



FIERA MILANO

Fiera Milano Group

FY 2013 Consolidated Results

Conference Call – 14 March 2013

- Highlights and achievements

- Financial results
 - Business outlook

FY 2013 financial highlights

- The annual results mainly reflect the **extended slowdown in the domestic market** and, in particular, some industrial sectors, together **with the less favourable exhibition calendar** compared to 2012
- **Net exhibition space of 1,738,680** square metres (46% directly organised), **of which 405,000 square metres abroad**
- **Revenues: Euro 258.1 million**
- **Gross Operating Result: Euro 3.3 million**
- **Net operating loss: Euro 16.0 million**, also affected by the write-down of technical publications in the real estate sector (Euro 6.6 million)
- **Net loss: Euro 16.6 million**

- **Italy: Launch of HOMI, the new Macef;** the first edition of the new exhibition was a substantial change in form, substance and mission from the old Macef: the new concept draws on the historical concept adapting it to the global market through a new project founded on internationalisation
- **Abroad:**
 - In May **acquisition of 75% of the share capital of Worldex (China) Exhibition & Promotion Ltd** with a portfolio of exhibitions in the agrifood, professional hospitality and energy saving technology sectors
 - In December the subsidiary **Hannover Milano Fairs Shanghai acquired the business division of South China International Automation Exhibition & Water Expo** in the industrial automation sector
 - In October **Fiera Milano and Deutsche Messe renewed the joint venture agreement** - relating to China and India - until 31 December 2016 with automatic further renewal unless cancelled by one of the parties

- **Fiera Milano was awarded:**
 - **the planning of the “Clusters”** – nine shared pavilions dedicated to single themes based on food chains
 - **the planning of the Expo Centre and Padiglione Zero**
 - **the planning of stand fittings for the four Thematic Areas**
- Fiera Milano became an **Official Partner for Operations of Expo 2015**
- The Company signed preliminary **agreements with leading international operators that organise and manage large events** and that have long-standing experience in World Expos
 - **Pico** InCreative UK Ltd, a London-based subsidiary of Pico Far East Holdings Limited,
 - **NUSSLI** Italia S.r.l., the Italian company of the Swiss NUSSLI Group
 - **Gielissen’s** Bedrijven B.V., Dutch company
 - **A&A** Company Co Ltd., South Korean company
 - **Viva Group Srl**

Fiera Milano will offer local know-how and will **supply a full range of top quality services**: structural design and construction, facility management, catering and marketing, communication and events, technical management of pavilions, logistics and customs matters

Significant events after the year-end

- Today Fiera Milano and the Controlling Shareholder Fondazione Fiera Milano, owner of the exhibition sites in Rho and Milan, reached an **agreement on the rent of the exhibition sites**
- **Rho site**
 - the rent will be Euro 24.4 million in the second half 2014 and Euro 38.8 million per annum from 2015 (with an annual adjustment of 100% of the change in the ISTAT index); this is a **decrease of Euro 2 million for the second half of 2014 and Euro 14 million per annum from 2015** compared to the current contract
 - **For 2015**, due to the presence of Expo 2015 and the expected positive impact on Fiera Milano's business, the Company will pay **an additional variable rent of 15% of the difference between the Parent Company revenues for the year and the average annual revenues in 2011-2014 up to a maximum of Euro 10 million**
- **Milan site**
 - The parties confirmed the current rent of Euro 2,850,000 (with an annual adjustment of 100% of the change in the ISTAT index)

Both contracts are for **nine years starting on 1 July 2014** and will be automatically renewed for a further nine years unless cancelled by one of the parties 18 months before the contract expires

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Italian exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	FY13	FY12
Annual exhibitions		
Directly organised	198,925	242,580
Organised by 3rd parties	757,085	779,840
Total annual exhibitions	956,010	1,022,420
Biennial exhibitions		
Directly organised	199,335	20,640
Organised by 3rd parties	124,365	274,100
Total biennial exhibitions	323,700	294,740
Multi-annual exhibitions		
Directly organised	-	-
Organised by 3rd parties	13,865	108,065
Total multi-annual exhibitions	13,865	108,065
Total exhibitions	1,293,575	1,425,225
Congresses with related exhibition area	40,105	50,825
Total	1,333,680	1,476,050

The negative trend in the economy and in the reference industrial sectors had a particular effect on:

- the two editions of Macef (homeware sector) and BIT (tourism sector) among the exhibitions that are directly organised
- Made (architecture, design and building sectors) and Vitrum (glass manufacturing sector) among the exhibitions organised by third parties

Stable trend in exhibitions in the fashion accessories sector

Launch of The Innovation Cloud in the innovative energy technologies sector and of the biennial exhibition, Made in Steel, in the steel sector

Italian exhibitions



Italian exhibitions	FY13	FY12
Revenues (€'000)	194,583	198,125
Gross operating result (€'000) % on revenues	(5,124) -2.6%	7,641 3.9%
Net operating result (€'000) % on revenues	(11,806) -6.1%	(1,020) -0.5%



The decrease in 2013 revenues and margins reflects the drop in the exhibition space occupied

Foreign exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	FY13	FY12
Annual exhibitions		
China	292,360	259,055
Brazil	30,850	34,440
Turkey	18,880	8,480
India	13,730	10,635
South Africa	11,355	3,910
Thailand	1,500	-
Russia	1,210	1,210
Total annual exhibitions	369,885	317,730
Biennial exhibitions		
China	15,950	-
Brazil	18,045	35,795
Singapore	1,120	-
Total biennial exhibitions	35,115	35,795
Total	405,000	353,525

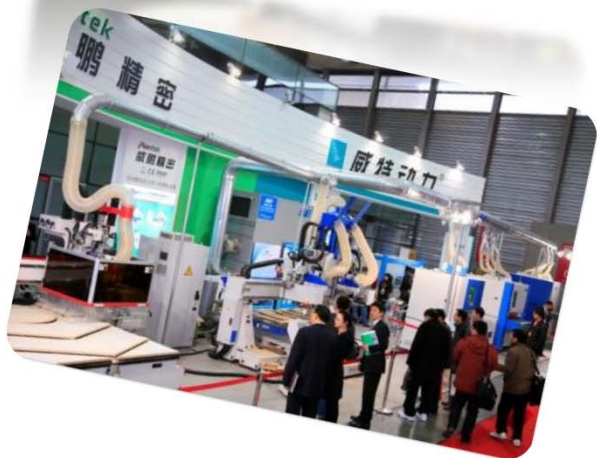
Very positive performance of the Chinese exhibitions, in particular of PTC Asia and Industrial Automation Show, together with the presence of the biennial exhibition WoodMac China (woodworking machinery)

In Brazil the 2013 exhibition calendar was less favourable compared to the previous year

Additional exhibitions from the newly acquired companies in Turkey, South Africa and China

Launch of Food Hospitality World in Brazil, RehabTech in Singapore, Art Istanbul in Turkey and Art for Me Cape Town in South Africa

Foreign exhibitions



Foreign exhibitions	FY13	FY12
Revenues (€'000)	28,561	23,921
Gross operating result (€'000)	3,976	4,970
% on revenues	13.9%	20.8%
Net operating result (€'000)	2,765	2,602
% on revenues	9.7%	10.9%



The 2013 increase in revenues was mainly attributable to the newly acquired companies and the positive performance of the Chinese activities, partially offset by the Brazilian business due to the less favourable exhibition calendar

The gross operating result suffered from the strengthening of the sales force in the Chinese and Brazilian subsidiaries and the launch of new exhibitions

Stand-fitting services



Stand-fitting services	FY13	FY12
Revenues (€'000)	33,594	31,866
Gross operating result (€'000)	1,605	2,484
% on revenues	4.8%	7.8%
Net operating result (€'000)	(215)	(326)
% on revenues	-0.6%	-1.0%



The increase in revenues is mainly linked to higher stand-fitting revenues from activities outside the exhibition sites and to Expo; this was partially offset by the less favourable exhibition calendar

The gross operating result reflects a greater contribution to the mix from customised stands

Media	FY13	FY12
Revenues (€'000)	11,958	12,794
Gross operating result (€'000)	277	54
% on revenues	2.3%	0.4%
Net operating result (€'000)	(7,335)	(739)
% on revenues	-61.3%	-5.8%



Revenues and margins reflect the decline in advertising in technical publications and billboard advertising due to the less favorable exhibition calendar

This business segment was also affected by the impairment charge taken for technical publications in the real estate sector (Euro 6.6 million)



Gross of adjustments for inter-segment transactions

Congresses

Congresses	FY13	FY12
Revenues (€'000)	24,546	26,046
Gross operating result (€'000) % on revenues	2,532 10.3%	3,029 11.6%
Net operating result (€'000) % on revenues	566 2.3%	1,694 6.5%



The decrease in revenues was attributable to the trend in international congresses, in particular to revenues from services

Margins were affected by the revenue performance and by the increase in the rent for the Mico - Congress Centre, which was partly compensated by cost optimisation



Consolidated Income Statement

Income Statement (€'000)	FY13	FY12
Revenues	258,142	263,408
Gross operating result	3,333	17,933
Gross operating margin (%)	1.3%	6.8%
Net operating result (EBIT)	(15,966)	2,105
Net operating margin (%)	-6.2%	0.8%
Profit/(loss) before income tax	(19,634)	(1,098)
Profit/(loss) before tax margin (%)	-7.6%	-0.4%
Profit/(loss)	(16,625)	(1,453)
Profit/(loss) margin (%)	-6.4%	-0.6%
-attributable to the Shareholders of the controlling entity	(16,498)	(1,541)
Profit/(loss) attributable to the Shareholders of the controlling entity margin (%)	-6.4%	-0.6%
-attributable to non-controlling interests	(127)	88
Profit/(loss) attributable to non-controlling interests margin (%)	0.0%	0.0%

The figures for the full financial years 2012 have been restated following application of the amendment to IAS 19. Compared to the previously published figures, the impact, due to the accounting of actuarial losses included in other comprehensive income, gives a reduction of Euro 0.483 million in losses for the full financial year 2012

Statement of Financial Position

Statement of Financial Position (€'000)	31/12/13	31/12/12
Non-current assets	205,181	212,701
Net working capital	(52,848)	(46,734)
Gross capital employed	152,333	165,967
Non-current liabilities	24,035	26,474
Net capital employed continuing operations	128,298	139,493
Net capital employed discontinued operations	-	50
Total net capital employed	128,298	139,543
Equity	37,462	59,870
Net financial position	90,836	79,673
Net equity and net financial position	128,298	139,543

Consolidated Net Financial Position

Net Financial Position (€'000)	31/12/13	31/12/12
Cash (including bank balances)	19,754	19,400
Other cash equivalents	-	-
Securities held for trading	-	-
Cash & cash equivalents	19,754	19,400
Current financial assets	324	-
Current bank borrowings	42,706	62,842
Current portion of non-current debt	12,745	8,140
Other current financial liabilities	20,572	320
Current financial debt	76,023	71,302
Current net financial debt (cash)	55,945	51,902
Non-current bank borrowings	34,506	27,226
Debt securities on issue	-	-
Other non-current liabilities	385	545
Non-current net financial debt (cash)	34,891	27,771
Net financial debt (cash)	90,836	79,673

The increase in net debt reflects cash outflows for investments made in the financial year - mainly for the acquisition of Worldex and the payment of earn-outs for the acquisitions of Cipa FM and Fiera Milano Exhibitions Africa

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- The first few months of the current financial year have shown no significant or reliable signs of a recovery. This, and the unfavourable exhibition calendar in 2014 due to the absence of some important biennial and triennial exhibitions, leads the Company to maintain a cautious outlook even for the coming months
- However, the ongoing weakness in internal demand should in part be compensated by the higher margins generated by companies abroad
- EXPO 2015 should also provide a positive impact and further important contracts should be signed in the course of the current financial year
- The reduction in the rent for the Rho exhibition site will free up resources that can be used for support activities and the relaunch of exhibitions - these should provide positive returns in the medium-term

Forward-Looking Statements



Data and information herewith set forth are extracted from Fiera Milano press release related to the approval of the 2013 Preliminary Annual Financial Report as at 31 December 2013 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 document results, books and accounting records.



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