
	244.000	**277.605**

11. Prepaid taxes

These totalled EUR 4,6 million, down by EUR 0,9 million.

	30.09.2015	30.09.2014
Tax assets with contra-item in Income statement	4.595.593	5.483.022
Tax assets with contra-item in Shareholders' Equity	12.762	21.671
	4.608.355	**5.504.693**

	30.09.2015	30.09.2014
Prepaid taxes		
Assets/liabilities held for trading		5.947
Investments		
Property, plant and equipment/intangible assets		992.254
Allocations		503.359
Other assets/liabilities	50.451	272.277
Receivables	833.028	1.322.903
Retained losses	3.717.127	2.400.811
Other	7.749	7.142
	4.608.355	**5.504.693**

The item tax assets is mainly composed of the contribution from the Fashion District Group to the consolidated total, which consists of prepaid taxes totalling EUR 4 million. The Advisory sector contributed EUR 0,5 million. Changes in the item tax assets with a contra-item in the income statement are as follows:

	30.09.2015	30.09.2014
Opening Balance	**5.483.022**	**8.440.557**
Increases	**2.310.038**	**1.579.823**
Prepaid taxes recorded in the year:	**285.210**	**1.563.717**
- relating to previous years	-	-
- other	285.210	1.563.717
Increases in tax rates	25.209	-
Other increases	1.999.619	16.106
Decreases	**(3.197.467)**	**(4.537.358)**
Prepaid taxes cancelled in the year:	**(3.174.903)**	**(1.654.294)**
- reversals	(3.174.903)	(1.654.294)
Decreases in tax rates	-	-
Other reductions	(22.564)	(2.883.064)
	4.595.593	**5.483.022**

The item ‘other increases’ includes prepaid taxes transferred, as a statement of financial position contra-entry, from a transferred investee, due to the suspension of the tax consolidation relationship with said entity.

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

	30.09.2015	30.09.2014
Opening Balance	**21.671**	**86.175**
Increases	**12.830**	**9.539**
Prepaid taxes recorded in the year:	**2.350**	**200**
- relating to previous years	-	-
- other	2.350	200
Increases in tax rates	-	-
Other increases	10.480	9.339
Decreases	**(21.739)**	**(74.043)**
Prepaid taxes cancelled in the year:	**(21.739)**	**(74.043)**
- reversals	(21.739)	(74.043)
Decreases in tax rates	-	-
Other reductions	-	-
	12.762	**21.671**

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 2015.

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.

The tax losses of the companies participating in Mittel's tax consolidation, net of offsets for the purposes of the financial statements as at 30 September 2015, amounted to EUR 43,2 million. The Group companies 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.

In addition to the tax consolidation losses, Mittel S.p.A. recorded, following the positive response received during the year to the questions submitted, tax losses of EUR 60,0 million relating to the merged companies Hopa S.p.A. and Tethys S.p.A., in respect of which, for the above reasons, no prepaid taxes were recognised.

Current assets

12. Property inventories

As at 30 September 2015, the item amounted to EUR 109,8 million, a decrease of EUR 6,0 million compared to the previous year. In particular, the item is composed as follows:

	30.09.2015	30.09.2014
Properties under construction	102.129.602	107.720.721
Properties under development	7.700.000	8.070.000
Properties held for trading		
	109.829.602	**115.790.721**

As regards "properties under construction", see the table below which shows the changes in the item, while the item "properties under development" refers to a development site in the province of Catania held via Parco Mediterraneo S.r.l.. In particular, it relates to an area located in the Municipality of Belpasso (CT) of around 600.000 square metres used for the "Centro di Logistica Mediterraneo" ('Mediterranean Logistics Centre') property project. In previous years, the company abandoned the project for the construction of an outlet centre in Sicily and is currently assessing a different valuation of the property asset held by the Company, written down in previous years and in the current year to take account of the presumed realisable value, based on an estimate drafted by an independent expert. In particular, in the current year, the company wrote down the value of land for EUR 0,4 million, bringing the total cost adjustment to EUR 5,7 million.

In particular, the inventories under “properties under construction” relate to the following companies:

	30.09.2015	30.09.2014
Breme S.r.l.	11.400.000	11.514.158
CAD Immobiliare S.r.l.	17.973.866	20.118.866
Fede S.r.l.	7.582.037	8.277.037
Gamma Tre S.r.l.	5.720.000	5.992.400
Iniziative Nord Milano S.r.l.	7.500.000	8.300.000
Lucianita S.r.l.	4.782.838	7.992.379
Mittel Investimenti Immobiliari S.r.l.	12.937.804	14.060.000
MiVa S.r.l.	14.000.000	16.323.622
Regina S.r.l.	1.689.833	1.616.721
Santarosa S.r.l.	18.543.224	13.525.538
Totale	**102.129.602**	**107.720.721**

The change in the item “properties under construction” is as follows:

	30.09.2014	Initiative transfers/other	Increase for capitalisation of costs	Decreases for sales	Writedowns	Changes on anticipations	30.09.2015
Breme S.r.l.	11.514.158		174.656		(288.814)		11.400.000
CAD Immobiliare S.r.l.	20.118.866		19.362	(750.265)	(1.414.097)		17.973.866
Fede S.r.l.	8.277.037			(194.849)	(500.151)		7.582.037
Gamma Tre Srl	5.992.400		259.460		(531.860)		5.720.000
Iniziative Nord Milano S.r.l.	8.300.000			(40.984)	(759.016)		7.500.000
Lucianita S.r.l.	7.992.380	(132.052)	331.959	(3.409.449)			4.782.838
Mittel Investimenti Immobiliari S.r.l.	14.060.000		203.893	(316.052)	(1.054.736)	44.699	12.937.804
MiVa S.r.l.	16.323.622	(1.858.246)	286.932		(752.308)		14.000.000
Regina S.r.l.	1.616.721		73.112				1.689.833
Santarosa S.r.l.	13.525.538		5.735.450			(717.764)	18.543.224
Total	**107.720.722**	**(1.990.298)**	**7.084.824**	**(4.711.599)**	**(5.300.983)**	**(673.065)**	**102.129.602**

In order to allow a better analysis of the Group’s property portfolio, in support of the financial statement information, reference is made to the recognition criteria used and to the market values applied.
The property portfolio includes buildable areas, properties under construction, properties completed for sale and properties held for sale. The properties and buildable areas which fall under the property development projects are valued at the lower of the acquisition cost and the corresponding presumed net sale value. The cost is increased by incremental expenses and the financial expenses which can be capitalised. Any write-down to the net sale value is effected on the basis of a valuation of the individual properties, carried out by independent experts.

The market value of the property portfolio
Market value means the value determined by appraisals of individual properties, carried out by independent experts; the valuation is conducted at the reporting date. For development projects, the valuations make use of information that mainly regards: the time span and the characteristics of the property transaction (area quantification and usage breakdown), amount of expenses and commitments borne by the owners.
More specifically, for “property development” projects, the criteria adopted by the independent experts involved the use of the Transformation Method which is based on the discounting, at the estimate date, of the cash flows generated by the property transaction over the period of time corresponding to its duration, by using the appropriate discount rates, the financial components and business risk of the transaction. Given the cash flows are the result of the difference between revenues and costs, more concisely, the value of the initiative determined using this method may be defined as the difference between the value of the transformed property and the costs incurred for its transformation.
The information available is considered, through the necessary adjustments, taking into consideration factors like: period of time for the sale, location, age, quality and condition of the buildings (accessibility, area, construction type, state of repair, functionality) and payment methods.

As at 30 September 2015, the Group's property portfolio recorded an overall write-down based on the lower of the net sale value and the market value, carried out on the basis of the valuations performed on the individual properties by independent experts, for a total of EUR 5.670.983, which is broken down, for the individual subsidiaries to which the specific property initiatives relate, as follows:

Write –down and losses in property inventories	**Euro**
Breme S.r.l.	288.814
CAD Immobiliare S.r.l.	1.414.097
Fede S.r.l.	500.151
Gamma Tre S.r.l.	531.861
Iniziative Nord Milano S.r.l.	759.016
Mittel Investimenti Immobiliari S.r.l.	1.054.736
MiVa S.r.l.	752.308
Parco Mediterraneo S.r.l.	370.000
	5.670.983

13. Financial receivables

As at 30 September 2015, the item amounted to EUR 0,9 million, a decrease of EUR 22,4 million, and is composed as follows:

	30.09.2015	**30.09.2014**
Loans	233.421	10.113.522
Other receivables	677.194	13.234.437
Security deposits		
	910.615	**23.347.959**

The item Loans is composed as follows:

	30.09.2015	**30.09.2014**
Loans - financial institutions	233.421	3.266.273
Loans - customers	-	6.847.249
	233.421	**10.113.522**

Current financial receivables are composed of the item "Loans", comprised, for EUR 200 thousand, of interest accrued, still not collected, on the mortgage loan due from Fondo Augusto (Augusto Fund), the item "other receivables", amounting to EUR 0,7 million, the liquidity stock held with a financial intermediary for trading transactions of Mittel Partecipazioni Stabili S.r.l. (EUR 0,5 million) and of Mittel S.p.A. (EUR 0,2 million).

As regards the decrease in the item compared to the balance recorded as at 30 September 2014, the main variation is due to the collection of the deferred price (earn-out) provided for the definitive transfer of management of the Valmontone outlet (Rome) collected in the first half totalling EUR 12,4 million.

14 Other financial assets

As at 30 September 2015 the item refers mainly to the valuation of the share of securities held by Mittel Partecipazioni Stabili S.r.l., which contributes EUR 18,0 million to said item, reclassified under current assets as a result of the planned disposal of said securities in the next year, as well as the trading shares held by Mittel S.p.A. (EUR 2,1 million).

The item is composed as follows:

	30.09.2015	30.09.2014
Bonds	3.009.814	-
Equity instruments	17.042.685	15.811.879
Derivative financial instruments	21.773	-
	20.074.272	**15.811.879**

Changes in current bonds and equity instruments are detailed below:

Amount in Euro

Name/company name	Amounts as at 01/10/2014	Purchases	Transfers	Capital gains (losses)	Write-downs for impairment	Fair value adjustments	Reclassification in the current and other charges	Value as at 30/09/2015
		Changes in the period						
Current available for sale financial assets:								
Intesa San Paolo S.p.A. (current)	3.609.000	-	(15.129.652)	3.701.152	-	937.500	10.827.000	3.945.000
UBI Banca - Unione di Banche Italiane S.c.p.a. (current)	2.897.659	-	(1.819.528)	194.488	-	(478.003)	8.675.842	9.470.457
RCS Media Group S.p.A.	-	-	(6.484.627)	543.386	-	(15.602)	6.035.646	78.803
	6.506.659	**-**	**(23.433.807)**	**4.439.026**	**-**	**443.895**	**25.538.488**	**13.494.260**
Financial assets held for trading:								
Equities	9.305.220	13.012.825	(23.527.482)	4.937.104	-	(179.242)		3.548.425
Bonds	-	3.848.830	(750.000)	(1.425)	-	(157.985)	70.394	3.009.814
	9.305.220	**16.861.655**	**(24.277.482)**	**4.935.679**	**-**	**(337.227)**	**70.394**	**6.558.239**
	15.811.879	**16.861.655**	**(47.711.289)**	**9.374.705**	**-**	**106.668**	**25.608.882**	**20.052.499**

15. Tax assets

As at 30 September 2015, the item amounted to EUR 14,7 million, a decrease of EUR 2,8 million.

	30.09.2015	30.09.2014
IRES (corporate income tax)	12.728.765	14.834.231
IRAP (regional business tax)	1.304.089	2.014.096
Other taxes	687.844	643.871
	14.720.698	**17.492.198**

Current IRES tax assets mainly relate, for EUR 11,4 million (EUR 14,2 million in the previous year), 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 and, for EUR 0,9 million, to the IRAP receivable due from the Parent Company.

The item showed the following changes:

	30.09.2015	30.09.2014
Opening balance	**17.492.198**	**15.935.274**
Increases	**670.246**	**3.564.929**
Current tax assets recorded in the year:	**272.309**	**2.886.871**
- relating to previous years	-	1.423.520
- other	272.309	1.463.351
Other increases	397.937	678.058
Decreases	**(3.441.746)**	**(2.008.005)**
Current tax assets cancelled in the year:	**(264.466)**	**(62.822)**
- reimbursements	(264.466)	(62.822)
- Other decreases	(3.177.280)	(1.945.183)
	14.720.698	**17.492.198**

16. Sundry receivables and other assets

As at 30 September 2015, the item amounted to EUR 16,1 million, decreasing by EUR 7,3 million, and was composed as follows:

	30.09.2015	30.09.2014
Trade receivables	3.914.489	5.742.537
Receivables from leases	513.974	867.936
Other tax receivables	4.969.154	12.701.497
Other receivables	6.117.562	3.030.055
Accrued income and prepaid expenses	620.561	1.046.972
	16.135.740	**23.388.997**

The item trade receivables is mainly comprised of receivables due from the customers of the companies in the Advisory sector deriving from ordinary operations.
Receivables from leases refer to the Outlet sector's contribution to the consolidated financial statements, and refer to lease rentals from single tenants of the Valmontone centre still to be collected.
Tax receivables refer mainly to the Group's VAT credit, while the decease compared to the previous year is due to the collection of EUR 7,6 million, including interest accrued, on 7 August 2015, of 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.
The item other receivables primarily comprises the contribution of the Outlet sector, and more specifically, for EUR 1,2 million, the deferred price requested by Idea Fimit SGR S.p.A. in the terms of the transfer contract and, for EUR 2,6 million, receivables due from companies in the real estate sector, of which EUR 1,8 million in receivables due from the tax authorities for VAT for which a refund was requested, and EUR 0,8 million for advances to suppliers relating to construction activities in the real estate sector.

The item accruals and deferrals is mainly due to the deferral of expenses for insurance policies stipulated by the Parent Company Mittel and its subsidiaries.

17. Cash and cash equivalents

Cash and cash equivalents, amounting to EUR 100,6 million (EUR 32,4 million as at 30 September 2014), include cash held by Group companies and investments in bank deposits. The item is composed as follows:

	30.09.2015	30.09.2014
Cash	15.498	706.022
Bank and postal deposits	100.582.955	31.718.367
	100.598.453	**32.424.389**

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

18. Assets and liabilities held for disposal

As at 30 September 2015 there are no assets held for disposal. As at 30 September 2014, the item was composed of the set of assets relating to property complexes and the management of the Mantua and Molfetta outlet centres controlled by Fashion District Group S.p.A. for EUR 131,4 million, and liabilities held for disposal totalling EUR 61,9 million. These items refer to the plan for the disposal of the group of assets relating to the property complexes and the management of the Mantua and Molfetta outlet centres controlled by Fashion District Group S.p.A..

19. Equity pertaining to the Group

Equity pertaining to the Group stood at EUR 283,8 million, an increase of EUR 3,2 million over 30 September 2014.

The breakdown of Equity pertaining to the Group is shown in the following table:

	30.09.2015	30.09.2014
Share capital	87.907.017	87.907.017
Legal reserve	16.760.462	16.760.462
Treasury shares	(26.514.895)	(26.514.895)
Share/holding premium reserve	53.716.218	53.716.218
Valuation reserves	79.925.256	52.745.644
Other reserves	92.710.606	120.903.018
Profit (loss) of previous years	1.618.622	8.677.068
Profit (loss) for the year	(22.317.948)	(33.589.692)
Equity	**283.805.338**	**280.604.840**

Changes in 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

As at 30 September 2015, the Parent Company held 15.308.706 treasury shares. On 15 November 2015, the Board of Directors of Mittel S.p.A. co-opted Rosario Bifulco, appointing him to the post of Chief Executive Officer. At said meeting, considering the strategic value of the expected contribution of Rosario Bifulco, the Board of Directors resolved, in favour of the latter, the transfer of 5.300.000 treasury shares at a share price of EUR 1,73, equal to the average book value of treasury shares in the portfolio. Therefore, as of today's date, the company holds 10.008.706 treasury shares.

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:

Amounts in thousands of Euro

Fair value measurement reserve	Evaluation reserve pertaining to the Group as at 01.10.2014	Changes in the area of consolidation	Fair value changes: Increases	Fair value changes: Decreases	Release of reserve to the income statement for transfers of financial assets	Release of reserve to the income statement for fair value impairment	Evaluation reserve pertaining to the Group as at 30.09.2015	Share pertaining to non controlling interests as at 30.09.2015	Total evaluation reserve as at 30.09.2015
Available-for-sale financial assets:									
Ubi Banca Scpa	6.685	-	-	(478)	(939)	-	5.268		5.268
Intesa San Paolo SpA	7.949	-	938	-	(6.292)	-	2.595		2.595
Isa SpA	969	-	-	-	-	-	969		969
Fondo Cosimo I	745	-	2	-	-	-	747		747
Mc Link SpA	(20)	-	-	-	-	16	(4)		(4)
warrant Mc Link SpA	5	-	-	-	-	-	5		5
Editoriale Vita SpA	-	-	1	-	-	-	1		1
Frendy Energy SpA	22	-	-	-	(22)	-	-		-
SIA - SSB SpA	1.168	-	-	-	-	-	1.168		1.168
Equinox SCA	183	-	-	(4)	-	-	179		179
Equinox SCA (Earchimede)	285	-	-	(21)	-	-	264	46	310
Lu-ve SpA	-	-	2	-	-	-	2	-	2
Warrant Lu-ve SpA	-	-	30	-	-	-	30	-	30
Investitori Associati II SA (in liquidation)	457	-	-	(13)	-	-	444	78	522
Fondo Pioneer	104	-	-	(1)	-	-	103	79	182
Total	**18.553**	**-**	**973**	**(517)**	**(7.231)**	**(6)**	**11.771**	**203**	**11.974**
							-		-
Investments valued using the equity method:									-
Tower 6 bis S.a.r.l.	17.700	-	9.874	-	-		27.574		27.574
Bios SpA	16.469	-	24.250	-	-		40.719		40.719
Brands Partners 2 SpA	127	-	-	(127)	-		-		-
Castello SGR SpA	31	-	-	(84)	-		(53)		(53)
Total	**34.328**	**-**	**34.124**	**(211)**	**-**	**-**	**68.241**		**68.241**
									-
Financial instruments for the hedging of cash flows:									-
Derivative instruments for interest rate hedging	-		-			-	-		-
Total	**-**	**-**	**34.124**	**(211)**	**-**	**-**	**-**		**-**
Employee defined benefit plans (IAS 19 revised):									-
Reserve for actuarial gains and losses	(135)	-	48	-	-		(87)	(8)	(95)
Total	**(135)**	**-**	**48**	**-**	**-**	**-**	**(87)**	(8)	(95)
	52.746	**-**	**35.145**	**(728)**	**(7.321)**	**-**	**79.925**	**195**	**80.120**

Other comprehensive profit/(loss)

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

Amounts in thousands of Euro

	01.10.2014 30.09.2015	01.10.2013 30.09.2014	Non controlling interests 01.10.2014 30.09.2015	Non controlling interests 01.10.2013 30.09.2014	Income (loss) pertaining to the Group 01.10.2014 30.09.2015	Income (loss) pertaining to the Group 01.10.2013 30.09.2014
Profit (loss) for the year (A)	**(23.205)**	**(51.948)**	**(887)**	**(18.358)**	**(22.318)**	**(33.590)**
Effective part of the profits/(losses) on cash flow hedges		2.313		1.002	-	1.311
Profits/(losses) from the redetermination of available-for-sale financial assets	450	7.261	(7)	37	457	7.225
Profits/(losses) from the transfer of available-for-sale financial assets	(7.232)	(4.096)	-	-	(7.232)	(4.096)
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	(6)	895	-	39	(6)	855
Profits/(losses) of companies valued using the equity method	33.914	(18.839)	-	-	33.914	(18.839)
Profits/(losses) from remeasurement of defined benefit plans	49	68	(12)	-	61	68
Tax effect relating to other profits/(losses)	(11)	135	3	(276)	(14)	410
Total other profits/(losses), net of taxes (B)	**27.164**	**(12.263)**	**(16)**	**803**	**27.180**	**(13.066)**
Total comprehensive profit/(loss) (A) + (B)	**3.959**	**(64.211)**	**(903)**	**(17.555)**	**4.862**	**(46.656)**

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

Amounts in thousands of Euro	01.10.2014 30.09.2015			01.10.2013 30.09.2014		
	Gross value	**Tax expense/benefit**	**Net value**	**Gross value**	**Tax expense/benefit**	**Net value**
Effective part of the profits/(losses) on cash flow hedges	-		-	2.313	(636)	1.677
Profits/(losses) from the redetermination of available-for-sale financial assets	450	(1)	449	7.261	951	8.212
Profits/(losses) from the transfer of available-for-sale financial assets	(7.232)		(7.232)	(4.096)	-	(4.096)
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	(6)		(6)	895	(160)	735
Profits/(losses) of companies valued using the equity method	33.914		33.914	(18.839)	-	(18.839)
Profits/(losses) from remeasurement of defined benefit plans	49	(10)	39	68	(21)	47
Other components of the statement of comprehensive income reclassified to the income statement						-
Total other profits/(losses)	**27.175**	**(11)**	**27.164**	**(12.398)**	**135**	**(12.263)**

20. Non-controlling interests

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

	30.09.2015	**30.09.2014**
Share capital pertaining to non controlling interests	6.231.355	6.305.255
Tresury shares pertaining to non controlling interests		
Other reserves pertaining to minority interests	32.943.900	50.857.046
Non controlling interests - Reserve from available-for-sale financial assets	203.829	210.722
Non controlling interests - Cash flow hedge reserve	-	-
Non controlling interests - Reserve from valuation IAS 19	(8.852)	
Profit (loss) for the year pertaining to non controlling interests	(887.324)	(18.358.253)
Equity pertaining to non-controlling interests	**38.482.908**	**39.014.770**

21. Bond loans

The item "Bond Loans", recognised under current and non-current liabilities, for the respective shares falling due, was composed as follows:

	30.09.2015	30.09.2014
Bond "Mittel S.p.A. 2013-2019" TF 6%	0	0
Current portion	1.313.142	1.313.142
Non current portion	97.239.392	96.660.922
	98.552.534	**97.974.064**

More specifically, the liability for Bond Loans breaks down as follows:

	30.09.2015	30.09.2014
Current portion		
Bond "Mittel S.p.A. 2013-2019" TF 6%	1.313.142	1.313.142
Non current portion		
Bond "Mittel S.p.A. 2013-2019" TF 6%	99.853.522	99.853.522
Total nominal repayment	**101.166.664**	**101.166.664**
Evaluation at amortized cost	(2.614.130)	(3.192.600)
Total book value	**98.552.534**	**97.974.064**

The single issue of the bonds in service of the public exchange offer (OPSC) and the public subscription option (OPSO) has a duration of 6 years from the issue date, accrues annual interest of at least 6% and is earmarked for listing on the MOT (Screen-based bond market).
Starting from the fourth year from the issue date, Mittel will have the right of early redemption from a minimum of 25% up to a maximum of 50% of the value of the bond issued.
The bonds involved in the OPSO were offered and issued at a price equal to 98,500% of their nominal value ("Offer Price"). The bonds accrue interest, from the Loan Use Date (12 July 2013) to the Loan Expiry Date (12 July 2019), at the gross definitive fixed annual nominal rate (the "Nominal Interest Rate") of 6,000%.
The gross effective annual rate of return on expiry of the Bonds involved in the OPSO, (i) calculated on the basis of the Nominal Interest Rate of the Bonds of 6,000% and the Offer Price equal to 98,500% of the nominal value of said Bonds and (ii) assuming that the Issuer does not make any early redemption of the Bonds, is equal to 6,304%.
The Bonds paid during the OPSC have the same characteristics as the bonds involved in the OPSO and, therefore, accrue interest, from the Loan Use Date (12 July 2013) to the Loan Expiry Date (12 July 2019), at the gross definitive fixed annual nominal rate (the "Nominal Interest Rate") of 6,000%. The gross annual rate of return on expiry of the Bonds offered for exchange, (i) calculated on the basis of the Nominal Interest Rate and of the issue price of the Bonds offered for exchange equal to 100% of the nominal value and (ii) assuming that the Issuer does not make any early redemption, is equal to 6,000%, and, therefore, coincides with the Nominal Interest Rate.
The prospectus for the bond loan is available on the website www.mittel.it, in the section "Investor Relations".
The Bonds were listed on the MOT from 12 July 2013.
Therefore, the total nominal value and the number of the bonds issued in service of the OPSC and OPSO, with a nominal value of EUR 1,75 each as at 30 September 2015 were as follows:

	Bonds issued in the OPSO	Bonds issued in the OPCS	Outstanding bonds
Number of bonds			
Bond "Mittel S.p.A. 2013-2019" TF 6%	42.272.697	14.786.458	57.059.155
Nominal value of bonds redemption (Euro)			
Bond "Mittel S.p.A. 2013-2019" TF 6%	73.977.220	25.876.302	99.853.522

The following table summarises the main terms and conditions of the bond loan issued:

	Currency	Issue amount (Euro)	Redemption Nominal Value Euro	Interest rate and coupon timing	Issue date	Expiry date	Issue price per bond (Euro)	Market price on 30.09.2015 (Euro)
Bonds "Mittel S.p.A. 2013-2019" subscription public offer (OPSO)	Eur	72.867.561	73.977.220	yearly 6,00% coupon paid every six months on a deferred basis	**12/07/13**	**12/07/19**	**1,75**	**1,88**
Bonds "Mittel S.p.A. 2013-2019" public exchange offer (OPSC)	Eur	25.876.302	25.876.302					
		98.743.863	**99.853.522**					

Note that for the purposes of drawing up the financial statements, no separate value was recognised for the right to partial early redemption in the fourth and/or fifth year of the term of the bond loan, for an amount of 25% or 50% of the nominal value of the loan for each year of partial early redemption, without prejudice to the maximum limit of 50% of the nominal value which may overall be subject to early redemption based on a partial early redemption price in the fourth year at 102% of the nominal value and in the fifth year at 101% of the nominal value. This right pertains to a call option for early redemption incorporated in a host debt contract represented by the bond loan, which may influence the redemption cash flows, with regard to the trend in the benchmark interest rates and based on its economic characteristics. The issuer's call option can be measured based on the difference between the fair value of the embedded instrument (equal to the product of the amount of principal redeemed and the effective interest rate spread of the host debt compared to the interest rate perceptible at the date of early redemption, which may be reinvested in an equivalent contract for the term of redemption of the host debt) and the fair value of the host contract. Nonetheless, note that the lender of the host instrument (the bondholders) has no influence on the issuer's call option. Therefore, the option should be deemed strictly correlated to the host financial instrument, and impossible to record separately in the accounts from the host debt.
Furthermore, at the current state of play, the consideration for the year for the early redemption option of the issuer does not reimburse the bondholders in an amount equal to or less than the approximate present value of the interest lost during the residual term of the bond loan.

22. Financial payables

As at 30 September 2015, the item amounted to EUR 2,9 million, a decrease of EUR 38,3 million over the previous year.

The item is composed as follows:

	30.09.2015	30.09.2014
Bank loans		37.511.425
Other loans	-	-
Financial leasing payables		
Other financial payables	2.918.777	3.639.610
	2.918.777	**41.151.035**

As regards the non-current portion of medium/long-term bank loans, the decrease is due to the reclassification to current payables of financial payables recorded by Mittel S.p.A. and Mittel Investimenti Immobiliari S.r.l. due to the approaching expiry of the same. In particular, the item was composed, as at 30 September 2014, for EUR 31,7 million, of the loan granted to Tethys S.p.A., subsequently incorporated in the Parent Company, by Banca Popolare di Lodi S.p.A. and Banca Monte dei Paschi di Siena S.p.A. for the acquisition of the Hopa S.p.A. investment. This loan, granted on 23 December 2008, expires on 23 December 2015, and has been repaid.

The item other financial payables is comprised of third party shareholder loans received from the real estate companies Iniziative Nord Milano S.r.l. (EUR 0,4 million), Lucianita S.r.l. (EUR 0,3 million), Santarosa S.r.l. (EUR 0,1 million) and loans received from third parties that were previously shareholders, from Fede S.r.l. (EUR 0,1 million), Mi.Va S.r.l. (EUR 1,6 million), Breme S.r.l. (EUR 0,3 million) and Gamma Tre S.r.l. (EUR 0,2 million).

23. Provisions for personnel

As at 30 September 2015, the item amounted to EUR 1,8 million, decreasing by EUR 0,5 million, and was composed as follows:

	30.09.2015	30.09.2014
Employee severance indemnity	1.750.375	2.274.730
Other allowances	206	
	1.750.581	**2.274.730**

Changes in employee severance indemnity in the year are as follows:

	30.09.2015	30.09.2014
Opening balances	**2.274.730**	**2.313.169**
Increases:		
- Allocation in the year	373.051	504.632
- Increase due to business combination		
- Other increases	25.742	13.013
Decreases:		
- Liquidations carried out	(869.992)	(366.745)
- Other decreases	(53.156)	(189.339)
	1.750.375	**2.274.730**

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 exit from the Group: 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.

Note that for discounting, AA-rated EUR Composite rates were used.

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 and other contractual increases. The projections also take account of any employee severance indemnity additions, communicated by the Parent Company.

For revaluation purposes, employee severance indemnity 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 17% is applied on annual returns (this rate was raised from 11% to 17% due to the legislative amendment pursuant to paragraph 623, art. 1 of Law no. 190 of 23 December 2014 – ‘Stability Law’).
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 1,93% to 2,18%) involves, on the whole, a reduction of around 1,88% in the amount of the employee severance indemnity provision on an IAS basis - for companies as at 30 September 2015.
Similarly, a reduction in the annual rate of inflation of 10% (from 1,00% to 0,75%) involves, on the whole, a reduction of 0,11% in the amount of the provision for Group Companies as at 30 September 2015.

24. Deferred tax liabilities

These amounted to EUR 17,7 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:

	30.09.2015	30.09.2014
Tax liabilities whit contra-item in income statement	10.995.153	11.891.403
Tax liabilities with contra-item in shareholders' equity	6.702.538	8.660.710
	17.697.691	**20.552.113**

	30.09.2015	30.09.2014
Deffered liabilities		
Receivables	9.151.907	11.971.315
Assets/liabilities held for sale	296.937	295.826
Investments		
Property, plant and equipment/intangibles assets	8.210.699	8.249.155
Other assets/liabilities	38.148	35.817
Other		
	17.697.691	**20.552.113**

The item primarily included EUR 9,2 million in deferred taxes calculated on the value adjustment to the receivable due to Ghea S.r.l. from Bios S.p.A, EUR 8,2 from the contribution to the consolidated total of the Outlet sector as a result of the tax gain realised from the transfer of the Mantua and Molfetta property complexes, as well as the gain following the sale of the business unit of Fashion District Roma S.r.l. (now in liquidation) and EUR 0,3 million from the contribution of the parent company Mittel S.p.A..

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

	30.09.2015	30.09.2014
Opening balance	**11.891.403**	**12.570.976**
Increases	**3.458.230**	**50.017**
Deferred taxes recorded in the year:	**3.458.230**	**42.468**
- relating to previous years	-	-
- other	3.458.230	42.468
Increases in tax rates	-	-
Other increases	-	7.549
Decreases	**(4.354.480)**	**(729.590)**
Deferred taxes cancelled in the year:	**(4.354.271)**	**(729.590)**
- reversals	(4.354.271)	(729.590)
Decreases in tax rates	-	-
Other reductions	(209)	-
	10.995.153	**11.891.403**

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

	30.09.2015	30.09.2014
Opening balance	**8.660.710**	**25.175.203**
Increases	**328.786**	**185.694**
Deferred taxes recorded in the year:	**4.044**	**185.694**
- relating to previous years	-	-
- other	4.044	185.694
Increases in tax rates	-	-
Other increases	324.742	-
Decreases	**(2.286.958)**	**(16.700.187)**
Deferred taxes cancelled in the year:	**(2.286.958)**	**(8.933.154)**
- reversals	(2.286.958)	(8.933.154)
Decreases in tax rates	-	-
Other reductions	-	(7.767.033)
	6.702.538	**8.660.710**

The changes in the table above indicated partly feeds the amount of Deferred tax liabilities in note 50 of the explanatory notes “Income taxes”, as a result of the reversal of deferred taxes relating to the subsidiary Fashion District S.p.A. which, despite having originated as a contra-item in equity, will be reversed as a contra-item in the income statement.

25. Provisions for risks and charges

As at 30 September 2015, the item amounted to EUR 5,4 million, decreasing by EUR 6,3 million, and was composed as follows:

	30.09.2015	30.09.2014
Provision for risks:		
Legal disputes		
Disputes with personnel	41.000	
Contractual disputes	616.898	7.275.857
Other disputes	442.500	150.000
Other provisions:		
Expenses for personnel		
Other expenses	4.296.835	4.295.812
	5.397.233	**11.721.669**

The item saw the following changes:

	30.09.2015	30.09.2014
Opening balance	**11.721.669**	**5.687.986**
increases:		
Allocation in the year	2.748.552	6.598.901
Other increases	15.636	-
Decreases:		
Use in the year	(8.202.025)	(531.999)
Other decreases	(886.599)	(33.219)
	5.397.233	**11.721.669**

The item Provision for risks and charges is composed mostly of allocations made by Fashion District Group S.p.A. of EUR 3,5 million, by the Parent Company Mittel S.p.A. for EUR 0,8 million, by the advisory sector for EUR 0,4 million and by the real estate sector for EUR 0,4 million.
The allocation of Fashion District Group S.p.A. includes, for an amount of EUR 2,1 million, the present obligation relating to a lease agreement in place with subsidiary Loft S.r.l. and, for EUR 1,3 million, the provision for restructuring expenses, mainly due to the allocation of costs connected with the collective dismissal procedure for the cessation of company activities, which involved all employees and which concluded with an agreement signed on 2 September 2015 with employee trade union representatives, and on 22 September 2015 with the two company managers. In this regard, it should be noted that, after these agreements were signed, the company informed employees of the termination of the employment relationship, with the termination date set for 18 November 2015.
The allocation of the real estate sector of EUR 0,4 million, refers to the provision for risks allocated to cover the costs which will be incurred in relation to delays in the delivery of residential units, for which the necessary deeds have still to be drawn up.
The contribution of the advisory sector refers to the allocation of costs relating to two disputes regarding an ongoing labour law case.
The allocation of the Parent company Mittel is mainly composed, for EUR 0,4 million, of the allocation for ongoing and potential legal disputes and, for EUR 0,2 million, of the allocation for contractual risks.

26. Sundry payables and other non-current liabilities

These totalled EUR 0,7 million and are attributable mainly to advances and earnest money received as a result of the transfer of the living units of the real estate sector.

Current liabilities

27. Bond loans

These amounted to EUR 1,3 million and refer to the interest accrued in the period from 12 July 2015 to 30 September 2015, the ex-date of the bond loan and the reporting date of these consolidated financial statements.

28. Financial payables

Financial payables totalled EUR 101,4 million, up by EUR 20,7 million.
The item mainly comprises the contribution to the consolidated total from the parent company Mittel S.p.A. amounting to EUR 84,2 million (EUR 50,3 million as at 30 September 2014), the contribution of EUR 11,7 million from the real estate sector (EUR 21,7 million as at 30 September 2014), the EUR 5,5 million contribution of Mittel Partecipazioni Stabili S.r.l. (EUR 8,2 million as at 30 September 2014) and the contribution of EUR 0,4 million from the Advisory sector (EUR 0,3 million as at 30 September 2014).

The item is composed as follows:

	30.09.2015	30.09.2014
Bank loans	66.983.039	66.967.635
Current portion of medium/long-term bank loans	29.887.048	12.530.714
Other loans	-	-
Other financial payables	4.500.000	1.211.772
	101.370.087	**80.710.121**

Bank loans are composed, for EUR 61,3 million, of hot money granted by leading banks, regulated at rates indexed to the 1-3 month Euribor with short-term expiry, of which EUR 52,9 million relating to Mittel and EUR 8,5 million relating to Mittel Investimenti Immobiliari S.r.l.; for EUR 5,5 million, by a partially used credit line, totalling EUR 20 million (in respect of which listed securities are pledged) at the 1-month Euribor plus 125 basis points, granted to Mittel Partecipazioni Stabili S.r.l. by JP Morgan.

The current portion of medium/long-term bank loans is composed of the contribution from Mittel S.p.A. (EUR 26,7 million) and of Mittel Investimenti Immobiliari S.r.l. (EUR 3,2 million). The contribution of the Parent Company is comprised of the “former Thetys” bullet loan, expiring on 23 December 2015, signed on 22 December 2008 by Tethys S.p.A. (as beneficiary), Banca Monte dei Paschi di Siena S.p.A. (as lender and agent bank) and Banca Popolare di Lodi S.p.A. (as lender). Mittel S.p.A. replaced Tethys S.p.A. in its contractual position as a result of the merger by incorporation of Tethys S.p.A. into the Issuer, effective from 5 January 2012. The loan, including interest accrued of EUR 1,2 million, was repaid in December, for a total of EUR 8 million through the opening of a new medium/long-term credit line and, for EUR 19 million, by the use of an existing credit facility.

The item “other loans” relates to the residual payable due to Liberata S.p.A., as a result of the transaction, signed on 23 July 2015, regarding the definitive closure of compensation requests formulated by Liberata S.p.A. in relation to the collection of the receivables of Mittel Generale Investimenti S.p.A.. For a description of this transaction, please refer to the section “Significant events in the year”. The transaction involves the payment of a total amount of EUR 6,0 million, of which EUR 1,5 million already paid.

29. Other financial liabilities

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

	30.09.2015	30.09.2014
Derivative financial instruments	245.641	2.803.791
Other financial liabilities		
	245.641	**2.803.791**

The item refers to the valuation of the negative fair values of the options subscribed by Mittel Partecipazioni Stabili S.r.l. and Mittel S.p.A..

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	30.09.2015	30.09.2014
"Over the counter" derivative financial instruments						
Interest Rate Swap	0	0	0	0	0	2.803.791
Equity Linked Swap	0	0	0	0	0	0
Options	0	0	0	0	0	0
Other derivative financial instruments						
Interes rate swap	0	0	0	0	0	0
Equity Linked Swap	0	0	0	0	0	0
Options	0	0	245.641	0	245.641	0
					245.641	**2.803.791**

As regards the elimination of the item 'Interest Rate Swaps', it should be noted that these instruments were closed on 9 January 2015, following the full repayment of the underlying mortgages, as a result of the transfer of the Mantua and Molfetta Outlets. The consideration paid for the aforementioned extinguishment was essentially in line with the book value as at 30 September 2014, amounting to EUR 2,8 million.

30. Tax liabilities

As at 30 September 2015, the item amounted to EUR 1,5 million, an increase of EUR 0,5 million compared to the previous year, and was composed of tax payables which break down as follows:

	30.09.2015	30.09.2014
IRES (corporate income tax)		348.338
IRAP (regional business tax)	1.446.969	607.444
Other	45.415	61.257
	1.492.384	**1.017.039**

The tax payables are mostly made of the contribution to the consolidated total of Fashion District Group S.p.A., whose IRAP (regional business tax) payable contributed EUR 1,3 million. The item showed the following changes:

	30.09.2015	30.09.2014
Opening balance	**1.017.039**	**1.340.584**
Increases	**1.709.187**	**1.167.821**
Current tax liabilities recorded in the year:	**1.663.772**	**425.380**
- relating to previous years	-	-
- other	1.663.772	425.380
Other increases	45.415	742.441
Decreases	**(1.233.842)**	**(1.491.366)**
Current tax liabilities cancelled in the year:	**(696.688)**	**(344)**
- reimbursements	(696.688)	(344)
Other decreases	(537.154)	(1.491.022)
	1.492.384	**1.017.039**

31. Sundry payables and other liabilities

This item amounted to EUR 11,6 million, down by EUR 14,6 million compared to the previous year. The item is composed as follows:

	30.09.2015	30.09.2014
Trade payables	5.213.307	10.499.698
Tax payables	455.991	474.755
Payables relating to employees	844.068	1.861.636
Payables relating to other personnel	24.917	58.565
Payables due to directors and statutory auditors	470.610	865.957
Payables due to social security institutions	278.316	443.900
Other payables	4.111.033	11.369.223
Accrued expenses and deferred income	230.094	668.487
	11.628.336	**26.242.221**

The item “trade payables” mainly includes the payables recorded by parent company Mittel for invoices received and to be received (EUR 2,6 million), the payables of real estate companies for the respective property projects in place (EUR 1,8 million), the payables of the Fashion District Group (EUR 1,1 million) and, lastly, the payables of the advisory sector (EUR 0,3 million).

The item “other payables” mainly includes, for EUR 1,2 million, the advances and earnest money received from the real estate companies in relation to their sale activities and, for EUR 1,8 million, the distributions received from Equinox still not formally distributed definitively as income to its subscribers.

32. Liabilities held for sale

The item presents a nil value, compared to EUR 61,9 million in the previous year. As at 30 September 2014, the item was composed of the set of liabilities relating to property complexes and the management of the Mantua and Molfetta outlet centres controlled by Fashion District Group S.p.A. (EUR 61,9 million). These items refer to the plan for the disposal of the group of assets relating to the property complexes and the management of the Mantua and Molfetta outlet centres controlled by Fashion District Group S.p.A..

Information on the consolidated income statement

33. Revenues

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

	30.09.2015	30.09.2014
Revenues from property sales	6.178.600	12.123.177
Revenues from rent	7.201.228	35.657.695
Revenues from provision of services	1.775.572	389.612
Revenues from fund management commission	-	-
Revenues from commission from finance leases	-	-
Other revenues	3.584.380	3.868.924
	18.739.780	**52.039.408**

The item revenues from property sales is composed of revenues from sales of properties. In particular, the item is composed of the contribution made by Lucianita S.r.l. (EUR 4,6 million), which contributed EUR 10,4 million in the previous year, Cad Immobiliare S.r.l. contributed EUR 0,9 million (EUR 0,9 million as at 30 September 2014) and Fede S.r.l. contributed EUR 0,3 million, in addition to the revenues of Mittel Investimenti Immobiliari, which contributed EUR 0,3 million thanks to its project in Arluno (EUR 0,7 million as at 30 September 2014).

The item revenues from rent comprises EUR 6,6 million relating to the contribution of the Outlet sector to the consolidated total of the Mittel Group, EUR 0,3 million for debits charged by Mittel S.p.A. for the leasing of offices owned and EUR 0,3 million to the rental agreements in force in relation to other Group real estate companies.

Revenues from provision of services relate to services provided by Fashion District Group S.p.A. (EUR 1,4 million), chargebacks for outsourced direct debit, administrative and IT services and by the parent company Mittel S.p.A. (EUR 0,3 million).

Other revenues mainly comprise EUR 1,6 million in revenues from advisory services performed by Mittel Advisory S.p.A. and EUR 1,7 million for the activities performed by Mittel Advisory Debt & Grant S.p.A..

34. Other income

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

	30.09.2015	30.09.2014
Recoveries of various expenses	622	37.838
Contingent assets	940.167	1.629.757
Income from elimination of assets	-	10.684
Other revenues and income	597.116	3.590.592
	1.537.905	**5.268.871**

The item contingent assets is composed primarily of the contribution of EUR 0,7 million from the parent company Mittel S.p.A., comprised, for EUR 0,4 million, of interest accrued collected on 7 August 2015 on the receivable due from the tax authorities relating to the acquisition from Bios S.p.A. relating to the IRES (corporate income tax) surplus, for which a refund was requested.
The item other revenues and income is mainly attributable to the contribution from the Fashion District Group (EUR 0,3 million) and the contribution of Mittel Advisory S.p.A. (EUR 0,2 million). The contribution from the Fashion District Group refers to the compensation for the illegal tenancy of the outlet relating to rental

agreements for business units terminated by law for which the tenants continued to occupy the space, as well as other compensation for contractual terminations.

35. Variations in property inventories

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

	30.09.2015	30.09.2014
Increases in property inventories	7.084.825	3.876.577
Decreases in property inventories	(4.711.599)	(8.855.385)
Write-down and losses in property inventories	(5.670.983)	(10.876.653)
	(3.297.757)	**(15.855.461)**

As regards the changes in this item, see the information set forth in the tables and comments under the item Property inventories.

36. Costs for purchases

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

	30.09.2015	30.09.2014
Purchases and property increases	(5.471.873)	(1.786.503)
Provision of services and consultancy	(544.322)	(169.524)
Urbanisation expenses	(433)	(307.644)
Registration tax	-	-
Insurance	(28.420)	(35.368)
Maintenance	(43.338)	(14.520)
Other	(253.710)	(546.355)
	(6.342.096)	**(2.859.914)**

The item costs for purchases saw a considerable increase, due to some property projects and, in particular, the contributions relating to the initiatives of the following companies should be noted: Santarosa S.r.l. (EUR 4,8 million), Lucianita S.r.l. (EUR 0,3 million), Mittel Investimenti Immobiliari S.r.l. (EUR 0,2 million), MiVa S.r.l. (EUR 0,1 million) and Breme S.r.l. (EUR 0,1 million).

37. Costs for services

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

	30.09.2015	30.09.2014
Legal consultancy	(1.399.616)	(2.636.553)
Notary consultancy	(88.940)	(163.853)
Other consultancy	(4.283.570)	(4.124.160)
General services and maintenance	(2.369.907)	(3.627.466)
Administrative, organisational and audit services	(292.124)	(443.846)
Project-based partner costs	(37.065)	(73.218)
Directors' fees	(1.208.633)	(5.181.808)
Board of Statutory Auditors' fees	(396.913)	(452.016)
Supervisory Body's fees	(152.764)	(174.705)
Fees for prosecutors and Manager in charge	(16.000)	(45.032)
Rentals	(4.941.038)	(14.074.995)
Leases	(167.933)	(540.540)
Insurance	(595.939)	(973.924)
Utilities	(461.821)	(1.325.649)
Advertising	(264.292)	(1.120.230)
Others	(329.846)	(2.236.303)
	(17.006.401)	**(37.194.298)**

Costs for services recorded a decrease over the same period in the previous year, due in particular to the sharp drop in the costs of the outlet sector, down from EUR 22,2 million to EUR 6,7 million, as a result of the

transfer of the entire share capital of Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l. and of the Bagnolo San Vito (MN) and Molfetta (BA) factory outlets, and the definitive transfer of the business unit of the Valmontone (RM) outlet by the subsidiary Fashion District Roma S.r.l. in liquidation.
It should also be noted that directors' fees recorded a decrease of EUR 4,0 million. This decrease is partly attributable (EUR 3,3 million) to the allocation, in last year's financial statements, of the extraordinary costs deriving from the agreement with former Chief Executive Officer Arnaldo Borghesi.

38. Personnel costs

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

	30.09.2015	30.09.2014
Wages and salaries	(5.865.451)	(8.398.588)
Social security costs	(1.832.298)	(2.523.559)
Employee termination indemnity	-	(97.000)
Pension costs	(15.833)	(24.588)
Allocation to employee severance indemnity	(376.809)	(494.441)
Allocation to retirement fund and similar obligations	-	-
Payments to external supplementary pension funds	(34.891)	(29.389)
Other personnel costs	(1.238.037)	(107.796)
	(9.363.319)	**(11.675.361)**

In particular, personnel costs are composed, for EUR 4,0 million, of the contribution of the Parent Company Mittel (EUR 3,4 million in last year's financial statements), of which EUR 0,8 million refers to costs for transactions entered into during the year with outgoing personnel following the restructuring of services and activities. The Outlet sector contributed EUR 2,4 million compared to EUR 3,8 million in the previous year, the Advisory sector contributed EUR 1,8 million, a sharp decrease compared to the figure in the previous year (EUR 3,6 million), Mittel Portfolio Management S.r.l. contributed EUR 0,4 million, in line with the figure in the previous year and Mittel Investimenti Immobiliari S.r.l. contributed EUR 0,4 million, compared to EUR 0,3 million in the previous year.

Average number of Group employees broken down by category:

	Exact number 30 settembre 2015	Average in the year 2014/2015	Average in the year 2013/2014
Managers	9	10	14
Officials	20	21	27
Employees	70	71	90
Total	**99**	**102**	**131**

39. Other costs

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

	30.09.2015	30.09.2014
Taxes and duties	(3.007.603)	(3.706.420)
Losses on receivables	(508.115)	(577.823)
Capital losses from transfer of property, plant and equipment	(59.863)	(8.780)
Extraordinary contingent liabilities	(513.753)	(564.420)
Other sundry operating expenses	(1.648.963)	(970.509)
	(5.738.297)	**(5.827.952)**

The item taxes and duties registered a decrease of EUR 0,7 million, and is mainly composed of taxes of EUR 0,7 million for the Outlet sector, taxes of EUR 1,8 million for Mittel S.p.A. and taxes of EUR 0,5 million for the Real Estate sector.

Losses on receivables refer, for EUR 450 thousand, to the loss registered by the subsidiary Locaeffe S.r.l. in liquidation, recorded following the full settlement of EUR 0,8 million to close a receivable.

The item "other operating expenses" refers, for EUR 1.050 thousand, to the payment, made in July, as a result of the settlement agreement subsequent to the discussions held between Progressio and BP2 on one side and PEH and Mittel on the other, regarding the threat of legal proceedings; for a description of these, refer to the section “Significant events in the year” in the report on operations in these financial statements.

40. Dividends

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

	30.09.2015	30.09.2014
Dividends from financial assets held for trading	188.643	80.000
Dividends from available-for-sale financial assets	1.769.336	7.640.952
Dividends from financial assets designated at fair value	-	-
Dividends from investments	-	-
Other	-	-
	1.957.979	**7.720.952**

The item dividends is composed of the contribution to the consolidated total from Mittel Partecipazioni Stabili S.r.l. (EUR 0,5 million), and from Mittel S.p.A. (EUR 1,4 million).
Dividends from financial assets held for trading refer mainly, for EUR 91 thousand, to the amount received from Cattolica Assicurazioni S.p.A., from Moncler S.p.A. (EUR 49 thousand) and Enel S.p.A. (EUR 11 thousand).
Dividends from available-for-sale financial assets mainly refer to the distributions made, for EUR 542 thousand by Progressio SGR S.p.A., for EUR for 587 thousand, by the Augusto Fund and for EUR 110 thousand, by Sia S.p.A..

41. Profit (loss) from management of financial activities and investments

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

	30.09.2015	30.09.2014
Available-for-sale financial assets		
Capital gains	11.660.854	5.654.737
Profits from fair value measurement	27.045	-
Other income	452.575	149.196
Capital losses	(4.214.380)	(51.043)
Losses from fair value measurement	(15.602)	-
Other	-	-
Capital gains (losses) from transfer of receivables	**(47.822)**	**-**
Capital gains (losses) from transfer of investments	**(5.273.637)**	**97.599**
Capital gains (losses) from change in equity interest	**-**	**-**
Write-backs/value adjustments of investments	**-**	**-**
	2.589.033	**5.850.489**

Capital gains are attributable to the transactions of Mittel Partecipazioni Stabili S.r.l. and relate to the sales of listed shares (UBI Banca S.c.p.A. and Intesa Sanpaolo S.p.A.); the other income refers to the final distribution deriving from the liquidation of the foreign investment vehicle Alfieri Associated S.A., held through Earchimede S.p.A..
Capital losses from available-for-sale assets are mainly composed of the result from the transfer of Azimut Benetti S.p.A. (EUR 2,7 million) and of the Fondo Progressio Investimenti II (Progressio Investimenti II Fund) for EUR 0,8 million.
The capital losses from transfer are mainly determined, for EUR 6 million, by the fact that Mittel and Liberata, for the sole purpose of avoiding the risk, costs and timings of a judgment regarding the compensation claims formulated by Liberata in relation to some disputed receivables (other than the JAL Credit), covered by the guarantee given by Mittel at the time of stipulation of the Mittel Generale Investimenti S.p.A. purchase contract, concluded a transaction that made provision for the payment to Liberata of an all-inclusive amount of EUR 6 million by way of compensation. This compensation is to be paid in 4 instalments of EUR 1,5 million each, on the following expiries: the first instalment at the same time as signing of the agreement, the second on 30 October 2015, the third on 31 December 2015 and the fourth instalment on 28 February 2016.

42. Amortisation and value adjustments to intangible assets

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

	30.09.2015	30.09.2014
Intangible assets		
Amortisation	(205.312)	(190.130)
Adjustments for impairment	(38.341)	(7.963.000)
Property, plant and equipment		
Amortisation of investment property	(54.966)	(12.874.232)
Amortisation of other assets owned	(406.523)	(1.553.715)
	(705.142)	**(22.581.077)**

The item is composed of the contribution to the consolidated total from Fashion District Group S.p.A. (EUR 0,2 million), the Advisory sector (EUR 0,2 million) and from Mittel S.p.A. (EUR 0,3 million). The adjustments for impairment refer to the run-off of all activities started in due course by Mittel Management S.r.l. (now Mittel Portfolio Management S.r.l.), in relation to the planned launch of the two funds.

43. Allocations to the provision for risks

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

	30.09.2015	30.09.2014
Provisions for ongoing disputes:		
Provision for contractual disputes	(354.071)	(3.024.526)
Provision for restructuring expenses	(1.799.096)	-
Other provisions	(220.000)	(3.574.375)
	(2.373.167)	**(6.598.901)**

The item “provision for contractual disputes” derives from the contribution to the consolidated total of the companies Mittel Advisory S.p.A. and Mi.Va. S.r.l..
The item “provision for restructuring expenses” refers to the allocation of costs by the subsidiary Fashion District Group S.p.A. as a result of the collective dismissal procedure for the cessation of company activities, which involved all employees and which concluded with an agreement signed on 2 September, with employee trade union representatives, and on 22 September with the two company managers. In this regard, it should be noted that, after these agreements were signed, the company informed employees of the termination of the employment relationship, with the termination date set for 18 November 2015.

The item “Other provisions” refers to the amount allocated by Breme S.r.l..

44. Value adjustments to financial assets and receivables

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

	30.09.2015	30.09.2014
Write-downs of financial receivables	(1.979.238)	(2.392.190)
Write-downs of other receivables	(1.117.883)	(2.172.847)
Write-downs of available-for-sale financial assets	(660.312)	(21.939.571)
Write-downs of non-current assets held for sale	-	-
Write-backs of financial assets	-	541.816
	(3.757.433)	**(25.962.792)**

The write-downs of financial receivables mainly relate, for EUR 1,1 million, to the adjustment registered by Fashion District Group S.p.A. for the adjustment of the earn-out on the transfer of the Valmontone outlet and, for EUR 0,8 million, to the impairment of the two credit positions effected by the subsidiaries Locaeffe S.r.l. and Markfactor S.r.l., both in liquidation.

The write-downs of other receivables refer to adjustments made by Fashion District Group S.p.A. (EUR 0,3 million) on its positions with customers, adjustments of receivables recorded by Mittel Advisory S.p.A. (EUR 0,3 million) and adjustments of the receivables of some companies in the real estate sector (EUR 0,3 million), in relation to receivables whose collection is doubtful.

The write-downs of available-for-sale financial assets relate, for EUR 0,5 million to the adjustment of the value recorded by the Parent Company Mittel, and for EUR 0,2 million, to the value adjustments recorded by Earchimede S.p.A..

45. 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:

	30.09.2015	30.09.2014
Pro-rata profits		
Brands Partners 2 S.p.A. in liquidation	71.786	25.834.239
Castello SGR S.p.A.	385.795	613.060
Mit-Fin S.p.A.	29.510	
Mi Re SGR S.p.A.		26.307
Mittel Generale Investimenti (through Liberata S.p.A.)		841.262
	487.091	**27.314.868**
Pro-rata losses		
Mit-Fin S.p.A.		(158.173)
Tower 6 Bis Sarl	(406.111)	(312.696)
Liberata S.p.A.	(1.419.638)	(1.056.960)
Superpartes S.p.A.	(23.062)	
	(1.848.811)	**(1.527.829)**
Capital gains (losses) from transfer		
	-	**-**
	(1.361.720)	**25.787.038**

The loss of EUR 1.419 thousand relating to Liberata S.p.A. includes impairment of EUR 2.207 thousand recorded on the investment.

46. Income (loss) from non-recurring transactions

The item, a positive EUR 0,2 million, refers to the net income from the disposal of the group of assets relating to the Mantua and Molfetta outlet centre property complexes and the investees Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.. For more details, see note 55.

47. Financial income

The item is composed as follows:

	30.09.2015	30.09.2014
Bank interest income	200.967	100.606
Interest income on financial receivables	8.519.927	5.483.132
Other interest income	516.573	639.346
Other financial income	90.528	110.422
Hedging activities		
Fair value hrdging derivatives	271.942	589.000
Assets hedged (fair value hedges)		
Liabilities hedged (fair value hedges)		
Cash flow hedging derivatives		
Other		
Exchange gains	-	-
	9.599.937	**6.922.506**

Interest income on financial receivables relates mainly to the contribution relating to Ghea S.r.l.'s loan to Bios S.p.A. (EUR 4,6 million), the contribution of parent company Mittel S.p.A for loans it granted (EUR 3,5 million) and the contribution from the subsidiary Fashion District Group S.p.A. (EUR 0,3 million), primarily for interest accrued on the loan to Alfa Park S.r.l.. The item other interest income is composed primarily of interest accrued relating to Earchimede S.p.A. (EUR 0,4 million).
Lastly, as regards hedging derivatives, the revenue refers to the contracts signed by the subsidiary Fashion District Group S.p.A., closed on 9 January 2015, following the repayment of all mortgages, as a result of the transfer of the Mantua and Molfetta outlet centres.

48. Financial expenses

The item is composed as follows:

	30.09.2015	30.09.2014
Interest expense on bonds	(6.569.682)	(6.541.439)
Interest expense on bank current accounts	(76.962)	(166.148)
Interest expense on bank loans	(3.669.680)	(6.190.713)
Interest expense on other loans	(2.135)	(4.863.175)
Other interest expenses	(63.739)	(128.055)
Other financial expenses	(866.900)	(773.123)
Hedging activities		
Fair value hedging derivatives	(436.460)	(3.459.402)
Assets hedged (Fair value hedges)		
Liabilities hedged (Fair value hedges)		
Cash flow hedging derivatives		
Other		
Exchange losses	(8.790)	(337)
	(11.694.348)	**(22.122.392)**

The item interest expense on bonds includes the interest expense connected with the issue of the Mittel S.p.A. 2013-2019 bond for the entire relevant year.

Unlike the previous year, no interest is present relating to fair value hedging derivatives; it should be noted that said cost referred to the contracts signed by the subsidiary Fashion District Group S.p.A., closed on 9 January 2015, following the repayment of all mortgages, as a result of the transfer of the Mantua and Molfetta outlet centres.

49. Profit (loss) from trading of financial assets

The item is composed as follows:

	30.09.2015	30.09.2014
Losses on disposal of securities (current)	4.935.678	-
Capital losses on securities valuation (current)	(337.227)	(659.983)
Derivative financial instruments	758.523	3.085.708
	5.356.974	**2.425.725**

Profit from the trading of securities is due, for EUR 4,9 million, to the activities performed by the Parent Company Mittel, and for the remainder, to the activities carried out by the subsidiary Mittel Partecipazioni Stabili S.r.l..
Profit from the valuation of securities recorded a negative contribution of EUR 0,2 million from the Parent Company Mittel and a negative contribution of EUR 0,1 million from the subsidiary Mittel Partecipazioni Stabili S.r.l..
Profit from derivative instruments is attributable, for EUR 0,6 million, to the transactions of Mittel Partecipazioni Stabili S.r.l. (EUR 0,6 million) and of the Parent Company Mittel S.p.A. (EUR 0,2 million).

50. Income taxes

The amount is composed as follows:

	30.09.2015	30.09.2014
IRES (corporate income tax)	(109.399)	299.817
IRAP (regional business tax)	(1.814.921)	(945.065)
Taxes of previous years	(38.368)	3.326.860
Total current taxes	**(1.962.688)**	**2.681.612**
Deferred tax liabilities	3.077.016	9.661.492
Prepaid income taxes	(2.776.748)	(1.252.682)
Total deferred taxes	**300.268**	**8.408.810**
Other taxes	138.730	-
Total income taxes	**(1.523.690)**	**11.090.422**

51. Income (loss) pertaining to non-controlling interests

The item is composed as follows:

	30.09.2015	30.09.2014
Profit (loss) for the year pertaining to non controlling interests	(887.324)	(18.358.253)
	(887.324)	**(18.358.253)**

52. Basic and diluted earnings (loss) per share

As set forth in IAS 33, the Mittel Group shows basic earnings (loss) per share calculated as net income (loss) 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.
- *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 2015, compared with the previous year, are as follows:

Earnings/(loss) per share attributable to the Parent Company (in EUR)	30.09.2015	30.09.2014
From income statement:		
- Basic	(0,307)	(0,463)
- Diluted	(0,307)	(0,463)
From comprehensive income:		
- Basic	0,067	(0,643)
- Diluted	0,067	(0,643)

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 2015, compared with the previous year, is as follows:

Basic earnings/(loss) per share attributable to the Parent Company	30.09.2015	30.09.2014
(no. ordinary shares)		
No. of shares at start of the year	87.907.017	87.907.017
Average weighted number of ordinary shares subscribed in the year		-
No. of shares at start of the year	(15.308.706)	(15.308.706)
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	**72.598.311**	**72.598.311**
EUR		
Net profit/(loss) attributable to the Parent Company	**(22.317.948)**	**(33.589.692)**
EUR		
Basic earnings/(loss) per share attributable to the Parent Company	**(0,307)**	**(0,463)**

EUR		
Total net profit/(loss) comprehensive attributable to the Parent Company	**4.861.664**	**(46.655.618)**

EUR		
Total basic earnings/(loss) comprehensive per share attributable to the Parent Company	**0,067**	**(0,643)**

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 consolidated statement of comprehensive income as at 30 September 2015, compared with the previous year, is as follows:

Diluted earnings / (loss) per share	30.09.2015	30.09.2014
(no. ordinary shares)		
Average weighted number of shares outstanding at the end of the year	72.598.311	72.598.311
plus shares necessary for:		
subscription of shares	-	-
Potential dilution of ordinary shares	-	-
Average weighted number of shares at the end of the year	**72.598.311**	**72.598.311**
EUR		
Net profit/(loss) attributable to the Parent Company	(22.317.948)	(33.589.692)
Effect of subscriptions of potential new shares	-	-
Net profit/(loss) available for ordinary shareholders plus assumed subscriptions	**(22.317.948)**	**(33.589.692)**
EUR		
Diluted earnings / (loss) per share	**(0,307)**	**(0,463)**

EUR		
Net profit/(loss) attributable to the Parent Company	4.861.664	(46.655.618)
Effect of subscriptions of potential new shares	-	-
Total net profit/(loss) comprehensive available for ordinary shareholders plus assumed subscriptions	**4.861.664**	**(46.655.618)**
EUR		
Total diluted earnings/(loss) comprehensive per share attributable to the Parent Company	**0,067**	**(0,643)**

The figures relating to the consolidated and diluted earnings (loss) per share of discontinued operations in the current year and in the previous year are as follows:

Earnings/(loss) per share attributable to the Parent Company (in EUR)	30.09.2015	30.09.2014
From assets transferred and disposed:		
- Basic	0.000	0.000
- Diluted	0.000	0.000

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 financial position of the Mittel group as at 30 September 2015 was a negative EUR 81,5 million (a negative EUR 201,8 million as at 30 September 2014), as shown in the table below:

(Thousands of Euro)	**30.09.2015**	**30.09.2014**	**Variation**
Cash	15	706	(691)
Other cash equivalents (*)	100.583	35.887	64.696
Securities held for trading (**)	20.074	15.812	4.262
Current liquidity	**120.673**	**52.405**	**68.267**
Current financial receivables (*)	**911**	**20.294**	**(19.383)**
	-	**-**	**-**
Current bank payables	(66.983)	(118.870)	50.981
Current portion of medium/long-term bank loans	(29.887)	(12.531)	(25.171)
Bonds	(1.313)	(1.313)	-
Other current financial payables	(4.746)	(4.016)	(730)
Current financial debt	**(102.929)**	**(136.729)**	**33.800**
Net current financial debt	**18.654**	**(64.030)**	**82.684**
Non-current bank payables	-	(37.511)	37.511
- Bank payables expiring in the medium-term	-	(37.511)	37.511
- Bank payables expiring in the long-term	-	-	-
Bonds issued	(97.239)	(96.661)	(578)
Other financial payables	(2.919)	(3.640)	721
Non-current financial debt	**(100.158)**	**(137.812)**	**37.654**
Net financial position	**(81.504)**	**(201.842)**	**120.338**

(*) As at 30 September 2014, the item other cash equivalents included EUR 3,0 million in amounts owed classified under current financial receivables in the financial statements, referring to the giro account in place between Earchimede and the investee Mittel Generale Investimenti S.p.A.. This inclusion reflects the fact that the receivables can readily be converted to a known amount of cash, with no risk of a change in the value.
(**) Available-for-sale assets posted under current assets and financial assets held for trading were reclassified to this item.

As regards the determination of the net financial position, please refer to the report on operations of these financial statements. Moreover, in compliance with the indications of Consob Communication no. 6064293 of 28 July 2006 relating to the impact of transactions or positions with related parties on the net financial position, refer to the financial statement tables drawn up pursuant to Consob Resolution no. 15519 of 27 July 2006. Specifically, the significant items pertaining to the net financial position, which include balances to/from related parties, are current and non-current financial receivables and non-current financial payables. For the details of these, please refer to note 56 of these consolidated financial statements.

54. Commitments and guarantees

As at 30 September 2015, the guarantees below were given, summarised in the following table:

	30.09.2015	30.09.2014
Guarantees:		
financial	-	-
commercial	8.333.600	41.149.414
assets pledged as collateral for third party bonds	2.128.072	4.501.763
Commitments:		
disbursement of funds	6.180.289	17.246.845
other irrevocable commitments	4.135.601	4.283.544
	20.777.562	**67.181.566**

Commercial guarantees refer, for EUR 4,3 million, to the contribution of the Real estate sector composed of sureties for primary urbanisation works requested by the Municipality of Milan, for EUR 1,4 million, to guarantees issued by Mittel Generale Investimenti S.p.A. in the form of earnest money to guarantee the obligations assumed by some real estate companies for the signing of preliminary purchase contracts and, for EUR 2,4 million, to the guarantees in favour of the Italian Revenue Agency for VAT for which a refund/offset was requested and EUR 0,4 million for a surety issued for the rental of its offices. The decrease relates to the signing of agreements in July 2015 with Liberata S.p.A. which allowed the extinguishment of the equity guarantee of Mittel Generale Investimenti S.p.A. issued in favour of Liberata S.p.A., for risks on losses relating to receivables, labour law and taxes.

The assets pledged as collateral for third party bonds are composed of shares owned by Mittel Partecipazioni Stabili S.r.l, represented by 1.250.000 ordinary shares of Intesa Sanpaolo S.p.A. with a nominal value of EUR 0,52 each, 1.031.763 shares of UBI Banca ScpA with a nominal value of EUR 1 each, 20.000 JP Morgan Chase shares with a nominal value of $ 25 each, to secure a credit facility of EUR 20 million, of which EUR 5,5 million was used as at 30 September 2015.

Commitments to disburse funds refer to the commitments for payments to be made into private equity funds and foreign investment vehicles.

The item other irrevocable commitments comprises EUR 3,7 million for the guarantee given in the years 2003, 2004 and 2005 in favour of the acquirers of leasing contracts transferred by the subsidiary Locaeffe S.r.l. in liquidation as a current account overdraft pledge, and, for EUR 0,4 million, to the profit from the sale of 500.000 Intesa Sanpaolo S.p.A. shares carried out on 30 April 2015 and completed with the delivery of the securities on 1 October 2015. The decrease is attributable to the transfer, during the year, of Fondo Progressio Investimenti II (Progressio Investimenti II Fund) with the associated commitment of EUR 10 million.

It should also be pointed out that, as part of the agreements described previously, which led to the transfer of the assets held by Fashion District Group S.p.A. in favour of IDEeA FIMIT SGR S.p.A., the shareholders of said entity, in proportion to the share held and without any joint and several liability between them (Earchimede S.p.A. for 66,67%, also considering the share held by FD33 S.r.l.), granted a guarantee in favour of the acquirer for any breach of the guarantees given by Fashion District Group S.p.A.. Guarantors' liability can be invoked by the acquirer solely in the case of depletion of the escrow account agreed at the time of the transfer and Fashion District Group S.p.A.'s non-fulfilment of its payment obligations.

55. Disposal of the group of assets relating to the Mantua and Molfetta outlet centre property complexes and the investees Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.

On 18 November 2014, Fashion District Group S.p.A. (66,7% owned by Earchimede S.p.A., in turn 85% owned by Mittel S.p.A.) executed the sale contract signed on 31 July 2014, regarding the two property complexes in which the Fashion District outlet of Bagnolo San Vito (MN) and the Fashion District outlet of Molfetta (BA) operate respectively, and 100% of the share capital of the two companies responsible for the local commercial management of the aforementioned outlets, Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l.. The purchaser is IDeA FIMIT SGR S.p.A., a company managing the closed-end real estate investment fund reserved to qualified investors called "MOMA", fully subscribed by entities attributable

to the funds managed by the Blackstone Real Estate Partners IV group, a major international operator with a track record in acquiring outlets and shopping centres in Italy.
The completion of the transaction was coordinated with the stipulation of specific transaction deeds which were finalised on 18 November 2014, the date on which control of the group of assets (hereinafter "Group of assets disposed") concerning the property complexes and the investments in the Mantua and Molfetta management companies was actually transferred to the purchaser.

In this regard, it should be noted that the disposal took place after a number of preliminary obligations requested by the purchasing counterparty were fulfilled successfully in the last quarter of the previous year, which concerned, in particular, personnel, properties and the companies transferred as part of the transaction, and which led to the change of certain terms and conditions set out in the purchase contract through the stipulation of a contractual addendum on 28 October 2014.

In particular, the contractual addendum, which amended the framework agreement of the Transaction, determined an addition to the forecast considerations relating to the transfer of the investments in the two management companies for around EUR 2,1 million, recognised to the seller, Fashion District Group S.p.A. in respect of the expected assumption, by the management companies, of given current payables and potential liabilities which are certain and/or likely to arise after 30 September 2014.
This integration of the transfer price of the group of assets disposed is to be considered as a component of the consideration of the disposal subject to specific contractual conditions, together with additional consideration differences subject to subsequent definitive adjustment of the forecast considerations to be verified in relation to the equity figures of the net assets transferred as at 18 November 2014, to be drafted on the basis of specific contractual configurations.
As a result of said change, the Purchase Contract envisaged a provisional consideration totalling EUR 122,2 million for the disposal as a whole, including around EUR 2 million in payables which remained under discontinued operations, and was collected in full on 18 November 2014, also through the simultaneous repayment to banks of mortgages, for an amount of approximately EUR 51 million.
The settlement of the total consideration relates, for EUR 18,4 million, to the sale price of the 100% investments of the two management companies, and for EUR 101,5 million, to the properties, and was paid in full on 18 November 2014 (EUR 120,1 million).
In addition, during the first quarter of the year, an adjustment to the provisional considerations was defined for the transfer of the outlet management companies which, based on the contractual agreements, was determined and agreed with reference to the current values of the net assets of the management companies on 18 November 2014 at EUR 0,2 million in favour of the purchaser.
It should be noted that, as part of the agreements underlying the Transaction, provision was also made for a portion of the consideration (EUR 5 million) to be placed as a security deposit in an escrow account at the date of execution of the transaction, in order to fulfil the obligations pertaining to the declarations and guarantees set out in the contractual clauses.
The escrow account was set up through the opening of a joint trust account via a third party agent, with expiry taking effect 30 days from the date of execution of the Transaction (18 November 2014), whose expiration conditions are provided, according to the guarantee terms established, so that the agreement may be considered concluded.

The sale plan regarding the complex disposal involved the classification of a disposal group as held for sale in last year's consolidated financial statements, determining the presentation of the associated Assets and Liabilities including the values of the property complexes held for disposal and the associated debt as well as the equity values of the two subsidiaries Fashion District Mantova S.r.l. and Fashion District Molfetta S.r.l. which were incorporated in the perimeter of the disposal group, adjusted for the valuation loss at fair value less costs to sell.

With reference to the effects on the economic result for the year closed as at 30 September 2015 of the Group's consolidated operating assets, the presentation of the group of assets disposed involved, as in the previous year, the recognition of a special item in the consolidated income statement known as "Income (loss) from non-recurring transactions", which includes the net profit booked (EUR 0,2 million) following the effective sale of the property complexes and of the outlet centre management companies.

The cash flow generated in the year can be summarised as follows:

Amounts in Euro	Book values of disposal group before reclassification under assets/liabilities held for sale						
	Outlet management companies	**Property complexes**	**Disposal group**	Cancellations of intercompany relations	Allocation of net capital loss for fair value reduction net of costs to sell	**Total – Disposal group as at 1 October 2014**	
			(1)	*(2)*	*(3)*	*(1) + (2) + (3)*	
Intangible assets	21.671.000	-	21.671.000	-	-	21.671.000	
Property, plant and equipment	1.696.485	120.139.266	121.835.751	-	(15.060.707)	106.775.044	
Sundry receivables and other assets	46.991	-	46.991	-	-	46.991	
Prepaid tax assets	3.937.686	-	3.937.686	-	(3.315.500)	623.186	
Total non-current assets	**27.352.162**	**120.139.266**	**147.491.429**	**-**	**(18.376.208)**	**129.116.220**	
Sundry receivables and other assets	3.895.441	-	3.895.441	(2.692.325)	-	1.203.116	
Cash and cash equivalents	1.115.231	-	1.115.231	-	-	1.115.231	
Total current assets	**5.010.672**	**-**	**5.010.672**	**(2.692.325)**	**-**	**2.318.347**	
Assets held for sale as at 1 October 2014	**32.362.834**	**120.139.266**	**152.502.101**	**(2.692.325)**	**(18.376.208)**	**131.434.567**	**(a)**
Provisions for personnel	(159.698)	-	(159.698)	-	-	(159.698)	
Deferred tax liabilities	(6.804.694)	-	(6.804.694)	-	-	(6.804.694)	
Provisions for risks and charges	(31.156)	-	(31.156)	-	-	(31.156)	
Total non-current liabilities	**(6.995.548)**	**-**	**(6.995.548)**	**-**	**-**	**(6.995.548)**	
Financial payables	15.159	-	15.159	-	-	15.159	
Sundry payables and other liabilities	(10.899.143)	-	(10.899.143)	7.877.698	-	(3.021.445)	
Total current liabilities	**(10.883.984)**	**-**	**(10.883.984)**	**7.877.698**	**-**	**(3.006.286)**	
Liabilities related to assets held for sale as at 1 October 2014	**(17.879.532)**	**-**	**(17.879.532)**	**7.877.698**	**-**	**(10.001.834)**	**(b)**
Total net assets of the disposal group						**(121.432.734)**	**(c = a-b)**

Consideration for the transfer of the disposal group:		
Temporary consideration for transfer of 100% of the Fashion District Mantova Srl investment	12.683.000	
Temporary consideration for transfer of 100% of the Fashion District Molfetta Srl investment	5.908.000	
Consideration for the transfer of the property complex of the Mantova outlet centre	63.729.957	
Consideration for the transfer of the property complex of the Molfetta outlet centre	37.770.043	
	120.091.000	**(d)**
Net interim profit of outlet management companies at the date of completion of the disposal (18 November 2014):		
Loss of Fashion District Mantova S.r.l from 1 October 2014 to 18 November 2014	143.853	
Loss of Fashion District Molfetta S.r.l from 1 October 2014 to 18 November 2014	434.316	
	578.169	**(e)**
Price adjustment for the transfer of the management companies at the disposal date:		
Contractual price adjustment calculated on the present asset values as at 19 November 2014	**(231.583)**	**(f)**
Differences from final determinations and settlement of disposed assets:		
Consideration for arrears collected by Fashion District Mantova	754.787	
Consideration for arrears collected by Fashion District Molfetta	492.565	
Differences on determination of value on disposed property complexes	(75.714)	
	1.171.638	**(g)**
Net income deriving from the transfer of the disposal group	**176.490**	**(c+d+e+f+g)**

Inflow from consideration deriving from the transfer of the disposal group:

paid as follows:	
Consideration from the transfer of the disposal group	**120.091.000**
Price adjustment for the transfer of the management companies at the disposal date:	(231.583)
Consideration for arrears collected by the disposed management companies	1.247.352
Reimbursement with total extinguishment of financial payables with collateral security on disposed property complexes	(51.902.945)
Establishment of escrow account of the purchaser	(5.000.000)
Other receivables	(1.247.352)
Net flow of cash and cash equivalents deriving from the transfer of the disposal group	**62.956.472**

56. 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 2014-2015, transactions were entered into with said counterparties as part of ordinary Group operations and that no atypical and unusual transactions were carried out.

All transactions were performed on arm's length basis and refer:

	Due to directors, auditors and internal committees	Due to associates	Due to other related parties	Total
Non-current assets				
Financial receivables	0	94.157.809	30.000.000	**124.157.809**
Current assets				
Financial receivables	0	0	192.898	**192.898**
Sundry payables and other liabilities	0	6.250	0	**6.250**
Current liabilities				
Financial payables		4.500.000		**4.500.000**
Sundry payables and other liabilities	643.943	8.513	0	**652.456**
Income statement				
Income	0	418.337	0	**418.337**
Other income	0	27.570	0	**27.570**
Costs for services	(2.242.547)	(223.360)	0	**(2.465.907)**
Personnel costs	(1.482.169)	0	0	**(1.482.169)**
Other costs	0	(1.050.000)	0	**(1.050.000)**
Dividends	0	1.002.197	587.100	**1.589.297**
Profit (loss) from management of financial activities and investments	0	(6.000.000)	0	**(6.000.000)**
Financial income	0	6.158.566	802.807	**6.961.373**
Financial expenses	0	(21.828)	0	**(21.828)**

- Non-current financial receivables refer to loans granted by Mittel S.p.A. to Liberata S.p.A. (EUR 35,2 million), by Ghea S.r.l. to Bios S.p.A. (EUR 53,5 million) and to the loan granted by Fashion District Group S.p.A. to investee Alfa Park (EUR 5,4 million). Receivables due from other related parties (EUR 30 million) relate to the loan 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 due from other related parties (EUR 0,2 million) relate to the current portion of the loan of 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.

- The item sundry receivables and other assets refers to the amount due to Mittel S.p.A. from Bios S.p.A. for chargebacks of rents and sundry services.

- Current financial payables due to associates relate to the residual amount payable to Liberata S.p.A as a result of the transaction concerning the past transfer of 100% of Mittel Generale Investimenti S.p.A.. In this regard, it should be noted that Mittel and Liberata, for the sole purpose of avoiding the risk, costs and timings of a judgment regarding the compensation claims formulated by Liberata in relation to some disputed receivables (other than the JAL Credit), covered by the guarantee given by Mittel at the time of stipulation of the Mittel Generale Investimenti S.p.A. purchase contract, concluded a transaction that made provision for the payment to Liberata of an all-inclusive amount of EUR 6 million by way of compensation.

- The item sundry payables and other current liabilities refers to the amount due to directors and statutory auditors for fees accrued but still to be paid and the payable due to Bios S.p.A..

- The items Revenues and other income refer to the chargeback of administrative services and direct debit services provided to third parties.

- The item costs for services due to directors, statutory auditors and internal committees, refers to Directors' fees (EUR 1,2 million), fees to the Board of Statutory Auditors (EUR 0,4 million), and an amount of EUR 0,6 million paid to Maurizia Squinzi as company general manager until the end of January 2015. 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. Costs for services due to associates refer, for EUR 0,1 million, to the chargeback of services by Mittel Investimenti Immobiliari S.r.l. to Mittel Generale Investimenti S.p.A. and, for EUR 0,2 million, to the chargeback of services from Mittel S.p.A. to Mittel Generale Investimenti S.p.A..

- 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 other costs includes the payment of EUR 1.050 thousand made in July, as a result of the settlement agreement subsequent to the discussions held between Progressio and BP2 on one side and PEH and Mittel on the other, regarding the threat of legal proceedings; for a description of these, refer to the section "Significant events in the year" in the report on operations in these financial statements.

- The item dividends refers entirely to the amount received by Mittel S.p.A., from Brands Partners 2 S.p.A. in liquidation (EUR 0,6 million), from Castello SGR (EUR 0,4 million) and from income deriving from Fondo Augusto (Augusto Fund) (EUR 0,6 million).

- The item profit (loss) from management of financial activities and investments is represented by the economic contra-item for an amount described in the item payables due to associates, in relation to the transaction between Mittel S.p.A. and Liberata S.p.A..

- The item financial income refers to interest income of EUR 1,5 million accrued by Mittel S.p.A. from Liberata S.p.A. and interest of EUR 0,8 million accrued from Fondo Augusto (Augusto Fund).

- The item financial expenses relates to expenses accrued from Mittel Generale Investimenti S.p.A..

57. 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 IFRS 13, aimed at outlining the impact of financial instruments with respect to the size of the associated risk exposures and the fair value measurement of financial instruments, details on the measures and mechanisms the Group has implemented to manage the exposure to financial risks are provided below.

57.1 Fair value measurement

The international accounting standard IFRS 13 defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". Where transactions are directly observable on a market, it may be relatively simple to determine the fair value. Otherwise, valuation techniques are used such as the "market" approach, which use prices and other relevant information generated by other transactions involving similar assets and liabilities, the "income approach", which consists of the discounting of future incoming and outgoing cash flows, and, lastly, the "cost approach", which requires that the entity determine a value that reflects the amount that would be required currently to replace the service capacity of an asset.
IFRS 13 establishes a fair value hierarchy that classifies the input of the valuation techniques used to measure fair value into three levels.
The fair value hierarchy assigns the maximum priority to listed prices (not adjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the minimum priority to inputs that are not observable (Level 3 inputs).
The levels used in the hierarchy are as follows:

Level 1 inputs: listed prices (not adjusted) in active markets for identical assets or liabilities which the entity may access at the valuation date. A market is defined as active when prices reflect transactions that occur with a frequency and at sufficient volumes to provide useful information for determining the price on an ongoing basis.

Level 2 inputs: are variables other than listed prices included in Level 1 that are directly or indirectly observable for assets or for liabilities. 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 identical or similar assets or through valuation techniques for which all significant values are taken from parameters observable or corroborated on the market.
Level 3 inputs: are variables that are not observable for assets or for liabilities. These techniques consist of the calculation of the listed price of the instrument by using significant parameters which are not observable but must reflect the assumptions that market participants would use in calculating the price of the asset or liability, including the assumptions regarding risk.

For the financial instruments outstanding as at 30 September 2015, and for comparative purposes, as at 30 September 2014, the table below illustrates the fair value hierarchy of financial assets and liabilities designated at fair value on a recurring basis: level 3 includes the book values of unlisted available-for-sale financial assets recognised at cost in the absence of an available fair value, amounting to EUR 8,9 million as at 30 September 2015 (essentially unchanged with respect to the previous year):

	30 September 2015			**30 September 2014**		
(thousands of Euro)	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Available-for sale assets designated at fair value:						
Investments designated at fair value with a contra-entry in Other comprehensive profit/(loss)	15.030	20.491	21.286	33.423	26.935	42.509
Investments designated at fair value with a contra-entry in the Income Statement	-	-	-	-	-	-
Other non-current securities	-	-	1.110	-	-	30
Financial assets designated at fair value held for trading:						
Trading derivatives	22					
Current securities held for trading	6.558					
Total assets	**21.610**	**20.491**	**22.396**	**33.423**	**26.935**	**42.539**
Other financial liabilities:						
Hedging derivatives	-	-	-	-	(2.804)	-
Trading derivatives	(246)	-	-		-	-
Total liabilities	**(246)**	**-**	**-**	**-**	**(2.804)**	**-**

Completing the analyses required by IFRS 13, the types of financial instruments contained in the financial statement items as at 30 September 2015, and for comparative purposes, as at 30 September 2014, are shown indicating the valuation criteria applied and, for financial instruments designated at fair value, the exposure (income statement or equity), specifically assigning the fair value category. The last column of the table shows, where applicable, the fair value of the financial instrument at the end of the year.

Situation as at 30 September 2015

Types of financial instruments	**Criteria applied in the measurement of the financial instruments in the financial statements**											
	Financial instruments designated at fair value											
	with change in fair value with contra-item recognised in:			Fair Value Hierarchy			**Financial instruments designated at amortised cost**	**Unlisted investments measured at cost**	Financial statement total as at 30 September 2015	Fair value as at 30 September 2015		
	Income statement	*Equity in Other comprehensive profit (loss)*	**Total Fair Value** **(A)**	Level 1	Level 2	Level 3	**(B)**		**(A+B)**	Level 1	Level 2	Level 3
ASSETS												
Available-for-sale investments (c)	-	8.906	**8.906**	-	-	-	**-**	**8.906**	**8.906**	-	-	nd
Available-for-sale investments (a) (d)	-	47.902	**47.902**	15.031	20.491	12.380	**-**	**-**	**47.902**	15.031	20.491	12.380
Available-for-sale debt securities (a) (d)	-	1.110	**1.110**	-	-	1.110	**-**	**-**	**1.110**	-	-	1.110
Non-current financial receivables (b)	-	-	**-**	-	-	-	**163.546**	**-**	**163.546**	-	-	162.221
Other receivables and financial assets (*) (b)	-	-	**-**	-	-	-	**188**	**-**	**188**	-	-	188
Other assets (*)	-	-	**-**	-	-	-	**20**	**-**	**20**	-	-	20
Current financial receivables (b)	-	-	**-**	-	-	-	**911**	**-**	**911**	-	-	911
Investments held for trading (d)	3.548	-	**3.548**	3.548	-	-	**-**	**-**	**3.548**	3.548	-	
Held for trading debt securities (d)	3.010	-	**3.010**	3.010	-	-	**-**	**-**	**3.010**	3.010	-	-
Trading derivatives (d)	22	-	**22**	22	-	-	**-**	**-**	**22**	22	-	-
Trade receivables (*) (b)	-	-	**-**	-	-	-	**4.470**	**-**	**4.470**	-	-	4.470
Current sundry receivables (*) (b)	-	-	**-**	-	-	-	**6.038**	**-**	**6.038**	-	-	6.038
Cash and cash equivalents (*)	-	-	**-**	-	-	-	**100.598**	**-**	**100.598**	-	-	100.598
	6.580	**57.918**	**64.498**	**21.611**	**20.491**	**13.490**	**275.770**	**8.906**	**340.268**	21.611	20.491	287.936
LIABILITIES												
Bond loans (current and non current) (b)	-	-	**-**			-	**(98.553)**	**-**	**(98.553)**	(105.635)	-	-
Financial payables (current and non current) (*) (b) (e)	-	-	**-**	-	-	-	**(104.289)**	**-**	**(104.289)**	-	-	(104.180)
Other non-urrent liabilities (b)	-	-	**-**	-	-	-	**(719)**	**-**	**(719)**	-	-	nd
Other financial liabilities (d)	-	(246)	**(246)**	(246)	-	-	**-**	**-**	**(246)**	(246)	-	-
Trade payables (*) (b)	-	-	**-**	-	-	-	**(5.213)**	**-**	**(5.213)**	-	-	(5.213)
Sundry payables (*) (b)	-	-	**-**	-	-	-	**(4.111)**	**-**	**(4.111)**	-	-	(4.111)
	-	**(246)**	**(246)**	**(246)**	**-**	**-**	**(212.884)**	**-**	**(213.130)**	(105.881)	-	(113.504)

(*) Receivables and payables for which the fair value was not calculated as the corresponding book value substantially approximates the fair value

(a) Available-for-sale financial assets designated at fair value with profits/losses posted to equity.
(b) Financial receivables and financial liabilities designated at amortised cost.
(c) Available-for-sale financial assets comprised of unlisted investments for which the fair value cannot be measured reliably, which are measured at cost, possibly decreased due to impairment.
(d) Financial assets and liabilities designated at fair value on a recurring basis.
(e) Payables for loans from non-controlling shareholders with undetermined maturity, for which fair value cannot be measured.

Situation as at 30 September 2014

Types of financial instruments	Criteria applied in the measurement of the financial instruments in the financial statements — Financial instruments designated at fair value — with change in fair value with contra-item recognised in: *Income statement*	*Equity in Other comprehensive profit (loss)*	Total Fair Value (A)	Fair Value Hierarchy Level 1	Level 2	Level 3	Financial instruments designated at amortised cost (B)	Unlisted investments measured at cost (Level 3) (C)	Financial statement total as at 30 September 2014 (A+B+C)	Fair value as at 30 September 2014 Level 1	Level 2	Level 3
ASSETS												
Available-for-sale investments (c)	-	-	**-**	-	-	-	**-**	**8.910**	**8.910**	-	-	8.910
Available-for-sale investments (a) (d)	-	93.957	**93.957**	33.423	26.935	33.599	**-**	**-**	**93.957**	33.423	26.935	33.599
Available-for-sale debt securities (a) (d)	-	30	**30**	-	-	30	**-**	**-**	**30**	-	-	30
Non-current financial receivables (b)	-	-	**-**	-	-	-	**146.841**	**-**	**146.841**	-	-	145.177
Other receivables and financial assets (*) (b)	-	-	**-**	-	-	-	**219**	**-**	**219**	-	-	219
Other assets (*)	-	-	**-**	-	-	-	**24**	**-**	**24**	-	-	24
Current financial receivables (b)	12.491	-	**12.491**	-	-	-	**10.857**	**-**	**23.348**	-	-	22.905
Investments held for trading (d)	9.305	-	**9.305**	9.305	-	-	**-**	**-**	**9.305**	9.305	-	-
Trade receivables (*) (b)	-	-	**-**	-	-	-	**6.610**	**-**	**6.610**	-	-	6.610
Current sundry receivables (*) (b)	-	-	**-**	-	-	-	**2.992**	**-**	**2.992**	-	-	2.992
Cash and cash equivalents (*)	-	-	**-**	-	-	-	**32.424**	**-**	**32.424**	-	-	32.424
	21.796	**93.987**	**115.783**	**42.728**	**26.935**	**33.629**	**199.967**	**8.910**	**324.660**	42.728	26.935	243.961
LIABILITIES												
Bond loans (current and non current) (b)	-	-	**-**			-	**(97.974)**	**-**	**(97.974)**	(107.642)	-	-
Financial payables (current and non current) (*) (b)	-	-	**-**	-	-	-	**(121.861)**	**-**	**(121.861)**	-	-	(121.517)
Financial payables (b) (f)	-	-	**-**	-	-	-	**(896)**	**-**	**(896)**	-	-	na
Other financial liabilities (d)	-	(2.804)	**(2.804)**	-	(2.804)	-	**-**	**-**	**(2.804)**	-	(2.804)	-
Trade payables (*) (b)	-	-	**-**	-	-	-	**(10.500)**	**-**	**(10.500)**	-	-	(10.500)
Sundry payables (*) (b)	-	-	**-**	-	-	-	**(11.369)**	**-**	**(11.369)**	-	-	(11.369)
	-	**(2.804)**	**(2.804)**	**-**	**(2.804)**	**-**	**(242.600)**	**-**	**(245.404)**	(107.642)	(2.804)	(143.385)
Disposal group:												
Assets												
Other assets (*)	-	-	**-**	-	-	-	**47**	-	**47**	-	-	47
Trade receivables (*) (b)	-	-	**-**	-	-	-	**205**	-	**205**	-	-	205
Cash and cash equivalents (*)	-	-	**-**	-	-	-	**1.115**	-	**1.115**	-	-	1.115
	-	**-**	**-**	**-**	**-**	**- -**	**1.367 -**	**-**	**1.367 - -**	-	-	1.367
Liabilities												
Financial payables (current and non current) (*) (b)	-	-	**-**	-	-	-	**(51.887)**	-	**(51.887)**	-	-	(51.887)
Trade payables (*) (b)	-	-	**-**	-	-	-	**(1.941)**	-	**(1.941)**	-	-	(1.941)
Sundry payables (*) (b)	-	-	**-**	-	-	-	**(824)**	-	**(824)**	-	-	(824)
	-	**-**	**-**	**-**	**-**	**- -**	**(54.652) -**	**-**	**(54.652) - -**	-	-	(54.652)

Notes
(*) Receivables and payables for which the fair value was not calculated as the corresponding book value substantially approximates the fair value

(a) Available-for-sale financial assets designated at fair value with profits/losses posted to equity.
(b) Financial receivables and financial liabilities designated at amortised cost.
(c) Available-for-sale financial assets comprised of unlisted investments for which the fair value cannot be measured reliably, which are measured at cost, possibly decreased due to impairment.
(d) Financial assets and liabilities designated at fair value on a recurring basis.
(e) Investment designated at fair value deriving from exercisable put option.
(f) Payables for loans from non-controlling shareholders with undetermined maturity, for which fair value cannot be measured.

Fair value valuation techniques:

The fair value measurement 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.
Completing the analyses required by IFRS 13, the additional disclosures concerning the valuation techniques and inputs used to measure fair value on a recurring basis are shown below:

I. Fair value measurement of financial assets and liabilities:

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.

Specifically, note that for financial receivables deriving from loan operations posted at amortised cost in the statement of financial position, the reference figures relating to the fair value measurement are classified under Level 3 of the fair value hierarchy, and were estimated using the discounted cash flow method. The main inputs used for this measurement are the market discount rates, which reflect the conditions applied in the key markets for receivables with similar characteristics, adjusted to take account of the credit risk of the counterparty.

The nominal value of Cash and cash equivalents generally approximates their fair value considering the short term of these instruments, which mainly include bank current accounts and time deposits.

Bond loans are recognised at amortised cost in the statement of financial position, and the related bonds are listed in an active market. Therefore, their fair value is measured using the prices at the end of the period. Thus, their fair value is classified in Level 1 of the hierarchy.

The fair value of other financial payables is included in Level 2 of the hierarchy and was measured using the discounted cash flow method. The main inputs used for that measurement are market interest rates at year-end, adjusted to take account of the market expectations of default risk of the Group implicit in the prices of securities traded by the Group and the outstanding derivatives on Group payables.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not significantly differ from their book value, their book values are assumed to be a reasonable approximation of their fair value.
Specifically, the book value of Receivables and other current assets and Trade payables and Other current liabilities approximates the fair value.

II. Fair value measurement of equities represented by non-controlling interests recorded in the portfolio of financial assets at fair value held for trading

Measurement of non-controlling interests recorded in the portfolio of financial assets held for trading refer to the current fair value with recognition of the changes in the Income statement.
As at 30 September 2015, 100% of non-controlling interests recorded in the statement of financial position under assets held for trading are listed in active markets, for which a listing or a price is available, classified in level 1 of the fair value hierarchy. Instruments listed on active markets, both Official and Over the Counter, fall into this category;
As at 30 September 2015, the investments designated at fair value mainly include the shares of UBI Banca (EUR 9,5 million), Intesa (EUR 3,9 million) and Fiat Chrysler (EUR 0,7 million).

III. Fair value measurement of equities represented by non-controlling interests recorded in the AFS portfolio

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).

In detail, for the fair value measurement of equities, different valuation methods are to be used, which involve the use of inputs deriving from direct transactions, i.e.:
- significant share transactions over a period of time deemed sufficiently short with respect to the time of the valuation and under constant market conditions;
- comparable transactions of companies that operate in the same sector and with any type of product/service supplied similar to those of the investee subject to valuation;
- application of the average of significant stock market multiples of comparable companies with respect to the economic-equity amounts of the investee, and
- the application of analytical financial, profit and equity valuation methods.

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.

Shares of private equity funds and foreign investment vehicles 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 transaction that consider assumptions regarding risk that market participants would use in calculating the price of the asset or liability and that also include the risks inherent in a specific valuation technique used and the risk inherent in the inputs of the valuation technique.

As at 30 September 2015, 50,41% of non-controlling interests recorded in the statement of financial position under available-for-sale assets was valued according to methods using the fundamental analysis of the company (level 3).
As at 30 September 2015, 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).

Variations in the year to financial assets designated at fair value level 3

As at 30 September 2015, no transfers of financial assets and liabilities designated at fair value on a recurring basis from level 3 to other levels and vice-versa were effected, 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 ended as at 30 September 2015, including profits/(losses) booked to the income statement, are shown below:

Thousands of EUR	**Financial assets**	**Financial liabilities**
As at 30 September 2014	**42.539**	**0**
(Profit) losses write down in the income statement	(2.972)	0
(Profit) losses write down in the statement of comprehensive income	(59)	0
Issues/extinctions	(17.111)	0
As at 30 September 2015	**22.396**	**0**

Available-for-sale financial assets designated at fair value level 3 refer mainly to the shares held in Fondo Augusto (mutual real estate investment fund) amounting to EUR 14,3 million (EUR 14,4 million as at 30 September 2013), shares held in the mutual investment funds Fondo Progressio Investimenti (Progressio Investimenti Fund), amounting to EUR 0,3 million (EUR 1,0 million as at 30 September 2014), shares held in Micro Venture Finance S.p.A. amounting to EUR 4,1 million (EUR 4,1 million as at 30 September 2014), shares held in the mutual real estate investment fund Cosimo I amounting to EUR 4,0 million (EUR 4,0 million as at 30 September 2014) and shares held in Equinox Two ScA amounting to EUR 10,8 million (EUR 10,6 million as at 30 September 2014).

57.2 Classifications of financial instruments

Categories of financial assets and liabilities

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.

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:

Financial assets at 30 September 2015	IAS 39 CATEGORIES				
	Financial instruments designated at fair value	Assets held to maturity	Loans and recevaibles	Available-for-sale financial instruments	Book value
Non-current financial assets:					
Investments	-	-	-	43.313.411	**43.313.411**
Bonds	-	-	-	1.110.252	**1.110.252**
Other financial assets	-	-	-	-	**-**
Non-current receivables:					
Financial receivables	-	-	163.545.698	-	**163.545.698**
Sundry receivables	-	-	207.571	-	**207.571**
Receivables due from customers and other current commercial assets:					
Sundry receivables and other assets	-	-	10.507.950	-	**10.507.950**
Current financial assets:					
Financial receivables	-	-	233.421	-	**233.421**
Sundry receivables	-	-	677.194	-	**677.194**
Other financial assets	6.558.239	-	-	13.494.260	**20.052.499**
Hedging derivatives	-	-	-	-	**-**
Non-hedge derivatives	21.773	-	-	-	**21.773**
Cash and cash equivalents					
Bank and postal deposits	-	-	100.582.955	-	**100.582.955**
TOTAL FINANCIAL ASSETS	**6.580.012**	**-**	**275.754.789**	**57.917.923**	**340.252.724**

Financial assets at 30 September 2014	IAS 39 CATEGORIES				
	Financial instruments designated at fair value	Assets held to maturity	Loans and recevaibles	Available-for-sale financial instruments	Book value
Non-current financial assets:					
Investments	-	-	-	96.359.888	**96.359.888**
Bonds	-	-	-	30.000	**30.000**
Other financial assets	-	-	-	-	**-**
Non-current receivables:					
Financial receivables	-	-	146.840.674	-	**146.840.674**
Sundry receivables	-	-	277.605	-	**277.605**
Receivables due from related parties	-	-		-	**-**
Receivables due from customers and other current commercial assets:					
Sundry receivables and other assets	-	-	23.388.997	-	**23.388.997**
Current financial assets:					
Financial receivables	-	-	10.113.522	-	**10.113.522**
Sundry receivables	-	-	13.234.437	-	**13.234.437**
Other financial assets	9.305.220	-	-	6.506.659	**15.811.879**
Cash and cash equivalents					
Bank and postal deposits	-	-	31.718.367	-	**31.718.367**
TOTAL FINANCIAL ASSETS	**9.305.220**	**-**	**225.573.602**	**102.896.547**	**337.775.369**

Financial liabilities as at 30 September 2015	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	-	-	**-**
Other financial liabilities	-	2.918.777	**2.918.777**
Sundry payables and other liabilities	-	718.618	**718.618**
Bonds	-	97.239.392	**97.239.392**
Current liabilities:			
Payables due to banks and other lenders	-	101.370.087	**101.370.087**
Trade payables	-	5.213.307	**5.213.307**
Sundry payables	-	4.111.033	**4.111.033**
Bonds	-	1.313.142	**1.313.142**
Other financial liabilities:			
Hedging derivatives	245.641	-	**245.641**
Non-hedge derivatives	-	-	**-**
TOTAL FINANCIAL LIABILITIES	**245.641**	**212.884.356**	**213.129.997**

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.

	IAS 39 CATEGORIES		
Financial liabilities as at 30 September 2014	Financial instruments designated at fair value	Liabilities at amortised cost	Book value
Non-current payables and financial liabilities:			
Payables due to banks	-	37.511.425	**37.511.425**
Other financial liabilities	-	3.639.610	**3.639.610**
Sundry payables and other liabilities	-	896.054	**896.054**
Bonds	-	96.660.922	**96.660.922**
Current liabilities:			
Payables due to banks and other lenders	-	80.710.121	**80.710.121**
Trade payables	-	10.499.698	**10.499.698**
Sundry payables	-	15.742.523	**15.742.523**
Bonds	-	1.313.142	**1.313.142**
Other financial liabilities:			
Hedging derivatives	2.803.791	-	**2.803.791**
Non-hedge derivatives	-	-	**-**
TOTAL FINANCIAL LIABILITIES	**2.803.791**	**246.973.495**	**249.777.286**

57.3 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, advisory, real estate and Outlet sectors. 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 the market risks of the Parent Company and those of the individual Group companies, in order to ensure that the overall exposure is monitored.

Quantitative information

Distribution of credit exposures by relevant portfolio and by credit quality.

Credit exposures

Credit exposures: gross and net values

The situation as regards credit exposuresis shown in detail below.

Type of exposures/amounts	Gross exposure	Specific value adjustments	Portfolio value adjustments	Net exposure
Impaired exposures:	-	-	-	-
- Exposures written down	24.647.270	(20.733.642)	-	3.913.628
- Restructured exposures	-	-	-	-
	24.647.270	**(20.733.642)**	**-**	**3.913.628**
Performing exposures				
- Past due exposures	13.671.240	-	-	13.671.240
- Other exposures	251.846.686	(3.282.034)	-	248.564.652
	265.517.926	**(3.282.034)**	**-**	**262.235.892**
Total as at 30 September 2015	**290.165.196**	**(24.015.676)**	**-**	**266.149.520**
Total as at 30 September 2014	**190.652.515**	**(20.463.882)**	**-**	**170.188.633**

As regards expired positions, it should be noted that these consisted of receivables due from Sofimar S.A., considered fully recoverable. For a description, see the directors' report.

The data relating to the financial statements for year ended as at 30 September 2014 are shown below.

Type of exposures/amounts	Gross exposure	Specific value adjustments	Portfolio value adjustments	Net exposure
Impaired exposures:	-	-	-	-
- Exposures written down	23.713.295	(20.463.882)	-	3.249.413
- Restructured exposures	1.788.435	-	-	1.788.435
	25.501.730	**(20.463.882)**	**-**	**5.037.848**
Performing exposures				
- Past due exposures	13.411.528	-	-	13.411.528
- Other exposures	151.739.257	-	-	151.739.257
	165.150.785	**-**	**-**	**165.150.785**
Total as at 30 September 2014	**190.652.515**	**(20.463.882)**	**-**	**170.188.633**
Total as at 30 September 2013	**212.630.696**	**(23.768.175)**	**-**	**188.862.521**

Details of trade receivables as at 30 September 2015 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"):

	30.09.2015		
	Nominal value	Write-downs	Net value
Falling due	3.707.001	(539.825)	3.167.176
0-180 days	1.157.478	(1.658)	1.155.820
180-360 days	60.684	(27.738)	32.946
After 360 days	563.446	(369.458)	193.988
	5.488.609	**(938.679)**	**4.549.930**

The data relating to the financial statements for year ended as at 30 September 2014 are shown below.

Valori in Euro

	30.09.2014		
	Nominal value	Write-downs	Net value
Falling due	8.006.823	(1.678.336)	6.328.487
0-180 days	830.021	(567.373)	262.648
180-360 days	1.196.359	(1.196.359)	-
After 360 days	3.211.836	(3.192.498)	19.338
	13.245.039	**(6.634.566)**	**6.610.473**

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 100.598 thousand (EUR 32.424 thousand as at 30 September 2014) 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 2015, no significant exposures to risks connected to a further deterioration in the overall financial context were highlighted.

Guarantees given

The financial statement values as at 30 September 2015 and 2014 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:

	30.09.2015	**30.09.2014**
Financial guarantees issued	2.128.072	4.501.763
Commercial guarantees issued	8.333.600	41.149.414
Irrevocable commitments to disburse funds	6.180.289	17.246.845
Commitments underlying credit derivatives		
Other irrevocable commitments	4.135.601	4.283.544
	20.777.562	**67.181.566**

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 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 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 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. It should be noted that, on 9 January 2015, all Interest Rate Swaps were closed, also as a result of the sale of the outlets finalised by the subsidiary Fashion District Group S.p.A. and subsequent repayment of the mortgages subject to hedging.
For more details, please refer to previous note 29 which contains an analysis of the economic effect of derivative financial instruments.

Quantitative information

The table below identifies the book value of the financial assets and liabilities:

Distribution by repricing date of financial assets and liabilities

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			50.772	1.059.479	3.009.814		4.120.065
Medium/long-term financial receivables			125.648.042	22.249.520	-	15.648.136	163.545.698
Current financial receivables	910.615	-					910.615
Available-for-sale financial assets							-
Financial assets designated at fair value							-
	910.615	**-**	**125.698.814**	**23.308.999**	**3.009.814**	**15.648.136**	**168.576.378**
Liabilities							
Non-current bank loans			-				-
Current bank loans	(96.870.087)	-					(96.870.087)
Other financial payables due to related parties	(4.500.000)					(2.918.777)	(7.418.777)
Bonds	(1.313.142)			(97.239.392)			(98.552.534)
	(102.683.229)	**-**	**-**	**(97.239.392)**	**-**	**(2.918.777)**	**(202.841.398)**
	(101.772.614)	**-**	**125.698.814**	**(73.930.393)**	**3.009.814**	**12.729.359**	**(34.265.020)**

The data relating to the previous year are shown below:

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							-
Medium/long-term financial receivables			97.450.592	45.863.318	1.618.737	1.908.027	146.840.674
Current financial receivables	21.223.379	2.124.580					23.347.959
	21.223.379	**2.124.580**	**97.450.592**	**45.863.318**	**1.618.737**	**1.908.027**	**170.188.633**
Liabilities							
Non-current bank loans			(37.511.425)				(37.511.425)
Current bank loans	(75.053.901)	(5.656.220)					(80.710.121)
Other financial payables						(3.639.610)	(3.639.610)
Bonds	(1.313.142)				(96.660.922)		(97.974.064)
	(75.053.901)	**(5.656.220)**	**(37.511.425)**	**-**	**-**	**(3.639.610)**	**(219.835.220)**
Financial derivatives							
Hedging derivatives	(2.803.791)						(2.803.791)
Trading derivatives							-
	(2.803.791)	**-**	**-**	**-**	**-**	**-**	**(2.803.791)**
	(56.634.313)	**(3.531.640)**	**59.939.167**	**45.863.318**	**1.618.737**	**(1.731.583)**	**(52.450.378)**

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.

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 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 2015, 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 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. In particular, in relation to the variation in interest rates: if, as at 30 September 2015, 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 around EUR 0,3 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 was taken of the book value 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 2015**		
	Fixed rate	Variable rate	Total
Bank loans	26.706	70.164	**96.870**
Bonds	98.553		**98.553**
Other financial liabilities	7.419	-	**7.419**
Total	**132.679**	**70.164**	**202.842**

The data relating to the previous year are shown below:

Amounts in thousands of Euro	**30 September 2014**		
	Fixed rate	Variable rate	Total
Bank loans	31.727	85.283	**117.010**
Bonds	97.974		**97.974**
Other financial liabilities	3.640	1.212	**4.851**
Total	**133.340**	**86.495**	**219.835**

Amounts in thousands of Euro	**30 September 2015**		
	Fixed rate	Variable rate	Total
Financial receivables	65.971	98.486	**164.456**
Other financial assets	4.120	-	**4.120**
Total	**70.091**	**98.486**	**168.576**

The data relating to the previous year are shown below:

Amounts in thousands of Euro	**30 September 2014**		
	Fixed rate	Variable rate	Total
Financial receivables	74.385	95.804	**170.189**
Other financial assets			**-**
Total	**74.385**	**95.804**	**170.189**

The tables indicated above, relating to financial receivables and payables in the current year, include the value of non-interest bearing receivables and payables considered fixed rate.

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 2015		**30 September 2014**	
	Adjusted book value	Effective interest rate (%)	Adjusted book value	Effective interest rate (%)
Deposits and cash	100.598	0,30%	32.424	0,2%
Other financial assets	164.456	5,15%	170.189	3,5%
Total	**265.055**	**3,77%**	**202.613**	**2,95%**

Amounts in thousands of Euro

	30 September 2015		**30 September 2014**	
	Adjusted book value	Effective interest rate (%)	Adjusted book value	Effective interest rate (%)
Bank loans	96.870	3,43%	117.010	(5,63)%
Bonds	98.553	(6,90)%	97.974	(6,90)%
Other financial liabilities	7.419	(0,40)%	4.851	(1,24)%
Total	**202.842**	**(5,06)%**	**219.835**	**(6,10)%**

As regards the management of market risks by using derivative financial instruments, please see previous note 29 “Other financial liabilities”.

Currency risk – Sensitivity analysis

As at 30 September 2015 (as at 30 September 2014), 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 short-term 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.

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 2015, 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:**				
	2016	**2017**	**2018**	**After 2018**	**Total**
Bank loans	96.870	-	-	-	96.870
Other loans	4.500	-	-	2.919	7.419
Bonds	6.008	5.991	5.991	104.532	122.522
Derivative financial instruments	246	-	-	-	246
Total	**107.624**	**5.991**	**5.991**	**107.451**	**227.057**

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 6 million ordinary Intesa Sanpaolo S.p.A. shares and 1.381.763 UBI Banca S.c.p.A. shares, classified under available-for-sale financial assets, to secure a credit facility of EUR 20 million, of which around EUR 5,5 million was used as at 30 September 2015.

It should be noted that non-compliance with covenants would involve the acceleration clause. As at 30 September 2015, these covenants were respected.

For additional information on the covenants of the Mittel Group, please refer to the paragraph Risk of default and debt covenants in the report on operations.

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.

58. 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 - “under extraordinary administration”) are detailed in the paragraph “Main ongoing legal proceedings”.

59. 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 2014-2015, 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.	201
Certification services*	Deloitte & Touche S.p.A.		Mittel S.p.A.	29
Tax consultancy services				
Other services - Signing of tax declarations	Deloitte & Touche S.p.A.		Mittel S.p.A.	5
Total				**235**

(*) Certification of Financial Covenants - Certification of Tax Declarations

Type of services	Service provider		Recipient	Fees (in €/.000)
	Independent auditors	**Other entities belonging to the network**		
Auditing	Deloitte & Touche S.p.A.		Other Mittel Group companies	236
Certification services*	Deloitte & Touche S.p.A.		Other Mittel Group companies	14
Tax consultancy services				
Other services - Signing of tax declarations	Deloitte & Touche S.p.A.		Other Mittel Group companies	10
Total				**260**

(*) Certification of Tax Declarations

Milan, 12 January 2016

for the Board of Directors

The Chairman

(Franco Dalla Sega)

Annexes and supplementary statements

List of investments

Mittel Group

List of investments

					%			€/000		€/000	€/000	€/000	€/000	€/000
	Registered office		Share capital	Nominal value	Interest	Availability votes in shareholders' meeting	Business performed	Book value	Close of the year	Assets Statements of financial position	Liabilities Statements of financial positions	Shareholders' equity	Last result	Revenues
Investments														
Direct														
Chase Mittel Capital Holding II NV in liquidazione	Netherlands Antilles	€	18.720	-	27,55	27,55	Financial	6	31 Dicember	-	-	9	-	-
Tower 6 bis S.a.r.l.	Luxembourg	€	4.500.000	10	49,00	49,00	Investment Holding	29.195	31 Dicember	25.186	21.110	4.076	(871)	-
Liberata S.p.A.	Milan - Italy	€	6.750.000	1	27,00	27,00	Investment Holding	5.226	30 September	74.349	54.993	19.356	(3.083)	44
Bios S.p.A.	Milan - Italy	€	3.000.000	1	34,37	50,00	Investment Holding	49.916	31 Dicember	195.505	100.734	94.771	(5.395)	-
Castello SGR S.p.A.	Milan - Italy	€	2.664.556	1	20,24	20,24	Fund management	2.844	31 Dicember	20.580	7.239	13.341	2.403	9.838
Mit.Fin S.p.A.	Milan - Italy	€	200.000	1	30,00	30,00	Financial	186	31 Dicember	614	165	449	(451)	621
Indirect														
Mittel Generale Investimenti S.p.A.	Milan - Italy	€	17.000.000	1	100,00	100,00	Financial	117	30 September	139.662	55.236	84.426	225	6.603
Superpartes S.p.A.	Brescia - Italy	€	260.436		11,89	11,89	Technology	477	31 Dicember	1.392	263	1.129	(189)	461
Total								**87.968**						

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 Rosario Bifulco, Chief Executive Officer, and Pietro Santicoli, Manager responsible for preparing the Company's financial reports of Mittel S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, attest to the adequacy of the characteristics of the company and the effective application of administrative and accounting procedures for the preparation of the consolidated financial statements for the year ended as at 30 September 2015.

It is also certified that the consolidated financial statements for the year ended as at 30 September 2015:

a) were drafted in compliance with the international accounting standards recognised in the European Union pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) correspond to the book results and accounting records;

c) provide a true and fair view of the equity, economic and financial situation of the issuer and of the group of consolidated companies.

The 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, 12 January 2016

Chief Executive Officer	Manager responsible for preparing the Company's financial reports
Rosario Bifulco	Pietro Santicoli

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 consolidated financial statements of Mittel S.p.A. and subsidiaries (the "Mittel Group"), which comprise the statement of financial position as of September 30, 2015, and the income statement, statement of comprehensive income, statement of changes in 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.

   For the opinion on the prior year's consolidated financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on January 27, 2015.

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, 2015, 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 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, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by

Marco Miccoli
Partner

Milan, Italy
January 27, 2016

This report has been translated into the English language solely for the convenience of international readers.

Separate Financial Statements as at 30 September 2015

STATEMENT OF FINANCIAL POSITION (*)

Amounts in Euro

	Notes	30.09.2015	30.09.2014
Non-current assets			
Intangible assets	4	113.420	173.783
Property, plant and equipment	5	528.256	394.738
Partecipazioni	6	148.745.799	135.602.653
Financial receivables	7	120.508.561	122.848.208
Other financial assets	8	29.525.580	53.043.990
Sundry receivables and other assets	9	160.105	160.105
Prepaid tax assets	10	2.098	180.501
Total non-current assets		**299.583.819**	**312.403.978**
Current assets			
Financial receivables	11	78.162.709	77.030.502
Other financial assets	12	2.110.331	9.305.220
Tax assets	13	12.359.770	15.742.692
Sundry receivables and other assets	14	4.662.192	11.668.420
Cash and cash equivalents	15	36.472.260	5.619.207
Total current assets		**133.767.262**	**119.366.041**
Assets held for sale	-	-	-
Total assets		**433.351.081**	**431.770.019**
Equity			
Share capital		87.907.017	87.907.017
Share premium		53.716.218	53.716.218
Treasury shares		(25.778.526)	(25.778.526)
Reserves		110.323.860	160.652.047
Profit (loss) for the year		(20.409.769)	(50.366.130)
Total equity	16	**205.758.800**	**226.130.626**
		-	-
Non-current liabilities			
Bond issue	17	97.239.392	96.660.922
Financial payables	18	-	34.379.199
Provisions for personnel	19	801.551	834.238
Deferred tax liabilities	20	283.832	282.512
Provisions for risks and charges	21	766.898	7.425.857
Sundry payables and other liabilities	22	-	318.974
Total non-current liabilities		**99.091.673**	**139.901.702**
Current liabilities			
Bond issue	23	1.313.142	1.313.142
Financial payables	24	121.804.220	50.339.811
Other financial liabilities	25	58.331	-
Sundry payables and other liabilities	26	5.324.915	14.084.738
Total current liabilities		**128.500.608**	**65.737.691**
Liabilities held for sale		-	-
Total equity and liabilities		**433.351.081**	**431.770.019**

(*) Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of transactions with related parties on the statement of financial position of 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 Euro

		30.09.2015	30.09.2014
Revenues	27	1.116.101	1.343.789
Other income	28	851.491	2.987.542
Costs for services	29	(7.194.544)	(10.886.237)
Personnel costs	30	(4.345.406)	(3.443.289)
Other costs	31	(3.184.692)	(2.405.454)
Dividends	32	2.430.443	35.416.608
Profit (loss) from management of financial activities	33	(11.154.129)	147.884
Gross operating margin (EBITDA)		**(21.480.736)**	**23.160.843**
Amortisation and value adjustments to intangible assets	34	(252.687)	(461.022)
Allocations to the provision for risks	35	209.850	(2.440.031)
Value adjustments to financial assets and receivables	36	(1.043.805)	(12.959.912)
Value adjustments to investments	37	(1.380.664)	(57.212.776)
Operating result (EBIT)		**(23.948.042)**	**(49.912.898)**
Financial income	38	8.737.278	7.718.491
Financial expenses	39	(10.549.024)	(10.717.915)
Profit (loss) from trading of financial assets	40	4.896.821	773.565
Income (loss) before taxes		**(20.862.967)**	**(52.138.757)**
Income taxes	41	453.198	1.772.627
Profit (loss) for the year		**(20.409.769)**	**(50.366.130)**
Earnings (loss) per share (in EUR)	42		
- Basic		(0,281)	(0,694)
- Diluted		(0,281)	(0,694)

(*) 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. 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	01.10.2014 30.09.2015	01.10.2013 30.09.2014
Profit (loss) for the year (A)		**(20.409.769)**	**(50.366.130)**
Other comprehensive profit/(loss) that will not be subsequently reclassified under profit (loss) for the year:			
Profits/(losses) from remeasurement of defined benefit plans		17.250	(7.995)
Tax effect relating to Other profits/(losses)		(4.744)	2.197
Total other comprehensive profit/(loss) that will not be subsequently reclassified under profit (loss) for the year, net of taxes (B.1)		12.506	(5.798)
Other comprehensive profit/(loss) that will be subsequently reclassified under profit (loss) for the year:			
Profits/(losses) from the redetermination of available-for-sale financial assets	16	33.109	(3.322.680)
Profits/(losses) from the transfer of available-for-sale financial assets	16	-	-
Release to the income statement of losses for fair value impairment of available-for-sale financial assets	16	(6.350)	672.646
Tax effect relating to other profits/(losses)	16	(1.322)	793.622
Total other profit/(loss) that will be subsequently reclassified under profit (loss) for the year, net of taxes (B.2)		**25.437**	**(1.856.412)**
Total other profit/(loss) net of taxes (B) = (B.1) + (B.2)		**37.943**	**(1.862.210)**
Total comprehensive profit/(loss) (A) + (B)		**(20.371.826)**	**(52.228.340)**

Statement of Changes in Equity for the year ended as at 30 September 2015

Amounts in EUR

	Share capital	Treasury shares	Capital reserves	Profit reserves	Reserve from remeasurement of defined benefit plans	Cash flow hedge reserve	Reserve from available-for-sale financial assets	Total
Balance as at 1 october 2013	**87.907.017**	**(25.778.526)**	**53.716.218**	**159.837.232**	**(113.956)**		**2.790.980**	**278.358.966**
Increase in share capital								**-**
Assignment of treasury shares								**-**
Transfer of treasury shares								**-**
Purchase of treasury shares								**-**
Dividends distributed								**-**
Total comprehensive profit/(loss)				(50.366.130)	(5.798)		(1.856.412)	**(52.228.340)**
Balance as at 30 september 2014	**87.907.017**	**(25.778.526)**	**53.716.218**	**109.471.102**	**(119.754)**	**-**	**934.568**	**226.130.626**
Increase in share capital	-	-	-	-	-		-	**-**
Assignment of treasury shares	-	-	-	-	-		-	**-**
Transfer of treasury shares	-	-	-	-	-		-	**-**
Purchase of treasury shares	-	-	-	-	-		-	**-**
Dividends distributed	-	-	-	-	-		-	**-**
Total comprehensive profit/(loss)	-	-	-	(20.409.769)	12.506		25.437	**(20.371.826)**
Balance as at 30 september 2015	**87.907.017**	**(25.778.526)**	**53.716.218**	**89.061.333**	**(107.248)**		**960.005**	**205.758.800**

Cash flow statement

Amounts in EUR

	30.09.2015	30.09.2014
OPERATING ACTIVITIES		
Net income (loss) for the year	**(20.409.769)**	**(50.366.130)**
Adjustments to reconcile net income (loss) with cash flows generated (absorbed) by operating activities:		
Current taxes	(665.225)	(1.753.947)
Deferred taxes	173.659	(18.680)
Depreciation of property, plant and equipment	125.130	340.300
Amortisation of intangible assets	127.557	120.723
Dividends received	(2.430.442)	(35.416.608)
Financial income	(8.737.278)	(7.718.491)
Financial expenses	10.549.024	10.717.915
Capital gains (losses) from transfer of equity securities	9.594.539	(147.882)
Allocations to provisions for risks	(209.850)	2.440.031
Provisions for employee severance indemnity and other indemnities	145.086	135.828
Write-downs of receivables	552.784	279.801
Other non-monetary net income	-	(9.116)
Capital gain (loss) from trading activities	(4.896.823)	(773.565)
Write-downs (write-backs) of available-for-sale financial assets	491.021	12.016.581
Write-downs (write-backs) of investments	1.380.664	57.212.776
Cash flows from operating activities before changes in working capital	**(14.209.923)**	**(12.940.464)**
(Increase)/decrease in other current assets	11.054.373	(1.234.589)
Increase/(decrease) in trade payables and other current liabilities	(9.078.796)	1.040.475
Cash and cash equivalents generated (absorbed) by operating activities	**(12.234.346)**	**(13.134.578)**
Uses of provisions for risks and charges	(6.449.108)	(532.000)
Payments of employee severance indemnity	(173.165)	(46.142)
(A) CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES	**(18.856.619)**	**(13.712.720)**
INVESTMENT ACTIVITIES		
Dividends received from subsidiaries and associates	1.002.197	28.168.273
Dividends received on financial assets	1.428.246	7.248.335
Investments in interests for:		
Recapitalisations of subsidiaries	-	(4.582.828)
Recapitalisations of associates	-	(3.935.740)
Increase in available-for-sale financial assets	(7.015.085)	(859.688)
Increases in financial assets held for trading	(11.578.002)	(8.531.655)
Increases in other non-current assets	(330.872)	(247.793)
Realisation from disposal of:		
Investments	461.290	4.566.000
Equity instruments available for sale	25.589.205	47.124
Financial instruments held for trading	23.749.818	
Other non-current assets (property, plant and equipment, intangible assets and other)	5.030	107.842
Distributions from mutual investment funds	437.400	4.518.584
(Increase) decrease in financial receivables due from customers and financial institutions	(14.675.602)	3.020.531
Interest collected	8.008.751	7.162.187
Change in other current financial assets	-	9.116
(B) NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	**27.082.376**	**36.690.288**
FINANCING ACTIVITIES		
Increase (decrease) in payables due to banks and other lenders	32.585.209	(10.678.000)
Interest paid	(9.957.913)	(10.225.559)
(C) NET CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	**22.627.296**	**(20.903.559)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D = A+B+C)	**30.853.053**	**2.074.008**
OPENING CASH AND CASH EQUIVALENTS (E)	5.619.207	3.545.199
CLOSING CASH AND CASH EQUIVALENTS (F= D+ E)	**36.472.260**	**5.619.207**

Statement of Financial Position pursuant to Consob Resolution no. 15519 of 27 July 2006

Amounts in Euro

	Notes	30.09.2015	*of which related parties*	*% incidence*	30.09.2014	*of which related parties*	*% incidence*
Non-current assets							
Intangible assets	4	113.420	-		173.783	-	
Property, plant and equipment	5	528.256	-		394.738	-	
Investments	6	148.745.799	-		135.602.653	-	
Financial receivables	7	120.508.561	88.086.330	73,1%	122.848.208	91.692.285	74,6%
Other financial assets	8	29.525.580	-		53.043.990	-	
Sundry receivables and other assets	9	160.105	-		160.105	-	
Prepaid tax assets	10	2.098	-		180.501	-	
Total non-current assets		**299.583.819**	**88.086.330**	**29,4%**	**312.403.978**	**91.692.285**	**29,4%**
Current assets							
Financial receivables	11	78.162.709	77.971.173	99,8%	77.030.502	73.389.978	95,3%
Other financial assets	12	2.110.331	-		9.305.220	-	
Tax assets	13	12.359.770	-		15.742.692	-	
Sundry receivables and other assets	14	4.662.192	1.852.424	39,7%	11.668.420	1.535.789	13,2%
Cash and cash equivalents	15	36.472.260	-		5.619.207	-	
Total current assets		**133.767.262**	**79.823.597**	**59,7%**	**119.366.041**	**74.925.767**	**62,8%**
Assets held for sale		-	-		-	-	
Total assets		**433.351.081**	**167.909.927**	**38,7%**	**431.770.019**	**166.618.052**	**38,6%**
Equity							
Share capital		87.907.017	-		87.907.017	-	
Share premium		53.716.218	-		53.716.218	-	
Treasury shares		(25.778.526)	-		(25.778.526)	-	
Reserves		110.323.860	-		160.652.047	-	
Profit (loss) for the year		(20.409.769)	-		(50.366.130)	-	
Total Equity	16	**205.758.800**	**-**		**226.130.626**	**-**	
Non-current liabilities							
Bond issue	17	97.239.392	-		96.660.922	-	
Financial payables	18	-	-		34.379.199	-	
Provisions for personnel	19	801.551	-		834.238	-	
Deferred tax liabilities	20	283.832	-		282.512	-	
Provisions for risks and charges	21	766.898	-		7.425.857	-	
Sundry payables and other liabilities	22	-	-		318.974		
Total non-current liabilities		**99.091.673**	**-**		**139.901.702**	**-**	
Current liabilities							
Bond issue	23	1.313.142	-		1.313.142	-	
Financial payables	24	121.804.220	42.150.000	34,6%	50.339.811	1.211.772	2,4%
Other financial liabilities	25	58.331	-		-	-	
Sundry payables and other liabilities	26	5.324.915	1.269.738	23,8%	14.084.738	9.155.684	65,0%
Total current liabilities		**128.500.608**	**43.419.738**	**33,8%**	**65.737.691**	**10.367.456**	**15,8%**
Total equity and liabilities		**433.351.081**	**43.419.738**	**10,0%**	**431.770.019**	**10.367.456**	**2,4%**

Income Statement pursuant to Consob Resolution no. 15519 of 27 July 2006

Amounts in Euro

		01.10.2014 30.09.2015	*of which related parties*	*% incidence*	01.10.2013 30.09.2014	*of which related parties*	*% incidence*
Revenues	27	1.116.101	891.960	79,9%	1.343.789	1.141.676	85,0%
Other income	28	851.491	152.539	17,9%	2.987.542	157.688	5,3%
Costs for services	29	(7.194.544)	(1.790.088)	24,9%	(10.886.237)	(5.243.005)	48,2%
Personnel costs	30	(4.345.406)	(1.506.447)	34,7%	(3.443.289)	(861.874)	25,0%
Other costs	31	(3.184.692)	(1.050.000)	33,0%	(2.405.454)	(8.660)	0,4%
Dividends	32	2.430.443	1.589.297	65,4%	35.416.608	28.836.673	81,4%
Profit (loss) from management of financial activities	33	(11.154.129)	(6.000.000)	53,8%	147.884	-	
Gross operating margin (EBITDA)		**(21.480.736)**			**23.160.843**		
Amortisation and value adjustments to intangible assets	34	(252.687)			(461.022)		
Allocations to the provision for risks	35	209.850			(2.440.031)		
Value adjustments to financial assets and receivables	36	(1.043.805)			(12.959.912)		
Value adjustments to investments	37	(1.380.664)	-		(57.212.776)		
Operating result (EBIT)		**(23.948.042)**			**(49.912.898)**		
Financial income	38	8.737.278	7.402.528	84,7%	7.718.491	6.278.579	81,3%
Financial expenses	39	(10.549.024)	(321.617)	3,0%	(10.717.915)	(60.325)	0,6%
Profit (loss) from trading of financial assets	40	4.896.821			773.565		
Income (loss) before taxes		**(20.862.967)**			**(52.138.757)**		
Income taxes	41	453.198			1.772.627		
Income (loss) from continuing operations		**(20.409.769)**			**(50.366.130)**		
Income (loss) from assets held for sale		-			-		
Profit (loss) for the year		**(20.409.769)**			**(50.366.130)**		

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 on 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 2015.

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 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.
The separate financial statements for the year ended as at 30 September 2015 were drafted in compliance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union as at 30 September 2015, 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 financial statements were prepared on the basis of the general historical cost principle, 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 25 of IAS 1, regarding business continuity.

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 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.

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 depreciation and impairment.
Property, plant and equipment are systematically depreciated over their useful life, by adopting the straight line method.

The depreciation rates used by the company are as follows:
- Buildings 3,0%
- Vehicles 25,00%
- Furniture and fittings 12,00%
- Electronic machines 33,33%
- Equipment 15,00%

Land is not depreciated 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 depreciation 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 depreciation 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 (IFRS 10, IAS 27 and IAS 28)

Investments in subsidiaries and associates are booked at cost, adjusted in the presence of impairment The positive difference arising at the time of acquisition, between the cost of the acquisition and the company's share of equity at the present values of the investee is, therefore, included in the book value of the investment.

Investments in subsidiaries and associates are tested for impairment each year, or more frequently if necessary. If there is evidence that these investments have suffered impairment, it is booked to the income statement as a write-down.
If the relevant share of the company of the losses of the investee exceeds the book value of the investment, and the company is obligated or intends to cover them, the value of the investment is eliminated and the share of further losses is recorded as a provision under liabilities.
If the impairment subsequently is no longer applicable or reduces, a write-back is booked to the income statement up to the cost limits.

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 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.
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 define 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 use values not taken from the market and involve estimates and assumptions.
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 Value adjustments to 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 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 designated 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 designated 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 determine 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 use 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 Profit (Loss) from trading of financial assets.

Receivables (IAS 32 and 39)

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.
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, 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 (b) 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 and Bond Loans (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 or decreased by additional costs/income directly attributable to the individual funding transaction and not repaid to the credit counterparty. Internal administrative costs are excluded.
After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Depending on their nature, payables are classified into the following items:
- bond loans;
- 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 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 designated 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 equity. No profit or loss deriving from the purchase, sale, issue or cancellation of treasury shares is recorded in the income statement. The differences between the purchase and sale prices deriving from said transactions are recorded under reserves of 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 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. In addition to the allocation of current and deferred/prepaid tax items, the Company monitors, in line with IAS 37, any risks 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 contents of the related 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 initial 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 year attributable to Shareholders of the 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 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 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 impairment, 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, for the purposes of the drafting of the separate financial statements as at 30 September 2015, 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 2015, 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 year.
Non-current loans and receivables, 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 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. It should be noted that 2014-2015 was not characterised by changes to the estimate criteria already applied to draft the financial statements as at 30 September 2014.

Non-current assets

4. Intangible assets

These amounted to EUR 113 thousand (EUR 174 thousand as at 30 September 2014). The item recorded a total decrease of EUR 61 thousand compared to the previous year.

Details of the item are as follows:

	Goodwill	Patents	Plant	Concessions and licences	Other	Total
Values as at 01.10.2014				**83.606**	**90.177**	**173.783**
Changes in the year:						
- acquisitions				26.445	40.750	**67.195**
- change in scope of consolidation						**-**
- disposals						**-**
- reclassifications						**-**
- amortisation				(63.603)	(63.955)	**(127.558)**
- value adjustments				-	-	**-**
Total changes	**-**	**-**	**-**	**(37.158)**	**(23.205)**	**(60.363)**
Values as at 30.09.2015				**46.448**	**66.972**	**113.420**

5. Property, plant and equipment

These amounted to EUR 528 thousand (EUR 395 thousand as at 30 September 2014). The item recorded a total increase of EUR 133 thousand compared to the previous year.

More specifically, the item saw the following changes:

	Land and buildings	Investment property	Plant and machinery	Office machines and equipment	Other assets	Total
Value as at 01.10.2014	**164.059**			**160.389**	**70.290**	**394.738**
Changes in the year:						
- acquisitions				147.472	116.206	**263.678**
- change in scope of consolidation						**-**
- disposals				(3.426)	(1.605)	**(5.031)**
- reclassifications						**-**
- amortisation	(11.013)			(58.038)	(56.078)	**(125.129)**
- other changes	-			-	-	**-**
Total changes	**(11.013)**	**-**	**-**	**86.008**	**58.523**	**133.518**
Values as at 30.09.2015	**153.046**			**246.397**	**128.813**	**528.256**

The category “other assets” includes improvements to third party assets of EUR 16 thousand.

6. Investments

This item totalled EUR 148.746 thousand (EUR 135.603 thousand as at 30 September 2014). The item recorded a total increase of EUR 13.143 thousand.

Details of the item are as follows:

	30.09.2015	30.09.2014
Earchimede S.p.A.	80.400.000	83.500.000
Mittel Partecipazioni Stabili S.r.l.	27.000.000	12.248.506
Mittel Investimenti Immobiliari S.r.l.	15.000.000	12.547.085
Liberata S.p.A.	5.422.245	5.422.245
Castello SGR S.p.A.	4.674.267	4.674.267
Tower 6 Bis S.à r.l.	4.178.038	4.178.038
Mittel Advisory S.p.A.	3.400.000	4.152.585
Ghea S.r.l.	2.805.000	2.805.000
Locaeffe S.r.l. in liquidation	2.450.000	3.487.136
Mittel Advisory Debt And Grant	2.400.000	-
Bios S.p.A.	750.000	750.000
Mit.Fin S.p.A.	150.000	150.000
Mittel Portfolio Management S.r.l.	110.000	188.735
Chase Mittel Capital Holding II NV	6.249	6.249
Chase Mittel Capital Fund II BV	1	1
Mittel Investimenti Mobiliari S.r.l.	-	42.603
Holinvest S.r.l. in liquidation	-	26.000
Brands Partners 2 S.p.A. SFP	-	7.000
Sunset S.r.l. in liquidation	-	500
Markfactor S.r.l. in liquidation	-	-
Brands Partners 2 S.p.A. in liquidation	-	1.416.702
	148.745.799	**135.602.653**

Changes in investments during the year are shown in the following table:

Name	% interest	Balances 01/10/2014	Purchases and subscriptions	Sales repayments reversals	Impairment	Other changes	Closing balances 30/09/2015
Investments							
Tower 6 bis S.a r.l.	49%	4.178.038					4.178.038
Ghea S.r.l.	51%	2.805.000					2.805.000
Mittel Investimenti Immobiliari S.r.l.	100%	12.547.085	13.000.000		(10.547.085)		15.000.000
Chase Mittel Capital Holding II NV	28%	6.250					6.250
Mittel Partecipazioni Stabili S.r.l.	100%	12.248.506			14.751.494		27.000.000
Mittel Investimenti Mobiliari S.r.l.	100%	42.603		(7.008)		(35.595)	0
Mittel Advisory Debt & Grant S.p.A.	100%	0	2.650.000		(250.000)		2.400.000
Brands Partners 2 S.p.A. in liquidation	25%	1.423.702		(393.126)		(1.030.577)	0
Liberata S.p.A.	27%	5.422.245					5.422.245
Cad Immobiliare S.r.l.	5%	0					0
Castello Sgr S.p.A.	21%	4.674.267					4.674.267
Mit.fin S.p.A.	30%	150.000					150.000
Mittel Portfolio Management S.r.l.	100%	188.735	366.618		(445.353)		110.000
Mittel Advisory S.p.A.	100%	4.152.585			(752.585)		3.400.000
Holinvest S.r.l. in liquidation	100%	26.000		(60.657)		34.657	0
Sunset S.r.l. in liquidation	100%	500		(500)			0
Locaeffe S.r.l. in liquidation	100%	3.487.136			(1.037.136)		2.450.000
Markfactor S.r.l. in liquidation	100%	0					0
Earchimede S.p.A.	85%	83.500.000			(3.100.000)		80.400.000
Bios S.p.A.	50%	750.000					750.000
Total investments		**135.602.653**	**16.016.618**	**(461.291)**	**(1.380.664)**	**(1.031.515)**	**148.745.799**

The change in the value of investments is determined (i) for EUR 16,0 million, by the increase resulting from the waiving of shareholders' loans aimed at increasing the equity resources of the subsidiaries Mittel Investimenti Immobiliari S.r.l. (EUR 13,0 million) and Mittel Portfolio Management S.r.l. (EUR 0,4 million) and by the purchase, on 21 September, of Mittel Advisory Debt & Grant S.p.A. (EUR 2,6 million), (ii) for EUR 1,0 million by the transfer on 23 July 2015, of Brands Partners 2 S.p.A., as envisaged in the agreements signed; for details of these please refer to the report on operations of these financial statements and (iii) for EUR 1,4 million by the changes relating to the impairment tests carried out on investments, a negative EUR 16,1 million, in contrast to the write-back resulting from the repricing of securities held by Mittel Partecipazioni Stabili S.r.l. for EUR 14,7 million.

Impairment test for reductions in the recoverable value of investments and write-back of the investee Mittel Partecipazioni Stabili S.r.l.

Investments in subsidiaries and associates recorded on the basis of the cost criterion are subject to impairment testing based on the regulations set out in IAS 36.
In accordance with IAS 36, the recoverable value is represented by the higher of the fair value of the investment, less costs to sell, and its value in use. Therefore, for the purposes of the impairment testing of the investments recorded in the separate financial statements, it is necessary to verify that the recoverable value of the investment is higher than its book value.

In particular, as regards the indications of impairment set out in IAS 36, it is deemed that, with particular reference to the controlling interests in Earchimede S.p.A, Mittel Advisory S.p.A. and Mittel Investimenti Immobiliari S.r.l., the indications of impairment are attributable to the verification, in 2014-2015, of significant changes with a negative impact within the financial market environment which the subsidiaries' activities are directly targeted at, as such to consider that the economic performance of the investments could reasonably be more unfavourable than expected. Therefore, for these investments, the impairment testing is linked to the occurrence of events indicating impairment set out in IAS 39 which, in these specific cases, are substantially attributable to the occurrence of events indicating a significant decrease in expected cash flows from the equity investment compared to the time of initial recognition.

The investment impairment tests performed showed losses deriving from the excess book value of the investments in the financial statements with respect to the recoverable value for a total of EUR 1.380.664 which were recognised as a reduction/increase in the value of the investments, by recording write-downs/revaluations in the income statement for the year under the item “Investment adjustments”, detailed by equity investment as follows:

	Book value subject to impairment	Value reductions from impairment	Recoverable value
	EUR	*EUR*	*EUR*
Investments in subsidiaries:			
Mittel Inv. Immobiliari S.r.l	25.547.085	(10.547.085)	15.000.000
Earchimede S.p.A	83.500.000	(3.100.000)	80.400.000
Locaeffe S.r.l. in liquidation	3.487.136	(1.037.136)	2.450.000
Mittel Advisory S.p.A.	4.152.585	(752.585)	3.400.000
Mittel Portfolio Management S.r.l	555.353	(445.353)	110.000
Mittel Advisory Debt and Grant S.p.A.	2.650.000	(250.000)	2.400.000
Mittel Partecipazioni Stabili S.r.l.	12.248.506	14.751.494	27.000.000
	132.140.664	**(1.380.664)**	**130.760.000**

Impairment testing of the controlling interest in Mittel Investimenti Immobiliari S.r.l.

As regards the investment in Mittel Investimenti Immobiliari S.r.l., it should be noted that the company operates in the real estate sector, making investments in the residential and tertiary sectors, both directly and through companies invested in also by external entrepreneurs who contribute specific skills that complement those of the Mittel Group.
The year closed as at 30 September 2015 of Mittel Investimenti Immobiliari S.r.l. posted a loss of EUR 11,9 million, compared to a loss of EUR 11,3 in the year ended as at 30 September 2014.
The result for the year acknowledges the value adjustments on investments totalling EUR 9,9 million, compared to EUR 9,7 million in the previous year (of which EUR 5,7 million recorded directly in the item write-downs of investments and EUR 4,0 million through the write-down of receivables - interest-bearing shareholders' loans - due from said investees). These adjustments in the year are attributable to the following investments: MiVa S.r.l. (EUR 3,5 million), Cad immobiliare S.r.l. (EUR 2,5 million), Breme S.r.l. (EUR 1,3

million), Fede S.r.l. (EUR 0,7 million), Iniziative Nord Milano S.r.l. (EUR 0,5 million), Gamma Tre S.r.l. (EUR 0,3 million) and Santarosa S.r.l. (EUR 0,2 million), due to the effect of the valuation at the lower between the cost and the market value of the property inventories held by the latter. The properties held by the investees mentioned were valued with the help of independent external appraisers. Furthermore, Mittel Investimenti Immobiliari S.r.l.'s income statement includes a write-down of EUR 1,1 million of the property project managed directly and located in Arluno (Milan).
Equity as at 30 September 2015 amounted to EUR 13,7 million, compared to EUR 12,6 million as at 30 September 2014.

In consideration of the significant loss in the year and the verification of the indicators of impairment, the cost value of the investment was subject to impairment testing pursuant to IAS 36 at the close of the year.
Mittel S.p.A. saw fit to test the investment for impairment, assuming a recoverable value which, lacking a fair value consisting of the direct expression of official listing prices on an active market, took into consideration an estimate of the valuation of the economic capital value of the investment, with reference to its value in use.
In particular, for the purposes of the impairment test, the recoverable value of the equity investment was estimated using an economic capital valuation approach which determines the latter as the sum of the parts of the present net equity value of the individual entities of the group of companies headed up by Mittel Investimenti Immobiliari S.r.l..
According to this method, the economic capital value of a company (Equity Value) is equal to the sum of:

- the value of operating assets (so-called Enterprise Value) represented by the current value in use and the current comparative market value of the portfolio of property projects of the companies in the group headed up by Mittel Investimenti Immobiliari S.r.l., considering the results deriving from specific appraisals by the independent assessors of the respective presumed realisable value or current fair value;
- the market value of any "surplus assets" not regarding ordinary operations or not considered, for any specific methodological reasons, in the operating cash flows of the companies in the group headed up by Mittel Investimenti Immobiliari S.r.l.;
- the overall "Net financial Position" of the companies in the group headed up by Mittel Investimenti Immobiliari S.r.l., expressed on the basis of the financial assets at accurate market values as at 30 September 2015 (in order to effect an "equity-side" evaluation).

The economic value attributed to the various property projects which make up the property portfolio of the group of companies headed up by Mittel Investimenti Immobiliari S.r.l. was determined primarily on the basis of the future cash flows which can be generated from the sale of the properties, with particular reference to the presumed current sale value of the property projects intended for sale.
In particular, for "property development" projects, the criteria adopted by the independent experts mainly involved the use of the Transformation Method which is based on the discounting, at the estimate date, of the cash flows generated by the property transaction over the period of time corresponding to its duration, by taking into account, by using the appropriate discount rates, the financial components and business risk of the transaction (taking into consideration factors like: period of time for the sale, location, age, quality and condition of the buildings and payment methods) and in line with the forecasts of the trend in the real estate sector, as estimated by the most important industry sources.
The cash flows used are inclusive of taxes and the financial structure; subsequently, the discount rate is a weighted average of the rates of return before taxes of the payable and of the equity required by the market to invest in the property subject to valuation.
In particular, the cost of capital is the minimum return that the market requires to invest in the property, considering operating risk, the cost of debt and the financial structure.
In determining the cost of capital, the operating risk was considered as an expression of the volatility of the operating cash flows and derives mainly from the possibility that the property asset may not be able to achieve the expected return and is broken down into different specific risk factors, based on the different property transaction ("real estate sector" risk, "location" risk, "property type" risk, risk regarding the "physical state of the property" and "commercial" risk).
More specifically, the Value in use per individual property project determined in this way from the evaluations performed was therefore estimated by using the following main assumptions to calculate the value in use: discount rate falling within a range for property projects under construction which fluctuates between 10,61% and 12,61%, while for property projects already completed, within a range of 5,67% and 7,32%, which considers a risk-free cost of money of 1,90% and a premium for the related operating risk. This operating risk includes a real estate sector risk premium of 3,0% and various "specific" risk factors determined on the basis of the intrinsic risk of the reference real estate project.
In addition, it should be noted that, given the specific nature of certain property projects, (characterised by quite homogeneous or "standard" properties and types which predominantly have a property market with respect to a market for space, typically the residential segment), headed up by the subsidiaries of Mittel Investimenti Immobiliari S.r.l., use was made of an economic evaluation, conducted by adopting a market approach based on the application of a "comparative" criterion. The comparative market criterion uses the data of comparable properties which have been involved in recent transactions or for which the required price

for estimating the value of the property is known. Based on comparable prices, the value of a property can be estimated through adjustments which take account of the unique characteristics of each property. Use of this criterion is structured into three phases: the selection of the comparable properties, the normalisation of the settlement price of the comparable assets through a unit of comparison and the determination of the comparative evaluation adjustments (for example, due to differences in age, state of repair, orientation, level of customisation, fungibility or accessibility).

The comparison of the higher book value of the investment in Mittel Investimenti Immobiliari S.r.l. recorded at cost and the relative recoverable value determined with reference to the abovementioned value as at 30 September 2015 resulted in a write-down of EUR 10,5 million, which was booked to the item "Investment adjustments" in the income statement.

Impairment of controlling interest in Earchimede S.p.A.

As regards the 85% stake in Earchimede S.p.A., it should be noted that the investee's financial statements for the year ended as at 30 September 2015, drafted in line with national accounting standards, posted a loss for the year of EUR 3,8 million (loss of EUR 22,9 million as at 30 September 2014). The equity of Earchimede S.p.A. as at 30 September 2015 amounted to EUR 93,8 million (EUR 97,6 million as at 30 September 2014). The company carries out private equity fund/vehicle activities and acts as a holding company for investments. As regards holding activities, it is important to note the investment in Fashion District Group S.p.A., 66,67% of the share capital, held in equal measure both directly and through the wholly-owned subsidiary FD33 S.r.l.. The loss in the draft financial statements as at 30 September 2015 was the result of the recognition of write-downs of investments and of securities posted to current assets for a total of EUR 4,2 million. The write-downs refer to the investee Fashion District Group S.p.A. and were determined on the basis of the presumed value of the subsidiary, following the transfer of property assets for outlet use held by said entity and located in Mantua and Molfetta as well as the collection of the transfer of the business unit held by Fashion District Roma S.r.l. in liquidation to RREEF Investment Gmbh on 23 December 2014. As a result of the extraordinary transactions cited above and completed on 18 November 2014 and 23 December 2014, the company Fashion District Group S.p.A. was operational in the sector as manager of structures geared towards outlet centres (Mantua and Molfetta) until 18 November 2015, the date on which the service contract in place with the acquirer of the Mantua and Molfetta outlets was terminated.
Mittel S.p.A. saw fit to test the investment for impairment, assuming a recoverable value which, lacking a fair value consisting of the direct expression of official listing prices on an active market, took into consideration an estimate of the value in use of the investment. This value in use was estimated as the sum of the parts of the present value of expected cash flows at the current market rate which can be generated by the investment in Earchimede S.p.A. and available for the investor, including the expected flow which may be obtained from the sale of the investment.
In particular, according to this method, the economic capital value of a company (equity value) is equal to the sum of:

- the value in use of the operating asset (enterprise value), represented by the recoverable value (fair value or value in use) of the investments in subsidiaries taking into consideration the results of specific internal evaluations of the respective fundamental value and of the current fair value of financial assets represented by equities;
- the market value of any "Surplus assets" not regarding ordinary operations or not considered, for any specific methodological reasons, in the operating cash flows;
- the positive "Net Financial Position" of the company expressed on the basis of financial assets at accurate market values as at 30 September 2015.

Given these evaluations concern several different assets, with different development characteristics, both from an operating and time point of view, the sum-of-parts evaluation method was used. This method is not actually an evaluation criterion, rather a technical approach, which is useful when the element to be evaluated is not "economically" unique and homogeneous, as in the case of holding companies (like Earchimede SpA), which only have value in respect of the equity summation of the market values of the assets held.
In the "sum-of-parts" evaluation, each part constitutes a business characterised by a risk profile and distinct return, although within the same group situation, with the company not choosing to carry out a separate evaluation of the various legal entities, from a stand alone perspective.
The individual assets were valued by using, from time to time, measurement methods consistent with the type of asset, or, with the flow of available information, or even with the existence or not of the prospect for a reliable calculation of the generation or profit flows deriving from the asset.
On the basis of these assumptions, the value in use of the investment in Earchimede S.p.A. was calculated by mainly considering the results of the impairment test performed as at 30 September 2015 on the more significant stake represented by the investment in Fashion District Group S.p.A., held both directly and indirectly through the 100% investment in FD33 S.r.l.. In particular, as at 30 September 2015, for the purpose

of the impairment test performed, the book value of the stake in Fashion District Group was compared with a recoverable value of said investment measured by adopting an equity evaluation approach.
This equity method was considered comprehensive in the measurement process in question in particular (in which the prospective view is not essential or characterised by significant uncertainty), given that it determines the value of a company through the exposure, at current values, of the individual assets, which make up the company's capital and the updating of its liabilities, essentially limited to an adjustment of the annual accounting data while it would have been inappropriate to use evaluations carried out on the basis of profit or financial methods which use prospective expected profit flows after the implementation of the plan for the disposal of the group of assets relating to property complexes.

The equity method adopted calculated the recoverable value of the investment in Fashion District Group S.p.A. through the exposure, at current values, of the individual elements that make up the company's capital and the updating of its liabilities, targeted at obtaining the so-called "adjusted net capital", which exclusively take the elements accounted for as a reference.
Based on the above considerations, the economic capital value of the company Earchimede S.p.A. was estimated at around EUR 94,6 million.
Therefore, the recoverable value of the 85,01% stake in Earchimede S.p.A. is assumed to be equal to the proportional value of the economic capital of the latter, therefore standing at around EUR 80,4 million.
The comparison of the higher book value of the investment in Earchimede S.p.A. recorded at cost and the relative recoverable value determined with reference to the abovementioned recoverable value as at 30 September 2015 resulted in a write-down of EUR 3,1 million, which was booked to the item "Investment adjustments" in the income statement.

Impairment testing of the controlling interest in Locaeffe S.r.l. in liquidation

As regards the controlling interest (100%) in Locaeffe S.r.l. in liquidation, in consideration of the liquidation status of the companies and the negative result in 2014-2015, evidence came to light of impairment in the recoverable value of the investment, determined on the basis of the presumed realisable value expected from the net assets of the company liquidation. As a result of the verification of impairment, the value of the investment was aligned to its lower recoverable value deemed to correspond to the equity of the current liquidation of the investee.
Therefore, based on the results of the impairment test conducted, the investment in Locaeffe S.r.l., amounting to EUR 3.487 thousand, was written down by EUR 1.037 thousand due to impairment, reporting a value, net of impairment, as at 30 September 2015, of EUR 2.450 thousand.

Impairment of controlling interest in Mittel Advisory S.p.A.

As regards the controlling interest in Mittel Advisory S.p.A., it should be noted that the negative result in the year ended as at 30 September 2015, amounting to EUR 0,9 million, was considered a clear indication of the need for the impairment of the value of the investment recorded at the close of the year.

In particular, for the year 2014-2015, Mittel Advisory S.p.A. showed a continuation of the downward trend in revenues, which made it necessary to assess the sustainability of the figures from the investee company's business plan with extreme prudence. Furthermore, with regard to the elements indicating impairment set out by IAS 36, there was a significant change in the top management and downsizing of the company headed up by Mittel Advisory S.p.A., which is considered to be liable to significantly influence the company's future economic performance, which could reasonably be worse than forecast, considering that the value of that business strictly depends on the income generation capacity in relation to its management, organisation, and professional staff.
Therefore, also based on said indications of impairment, the value of the 100% investment in Mittel Advisory S.p.A., totalling EUR 4.152 thousand, was subject to verification of its recoverable value.

In determining the recoverable value of the controlling interest, a fundamental approach was adopted, by using the profit method (equity-side version), assuming that the profit flows analytically set forth in the long-term plan drafted by the management coincide with the expected average results.

These operating cash flows calculated are discounted using a discount rate which makes it possible to reflect the weighted opportunity cost of all sources of capital (WACC), on the basis of a target financial structure.
The Cost of Equity is estimated in line with the rules set out in IAS 36, based on the "Capital Asset Pricing Model":

Cost of equity = Risk Free + Beta x Equity Risk Premium

The cost of equity is equal to the sum of the risk free rate and a specific company risk premium corresponding to the product of the Beta coefficient attributed to the company risk (risk ratio of the company with respect to the market average, an expression of the correlation between the profitability flows of the company and those expected by the market and is calculated on the basis of an average of the unlevered Beta of comparable companies) and the overall market risk premium (Equity Risk Premium).

More specifically, the main amounts used to calculate the value in use are as follows:

- the planned flows set out in the economic and financial plan, subject to approval of the Board of Directors of the investee.
  In the explicit time period for determination of the cash flows, the provisional estimates of the cash flows set out in the economic-financial plan of the investee were revised on an updated basis, in line with the identification of a scenario of solely ordinary management, which is the result of the expression of more conservative assumptions relating to the expected implementation of the plan's strategies.
- the Cost of Equity (Capital discount rate - Ke) was estimated at 12,52%, considering:
  - Equity Risk Premium equal to 5,6%;
  - Unlevered Beta = 1,01x;
  - Risk free = 1,861% (10-year BTP (government bond), 6-month average);
  - Specific risk factor determined on the basis of the intrinsic risk of the company's business sector and of the market in which it operates, correlated to the limited liquidity of the investment ("Lack of marketability discount") and the close relationship between the company's economic prospects and the degree of operational involvement of management ("Key Person discount") = 5%.

With reference to the Terminal Value of the valuation, representative of a synthetic estimate of future results beyond the time period explicitly considered (perpetual yield), a prospective value was considered corresponding to the unlimited capitalisation of normalised EBIT, net of figurative taxes forecast for the period following the reference time period.
In particular, the "perpetual yield" method was used to calculate the Terminal Value, on the basis of which the residual value is determined by discounting the normalised cash flow subsequent to the explicit time period considered with a multiplier derived from the ratio (1 + g) / (Ke - g), where "g" (perpetual growth rate) is estimated by taking into account the capacity for cash flow growth, and the long-term growth prospects of company business.
More specifically, the estimate of the Terminal Value, in line with the objective evaluations of growth of reference business sector, is based on the consideration of a cash flow projection based on reasonable and sustainable assumptions able to represent the best estimate by company management of the profitability conditions of the company when operating at full capacity, which can be considered stable and long-lasting ("steady state"), with reference to the expected profile of the company's profit cycle.
In addition, in line with the objective growth evaluations of the reference business sector, it was deemed appropriate to adopt an annual long-term growth rate of the perpetually sustainable normalised operating cash flow equal to zero.
According to this method, the economic capital value of a company (Equity Value) is equal to the sum of:

- ❑ The value of the operating assets (so-called core enterprise value) represented by the value of ordinary or operating activities, given by the sum of the present value of cash flows generated by operations in an explicit projection period and the present value of the company's operating activities at the end of said period (Terminal value);
- ❑ the market value of any "Surplus assets" not regarding ordinary operations or not considered, for any specific methodological reasons, in the operating cash flows;
- ❑ the "Net Financial Position" of the company expressed on the basis of net financial payables at accurate market values as at 30 September 2015.

Based on the above considerations, the company economic capital value (Enterprise Value) of Mittel Advisory S.p.A. was estimated at a total of EUR 3,4 million, of which EUR 2,0 million attributable to the operating activities of the advisory company and net liabilities of EUR 0,4 million relating to accessory assets/liabilities and, taking account of a positive net financial position at the reference date of EUR 1,7 million.
The comparison of the higher book value of the investment in Mittel Advisory S.p.A. recorded at initial cost and the relative recoverable value determined with reference to the abovementioned fair value as at 30 September 2015 resulted in a write-down of EUR 0,8 million, which was booked to the item "Value adjustments to investments" in the income statement.

Therefore, based on the results of the impairment test conducted, the investment in Mittel Advisory S.p.A., recorded for a value of EUR 4.152 thousand, was partially adjusted for impairment, as a result of which, as at 30 September 2015, it posted a residual value of EUR 3.400 thousand.

The estimate of the recoverable value of the investment booked to the financial statements required hypotheses, assumptions and the use of estimates by the Directors. The determination of the economic value is, in fact, based on the use of future economic and financial projections for the 2016/2018 period; it should be borne in mind that, due to the uncertainty connected with the materialisation of any future events, both as regards the actual occurrence of an event and the measurement and timing of said occurrence, deviations between final and provisional values may be significant, even if the events envisaged as part of hypothetical assumptions, used to prepare the economic and financial projections, should materialise; therefore, the company cannot be certain that impairment will not occur in future periods. In fact, various factors connected with the evolution of the difficult market context could require a recalculation of the value of the investment. The circumstances and events that could cause further impairment will be monitored constantly by the company.
As mentioned above, the valuation of impairment was rendered particularly complex in the current market macroeconomic context and the subsequent difficulty in formulating future long-term profitability forecasts. Therefore, "sensitivity" analyses were conducted, assuming a change to some parameters used in the procedure to check the recoverable value of the investment recognised in the separate financial statements.
In particular, the effect on the recoverable value was analysed as a result of a 5% increase in the capital discount rate ("Ke") and a consideration of the medium/long-term growth rate ("g") of the Terminal Value of 3%:

- in the assumption the Capital Discount Rate is 5% higher that the rate determined for the verification procedure in the period analysed, the impairment test would involve the need to effect further write-downs of the investment amounting to around EUR 0,3 million;
- in the assumption of a medium/long-term growth rate of 3% in the Terminal Value, it would be necessary to reduce the write-down of the investment, with respect to the figure considered in the financial statements as at 30 September 2015, for around EUR 0,1 million.

Impairment of the controlling interests (100%) in Mittel Advisory Debt & Grant S.p.A. and Mittel Portfolio Management S.r.l.

As regards the controlling interests (100%) in Mittel Advisory Debt & Grant S.p.A and Mittel Portfolio Management S.r.l., it should be noted that these were subject to impairment testing pursuant to IAS 36, in consideration of the coverage of the losses of the investees in the year through the offsetting with outright grant payments, or through the direct waiving of financial receivables by Mittel S.p.A., given deemed to be an objective expression of the impairment of the recoverable value of the investments.
As a result of the impairment test, the values of the investments were aligned to the current equity of the investees reported after the coverage of loss for the year.
Therefore, based on the results of the impairment test conducted, the investment in Mittel Portfolio Management S.r.l., amounting to EUR 555 thousand, was written down by EUR 445 thousand due to impairment, reporting a value, net of impairment, as at 30 September 2015, of EUR 110 thousand, and the investment in Mittel Advisory Debt & Grant S.p.A., recorded for an amount of EUR 2.650 thousand, was written down by EUR 250 thousand due to impairment, reporting a value, net of impairment, as at 30 September 2015, of EUR 2.400 thousand.

Verification of the recoverable value of Mittel Partecipazioni Stabili S.r.l.

Mittel Partecipazioni Stabili S.r.l. is an investment holding that holds a 1,72% stake in the company Istituto Atesino di Sviluppo S.p.A. as well as the listed investments Intesa Sanpaolo S.p.A. and Ubi Banca S.p.A.. In the year 2014/2015, the company reclassified all securities held in listed companies from the item long-term investments to the item short-term financial assets held for sale, as per resolution of the Board of Directors dated 25 February 2015. The company closed the year as at 30 September 2015 with a profit of EUR 6,1 million and equity of EUR 24,1 million, compared to a book value of the investee of EUR 12,2 million.
The investment was subject to a write-back based on the analysis of the following elements: i) lower book value with respect to the equity of the investment subject to adjustment for impairment identified in the previous company years, ii) the listing value of the listed securities held in Intesa Sanpaolo S.p.A. and UBI Banca S.p.A. well above their book value, iii) substantial reduction of the total invested in the securities which, in the past, had indirectly determined the value adjustment of the investment following the sale in the year, with the subsequent reduction in the risk linked to changes in the value of said securities and the subsequent presence of cash and cash equivalents and a receivable due from the Parent Company, iv) only partial reinvestment in new securities (whose valuation for the purposes of the measurement of the investment took place at fair value). These considerations determined the need to restore the value of the wholly-owned investee for a total of EUR 14,8 million, consequently with the recognition in the income statement in the year,

of a book value for the company which rose from EUR 12,2 million to EUR 27,0 million. This measurement acknowledges the fair value valuation as at 30 September 2015 of assets held by the investee.

7. Financial receivables

This item totalled EUR 120.509 thousand (EUR 122.848 thousand as at 30 September 2014). The item recorded a total decrease of EUR 2.339.

	30.09.2015	**30.09.2014**
Loans	120.508.561	122.848.208
	120.508.561	**122.848.208**

	30.09.2015	**30.09.2014**
- Loans - financial institutions	30.000.000	30.000.000
- Loans - customers	90.508.561	92.848.208
	120.508.561	**122.848.208**

Total loans are broken down as follows:

- loans of EUR 90.509 thousand (EUR 92.848 thousand as at 30 September 2014), interest-bearing at market rates, granted to Ghea S.r.l. (EUR 22.882 thousand), Liberata S.p.A. (EUR 35.170 thousand), Montini S.p.A. (EUR 16.809 thousand), Sofimar SA (EUR 13.671 thousand), Fingruppo S.r.l. (EUR 1.943 thousand) and Tower 6 bis S.à r.l. (EUR 34 thousand);
- interest-bearing loans of EUR 30.000 thousand to the Augusto Fund (balance unchanged as at 30 September 2014).

8. Other non-current financial assets

This item totalled EUR 29.526 thousand (EUR 53.044 thousand as at 30 September 2014). The item recorded a total decrease of EUR 23.518 thousand.

Details of the item are as follows:

	30.09.2015	**30.09.2014**
Available-for-sale financial assets		
Equities and shares of funds	28.415.328	53.013.990
Bonds	1.110.252	30.000
Derivative financial instruments		
Financial assets designated at fair value		
	29.525.580	**53.043.990**

Available-for-sale financial assets

The item includes equity instruments recorded as available-for-sale financial assets and is composed as follows:

	30.09.2015	30.09.2014
Available-for-sale financial assets		
Equities and shares of funds:		
Fondo Augusto	14.257.508	14.417.999
CreditAccess Asia N.V. (former Micro Venture Finance Group S.A.)	4.088.703	4.088.703
Fondo Cosimo I	4.041.198	4.038.109
Equinox Two S.c.a.	3.818.447	3.732.366
SIA - SSB S.p.A.	1.400.000	1.400.000
Fondo Progressio Investimenti	286.097	1.006.327
Lu-ve S.p.a.	184.184	-
MC-link S.p.A.	121.176	131.076
Nomisma S.p.A.	100.000	100.000
Frendy Energy S.p.A.	76.594	115.967
Lu-ve S.p.a. warrant	30.784	-
Società Editoriale Vita S.p.A.	10.638	9.354
Azimut - Benetti S.p.A.	-	20.189.000
Fondo Progressio Investimenti II	-	3.335.313
Progressio SGR S.p.A.	-	245.000
MC-link S.p.A. warrant	-	4.776
Industrial Stars of Italy S.p.A.	-	200.000
Bonds:		
Credit Access 6,5%	1.059.479	-
Editoriale Vita S.p.A. 4%	50.772	-
Editoriale Vita S.p.A. 5%	-	30.000
	29.525.580	**53.043.990**

The change in available-for-sale financial assets during the year is as follows:

			Changes in the period				
Name/company name	Amounts as at 01/10/2014	Purchases, Drawdowns	Sales, distribution of funds	Capital gains (losses)	Write-downs for impairment	Fair value adjustments	Value as at 30/09/2015
Equities and shares of funds:							
Azimut - Benetti S.p.A.	20.189.000		(17.500.000)	(2.689.000)			-
SIA - SSB S.p.A.	1.400.000					-	1.400.000
Fondo Progressio Investimenti	1.006.327		(437.400)		(282.830)		286.097
Fondo Progressio Investimenti II	3.335.312	5.142.018	(7.642.017)	(835.313)	-	-	-
Fondo Cosimo I	4.038.109					3.089	4.041.198
Fondo Augusto	14.418.000				(160.492)		14.257.508
Equinox Two S.c.a.	3.732.366	90.315				(4.234)	3.818.447
Progressio Sgr S.p.A.	245.000		(245.000)				-
Società Editoriale Vita S.p.A.	9.354					1.284	10.638
Società Editoriale Vita S.p.A. (Diritti)	-		(110)	110			-
Nomisma S.p.A.	100.000						100.000
MC-link S.p.A.	131.076				(9.900)		121.176
MC-link S.p.A. warrant	4.776		(2)	(4.774)			-
CreditAccess Asia N.V. (former Micro Venture Finance Group S.A.)	4.088.703						4.088.703
Frendy Energy S.p.A.	115.967				(17.405)	(21.968)	76.594
Industrial Stars of Italy S.p.A.	200.000		(200.262)	262			-
Lu-ve S.p.a.	-	198.500	(17.835)	1.335		2.184	184.184
Lu-ve S.p.a. warrant	-					30.784	30.784
Bonds:							
Editoriale Vita S.p.A. 5%	30.000		(30.000)				-
Editoriale Vita S.p.A. 4%	-	50.000				772	50.772
Credit Access 6,5%	-	1.000.000				59.479	1.059.479
	53.043.990	**6.480.833**	**(26.072.626)**	**(3.527.380)**	**(470.627)**	**71.390**	**29.525.580**

The main changes in the item illustrated above specifically refer to the following:

- to increases totalling EUR 6,6 million, mainly attributable, for EUR 5,1 million, to a call from the Fondo Progressio Investimenti II (Progressio Investimenti II Fund) and, for EUR 1,0 million, to the subscription of a bond in favour of Credit Access Asia N.V., in which we also hold a shareholding;

- to decreases, totalling EUR 30,1 million, mostly relating, for EUR 20,2 million, to the transfer finalised on 30 September 2015 of the investment held in Azimut Benetti S.p.A. and, for EUR 8,5 million, to the transfer of the Fondo Progressio Investimenti II (Progressio Investimenti II Fund).

These write-downs for impairment to the amount of the equity investments were the result of the recognition of objective evidence of reductions in their recoverable value due to impairment with effect on future cash flows which may be reliably estimated, or due to the presence of a significant or long-lasting reduction in the present fair value of the equity investment with respect to its original cost.
Details of impairment of available-for-sale financial assets are as follows:

Amounts in thousands of Euro

Fondo Progressio Investimenti	283
Fondo Augusto	161
Frendy Energy S.p.A.	17
Mc-linck S.p.A.	10
	471

Losses due to reductions in the recoverable value of equities

Impairment testing of available-for-sale financial assets represented by equity instruments is targeted at establishing whether the variation between the acquisition cost and the present fair value of the financial asset is recoverable or if, on the contrary, an impairment of the asset must be recorded.
For equity instruments, impairment losses are recorded when there is objective evidence of impairment of the financial asset as a result of the loss events specifically indicated by IAS 39.59, individually or jointly relating to 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 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.

Furthermore, in order to establish whether there is impairment risk for equities, in addition to the presence of the events indicated above, conditions indicative of the occurrence of significant decreases in estimated future cash flows of the financial asset also include risk situations relating to the following:
- 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.

Therefore, the need to record impairment considers, individually or jointly, situations such as: a significant decrease in profits, of cash flows or in the net financial position of the issuer from the acquisition date, changes in the economic and technological context of the investee, which have an adverse impact on its current and future income, equity and financial situation.
Specifically, when these events occur, 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 economic values 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.

Moreover, impairment is automatically recognised in the event of a significant or prolonged decline in the fair value of the investment below its cost, supported by one of the following two parameters:

- 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.

Based on those reference criteria, in the case where there is evidence of impairment, the estimate of the loss deemed unrecoverable, to be posted to the income statement, equals the accumulated impairment of the asset.

Specifically, when an impairment loss occurs, the write-down of the financial asset is posted as a reduction in the revaluation reserve recognised under equity up to the limit of the same, and any remaining amount is posted in the income statement. With regard to equities for which previous impairment losses have been recognised, the loss is determined using the "original cost" of the investment as reference, not the value determined following the previous impairment. Therefore, the "significance" and "prolonged nature" of the decrease in fair value, which resulted in the recognition of an impairment loss to be transferred to the income statement, are commensurate to the amount of the original cost of the investment and the duration of the period in which it dropped below the original cost.

In this regard, as a result of the recognition of objective evidence of unrecoverable impairment of equity instruments, the following amounts were posted to the income statement for the various financial assets:

Amounts in thousands of Euro

	Purchase cost as at 30.09.2014 net of previous impairment	Increases (decreases) in the year	Purchase cost as at 30.09.2015 net of previous impairment	Fair value as at 30.09.2014	Cumulated changed in fair value at equity as at 30.09.2014	Fair value as at 30.09.2015	Cumulated changed in fair value at equity as at 30.09.2015	Write-down to income statement
			A			*B*	*C*	*D= B-A-C*
Impairment due to long-lasting reduction in fair value with respect to the cost of equities:								
Fondo Augusto	14.418		14.418	14.418		14.258		(160)
Impairment due to significant reduction in fair value with respect to the cost of equities:								
Società Editoriale Vita S.p.A.	9	-	9	9		11	2	-
Irrecoverable impairment commensurate with the fundamental economic value of equities:								
Fondo Progressio Investimenti	1.006	(437)	569	1.006	(3.365)	286	(3.365)	(283)
Frendi Energy S.p.A.	116	-	116	116	-	77	(22)	(17)
Mc Link S.p.A.	131	-	131	131	(20)	121	-	(30)
Equinox Two Sca	3.549	90	3.639	3.732	183	3.818	179	-
	19.229	**(347)**	**18.882**	**19.412**	**(3.202)**	**18.571**		**(491)**

For the investments in Fondo Augusto (Augusto Fund), Fondo Progressio Investimenti, Frendy Energy S.p.A., Mc Link S.p.A., it should be noted that, as at 30 September 2015, these equities showed a reduction in their current recoverable value (estimated on the basis of criteria that reflect their respective fundamental economic value), with the corresponding recognition in the income statement:

- of a EUR 160 thousand write-down of Fondo Augusto (Augusto Fund) and the Fondo Progressio Investimenti (Progressio Investimenti Fund) for EUR 283 thousand, booked to the income statement in application of IAS 39, (in the presence of previous impairment which already involved, in previous years, the reversal to the income statement of the negative valuation reserve accrued); the distributions made in the year by the Funds involved the recognition of dividends and the subsequent reduction in the fair value of the investment at the close of the year;
- of a write-down of Frendi Energy S.p.A. for EUR 17 thousand;
- of a write-down of Mc Link S.p.A. for EUR 30 thousand.

9. Sundry receivables and other assets

The item "Sundry receivables and other non-current assets" totalled EUR 160 thousand (same value as at 30 September 2014), and refers mainly to the beneficial interest on a share (EUR 143 thousand) and security deposits attributable to leases for the local units in Verona and Brescia (EUR 15 thousand).

10. Prepaid tax assets

This item totalled EUR 2 thousand (EUR 181 thousand as at 30 September 2014), a decrease of EUR 179 thousand during the year.

Details of the item are as follows:

	30.09.2015	30.09.2014
Tax assets with contra-item in Income statement		178.304
Tax assets with contra-item in Shareholders' Equity	2.098	2.197
	2.098	**180.501**

	30.09.2015	30.09.2014
Prepaid taxes		
Assets/liabilities held for trading		
Investments		
Property, plant and equipment/intangible assets		
Allocations		173.659
Other assets/liabilities	2.098	6.842
Receivables		
Retained losses		
Other		
	2.098	**180.501**

It should be noted, as already detailed in the corresponding section of the consolidated financial statements, that the tax losses of the companies participating in Mittel's tax consolidation, net of offsets for the purposes of the financial statements as at 30 September 2015, amounted to EUR 43,2 million. Mittel did not allocate any deferred tax assets on tax losses
In addition to the tax consolidation losses, Mittel S.p.A. recorded, following the positive response received during the year to the questions submitted, tax losses of EUR 60,0 million relating to the merged companies Hopa S.p.A. and Tethys S.p.A., in respect of which, for the above reasons, no prepaid taxes were recognised.

The table below shows the changes in the year:

Tax assets with contra-item in Income Statement:

	30.09.2015	30.09.2014
Opening Balance	**178.304**	**159.624**
Increases	**-**	**178.304**
Prepaid taxes recorded in the year:	**-**	**173.659**
- relating to previous years	-	-
- other	-	173.659
Increases in tax rates	-	-
Other increases	-	4.645
Decreases	**(178.304)**	**(159.624)**
Prepaid taxes cancelled in the year:	**(173.659)**	**(159.624)**
- reversals	(173.659)	(159.624)
Decreases in tax rates	-	-
Other reductions	(4.645)	-
	-	**178.304**

Tax assets with contra-item in Equity:

	30.09.2015	30.09.2014
Opening Balance	**2.197**	**-**
Increases	**4.645**	**2.197**
Prepaid taxes recorded in the year:	**-**	**-**
- relating to previous years	-	-
- other	-	-
Increases in tax rates	-	-
Other increases	4.645	2.197
Decreases	**(4.744)**	**-**
Prepaid taxes cancelled in the year:	**(4.744)**	**-**
- reversals	(4.744)	-
Decreases in tax rates	-	-
Other reductions	-	-
	2.098	**2.197**

Current assets

11. Financial receivables

This item totalled EUR 78.163 thousand (EUR 77.031 thousand as at 30 September 2014). The item recorded a total increase of EUR 1.132 thousand.

Details of the item are as follows:

	30.09.2015	30.09.2014
Loans	78.011.696	77.030.502
Other receivables	151.013	
Security deposits		
	78.162.709	**77.030.502**

	30.09.2015	30.09.2014
Loans - financial institutions	233.421	212.256
Loans - customers	77.778.275	76.818.246
	78.011.696	**77.030.502**

Changes in the item customer loans	
Opening balance	**77.030.502**
collections in the year	(4.738.220)
disbursements	16.323.234
reclassification to non-current financial receivables - transfer	-
interest accrued	3.198.963
receivable write-downs	(13.802.784)
Closing balance	**78.011.696**

The item is comprised mainly of loans granted to Mittel Investimenti Immobiliari S.r.l. for EUR 74,6 million. The collections refer, for EUR 3,6 million, to the repayment of the loan granted to Tower 6 Sàrl on 30 January 2015, in execution of the contract for the purchase of the stake in Tehtys S.p.A. on 18 May 2011, and for the remainder, to the collection of interest on the loans granted to Group companies.
Changes in the item, *disbursements, interest accrued and transfer to investments* are mainly due to the change recorded by Mittel Investimenti Immobiliari S.r.l. and, in particular, the greater financial commitment which saw the credit position increase during the year by EUR 15.953 thousand, to interest accrued amounting to EUR 2.669 thousand and use of said credits, to increase equity resources of the real estate subsidiary, for a total of EUR 13.000 thousand.

12. Other current financial assets

This item totalled EUR 2.110 thousand (EUR 9.305 thousand as at 30 September 2014), a decrease of EUR 7.195 thousand.

	30.09.2015	30.09.2014
Bonds	-	-
Equity instruments	2.088.558	9.305.220
Derivative financial instruments	21.773	-
	2.110.331	**9.305.220**

The item “Equity instruments” includes the listed shares held by the company for trading. In particular, the item showed the following changes in the year:

	30.09.2015	30.09.2014
Equity instruments:		
Opening balance	9.305.220	-
purchases	11.578.002	9.305.220
sales	(23.527.482)	-
impairment	(204.286)	-
profit (loss)	4.937.104	-
	2.088.558	**9.305.220**

13. Current tax assets

This item totalled EUR 12.360 thousand (EUR 15.743 thousand as at 30 September 2014). The item recorded a total decrease of EUR 3.383 thousand.

The item is mainly composed of the residual IRES (corporate income tax) receivables, totalling EUR 11.476 thousand, relating to the receivables due from the tax authorities deriving from the withholding tax and advances paid by Mittel S.p.A., and by its subsidiaries falling under tax consolidation as well as the IRAP (regional business tax) credit, attributable mainly to the tax benefit deriving from the redetermination of the Irap tax base relating to the year 2011/2012, following the obtainment of a response to the question to the Italian Revenue Agency regarding the applicability, to the year in question, of the regulations set forth in paragraph 9 of article 6 of Legislative Decree 446/1997 for industrial holdings.

	30.09.2015	30.09.2014
IRES (corporate income tax)	11.476.224	14.166.491
IRAP (regional business tax)	883.546	1.576.201
Other taxes	-	-
	12.359.770	**15.742.692**

Changes in the item during the year are shown below:

	30.09.2015	30.09.2014
Opening balance	**15.742.692**	**14.650.220**
Increases	**59.491**	**2.851.893**
Current tax assets recorded in the year:	**52.674**	**2.851.893**
- relating to previous years	-	1.423.520
- other	52.674	1.428.373
Other increases	6.817	-
Decreases	**(3.442.413)**	**(1.759.421)**
Current tax assets cancelled in the year:	**-**	**-**
- reimbursements	-	-
- Other decreases	(3.442.413)	(1.759.421)
	12.359.770	**15.742.692**

14. Sundry receivables and other assets

This item totalled EUR 4.662 thousand (EUR 11.668 thousand as at 30 September 2014). The item recorded a total decrease of EUR 7.006 thousand.

Details of the item are as follows:

	30.09.2015	30.09.2014
Trade receivables	16.910	123.453
Other tax receivables	2.323.751	9.464.032
Other receivables	1.948.930	1.655.826
Accrued income and prepaid expenses	372.601	425.109
	4.662.192	**11.668.420**

The item “Other tax receivables” is mainly composed of VAT credits due from the tax authorities (EUR 2.145 thousand). The decrease of EUR 7.140 thousand recorded in the year is mainly due to the collection, on 7 August 2015, of the receivables due from the tax authorities amounting to EUR 7,2 million which Mittel S.p.A. acquired from Bios S.p.A. in execution of the contract for the purchase of the portion of share capital of Tethys S.p.A. and relating to IRES surpluses, for which a refund was requested.

The item “Other receivables”, amounting to EUR 1.949 million (EUR 1.656 thousand as at 30 September 2014), increased by EUR 293 thousand compared to the previous year and mainly includes receivables due from Group companies for taxes, VAT and sundry charges.

The item “Accrued income and prepaid expenses” includes accruals of EUR 33 thousand (EUR 9 thousand as at 30 September 2014), and deferrals on contractual rents accruing in the future of EUR 339 thousand (EUR 416 thousand as at 30 September 2014).

15. Cash and cash equivalents

Cash and cash equivalents, amounting to EUR 36.472 thousand (EUR 5.619 thousand as at 30 September 2014), 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.

	30.09.2015	30.09.2014
Cash	4.417	2.336
Bank and postal deposits	36.467.843	5.616.871
	36.472.260	**5.619.207**

Please see the cash flow statement of the separate financial statements for developments in cash and cash equivalents.

Equity

16. Equity

Equity amounted to EUR 205.759 thousand (EUR 226.131 thousand as at 30 September 2014), down by EUR 20.372 thousand over 30 September 2014.

The breakdown of equity is shown in the following table:

	30.09.2015	30.09.2014
Share capital	87.907.017	87.907.017
Legal reserve	16.760.462	16.760.462
Treasury shares	(25.778.526)	(25.778.526)
Share/holding premium reserve	53.716.218	53.716.218
Valuation reserves	852.757	814.814
Other reserves	92.710.641	120.903.053
Profit (loss) of previous years	-	22.173.718
Profit (loss) for the year	(20.409.769)	(50.366.130)
Equity	**205.758.800**	**226.130.626**

Table showing the formation and usability of reserves

Nature/description	amount	possibility of use	Available portion	Summary of uses made in three previous years	
				To cover losses	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		
Treasury shares	(25.778.526)		(25.778.526)		
Profit reserves;					
Legal reserve	16.760.462	B	16.760.462		
Other:					
- extraordinary reserve	11.141.423	A,B,C	11.141.423	(28.192.412)	
- 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		
- Reserve from sale of treasury shares	(441.342)	A,B,C	(441.342)	0	
Valuation reserve	852.757	B	852.757		
Profit of the year and carried forward		A,B,C	0	(49.832.355)	
Total reserves	**138.261.552**		**138.261.552**		
Undistributable portion			31.069.264		
Residual distributable portion			107.192.288		

Key: A, for share capital increase - B, to cover losses - C, for distribution to shareholders.

Changes in 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., which took effect on 5 January 2012, the share capital of Mittel S.p.A. increased by 17.402.512 shares with a nominal value of EUR 1,00 each. Outstanding share capital as at 30 September 2015, net of treasury shares held by the company, stood at 72.598.311 shares.

Treasury shares

As at 30 September 2015, the Company held 15.308.706 treasury shares. On 15 November 2015, the Board of Directors of Mittel S.p.A. co-opted Rosario Bifulco, appointing him to the post of Chief Executive Officer. At said meeting, considering the strategic value of the expected contribution of Rosario Bifulco, the Board of Directors resolved, in favour of the latter, the transfer of 5.300.000 treasury shares at a share price of EUR 1,73, equal to the average book value of treasury shares in the portfolio. Therefore, as of today's date, the company holds 10.008.706 treasury shares.

Valuation reserve

The Valuation reserve relates (i) to the fair value adjustment to financial assets (EUR 960 thousand), represented by equity securities, classified as available for sale net of the associated taxes and (ii), to the reserve established following the valuation of Employee severance indemnity based on IAS 19 (negative EUR 107 thousand).

The breakdown and changes in the valuation reserve in the year referred to point (i) are shown below:

		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	Deffered tax	Valueas at 30.09.2015
Fair value measurement reserve	**Value as at 1.10.2014**	Increases	Decreases				
Fondo Progressio	-						-
Fondo Progressio II	-						-
Fondo Cosimo I	744.799	3.089				(849)	747.039
Fondo Augusto	-						-
Equinox Two	183.421		(4.234)				179.187
Mc Link SpA	(20.394)			20.394			-
Mc Link SpA (warrant)	4.776			(4.776)			-
Editoriale Vita SpA	-		1.284			(19)	1.265
Frendy Energy SpA	21.968			(21.968)			-
Lu-ve SpA	-	2.184				(30)	2.154
Warrant Lu-ve SpA	-	30.784				(424)	30.360
	934.570	**36.057**	**(2.950)**	**(6.350)**	**-**	**(1.322)**	**960.005**

Non-current liabilities

17. Bond loans

The item "Bond Loans", recognised under current and non-current liabilities, for the respective shares falling due, was composed as follows:

	30.09.2015	**30.09.2014**
Bond "Mittel S.p.A. 2013-2019" TF 6%		
Current portion	1.313.142	1.313.142
Non current portion	97.239.392	96.660.922
	98.552.534	**97.974.064**

The liability for Bond Loans breaks down as follows:

	30.09.2015	30.09.2014
Current portion		
Bond "Mittel S.p.A. 2013-2019" TF 6%	1.313.142	1.313.142
Non current portion		
Bond "Mittel S.p.A. 2013-2019" TF 6%	99.853.522	99.853.522
Total nominal repayment	**101.166.664**	**101.166.664**
Evaluation at amortized cost	(2.614.130)	(3.192.600)
Total book value	**98.552.534**	**97.974.064**

The single issue of the bonds in service of the OPSC and OPSO has a duration of 6 years from the issue date, accrues annual interest of at least 6% and is listed on the MOT (Screen-based bond market).
Starting from the fourth year from the issue date, Mittel will have the right of early redemption from a minimum of 25% up to a maximum of 50% of the value of the bond issued.
The bonds involved in the OPSO were offered and issued at a price equal to 98,500% of their nominal value ("Offer Price"). The bonds accrue interest, from the Loan Use Date (12 July 2013) to the Loan Expiry Date (12 July 2019), at the gross definitive fixed annual nominal rate (the "Nominal Interest Rate") of 6,000%.
The gross effective annual rate of return on expiry of the Bonds involved in the OPSO, (i) calculated on the basis of the Nominal Interest Rate of the Bonds of 6,000% and the Offer Price equal to 98,500% of the nominal value of said Bonds and (ii) assuming that the Issuer does not make any early redemption of the Bonds, is equal to 6,304%.
The Bonds paid during the OPSC have the same characteristics as the bonds involved in the OPSO and, therefore, accrue interest, from the Loan Use Date (12 July 2013) to the Loan Expiry Date (12 July 2019), at the gross definitive fixed annual nominal rate (the "Nominal Interest Rate") of 6%. The gross annual rate of return on expiry of the Bonds offered for exchange, (i) calculated on the basis of the Nominal Interest Rate and of the issue price of the Bonds offered for exchange equal to 100% of the nominal value and (ii) assuming that Mittel S.p.A. does not make any early redemption, is equal to 6%, and, therefore, coincides with the Nominal Interest Rate.
The prospectus for the bond loan is available on the website www.mittel.it, in the section "Investor Relations".
The Bonds were listed on the MOT from 12 July 2013.
Therefore, the total nominal value and the number of the bonds issued in service of the OPSC and OPSO, with a nominal value of EUR 1,75 each as at 30 September 2014 were as follows:

	Bonds issued in the OPSO	Bonds issued in the OPCS	Outstanding bonds
Number of bonds			
Bond "Mittel S.p.A. 2013-2019" TF 6%	42.272.697	14.786.458	57.059.155
Nominal value of bonds redemption (Euro)			
Bond "Mittel S.p.A. 2013-2019" TF 6%	73.977.220	25.876.302	99.853.522

The following table summarises the main terms and conditions of the bond loan issued:

	Currency	Issue amount (Euro)	Redemption Nominal Value Euro	Interest rate and coupon timing	Issue date	Expiry date	Issue price per bond (Euro)	Market price on 30.09.2015 (Euro)
Bonds "Mittel S.p.A. 2013-2019" subscription public offer (OPSO)	Eur	72.867.561	73.977.220	yearly 6,00% coupon paid every six months on a deferred basis	**12/07/13**	**12/07/19**	**1,75**	**1,88**
Bonds "Mittel S.p.A. 2013-2019" public exchange offer (OPSC)	Eur	25.876.302	25.876.302					
		98.743.863	**99.853.522**					

Note that for the purposes of drawing up the financial statements, no separate value was recognised for the right to partial early redemption in the fourth and/or fifth year of the term of the bond loan, for an amount of 25% or 50% of the nominal value of the loan for each year of partial early redemption, without prejudice to the maximum limit of 50% of the nominal value which may overall be subject to early redemption based on a partial early redemption price in the fourth year at 102% of the nominal value and in the fifth year at 101% of the nominal value. This right pertains to a call option for early redemption incorporated in a host debt contract represented by the bond loan, which may influence the redemption cash flows, with regard to the trend in the benchmark interest rates and based on its economic characteristics. The issuer's call option can be measured based on the difference between the fair value of the embedded instrument (equal to the product of the amount of principal redeemed and the effective interest rate spread of the host debt compared to the interest rate perceptible at the date of early redemption, which may be reinvested in an equivalent contract for the term of redemption of the host debt) and the fair value of the host contract. Nonetheless, note that the lender of the host instrument (the bondholders) has no influence on the issuer's call option. Therefore, the option should be deemed strictly correlated to the host financial instrument, and impossible to record separately in the accounts from the host debt.
Furthermore, at the current state of play, the consideration for the year for the early redemption option of the issuer does not reimburse the bondholders in an amount equal to or less than the approximate present value of the interest lost during the residual term of the bond loan.

18. Financial payables

As at 30 September 2015, the item had a zero balance, therefore registering a decrease of EUR 34.379 thousand compared to the previous year.

Details of the item are as follows:

	30.09.2015	**30.09.2014**
Bank loans		34.379.199
Other loans		
Financial leasing payables		
Other financial payables		
	-	**34.379.199**

As regards the non-current portion of medium/long-term bank loans, the decrease is due to the reclassification to current payables of financial payables recorded due to the approaching expiry of the same. In particular, the item was composed, as at 30 September 2014, for EUR 31,7 million, of the loan granted to Tethys S.p.A., subsequently incorporated in the Parent Company, by Banca Popolare di Lodi S.p.A. and Banca Monte dei Paschi di Siena S.p.A. for the acquisition of the Hopa S.p.A. investment. This loan, granted on 23 December 2008, expiring on 23 December 2015, and has been repaid.

19. Provisions for personnel

As at 30 September 2015, the item amounted to EUR 801 thousand (EUR 834 thousand as at 30 September 2014), and is composed as follows:

	30.09.2015	**30.09.2014**
Employee severance indemnity	801.551	834.238
Other allowances		
	801.551	**834.238**

Changes in the provision for Employee severance indemnity during the year are shown in the following table:

	30.09.2015	30.09.2014
Opening balances	**834.238**	**703.027**
Increases:		
- Allocation in the year	145.085	120.072
- Increase due to business combination		
- Other increases	12.642	59.247
Decreases:		
- Liquidations carried out	(173.164)	(47.125)
- Other decreases	(17.250)	(983)
	801.551	**834.238**

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 (1% for 2016, 1,5% for 2017/2018 and constant at 2% from 2019 on) and other contractual increases. The projections also take account of any employee severance indemnity 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 17% is applied on annual returns (this rate was raised from 11% to 17% due to the amendment pursuant to paragraph 623, art. 1 of Law no. 190 of 23 December 2014 – ‘Stability Law’).
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 25 basis points (from 1,93% to 2,18%) involves, on the whole, a reduction of around 1,88% in the amount of the employee severance indemnity provision on an IAS basis - for the company as at 30 September 2015.
Similarly, a reduction in the annual rate of inflation of 25 basis points (from 1,00% to 0,75%) involves a reduction of 0,11% in the amount of the provision for Mittel S.p.A. as at 30 September 2015.

20. Deferred tax liabilities

This item totalled EUR 284 thousand as at 30 September 2015 (EUR 283 thousand as at 30 September 2014).

Details of the item are as follows:

	30.09.2015	30.09.2014
Tax liabilities whit contra-item in income statement		
Tax liabilities with contra-item in shareholders' equity	283.832	282.512
	283.832	**282.512**

	30.09.2015	30.09.2014
Deffered liabilities		
Receivables		
Assets/liabilities held for sale	283.832	282.512
Investments		
Property, plant and equipment/intangibles assets		
Other assets/liabilities		
Other		
	283.832	**282.512**

Changes in tax liabilities with contra-item in equity are detailed below:

	30.09.2015	30.09.2014
Opening balance	**282.512**	**1.076.132**
Increases	**1.320**	**168.719**
Deferred taxes recorded in the year:	**1.320**	**168.719**
- relating to previous years	-	-
- other	1.320	168.719
Increases in tax rates	-	-
Other increases	-	-
Decreases	**-**	**(962.339)**
Deferred taxes cancelled in the year:	**-**	**-**
- reversals	-	-
Decreases in tax rates	-	-
Other reductions	-	(962.339)
	283.832	**282.512**

21. Provisions for risks and charges

This item amounted to EUR 767 thousand as at 30 September 2015 (EUR 7.426 thousand as at 30 September 2014), down by EUR 6.659 thousand over the previous year.

Details of the item are as follows:

	30.09.2015	30.09.2014
Provision for risks:		
Legal disputes		
Disputes with personnel		
Contractual disputes	616.898	7.275.857
Other disputes		
Other provisions:		
Expenses for personnel		
Other expenses	150.000	150.000
	766.898	**7.425.857**

The item saw the following changes:

	30.09.2015	30.09.2014
Opening balance	**7.425.857**	**5.517.826**
increases:		
Allocation in the year	261.072	2.440.031
Other increases	-	-
Decreases:		
Use in the year	(6.433.911)	(532.000)
Other decreases	(486.120)	-
	766.898	**7.425.857**

The item “Provisions for risks” refers to an allocation set aside (EUR 261 thousand) based on the best estimate of the expected costs necessary to close ongoing legal disputes.
The decreases are composed of the use of the provision, (i) for EUR 5.733 thousand, relating to the signing of the agreement of 23 July 2015 and the payment to Mittel Generale Investimenti S.p.A. of EUR 5.263 thousand for the loss on a credit position recorded by said entity and subject to a guarantee from Mittel, pursant to the contract for the transfer of the entire share capital of Mittel Generale Investimenti S.p.A. from Mittel to Liberata S.p.A.; (ii) for EUR 700 thousand for the payment made on 16 October 2014 in compliance with the compensation agreement signed on 28 November 2011 between Mittel S.p.A. and PEH Private Equity Holding S.r.l. (“PEH”), as shareholders of Mittel Private Equity S.r.l. (“MPE”), on the one side, Brands Partners 2 S.p.A. (“BP2”), as the merging company of MPE, Progressio and IFA Iniziative Finanziarie Atesine S.r.l. (“IFA”), as BP2 shareholders, on the other, and relating to the settlement of the FlyOpen tax dispute; (iii) for EUR 276 thousand relating to the costs incurred for ongoing disputes; (iv) for EUR 210 thousand relating to the closing of a potential dispute for contractual commitments to a former director of an investee company.

22. Sundry payables and other liabilities

The item had a zero balance as at 30 September 2015 (EUR 319 thousand as at 30 September 2014).

23. Bond loans

These amount to EUR 1.313 thousand and refer to the interest accrued in the period from 12 July 2015, the date of payment of the half-yearly bond loan coupon, and the reporting date.

24. Financial payables

This item totalled EUR 121.804 thousand (EUR 50.340 thousand as at 30 September 2014), an increase of EUR 71.464 thousand.

The item is composed as follows:

	30.09.2015	30.09.2014
Bank loans	52.948.705	42.660.786
Current portion of medium/long-term bank loans	26.705.515	6.467.253
Other loans	37.650.000	
Other financial payables	4.500.000	1.211.772
	121.804.220	**50.339.811**

The item "Bank loans" includes mainly hot money loans granted by the leading banks, regulated at rates indexed to the 1-3 month Euribor rates and with short-term expiry.

As regards the current portion of medium/long-term bank loans, they are composed of the loan granted to Tethys S.p.A., subsequently merged in Mittel S.p.A., by Banca Popolare di Lodi Soc. Coop and Banca Monte dei Paschi di Siena S.p.A. for the acquisition of the Hopa S.p.A. investment, expiring on 23 December 2015. This loan was repaid at maturity, for a total of EUR 8,0 million through the opening of a new medium/long-term credit line, granted by Banco Popolare Soc. Coop. and expiring on 31 December 2017, and, for EUR 19,0 million, by the use of an existing credit facility with Monte dei Paschi di Siena S.p.A. totalling EUR 25 million.

The item "Other loans" includes the payments received from the subsidiaries Earchimede S.p.A. (EUR 31,0 million), from Mittel Partecipazioni Stabili S.r.l. (EUR 5,4 million) and Locaeffe S.r.l. in liquidazione (in liquidation) for EUR 1.250 thousand.

The item "Other financial payables" relates to the residual payable due to Liberata S.p.A., as a result of the transaction, signed on 23 July 2015, regarding the definitive closure of compensation requests formulated by Liberata S.p.A. in relation to the collection of the receivables of Mittel Generale Investimenti S.p.A.. For a description of this transaction, please refer to the section "Significant events in the year". The transaction involved the payment of a total amount of EUR 6,0 million, of which EUR 1,5 million already paid.

25. Other financial liabilities

This item totalled EUR 58 thousand, not present in the previous year, and refers to the derivative activities carried out by the Parent Company.

The item is composed as follows:

	30.09.2015	30.09.2014
Derivative financial instruments	58.331	
Other financial liabilities		
	58.331	**-**

26. Sundry payables and other liabilities

This item totalled EUR 5.325 thousand (EUR 14.085 thousand as at 30 September 2014). The item recorded a total decrease of EUR 8.760 thousand.

Details of the item are as follows:

	30.09.2015	**30.09.2014**
Trade payables	2.255.514	2.860.405
Tax payables	381.187	197.392
Payables relating to employees	454.942	701.024
Payables relating to other personnel		
Payables due to directors and statutory auditors	403.503	786.331
Payables due to social security institutions	68.055	94.405
Disputed		
Other payables	1.648.271	9.239.772
Accrued expenses and deferred income	113.443	205.409
	5.324.915	**14.084.738**

The item "Trade payables" is composed of invoices received, still not settled, for a total of EUR 406 thousand, and invoices to be received amounting to EUR 1.849 thousand. The latter refer mainly to payables allocated on the basis of the mandates in place and relating to payables for legal expenses (EUR 1.348 thousand), professional consulting (EUR 188 thousand), running expenses (EUR 52 thousand), financial statement certification fees (EUR 181 thousand), Group company services (EUR 46 thousand) and program maintenance services (EUR 7 thousand).

The item "Other payables" totalling EUR 1.648 thousand is in contrast to EUR 9.239 thousand recorded last year. This decrease is mainly due to the payment, on 1 December 2014, of the payable of EUR 7.200 thousand, to the company Bios S.p.A. relating to the purchase, by Mittel S.p.A., of the tax receivable due to Bios S.p.A., a transaction that falls under the contract for the purchase of the stake in Tethys S.p.A. on 18 May 2011. The receivable due from the tax authorities refers to IRES (corporate income tax) surpluses, collected in August.

Comments on the main items are shown below.

27. Revenues

This item totalled EUR 1.116 thousand (EUR 1.344 thousand as at 30 September 2014). The item decreased by a total of EUR 228 thousand over 30 September 2014.

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

	30.09.2015	30.09.2014
Revenues from rent	428.917	495.087
Revenues from provision of services	687.184	848.702
Other revenues	-	-
	1.116.101	**1.343.789**

The item revenues from 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 851 thousand (EUR 2.988 thousand as at 30 September 2014). The item decreased by a total of EUR 2.137 thousand over 30 September 2014.

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

	30.09.2015	30.09.2014
Contingent assets	655.616	321.899
Income from elimination of assets	-	10.684
Other revenues and income	195.875	2.654.959
	851.491	**2.987.542**

The item contingent assets is mostly composed, for an amount of EUR 432 thousand, of the refund received from the Italian Revenue Agency for interest income accrued on the IRES receivable of former Bios, for which a refund of EUR 7,2 million was requested and collected on 7 August 2015.
As regards the decrease in the item note that the figure in the previous year includes EUR 2.411 thousand for the registration of the capital gain on the sale of a piece of land in Naples, as a result of a settlement agreement signed on 18 February 2014, which resulted in the termination of a dispute that arose concerning the sale of said land, for which the preliminary agreement had been signed on 16 June 2008 and subsequently legally challenged by the counterparty.

29. Costs for services

This item totalled EUR 7.195 thousand (EUR 10.886 thousand as at 30 September 2014). The item decreased by a total of EUR 3.691 thousand over 30 September 2014.

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

	30.09.2015	30.09.2014
Legal consultancy	(688.303)	(1.942.892)
Notary consultancy	(8.148)	(98.863)
Other consultancy	(3.050.066)	(1.983.535)
General services and maintenance	(894.836)	(578.591)
Administrative, organisational and audit services	(20.000)	(219.200)
Directors' fees	(765.887)	(4.128.089)
Board of Statutory Auditors' fees	(159.664)	(154.725)
Supervisory Body's fees	(45.816)	(55.600)
Fees for prosecutors and Manager in charge	(16.000)	(18.347)
Rentals	(1.161.706)	(1.151.423)
Leases	(13.287)	(13.254)
Insurance	(232.992)	(367.304)
Utilities	(137.186)	(134.804)
Advertising	(653)	(39.610)
	(7.194.544)	**(10.886.237)**

The decrease in the item directors' fees is due to the signing of the settlement agreement in the previous year with Mr. Arnaldo Borghesi.

30. Personnel costs

This item totalled EUR 4.345 thousand (EUR 3.443 thousand as at 30 September 2014). The item increased by a total of EUR 902 thousand over 30 September 2014.

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

	30.09.2015	30.09.2014
Wages and salaries	(2.517.701)	(2.476.181)
Social security costs	(772.349)	(766.401)
Employee termination indemnity	-	(26.000)
Allocation to employee severance indemnity	(146.229)	(120.072)
Payments to external supplementary pension funds	(10.550)	(15.756)
Other personnel costs	(898.577)	(38.879)
	(4.345.406)	**(3.443.289)**

The increase was determined by the allocation, in 2014-2015, of around EUR 900 thousand for the signing of agreements for the exit of personnel in the year, as a result of the internal restructuring of services and activities.

Average number of employees broken down by category:

	Average in the year 2014/2015	Average in the year 2013/2014
Managers	5	5
Officials	9	9
Employees	14	14
Total	**28**	**28**

31. Other costs

This item totalled EUR 3.185 thousand (EUR 2.405 thousand as at 30 September 2014). The item increased by a total of EUR 779 thousand over 30 September 2014.

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

	30.09.2015	30.09.2014
Taxes and duties	(1.813.609)	(2.062.652)
Extraordinary contingent liabilities	(40.090)	(54.694)
Other sundry operating expenses	(1.330.993)	(288.108)
	(3.184.692)	**(2.405.454)**

The item "taxes and duties" mainly includes non-deductible pro-rata VAT costs of EUR 1.367 thousand. The item 'other operating expenses' refers, for EUR 1.050 thousand, to the payment, made in July, as a result of the settlement agreement subsequent to the discussions held between Progressio and BP2 on one side and PEH and Mittel on the other, regarding the threat of legal proceedings; for a description of these, refer to the section "Significant events in the year" in the report on operations in these financial statements.

32. Dividends and similar income

This item totalled EUR 2.430 thousand (EUR 35.417 thousand as at 30 September 2014). The item decreased by a total of EUR 32.986 thousand over 30 September 2014.

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

	30.09.2015	30.09.2014
Dividends from financial assets held for trading	188.643	80.000
Dividends from available-for-sale financial assets	1.239.603	7.168.335
Dividends from investments	1.002.197	28.168.273
	2.430.443	**35.416.608**

Dividends from financial assets held for trading refer mainly, for EUR 49 thousand, to the amount received from Moncler S.p.A., from Cattolica Assicurazioni S.p.A. (EUR 91 thousand) and Enel S.p.A. (EUR 11 thousand).
Dividends from available-for-sale financial assets refer to the distributions made, by Progressio SGR S.p.A. (EUR 542 thousand), by the Augusto Fund (EUR 587 thousand) and Sia S.p.A. (EUR 110 thousand).
The item 'Dividends from investments' is comprised, for EUR 599 thousand, of dividends distributed by Brands Partners 2 S.p.A. in liquidation and, for EUR 404 thousand, to the dividend distributed by Castello SGR S.p.A..

33. Profit (loss) from management of financial activities and investments

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";

This item totalled EUR 11.154 thousand, a decrease of EUR 11.302 thousand over 30 September 2014.

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

	30.09.2015	30.09.2014
Available-for-sale financial assets		
Capital gains	1.708	-
Profits from fair value measurement	-	-
Other income	-	-
Capital losses	(4.104.584)	-
Losses from fair value measurement	-	-
Other	-	-
Capital gains (losses) from transfer of receivables	**(47.822)**	**-**
Capital gains (losses) from transfer of investments	**(7.003.431)**	**147.884**
Capital gains (losses) from change in equity interest	**-**	**-**
Write-backs/value adjustments of investments	**-**	**-**
	(11.154.129)	**147.884**

Capital losses are composed of the sale of available-for-sale assets and mainly the result of the transfer of Azimut (EUR 2.689 thousand) and of Fondo Progressio Investimenti II (Progressio Investimenti II Fund) for EUR 835 thousand.

The capital losses from transfer are composed, for EUR 6.000 thousand, of the price difference recognised by Mittel S.p.A. to Liberata S.p.A., following the settlement agreement of 23 July 2015, as compensation for any non-collection of receivables subject to guarantee; for a description, please refer to the section “Significant events in the year” in the report on operations.

34. Amortisation/depreciation

This item totalled EUR 253 thousand (EUR 461 thousand as at 30 September 2014). A decrease of EUR 208 thousand was registered over 30 September 2014.

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

	30.09.2015	30.09.2014
Intangible assets		
Amortisation	(127.558)	(120.722)
Adjustments for impairment	-	-
Write-backs	-	-
Property, plant and equipment		
Amortisation of investment property	-	-
Amortisation of other assets owned	(125.129)	(340.300)
Adjustments for impairment	-	-
Write-backs	-	-
Assets relating to financial leasing	**-**	**-**
	(252.687)	**(461.022)**

35. Surpluses/(allocations) to the provision for risks

Surpluses totalled EUR 210 thousand, marking an increase of EUR 2.650 thousand compared to the allocations in the previous year.

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

	30.09.2015	30.09.2014
Provisions for ongoing disputes:		
for legal disputes	-	-
for expenses for personnel	-	-
	-	-
Provision for contractual disputes	209.850	(2.440.031)
Provision for restructuring expenses	-	-
Other provisions	-	-
	209.850	**(2.440.031)**

The item "Surpluses/(provisions) for contractual disputes refers, for EUR 471 thousand, to the release during the year relating to a surplus allocation made in the previous year and to allocations in the year (a negative EUR 261 thousand).

36. Value adjustments to financial assets and receivables

This item totalled EUR 1.044 thousand, a decrease of EUR 11.916 thousand over 30 September 2014.
The breakdown of the item is shown in the following table:

	30.09.2015	30.09.2014
Write-downs of financial receivables	(552.784)	(279.801)
Write-downs of other receivables	-	-
Write-downs of available-for-sale financial assets	(491.021)	(12.689.227)
Write-downs of non-current assets held for sale	-	-
Write-backs of financial assets	-	9.116
	(1.043.805)	**(12.959.912)**

The item "Write-downs of financial receivables" refers to the value adjustment to the receivable due from Markfactor S.r.l. in liquidation, considered partially uncollectable.

For more details on the item "Write-downs of available-for-sale financial assets", please see paragraph "8 – Other financial assets".

37. Value adjustments to investments

This item totalled EUR 1.381 thousand (EUR 57.213 thousand as at 30 September 2014). The item decreased by a total of EUR 55.832 thousand over 30 September 2014.

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

	30.09.2015	30.09.2014
Write-downs of investments	(16.132.158)	(57.212.776)
Revaluation of investments	14.751.494	-
	(1.380.664)	**(57.212.776)**

The item "Write-downs of investments" relates mainly to:

(i) the impairment of Earchimede S.p.A. (EUR 3.100 thousand);
(ii) the impairment of Mittel Advisory Debt and Grant S.p.A. (EUR 250 thousand);
(iii) the impairment of Mittel Advisory S.p.A. (EUR 753 thousand);
(iv) the impairment of Mittel Investimenti Immobiliari S.r.l. (EUR 10.547 thousand);
(v) the impairment of Mittel Portfolio Management S.r.l. (EUR 445 thousand);
(vi) the impairment of Locaeffe S.r.l. in liquidation (EUR 1.037 thousand);

The item "Revaluations of investments" relates mainly to:

a) the impairment of Mittel Partecipazioni Stabili S.r.l. (EUR 14.752 thousand).

For more in-depth information on the issues relating to said impairment, please see note "6 Investments" in these financial statements.

38. Financial income

This item totalled EUR 8.737 thousand (EUR 7.718 thousand as at 30 September 2014). The item increased by a total of EUR 1.019 thousand over 30 September 2014.

The item is composed as follows:

	30.09.2015	30.09.2014
Bank interest income	6.573	730
Interest income on financial receivables	8.607.317	7.626.969
Other interest income	123.388	90.792
Other financial income	-	-
Hedging activities		
Fair value hrdging derivatives	-	-
Other		
Exchange gains	-	-
	8.737.278	**7.718.491**

39. Financial expenses

This item totalled EUR 10.549 thousand (EUR 10.718 thousand as at 30 September 2014). The item decreased by a total of EUR 170 thousand over 30 September 2014.

The item is composed as follows:

	30.09.2015	30.09.2014
Interest expense on bonds	(6.569.682)	(6.541.439)
Interest expense on bank current accounts	-	-
Interest expense on bank loans	(2.873.931)	(3.570.701)
Interest expense on other loans	(323.995)	-
Other interest expenses	(48.171)	(65.893)
Other financial expenses	(733.245)	(539.882)
Hedging activities		
Fair value hedging derivatives	-	-
Assets hedged (Fair value hedges)		
Liabilities hedged (Fair value hedges)		
Cash flow hedging derivatives		
Other		
Exchange losses	-	-
	(10.549.024)	**(10.717.915)**

40. Profit (loss) from trading of financial assets

This item totalled EUR 4.897 thousand (EUR 774 thousand as at 30 September 2014). The item increased by a total of EUR 4.123 thousand over 30 September 2014.

The amount is composed as follows:

	30.09.2015	30.09.2014
Losses on disposal of securities (current)	4.937.103	-
Capital losses on securities valuation (current)	(204.287)	(659.983)
Derivative financial instruments	164.005	1.433.548
	4.896.821	**773.565**

41. Income taxes

This item totalled EUR 453 thousand (EUR 1.773 thousand as at 30 September 2014). The item decreased by a total of EUR 1.319 thousand over 30 September 2014.

The amount is composed as follows:

	30.09.2015	30.09.2014
IRES (corporate income tax)	665.225	774.609
IRAP (regional business tax)	-	-
Taxes of previous years	(38.368)	979.338
Total current taxes	**626.857**	**1.753.947**
Deferred tax liabilities	-	-
Prepaid income taxes	(173.659)	18.680
Total deferred taxes	**(173.659)**	**18.680**
Other taxes	-	-
Total income taxes	**453.198**	**1.772.627**

The statement of reconciliation between actual and theoretical tax is shown in the table below, calculated on the basis of the applicable income tax rate:

	IRES (corporate income tax)		
Description	**Gross value**	**Gross value**	**Gross value**
Income (loss) before taxes	- 20.862.967	27,50%	- 5.737.316
Corrective measure for IRAP/IRES comparison	-	27,50%	-
Permanent increase	4.510.804	27,50%	1.240.471
Temporary increase	671.306	27,50%	184.609
Reversals of non-deductible costs in previous years	- 6.858.448	27,50%	- 1.886.073
Profit (loss) from PEX investments	- 32.924	27,50%	- 9.054
Dividends	15.123.140	27,50%	4.158.864
10% IRAP recovery	- 1.571.965	27,50%	- 432.290
Tax wedge	-	27,50%	-
Other decreases	-	27,50%	-
Change in prepaid/deferred taxes		27,50%	-
Total	**- 9.021.054**	**27,50%**	**- 2.480.790**
Prepaid taxes on tax loss (not recognised)	9.021.054	27,50%	2.480.790
Change in prepaid/deferred taxes	631.487	27,50%	173.659
Effective tax benefit from application of tax consolidation	- 2.419.000	27,50%	- 665.225
Change in taxes in the previous year			38.368
Total			**- 453.198**

The tax losses of Mittel S.p.A. generated in the year ended as at 30 September 2015 amounted to EUR 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, Mittel S.p.A. shows i) basic earnings per share calculated as net income for the year 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.

- *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 2015, compared with the previous year, are as follows:

Earnings/(loss) per share (in EUR)	**30.09.2015**	**30.09.2014**
From income statement:		
- Basic	(0,281)	(0,694)
- Diluted	(0,281)	(0,694)
From comprehensive income:		
- Basic	(0,281)	(0,719)
- Diluted	(0,281)	(0,719)

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 2015, compared with the previous year, is as follows:

Basic earnings/(loss) per share	**30.09.2015**	**30.09.2014**
(no. ordinary shares)		
No. of shares at start of the year	87.907.017	87.907.017
Average weighted number of ordinary shares subscribed in the year		-
No of shares at start of the year	(15.308.706)	(15.308.706)
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	**72.598.311**	**72.598.311**
EUR		
Net profit/(loss)	**(20.409.769)**	**(50.366.130)**

EUR		
Basic earnings/(loss) per share	**(0,281)**	**(0,694)**

EUR		
Total net profit/(loss)	**(20.371.826)**	**(52.228.340)**

EUR		
Total basic earnings/(loss) per share	**(0,281)**	**(0,719)**

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 2015, compared with the previous year, is as follows:

Diluted earnings / (loss) per share	**30.09.2015**	**30.09.2014**
(no. ordinary shares)		
Average weighted number of shares outstanding at the end of the year	72.598.311	72.598.311
plus shares necessary for:		
subscription of shares	-	-
Potential dilution of ordinary shares	-	-
Average weighted number of shares at the end of the year	**72.598.311**	**72.598.311**
EUR		
Net profit/(loss)	(20.409.769)	(50.366.130)
Effect of subscriptions of potential new shares	-	-
Net profit/(loss) available for ordinary shareholders plus assumed subscriptions	**(20.409.769)**	**(50.366.130)**
EUR		
Diluted earnings / (loss) per share	**(0,281)**	**(0,694)**
EUR		
Net profit/(loss)	(20.371.826)	(52.228.340)
Effect of subscriptions of potential new shares	-	-
Total net profit/(loss) available for ordinary shareholders plus assumed subscriptions	**(20.371.826)**	**(52.228.340)**
EUR		
Total diluted earnings/(loss) per share	**(0,281)**	**(0,719)**

Given no profit or loss was recorded by discontinued operations 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 financial position of Mittel S.p.A. as at 30 September 2015 was a negative EUR 103.670 thousand, as shown in the table below:

(Thousands of Euro)	**30.09.2015**	**30.09.2014**	**Variation**
Cash	4	2	2

Other cash equivalents	36.468	5.617	30.851
Securities held for trading	2.110	9.305	(7.195)
Current liquidity	**38.583**	**14.924**	**23.658**
Current financial receivables	**78.163**	**77.031**	**1.132**
Current bank payables	(52.949)	(42.661)	(10.288)
Current portion of medium/long-term bank loans	(26.706)	(6.467)	(20.238)
Bonds	(1.313)	(1.313)	-
Other current financial payables	(42.208)	(1.212)	(40.997)
Current financial debt	**(123.176)**	**(51.653)**	**(71.523)**
Net current financial debt	**(6.430)**	**40.302**	**(46.732)**
Non-current bank payables	-	(34.379)	34.379
- Bank payables expiring in the medium-term	-	(34.379)	34.379
- Bank payables expiring in the long-term	-	-	-
Bonds issued	(97.239)	(96.661)	(578)
Other financial payables	-	-	-
Non-current financial debt	**(97.239)**	**(131.040)**	**33.801**
Net financial position	**(103.670)**	**(90.738)**	**(12.932)**

As regards the determination of the net financial position, please refer to the report on operations of these financial statements. Moreover, in compliance with the indications of Consob Communication no. 6064293 of 28 July 2006 relating to the impact of transactions or positions with related parties on the net financial position, refer to the financial statement tables drawn up pursuant to Consob Resolution no. 15519 of 27 July 2006. Specifically, the significant items pertaining to the net financial position, which include balances to/from related parties, are current and non-current financial receivables and non-current financial payables. For the details of these, please refer to note 45 of these financial statements.

44. Commitments and guarantees

As at 30 September 2015, the following commitments and guarantees were in place:

	30.09.2015	30.09.2014
Guarantees:		
financial	-	-
commercial	1.670.447	22.230.330
assets pledged as collateral for third party bonds	-	-
Commitments:		
disbursement of funds	2.963.798	13.640.476
other irrevocable commitments	-	-
	4.634.275	**35.870.806**

Commercial guarantees refer mainly to the guarantees in favour of the Italian Revenue Agency for VAT for which a refund was requested and/or offset (EUR 1.611 thousand), and the guarantee issued for the rental of its offices (EUR 371 thousand). The decrease relates to the signing of agreements in July 2015 with Liberata S.p.A. which allowed the extinguishment of the equity guarantee of Mittel Generale Investimenti S.p.A. issued in favour of Liberata S.p.A., for risks on losses relating to receivables, labour law and taxes.

Commitments to disburse Funds refer to the commitments for payments to be made into private equity funds and foreign investment vehicles.

45. Intercompany transactions and transactions with related parties

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 2014/2015, transactions were entered into with said counterparties as part of ordinary Group operations and that no atypical and unusual transactions were carried out. All transactions were performed on arm’s length basis and refer:

	Due to directors, statutory auditors and internal committees	Due to subsidiaries	Due to associates	Total
Non-current assets				
Financial receivables	0	22.881.696	65.204.634	**88.086.330**
Current assets				
Financial receivables	0	77.778.275	192.898	**77.971.173**
Sundry receivables and other liabilities	0	1.846.174	6.250	**1.852.424**
Non-Current liabilities	0	0	0	**0**
Financial payables	0	0	0	**0**
Current liabilities				
Financial payables	0	37.650.000	4.500.000	**42.150.000**
Sundry payables and other liabilities	576.836	684.389	8.513	**1.269.738**
Income statement				
income	0	473.623	418.337	**891.960**
Other income	0	124.969	27.570	**152.539**
Costs for services	(1.562.552)	(20.000)	(207.536)	**(1.790.088)**
Personnel costs	(1.482.169)	(24.278)	0	**(1.506.447)**
Other costs	0	0	(1.050.000)	**(1.050.000)**
Dividends	0	0	1.589.297	**1.589.297**
Profit (loss) from management of financial activities and investments	0	0	(6.000.000)	**(6.000.000)**
Financial income	0	5.082.411	2.320.117	**7.402.528**
Financial expenses	0	(321.617)	0	**(321.617)**

- Non-current financial receivables refer to loans granted by Mittel S.p.A. to Ghea S.r.l. (EUR 22,9 million). Receivables due from associates refer mainly to the loan granted to Liberata S.p.A. (EUR 35,2 million) and to the loan in place (EUR 30 million) with the Augusto Fund, a closed-end mutual investment fund reserved to qualified investors, of which Mittel S.p.A. is a subscriber, which is managed by Castello SGR S.p.A. (associate).

- Current financial receivables refer to loans granted to Mittel Investimenti Immobiliari S.r.l. (EUR 74,6 million), to Markfactor S.r.l. in liquidation (EUR 0,9 million) and to Mittel Advisory Debt and Grant S.p.A. (EUR 2,2 million). The receivables due from associates refer to the current portion of the loan granted to the Augusto Fund.

- The item sundry receivables and other assets is mainly comprised of receivables due from companies subscribing to the tax consolidation of the consolidating company Mittel S.p.A.

- The item current financial payables due to subsidiaries refers to the loans received from Earchimede S.p.A. (EUR 31,0 million), from Locaeffe S.r.l. in liquidazione (EUR 1,2 million) and from Mittel Partecipazioni Stabili S.r.l. (EUR 5,4 million). Payables due to associates relate to the residual amount payable to Liberata S.p.A as a result of the transaction detailed in the report, concerning the past transfer of 100% of Mittel Generale Investimenti S.p.A., for a total amount of EUR 6,0 million, of which EUR 1,5 million already paid.

- The item sundry payables and other current liabilities refers to the payables due to directors, statutory auditors and key managers for fees accrued and not paid (EUR 0,6 million), payables due to companies subscribing to the tax consolidation of the consolidating company Mittel S.p.A (EUR 0,6 million) and, for the remainder, to deferred income on the chargebacks of the Directors & Officers policy to Group companies and payables due to Bios S.p.A..

- The item revenues from 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 other income refers to the chargeback of various services provided to Group companies.

- The item costs for services due to directors, statutory auditors and internal committees, refers to Directors' fees (EUR 0,8 million), an amount of EUR 0,6 million paid to Maurizia Squinzi as company general manager until the end of January 2015 and fees to the Board of Statutory Auditors (EUR 0,2 million). 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. Costs due to subsidiaries refer to the fees for services provided by Mittel Advisory S.p.A.. Costs due to associates refer to chargebacks for services provided by the company Mittel Generale Investimenti S.p.A..

- 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. Costs due to subsidiaries refers to personnel chargebacks by Fashion District Group S.p.A..

- The item ‘other costs’ includes the payment of EUR 1.050 thousand made in July, as a result of the settlement agreement subsequent to the discussions held between Progressio and BP2 on one side and PEH and Mittel on the other, regarding the threat of legal proceedings; for a description of these, refer to the section “Significant events in the year” in the report on operations in these financial statements.

- The item ‘dividends and similar income’ is composed of dividends from investments distributed from Brands Partners 2 S.p.A. in liquidation (EUR 0,6 million), from Castello SGR (EUR 0,4 million) and EUR 0,6 million from income deriving from the “Augusto Fund”.

- The item profit (loss) from the management of financial activities and investments refers to the price difference recognised by Mittel S.p.A. to Liberata S.p.A., following the settlement agreement of 23 July 2015, as compensation for any non-collection of receivables subject to guarantee in the sale contract of Mittel Generale Investimenti S.p.A.; for a description, please refer to the section “Significant events in the year” in the report on operations.

- The item financial income mainly refers to interest income accrued from Liberata (EUR 1,5 million), from Ghea S.r.l. (EUR 1,1 million), from Markfactor S.r.l. in liquidation (EUR 0,2 million), from Mittel Investimenti Immobiliari S.r.l. (EUR 3,6 million), from Mittel Advisory Debt and Grant S.p.A. (EUR 0,01 million), from Mittel Advisory S.p.A. (EUR 0,1 million) and from the Augusto Fund (EUR 0,8 million).

- The item financial expenses refers primarily to interest expenses accrued in respect of Earchimede S.p.A. (EUR 0,3 million) and Mittel Partecipazioni Stabili S.r.l. (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 IFRS 13, aimed at outlining the impact of financial instruments with respect to the size of the associated risk exposures and the fair value measurement of financial instruments, details on the measures and mechanisms the Company has implemented to manage the exposure to financial risks are provided below.

46.1 Fair value measurement

The international accounting standard IFRS 13 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. Where transactions are directly observable on a market, it may be relatively simple to determine the fair value. Otherwise, valuation techniques are used such as the “market” approach, which use prices and other relevant information generated by other transactions involving similar assets and liabilities, the “income approach”, which consists of the discounting of future incoming and outgoing cash flows, and, lastly, the “cost approach”, which requires that the entity determine a value that reflects the amount that would be required currently to replace the service capacity of an asset.
IFRS 13 establishes a fair value hierarchy that classifies the input of the valuation techniques used to measure fair value into three levels.

The fair value hierarchy assigns the maximum priority to listed prices (not adjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the minimum priority to inputs that are not observable (Level 3 inputs).
The levels used in the hierarchy are as follows:

Level 1 inputs: listed prices (not adjusted) in active markets for identical assets or liabilities which the entity may access at the valuation date. A market is defined as active when prices reflect transactions that occur with a frequency and at sufficient volumes to provide useful information for determining the price on an ongoing basis.
Level 2 inputs: are variables other than listed prices included in Level 1 that are directly or indirectly observable for assets or for liabilities. 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 identical or similar assets or through valuation techniques for which all significant values are taken from parameters observable or corroborated on the market.
Level 3 inputs: are variables that are not observable for assets or for liabilities. These techniques consist of the calculation of the listed price of the instrument by using significant parameters which are not observable but must reflect the assumptions that market participants would use in calculating the price of the asset or liability, including the assumptions regarding risk.

For the financial instruments outstanding as at 30 September 2015, and for comparative purposes, as at 30 September 2014, the table below illustrates the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

Amounts in EUR	30 September 2015			30 September 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Available-for sale assets designated at fair value:						
- Investments designated at fair value with a contra-entry in Other comprehensive profit/(loss)	412.738	18.298.706	9.703.884	251.819	21.791.421	30.970.750
- Investments designated at fair value with a contra-entry in the Income Statement	-	-	-	-	-	-
- Other non-current securities	-	-	1.110.252	-	-	30.000
Financial assets designated at fair value held for trading:						
- Current investments	2.088.558	-	-	9.305.220	-	-
- Current securities held for trading	-	-	-	-	-	-
- Other receivables	-	-	-	-	-	-
- Trading derivatives	21.773	-	-	-	-	-
- Other financial assets	-	-	-	-	-	-
Total assets	**2.523.069**	**18.298.706**	**10.814.136**	**9.557.039**	**21.791.421**	**31.000.750**
Other financial liabilities:						
- Hedging derivatives	-	-	-	-	-	-
- Trading derivatives	58.331	-	-		-	-
Total liabilities	**58.331**	**-**	**-**	**-**	**-**	**-**

Completing the analyses required by IFRS 13, the types of financial instruments contained in the financial statement items as at 30 September 2015, and for comparative purposes, as at 30 September 2014, are shown indicating the valuation criteria applied and, for financial instruments designated at fair value, the exposure (income statement or equity), specifically assigning the fair value category. The last column of the table shows, where applicable, the fair value of the financial instrument at the end of the year.

Situation as at 30 September 2015

(Amounts in Euro)

Types of financial instruments	**Criteria applied in the measurement of the financial instruments in the financial statements**									
	Financial instruments designated at fair value									
	with change in fair value with contra-item recognised in:		**Total Fair Value**	Fair Value Hierarchy			**Financial instruments designated at amortised cost**	**Unlisted investments measured at cost**	Financial statement total as at 30 September 2015	Fair value as at 30 September 2015
	Income statement	*Equity in Other comprehensive profit (loss)*	**(A)**	Level 1	Level 2	Level 3	**(B)**	**(C)**	**(A+B+C)**	

ASSETS										
Available-for-sale investments (c)	-	-	**-**	-	-	-	**-**	**5.588.703**	**5.588.703**	**5.588.703**
Available-for-sale investments (a) (d)	-	22.826.625	**22.826.625**	412.738	18.298.706	4.115.181	**-**	**-**	**22.826.625**	**22.826.625**
Available-for-sale debt securities (a) (d)	-	1.110.252	**1.110.252**	-	-	1.110.252	**-**	**-**	**1.110.252**	**1.110.252**
Non-current financial receivables (*) (b)	-	-	**-**	-	-	-	**120.508.561**	**-**	**120.508.561**	**119.183.802**
Non-current sundry receivables	-	-	**-**	-	-	-	**-**	**-**	**-**	**-**
Other non-current assets	-	-	**-**	-	-	-	**160.106**	**-**	**160.106**	**160.106**
Current financial receivables (*) (b)	-	-	**-**	-	-	-	**78.162.709**	**-**	**78.162.709**	**78.162.709**
Investments held for trading (d)	2.088.557	-	**2.088.557**	2.088.557	-	-	**-**	**-**	**2.088.557**	**2.088.557**
Trading derivatives (d)	21.773		**21.773**	21.773			**-**		**21.773**	**21.773**
Trade receivables (*) (b)	-	-	**-**	-	-	-	**16.910**	**-**	**16.910**	**16.910**
Current sundry receivables (*) (b)	-	-	**-**	-	-	-	**149.615**	**-**	**149.615**	**149.615**
Cash and cash equivalents (*)	-	-	**-**	-	-	-	**36.472.261**	**-**	**36.472.261**	**36.472.261**
	2.110.330	**23.936.877**	**26.047.207**	**2.523.068**	**18.298.706**	**5.225.433**	**235.470.161**	**5.588.703**	**267.106.071**	**265.781.313**
LIABILITIES										
Bond loans (current and non-current) (b)	-	-	**-**	-	-	-	**(98.552.534)**	**-**	**(98.552.534)**	**(105.635.040)**
Financial payables (current and non-current) (*) (b)	-	-	**-**	-	-	-	**(121.804.220)**	**-**	**(121.804.220)**	**(121.694.967)**
Sundry payables and other non-current liabilities (*) (b)	-	-	**-**	-	-	-	**-**	**-**	**-**	**-**
Trade payables (*) (b)	-	-	**-**	-	-	-	**(2.255.514)**	**-**	**(2.255.514)**	**(2.255.514)**
Sundry payables (*) (b)	-	-	**-**	-	-	-	**(1.648.271)**	**-**	**(1.648.271)**	**(1.648.271)**
Trading derivatives	(58.331)	-	**(58.331)**	(58.331)	-	-	**-**	**-**	**(58.331)**	**(58.331)**
	(58.331)	**-**	**(58.331)**	**(58.331)**	**-**	**-**	**(224.260.539)**	**-**	**(224.318.870)**	**(231.292.123)**

Notes
(*) Receivables and payables for which the fair value was not calculated as the corresponding book value substantially approximates the fair value

(a) Available-for-sale financial assets designated at fair value with profits/losses posted to equity.
(b) Financial receivables and financial liabilities designated at amortised cost.
(c) Available-for-sale financial assets comprised of unlisted investments for which the fair value cannot be measured reliably, which are measured at cost, possibly decreased due to impairment.
(d) Financial assets and liabilities designated at fair value on a recurring basis.

Situation as at 30 September 2014

(Amounts in Euro)

	Criteria applied in the measurement of the financial instruments in the financial statements									
	Financial instruments designated at fair value						**Financial instruments designated at amortised cost**	**Unlisted investments measured at cost (Level 3)**	Financial statement total as at 30 September 2014	Fair value as at 30 September 2014
	with change in fair value with contra-item recognised in:		**Total Fair Value**	Fair Value Hierarchy						
	Income statement	*Equity in Other comprehensive profit (loss)*	**(A)**	Level 1	Level 2	Level 3	**(B)**	**(C)**	**(A+B+C)**	
ASSETS										
Available-for-sale investments (c)	-	-	**-**	-	-	-	**-**	**5.588.703**	**5.588.703**	**5.588.703**
Available-for-sale investments (a) (d)	-	47.425.287	**47.425.287**	251.819	21.791.421	25.382.047	**-**	**-**	**47.425.287**	**47.425.287**
Available-for-sale debt securities (a) (d)	-	30.000	**30.000**	-	-	30.000	**-**	**-**	**30.000**	**30.000**
Non-current financial receivables (*) (b)	-	-	**-**	-	-	-	**122.848.208**	**-**	**122.848.208**	**122.848.208**
Non-current sundry receivables	-	-	**-**	-	-	-	**-**	**-**	**-**	**-**
Other non-current assets	-	-	**-**	-	-	-	**160.105**	**-**	**160.105**	**160.105**
Current financial receivables (*) (b)	-	-	**-**	-	-	-	**77.030.502**	**-**	**77.030.502**	**77.030.502**
Investments held for trading (d)	9.305.220	-	**9.305.220**	9.305.220	-	-	**-**	**-**	**9.305.220**	**9.305.220**
Trade receivables (*) (b)	-	-	**-**	-	-	-	**123.453**	**-**	**123.453**	**123.453**
Current sundry receivables (*) (b)	-	-	**-**	-	-	-	**1.474.459**	**-**	**1.474.459**	**1.474.459**
Cash and cash equivalents (*)	-	-	**-**	-	-	-	**5.619.207**	**-**	**5.619.207**	**5.619.207**
	9.305.220	**47.455.287**	**56.760.507**	**9.557.039**	**21.791.421**	**25.412.047**	**- 207.255.934**	**- 5.588.703**	**269.605.145**	**- 269.605.145**
LIABILITIES										
Bond loans (current and non-current) (b)	-	-	**-**	-		-	**(97.974.064)**	**-**	**(97.974.064)**	**(107.642.096)**
Financial payables (current and non-current) (*) (b)	-	-	**-**	-	-	-	**(84.719.010)**	**-**	**(84.719.010)**	**(84.719.010)**
Sundry payables and other non-current liabilities (*) (b)	-	-	**-**	-	-	-	**(318.974)**	**-**	**(318.974)**	**(318.974)**
Trade payables (*) (b)	-	-	**-**	-	-	-	**(3.684.563)**	**-**	**(3.684.563)**	**(3.684.563)**
Sundry payables (*) (b)	-	-	**-**	-	-	-	**(9.174.692)**	**-**	**(9.174.692)**	**(9.174.692)**
	-	**-**	**-**	**-**	**-**	**-**	**- (195.871.302)**	**- -**	**(195.871.302)**	**- (205.539.334)**

Notes
(*) Receivables, sundry assets and payables for which the fair value was not calculated as the corresponding book value substantially approximates the fair value

(a) Available-for-sale financial assets designated at fair value with profits/losses posted to equity.
(b) Financial receivables and financial liabilities designated at amortised cost.
(c) Available-for-sale financial assets comprised of unlisted investments for which the fair value cannot be measured reliably, which are measured at cost, possibly decreased due to impairment.
(d) Financial assets and liabilities designated at fair value on a recurring basis.

Fair value valuation techniques:

The fair value measurement 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.

Completing the analyses required by IFRS 13, the additional disclosures concerning the valuation techniques and inputs used to measure fair value on a recurring basis are shown below:

IV. Fair value measurement of financial assets and liabilities:

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.

Specifically, note that for financial receivables deriving from loan operations posted at amortised cost in the statement of financial position, the reference figures relating to the fair value measurement are classified under Level 3 of the fair value hierarchy, and were estimated using the discounted cash flow method. The main inputs used for this measurement are the market discount rates, which reflect the conditions applied in the key markets for receivables with similar characteristics, adjusted to take account of the credit risk of the counterparty.

The nominal value of Cash and cash equivalents generally approximates their fair value considering the short term of these instruments, which mainly include bank current accounts and time deposits.

Bond loans are recognised at amortised cost in the statement of financial position, and the related bonds are listed in an active market. Therefore, their fair value is measured using the prices at the end of the period. Thus, their fair value is classified in Level 1 of the hierarchy.

The fair value of other financial payables is included in Level 2 of the hierarchy and was measured using the discounted cash flow method. The main inputs used for that measurement are market interest rates at year-end, adjusted to take account of the market expectations of default risk of the company implicit in the prices of securities traded by the company and the outstanding derivatives on company payables.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not significantly differ from their book value, their book values are assumed to be a reasonable approximation of their fair value.
Specifically, the book value of Receivables and other current assets and Trade payables and Other current liabilities approximates the fair value.

V. Fair value measurement of equities represented by non-controlling interests recorded in the portfolio of financial assets at fair value held for trading

Measurement of non-controlling interests recorded in the portfolio of financial assets held for trading refer to the current fair value with recognition of the changes in the Income statement.
As at 30 September 2015, 100% of non-controlling interests recorded in the statement of financial position under assets held for trading are listed in active markets, for which a listing or a price is available, classified in level 1 of the fair value hierarchy. Instruments listed on active markets, both Official and Over the Counter, fall into this category.
As at 30 September 2015, the investments designated at fair value mainly include the shares of Fiat Chrysler (EUR 0,7 million), Enel (EUR 0,3 million) and Mediobanca (EUR 0,2 million).

VI. Fair value measurement of equities represented by non-controlling interests recorded in the AFS portfolio

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).

In detail, for the fair value measurement of equities, different valuation methods are to be used, which involve the use of inputs deriving from direct transactions, i.e.:
- significant share transactions over a period of time deemed sufficiently short with respect to the time of the valuation and under constant market conditions;
- comparable transactions of companies that operate in the same sector and with any type of product/service supplied similar to those of the investee subject to valuation;
- application of the average of significant stock market multiples of comparable companies with respect to the economic-equity amounts of the investee, and
- the application of analytical financial, profit and equity valuation methods.

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.

Shares of private equity funds and foreign investment vehicles 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 transaction that consider assumptions regarding risk that market participants would use in calculating the price of the asset or liability and that also include the risks inherent in a specific valuation technique used and the risk inherent in the inputs of the valuation technique.

As at 30 September 2015, 50% of non-controlling interests recorded in the statement of financial position under available-for-sale assets was valued according to methods using the fundamental analysis of the company (level 3).
As at 30 September 2015, 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).

Variations in the year to financial assets designated at fair value level 3

As at 30 September 2015, no transfers of financial assets and liabilities designated at fair value on a recurring basis from level 3 to other levels and vice-versa were effected, 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 ended as at 30 September 2015, including profits/(losses) booked to the income statement, are shown below:

EUR	Financial assets	Financial liabilities
As at 1 October 2014	**31.000.750**	**0**
(Profit) losses write down in the income statement	(2.971.458)	0
(Profit) losses write down in the statement of comprehensive income	(57.301)	0
Issues/extinctions	(17.272.457)	0
As at 30 September 2015	**10.814.136**	**0**

Available-for-sale financial assets designated at fair value level 3 refer mainly to the shares held in CreditAccess Asia N.V. (formerly Micro Venture Finance Group S.A.) amounting to EUR 4,1 million, shares held in Equinox Two ScA (EUR 3,8 million), shares held in SIA – SSB S.p.A. (EUR 1,4 million), shares held in Fondo Progressio Investimenti I (Progressio Investimenti I Fund) amounting to EUR 0,3 million, shares held in Nomisma S.p.A. (EUR 0,1 million) and Credit Access 6,5% bonds (EUR 1,1 million).

46.2 Classifications of financial instruments

Categories of financial assets and liabilities

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.

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:

Financial assets at 30 September 2015	IAS 39 CATEGORIES Financial instruments designated at fair value	Assets held to maturity	Loans and recevaibles	Available-for-sale financial instruments	Book value
Non-current financial assets:					
Investments	-	-	-	28.415.328	**28.415.328**
Bonds	-	-	-	1.110.252	**1.110.252**
Other financial assets	-	-	-	-	**-**
Non-current receivables:					
Financial receivables	-	-	120.508.561	-	**120.508.561**
Sundry receivables	-	-	160.105	-	**160.105**
Receivables due from related parties	-	-		-	**-**
Receivables due from customers and other current commercial assets:					
Sundry receivables and other assets	-	-	166.425	-	**166.425**
Current financial assets:					
Financial receivables	-	-	78.011.696	-	**78.011.696**
Sundry receivables	-	-	151.013	-	**151.013**
Current financial assets	2.088.558	-	-	-	**2.088.558**
Non-hedge derivatives	21.773	-	-	-	**21.773**
Cash and cash equivalents					
Bank and postal deposits	-	-	36.467.843	-	**36.467.843**
TOTAL FINANCIAL ASSETS	**2.110.331**	**-**	**235.465.643**	**29.525.580**	**267.101.554**

Financial assets at 30 September 2014	IAS 39 CATEGORIES Financial instruments designated at fair value	Assets held to maturity	Loans and recevaibles	Available-for-sale financial instruments	Book value
Non-current financial assets:					
Investments	-	-	-	53.013.990	**53.013.990**
Bonds	-	-	-	30.000	**30.000**
Other financial assets	-	-	-	-	**-**
Non-current receivables:					
Financial receivables	-	-	122.848.208	-	**122.848.208**
Sundry receivables	-	-	160.105	-	**160.105**
Receivables due from customers and other current commercial assets:					
Sundry receivables and other assets	-	-	11.668.420	-	**11.668.420**
Current financial assets:					
Financial receivables	-	-	77.030.502	-	**77.030.502**
Current financial assets	9.305.220	-	-	-	**9.305.220**
Cash and cash equivalents					
Bank and postal deposits	-	-	5.616.871	-	**5.616.871**
TOTAL FINANCIAL ASSETS	**9.305.220**	**-**	**217.324.106**	**53.043.990**	**279.673.316**

Financial liabilities as at 30 September 2015	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	-	-	**-**
Other financial liabilities	-	-	**-**
Sundry payables and other liabilities	-	-	**-**
Bonds	-	97.239.392	**97.239.392**
Current liabilities:			
Payables due to banks and other lenders	-	121.804.220	**121.804.220**
Trade payables	-	2.255.514	**2.255.514**
Sundry payables	-	1.648.271	**1.648.271**
Bonds	-	1.313.142	**1.313.142**
Other financial liabilities:			
Hedging derivatives	58.331	-	**58.331**
Non-hedge derivatives	-	-	**-**
TOTAL FINANCIAL LIABILITIES	**58.331**	**224.260.539**	**224.318.870**

Financial liabilities as at 30 September 2014	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	-	34.379.199	**34.379.199**
Other financial liabilities	-	-	**-**
Sundry payables and other liabilities	-	318.974	**318.974**
Bonds	-	96.660.322	**96.660.322**
Current liabilities:			
Payables due to banks and other lenders	-	50.339.811	**50.339.811**
Trade payables	-	2.860.405	**2.860.405**
Sundry payables	-	11.224.333	**11.224.333**
Bonds	-	1.313.142	**1.313.142**
Other financial liabilities:			
Hedging derivatives	-	-	**-**
Non-hedge derivatives	-	-	**-**
TOTAL FINANCIAL LIABILITIES	**-**	**197.096.186**	**197.096.186**

Transfer between portfolios and reclassifications of financial assets

The company did not carry out any portfolio reclassifications in the year 2014-2015.

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 company 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 IAS39.
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.

Quantitative information

Distribution of credit exposures by relevant portfolio and by credit 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	-	-	-	1.110.252	1.110.252
Financial assets held to maturity	-	-	-	-	-
Receivables due from banks	-	-	-	36.467.843	36.467.843
Receivables due from financial institutions	-	-	-	30.384.433	30.384.433
Receivables due from customers	2.868.718	-	13.671.240	151.746.878	168.286.836
Hedging derivatives	-	-	-	-	-
	-	-	-	-	-
Total as at 30 September 2015	**2.868.718**	**-**	**13.671.240**	**219.709.406**	**236.098.352**
Total as at 30 September 2014	**3.121.993**	**-**	**13.411.528**	**188.992.060**	**205.525.581**

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	11.031.434	(8.162.716)	-	2.868.718
- Restructured exposures	-	-	-	-
	11.031.434	**(8.162.716)**	**-**	**2.868.719**
Performing exposures	-	-	-	-
- Past due exposures	13.671.240	-	-	13.671.240
- Other exposures	222.840.428	(3.282.034)	-	219.558.394
	236.511.668	**(3.282.034)**	**-**	**233.229.634**
Total as at 30 September 2015	**247.543.102**	**(11.444.750)**	-	**236.098.352**
Total as at 30 September 2014	**217.751.356**	**(12.225.775)**	**-**	**205.525.581**

The table shown above includes financial receivables due from Group companies totalling EUR 165,8 million (71,1% 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.

The data relating to the financial statements of the previous year are shown below:

Type of exposures/amounts	Gross exposure	Specific value adjustments	Portfolio value adjustments	Net exposure
Impaired exposures:	-	-	-	-
- Exposures written down	12.065.734	(8.943.741)	-	3.121.993
- Restructured exposures	-	-	-	-
	12.065.734	**(8.943.741)**	**-**	**3.121.993**
Performing exposures	-	-	-	-
- Past due exposures	13.411.528	-	-	13.411.528
- Other exposures	192.274.094	(3.282.034)	-	188.992.060
	205.685.622	**(3.282.034)**	**-**	**202.403.588**
Total as at 30 September 2014	**217.751.356**	**(12.225.775)**	**-**	**205.525.581**
Total as at 30 September 2013	**214.577.819**	**(11.955.081)**	**-**	**202.622.738**

Cash and cash equivalents

Cash and cash equivalents of the company totalled EUR 36.472 thousand (EUR 5.619 thousand as at 30 September 2014) 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 2015, 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 2015 and 2014 relating to the guarantees issued in favour of third parties and commitments for the disbursements of funds are shown below:

	30.09.2015	**30.09.2014**
Financial guarantees issued	-	-
Commercial guarantees issued	1.670.477	22.230.330
Irrevocable commitments to disburse funds	2.963.798	13.640.476
Commitments underlying credit derivatives	-	-
Other irrevocable commitments	-	-
	4.634.275	**35.870.806**

Commercial guarantees refer mainly to the guarantees in favour of the Italian Revenue Agency for VAT for which a refund was requested and/or offset (EUR 1,3 million).
Commitments to disburse funds refer to the commitments for payments to be made into investment funds.

3. Market risks

3.1 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.
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 repricing date 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			51	1.059			1.110
Medium/long-term financial receivables			88.052	16.808	-	15.648	120.509
Current financial receivables	78.163	-					78.163
Available-for-sale financial assets							-
Financial assets designated at fair value							-
	78.163	**-**	**88.103**	**17.867**	**-**	**15.648**	**199.781**
Liabilities							
Non-current bank loans			-				-
Current bank loans	79.654	-					79.654
Bonds	1.313			97.239			98.553
Other financial payables due to related parties	42.150						42.150
	123.117	**-**	**-**	**97.239**	**-**	**-**	**220.357**
	(44.954)	**-**	**88.103**	**(79.372)**	**-**	**15.648**	**(20.576)**

The data relating to the financial statements as at 30 September 2014 are shown below:

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 receivables			99.911	15.863	-	7.074	122.848
Current financial receivables	77.031	-					77.031
Available-for-sale financial assets							-
Financial assets designated at fair value							-
	77.031	**-**	**99.941**	**15.863**	**-**	**7.074**	**199.909**
Liabilities							
Non-current bank loans			34.379				34.379
Current bank loans	46.538	2.590					49.128
Bonds	1.313				96.661		97.974
Other financial payables due to related parties	1.212						1.212
	49.063	**2.590**	**34.379**	**-**	**96.661**	**-**	**182.693**
	27.968	**(2.590)**	**65.562**	**15.863**	**(96.661)**	**7.074**	**17.216**

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

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

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.

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 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 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, as at 30 September 2015, 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 0,8 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 2015**		
	Fixed rate	Variable rate	Total
Bank loans	26.706	52.949	**79.654**
Bonds issue	98.553	0	**98.553**
Other financial liabilities	4.500	37.650	**42.150**
Total	**129.758**	**90.599**	**220.357**

Amounts in thousands of Euro	**30 September 2014**		
	Fixed rate	Variable rate	Total
Bank loans	31.727	51.781	**83.507**
Bonds issue	97.974	-	**97.974**
Other financial liabilities	-	1.212	**1.212**
Total	**129.701**	**52.992**	**182.693**

Amounts in thousands of Euro	**30 September 2015**		
	Fixed rate	Variable rate	Total
Financial receivables	24.859	173.813	**198.671**
Other financial assets	1.110		**1110**
Total	**25.969**	**173.813**	**199.781**

Amounts in thousands of Euro	**30 September 2014**		
	Fixed rate	Variable rate	Total
Financial receivables	-	199.879	**199.879**
Other financial assets			**0**
Total	**-**	**199.879**	**199.879**

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 2015		30 September 2014	
	Adjusted book value	Effective interest rate (%)	Adjusted book value	Effective interest rate (%)
Deposits and cash	36.472	0,03%	5.619	0,02%
Other financial receivables from third parties	32.614	2,47%	34.796	2,40%
Other financial receivables from related parties	166.058	4,30%	165.082	4,44%
Total	**235.144**	**3,38%**	**205.498**	**3,97%**

Amounts in thousands of Euro

	30 September 2015		30 September 2014	
	Adjusted book value	Effective interest rate (%)	Adjusted book value	Effective interest rate (%)
Bank loans	79.654	(3,52)%	83.507	(4,02)%
Bonds issue	98.553	(6,90)%	97.974	(6,90)%
Other financial liabilities	42.150	(0,74)%	1.212	(5,24)%
Total	**220.357**	**(4,50)%**	**182.693**	**(5,57)%**

Currency risk – Sensitivity analysis

As at 30 September 2015 (as at 30 September 2014), no active and passive financial instruments were denominated in currencies different from the financial statement currency of the company 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 2015, together with unused committed lines and the uncommitted cash and cash equivalents of the subsidiaries, 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 2015, 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, 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:**				
	2016	**2017**	**2018**	**After 2018**	**Total**
Bank loans	79.654	-			79.654
Bonds issue	6.008	5.991	5.991	104.532	122.522
Other financial liabilities	42.150				42.150
Total	**127.812**	**5.991**	**5.991**	**104.532**	**244.326**

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 2015.

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.

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 to ensure both profitability for shareholders and to retain an efficient capital structure.

47. Publishing of the fees for auditing and other non-auditing services pursuant to Consob Issuers' Regulation, art. 149 duodecies

For the disclosure pursuant to the provisions of art. 149-duodecies of Consob Issuers' Regulation pertaining to the information on the fees paid to Independent Auditors Deloitte & Touche S.p.A., refer to note 59 of the consolidated financial statements.

Milan, 12 January 2016

for the Board of Directors

The Chairman

(Franco Dalla Sega)

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 Rosario Bifulco, Chief Executive Officer, and Pietro Santicoli, Manager responsible for preparing the Company's financial reports of Mittel S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, attest to the adequacy of the characteristics of the company and the effective application of administrative and accounting procedures for the preparation of the separate financial statements for the year ended as at 30 September 2015.

It is also certified that the separate financial statements for the year ended as at 30 September 2015:

a) were drafted in compliance with the international accounting standards recognised in the European Union pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;

b) correspond to the book results and accounting records;

c) provide a true and fair view of the equity, economic and financial situation of the issuer.

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, 12 January 2016

Chief Executive Officer	Manager responsible for preparing the Company's financial reports
Rosario Bifulco	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 (hereinafter, also Mittel, or the Company).

In the year ended as at 30 September 2015, 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.
- 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 Control and Risks Committee, Remuneration and Appointments Committee and Group Risk Committee, and at "Control Day" meetings;
- we checked the adequacy of the risk management and control, 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 viewed and obtained information on organisational and procedural activities implemented pursuant to Legislative Decree No. 231/2001 on the administrative liability of entities.
- we monitored, as regards matters within our competence, the compliance of the Procedures for transactions with Related Parties with the applicable legislation.
- 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. The separate and consolidated financial statements are accompanied by the required declarations of conformity signed by the Chief Executive Officer 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 2014/2015 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 which occurred 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 2015, 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 - strictly relating to the audit - in addition to the tasks envisaged by the audit: issue of Certification on Financial Covenants and Tax Return Certifications services (fees of EUR 29.000).

   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, no assignments were made to companies belonging to the “network” of the independent auditors Deloitte & Touche SpA.
9. During the year, the Board of Statutory Auditors, where necessary, provided the opinions and observations required by law. The content of these opinions was in keeping with the subsequent resolutions passed by the Board of Directors.
10. Thirteen meetings of the Board of Directors were held during the year, as well as fifteen meetings of the Executive Committee, twelve meetings of the Board of Statutory Auditors, four meetings of the Control and Risks Committee and six meetings of the Remuneration and Appointments 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. The Board of Statutory Auditors acquired knowledge and monitored the adequacy of the organisational structure, through the information received from the managers of the competent company functions and meetings with the Independent Auditors within the framework of the mutual exchange of relevant data and information.

    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 risk management and control and internal control system appeared to be suited to the dimensional and management characteristics of the company, as also ascertained during the meetings of the Control and Risks Committee in which, based on the regulations adopted by the Committee, the Board of Statutory Auditors is entitled to participate.
    The Board of Statutory Auditors examined the periodic reports of the control departments; 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 2015, we acknowledge the provision of the certification of the Chief 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 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 and illustrated in the “Report on Corporate Governance and Ownership Structures” pursuant to art. 123-bis of Legislative Decree no. 58/1998.
    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. We carried out normal monitoring activity in the year ended as at 30 September 2015, and said activity did not bring to light any omissions, censurable events or irregularities to be documented in this Report.
19. 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 proposal to cover the loss for the year arising from said financial statements up to the amount of the extraordinary reserve and, for the remainder, through the use of other reserves.

Milan, 27 January 2016

<u>The Board of Statutory Auditors</u>
Mr. Giovanni Brondi
Ms. Maria Teresa Bernelli
Mr. Simone Del Bianco

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, 2015, and the income statement, statement of comprehensive income, statement of changes in 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.

   For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on January 27, 2015.

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, 2015, 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, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by

Marco Miccoli
Partner

Milan, Italy
January 27, 2016

This report has been translated into the English language solely for the convenience of international readers.

Ordinary Shareholders' Meeting held on …………