



**FIERA MILANO**

# **Consolidated Interim Management Report**

## **at 30 September 2017**

### **(3rd Quarter 2017)**

This document is available in the Investor Relations section of the Company website,  
[www.fieramilano.it](http://www.fieramilano.it),

This document contains a faithful translation in English of the original report in Italian "Resoconto intermedio di gestione consolidato al 30 settembre 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 30 settembre 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 (Milan)

Share Capital: Euro: 42,445,141.00 paid up

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

Rho (Milan), 13 November 2017

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# Corporate Bodies and Independent Auditor

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## BOARD OF DIRECTORS

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

\*\* Fabrizio Curci has been the Chief Executive Officer of the Company since 1 September 2017.

\*\*\* Marina Natale was the Chief Executive Officer of the Company until 31 August 2017.

## CONTROL AND RISK COMMITTEE \*

Stefania Chiaruttini  
Francesca Golfetto  
Angelo Meregalli

## REMUNERATION AND APPOINTMENTS COMMITTEE \* \*

Elena Vasco  
Alberto Baldan  
Marina Natale

\* Lorenzo Caprio was a member and Chairperson of the Control and Risk Committee until 23 October 2017, the date of his resignation from this Committee. On this same date, the Board of Directors of the Company decided that the Control and Risk Committee should be composed of just three members and appointed Stefania Chiaruttini as its Chairperson.

\*\* Gianpietro Corbari was a member and Chairperson of the Remuneration and Appointments Committee until 23 October 2017 the date of his resignation from this Committee. On the same date, the Board of Directors appointed Marina Natale as a new member of the Remuneration and Appointments Committee and Elena Vasco as the Chairperson of this Committee.

## 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 LAW 262/2005

Sebastiano Carbone

## SUPERVISORY BOARD UNDER LEGISLATIVE DECREE 231/01

Piero Antonio Capitini  
Luigi Bricocoli  
Jean Paule Castagno

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

On 25 July 2017, the Shareholders' Meeting raised the number of members of the Board of Directors to nine and appointed Fabrizio Curci as the new Director effective from 1 September 2017 and until the mandates of the other Directors expire.

On the same date, the Board of Directors appointed Fabrizio Curci as Chief Executive Officer and Director General of Fiera Milano SpA commencing 1 September 2017.

The Board of Directors is invested with the widest powers for the ordinary and extraordinary management of the Company; it has the power to carry out any transactions it considers appropriate or useful to attain the corporate aims of the Company, excluding only those which by law are the preserve of the Shareholders' Meeting.

The Chairperson, in addition to being the legal representative of the Company, is invested with all the powers under enacted laws and the Company Articles of Association, including activities related to external institutional relations.

The Chief Executive Officer has ordinary and extraordinary administrative powers, except for those powers that under enacted laws and the Company Articles of Association are reserved for the Board of Directors.

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 29 April 2015 and its mandate expires with the Shareholders' Meeting to approve the Financial Statements at 31 December 2017.

## INDEPENDENT AUDITOR

EY SpA

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

## Business model

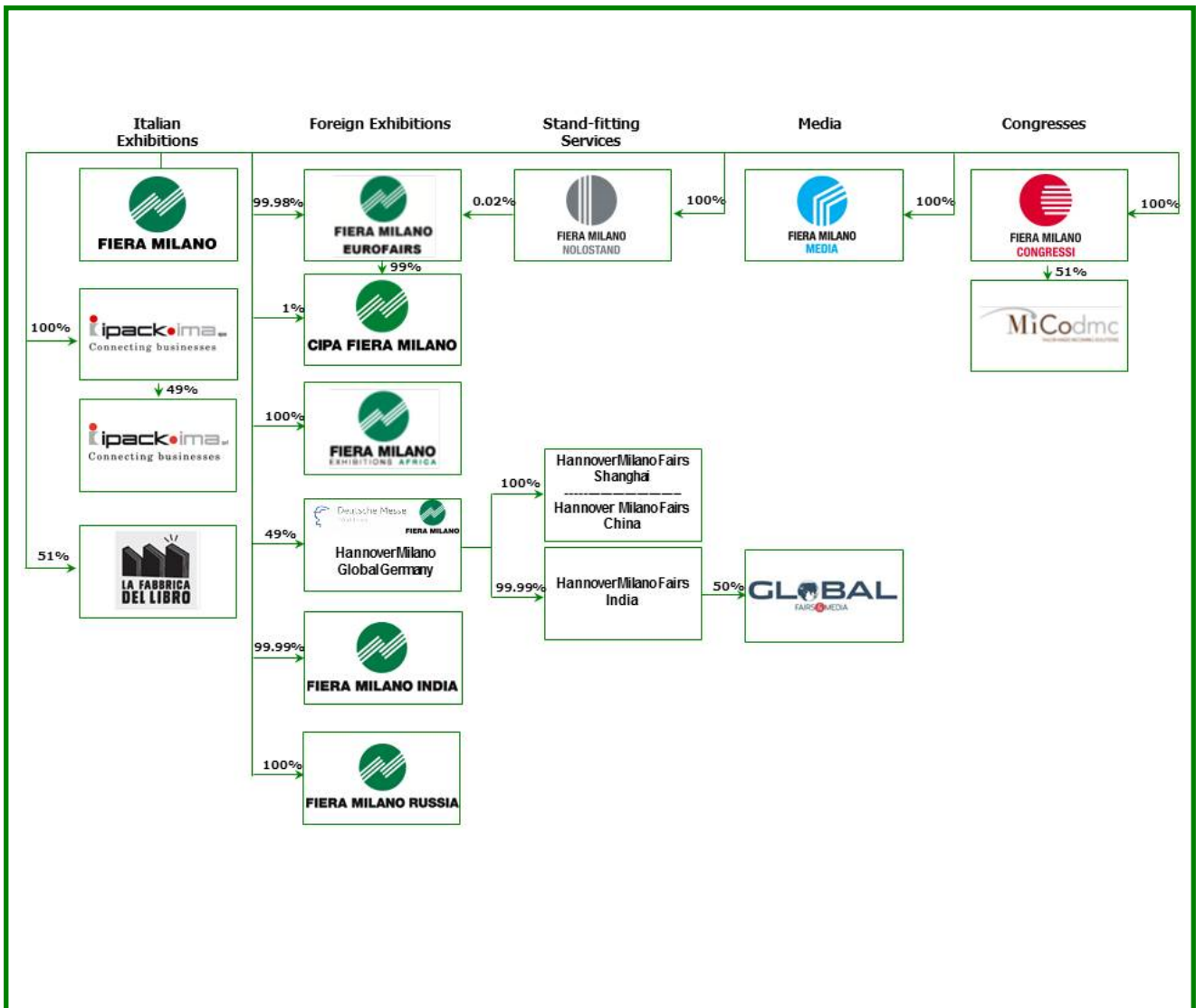
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The Fiera Milano Group is involved in all the characteristic phases of the exhibition and congress sector and is one of the leading international integrated companies in the sector.

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. This segment also 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 organisation of conferences and events and destination management services.

# Group structure



# Report on operations in the third quarter 2017

## Summary of results and significant events during the quarter

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

Full year at 31/12/16	Fiera Milano Group Summary of key figures (Amounts in € '000)	3rd Quarter at 30/09/17	3rd Quarter at 30/09/16 restated	9 months at 30/09/17	9 months at 30/09/16 restated
221,041	Revenues from sales and services	45,075	40,342	186,945	178,929
3,652	Gross operating result (a)	(10,805)	(6,562)	2,696	14,559
(22,994)	Net operating result (EBIT)	(12,893)	(9,078)	(4,475)	5,109
(23,979)	Profit/(loss) before income tax from continuing operations	(13,015)	(9,385)	(5,320)	4,693
(4,151)	Profit/(loss) before income tax from discontinued operations	-	192	-	(229)
(28,130)	Profit/(loss) before income tax:	(13,015)	(9,193)	(5,320)	4,464
(28,051)	- Attributable to the shareholders of the controlling entity	(13,365)	(9,215)	(5,449)	4,625
(79)	- Attributable to non-controlling interests	350	22	129	(161)
(1,484)	Cash flow before income tax for the Group and non-controlling interests (b)	(10,927)	(6,677)	1,851	13,914
99,995	Net capital employed (c)	78,796	132,338	78,796	132,338
	covered by:				
61,006	Equity attributable to the Group	55,938 *	87,681 *	55,938 *	87,681 *
673	Non-controlling interests	515 *	395 *	515 *	395 *
38,316	Net financial debt/(cash) from continuing operations and assets held for sale	22,343	44,262	22,343	44,262
7,387	Investments (continuing operations and assets held for sale)	765	2,612	3,837	6,067
725	Employees (no. of permanent employees at the end of period)	690	722	690	722

\* 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 30 September 2016 have been restated to reflect, under IFRS 5, the sale of the Chinese companies, Worldex and Haikou Worldex finalised on 24 April 2017.

In the third quarter, which is traditionally characterised by low levels of activity due to the summer break in July and August, the revenues were higher than in the corresponding period of 2016 mainly due to the ERS (European Respiratory Society) international congress held in the MiCo Congress Centre and all other services linked to this congress; this increase was, in part, offset by the postponement of the exhibition LineaPelle until the next quarter.

Unlike the revenue figure, that for the gross operating profit was lower than in the same quarter of 2016. This mainly reflected the postponement of LineaPelle until the following quarter and the lower margins generated by the stand-fitting segment.

## Administration Order

On 28 September 2017, the Milan Court – Prevention Court Independent Section rescinded the Administration Order. This followed the lifting of the Administration Order on the subsidiary Nolostand SpA on 20 June 2017.

In collaboration with the Court-appointed Administrator, the Company has implemented a series of initiatives to optimise, rectify and introduce new rules aimed at safer business management founded on new working models and methodologies. Significant focus was given to the procedures and controls of the Model under Legislative Decree 231/01, the new Supervisory Body, new Group procedures and those governing contracts with and management of suppliers.

The administration order had been imposed on the stand-fitting segment of the Company by a decree issued on 11 October 2016 with further stipulations made on 27 January 2017.

The business of the Group is seasonal due to exhibitions that have a biennial and multiannual frequency. Moreover, the absence of exhibitions in Italy in July and August has a strong impact on

the results of the third quarter. Given this seasonality, the revenues and results of a single quarter cannot be extrapolated to calculate those for the full year and figures may vary significantly from quarter to quarter.

The figures for the **third quarter 2017** and for the **nine-month period to 30 September 2017** showed the following main trends:

- **Revenues from sales and services** totalled Euro 45.075 million, an increase of 12% compared to the same quarter of 2016 (Euro 40.342 million). The higher revenues mainly reflected the ERS international congress, the largest convention worldwide on the epidemiology, diagnoses and treatment of the most common respiratory illnesses and of connected services. However, this was, in part, offset by the lack of revenues caused by the postponement to the next quarter of the hosted exhibition LineaPelle.

Revenues from sales and services in the first nine months of 2017 were Euro 186.945 million, an increase of 4% compared to the same period of 2016 (Euro 178.929 million). The increase in revenues reflected the presence of the ERS international congress and the new exhibitions Lamiera, Tempo di Libri Milano, Versilia Yachting Rendez-Vous and MAM-Mostra A Milano Arte e Antiquariato. The more favourable exhibition calendar also contributed positively to revenues; in the period under review, it included the directly organised exhibition Tuttofood and the hosted event Made Expo. This positive impact was, in part, offset by the absence of the important biennial event Mostra Convegno Expocomfort.

There were also lower revenues from the stand-fitting segment caused by lower business volumes generated outside the exhibition sites and to the absence of the revenues for dismantling the structures of Expo 2015 that were present in the preceding financial year.

The main changes in exhibition space occupied in the quarter under review were as follows:

- **Annual exhibitions organised by the Group in Italy** (-2,825 square metres): the decrease reflected lower exhibition space occupied at HOMI II semester;
- **Annual exhibitions organised by third parties in Italy** (-41,920 square metres): the decline was primarily due to the absence of LineaPelle II semester that was postponed until the next quarter (-46,875 square metres);
- **Congresses with related exhibition space**: there was an increase of 5,900 square metres in space occupied;
- **Annual exhibitions organised by the Group abroad** (+1,635 square metres): the increase was mainly due to Food Hospitality World Bangalore (+2,075 square metres);
- **Biennial exhibitions organised by the Group abroad** (-11,345 square metres): the decrease reflects the absence of the biennial exhibitions, Fesqua and Feitintas, organised in Brazil.

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

Fiera Milano Group Summary operating figures	3rd Quarter at 30/09/17		3rd Quarter at 30/09/16		Change	
	Total	of which organized by the Group	Total	of which organized by the Group	Total	of which organized by the Group
<b>Number of exhibitions:</b>	<b>8</b>	<b>4</b>	<b>13</b>	<b>8</b>	<b>(5)</b>	<b>(4)</b>
<b>Italy</b>	<b>5</b>	<b>1</b>	<b>6</b>	<b>1</b>	<b>(1)</b>	<b>-</b>
. annual	5	1	6	1	(1)	-
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
<b>Foreign countries</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>7</b>	<b>(4)</b>	<b>(4)</b>
. annual	3	3	5	5	(2)	(2)
. biennial	-	-	2	2	(2)	(2)
. multi-annual	-	-	-	-	-	-
<b>Number of congresses with related exhibition space - Italy</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net sq.metres of exhibition space:</b>	<b>258,775</b>	<b>138,410</b>	<b>307,330</b>	<b>150,945</b>	<b>(48,555)</b>	<b>(12,535)</b>
<b>Italy</b>	<b>175,850</b>	<b>55,485</b>	<b>214,695</b>	<b>58,310</b>	<b>(38,845)</b>	<b>(2,825)</b>
. annual (a)	175,850	55,485	214,695	58,310	(38,845)	(2,825)
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
(a) of which congresses with related exhibition space	14,735	-	8,835	-	5,900	-
<b>Foreign countries</b>	<b>82,925</b>	<b>82,925</b>	<b>92,635</b>	<b>92,635</b>	<b>(9,710)</b>	<b>(9,710)</b>
. annual	82,925	82,925	81,290	81,290	1,635	1,635
. biennial	-	-	11,345	11,345	(11,345)	(11,345)
. multi-annual	-	-	-	-	-	-
<b>Number of exhibitors:</b>	<b>4,360</b>	<b>1,535</b>	<b>5,810</b>	<b>1,770</b>	<b>(1,450)</b>	<b>(235)</b>
<b>Italy</b>	<b>3,990</b>	<b>1,165</b>	<b>5,260</b>	<b>1,220</b>	<b>(1,270)</b>	<b>(55)</b>
. annual (b)	3,990	1,165	5,260	1,220	(1,270)	(55)
. biennial	-	-	-	-	-	-
. multi-annual	-	-	-	-	-	-
(b) of which congresses with related exhibition space	650	-	575	-	75	-
<b>Foreign countries</b>	<b>370</b>	<b>370</b>	<b>550</b>	<b>550</b>	<b>(180)</b>	<b>(180)</b>
. annual	370	370	330	330	40	40
. biennial	-	-	220	220	(220)	(220)
. multi-annual	-	-	-	-	-	-

- The **Gross operating loss** in the third quarter 2017 was Euro 10.805 million; it was Euro 4.243 million lower than the figure for the same quarter of the previous financial year and in direct contrast to the improvement in revenues in the quarter. The decrease was mainly due to the postponement of the hosted exhibition LineaPelle and the lower margins generate by the stand-fitting segment.

The gross operating profit for the first nine months of 2017 was Euro 2.696 million, Euro 11.863 million lower than in the same period of the preceding financial year. The decline in this figure reflected the trends in performance in the quarter and also higher fees to revise the corporate processes and the Model under Legislative Decree 231/2001 (Euro 3.300 million), the launch costs sustained for new exhibitions, the lower standing-fitting volumes, as well as costs for re-positioning the exhibition Bit.

- The **Net operating loss** was Euro 12.893 million in third quarter 2017, compared to a loss of Euro 9.078 million in third quarter 2016. The increase in the net operating loss of Euro 3.815 million was mainly due to the higher gross operating loss, which was, in part, compensated by lower depreciation and amortisation.

In the first nine months of 2017, the net operating loss was Euro 4.475 million (net operating profit of Euro 5.109 million at 30 September 2016). The deterioration reflects the trend in the gross operating loss which was, in part, compensated by the absence of the impairment charges of Euro 1.899 million included in the same period of 2016 following impairment tests on trademarks and publishing titles.



- **The net loss from continuing operations** was Euro 13.015 million compared to a net loss of Euro 9.385 million in the same quarter of 2016.
- **The net result for the period of discontinued operations** was zero compared to Euro 0.192 million in the third quarter of 2016. The third quarter 2016 included the results of the Chinese subsidiaries Worldex and Haikou Worldex that were divested in April 2017.
- The **Loss before tax** was Euro 13.015 million compared to a loss before tax of Euro 9.193 million in third quarter 2016. The **loss before tax attributable to the controlling shareholder** was Euro 13.365 million (a loss of Euro 9.215 million in the third quarter 2016) and the **profit before tax attributable to non-controlling interests** was Euro 0.350 million (Euro 0.022 million in the third quarter 2016).
- **Cash flow** in the quarter (calculated as the pre-tax result plus depreciation, amortisation provisions and impairment) was negative for Euro 10.927 million compared to a negative figure of Euro 6.677 million in the same quarter of the previous financial year.

## Net financial position

The Group net financial position and its breakdown are shown in the following table.

<b>31/12/16</b>	<b>Group Net Financial Position</b> (Amounts in € '000)	<b>30/09/17</b>	<b>30/06/17</b>	<b>Change</b>
20,904	A. Cash (including bank balances)	20,294	28,062	(7,768)
-	B. Other cash equivalents	-	-	-
-	C. Securities held for trading	-	-	-
<b>20,904</b>	<b>D. Cash and cash equivalents (A+B+C)</b>	<b>20,294</b>	<b>28,062</b>	<b>(7,768)</b>
<b>2,622</b>	<b>E. Current financial assets</b>	<b>4,613</b>	<b>4,632</b>	<b>(19)</b>
18,019	F. Current bank borrowings	22,598	6,465	16,133
27,523	G. Current portion of non-current debt	19,756	24,505	(4,749)
3,364	H. Other current financial liabilities	3,476	3,547	(71)
<b>48,906</b>	<b>I. Current financial debt (F+G+H)</b>	<b>45,830</b>	<b>34,517</b>	<b>11,313</b>
<b>25,380</b>	<b>J. Current net financial debt (cash) (I-E-D)</b>	<b>20,923</b>	<b>1,823</b>	<b>19,100</b>
14,108	K. Non-current bank borrowings	1,377	2,248	(871)
-	L. Debt securities in issue	-	-	-
42	M. Other non-current liabilities	43	43	-
<b>14,150</b>	<b>N. Non-current financial debt (K+L+M)</b>	<b>1,420</b>	<b>2,291</b>	<b>(871)</b>
<b>39,530</b>	<b>Net financial debt/(cash) from continuing operations (J+N)</b>	<b>22,343</b>	<b>4,114</b>	<b>18,229</b>
(1,214)	Net financial debt/(cash) from assets held for sale	-	-	-
<b>38,316</b>	<b>O. Net financial debt/(cash)</b>	<b>22,343</b>	<b>4,114</b>	<b>18,229</b>

Net debt at 30 September 2017 was Euro 22.343 million compared to Euro 4.114 million at 30 June 2017.

The increase in net debt of Euro 18.229 million was due to a decline in cash flow from net working capital caused by the absence of activity in the months of July and August and to the advance payment of the six-monthly rental charge to Fondazione Fiera Milano. This was, in part, offset by the cash-in for exhibitions held in the quarter under review or due to be held in subsequent months.

## Business performance by operating segment and by geographic area

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

Summary of data by operating segment and by geographic area (Amounts in € '000)	3rd Quarter at 30/09/17		3rd Quarter at 30/09/16 restated		9 months at 30/09/17		9 months at 30/09/16 restated	
		%		%		%		%
<b>Revenues from sales and services</b>								
- By operating segment:								
. Italian Exhibitions	25,961	48.8	31,733	65.1	148,209	67.5	146,076	68.6
. Foreign Exhibitions	465	0.9	1,570	3.2	4,085	1.9	3,623	1.7
. Stand-fitting Services	6,566	12.3	7,687	15.7	25,197	11.5	33,970	16.0
. Media	2,139	4.0	2,384	4.9	7,474	3.4	8,292	3.9
. Congresses	18,082	34.0	5,464	11.2	34,315	15.6	20,859	9.8
<b>Total revenues gross of adjustments for inter-segment transactions</b>	<b>53,213</b>	<b>100.0</b>	<b>48,838</b>	<b>100.0</b>	<b>219,280</b>	<b>100.0</b>	<b>212,820</b>	<b>100.0</b>
. Adjustments for inter-segment transactions	(8,138)		(8,496)		(32,335)		(33,891)	
<b>Total revenues net of adjustments for inter-segment transactions</b>	<b>45,075</b>		<b>40,342</b>		<b>186,945</b>		<b>178,929</b>	
- By geographic area:								
. Italy	44,613	99.0	38,773	96.1	182,863	97.8	175,334	98.0
. Foreign countries	462	1.0	1,569	3.9	4,082	2.2	3,595	2.0
<b>Total</b>	<b>45,075</b>	<b>100.0</b>	<b>40,342</b>	<b>100.0</b>	<b>186,945</b>	<b>100.0</b>	<b>178,929</b>	<b>100.0</b>
<b>Gross operating result</b>		%		%		%		%
- By operating segment:		on revenues		on revenues		on revenues		on revenues
. Italian Exhibitions	(10,738)	-41.4	(6,575)	-20.7	1,758	1.2	9,048	6.2
. Foreign Exhibitions	(365)	-78.5	151	9.6	(70)	-1.7	243	6.7
. Stand-fitting Services	(528)	-8.0	670	8.7	(151)	-0.6	4,487	13.2
. Media	(58)	-2.7	(56)	-2.3	(164)	-2.2	211	2.5
. Congresses	877	4.9	(619)	-11.3	1,316	3.8	737	3.5
. Adjustments for inter-segment transactions	7		(133)		7		(167)	
<b>Total</b>	<b>(10,805)</b>	<b>-24.0</b>	<b>(6,562)</b>	<b>-16.3</b>	<b>2,696</b>	<b>1.4</b>	<b>14,559</b>	<b>8.1</b>
- By geographic area:								
. Italy	(10,431)	-23.4	(6,678)	-17.2	2,805	1.5	14,461	8.2
. Foreign countries	(374)	-81.0	116	7.4	(109)	-2.7	98	2.7
<b>Total</b>	<b>(10,805)</b>	<b>-24.0</b>	<b>(6,562)</b>	<b>-16.3</b>	<b>2,696</b>	<b>1.4</b>	<b>14,559</b>	<b>8.1</b>
<b>Net operating result (EBIT)</b>		%		%		%		%
- By operating segment:		on revenues		on revenues		on revenues		on revenues
. Italian Exhibitions	(11,585)	-44.6	(7,983)	-25.2	(1,909)	-1.3	4,770	3.3
. Foreign Exhibitions	(726)	-156.1	(55)	-3.5	(758)	-18.6	(1,817)	-50.2
. Stand-fitting Services	(988)	-15.0	121	1.6	(1,638)	-6.5	3,193	9.4
. Media	(145)	-6.8	(137)	-5.7	(459)	-6.1	(787)	-9.5
. Congresses	559	3.1	(878)	-16.1	330	1.0	(43)	-0.2
. Adjustments for inter-segment transactions	(8)		(146)		(41)		(207)	
<b>Total</b>	<b>(12,893)</b>	<b>-28.6</b>	<b>(9,078)</b>	<b>-22.5</b>	<b>(4,475)</b>	<b>-2.4</b>	<b>5,109</b>	<b>2.9</b>
- By geographic area:								
. Italy	(12,143)	-27.2	(8,973)	-23.1	(3,632)	-2.0	7,112	4.1
. Foreign countries	(750)	-162.3	(105)	-6.7	(843)	-20.7	(2,003)	-55.7
<b>Total</b>	<b>(12,893)</b>	<b>-28.6</b>	<b>(9,078)</b>	<b>-22.5</b>	<b>(4,475)</b>	<b>-2.4</b>	<b>5,109</b>	<b>2.9</b>
<b>Employees</b> (no. of permanent employees at the end of the period)		%		%		%		%
- By operating segment:								
. Italian Exhibitions	424	61.5	421	58.3	424	61.5	421	58.3
. Foreign Exhibitions	101	14.6	140	19.4	101	14.6	140	19.4
. Stand-fitting Services	56	8.1	55	7.6	56	8.1	55	7.6
. Media	59	8.6	68	9.4	59	8.6	68	9.4
. Congresses	50	7.2	38	5.3	50	7.2	38	5.3
<b>Total</b>	<b>690</b>	<b>100.0</b>	<b>722</b>	<b>100.0</b>	<b>690</b>	<b>100.0</b>	<b>722</b>	<b>100.0</b>
- By geographic area:								
. Italy	589	85.4	582	80.6	589	85.4	582	80.6
. Foreign countries	101	14.6	140	19.4	101	14.6	140	19.4
<b>Total</b>	<b>690</b>	<b>100.0</b>	<b>722</b>	<b>100.0</b>	<b>690</b>	<b>100.0</b>	<b>722</b>	<b>100.0</b>

Some figures in the consolidated financial statements at 30 September 2016 have been restated to reflect, under IFRS 5, the sale of the Chinese companies, Wordex and Hakou Wordex finalised on 24 April 2017.

Revenues from sales and services before elimination of transactions among the five business segments of the Group were Euro 53.213 million, an increase of Euro 4.375 million compared to the figure for the third quarter 2016.

- Revenues from **Italian Exhibitions** totalled Euro 25.961 million in the third quarter 2017, a decrease of approximately 18% compared to the figure for the same period of the previous financial year (Euro 31.733 million). The decrease in the quarter under review mainly reflected the postponement to the next quarter of the hosted exhibition LineaPelle. Revenues from sales and services in the first nine months of 2017 totalled Euro 148.209 million, an increase of 1% compared to the first nine months of 2016 (Euro 146.076 million). The increase was mainly due to the new events (Lamiera, Tempo di Libri Milano, Versilia Yachting Rendez-Vous and MAM-Mostra A Milano Arte e Antiquariato) and the positive performance of Promotion Trade Exhibition, which in 2016 had been a hosted exhibition. The more favourable exhibition

calendar, which included the directly organised biennial exhibition Tuttofood and the hosted exhibition Made Expo, also had a positive impact on the figures of the period under review. However, this was offset by the absence of the important biennial exhibition, Mostra Convegno Expocomfort, which is held in even-numbered years.

- Revenues from **Foreign Exhibitions** totalled Euro 0.465 million in the quarter under review, a decrease of approximately 70% compared to the figure for the same quarter of the preceding financial year (Euro 1.570 million). This was mainly due to the less favourable exhibition calendar in Brazil with the absence of the biennial exhibitions held in even-numbered years, Fesqua and Feitintas. There was a year-on-year increase in the figure for the first nine months due to the strong performance of the Brazilian exhibition Exposec and the presence of the biennial event Reatech held in the period under review.
- Revenues from **Stand-fitting Services** were Euro 6.566 million, approximately 15% lower than the figure for the same period of 2016 (Euro 7.687 million). The decrease reflected the postponement to the next quarter of the hosted exhibition LineaPelle, a decrease in revenues from Milano Unica and the cancellation of Prima MU. The year-on-year decrease in revenues for the first nine months of 2017 was due to the absence of Mostra Convegno Expocomfort, a biennial exhibition held in even-numbered years, and a decrease in revenues from Salone del Mobile caused by a fall in demand for customised stand-fittings. The presence of the biennial exhibitions Tuttofood and Made Expo, which are held in uneven-numbered years, and the new events Lamiera, Tempo di Libri Milano and Versilia Yachting Rendez-Vous compensated in part for the decrease. The revenues of this segment were also affected by the decrease in business from outside the exhibition sites which, in 2016, including revenues linked to the dismantling of Expo 2015 and the presence of the exhibition White Donna/Uomo.
- Revenues in the **Media** segment totalled Euro 2.139 million in the quarter, a decrease of 10% compared to the figure in the third quarter 2016 (Euro 2.384 million). The year-on-year decrease in the figure for the quarter was due to lower sponsorship revenues and lower print and billboard advertising. The absence of Mostra Convegno Expocomfort also had a negative impact on the revenues for the first nine months of 2017.
- Revenues from **Congresses** totalled Euro 18.082 million in the quarter compared to Euro 5.464 million in the same quarter of 2016. The year-on-year increase in the quarter and for the first nine months of 2017 was primarily due to the more favourable trend in international congresses, which included ERS, the largest convention worldwide on the epidemiology, diagnoses and treatment of main respiratory illnesses, and also to the presence in the semester of the Tissue World and Check Point Experience conventions.

The Group **Gross operating loss** in the third quarter 2017 was Euro 10.805 million and was higher than the figure for the third quarter 2016 (a loss of Euro 6.562 million). The breakdown was as follows:

- **Italian Exhibitions** had a gross operating loss of Euro 10.738 million in third quarter 2017 compared to a loss of Euro 6.575 million in the same quarter of 2016. The deterioration reflects the aforementioned trend in revenues. The year-on-year deterioration in the figure for the first nine months of 2017 was not only due to the factors that impacted the quarter but also reflected the higher costs for improving the corporate procedures and the Model under Legislative Decree 231/2001, launch costs for new events and the costs to re-position the exhibition Bit. These negative effects were, in part, compensated by lower personnel costs in the jointly-owned company Ipack Ima Srl.
- **Foreign exhibitions** generated a gross operating loss of Euro 0.365 million compared to a gross operating profit of Euro 0.151 million in the same period of 2016. The loss in the quarter reflects the aforementioned trend in the revenues of this segment. The figure for the first nine months of the year was positively impacted by an increase in revenues; however, this was more than totally offset by higher personnel costs in the Brazilian company Cipa.
- **Stand-fitting services** had a gross operating loss of Euro 0.528 million compared to a gross

operating profit of Euro 0.670 million in the same quarter of 2016. The performance in the quarter reflected the trend in revenues and the costs sustained to improve the corporate procedures and the Model under Legislative Decree 231/2001. The year-on-year deterioration in the figure for the first nine months of the year reflected the trend in revenues in the period.

- **Media** had a gross operating loss of Euro 0.058 million, in line with the figure for the third quarter 2016. The change in the figure for the first nine months of the year reflects the trend in revenues compensated, in part, by a decrease in personnel and rental costs.
- **Congresses** had a gross operating profit of Euro 0.877 million that compared with a gross operating loss of Euro 0.619 million in the same quarter of 2016. The year-on-year increase in the quarter was due to the aforementioned trend in revenues but was reduced by higher personnel costs for new resources to manage the audio-visual equipment in Fiera Milano Congressi SpA. Moreover, the same period of the 2016 had benefited from the settlement of insurance claims for the damage to the MiCo Nord congress centre.

The **Net operating loss** of the five operating segments totalled Euro 12.893 million in the third quarter 2017 compared to a net operating loss of Euro 9.078 million for the same quarter of 2016 and reflected the trends in the gross operating results of each individual segment. The figure for the first nine months of 2017, compared to that for 2016, also reflected the performance of the individual segments but benefited from the absence of impairment charges.

The **breakdown by geographic area** in the third quarter showed revenues from foreign activities of Euro 0.462 million, a decrease of Euro 1.107 million compared to the same period of the previous financial year. The decrease was mainly attributable to the less favourable exhibition calendar in Brazil with the absence of Fesqua, a biennial exhibition held in even-numbered years. The gross operating loss was Euro 0.374 million, Euro 0.490 million lower than in the same period of the previous financial year, and reflected the trend in revenues.

The net operating loss of foreign activities was Euro 0.750 million compared to a net operating loss of Euro 0.105 million in the same period of 2016.

During the quarter under review, five exhibitions and six congresses with related exhibition space were held in the two sites of **fieramilano** and **fieramilanocity**. Net exhibition space occupied totalled 175,850 square metres compared to 214,695 square metres in the same period of the previous financial year and the number of exhibitors fell from 5,260 in the third quarter 2016 to 3,990 in the third quarter 2017.

Exhibitions directly organised by the Group in Italy and abroad occupied total net exhibition space of 138,410 square metres, which equated to 53% of the total exhibition space occupied. Details of exhibitions held in Italy are given in the following table.

<b>Italian exhibition portfolio</b>						
	<b>Net sq. metres of exhibition space</b>			<b>Number of exhibitors</b>		
	<b>Quarter to 30/09/17</b>	<b>Quarter to 30/09/16</b>	<b>Quarter to 30/09/15</b>	<b>Quarter to 30/09/17</b>	<b>Quarter to 30/09/16</b>	<b>Quarter to 30/09/15</b>
<b>Annual Exhibitions:</b>						
<b>Directly organised</b>						
- HOMI II Semester	55,485	58,310	63,845	1,165	1,220	1,265
- Milano Pret-à-Porter (Autumn)	a)	a)	2,580	a)	a)	120
<b>Total annual exhibitions directly organised</b>	<b>55,485</b>	<b>58,310</b>	<b>66,425</b>	<b>1,165</b>	<b>1,220</b>	<b>1,385</b>
<b>Hosted</b>						
- Milano Unica (Autumn)	31,890	25,540	19,200	460	485	410
- Mipel (September)	8,575	8,065	8,390	280	235	235
- The Micam (Autumn)	63,345	63,360	64,350	1,355	1,385	1,380
- The One Milano (September)*	1,820	-	-	80	-	-
- LineaPelle II Semester	b)	46,875	43,445	b)	1,240	1,170
- Prima MU	a)	3,710	2,385	a)	120	55
- Super (Autumn)	a)	a)	1,360	a)	a)	155
<b>Total annual exhibitions hosted</b>	<b>105,630</b>	<b>147,550</b>	<b>139,130</b>	<b>2,175</b>	<b>3,465</b>	<b>3,405</b>
<b>Total annual Exhibitions</b>	<b>161,115</b>	<b>205,860</b>	<b>205,555</b>	<b>3,340</b>	<b>4,685</b>	<b>4,790</b>
<b>Biennial Exhibitions:</b>						
<b>Hosted</b>						
- Chem Med	a)	-	1,130	a)	-	50
<b>Total biennial exhibitions hosted</b>	<b>-</b>	<b>-</b>	<b>1,130</b>	<b>-</b>	<b>-</b>	<b>50</b>
<b>Total biennial Exhibitions</b>	<b>-</b>	<b>-</b>	<b>1,130</b>	<b>-</b>	<b>-</b>	<b>50</b>
<b>TOTAL EXHIBITIONS</b>	<b>161,115</b>	<b>205,860</b>	<b>206,685</b>	<b>3,340</b>	<b>4,685</b>	<b>4,840</b>
- Congresses with related exhibition space	14,735	8,835	5,295	650	575	415
<b>TOTAL</b>	<b>175,850</b>	<b>214,695</b>	<b>211,980</b>	<b>3,990</b>	<b>5,260</b>	<b>5,255</b>
<p>* The exhibition was held for the first time.  a) The exhibition did not take place.  b) The exhibition will take place/was held in subsequent quarters.</p>						

During the third quarter 2017, three exhibitions were held abroad and the net exhibition space occupied totalled 82,925 square metres (in the third quarter 2016, the figure was 92,635 square metres). The number of exhibitors was 370 (550 in third quarter 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 30/09/17	Quarter to 30/09/16	Quarter to 30/09/15	Quarter to 30/09/17	Quarter to 30/09/16	Quarter to 30/09/15
<b>Annual Exhibitions:</b>						
<b>Directly organised in China</b>						
- Motor Show Chengdu	77,000	76,600	77,160	90	90	95
- Industrial Automation Shenzhen	b)	b)	7,985	b)	b)	400
<b>Total annual exhibitions directly organised in China</b>	<b>77,000</b>	<b>76,600</b>	<b>85,145</b>	<b>90</b>	<b>90</b>	<b>495</b>
<b>Directly organised in India</b>						
- Food Hospitality World Bangalore	2,075	-	-	120	-	-
- Food Hospitality World Goa	b)	1,200	b)	b)	75	b)
<b>Total annual exhibitions directly organised in India</b>	<b>2,075</b>	<b>1,200</b>	<b>-</b>	<b>120</b>	<b>75</b>	<b>-</b>
<b>Directly organised in South Africa</b>						
- Good Food & Wine Show Gauteng	3,850	3,490	3,360	160	165	200
<b>Total annual exhibitions directly organised in South Africa</b>	<b>3,850</b>	<b>3,490</b>	<b>3,360</b>	<b>160</b>	<b>165</b>	<b>200</b>
<b>Directly organised in Brazil</b>						
- Enersolar	b)	b)	1,505	b)	b)	50
<b>Total annual exhibitions directly organised in Brazil</b>	<b>-</b>	<b>-</b>	<b>1,505</b>	<b>-</b>	<b>-</b>	<b>50</b>
<b>Total annual exhibitions</b>	<b>82,925</b>	<b>81,290</b>	<b>90,010</b>	<b>370</b>	<b>330</b>	<b>745</b>
<b>Biennial Exhibitions:</b>						
<b>Directly organised in Brazil</b>						
- Braseg	a)	-	1,510	a)	-	55
- Feitintas	-	1,045	-	-	25	-
- Fesqua	-	10,300	-	-	195	-
<b>Total biennial exhibitions directly organised in Brazil</b>	<b>-</b>	<b>11,345</b>	<b>1,510</b>	<b>-</b>	<b>220</b>	<b>55</b>
<b>Total biennial exhibitions</b>	<b>-</b>	<b>11,345</b>	<b>1,510</b>	<b>-</b>	<b>220</b>	<b>55</b>
<b>TOTAL EXHIBITIONS</b>	<b>82,925</b>	<b>92,635</b>	<b>91,520</b>	<b>370</b>	<b>550</b>	<b>800</b>

a) The exhibition did not take place.  
b) The exhibition will take place/was held in subsequent quarters.

## Group personnel

At 30 September 2017, Group employees totalled 690 and the breakdown compared to 30 June 2017 was as follows:

31/12/16			30/09/17			30/06/17		
Total	Italy	Foreign countries	Total	Italy	Foreign countries	Total	Italy	Foreign countries
<b>Permanent employees at end of period (units)</b>								
<b>Fully consolidated companies:</b>								
31	28	3	30	28	2	30	28	2
Executives								
633	548	85	597	553	44	592	546	46
Managers and White collar workers (including Journalists)								
<b>664</b>	<b>576</b>	<b>88</b>	<b>627</b>	<b>581</b>	<b>46</b>	<b>622</b>	<b>574</b>	<b>48</b>
<b>Total</b>								
<b>Equity-accounted companies (a):</b>								
2	-	2	2	-	2	1	-	1
Executives								
59	8	51	61	8	53	57	7	50
White collar workers								
<b>61</b>	<b>8</b>	<b>53</b>	<b>63</b>	<b>8</b>	<b>55</b>	<b>58</b>	<b>7</b>	<b>51</b>
<b>Total</b>								
<b>725</b>	<b>584</b>	<b>141</b>	<b>690</b>	<b>589</b>	<b>101</b>	<b>680</b>	<b>581</b>	<b>99</b>
<b>TOTAL</b>								
(a) the indicated data corresponds to the pro-quota of total employees								

There was a net increase of ten permanent employees compared to the figure at 30 June 2017. The increase reflected the strengthening of the organisational structure, which is overseen by the Company's corporate governance areas.

### **Significant events after the end of the reporting period**

There were no significant events after the end of the reporting period.

### **Business outlook**

The performance in the first nine months of 2017 was positive and in line with expectations. The biennial exhibition Host, the leading professional hospitality exhibition worldwide, which was held after the end of the quarter under review, reached another record with a 24% increase in trade visitors. This figure reflects the generally improving trend.

Despite some extraordinary costs, mainly fees linked to the restructuring of the corporate procedures, and barring any currently unforeseen events or circumstances, the full-year forecast is for a significant year-on-year improvement in the gross operating profit thanks to a more favourable exhibition calendar in the fourth quarter.

The Company remains focused on identifying an optimum corporate strategy that, together with its restructured and strengthened corporate governance, will ensure value creation for all Company stakeholders.



## Accounting criteria

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

The financial, economic and equity 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 valuation criteria used to prepare the Financial Statements for the Third 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 Consolidated Financial Statements have been prepared on the basis of the accounting situation at 30 September 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 Consolidated Interim Management Report at 30 September 2017 the tax charge has not been calculated, as permitted under Consob Regulations.

It should also be noted that the methodologies used for estimates in the preparation of the Consolidated Interim Management Report at 30 September 2017 are the same as those normally used to prepare the Annual Consolidated Financial Statements.

The list of companies included in the area of consolidation at 30 September 2017 is given in Attachment 1.

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

## Financial statements

Full year to 31/12/16	Consolidated Income Statement (Amounts in €'000)		3rd Quarter to 30/09/17		3rd Quarter to 30/09/16 restated		9 months to 30/09/17		9 months to 30/09/16 restated	
		%		%		%		%		%
221,041	100	Revenues from sales and services	45,075	100	40,342	100	186,945	100	178,929	100
2,281	1.0	Cost of materials	581	1.3	612	1.5	2,537	1.4	1,901	1.1
121,423	54.9	Cost of services	32,772	72.7	23,780	58.9	110,234	59.0	91,841	51.3
49,837	22.5	Costs for use of third party assets	12,150	27.0	12,452	30.9	37,444	20.0	37,306	20.8
44,101	20.0	Personnel expenses	10,313	22.9	9,906	24.6	33,818	18.1	32,727	18.3
4,222	1.9	Other operating expenses	1,109	2.5	1,326	3.3	3,794	2.0	3,756	2.1
221,864	100.4	<b>Total operating costs</b>	<b>56,925</b>	<b>126.3</b>	<b>48,076</b>	<b>119.2</b>	<b>187,827</b>	<b>100.5</b>	<b>167,531</b>	<b>93.6</b>
3,216	1.5	Other income	603	1.3	784	1.9	1,859	1.0	2,415	1.3
1,259	0.6	Results of equity-accounted companies	442	1.0	388	1.0	1,719	0.9	746	0.4
3,652	1.7	<b>Gross operating result</b>	<b>(10,805)</b>	<b>-24.0</b>	<b>(6,562)</b>	<b>-16.3</b>	<b>2,696</b>	<b>1.4</b>	<b>14,559</b>	<b>8.1</b>
8,398	3.8	Depreciation and amortisation	1,712	3.8	2,160	5.4	5,134	2.7	6,230	3.5
5,477	2.5	Allowance for doubtful accounts and other provisions	376	0.8	313	0.8	2,026	1.1	1,278	0.7
12,771	5.8	Adjustments to asset values	-	-	43	0.1	11	0.0	1,942	1.1
(22,994)	-10.4	<b>Net operating result (EBIT)</b>	<b>(12,893)</b>	<b>-28.6</b>	<b>(9,078)</b>	<b>-22.5</b>	<b>(4,475)</b>	<b>-2.4</b>	<b>5,109</b>	<b>2.9</b>
(985)	-0.4	Financial income/(expenses)	(122)	-0.3	(307)	-0.8	(845)	-0.5	(416)	-0.2
(23,979)	-10.8	<b>Profit/(loss) before income tax from continuing operations</b>	<b>(13,015)</b>	<b>-28.9</b>	<b>(9,385)</b>	<b>-23.3</b>	<b>(5,320)</b>	<b>-2.8</b>	<b>4,693</b>	<b>2.6</b>
(4,151)	-1.9	<b>Profit/(loss) before income tax from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>192</b>	<b>0.5</b>	<b>-</b>	<b>-</b>	<b>(229)</b>	<b>-0.1</b>
(28,130)	-12.7	<b>Profit/(loss) before income tax:</b>	<b>(13,015)</b>	<b>-28.9</b>	<b>(9,193)</b>	<b>-22.8</b>	<b>(5,320)</b>	<b>-2.8</b>	<b>4,464</b>	<b>2.5</b>
(28,051)	-12.7	- attributable to the shareholders of the controlling entity	(13,365)	-29.7	(9,215)	-22.8	(5,449)	-2.9	4,625	2.6
(79)	-0.0	- attributable to non-controlling interests	350	0.8	22	0.1	129	0.1	(161)	-0.1
(1,484)	-0.7	<b>Cash flow before income tax for the Group and non-controlling interests</b>	<b>(10,927)</b>	<b>-24.2</b>	<b>(6,677)</b>	<b>-16.6</b>	<b>1,851</b>	<b>1.0</b>	<b>13,914</b>	<b>7.8</b>

Some figures in the consolidated financial statements at 30 September 2016 have been restated to reflect, under IFRS 5, the sale of the Chinese companies, Worldex and Haikou Worldex finalised on 24 April 2017.

31/12/16	Reclassified Consolidated Statement of Financial Position (Amounts in €'000)	30/09/17	30/06/17	Change
94,216	Goodwill and intangible assets with an indefinite useful life	94,216	94,216	-
17,777	Intangible assets with a finite useful life	15,927	16,403	(476)
14,511	Tangible fixed assets	14,642	15,104	(462)
34,378	Other non-current assets	33,669	30,971	2,698
<b>160,882</b>	<b>A Non-current assets</b>	<b>158,454</b>	<b>156,694</b>	<b>1,760</b>
5,480	Inventories and contracts in progress	4,027	3,267	760
52,227	Trade and other receivables	71,220	71,793	(573)
<b>57,707</b>	<b>B Current assets</b>	<b>75,247</b>	<b>75,060</b>	<b>187</b>
41,114	Trade payables	52,698	54,635	(1,937)
40,239	Advances	64,549	62,500	2,049
1,605	Tax liabilities	803	2,000	(1,197)
21,276	Provisions for risks and charges and other current liabilities	22,619	26,525	(3,906)
<b>104,234</b>	<b>C Current liabilities</b>	<b>140,669</b>	<b>145,660</b>	<b>(4,991)</b>
<b>(46,527)</b>	<b>D Net working capital (B - C)</b>	<b>(65,422)</b>	<b>(70,600)</b>	<b>5,178</b>
<b>114,355</b>	<b>E Gross capital employed (A + D)</b>	<b>93,032</b>	<b>86,094</b>	<b>6,938</b>
9,302	Employee benefit provisions	9,167	9,093	74
7,107	Provisions for risks and charges and other non-current liabilities	5,069	5,488	(419)
<b>16,409</b>	<b>F Non-current liabilities</b>	<b>14,236</b>	<b>14,581</b>	<b>(345)</b>
<b>97,946</b>	<b>G NET CAPITAL EMPLOYED continuing operations (E - F)</b>	<b>78,796</b>	<b>71,513</b>	<b>7,283</b>
<b>2,049</b>	<b>H NET CAPITAL EMPLOYED assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>99,995</b>	<b>TOTAL NET CAPITAL EMPLOYED (G + H)</b>	<b>78,796</b>	<b>71,513</b>	<b>7,283</b>
	covered by:			
61,006	Equity attributable to the Group	55,938 *	67,238	(11,300)
673	Non-controlling interests	515 *	161	354
<b>61,679</b>	<b>I Total equity</b>	<b>56,453</b>	<b>67,399</b>	<b>(10,946)</b>
(20,904)	Cash & cash equivalents	(20,294)	(28,062)	7,768
46,284	Current financial (assets)/liabilities	41,217	29,885	11,332
14,150	Non-current financial (assets)/liabilities	1,420	2,291	(871)
<b>39,530</b>	<b>Net financial position from continuing operations</b>	<b>22,343</b>	<b>4,114</b>	<b>18,229</b>
<b>(1,214)</b>	<b>Net financial position from assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>38,316</b>	<b>L Net financial position (TOTAL)</b>	<b>22,343</b>	<b>4,114</b>	<b>18,229</b>
<b>99,995</b>	<b>EQUITY AND NET FINANCIAL POSITION (I + L)</b>	<b>78,796</b>	<b>71,513</b>	<b>7,283</b>
	* includes pre-tax result for the period			

## Comments on the capital and financial position

**Non-current assets** totalled Euro 158.454 million at 30 September 2017, compared to Euro 156.694 million at 30 June 2017. The Euro 1.760 million increase was due to the net effect of investments of Euro 0.765 million, depreciation and amortisation of Euro 1.712 million, negative exchange losses of Euro 0.070 million, an increase in equity accounted investments of Euro 0.461 million, an increase in deferred tax assets of Euro 2.411 million and a negative figure for other movements totalling Euro 0.095 million.

Net working capital moved from a negative figure of Euro 70.600 million at 30 June 2017 to a negative figure of Euro 65.422 million at 30 September 2017.

The change in this figure of Euro 5.178 million was due to the following:

- (a) a Euro 0.187 million increase in **current assets**.
- (b) a Euro 4.991 million decrease in **current liabilities** from the net effect of:
  - a reduction in trade payables of Euro 1.937 million that reflected lower business activity in the summer period;
  - an increase in advances of Euro 2.049 million, which was the net of increases for advances from clients for exhibitions to be held in future quarters (in particular, Host, Eicma Moto, Sicurezza and Salone del Mobile) and a decrease in advances for exhibitions held in the third quarter 2017 (in particular for HOMI II semester and the Autumn edition of Micam);
  - a Euro 21.197 million decrease in tax liabilities as the figure shown in the Financial Statements at 30 June 2017 included tax provisions that are not shown in the current financial statements as these are prepared gross of tax;
  - a Euro 3.906 million decrease in provisions for risks and charges and other current liabilities due to higher payables to exhibition organisers.

At 30 September 2017, **non-current liabilities** totalled Euro 14.236 million compared to Euro 14.581 million at 30 June 2017.

**Group equity** at 30 September 2017 was Euro 55.938 million compared to Euro 67.238 million at 30 June 2017, a decrease of Euro 11.300 million due to the following:

- a Euro 13.365 decrease in the pre-tax profit for the period;
- Euro 2.052 million for tax payables in the Financial Statements at 30 June 2017 that are not included in the present Financial Statements as these are prepared gross of tax;
- Euro 0.059 for the re-measurement of defined benefit plans;
- Euro 0.046 million of exchange rate gains.

**Equity attributable to non-controlling interests** was Euro 0.515 million at 30 September 2017 compared to Euro 0.161 million at 30 June 2017. The Euro 0.354 million increase reflects:

- a Euro 0.350 million increase in the result for the period;
- Euro 0.004 million for tax payables in the Financial Statements at 30 June 2017 that are not included in the present Financial Statements as these are prepared gross of tax.

Information on the changes in financial assets and liabilities is given in the section on the 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, in accordance with paragraph 2 of Article 154-*bis* of the Consolidated Finance Act, herewith declares that the accounting information in the present Interim Management 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 30 September 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	%
<b>A) List of companies included in the area of consolidation</b>						
<b>Parent Company</b>						
<b>Fiera Milano SpA</b> Milan, p.le Carlo Magno 1	Organisation and hosting of exhibitions in Italy	42,445				
<b>Fully consolidated companies</b>						
<b>Fiera Milano Media SpA</b> Milan, p.le Carlo Magno 1	Media services	2,803	100	100		100 Fiera Milano SpA
<b>Fiera Milano Congressi SpA</b> Milan, p.le Carlo Magno 1	Management of congresses	2,000	100	100		100 Fiera Milano SpA
<b>Mico DMC S.r.l.</b> Milan, p.le Carlo Magno 1	Management of congresses	10	51		51	51 Fiera Milano Congressi SpA
<b>La Fabbrica del Libro SpA</b> Milan, p.le Carlo Magno 1	Organisation of exhibitions in Italy	120	51	51		51 Fiera Milano SpA
<b>Nolostand SpA</b> Milan, p.le Carlo Magno 1	Stand fitting services	7,500	100	100		100 Fiera Milano SpA
<b>Ipack-Ima SpA</b> Rho, S.S. del Sempione km 28	Organisation of exhibitions in Italy	200	100	100		100 Fiera Milano SpA
<b>Eurofairs International Consultoria e Participações Ltda</b> 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
<b>CIPA Fiera Milano Publicações e Eventos Ltda</b> São Paulo Brasil, Av. Angelica	Organisation of exhibitions outside of Italy	R \$ 7,003	100	1	99	Eurofairs International 99 Consultoria e Participações Ltda 1 Fiera Milano SpA
<b>Fiera Milano India Pvt Ltd</b> New Delhi, Barakhamba Road, Connaught Place	Organisation of exhibitions outside of Italy	INR 20,000	99.99	99.99		99.99 Fiera Milano SpA
<b>Limited Liability Company "Fiera Milano"</b> Moscow, 24 A/1 ul. B. Cherkizovskaya	Organisation of exhibitions outside of Italy	RUB 10,000	100	100		100 Fiera Milano SpA
<b>Fiera Milano Exhibitions Africa Pty Ltd</b> Cape Town, The Terraces, Steenberg Office Park, Tokai	Organisation of exhibitions outside of Italy	ZAR 0.6	100	100		100 Fiera Milano SpA
<b>B) List of jointly controlled companies equity-accounted</b>						
<b>Hannover Milano Global Germany GmbH</b> Hannover Germany, Messegeelaende	Organisation of exhibitions outside of Italy	25	49	49		49 Fiera Milano SpA
<b>Hannover Milano Fairs Shanghai Co. Ltd</b> Shanghai China, Pudong Office Tower	Organisation of exhibitions outside of Italy	USD 500	49		100	Hannover Milano Global Germany GmbH
<b>Hannover Milano Fairs China Ltd</b> Hong Kong China, Golden Gate Building	Organisation of exhibitions outside of Italy	HKD 10	49		100	Hannover Milano Global Germany GmbH
<b>Hannover Milano Fairs India Pvt Ltd</b> East Mumbai, Andheri	Organisation of exhibitions outside of Italy	INR 274,640	48.99		99.99	Hannover Milano Global Germany GmbH
<b>Global Fairs &amp; Media Private Ltd</b> New Delhi, Bahadur Shah Zafar Marg 9-10	Organisation of exhibitions outside of Italy	INR 207,523	24.5		50	Hannover Milano Fairs India Pvt Ltd
<b>Ipack Ima Srl</b> Rho, S.S. del Sempione km 28	Organisation of exhibitions in Italy	20	49		49	49 Ipack-Ima SpA
<b>C) List of companies accounted at cost</b>						
Company name and registered office	Main activity	Share capital (000) (*)	Group total	Directly held by Fiera Milano	Indirectly held through other Group companies	Shareholding of Group companies %
<b>Esperia SpA</b> Rose (Cosenza)	Other activities	1,403	2		2	2 Fiera Milano Media SpA

(\*) Euro or other currencies as specifically indicated