



1st Half 2014 Consolidated Results

FIERA MILANO GROUP

Conference Call – 28 July 2014






Contents

Highlights and achievements

Financial results

Business outlook





1H 2014 highlights

- The half-year results reflect **a more favourable Italian exhibition calendar but also the prolonged slowdown in the domestic market** and were impacted by non-recurring expenses
- **Net exhibition space of 879,625 square meters** (-2% vs 1H13)
- First edition of **HOMI, the new Macef**, and launch of the **new format of BIT**
- **Revenues of Euro 138.6 million** (+4% year-on-year)
- **Gross operating result of Euro 5.0 million** (Euro 4.6 million in 1H13)
- **Net operating result of Euro -0.6 million** (Euro 1.1 million in 1H13)
- **Net result of Euro -3.7 million** (Euro -1.6 million in 1H13)
- The **new contracts for the rent of the exhibition sites** were signed on 31 March:
 - In the 2H 2014 the rent for the **Rho site** will be Euro 24.4 million and Euro 38.8 million per annum from 2015 (annually adjusted for the change in the ISTAT index); in 2015, due to the expected positive impact of Expo 2015 on Fiera Milano's business, the Company will pay an additional variable rent up to a maximum of Euro 10 million
 - The current rent of Euro 2.85 million was confirmed for the **Milan site** (annually adjusted for the change in the ISTAT index)





Contents

Highlights and achievements

Financial results

Business outlook



Italian exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	1H14	1H13
Annual exhibitions		
Directly organised	114,895	133,975
Organised by 3rd parties	391,635	413,515
Total annual exhibitions	506,530	547,490
Biennial exhibitions		
Directly organised	-	98,610
Organised by 3rd parties	223,290	72,800
Total biennial exhibitions	223,290	171,410
Multi-year exhibitions		
Organised by 3rd parties	-	13,865
Total multi-year exhibitions	-	13,865
Total exhibitions	729,820	732,765
Congresses with related exhibition area	14,890	19,600
Total	744,710	752,365

The more favorable 1H14 exhibition calendar, compared to 1H13, reflected the presence of the biennial exhibition Mostra Convegno Expocomfort but this was partially offset by the absence of the biennial directly organised exhibition Tuttofood

The negative trend in the economy and in the relevant industrial sectors affected, in particular, HOMI (homeware), BIT (tourism) and the Innovation Cloud (solar energy)

A particularly positive performance among exhibitions organised by third parties from Salone Internazionale del Mobile and a stable trend in exhibitions in the fashion accessory sector



Italian exhibitions



Italian exhibitions	1H14	1H13
Revenues (€'000)	112,954	105,464
Gross operating result (€'000)	2,611	-16
% on revenues	2.3%	0.0%
Net operating result (€'000)	-129	-828
% on revenues	-0.1%	-0.8%



The increase in revenues mainly reflects the trend in exhibition space occupied

The higher gross operating result is attributable to the increase in revenues, but was also affected by non-recurring expenses for the launch and internationalisation of HOMI and lower write-downs of receivables



Foreign exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	1H14	1H13
Annual exhibitions		
China	92,020	77,680
Brazil	22,130	27,450
Turkey	9,975	9,315
South Africa	6,200	4,170
India	4,590	4,760
Russia	-	1,210
Total annual exhibitions	134,915	124,585
Biennial exhibitions		
China	-	15,950
Singapore	-	1,120
Total biennial exhibitions	-	17,070
Total	134,915	141,655

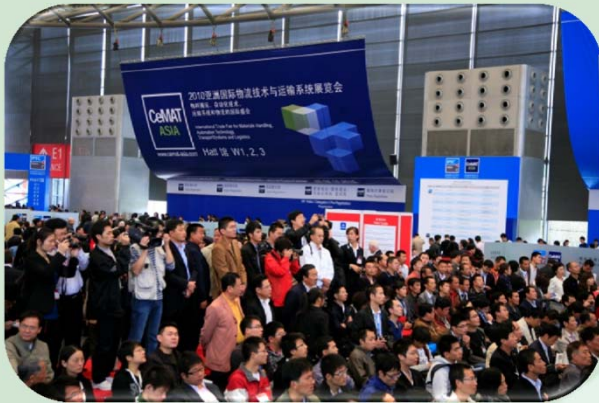
China: less favourable exhibition calendar because of the absence of the biennial exhibition WoodMac China (woodworking machinery)

Brazil: lower demand for exhibition space at Food Hospitality World, Exposec and Reatech and the cancellation of some exhibitions; launch of the new exhibition Infocomm in São Paulo

South Africa: second edition of Art for Me, which was absent in the same semester of 2013



Foreign exhibitions



Foreign exhibitions	1H14	1H13 restated*
Revenues (€'000)	6,183	6,963
Gross operating result (€'000)	-1,476	1,039
% on revenues	-23.9%	14.9%
Net operating result (€'000)	-2,053	370
% on revenues	-33.2%	5.3%

* Some figures in the Consolidated Condensed Interim Financial Statements at 30 June 2013 have been restated for comparative purposes following the introduction of IFRS 11 applicable from 1 January 2014



Revenues mainly reflect the trend in exhibition space occupied
 Margins were affected by the trend in revenues and non-recurring expenses due to the restructuring of the Brazilian companies



Gross of adjustments for inter-segment transactions



Stand-fitting services



Stand-fitting services	1H14	1H13
Revenues (€'000)	21,486	18,616
Gross operating result (€'000)	2,041	1,463
% on revenues	9.5%	7.9%
Net operating result (€'000)	1,205	747
% on revenues	5.6%	4.0%



The increase in revenues and margins was mainly due to higher volumes of stand-fitting services linked to the more favourable exhibition calendar that included, in particular, the biennial exhibition Mostra Convegno Expocomfort and also to the strong performance of the Salone Internazionale del Mobile





Media

Media	1H14	1H13
Revenues (€'000)	6,541	6,264
Gross operating result (€'000)	248	240
% on revenues	3.8%	3.8%
Net operating result (€'000)	-140	-297
% on revenues	-2.1%	-4.7%



The growth in revenues was mainly due to an increase in billboard advertising, reflecting the more favourable exhibition calendar, and higher digital services
 Margins reflected the positive trend in revenues



Gross of adjustments for inter-segment transactions



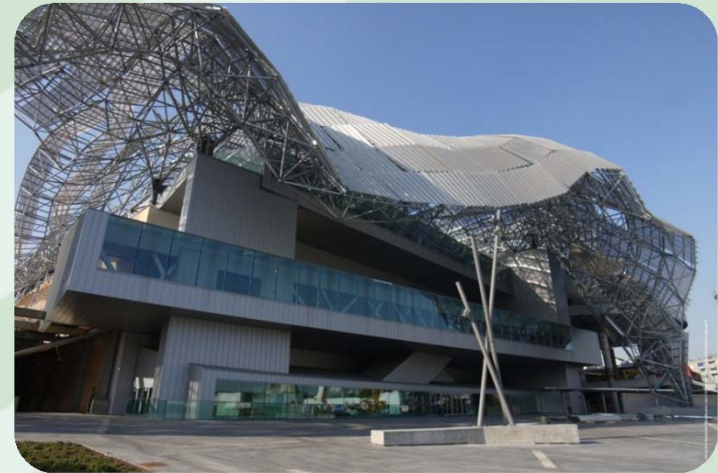
Congresses

Congresses	1H14	1H13
Revenues (€'000)	14,891	13,313
Gross operating result (€'000) % on revenues	1,575 10.6%	1,825 13.7%
Net operating result (€'000) % on revenues	538 3.6%	1,055 7.9%



The increase in revenues reflected the presence in the semester of some important international events that included the EHA (European Hematology Association) and ISMRM (International Society for Magnetic Resonance in Medicine) congresses and the Cisco Live and Azimut conventions

Margins reflected the trend in revenues but were eroded by higher rental expenses for the new congress centre, MiCo - Milano Congressi, and maintenance costs



Income Statement

Consolidated Income Statement (€'000)	1H14	1H13 restated*
Revenues	138,582	132,725
Gross operating result	5,046	4,620
Gross operating margin (%)	3.6%	3.5%
Net operating result (EBIT)	-570	1,117
Net operating margin (%)	-0.4%	0.8%
Profit/loss before income tax	-3,210	-687
Profit/loss before tax margin (%)	-2.3%	-0.5%
Profit/loss	-3,738	-1,621
Profit/loss margin (%)	-2.7%	-1.2%
-attributable to Shareholders of the controlling entity	-3,218	-1,521
Profit/loss before tax attributable to Shareholders of the controlling entity margin (%)	-2.3%	-1.1%
-attributable to non-controlling interests	-520	-100
Profit/loss before tax attributable to non-controlling interests margin (%)	-0.4%	-0.1%

* Some figures in the Consolidated Condensed Interim Financial Statements at 30 June 2013 have been restated for comparative purposes following the introduction of IFRS 11 applicable from 1 January 2014



Statement of Financial Position

Consolidated Statement of Financial Position (€'000)	30/06/14	31/12/13 restated*
Non-current assets	209,193	209,402
Net working capital	-39,941	-49,186
Gross capital employed	169,252	160,216
Non-current liabilities	21,524	20,929
Total net capital employed	147,728	139,287
Equity	34,364	37,462
Net financial position	113,364	101,825
Equity and net financial position	147,728	139,287

* Some figures in the Consolidated Financial Statements at 31 December 2013 have been restated for comparative purposes following the introduction of IFRS 11 applicable from 1 January 2014



Net Financial Position

Consolidated Net Financial Position (€'000)	30/06/14	31/12/13 restated *
Cash (including bank balances)	13,178	11,416
Other cash equivalents	-	-
Securities held for trading	-	-
Cash & cash equivalents	13,178	11,416
Current financial assets	1,706	635
Current bank borrowings	51,950	42,706
Current portion of non-current debt	14,547	12,699
Other current financial liabilities	24,771	20,572
Current financial debt	91,268	75,977
Current net financial debt (cash)	76,384	63,926
Non-current bank borrowings	33,527	34,408
Debt securities in issue	-	-
Other non-current payables	3,453	3,491
Non-current net financial debt	36,980	37,899
Net financial debt (cash)	113,364	101,825

* Some figures in the in the Financial Position at 31 December 2013 have been restated for comparative purposes following the introduction of IFRS 11 applicable from 1 January 2014



The increase in net debt was mainly due to operating cash flows that reflected the trend in working capital with higher current assets, as well as the financing of investments





Contents

Highlights and achievements

Financial results

Business outlook





Business outlook

- The results of the semester under review confirm the absence of any major signs of a recovery in the exhibition business in Italy. The effects of the stagnant macroeconomic environment and the unfavourable exhibition calendar for the full-year require a prudent stance to be maintained regarding expectations for the coming months
- However, the 2014 results of the foreign business activities are expected to improve compared to those of the previous financial year
- The Company is ready to take advantage of any opportunities arising from the presence of different countries at Expo 2015 and from any further possible collaboration with Expo 2015 SpA
- The reduction in the rent payable for the exhibition sites will free up resources that can be invested to support and relaunch exhibitions, which should generate returns in the medium-term





Forward-Looking Statements

Data and information herewith set forth are extracted from the Fiera Milano Press Release for the Half-year Financial Report to 30 June 2014 filed with Italian authorities regulating exchanges and securities and disseminated concomitantly with this presentation.

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The Manager responsible for preparing the company's financial reports Flaminio Oggioni declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this document corresponds to the official results, books and accounting records.



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