



(Translation from the Italian original which remains the definitive version)

PRESS RELEASE

**M&C's board of directors approves the
interim financial report at 30 September 2016**

**and also resolves to call an extraordinary shareholders' meeting
on 14 December 2016, on first call, and on 15 December 2016, on second call, to discuss and resolve on the
following matters on the agenda:**

- **a capital increase against payment of up to a maximum of €30,555,393.30 to achieve control of Treofan**
- **modification of the business object and related by-laws amendments: withdrawal right**
- **application to delist the ordinary M&C shares from the investment vehicles segment of the stock exchange (MIV) and concurrent application to list the shares on the screen-based stock exchange (MTA) organised and managed by Borsa Italiana S.p.A**

The board of directors of M&C approved the results for the first nine months of 2016 in its today's meeting chaired by Franco Girard.

Results

The company made a profit of €0.1 million for the nine months compared to a loss of €0.9 million for the corresponding period of 2015, being the sum of:

- a) gains of €2.0 million (€2.5 million for the corresponding period of 2015), mainly on liquidity management and interest income on the Treofan shareholder loan;
- b) losses on equity investments and securities of €1.7 million (€2.1 million for the corresponding period of 2015) consisting of losses of €1.5 million arising on the significant impairment loss on the securities in portfolio already recognised at 30 June 2016 and the fund management fees of €0.2 million for the IDeA EESS fund, in line with the fund's NAV at 30 September 2016;
- c) operating expenses of €1.3 million (unchanged from the corresponding period of 2015);
- d) recognition of deferred tax assets of €1.1 million, in order to net deferred tax liabilities.

At 30 September 2016, M&C had a net financial position of €19.1 million (31 December 2015: €17.1 million), equal to €0.05 per outstanding share, and equity of €82.0 million (31 December 2015: €79.0 million), equal to €0.20 per outstanding share.

The improved net financial position is a result of the reimbursement of unit principal by the IDeA fund (€3.5 million), the fair value loss on the securities in portfolio (€0.9 million) and the utilisation of cash for the company's other operating activities (€0.6 million)

The Treofan investment

Treofan Group bettered its results again with EBITDA for the nine months at €32.6 million (+25.9% on the €25.9 million for the corresponding period of 2015) despite the small drop in turnover (-1.8%), due partly to the indexing of sales prices to the cost of raw materials. Turnover amounted to €319.9 million compared to €325.9 million for the nine months ended 30 September 2015, with both the European and North American divisions

M&C

recording a slight contraction (€211.7 million and USD129.0 million against €213.8 million and USD127.0 million for the corresponding period of 2015, respectively).

The contribution margin also improved, going from €93.2 million (29.5% of turnover) for the first three quarters of 2015 to €97.0 million (31.5% of turnover) for the reporting period.

At 30 September 2016, Treofan's net financial debt amounted to €50.7 million (excluding the shareholder loan of €35 million) compared to €56.0 million at 31 December 2015, despite the higher carrying amount of inventories and, hence, working capital.

Launch of the new TreoPore product line, slated for the second half of 2016, has been pushed back to early 2017 as the product has to be adjusted to meet new market standards (reduction in thickness). Customers have already received the new product and the necessary new approvals are being obtained.

Outlook

While awaiting finalisation of the acquisition of control of Treofan, M&C will continue to focus on optimising Treofan Group's results and its own post-acquisition financial position.

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Calling of the extraordinary shareholders' meeting

M&C's board of directors has resolved to call an extraordinary shareholders' meeting for Wednesday 14 December 2016 (on first call) and Thursday 15 December 2016 (on second call) to discuss and resolve on the following matters on the agenda:

- **Capital increase against payment of up to a maximum of €30,555,393.30;**
The proposed capital increase against payment is to be offered in a ratio of one new share for every two outstanding shares held at a price of €0.15 per share as the 66,754,352 own shares do not have option rights. This proposal follows the board of directors' decision to acquire control of Treofan Group, headed by the German company Treofan Holdings GmbH. The capital increase will take place after conclusion of the withdrawal period, related to the proposal to change the business object. M&C's significant shareholders, PER S.p.A. (the controlling shareholder with an investment of 54.045% of M&C's current share capital) and COMPAGNIE FINANCIERE LA LUXEMBOURGEOISE SA (holder of 9.27% of M&C's current share capital) have already informed the directors of their irrevocable commitment to subscribe €25 million of the capital increase, if option rights are unexercised. DIRECTA S.I.M. S.p.A. will direct an underwriting syndicate for the remainder, i.e., up to a maximum of €30,555,393.30.
- **Modification of the business object and related by-laws amendments: withdrawal right**
After acquisition of Treofan Group, M&C will become a holding company. In order to best reflect its business object and activities as such, the shareholders will be required to resolve on amendments to the by-laws for the change in the company's business object with the related recognition of the withdrawal right pursuant to article 2437 and following articles of the Italian Civil Code for those shareholders that do not agree with the resolution. The cost of exercising the withdrawal right is €0.1671 per share, calculated in accordance with article 2437-ter.3 of the Italian Civil Code by considering the average stock market closing price in the six months before publication of the notice calling the extraordinary shareholders' meeting.
- **Application to delist the ordinary M&C shares from the investment vehicles segment (MIV) of the stock exchange and concurrent application to list the shares on the screen-based stock exchange organised and managed by Borsa Italiana S.p.A.**
As the investment in Treofan Holdings GmbH is M&C's main business given it already makes up more than 50% of the company's assets, which exceeds the risk concentration threshold set by article 2.8.2.3 of the Regulation for the markets organised and managed by Borsa Italiana S.p.A., the shareholders will be asked to resolve on the: (i) delisting of the ordinary M&C shares from the investment vehicles segment (MIV) of the

M&C

stock exchange; (ii) the concurrent listing of the M&C shares on the stock exchange organised and managed by Borsa Italiana S.p.A. For the purposes of the listing application, today, the board of directors has approved the Memorandum pursuant to article 2.2.1.6 of the Regulation, which describes the company's management control system.

The documentation required by the current regulations about the matters on the agenda will be made available to the market within the legal terms at the company's registered office, at Borsa Italiana S.p.A. and on the company's website www.mecinv.com.

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The company's statement of financial position at 30 September 2016 and income statement for the nine months then ended prepared in accordance with IFRS are attached hereto and have not been reviewed or audited by the independent auditors. The board of directors reserves the right to assess whether and how it will provide quarterly information to the market on the company's performance after introduction of Consob regulation no. 19770 of 26 October 2016.

Milan, 9 November 2016

M&C S.p.A.

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M&C S.p.A.		
Interim financial statements at 30 September 2016		
STATEMENT OF FINANCIAL POSITION		
(€'000)		
ASSETS	30.09.2016	31.12.2015
Non-current assets		
Property, plant and equipment	2	4
Equity investments	37,727	37,727
Other non-current assets	1,044	1,044
Loans and receivables	16,159	14,623
Total non-current assets	54,932	53,398
Current assets		
Loans and receivables	647	656
Current tax assets	543	589
Other current assets	576	754
Current financial assets	15,482	16,563
Cash and cash equivalents	10,664	7,719
Total current assets	27,912	26,281
Total assets	82,844	79,679
LIABILITIES AND EQUITY	30.09.2016	31.12.2015
Equity		
Share capital	80,000	80,000
Treasury shares	(50,032)	(50,032)
Reserves	48,306	47,575
Valuation reserves	3,576	684
Profit for the period/year	112	731
Total equity	81,962	78,958
Liabilities		
Non-current liabilities		
Employee benefits	59	57
Deferred tax liabilities	272	264
Total non-current liabilities	331	321
Current liabilities		
Trade payables	196	125
Other current liabilities	355	275
Total current liabilities	551	400
Total liabilities	882	721
Total equity and liabilities	82,844	79,679

M&C S.p.A.			
Interim financial statements at 30 September 2016			
INCOME STATEMENT			
(€'000)	First 9 months 2016	First 9 months 2015	
Revenue from sales and services		23	
Other revenue	125	126	
Personnel expense	(670)	(755)	
Amortisation, depreciation and impairment losses	(2)	(2)	
Other operating expenses	(521)	(538)	
Operating loss	(1,068)	(1,146)	
Financial income	1,637	1,150	
Financial expense	(1)	(3)	
Net financial income	1,636	1,147	
Gains on equity investments and securities	193	1,233	
Losses on equity investments and securities	(1,660)	(2,130)	
Net losses on equity investments and securities	(1,467)	(897)	
Pre-tax loss	(899)	(896)	
Current and deferred taxes	1,011	(21)	
Profit (loss) from continuing operations	112	(917)	
Profit (loss) for the period/year	112	(917)	
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Basic earnings (loss) per share (*)	0.0003	(0.0023)	
Diluted earnings (loss) per share (*)	0.0003	(0.0023)	

(*) Calculated using outstanding shares without considering treasury shares.

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Pursuant to article 154-bis.2 of the Consolidated Finance Act, the manager in charge of financial reporting, Marco Viberti, states that the financial information presented in this press release is consistent with the accounting records, ledgers and documents.