



www.fieramilano.it

1st Quarter 2016 Consolidated Results

Fiera Milano Group

Conference Call – 13 May 2016



Contents

Highlights

Financial results

Business outlook

1st Quarter 2016 highlights

- **Positive quarterly results in line with expectations** that reflect the presence of the biennial exhibition, Mostra Convegno Expocomfort, and lower operating costs due also to restructuring measures
- **Net exhibition space occupied in Italy: 497,700 square metres** (19% at directly organised exhibitions), **+16% year-on-year**
- 1Q16 consolidated quarterly **revenues** of Euro 77.0 million: **+6% year-on-year**
- 1Q16 consolidated **gross operating profit: Euro 18.2 million** (Euro 8.1 million in 1Q15)
- 1Q16 consolidated **net operating profit: Euro 15.9 million** (Euro 2.6 million in 1Q15)



Main events

- As part of the Group strategy to strengthen the portfolio of proprietary exhibitions,
 - On 23 March 2016 **it acquired** the trademark **Promotion Trade Exhibition**, an annual international exhibition of promotional items, corporate gifts and technologies for the personalisation of such items, for Euro 1.4 million
 - **Tuttofood**, the proprietary biennial exhibition, **is strengthened through an agreement with Veronafiere**, one of Italy's leading exhibition organisers; the agreement includes:
 - **an annual international exhibition for fruit and vegetables**, which will combine the two exhibitions Fruit Innovation in Milan and Fruit&Veg System in Verona; it will be **held in Milan in uneven-numbered years and will focus on finished products (as part of Tuttofood from 2017)** and in Verona in even-numbered years when it will focus on manufacturing and farming technologies
 - In 2017 **Tuttofood will include a space dedicated to the wine sector** and a new event called "Wine Discovery" that will be managed by Veronafiere
- With reference to events organised by third parties, **Lamiera**, the leading biennial exhibition for metal sheet plant and equipment, **will be held at Fiera Milano exhibition site from its next edition**



Contents

Highlights

Financial results

Business outlook



Italian exhibition calendar

Exhibitions	of exhibition space	
	1Q16	1Q15
Annual exhibitions		
Directly organised	93,525	99,310
Organised by 3rd parties	282,140	264,220
Total annual exhibitions	375,665	363,530
Biennial exhibitions		
Organised by 3rd parties	118,395	57,005
Total biennial exhibitions	118,395	57,005
Total exhibitions	494,060	420,535
Congresses with related exhibition area	3,640	7,750
Total	497,700	428,285



- Annual directly organised exhibitions: slight fall in demand for space at BIT and HOMI
- Annual exhibitions organised by third parties: the increase was mainly attributable to the exhibition Esposizione Internazionale Canina that was not held in 2015 because of the presence of the world edition
- Biennial exhibitions: presence of Mostra Convegno Expocomfort, the international exhibition for heating, refrigeration, and air-conditioning



Italian exhibitions



Italian exhibitions	1Q16	1Q15 restated*
Revenues (€'000)	68,019	62,331
Gross operating result (€'000)	14,889	5,761
% on revenues	21.9%	9.2%
Net operating result (€'000)	13,595	1,907
% on revenues	20.0%	3.1%

* Some figures in the Consolidated Financial Statements at 31 March 2015 have been restated following the different classification of the use of risk provisions



- The increase in revenues was attributable to the trend in exhibition space occupied
- The gross operating result mainly reflected the trend in revenues but also a decrease in personnel costs following restructuring and in rental costs for the **fieramilano** exhibition site because the variable component of the rent was only payable in 2015 due to the presence of Expo 2015
- The net operating result benefited from lower amortisation as certain asset groups were fully depreciated; it was further enhanced by the absence of the provision made by the Parent Company in the first quarter of 2015 for an indemnity payable to the outgoing Chief Executive Officer

Foreign exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	1Q16	1Q15
Annual exhibitions		
China	70,200	72,065
India	2,840	3,195
South Africa	1,990	1,100
Brazil	-	1,375
Turkey	-	7,100
Total annual exhibitions	75,030	84,835
Biennial exhibitions		
China	-	9,565
Singapore	-	785
Total biennial exhibitions	-	10,350
Total	75,030	95,185



- China: positive performance of Chinafloor Domotex Shanghai and cancellation of The Micam Shanghai
- India: Food Hospitality World organised in Mumbai
- South Africa: good performance from the Art Fair in Cape Town
- Brazil: Food Hospitality World in São Paulo did not take place
- In July 2015 the Group exited Turkey



Foreign exhibitions



Foreign exhibitions	1Q16	1Q15 restated*
Revenues (€'000)	418	531
Gross operating result (€'000)	698	40
% on revenues	167.0%	7.5%
Net operating result (€'000)	482	-197
% on revenues	115.3%	-37.1%

* Some figures in the Consolidated Financial Statements at 31 March 2015 have been restated following the application of IFRS 5 because of the divestment of the subsidiary Interteks on 27 July 2015



- The decrease in revenues was mainly due to the presence in the comparative period of Food Hospitality World in São Paulo
- The year-on-year improvement in the gross operating result mainly reflects the reduction in costs following the corporate restructuring in Brazil

Stand-fitting services



Stand-fitting services	1Q16	1Q15 restated*
Revenues (€'000)	15,378	12,764
Gross operating result (€'000)	2,990	1,822
% on revenues	19.4%	14.3%
Net operating result (€'000)	2,604	1,392
% on revenues	16.9%	10.9%

* Some figures in the Consolidated Financial Statements at 31 March 2015 have been restated following the different classification of the use of risk provisions

- Revenues increased 20% mainly due to the presence of Mostra Convegno Expocomfort and activities relating to the dismantling of structures associated to EXPO 2015
- The increase in the gross operating result was mainly due to the growth in revenues

Media

Media	1Q16	1Q15 restated*
Revenues (€'000)	2,873	2,883
Gross operating result (€'000)	-43	-247
% on revenues	-1.5%	-8.6%
Net operating result (€'000)	-260	-475
% on revenues	-9.0%	-16.5%

* Some figures in the Consolidated Financial Statements at 31 March 2015 have been restated following the different classification of the use of risk provisions



- Revenues were unchanged: higher billboard revenues and digital services compensated for lower advertising in trade publications and lower sponsorship
- The improvement in the gross operating result mainly reflects the reduction in personnel costs as a result of the restructuring started in December 2015



Congresses



Congresses	1Q16	1Q15 restated*
Revenues (€'000)	4,231	7,196
Gross operating result (€'000)	-294	656
% on revenues	-6.9%	9.1%
Net operating result (€'000)	-540	-34
% on revenues	-12.8%	-0.5%

* Some figures in the Consolidated Financial Statements at 31 March 2015 have been restated following the different classification of the use of risk provisions



- Revenues decreased mainly because of fewer congresses and conventions compared to the first quarter of the previous year, which included Cisco Live 2015 and Assiom Forex 2015
- The trend in the gross operating profit mainly reflected the decrease in revenues compensated in part by an increase in other revenues from insurance payments received

Income Statement

Consolidated Income Statement (€'000)	1Q16	1Q15 restated*
Revenues	76,959	72,918
Gross operating result	18,240	8,056
Gross operating margin (%)	23.7%	11.0%
Net operating result (EBIT)	15,869	2,601
Net operating margin (%)	20.6%	3.6%
Profit/loss before income tax from continuing operations	15,657	1,406
Profit/loss margin (%)	20.3%	1.9%
Profit/loss before income tax from discontinued operations	-	-3
Profit/loss before income tax	15,657	1,403
Profit/loss before tax margin (%)	20.3%	1.9%
-attributable to Shareholders of the controlling entity	15,742	1,763
Profit/loss before tax attributable to Shareholders of the controlling entity margin (%)	20.5%	2.4%
-attributable to non-controlling interests	-85	-360
Profit/loss before tax attributable to non-controlling interests margin (%)	-0.1%	-0.5%

* Some figures in the Consolidated Financial Statements at 31 March 2015 have been restated following the application of IFRS 5 because of the divestment of the subsidiary Intertek on 27 July 2015 and the different classification of the use of risk provisions



Statement of Financial Position

Consolidated Statement of Financial Position (€'000)	31/03/16 before tax	31/12/15 after tax
Non-current assets	183,262	182,302
Net working capital	-42,417	-64,884
Gross capital employed	140,845	117,418
Non-current liabilities	17,836	19,724
Total net capital employed	123,009	97,694
Equity	100,174	85,268
Net financial position	22,835	12,426
Equity and net financial position	123,009	97,694



Net Financial Position

Consolidated Net Financial Position (€'000)	31/03/16	31/12/15
Cash (including bank balances)	16,666	56,092
Other cash equivalents	-	-
Securities held for trading	-	-
Cash & cash equivalents	16,666	56,092
Current financial assets	1,002	-
Current bank borrowings	1,222	23,481
Current portion of non-current debt	18,399	15,985
Other current financial liabilities	6,768	16,036
Current financial debt	26,389	55,502
Current net financial debt (cash)	8,721	-590
Non-current bank borrowings	12,020	10,922
Debt securities in issue	-	-
Other non-current payables	2,094	2,094
Non-current net financial debt	14,114	13,016
Net financial debt (cash)	22,835	12,426



The increase in net debt was mainly due to the advance payment of the six-monthly rent for the exhibition sites and the reduction in other current payables to exhibition organisers; this increase was partially offset by the positive cash flow generated by operations in the quarter



Contents

Highlights

Financial results

Business outlook



Business outlook

- The Group's strategic priority remains to increase the share of directly organised exhibitions and to focus on increasing the number of international buyers and exhibitors
- Outside Italy, the Group intends to consolidate its exhibition portfolio through a selective focus on events offering high growth potential while enhancing its presence also through partnerships with leading international exhibition operators
- While benefiting from the reorganisation implemented, 2016 will suffer from a less favourable exhibition calendar in Italy compared to the previous year due to the absence of certain important directly organised biennial exhibitions and some multi-annual exhibitions
- In the medium-term, assuming no events or circumstances that at the present time cannot be foreseen, the Group expects a significant improvement in the gross operating profit already in 2017 compared to the current year from the measures implemented and from taking advantage of business development potential and opportunities arising from the improvement in the reference economic environment
- The strengthening of the Group's financial and capital structure following the recent corporate recapitalisation should also support the Group's planned investment and growth



Forward-Looking Statements

Data and information herewith set forth are extracted from Fiera Milano Consolidated Interim Management Report to 31 March 2016 filed with Italian authorities regulating exchanges and securities and disseminated concomitantly with this presentation.

This document has been prepared by Fiera Milano SpA solely for information purposes and for use in presentations of the Group. The information contained herein has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the company, its affiliates, or its representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

This document includes forward-looking statements. These forward-looking statements express current expectations and projections about future events, involve predictions and are subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based. Prospective investors are cautioned not to place undue reliance on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in many cases, beyond our control. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed in this document might not occur and no assurance can be given that the anticipated results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing Fiera Milano and its subsidiaries. Such risks and uncertainties include, but are not limited to increased competition and regulatory, legislative and judicial developments that could cause actual results to vary materially from future results indicated, expressed or implied in such forward-looking statements. Moreover, any statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

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.



Fiera Milano SpA

For further information, please contact:

Gianna La Rana
Investor Relations Manager

Camilla Cusi
Investor Relations

Fiera Milano SpA
Strada Statale del Sempione, 28
20017 Rho (Milano) - ITALY
Tel: + 39 02 4997.7816/7911
E-mail: investor.relations@fieramilano.it
www.fieramilano.it

