



**FIERA MILANO**

***FIERA MILANO: THE BOARD OF DIRECTORS APPROVES  
THE 2016 ANNUAL REPORT***

- *Consolidated revenues of Euro 221.0 million compared to Euro 335.2 million in 2015; the decrease mainly reflects an unfavourable exhibition calendar*
- *Therefore, the consolidated gross operating profit was Euro 3.7 million compared to Euro 43.5 million in the preceding financial year*
- *Consolidated net operating loss of Euro 23.0 million (net operating profit of Euro 13.4 million in 2015), negatively affected by impairment charges for intangible assets*
- *Consolidated net loss of Euro 22.9 million (net profit of Euro 0.429 million in 2015)*
- *The 2017 consolidated gross operating profit is expected to increase significantly due to the presence of important biennial proprietary exhibitions and new additions to the exhibition calendar and there is expected to be a return to net profit*
- *New initiatives should mean that the exhibition calendar is less seasonal*

**Milan, 10 March 2017.** The Board of Directors of Fiera Milano SpA, meeting under the chairpersonship of the Chairperson Mr Roberto Rettani approved the Annual Report for the year ended 31 December 2016.

In short, the 2016 revenues and gross operating profit were affected by the unfavourable exhibition calendar with the absence of important proprietary biennial exhibitions and some multi-annual exhibitions and also of the non-recurring activities linked to Expo 2015 present in the previous financial year. The net operating profit was penalised by impairment charges for intangible assets – exhibition trademarks and goodwill.

Extraordinary and Ordinary Shareholders' Meetings have been convened just once on 21 April at 14.30 hours in the Auditorium of the exhibition centre at Rho to approve the following:

**Extraordinary proceedings**

1. Proposed amendments to Articles 13,14,15,16,17,18 and 20 of the Articles of Association requested by the shareholder Fondazione Fiera Milano under Articles 2367 of the Italian Civil Code and 125-ter of Legislative Decree of 24 February 1998 no. 58. Resolutions pertaining thereto and resulting therefrom.

**Ordinary proceedings**

1. The Financial Statements at 31 December 2016, the Board of Directors' Management Report, the Report of the Board of Statutory Auditors, and the Report of the independent auditors. Resolutions pertaining thereto and resulting therefrom. Presentation of the Consolidated Financial Statements at 31 December 2016.

2. The appointment of the Board of Directors and of its Chairperson following prior decisions on the length of their mandates, the number of members of the Board of Directors and their remuneration. Resolutions pertaining thereto and resulting therefrom.

3. The Report on Remuneration pursuant to Article 123-ter of Legislative Decree 58/98. Resolutions pertaining thereto and resulting therefrom.



4. Authority to acquire and dispose of treasury shares under Articles 2357 and 2357-ter of the Italian Civil Code following prior cancellation of the authority granted by the Shareholders' Meeting of 28 April 2016. Resolutions pertaining thereto and resulting therefrom.

The Board of Directors has also approved the annual Report on Corporate Governance and Ownership Structure, prepared pursuant to Article 123-bis of Legislative Decree 58/98, and the 2016 Report on Sustainability.

#### ■ **FIERA MILANO CONSOLIDATED FINANCIAL STATEMENTS**

In an economy that shows continued moderate growth, the 2016 results reflect an unfavourable exhibition calendar due to the absence of some multi-annual exhibitions and some important proprietary biennial exhibitions: both revenues and margins demonstrate the full impact of these factors when the figures are compared with those of the previous financial year that included some non-recurring activities linked to Expo 2015.

During the financial year under review, there were significant reductions in operating costs from the restructuring commenced in 2015 and from lower costs attributable to the new rental contract for the **fieramilano** exhibition site.

In Italy, as part of the strategy to strengthen the portfolio of directly organised exhibitions, several exhibition trademarks were acquired and important partnership agreements were signed to strengthen existing exhibitions or to launch new ones. In the course of the financial year under review, in order to expand the portfolio of exhibitions organised by third-parties, the Company signed agreements with third-party organisers to transfer several exhibitions to the Fiera Milano exhibition sites already from 2017.

On 23 March 2016, the trademark **Promotion Trade Exhibition**, an annual international exhibition for promotional articles, business gifts and customisation technologies, **was acquired**. Fiera Milano has assumed direct organisation of this exhibition, which is already held in its site but was previously organised by a third-party.

On 6 May 2016, **Fiera Milano and Veronafiere signed an agreement** for a joint initiative **in the wine sector** under the umbrella of Tuttofood; from 2017, Tuttofood will include an area organised by Veronafiere and will also hold an event called "Wine Discovery". The agreement also provides for a single annual international fair dedicated to the fruit and vegetable sector. The agreement unites Fruit Innovation held in Milan and Fruit&Veg System held in Verona; the new exhibition will be held in even-numbered years in Verona, when the emphasis will be on upstream activities and technology used in agriculture, and in uneven-numbered years in Milan when the emphasis will be on finished products. The first edition of the fruit and vegetable exhibition, Fruit&Veg Innovation, will be held in Milan in 2017 in conjunction with Tuttofood.

On 5 September 2016, **Fiera Milano SpA and Ediser Srl**, a service company belonging to the Associazione Italiana Editori (AIE), set up a company called **La Fabbrica del Libro SpA**. The two companies hold respectively 51% and 49% of the shares of the new company. This partnership will develop activities connected to book publishing, also through the organisation of



fairs throughout Italy, to focus on all forms of publishing. The first event, Tempo di Libri, will be held in Milan from 19-23 April 2017.

On 27 September 2016, the exhibition trademark, **NF - Travel & Technology Event**, was acquired. From 2017 it will be integrated into the proprietary exhibition BIT as part of a content development project structured around professional conferences and seminars.

The Group is carrying out a strategic repositioning of its business outside Italy. This is based on a primary focus on the product while investments in corporate assets have become of secondary importance. On 4 November 2016, the Board of Directors of the Company approved the **sale of the 75% shareholding in the Chinese subsidiary Worldex Fiera Milano Exhibitions (Guangzhou) Co., Ltd** and its subsidiary Haikou Worldex Milan Exhibition Co., Ltd, together with the exhibition trademark Food Hospitality World China, to SingEx Exhibitions Pte Ltd. The transaction was subject to the approval of the management of the latter and the contract was signed on 22 February 2017. This sale is part of the Group strategy to concentrate its Chinese activities in the joint venture with its German partner Deutsche Messe.

The extraordinary items in the financial statements refer to impairment charges to intangible assets necessitated by the outlook for lower growth and were mainly for exhibition trademarks and publishing titles in Italy and goodwill and exhibition trademarks in the Brazilian and South African subsidiaries; they also included the effect of the aforementioned sale of Worldex.

On 24 June 2016, **Fiera Milano SpA** communicated to the market that it had **started a share buy-back**, under the authority given it by the Shareholders' Meeting of 28 April 2016. As part of the share buy-back, 294,010 treasury shares were purchased at an average price of Euro 1.58 per share for a total value of Euro 464,383. At 31 December 2016, Fiera Milano held, directly and indirectly, 939,018 treasury shares, equivalent to 1.31% of the share capital. The purchases were made to increase the number of treasury shares to service the 2017-2023 Stock Option Plan and also to stabilise share price movements, support the liquidity of the shares and facilitate share transactions.

In the financial year under review, **46 exhibitions** and 39 congresses with related exhibition space **were held in the fieramilano and fieramilanocity exhibition sites. Exhibition space occupied totalled 1,285,600 net square metres** compared to 1,822,875 in 2015, while the number of exhibitors fell from 32,340 in 2015 to 23,800 in 2016. Exhibitions directly organised by the Group in Italy occupied exhibition space of 175,655 net square metres compared to 462,650 net square metres in the previous financial year.

Exhibitions abroad numbered 35 and covered a total of 367,700 net square metres of exhibition space (401,045 square metres in 2015) with 8,030 exhibitors (10,300 in 2015).

### **Administration orders**

With an order issued on 23 June 2016 and deposited on 24 June 2016, the Milan 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



**FIERA MILANO**

Legislative Decree of 13 August 2010 no. 136” an administration order for the subsidiary Nolostand SpA for a period of six months. On 6 July 2016, the Milan Tax Squad notified Nolostand of the aforementioned administration order.

With an order issued on 28 September 2016 and deposited on 11 October 2016, the Milan Court – Prevention Court Independent Section issued, under Article 34 of Legislative Decree 159/2011 an administration order for Fiera Milano for a period of six months restricted to the “exhibition stand fittings business area” linked to Nolostand.

On 20 December 2016, the Milan Court extended the administration order for Nolostand S.p.A. for a further six months and the two administration orders were unified.

The Board of Directors of the Company has effectively implemented measures, in full collaboration with the Court-appointed Administrator, to strengthen the corporate governance of the Company and to avoid any repetition of circumstances similar to those that gave rise to the administration order.

Following a request from the Public Prosecutor that the administration order be extended to all sectors of the Company, on 13 January 2017, in the interests of the Company, the Board of Directors resigned effective from the date of the Shareholders’ Meeting to approve the Financial Statements at 31 December 2016, in order to permit the shareholders, amongst other things, to appoint a new Board of Directors.

On 27 January 2017, the Milan Court rejected the request that the administration order be extended to the entire Company and confirmed that the administration and management of the Company remain the domain of the Board of Directors. At the same time, it gave the Court-appointed Administrator certain powers that belong to the Administrative Body; these were:

- to approve operating procedures to safeguard the legality of administrative actions already commissioned from third-party consultants;
- to approve operating procedures for the procurement of goods and services already commissioned from third-party consultants;
- to monitor measures implemented by the Company to increase the safeguards governing the legality of administrative actions;
- quantitative and qualitative upgrading of the internal audit structure;
- to revise the audit plan of the internal audit department and to supervise the related activity;
- to revise the Company structure relating exclusively to the procurement of goods and services and the compliance department, also ensuring the existence of the necessary prerequisites of professionalism and introducing any eventual rules governing rotation/replacement;
- appointment and removal of the head of the compliance department.

● **RESULTS FOR THE FINANCIAL YEAR**

The table below gives the main figures of the Group. The business of the Group suffers from seasonality due to exhibitions that have a biennial and multiannual frequency. This makes a comparison of figures between different financial years meaningless.

Fiera Milano Group Summary of key figures (Amounts in € '000)	Full year 31/12/16	Full year 31/12/15 restated	Full year 31/12/14 restated
Revenues from sales and services	221,041	335,172	240,067
Gross operating result (a)	3,652	43,538	(147)
Net operating result (EBIT)	(22,994)	13,397	(18,620)
Net profit/(loss) (continuing operations)	(18,674)	3,903	(18,753)
Net profit/(loss) (discontinued operations)	(4,176)	(3,474)	(353)
Net profit/(loss)	(22,850)	429	(19,106)
- Attributable to the shareholders of the controlling entity	(22,794)	1,014	(18,955)
- Attributable to non-controlling interests	(56)	(585)	(151)
Cash flow of the Group and non-controlling interests (b)	3,796	30,570	(633)
<b>Net capital employed (c)</b>	<b>99,995</b>	<b>97,694</b>	<b>141,355</b>
covered by:			
Equity attributable to the Group	61,006	84,572	17,034
Equity attributable to non-controlling interests	673	696	2,654
Net financial debt/(cash) continuing operations and assets held for sale	38,316	12,426	121,667
<b>Investments (continuing operations and assets held for sale)</b>	<b>7,387</b>	<b>7,817</b>	<b>8,515</b>
<b>Employees (no. of permanent employees at year end)</b>	<b>725</b>	<b>783</b>	<b>807</b>

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

Some of the 2014 and 2015 figures have been restated for comparative purposes to reflect the accounting of the Chinese companies, Worldex and Haikou Worldex, under IFRS 5, following the divestment of the subsidiary Interteks on 27 July 2015, and for the different classification of the use of risk provisions in FY2014.

**Revenues from sales and services** totalled Euro 221.0 million compared to Euro 335.2 million in 2015; the decline was mainly due to the less favourable exhibition calendar compared to the previous year when it included important directly organised biennial and multi-annual exhibitions, as well as some non-recurring activities linked to Expo 2015.

The **gross operating profit** was Euro 3.7 million (Euro 43.5 million 2015). The decrease reflected the trend in revenues that was, in part, compensated by lower operating costs. In particular, the rental cost of the **fieramilano** exhibition site fell due to the absence of the variable component of the rent included solely for 2015 due to the presence of Expo 2015; there was also a reduction in personnel costs following the corporate restructuring, lower redundancy incentives and lower costs for the variable component of remuneration in the Parent Company.

The **net operating loss** was Euro 23.0 million compared to a net operating profit of Euro 13.4 million in 2015. The decrease is attributable to the trend in the gross operating result and to higher impairment charges; this was, in part, compensated by lower depreciation and amortisation and lower risk provisions. Impairment charges totalled Euro 12.8 million (Euro 9.6 million in the previous financial year): Euro 2.9 million was for an exhibition trademark of the South African subsidiary, Euro 2.4 million for trademarks and goodwill in the subsidiary Cipa,



Euro 3.3 million for the Bit and Transpotec & Logitec trademarks and the Food & Beverage publication of the Parent Company, and Euro 4.1 million for goodwill in the subsidiary Fiera Milano Media.

**Net financial expenses** were Euro 1.0 million, an improvement compared to the figure of Euro 3.5 million in 2015 and primarily reflected lower average debt.

The **Pre-tax loss** was Euro 24.0 million compared to a pre-tax profit of Euro 9.9 million in the previous financial year.

The **net loss** was Euro 22.9 million after a positive tax item of Euro 5.3 million and compared to a net profit of Euro 0.429 million after taxes of Euro 6.0 million in the previous financial year. The net loss comprises a loss of Euro 18.7 million from ongoing operations and a loss of Euro 4.2 from discontinued operations that reflects the sale of the subsidiaries Worldex and Haikou Worldex.

#### ● ***BREAKDOWN OF RESULTS BY OPERATING SEGMENT AND BY GEOGRAPHIC AREA***

The activities of the Fiera Milano Group are grouped into five operating segments: Italian Exhibitions, Foreign Exhibitions, Stand-fitting Services, Media, and Congresses.

**Revenues from sales and services**, before eliminations for inter-segment transactions, were Euro 260.3 million. 66% of revenues were generated by Italian Exhibitions, 3% by Foreign Exhibitions, 15% by Stand-fitting Services, 4% by the Media segment and 12% by the Congress segment.

- Revenues from **Italian Exhibitions** were Euro 173.4 million; the decrease in revenues mainly reflected the aforementioned unfavourable exhibition calendar (Euro 277.3 million in 2015).
- Revenues from **Foreign Exhibitions** were Euro 6.8 million and were in line with the figure for the previous financial year (Euro 6.9 million).
- Revenues from **Stand-fitting Services** were Euro 38.3 million compared to Euro 55.9 million in 2015 and reflected the less favourable exhibition calendar and the absence of the non-recurring activities in the previous financial year that were linked to the presence of Expo 2015.
- Revenues from **Media** were Euro 11.1 million compared to Euro 13.4 million in the previous financial year; the decrease was due to lower sponsorship revenues, lower print advertising revenues and a decrease in services in the digital area.
- Revenues from **Congresses** were Euro 30.7 million compared to Euro 37.4 million in 2015, a decrease caused by the absence of revenues from the management activities of the Congress Centre and Auditorium of Expo 2015 present in the previous financial year.

The **gross operating profit** was Euro 3.7 million of which Euro 2.5 million was generated in Italy. **Italian Exhibitions** generated a gross operating loss of Euro 3.1 million, compared to a gross operating profit of Euro 31.9 million in 2015, due to the trend in revenues that was, in part, compensated by lower operating costs; **Foreign Exhibitions** had a gross operating profit of Euro 1.8 million, an improvement compared to the gross operating loss of Euro 1.2 million of the



previous financial year that was negatively impacted by the restructuring costs in Brazil; **Stand-fitting Services** had a gross operating profit of Euro 3.0 million (Euro 7.2 million in 2015); **Media** had a gross operating profit of Euro 0.376 million (gross operating profit of Euro 0.821 million in 2015) reflecting the trend in revenues that was, in part, compensated by lower personnel costs due to restructuring; and **Congresses** generated Euro 2.3 million of gross operating profit (Euro 4.6 million in the previous financial year) reflecting the decrease in revenues in this segment that was compensated by lower personnel costs and by an increase in other income from insurance claims.

The **net operating loss** was Euro 23.0 million compared to a net operating profit of Euro 13.4 million in the previous financial year. **Italian Exhibitions** generated a net operating loss of Euro 15.2 million, compared to a net operating profit of Euro 18.2 million in the comparative period, and were penalised by impairment charges for the Bit and Transpotec & Logitec exhibition trademarks; **Foreign Exhibitions** made a net operating loss of Euro 4.5 million, compared to a net operating loss of Euro 9.8 million in 2015, due to lower impairment charges than in 2015; **Stand-fitting Services** made a net operating profit of Euro 0.493 million (Euro 5.2 million in 2015) that, in part, reflected provisions taken for personnel disputes; **Media** generated a net operating loss of Euro 4.1 million, compared to a net operating loss of Euro 2.1 million in 2015, due to the aforementioned impairment charges; **Congresses** had net operating profit of Euro 1.1 million and benefited from lower depreciation and amortisation (the net operating profit was Euro 1.8 million in 2015).

#### ● **CONSOLIDATED NET FINANCIAL POSITION**

Net financial debt at 31 December 2016 was Euro 38.3 million compared to Euro 12.4 million at 31 December 2015. The increase in net debt was mainly due to lower cash flows from operations caused by the unfavourable exhibition calendar.

#### ■ **THE PARENT COMPANY FIERA MILANO SPA**

##### ● **RESULTS FOR THE FINANCIAL YEAR**

> **Revenues from sales and services** were Euro 173.4 million compared to Euro 277.3 million in 2015; the decrease was due to the aforementioned exhibition calendar and the absence of the activities linked to Expo 2015 that were present in the preceding financial year.

> The **gross operating loss** was Euro 1.8 million compared to a net operating profit of Euro 32.9 million in 2015. The decrease in the gross operating profit mainly reflected the fall in revenues that was, in part, compensated by the aforementioned lower personnel costs and the lower rental charge for the **fieramilano** exhibition site.

> The **net operating loss** was Euro 14.4 million, compared to a net operating profit of Euro 19.2 million in the previous financial year, due to the aforementioned impairment charges that were, in part, compensated by lower depreciation and amortisation.

> The **net loss** was Euro 25.2 million after a positive tax item of Euro 3.6 million and compared with a net loss of Euro 1.5 million after taxes of Euro 5.7 million in 2015. The net result was negatively affected by write downs of Euro 19.5 million (Euro 16.0 million in 2015) that were mainly related to Euro 5.5 million for Fiera Milano Exhibitions Africa Pty Ltd, Euro 5.1 million



for Worldex, Euro 5.0 million for Eurofairs International Consultoria e Participações Ltda, and Euro 3.9 million for Fiera Milano Media.

> **Net financial debt** at 31 December 2016 was Euro 44.5 million compared to Euro 17.8 million at 31 December 2015.

### ● ***BUSINESS OUTLOOK***

The improvement in the reference economic environment was confirmed by the exhibitions held in Italy in the first part of the current financial year, which provided decidedly encouraging signals in terms of both exhibitors and visitors. The exhibitions in the fashion accessories sector had particularly positive results. These included TheOneMilano, the new international event for top range women's pret-à-porter and accessories, which benefited from the know how and experience of MIPAP and MIFUR, and also TheMICAM, the international exhibition in the shoe sector which experienced a 5% increase in attendees.

The 2017 financial year will benefit from a more favourable exhibition calendar with the presence, amongst other events, of the important directly organised biennial exhibitions Tuttofood and Host. The latter is the international leader in the HoReCA trade sector and had record results at its last edition. It is expected to grow further and, with eight months still to go until the exhibition opens, more than 90% of the exhibition space has been taken by companies attending the exhibition and some areas are completely sold out.

The exhibition calendar of the current financial year also includes nine new exhibitions directly organised and organised by third-parties; this is the result of the efforts made in 2016. The directly organised events include Tempo di Libri and Versilia Yachting Rendez-vous whilst those organised by third-parties include Lamiera, Expo Ferroviaria, the International Dog Show and MAM Mostra and Milano Art and Antiques, which combines the world of antiques with that of design.

Assuming no events or circumstances that at the present time cannot be foreseen, the Group expects a significant improvement in the gross operating profit in 2017, compared to that achieved in 2016, and a return to net profit.

Lastly, in coming financial periods, the initiatives taken to strengthen the exhibition portfolio should reduce the seasonality of the exhibition calendar.

### ■ **PURCHASE AND DISPOSAL OF TREASURY SHARES**

The Board of Directors has decided to propose to the Shareholders' Meeting that it grants the Board of Directors the authority to purchase treasury shares, following prior cancellation of the existing authority, for a period of 18 months from the date of approval of the Shareholders' Meeting. Under the proposal the maximum number of shares that may be purchased must not exceed, including those shares already held by the Company and its subsidiaries, 20% of the shares that make up the share capital. The shares may be purchased at a share price that is no higher or lower than 10% of the reference price recorded by Fiera Milano shares on the Italian stock exchange in the trading session preceding each individual transaction. The shares may be





sold even before the purchase mandate has been exhausted and the selling price must be no lower than that of the lowest purchase price. This price limit will not be applicable if the shares are disposed of as part of a stock option plan.

The Board of Directors is requesting this authority as it is of the opinion that the purchase of treasury shares could represent an attractive investment opportunity and/or may be instrumental in improving the financial structure of the Company as it may facilitate future agreements involving the exchange of shareholdings. The authority is requested in order to carry out transactions, in accordance with enacted law and regulations, to stabilise share price movements linked to anomalies in the market and improve the liquidity of the shares. The authority is also requested so that treasury shares are available for use in stock option incentive plans that may be approved in accordance with the provisions of law or as part of any bond issue convertible into shares of the Company.

At today's date, Fiera Milano holds, directly and indirectly, 939,018 treasury shares, equivalent to 1.31% of the share capital.

#### ■ **AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The controlling shareholder Fondazione Fiera Milano has requested that the Extraordinary Shareholders' Meeting be asked to approve amendments to some of the Articles of Association and, specifically, Article 13 (Chairpersonship of Shareholders' Meeting), Article 14 (Board of Directors), Article 15 (Convening Meetings of the Board of Directors and Board Resolutions); Article 16 (Chairpersonship of meetings of the Board of Directors), Article 17 (Powers, functions and compensation of the Board of Directors), Article 18 (Chairperson), and Article 20 (Board of Statutory Auditors). The amendments meet the need to strengthen, through the provision of specific requirements, the prerequisites of members of the corporate bodies and those within the top management of the Company, as well as to facilitate the current restructuring of the corporate and organisational structure. The amendments also aim to bring the corporate governance model in line with the sector best practice and meet the requirements of the Self-regulatory Code of Listed Companies whilst reinforcing the organisational and internal control safeguards by restricting the total number of positions that can be held and imposing stricter requirements for independence both for members of the Board of Directors and of the Board of Statutory Auditors.

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The Manager responsible for preparing the Company's financial statements, Sebastiano Carbone, in accordance with paragraph 2 article 154-*bis* of the Consolidated Finance Law herewith declares that the accounting information contained in the present release is consistent with the Company's official documents, books and accounting records.

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Given the Extraordinary Shareholders' Meeting and the Ordinary Shareholders' Meeting both scheduled for 21 April 2017, the following documents have been made available from today's date at the registered office and the operational and administrative offices of the Company:



- Notification of the Extraordinary Shareholders' Meeting and of the Ordinary Shareholders' Meeting;
- Report prepared in accordance with Article 125-ter, paragraph 3, of Legislative Decree 58/98 prepared by the shareholder Fondazione Fiera Milano regarding the proposed amendments to Articles 13, 14, 15, 16, 17, 18 and 20 of the Articles of Association, with attached the relevant Articles of Association showing the proposed amendments;
- Report of the Board of Directors prepared in accordance with Article 125-ter, paragraph 3, of Legislative Decree 58/98 and with Article 72 of Consob Resolution no. 11971/1999 and subsequent amendments and additions;
- Report of the Board of Directors prepared in accordance with Article 125-ter of Legislative Decree 58/98 and with Article 73 of Consob Resolution no. 11971/1999 and subsequent amendments and additions;
- Report on Remuneration prepared in accordance with Article 123-ter of Legislative Decree 58/98;
- 2016 Report on Corporate Governance and Ownership Structure.

The aforementioned documents are also available on the Company website [www.fieramilano.it](http://www.fieramilano.it) in the section Investor Relations/Corporate Governance/Shareholders' Meeting and on the website [www.emarketstorage.com](http://www.emarketstorage.com) managed by Spafid Connect S.p.A..

*This press release contains forward-looking statements. These statements are based on the current expectations and assumptions of the Group regarding future events and by their very nature are subject to certain risks and uncertainties. The actual results could differ materially from those contained in these statements for a variety of factors that include changes in general economic and business conditions, continued volatility and a further deterioration in the capital and financial markets and many other factors, the majority of which are outside the control of the Group.*

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Attachments (not subject to legal audit):  
Consolidated Statement of Financial Position  
Consolidated Statement of Comprehensive Income  
Consolidated Statement of Cash Flows  
Fiera Milano SpA Statement of Financial Position  
Fiera Milano SpA Statement of Comprehensive Income  
Fiera Milano SpA Statement of Cash Flows



## FIERA MILANO

	(€ '000)	
<b>Consolidated Statement of Financial Position</b>	<b>31/12/16</b>	<b>31/12/15</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,509	14,746
Leased property, plant & equipment	2	9
Investments in non-core property	-	-
Goodwill and intangible assets with an indefinite useful life	94,216	104,945
Intangible assets with a finite useful life	17,777	29,408
Equity accounted investments	18,198	16,955
Other investments	29	29
Other financial assets	-	-
Trade and other receivables	12,473	13,035
<i>of which from related parties</i>	<i>11,862</i>	<i>12,125</i>
Deferred tax assets	3,678	3,175
<b>Total</b>	<b>160,882</b>	<b>182,302</b>
<b>Current assets</b>		
Trade and other receivables	52,227	63,932
<i>of which from related parties</i>	<i>8,372</i>	<i>5,341</i>
Inventories	5,480	1,884
Contracts in progress	-	-
Current financial assets	2,622	-
<i>of which from related parties</i>	<i>2,622</i>	<i>-</i>
Cash and cash equivalents	20,904	56,092
<b>Total</b>	<b>81,233</b>	<b>121,908</b>
<b>Assets held for sale</b>		
Assets held for sale	3,436	-
<b>Total assets</b>	<b>245,551</b>	<b>304,210</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	41,645	41,818
Share premium reserve	35,668	65,679
Revaluation reserve	-	-
Other reserves	1,714	(6,936)
Retained earnings	4,773	(17,003)
Profit/(loss) for the year	(22,794)	1,014
<b>Total Group equity</b>	<b>61,006</b>	<b>84,572</b>
<b>Equity attributable to non-controlling interests</b>	<b>673</b>	<b>696</b>
<b>Total equity</b>	<b>61,679</b>	<b>85,268</b>
<b>Non-current liabilities</b>		
Bonds in issue	-	-
Bank borrowings	14,108	10,922
Other financial liabilities	42	2,094
Provision for risks and charges	3,584	3,343
Employee benefit provisions	9,302	10,672
Deferred tax liabilities	3,523	5,709
Other non-current liabilities	-	-
<b>Total</b>	<b>30,559</b>	<b>32,740</b>
<b>Current liabilities</b>		
Bonds in issue	-	-
Bank borrowings	45,542	39,466
Trade payables	41,114	49,267
Pre-payments	40,239	34,880
Other current financial liabilities	3,364	16,036
<i>of which to related parties</i>	<i>2,503</i>	<i>15,225</i>
Current provision for risks and charges	4,763	3,915
Current tax liabilities	1,605	5,168
Other current liabilities	16,513	37,470
<i>of which to related parties</i>	<i>3,490</i>	<i>5,832</i>
<b>Total</b>	<b>153,140</b>	<b>186,202</b>
<b>Liabilities held for sale</b>		
Liabilities held for sale	173	-
<b>Total liabilities</b>	<b>245,551</b>	<b>304,210</b>



## FIERA MILANO

		(€ '000)	
<b>Consolidated Statement of Comprehensive Income</b>		<b>2016</b>	<b>2015 restated *</b>
Revenues from sales and services		221,041	335,172
<b>Total revenues</b>		<b>221,041</b>	<b>335,172</b>
Cost of materials		2,281	4,859
Cost of services		121,423	164,602
<i>of which with related parties</i>		<i>1,350</i>	<i>1,040</i>
Cost of use of third-party assets		49,837	61,265
<i>of which with related parties</i>		<i>45,891</i>	<i>45,882</i>
<i>of which non-recurring with related parties</i>		<i>-</i>	<i>10,000</i>
Personnel expenses		44,101	61,023
Other operating expenses		4,222	5,705
<b>Total operating expenses</b>		<b>221,864</b>	<b>297,454</b>
Other income		3,216	2,992
<i>of which with related parties</i>		<i>1,380</i>	<i>276</i>
Results of equity accounted associates and joint ventures		1,259	2,828
<b>Gross operating result</b>		<b>3,652</b>	<b>43,538</b>
Depreciation of property, plant and equipment		4,409	6,764
Depreciation of property investments		-	-
Amortisation of intangible assets		3,989	5,541
Adjustments to asset values		12,771	9,657
Provisions for doubtful receivables and other provisions		5,477	8,179
<b>Net operating result (EBIT)</b>		<b>(22,994)</b>	<b>13,397</b>
Financial income and similar		576	824
Financial expenses and similar		1,561	4,331
<i>of which with related parties</i>		<i>107</i>	<i>1,045</i>
Valuation of financial assets		-	-
<b>Profit/(loss) before tax</b>		<b>(23,979)</b>	<b>9,890</b>
Income tax		(5,305)	5,987
<i>of which with related parties</i>		<i>(3,340)</i>	<i>-</i>
<b>Profit/(loss) from continuing operations</b>		<b>(18,674)</b>	<b>3,903</b>
<b>Profit/(loss) from discontinued operations</b>		<b>(4,176)</b>	<b>(3,474)</b>
<b>Profit/(loss) of the period</b>		<b>(22,850)</b>	<b>429</b>
Profit/(loss) attributable to:			
The shareholders of the controlling entity		(22,794)	1,014
Non-controlling interests		(56)	(585)
<b>Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss</b>			
Revaluation of defined benefit schemes		(537)	228
Imputazione Fair Value Stock Option		-	-
Profit/(loss) from hedging instruments		-	-
Tax effects		(128)	63
<b>Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss</b>			
Currency translation differences of foreign subsidiaries		15	(1,224)
<b>Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss</b>			
Revaluation of defined benefit schemes		35	-
Tax effects		8	-
Currency translation differences of foreign subsidiaries		(185)	499
<b>Other comprehensive income/(loss) net of related tax effects</b>		<b>(552)</b>	<b>(560)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(23,402)</b>	<b>(131)</b>
Total comprehensive income/(loss) for the year attributable to:			
The shareholders of the controlling entity		(23,199)	433
Non-controlling interests		(203)	(564)
<b>Earnings/(losses) per share (€)</b>			
	Basic	(0.2611)	0.1062
	Diluted	(0.2611)	0.1062

\* Some figures in the Consolidated Financial Statements at 31 December 2015 have been restated for comparative purposes to reflect the accounting of the Chinese companies, Worldex and Haikou Worldex, under IFRS 5



## FIERA MILANO

	(€ '000)	
<b>Consolidated Statement of Cash Flows</b>	<b>2016</b>	<b>2015 restated *</b>
<b>Net cash at beginning of the year</b>	<b>56,092</b>	<b>12,276</b>
<b>Cash flow from operating activities</b>		
Net cash from operating activities	(22,893)	52,526
<i>of which from related parties</i>	(48,535)	(54,714)
Interest paid	(1,149)	(2,617)
Interest received	95	91
Income taxes paid	(126)	(1,475)
<b>Total from continuing operations</b>	<b>(24,073)</b>	<b>48,525</b>
<b>Total from assets held for sale</b>	<b>(463)</b>	<b>(2,024)</b>
<b>Cash flow from investing activities</b>		
Investments in tangible assets	(3,004)	(3,388)
Write-downs of tangible assets	107	283
Investments in intangible assets	(2,501)	(1,262)
Investments in subsidiaries	-	(2,363)
Investments in joint ventures	2,939	1,827
<b>Total from continuing operations</b>	<b>(2,459)</b>	<b>(4,903)</b>
<b>Total from assets held for sale</b>	<b>-</b>	<b>2,442</b>
<b>Cash flow from financing activities</b>		
Equity	(318)	(108)
Share capital increase of the Parent Company	-	65,684
Non-current financial assets/liabilities	2,119	(17,243)
Current financial assets/liabilities	(9,159)	(48,539)
<i>of which from related parties</i>	(17,153)	(6,688)
<b>Total from continuing operations</b>	<b>(7,358)</b>	<b>(206)</b>
<b>Total from assets held for sale</b>	<b>-</b>	<b>(295)</b>
Total translation differences	(1,298)	277
<b>Net cash for the period from continuing operations</b>	<b>(33,890)</b>	<b>43,416</b>
<b>Net cash for the period from assets held for sale</b>	<b>(463)</b>	<b>123</b>
<b>Net cash at the end of the year from assets held for sale</b>	<b>1,214</b>	<b>1,677</b>
<b>Net cash at the end of the year from continuing operations</b>	<b>20,904</b>	<b>54,415</b>

\* Some figures in the Consolidated Financial Statements at 31 December 2015 have been restated for comparative purposes to reflect the accounting of the Chinese companies, Worldex and Haikou Worldex, under IFRS 5

	(€ '000)	
<b>Cash generated from operating activities</b>	<b>2016</b>	<b>2015 restated *</b>
Result of continuing operations	(18,674)	3,903
<i>Adjustments for:</i>		
Profit from equity accounted investments	(1,259)	(2,828)
Depreciation and Amortisation	8,398	12,315
Provisions, write-downs and impairment	16,936	15,743
Capital gains and losses	-	39
Net financial income/expenses	985	3,520
Net change in employee provisions	(1,907)	32
Changes in deferred taxes	(2,561)	1,828
Inventories	(3,688)	3,207
Trade and other receivables	11,262	(11,574)
Trade payables	(10,136)	12,237
Pre-payments	5,354	(4,519)
Tax payables	(3,512)	4,596
Provisions for risks and charges and other liabilities (excluding payables to Organisers)	(12,883)	7,186
Payables to Organisers	(11,208)	6,841
<b>Total</b>	<b>(22,893)</b>	<b>52,526</b>

\* Some figures in the Consolidated Financial Statements at 31 December 2015 have been restated for comparative purposes to reflect the accounting of the Chinese companies, Worldex and Haikou Worldex, under IFRS 5



## FIERA MILANO

	(euro)	
<b>Fiera Milano SpA Statement of Financial Position</b>	<b>31/12/16</b>	<b>31/12/15</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,677,920	4,139,144
Leased property, plant and equipment	-	-
Investments in non-core property	-	-
Goodwill and intangible assets with an indefinite useful life	70,144,099	70,144,099
Intangible assets with a finite useful life	10,070,125	13,079,442
Investments	57,827,948	73,350,722
Other financial assets	-	-
Trade and other receivables	12,469,181	13,031,120
<i>of which from related parties</i>	<i>11,861,629</i>	<i>12,125,107</i>
Deferred tax assets	3,041,040	3,083,994
<b>Total</b>	<b>157,230,313</b>	<b>176,828,521</b>
<b>Current assets</b>		
Trade and other receivables	33,865,767	45,877,971
<i>of which from related parties</i>	<i>10,289,341</i>	<i>10,595,546</i>
Inventories	4,467,106	1,197,852
Contracts in progress	-	-
Current financial assets	6,084,518	4,034,972
<i>of which from related parties</i>	<i>6,084,518</i>	<i>4,034,972</i>
Cash and cash equivalents	11,982,917	42,971,750
<b>Total</b>	<b>56,400,308</b>	<b>94,082,545</b>
<b>Assets held for sale</b>		
Assets held for sale	2,750,000	-
<b>Total</b>	<b>2,750,000</b>	<b>-</b>
<b>Total assets</b>	<b>216,380,621</b>	<b>270,911,066</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	41,644,917	41,818,383
Share premium reserve	35,667,706	65,679,470
Revaluation reserve	-	-
Other reserves	8,489,028	-
Retained earnings	(154,269)	(19,712,226)
Profit/(loss) for the year	(25,159,579)	(1,456,384)
<b>Total</b>	<b>60,487,803</b>	<b>86,329,243</b>
<b>Non-current liabilities</b>		
Bonds in issue	-	-
Bank borrowings	14,108,114	10,922,456
Other financial liabilities	-	50,280
Provision for risks and charges	1,998,103	2,951,986
Employee benefit provisions	5,003,497	5,792,339
Deferred tax liabilities	-	-
Other non-current liabilities	-	-
<b>Total</b>	<b>21,109,714</b>	<b>19,717,061</b>
<b>Current liabilities</b>		
Bonds in issue	-	-
Bank borrowings	44,068,430	38,485,373
Trade-payables	19,839,126	26,184,964
Pre-payments	34,669,952	31,544,918
Other financial liabilities	4,364,582	15,395,485
<i>of which to related parties</i>	<i>4,314,049</i>	<i>15,224,542</i>
Current provision for risks and charges	3,865,509	1,636,318
Current tax liabilities	904,991	4,022,317
Other current liabilities	27,070,514	47,595,387
<i>of which to related parties</i>	<i>16,178,763</i>	<i>19,495,875</i>
<b>Total</b>	<b>134,783,104</b>	<b>164,864,762</b>
<b>Liabilities held for sale</b>		
Liabilities held for sale	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>216,380,621</b>	<b>270,911,066</b>



## FIERA MILANO

	2016	(euro) 2015
<b>Fiera Milano SpA Statement of Comprehensive Income</b>		
Revenues from sales and services	173,421,414	277,307,280
<i>of which with related parties</i>	4,513,745	6,862,907
<b>Total revenues</b>	<b>173,421,414</b>	<b>277,307,280</b>
Cost of materials	505,784	899,822
Cost of services	100,613,172	144,892,370
<i>of which with related parties</i>	33,122,787	48,515,696
Cost of use of third-party assets	43,551,434	54,945,417
<i>of which with related parties</i>	42,483,200	42,588,310
<i>of which non-recurring with related parties</i>	-	10,000,000
Personnel expenses	32,245,498	45,779,108
Other operating expenses	3,518,878	4,636,458
<i>of which with related parties</i>	973,518	1,132,360
<b>Total operating expenses</b>	<b>180,434,766</b>	<b>251,153,175</b>
Other income	5,229,661	6,756,278
<i>of which with related parties</i>	3,985,416	4,431,645
<b>Gross operating result</b>	<b>(1,783,691)</b>	<b>32,910,383</b>
Depreciation of property, plant and equipment	1,312,148	2,030,405
Depreciation of property investments	-	-
Amortisation of intangible assets	2,721,043	4,242,743
Adjustments to asset values	3,332,862	1,953,000
Provisions for doubtful receivables and other provisions	5,241,292	5,463,570
<b>Net operating profit (EBIT)</b>	<b>(14,391,036)</b>	<b>19,220,665</b>
Financial income and similar	6,363,579	4,305,837
<i>of which with related parties</i>	6,288,250	4,227,295
Financial expenses and similar	1,190,596	3,297,016
<i>of which with related parties</i>	138,302	1,044,837
Valuation of financial assets	(19,520,867)	(16,033,039)
<b>Profit/(loss) before tax</b>	<b>(28,738,920)</b>	<b>4,196,447</b>
Income tax	(3,579,341)	5,652,831
<i>of which with related parties</i>	(3,236,626)	(330,991)
<b>Profit/(loss) from continuing operations</b>	<b>(25,159,579)</b>	<b>(1,456,384)</b>
<b>Profit/(loss) from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) for the year</b>	<b>(25,159,579)</b>	<b>(1,456,384)</b>
<b>Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss</b>		
Revaluation of defined benefit schemes	(202,985)	100,499
Tax effects	(48,716)	27,637
<b>Other comprehensive income/(loss) net of related tax effects</b>	<b>(154,269)</b>	<b>72,862</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(25,313,848)</b>	<b>(1,383,522)</b>



## FIERA MILANO

	(euro)	
<b>Fiera Milano SpA Statement of Cash Flows</b>	<b>2016</b>	<b>2015</b>
<b>Net cash at beginning of year</b>	<b>42,971,750</b>	<b>3,563,919</b>
<b>Cash flow from operating activities</b>		
Net cash from operating activities	(21,334,230)	47,868,324
<i>of which with related parties</i>	<i>(63,009,802)</i>	<i>(83,009,750)</i>
Interest paid	(1,735,803)	(3,277,474)
Interest received	460,004	250,647
<b>Total</b>	<b>(22,610,029)</b>	<b>44,841,497</b>
<b>Cash flow from investing activities</b>		
Investments in tangible assets	(881,168)	(1,364,131)
Write-downs of tangible assets	2,659	21,067
Investments in intangible assets	(2,374,587)	(1,008,405)
Acquisition of investments	(63,290)	(6,319,263)
Subsidiary company share capital transactions	(3,599,345)	(951,977)
Dividends received	6,006,359	3,972,383
<b>Total</b>	<b>(909,372)</b>	<b>(5,650,326)</b>
<b>Cash flow from financing activities</b>		
Share capital increase	(464,382)	65,685,259
Non-current financial assets/liabilities	3,135,378	(16,145,630)
Current financial assets/liabilities	(10,140,428)	(49,322,969)
<i>of which with related parties</i>	<i>(12,960,039)</i>	<i>(7,768,899)</i>
<b>Total</b>	<b>(7,469,432)</b>	<b>216,660</b>
<b>Cash flow for the period</b>	<b>(30,988,833)</b>	<b>39,407,831</b>
<b>Net cash from assets held for sale</b>	<b>-</b>	<b>-</b>
<b>Net cash at the end of year</b>	<b>11,982,917</b>	<b>42,971,750</b>

	<b>2016</b>	<b>2015</b>
<b>Cash generated from operating activities</b>		
Result including non-operating activities	(25,159,579)	(1,456,384)
<b>Adjustments for:</b>		
Depreciation and Amortisation	4,033,191	6,273,148
Provisions, write-downs and impairment	8,574,154	7,416,570
Valuation of financial activities	19,520,867	16,033,039
Capital gains and losses	(2,505)	(19,917)
Net financial income/expenses	(5,172,983)	(1,008,766)
Net change in employee provisions	(991,827)	(316,098)
Changes in deferred taxes	28,460	3,455,291
Inventories	(3,269,254)	3,268,474
Trade and other receivables	11,098,651	(8,726,714)
Trade payables	(7,015,838)	4,168,544
Pre-payments	3,125,034	(3,298,424)
Tax payables	(3,117,326)	2,907,477
Provisions for risks and charges and other liabilities (excluding payables to Organisers)	(17,983,118)	16,871,798
Payables to Organisers	(5,002,157)	2,300,286
<b>Total</b>	<b>(21,334,230)</b>	<b>47,868,324</b>