



FIERA MILANO

Consolidated Interim Management Report at 31 March 2017 (1st quarter 2017)

This document is available in the Investor Relations section of the Company website,
www.fieramilano.it

This document contains a faithful translation in English of the original report in Italian "Resoconto intermedio di gestione consolidato al 31 marzo 2017".

However, for information about Fiera Milano Group reference should be made exclusively to the original report in Italian.

The Italian version of the "Resoconto intermedio di gestione consolidato al 31 marzo 2017" shall prevail upon the English version.

Fiera Milano SpA

Registered office: Piazzale Carlo Magno, 1 - 20149 Milan

Operational and administrative office: SS del Sempione, 28 - 20017 Rho (Milano)

Share capital: Euro 42,445,141.00 fully paid up

Companies Register, Tax code and VAT no. 13194800150 - Economic Administrative Register 1623812

Rho (Milan), 15 May 2017

Contents

▪ Corporate bodies and independent auditor	page	3
▪ Business model	page	4
▪ Group structure	page	5
▪ Report on operations in the first quarter		
▫ Summary of results and significant events during the quarter	page	6
▫ Net financial position	page	9
▫ Information by operating segment and by geographic area	page	10
▫ Group personnel	page	14
▪ Significant events after the end of the quarter	page	15
▪ Business outlook	page	15
▪ Accounting criteria	page	16
▪ Financial Statements		
▫ Consolidated income statement	page	17
▫ Reclassified consolidated statement of financial position	page	18
▫ Comments on the capital and financial position	page	19
▪ Declaration of the Manager responsible for preparing the Company's Financial Statements	page	20
▪ Attachment 1		
List of companies included in the area of consolidation and other investments at 31 March 2017	page	21

Corporate bodies and independent auditor

BOARD OF DIRECTORS

Lorenzo Caprio	Chairperson*
Marina Natale	Chief Executive Officer
Alberto Baldan	Director*
Stefania Chiaruttini	Director*
Gianpietro Corbari	Director*
Francesca Golfetto	Director*
Angelo Meregalli	Director*
Elena Vasco	Director*

* Independent director under Article 148, paragraph 3 of Legislative Decree no. 58 of 24 February 1998 and under the Self-Regulatory Code of the Italian Stock Exchange.

CONTROL AND RISK COMMITTEE

Lorenzo Caprio
Stefania Chiaruttini
Francesca Golfetto
Angelo Meregalli

COMMITTEE FOR APPOINTMENTS AND REMUNERATION

Gianpietro Corbari
Alberto Baldan
Elena Vasco

BOARD OF STATUTORY AUDITORS

Federica Palmira Nolli	Chairperson
Antonio Guastoni	Statutory Auditor
Carmine Pallino	Statutory Auditor
Francesca Maria D'Alessandro	Substitute Auditor
Alessandro Carlo Galli	Substitute Auditor

MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL STATEMENTS UNDER LAW 262/2005

Sebastiano Carbone

The Board of Directors was appointed at the Shareholders' Meeting of 21 April 2017 and their mandates expire with the Shareholders' Meeting to approve the Financial Statements at 31 December 2019.

The Board of Statutory Auditors was appointed at the Shareholders' Meeting of 29 April 2015 and their mandates will expire with the Shareholders Meeting to approve the Financial Statements at 31 December 2017.

The Board of Directors is invested with the widest powers for the ordinary and extraordinary management of the Company. In particular, it is empowered to do everything that it considers to be appropriate or useful to achieve its corporate objectives, excluding only those which by law are the preserve of the Shareholders' Meeting.

The Chairperson, in addition to legally representing the Company, has all the powers provided by prevailing laws and the Articles of Association.

The Chief Executive Officer has full powers relating to the ordinary management and administration of the Company, with the exception of the powers that, according to prevailing laws and the Articles of Association, are the preserve of the Board of Directors.

INDEPENDENT AUDITOR

EY SpA

The mandate, given by the Shareholders' Meeting of 29 April 2014, is for the financial years 2014-2022.

Business model

The Fiera Milano Group is involved in all the characteristic phases of the exhibition and congress sector and is one of the world's leading international integrated companies in this sector.

Its operating segments are:

- **Italian Exhibitions:** this segment covers all activities for the organisation and hosting of exhibitions and other events in Italy through the use, promotion and offer of furnished exhibition spaces, of project support, and of ancillary services. This segment includes all activities associated with exhibitions (including end services for exhibitors and visitors):
 - that are directly organised by the Group or in partnership with third-parties;
 - organised by third parties, through the hiring out of spaces and services.

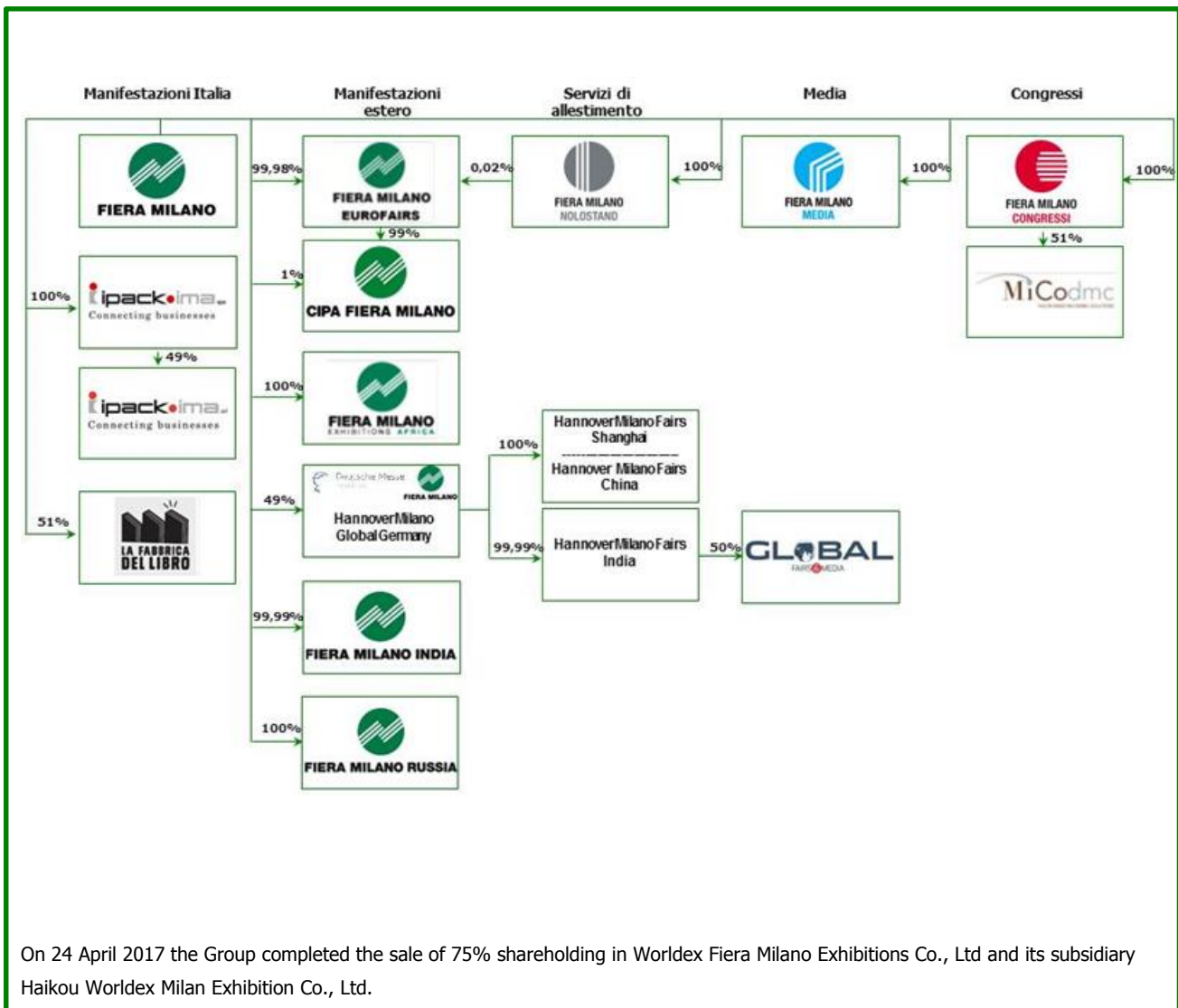
- **Foreign Exhibitions:** this segment covers all activities for the organisation of exhibitions and other events abroad through the use, promotion and offer of furnished exhibition spaces, of project support, and of ancillary services. Specifically, this segment includes all activities associated with exhibitions (including end services for exhibitors and visitors) that are directly organised by the Group or in partnership with third-parties.

- **Stand-fitting services:** this segment covers stand-fitting services, technical services and all exhibition site services for exhibitions and congresses.

- **Media:** this segment covers the production of content and supply of on line and off line publishing services, as well as those associated with the organisation of events and congresses.

- **Congresses:** this segment covers the management of conferences, events and "destination management" services.

Group structure



On 24 April 2017 the Group completed the sale of 75% shareholding in Worldex Fiera Milano Exhibitions Co., Ltd and its subsidiary Haikou Worldex Milan Exhibition Co., Ltd.

Report on operations in the first quarter

Summary of results and significant events during the quarter

The following table gives the main figures of the Group for the first quarter 2017 with comparable data for the same quarter of the previous year, as well as figures for the full year 2016.

Full year 31/12/16	Fiera Milano Group Summary of key figures (Amounts in € '000)	1° Quarter 31/03/17	1° Quarter 31/03/16 restated
221,041	Revenues from sales and services	65,396	76,890
3,652	Gross operating result (a)	8,819	18,427
(22,994)	Net operating result (EBIT)	6,375	16,058
(23,979)	Profit/(loss) before income tax of continuing operations	6,168	15,829
(4,151)	Profit/(loss) before income tax of discontinued operations	-	(172)
(28,130)	Profit/(loss) before income tax	6,168	15,657
(28,051)	- Attributable to the shareholders of the controlling entity	6,246	15,742
(79)	- Attributable to non-controlling interests	(78)	(85)
(1,484)	Cash flow before income tax for the Group and non-controlling interests (b)	8,612	18,026
99,995	Net capital employed (c)	81,205	123,009
	covered by:		
61,006	Equity attributable to the Group	67,253 *	99,664 *
673	Non-controlling interests	611 *	510 *
38,316	Net financial debt/(cash) continuing operations and assets held for sale	13,341	22,835
7,387	Investments (continuing operations and assets held for sale)	1,660	2,258
725	Employees (no. of permanent employees at the end of period)	727	717

* includes pre-tax result for the period

(a) Gross operating profit is the operating result before depreciation and amortisation, adjustments to asset values and other provisions.
(b) Cash flow is the sum of the result for the period, depreciation and amortisation, provisions and adjustments to asset values.
(c) Net capital employed is the sum of non-current assets, non-current liabilities and net working capital.

Some figures in the consolidated financial statements at 31 March 2016 have been restated to reflect the accounting of the Chinese companies, Worldex and Haikou Worldex, under IFRS 5.

The results for the quarter under review reveal a positive business trend, in line with the Company's expectations, although below the results for the corresponding period of 2016, mainly due to the different exhibition calendar which in the first quarter of the previous year included Convegno Expocomfort, the leading international biennial exhibition for civil and industrial plant. The impact of this calendar was partially offset by the positive trend of the annual hosted exhibitions including LineaPelle and the related exhibition Simac Tanning-Tech dedicated to technology for the footwear and leather apparel production sectors, and also Milano Unica, dedicated to textile and clothing accessory collections. It should also be noted that the first quarter results also reflect the contribution of the Promotion Trade Exhibition, an annual international exhibition for promotional goods, corporate gifts and personalisation, which was directly organised for the first time by Fiera Milano, which resulted in an improved performance for the exhibition.

Amongst the Group's international operations was the signing, on 22 February 2017, of a contract to sell the Group's 75% shareholding in Worldex Fiera Milano Exhibitions Co., Ltd., which operates in China. The terms of divestment are an initial disposal price of Euro 2.750 million, plus a deferred component of up to Euro 1.000 million linked to the achievement of target results over the three year period 2017-2019. Completion of the deal took place on 24 April 2017 with the issue of a new business license by the relevant Chinese authorities. This disposal is consistent with the objective of concentrating all of the Group's activities in China in its joint venture with its German partner Deutsche Messe.

Administration Orders

With an order issued on 23 June 2016 and deposited on 24 June 2016, the Milan District Court-Prevention Court Independent Section, issued, under Article 34 of the Legislative Decree of 6 September 2011 no. 159 pertaining to the "anti-mafia laws and prevention measures, including new provisions covering anti-mafia documentation in accordance with Articles 1 and 2 of Legislative Decree of 13 August 2010 no. 136", an Administration Order for Nolostand for a period of six months. On 6 July 2016 the Milan Tax Squad notified Nolostand SpA of the aforementioned Administration Order.

With an order issued on 28 September 2016 and deposited on 11 October 2016, the Milan District Court – Prevention Court Independent Section issued, under Article 34 of the Legislative Decree 159/2011 an Administration Order for Fiera Milano SpA for a period of six months limited to the business area linked to Nolostand, involving the stand-fitting business division.

On 20 December 2016 the Administration Order for Nolostand was extended for a further six months and the Orders of Nolostand and Fiera Milano were also unified. On 28 March 2017 the Milan District Court – Prevention Court Independent Section extended for a further six months the Administration Order relating to the Company's exhibition stand-fitting business division which had been scheduled to expire on 11 April 2017.

The activities of the Group are highly seasonal due to the impact of biennial exhibitions. Given the seasonal nature of the Group's activities, the revenues and results reported in individual quarters may vary substantially from one quarter to the next.

A detailed analysis of the results for the first quarter 2017 reveals the following trends:

- **Revenues from sales and services** totalled Euro 65.396 million compared to the result for the same quarter of the previous year (Euro 76.890 million).

A detailed analysis of the main changes in the quarter is shown below:

- **Annual exhibitions organised by the Group in Italy** (-5,480 square metres): the decline was mainly attributable to the absence of the exhibition Bit (-13,505 square metres) which took place in the second quarter. This was partially compensated by an increase in demand for exhibition space for HOMI I semester (+5,905 square metres) and the presence in the period of the annual international exhibition for promotional goods, Promotion Trade Exhibition (+4,355 square metres) which was for the first time organised by Fiera Milano Group;
- **Annual exhibitions organised by third parties in Italy** (-17,675 square metres): the decline was primarily due to the absence of the exhibition Esposizione Internazionale Canina and the postponement of Milano Auto Classica to later quarters. This effect was partly compensated by the presence of the exhibition MAM – Mostra a Milano Arte e Antiquariato, which took place for the first time in the **fieramilanocity** exhibition area, as well as an improvement in the exhibitions Milano Unica Spring edition, My Plant & Garden, LineaPelle February edition and Simac Tanning-Tech.
- **Biennial exhibitions organised by the Group in Italy** (+56,765 square metres): the difference is attributable to the biennial exhibition held in uneven-numbered years Transpotec Logitec;
- **Biennial exhibitions organised by third parties in Italy** (-65,335 square metres): the difference is primarily due to the absence of the biennial exhibition held in even-numbered years Mostra Convegno Expocomfort (-118,395 square metres) partially compensated by the presence of the biennial exhibition held in uneven-numbered years Made Expo (+52,515 square metres);
- **Congresses with related exhibition areas** reported an increase of 1,600 square metres;
- **Annual exhibitions organised by the Group abroad** (+8,105 square metres): the increase is mainly due to the Chinese exhibition Chinafloor Domotex Shanghai.

The table below gives a summary of the net square metres of exhibition space occupied by the various Fiera Milano Group exhibitions and by congresses with related exhibition space.

Fiera Milano Group Summary operating figures	1st Quarter 2017		1st Quarter 2016		Change	
	Total	of which organized	Total	of which organized	Total	of which organized
		by the Group		by the Group		by the Group
Number of exhibitions:	21	7	23	7	(2)	-
Italy	17	3	19	3	(2)	-
. annual	14	2	18	3	(4)	(1)
. biennial	3	1	1	-	2	1
. multi-annual	-	-	-	-	-	-
Foreign countries	4	4	4	4	-	-
. annual	4	4	4	4	-	-
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
Number of congresses with related exhibition space - Italy	6	-	9	-	(3)	-
Net sq.metres of exhibition space:	553,590	231,035	575,610	171,645	(22,020)	59,390
Italy	467,365	144,810	497,490	93,525	(30,125)	51,285
. annual (a)	357,540	88,045	379,095	93,525	(21,555)	(5,480)
. biennial	109,825	56,765	118,395	-	(8,570)	56,765
. multi-annual	-	-	-	-	-	-
(a) of which congresses with related exhibition space	5,240	-	3,640	-	1,600	-
Foreign countries	86,225	86,225	78,120	78,120	8,105	8,105
. annual	86,225	86,225	78,120	78,120	8,105	8,105
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
Number of exhibitors:	11,365	3,655	12,000	3,500	(635)	155
Italy	9,515	1,805	10,270	1,770	(755)	35
. annual (b)	8,330	1,560	8,730	1,770	(400)	(210)
. biennial	1,185	245	1,540	-	(355)	245
. multi-annual	-	-	-	-	-	-
(b) of which congresses with related exhibition space	380	-	225	-	155	-
Foreign countries	1,850	1,850	1,730	1,730	120	120
. annual	1,850	1,850	1,730	1,730	120	120
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-

- The **gross operating profit** for the quarter was Euro 8.819 million, a decline of Euro 9.608 million compared with the result reported for the same quarter of the previous year (Euro 18.427 million). The gross operating profit in 2017 reflects the trend of revenues and the higher consultancy costs arising from the review of company processes as a consequence of the procedures relating to the ongoing Administration Order.
- The **net operating profit (EBIT)** for the quarter was Euro 6.375 million compared to Euro 16.058 million in the first quarter of 2016. The decline of Euro 9.683 million is mainly due to the aforementioned reduction in gross operating profit.
- The **profit before income tax** was Euro 6.168 million compared to Euro 15.657 million in the first quarter of 2016. The **profit before income tax attributable to the shareholders of the controlling entity** was Euro 6.246 million (Euro 15.742 million in the first quarter of 2016) while there was a loss before income tax of Euro 0.078 million **attributable to non-controlling interests** (loss of Euro 0.085 million in the first quarter of 2016).
- Finally, **cash flow** in the quarter (calculated as the result before income tax plus depreciation, amortisation, provisions and adjustments to asset values) was Euro 8.612 million compared to Euro 18.026 million in the same quarter of the previous financial year.

Net financial position

A breakdown of the Group net financial position is shown in the following table.

31/12/16	Group Net Financial Position (Amounts in € '000)	31/03/17
20,904	A. Cash (including bank balances)	37,166
-	B. Other cash equivalents	-
-	C. Securities held for trading	-
20,904	D. Cash and cash equivalents (A+B+C)	37,166
2,622	E. Current financial assets	2,632
<i>2,622</i>	<i>- E.1 of which Other non current liabilities to other related parties</i>	<i>2,632</i>
18,019	F. Current bank borrowings	15,189
27,523	G. Current portion of non-current debt	25,278
3,364	H. Other current financial liabilities	4,545
<i>1,627</i>	<i>- H.1 of which Other current financial liabilities to the controlling shareholder</i>	<i>2,796</i>
<i>876</i>	<i>- H.2 of which Other current financial liabilities to other related parties</i>	<i>876</i>
48,906	I. Current financial debt (F+G+H)	45,012
25,380	J. Current net financial debt (cash) (I-E-D)	5,214
14,108	K. Non-current bank borrowings	9,299
-	L. Debt securities in issue	-
42	M. Other non-current liabilities	42
<i>42</i>	<i>- M.1 of which Other non current liabilities to other related parties</i>	<i>42</i>
14,150	N. Non-current financial debt (K+L+M)	9,341
39,530	Net financial debt/(cash) from continuing operations (J+N)	14,555
(1,214)	Net financial debt/(cash) from assets held for sale	(1,214)
38,316	O. Net financial debt/(cash)	13,341

Net financial debt at 31 March 2017 was Euro 13.341 million compared to Euro 38.316 million at 31 December 2016.

The decrease of Euro 24.975 million in net financial debt is attributable to the positive cash flow in the quarter and the positive change in cash flows arising from net working capital, principally as a result of advances for exhibitions that are to take place in later quarters.

Information by operating segment and by geographic area

The key Group figures by operating segment and by geographic area are given in the following table.

Full year 2016		Summary of data by operating segment and by geographic area (Amounts in € '000)		1st Quarter 31/03/17		1st Quarter 31/03/16 restated	
		Revenues from sales and services					
	%	- By operating segment:			%		%
173,421	66.6	. Italian Exhibitions	58,216	75.9	68,019	74.9	
6,830	2.7	. Foreign Exhibitions	518	0.7	343	0.4	
38,295	14.7	. Stand-fitting Services	9,811	12.8	15,378	16.9	
11,051	4.1	. Media	2,472	3.2	2,873	3.1	
30,672	11.8	. Congresses	5,706	7.4	4,231	4.7	
260,269	100.0	Total revenues gross of adjustments for inter-segment transactions	76,723	100.0	90,844	100.0	
(39,228)		. Adjustments for inter-segment transactions	(11,327)		(13,954)		
221,041		Total revenues net of adjustments for inter-segment transactions	65,396		76,890		
		- By geographic area:					
214,239	96.9	. Italy	64,878	99.2	76,573	99.6	
6,802	3.1	. Foreign countries	518	0.8	317	0.4	
221,041	100.0	Total	65,396	100.0	76,890	100.0	
		Gross operating result					
	%	- By operating segment:			%		%
(3,092)	-1.8	. Italian Exhibitions	7,902	13.6	14,889	21.9	
1,781	26.1	. Foreign Exhibitions	983	189.8	920	268.2	
3,033	7.9	. Stand-fitting Services	561	5.7	2,990	19.4	
376	3.4	. Media	(248)	-10.0	(43)	-1.5	
2,274	7.4	. Congresses	(379)	-6.6	(294)	-6.9	
(720)		. Adjustments for inter-segment transactions	-		(35)		
3,652	1.7	Total	8,819	13.5	18,427	24.0	
		- By geographic area:					
2,523	1.2	. Italy	7,844	12.1	17,590	23.0	
1,129	16.6	. Foreign countries	975	188.2	837	264.0	
3,652	1.7	Total	8,819	13.5	18,427	24.0	
		Net operating result (EBIT)					
	%	- By operating segment:			%		%
(15,234)	-8.8	. Italian Exhibitions	6,614	11.4	13,595	20.0	
(4,507)	-66.0	. Foreign Exhibitions	729	140.7	706	205.8	
493	1.3	. Stand-fitting Services	122	1.2	2,604	16.9	
(4,103)	-37.1	. Media	(371)	-15.0	(260)	-9.0	
1,133	3.7	. Congresses	(703)	-12.3	(540)	-12.8	
(776)		. Adjustments for inter-segment transactions	(16)		(47)		
(22,994)	-10.4	Total	6,375	9.7	16,058	20.9	
		- By geographic area:					
(17,779)	-8.3	. Italy	5,670	8.7	15,447	20.2	
(5,215)	-76.7	. Foreign countries	705	136.1	611	192.7	
(22,994)	-10.4	Total	6,375	9.7	16,058	20.9	
		Employees (no. of permanent employees at the end of the period)					
	%	- By operating segment:			%		%
416	57.4	. Italian Exhibitions	414	57.0	418	58.3	
141	19.4	. Foreign Exhibitions	145	20.0	142	19.8	
57	7.9	. Stand-fitting Services	57	7.8	53	7.4	
63	8.7	. Media	62	8.5	68	9.5	
48	6.6	. Congresses	49	6.7	36	5.0	
725	100.0	Total	727	100.0	717	100.0	
		- By geographic area:					
584	80.6	. Italy	582	80.1	575	80.2	
141	19.4	. Foreign countries	145	19.9	142	19.8	
725	100.0	Total	727	100.0	717	100.0	

Some figures in the consolidated financial statements at 31 March 2016 have been restated to reflect the accounting of the Chinese companies, Worldex and Haikou Worldex, under IFRS 5.

Revenues from sales and services, before elimination of transactions among the five business segments of the Group, were Euro 76.723 million, representing a decrease of Euro 14.121 million compared to the first quarter of 2016.

- Revenues from **Italian Exhibitions** in the first quarter were Euro 58.216 million, a decrease of about 14% compared to the figure for the same period of the previous financial year (Euro 68.019 million). The decline in revenues mainly reflects the less favourable exhibition calendar owing to the absence of the important biennial exhibition held in even-numbered years Mostra Convegno Expocomfort and for the postponement of Bit to the second quarter. The impact of this was partly offset by the presence of the exhibitions held in uneven-numbered years Made Expo and Transpotec & Logitec and from the positive results of the directly organised exhibitions HOMI and Promotion Trade Exhibition, the latter of which was a hosted exhibition in 2016.
- Revenues from **Foreign Exhibitions** in the first quarter were Euro 0.518 million, an increase compared to the result for the same period of the previous financial year (Euro 0.343 million). The change is mainly due to higher demand for exhibition space at the exhibition Cape Town Art Fair.
- Revenues from **Stand-fitting Services** in the first quarter were Euro 9.811 million representing a decrease of about 36% compared to the figure for the same period of 2016 (Euro 15.378 million). The difference mainly reflects the negative impact of the different exhibition calendar as well as the absence of revenues linked to the dismantling of structures associated with Expo 2015 which occurred in the same quarter of last year.
- Revenues in the **Media** segment in the first quarter totalled Euro 2.472 million, showing a decline of about 14% compared to the figure for the same period of 2016 (Euro 2.873 million). The difference is primarily due to the absence of the biennial exhibition held in even-numbered years Mostra Convegno Expocomfort and to lower revenues from the education market.
- Revenues from **Congresses** in the first quarter totalled Euro 5.706 million compared to Euro 4.231 million in the same period of 2016. The increase is to a large extent due to the trend of congresses and conventions amongst which the most important are: Identità Golose 2017, Allianz Bank 2017, Milanofil and Festival dell'Oriente.

The Group **Gross operating profit** in first quarter 2016 was Euro 8.819 million revealing a reduction compared to the figure for the first quarter of 2016 (Euro 18.427 million). The breakdown by operating segment was as follows:

- **Italian Exhibitions:** had a gross operating profit of Euro 7.902 million compared to Euro 14.889 million in the same period of the previous financial year. The difference is primarily related to the trend of revenues and to the higher consultancy costs arising from the review of company processes as a consequence of the procedures relating to the ongoing Administration Order.
- **Foreign exhibitions:** generated a gross operating profit of Euro 0.983 million representing an improvement on the Euro 0.920 million reported for the first quarter of 2016.
- **Stand-fitting services:** had a gross operating profit of Euro 0.561 million compared to Euro 2.990 million in the same period of the previous year. The decline in the sector was mainly due to the trend of revenues described previously.
- **Media:** produced a gross operating loss of Euro 0.248 million which was a deterioration compared to the loss of Euro 0.043 million reported for the same quarter of 2016. The decline in the quarter was mainly due to the trend of revenues described above.
- **Congresses:** generated a gross operating loss of Euro 0.379 million compared to a loss of Euro 0.294 million for the same quarter of 2016. The decline is primarily attributable to the reduction in "other income" which in the same period of last year benefited from insurance settlements relating to damage to the congress centre MiCo Nord.

The **Net operating profit (EBIT)** of the five operating segments in the first quarter 2017 was Euro 6.375 million compared to Euro 16.058 million in the same period of the previous year, which reflects the trend of the gross operating profit.

The **breakdown by geographic area** in the first quarter reveals that revenues from foreign activities was Euro 0.518 million representing an increase of about 63% compared to the figure

for the same period of the previous year (Euro 0.317 million). The Gross operating profit was Euro 0.975 million representing an improvement over the same period of the previous year of Euro 0.138 million.

The Net operating profit (EBIT) was Euro 0.705 million compared to the result for the same period of the previous year of Euro 0.611 million.

During the quarter under review, seventeen exhibitions and six congresses with related exhibition space were held in the two sites of **fieramilano** and **fieramilanocity**. Net exhibition space occupied totalled 467,365 square metres compared to 497,490 square metres in the same period of the preceding financial year, whilst the number of exhibitors fell from 10,270 in the first quarter of 2016 to 9,515 in the first quarter of 2017.

Exhibitions directly organised by the Group in Italy and abroad occupied 231,035 square metres of net exhibition space, equal to about 42% of the total space occupied.

Details of exhibitions held in Italy are given in the following table.

Italian exhibition portfolio						
	Net sq. metres of exhibition space			Number of exhibitors		
	Quarter to 31/03/17	Quarter to 31/03/16	Quarter to 31/03/15	Quarter to 31/03/17	Quarter to 31/03/16	Quarter to 31/03/15
Annual Exhibitions:						
Directly organised						
- HOMI I semester	83,690	77,785	81,200	1,425	1,285	1,305
- Promotion Trade Exhibition	4,355	a)	a)	135	a)	a)
- Bit	b)	13,505	15,335	b)	380	405
- Milano Pret A Porter spring	d)	2,235	2,775	c)	105	130
Total annual exhibitions directly organised	88,045	93,525	99,310	1,560	1,770	1,840
Hosted						
- Cartoomics	10,495	8,310	9,855	340	310	190
- Fa la cosa giusta	10,285	9,350	7,845	700	695	630
- Hobby Show (I semester)	1,610	1,815	3,425	65	90	115
- LineaPelle (February)	46,665	43,710	41,640	1,200	1,155	945
- MAM - Mostra a Milano Arte e Antiquariato*	2,200	-	-	35	-	-
- Mido	48,015	46,260	43,645	1,190	1,075	990
- Milano Unica (spring)	27,415	18,165	18,020	365	390	380
- Mipel (March)	7,980	8,305	10,060	250	250	285
- My Plant & Garden	17,065	13,855	9,330	450	345	285
- Simac Tanning-Tech	17,205	14,900	15,200	245	220	275
- The Micam (spring)	61,705	63,425	67,075	1,330	1,425	1,425
- The ONE Milano (February)*	13,615	-	-	220	-	-
- Milano Auto Classica	b)	20,965	16,440	b)	290	245
- Promotion Trade Exhibition	a)	4,515	4,235	a)	140	130
- Esposizione Internazionale Canina	c)	15,000	c)	c)	50	c)
- Mifur	d)	12,080	13,350	c)	150	170
- Super (spring)	c)	1,275	1,600	c)	150	180
- Technology Hub (3D Print Hub)	b)	b)	2,500	b)	b)	80
Total annual exhibitions hosted	264,255	281,930	264,220	6,390	6,735	6,325
Total annual Exhibitions	352,300	375,455	363,530	7,950	8,505	8,165
Biennial Exhibitions:						
Directly organised						
- Transpotec & Logitec**	56,765	-	b)	245	-	b)
Total biennial exhibitions directly organised	56,765	-	-	245	-	-
Hosted						
- Made Expo	52,515	-	57,005	910	-	910
- Farmacistapiù	545	-	b)	30	-	b)
- Mostra Convegno Expocomfort	-	118,395	-	-	1,540	-
Total biennial exhibitions hosted	53,060	118,395	57,005	940	1,540	910
Total biennial Exhibitions	109,825	118,395	57,005	1,185	1,540	910
TOTAL EXHIBITIONS	462,125	493,850	420,535	9,135	10,045	9,075
- Congresses with related exhibition space	5,240	3,640	7,750	380	225	510
TOTAL	467,365	497,490	428,285	9,515	10,270	9,585

* The exhibition was held for the first time at Fiera Milano exhibition sites.
** The exhibition was held at Veronafiere exhibition site.
a) The exhibition since 2017 is organised by the Fiera Milano Group.
b) The exhibition will take place/was held in subsequent quarters.
c) The exhibition did not take place.
d) The exhibition since 2017 is included in The ONE Milano.

During the first quarter 2017 four exhibitions were held in exhibition sites abroad and the net exhibition space occupied totalled 86,225 square metres (in the first quarter of 2016 the figure was 78,120 square metres). The number of exhibitors was 1,850 (compared to 1,730 in the first quarter of 2016).

Details of the exhibitions organised abroad are given in the following table.

Foreign Exhibition portfolio						
	Net sq. metres of exhibition space			Number of exhibitors		
	Quarter to 31/03/17	Quarter to 31/03/16	Quarter to 31/03/15	Quarter to 31/03/17	Quarter to 31/03/16	Quarter to 31/03/15
Annual Exhibitions:						
Directly organised in China						
- Chinafloor Domotex Shanghai	72,180	65,375	63,985	1,365	1,305	1,260
- GITF International Tour Guangzhou	8,000	7,875	5,180	240	195	215
- The Micam Shanghai 1 ^o semestre	a)	a)	2,900	a)	a)	150
Total annual exhibitions directly organised in China	80,180	73,250	72,065	1,605	1,500	1,625
Directly organised in India						
- Food Hospitality World Mumbai	2,970	2,840	3,195	150	180	175
Total annual exhibitions directly organised in India	2,970	2,840	3,195	150	180	175
Directly organised in South Africa						
- Cape Town Art Fair	3,075	2,030	1,100	95	50	40
Total annual exhibitions directly organised in South Africa	3,075	2,030	1,100	95	50	40
Directly organised in Brasile						
- Food Hospitality World	a)	a)	1,375	a)	a)	55
Total annual exhibitions directly organised in Brasile	-	-	1,375	-	-	55
Directly organised in Turkey						
- Beauty & Care Istanbul	b)	b)	5,670	b)	b)	140
- Home & Garden Istanbul	b)	b)	-	b)	b)	-
- Pro-Show	b)	b)	1,430	b)	b)	20
Total annual exhibitions directly organised in Turkey	-	-	7,100	-	-	160
Total annual exhibitions	86,225	78,120	84,835	1,850	1,730	2,055
Biennial Exhibitions:						
Directly organised in China						
- WoodMac China	a)	-	9,565	a)	-	80
Total biennial exhibitions directly organised in China	-	-	9,565	-	-	80
Directly organised in Singapore						
- Rehabtech Asia ^o	a)	-	785	a)	-	45
Total biennial exhibitions directly organised in Singapore	-	-	785	-	-	45
Total biennial exhibitions	-	-	10,350	-	-	125
TOTAL EXHIBITIONS	86,225	78,120	95,185	1,850	1,730	2,180
^o The exhibition is a joint project with the Singaporean company Singex Exhibitions Ventures Pte Ltd. a) The exhibition did not take place. b) The Turkish subsidiary and related exhibitions were sold in the second semester 2015.						

Group personnel

At 31 March 2017, Group employees totalled 727. The breakdown compared to 31 March 2016 and 31 December 2016 was as follows:

31/12/16			Permanent employees at end of period (units)			31/03/17			31/03/16		
Total	Italy	Foreign countries	Total	Italy	Foreign countries	Total	Italy	Foreign countries	Total	Italy	Foreign countries
			Fully consolidated companies:								
31	28	3	Executives	30	27	3	33	30	3		
633	548	85	Managers and White collar workers (including Journalists)	638	548	90	619	534	85		
664	576	88	Total	668	575	93	652	564	88		
			Equity-accounted companies (a):								
2	-	2	Executives	2	-	2	3	1	2		
59	8	51	White collar workers	57	7	50	62	10	52		
61	8	53	Total	59	7	52	65	11	54		
725	584	141	TOTAL	727	582	145	717	575	142		
			(a) the indicated data corresponds to the pro-quota of total employees								

Compared to 31 December 2016, there was a net increase of two in the number of permanent employees.

Significant events occurring after the end of the quarter

The Ordinary Shareholders' Meeting of the Parent Company was held on 21 April 2017. The Meeting approved the Financial Statements at 31 December 2016 as well as the resolution to cover the loss for the financial year of Euro 25,159,578.92 through utilisation of the share price premium reserve and to cover the residual loss of the preceding financial year of Euro 154,268.60 through utilisation of the share price premium reserve. The Shareholders' Meeting also approved Section One of the Remuneration Report pursuant to Article 123-*ter* of Legislative Decree 58/98. Finally, the Shareholders' Meeting approved the appointment of the new Board of Directors, which will remain in office for the financial years 2017-2019 and granted approval for the purchase and sale of treasury shares. An Extraordinary Meeting of Shareholders of the Parent Company was held on the same day which amended Articles 13, 14, 15, 16, 17, 18 and 20 of the Articles of Association at the request of the shareholder Fondazione Fiera Milano pursuant to Article 2367 of the Italian Civil Code and Article 125-*ter* of Legislative Decree no. 58 of 24 February 1998.

On 24 April 2017 the Group completed the sale of 75% shareholding in Worldex Fiera Milano Exhibitions Co., Ltd following the release of a new business license by the relevant Chinese Authorities. This disposal is consistent with the objective of concentrating all of the Group's activities in China in its joint venture with its German partner Deutsche Messe.

Business outlook

The first quarter results reveal a positive trend that is in line with the Company's expectations. The remainder of the financial year 2017 will reflect the benefits of the more favourable exhibition calendar when, amongst other events, the important directly organised biennial exhibitions Tuttofood and Host take place.

The exhibition calendar for the next months of the current year will also be enriched by the inclusion of new exhibitions, some directly organised and others organised by third-parties: the new directly organised exhibitions include Versilia Yachting Rendez-vous, while among the fairs organised by third parties are Lamiera, Expo Ferroviaria and the international dog show ENCI Winner.

The Group therefore expects a significant improvement in the gross operating profit in 2017 compared to the previous year, in the absence of currently unforeseen events or developments.

Accounting criteria

The 2017 First Quarter Consolidated Interim Management Report of the Fiera Milano Group has been prepared in accordance with Article 154-*ter* of Legislative Decree 58/1998 and in accordance with the Listing Rules issued by Consob ruling no. 11971 of 14 May 1999 and subsequent amendments and integrations.

The economic, capital and financial data have been prepared in compliance with the disclosure and valuation requirements of the International Accounting Standards IAS/IFRS, issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The measurement and recognition criteria used to prepare the Financial Statements for the First Quarter 2017 are the same as those used for the Consolidated Financial Statements for the financial year at 31 December 2016, with the addition of the accounting standards endorsed by the European Union and applicable from 1 January 2017, to which reference should be made.

The 2017 First Quarter Consolidated Interim Financial Statements have been prepared on the basis of the accounting situation at 31 March 2017 as approved by the Boards of Directors of the companies included in the area of consolidation and prepared by Group companies within the area of consolidation. As regards comparable data, it should be noted that in preparing the First Quarter Consolidated Interim Management Report at 31 March 2017 the tax charge has not been calculated, as permitted by the relevant Consob Rules.

It should also be noted that the methodologies used for estimates in the preparation of the Consolidated Interim Management Report at 31 March 2017 are substantially the same as those used to prepare the Annual Consolidated Financial Statements.

The list of companies included in the area of consolidation at 31 March 2017 is given in Attachment 1.

The present 2017 Interim Management Report has not been subject to legal audit.

Financial statements

Full year to 31/12/16	Consolidated Income Statement (Amounts in €'000)		1st Quarter to 31/03/17	1st Quarter to 31/03/16 restated
%			%	%
221,041	100	Revenues from sales and services	65,396	100
2,281	1.0	Cost of materials	895	1.4
121,423	54.9	Cost of services	31,266	47.8
49,837	22.5	Costs for use of third party assets	13,270	20.3
44,101	20.0	Personnel expenses	11,820	18.1
4,222	1.9	Other operating expenses	1,286	2.0
221,864	100.4	Total operating costs	58,537	89.5
3,216	1.5	Other income	450	0.7
1,259	0.6	Results of equity-accounted companies	1,510	2.3
3,652	1.7	Gross operating result	8,819	13.5
8,398	3.8	Depreciation and amortisation	1,707	2.6
5,477	2.5	Allowance for doubtful accounts and other provisions	726	1.1
12,771	5.8	Adjustments to asset values	11	-
(22,994)	-10.4	Net operating result (EBIT)	6,375	9.7
(985)	-0.4	Financial income/(expenses)	(207)	-0.3
(23,979)	-10.8	Profit/(loss) before income tax from continuing operations	6,168	9.4
(4,151)	-1.9	Profit/(loss) before income tax from discontinued operations	-	-
(28,130)	-12.7	Profit/(loss) before income tax	6,168	9.4
(28,051)	-12.7	- attributable to the shareholders of the controlling entity	6,246	9.6
(79)	-0.0	- attributable to non-controlling interests	(78)	-0.1
(1,484)	-0.7	Cash flow before income tax for the Group and non-controlling interests	8,612	13.2

Some figures in the consolidated financial statements at 31 March 2016 have been restated to reflect the accounting of the Chinese companies, Worldex and Haikou Worldex, under IFRS 5.

Reclassified Consolidated Statement of Financial Position			
(Amounts in €'000)			
	31/03/17	31/12/16	Change
Goodwill and intangible assets with an indefinite useful life	94,216	94,216	-
Intangible assets with a finite useful life	17,263	17,777	(514)
Tangible fixed assets	15,022	14,511	511
Other non-current assets	35,733	34,378	1,355
A Non-current assets	162,234	160,882	1,352
Inventories and contracts in progress	9,725	5,480	4,245
Trade and other receivables	72,245	52,227	20,018
Other current assets	-	-	-
B Current assets	81,970	57,707	24,263
Trade payables	54,070	41,114	12,956
Advances	62,929	40,239	22,690
Tax liabilities	666	1,605	(939)
Provisions for risks and charges and other current liabilities	32,160	21,276	10,884
C Current liabilities	149,825	104,234	45,591
D Net working capital (B - C)	(67,855)	(46,527)	(21,328)
E Gross capital employed (A + D)	94,379	114,355	(19,976)
Employee benefit provisions	9,351	9,302	49
Provisions for risks and charges and other non-current liabilities	5,872	7,107	(1,235)
F Non-current liabilities	15,223	16,409	(1,186)
G NET CAPITAL EMPLOYED continuing operations (E - F)	79,156	97,946	(18,790)
H NET CAPITAL EMPLOYED assets held for sale	2,049	2,049	-
TOTAL NET CAPITAL EMPLOYED (G + H)	81,205	99,995	(18,790)
covered by:			
Equity attributable to the Group	67,253 (*)	61,006	6,247
Non-controlling interests	611 (*)	673	(62)
I Total equity	67,864	61,679	6,185
Cash & cash equivalents	(37,166)	(20,904)	(16,262)
Current financial (assets)/liabilities	42,380	46,284	(3,904)
Non-current financial (assets)/liabilities	9,341	14,150	(4,809)
Net financial position continuing operations	14,555	39,530	(24,975)
Net financial position assets held for sale	(1,214)	(1,214)	-
L Net financial position (TOTAL)	13,341	38,316	(24,975)
EQUITY AND NET FINANCIAL POSITION (I + L)	81,205	99,995	(18,790)

(*) includes pre-tax result for the period

Comments on the capital and financial position

Non-current assets totalled Euro 162.234 million at 31 March 2017 compared to Euro 160.882 million at 31 December 2016. The increase of Euro 1.352 million is attributable to the net effect of investments of Euro 1.660 million, depreciation and amortisation of Euro 1.707 million, exchange rate differences of Euro 0.053 million, changes in the value of equity accounted investments of Euro 1.511 million and a negative figure for other movements totalling Euro 0.165 million.

Net working capital moved from a negative figure of Euro 46.527 million at 31 December 2016 to a negative figure of Euro 67.855 million at 31 March 2017.

The difference of Euro 21.328 million was due to the following:

- (a) a Euro 24.263 million increase in **Current assets**, that was mainly due to a Euro 20.018 million increase in Trade and other receivables. This mainly reflected the increase in Parent Company accruals relating to the second quarter rental charges for the two exhibition sites which were paid in advance in January and to the trend of revenues and receipts from exhibitions held in the quarter;
- (b) a Euro 45.591 million increase in **Current liabilities**, due primarily to the net effect of:
 - an increase in Trade payables of Euro 12.956 million.
 - an increase in advances of Euro 22.690 million, which was the net of increases for advances invoiced to clients for exhibitions that are scheduled to take place in future quarters (in particular Tuttofood, Salone del Mobile, EuroLuce, Bit) and a decrease in advances for exhibitions held in the first quarter of 2017 (in particular Homi January edition);
 - an increase of Euro 10.884 million in Provisions for risks and charges and other current liabilities due to higher payables to exhibition organisers.

At 31 March 2017 **Non-current liabilities** totalled Euro 15.223 million compared to Euro 16.409 million at 31 December 2016.

Equity attributable to the Group at 31 March 2017 was Euro 67.253 million compared to Euro 61.006 million at 31 December 2016. The increase of Euro 6.247 million reflected the effect of the following:

- an increase of Euro 6.246 million in the profit before income tax for the period;
- an increase of Euro 0.001 million in the translation reserve.

Net equity attributable to non-controlling interests at 31 March 2017 was Euro 0.611 million compared to Euro 0.673 million at 31 December 2016. The decline of Euro 0.062 million reflects:

- A Euro 0.078 million reduction in the pre-tax profit for the period;
- A Euro 0.016 million transfer to the capital account.

Information on the change in financial assets and liabilities is given in the comment on the net financial position.

Declaration of the Manager responsible for preparing the Company's financial statements

The Manager responsible for preparing the Company's financial statements, Sebastiano Carbone, herewith declares that the accounting information in the present financial report is consistent with the Company's official documents, books and accounting records.

List of companies included in the consolidation area and other investments at 31 March 2017

Company name and registered office	Main activity	Share capital (000) (*)	Shareholding %			Shareholding of Group companies %
			Group total	Directly held by Fiera Milano	Indirectly held through other Group companies	
A) List of companies included in the area of consolidation						
Parent Company						
Fiera Milano SpA						
Milan, p.le Carlo Magno 1	Organisation and hosting of exhibitions in Italy	42,445				
Fully consolidated companies						
Fiera Milano Media SpA						
Milan, p.le Carlo Magno 1	Media services	2,803	100	100		100 Fiera Milano SpA
Fiera Milano Congressi SpA						
Milan, p.le Carlo Magno 1	Management of congresses	2,000	100	100		100 Fiera Milano SpA
Mico DMC S.r.l.						
Milan, p.le Carlo Magno 1	Management of congresses	10	51		51	51 Fiera Milano Congressi SpA
La Fabbrica del Libro SpA						
Milan, p.le Carlo Magno 1	Organisation of exhibitions in Italy	120	51	51		51 Fiera Milano SpA
Nolostand SpA						
Milan, p.le Carlo Magno 1	Stand fitting services	7,500	100	100		100 Fiera Milano SpA
Ipack-Ima SpA						
Rho, S.S. del Sempione km 28	Organisation of exhibitions in Italy	200	100	100		100 Fiera Milano SpA
Eurofairs International Consultoria e Participações Ltda						
São Paulo Brasil, na Avenida Angélica, nº 2350, Sala B, Consolação,	Organisation of exhibitions outside of Italy	R \$ 47,032	100	99.98	0.02	99.98 Fiera Milano SpA 0.02 Nolostand SpA
CIPA Fiera Milano Publicações e Eventos Ltda						
São Paulo Brasil, Av. Angelica	Organisation of exhibitions outside of Italy	R \$ 7,003	100	1	99	99 Eurofairs International Consultoria e Participações Ltda 1 Fiera Milano SpA
Fiera Milano India Pvt Ltd						
New Delhi, Barakhamba Road, Connaught Place	Organisation of exhibitions outside of Italy	INR 20,000	99.99	99.99		99.99 Fiera Milano SpA
Limited Liability Company "Fiera Milano"						
Moscow, 24 A/1 ul. B. Cherkizovskaya	Organisation of exhibitions outside of Italy	RUB 10,000	100	100		100 Fiera Milano SpA
Fiera Milano Exhibitions Africa Pty Ltd						
Cape Town, The Terraces, Steenberg Office Park, Tokai	Organisation of exhibitions outside of Italy	ZAR 0.3	100	100		100 Fiera Milano SpA
Worldex (China) Exhibition & Promotion Ltd						
Guangzhou, 538 Dezheng Bei Road, Yuexiu District	Organisation of exhibitions outside of Italy	CNY 6,000	75	75		75 Fiera Milano SpA
Haikou Worldex Milan Exhibition Co. Ltd						
Haikou, 12 Lantian Road West	Organisation of exhibitions outside of Italy	CNY 200	75		100	100 Worldex Ltd
B) List of jointly controlled companies equity-accounted						
Hannover Milano Global Germany GmbH						
Hannover Germany, Messeelaende	Organisation of exhibitions outside of Italy	25	49	49		49 Fiera Milano SpA
Hannover Milano Fairs Shanghai Co. Ltd						
Shanghai China, Pudong Office Tower	Organisation of exhibitions outside of Italy	USD 500	49		100	100 Hannover Milano Global Germany GmbH
Hannover Milano Fairs China Ltd						
Hong Kong China, Golden Gate Building	Organisation of exhibitions outside of Italy	HKD 10	49		100	100 Hannover Milano Global Germany GmbH
Hannover Milano Fairs India Pvt Ltd						
East Mumbai, Andheri	Organisation of exhibitions outside of Italy	INR 274,640	48.99		99.99	99.99 Hannover Milano Global Germany GmbH
Global Fairs & Media Private Ltd						
New Delhi, Bahadur Shah Zafar Marg 9-10	Organisation of exhibitions outside of Italy	INR 207,523	24.5		50	50 Hannover Milano Fairs India Pvt Ltd
Ipack Ima Srl						
Rho, S.S. del Sempione km 28	Organisation of exhibitions in Italy	20	49		49	49 Ipack-Ima SpA
C) List of companies accounted at cost						
Company name and registered office	Main activity	Share capital (000) (*)	Shareholding %			Shareholding of Group companies %
			Group total	Directly held by Fiera Milano	Indirectly held through other Group companies	
Esperia SpA						
Rose (Cosenza)	Other activities	1,403	2		2	2 Fiera Milano Media SpA

(*) Euro or other currencies as specifically indicated