



FIERA MILANO

1st Half 2017 Consolidated Results

FIERA MILANO GROUP

CONFERENCE CALL - 28 JULY 2017

www.fieramilano.it

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1st HALF 2017 HIGHLIGHTS



- **Net exhibition space occupied in Italy:** 867,150 square metres (31% from directly organised exhibitions), compared to 807,355 square metres in 1H16
- Consolidated 1H17 **revenues of Euro 141.9 million** (Euro 138.6 million in 1H16) reflecting the contribution of new exhibitions; this was, in part, offset by a decrease in the revenues of the stand-fitting business
- 1H17 consolidated **gross operating profit: Euro 13.5 million** (Euro 21.1 million in 1H16), affected by some extraordinary costs linked to the overhaul of corporate procedures and the development costs for proprietary exhibitions
- 1H17 consolidated **net operating profit: Euro 8.4 million** (Euro 14.2 million in 1H16)
- On 22 February 2017, **the Company signed a contract to sell its 75% shareholding in Worldex Fiera Milano Exhibitions Co. Ltd.**, which operates in China (the sale was finalised on 24 April 2017): this disposal was part of the strategy to concentrate all the Group's activities in China in the joint venture with its German partner Deutsche Messe
- On 20 June 2017, **the Milan Court – Prevention Court Independent Section lifted the administration order imposed on the subsidiary Nolostand**



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ITALIAN EXHIBITION CALENDAR



Exhibitions	Net sq. metres of exhibition space	
	1H16	1H17
Directly organised	114,265	141,330
Organised by 3rd parties	447,135	444,920
Total annual exhibitions	561,400	586,250
Directly organised	-	123,285
Organised by 3rd parties	216,025	139,485
Total biennial exhibitions	216,025	262,770
Total exhibitions	777,425	849,020
Congresses with related exhibition area	29,930	18,130
Total	807,355	867,150

- **Annual exhibitions:**
 - Directly organised: increase in demand at HOMI and Bit, following the latter’s re-launch; direct organisation of Promotion Trade Exhibition for the first time; first edition of Tempo di Libri and Versilia Yachting Rendez-Vous
 - Organised by third parties: positive performance of Milano Unica, LineaPelle February edition and Simac Tanning-Tech; postponement of Milano Auto Classica; first Milan edition of MAM-Mostra A Milano Arte e Antiquariato and first edition of The ONE Milano
- **Biennial exhibitions:**
 - Directly organised: Tuttofood and Transpotec Logitec
 - Organised by third parties: Made Expo but absence of Mostra Convegno Expocomfort



ITALIAN EXHIBITIONS



Italian exhibitions	1H16	1H17
Revenues (€000)	114,343	122,248
Gross operating result (€000)	15,623	12,496
% on revenues	13.7%	10.2%
Net operating result (€000)	12,753	9,676
% on revenues	11.2%	7.9%



- The increase in revenues is mainly attributable to the new exhibitions
- The trend in the gross operating result primarily reflects the extraordinary costs sustained to overhaul the corporate procedures and costs for the launch of new proprietary exhibitions and the repositioning of Bit

Gross of adjustments for inter-segment transactions

FOREIGN EXHIBITION CALENDAR



Exhibitions	Net sq. metres of exhibition space	
	1H16	1H17
China	98,085	110,430
Brazil	10,400	11,995
South Africa	4,890	6,205
India	4,725	3,960
USA	505	-
Total annual exhibitions	118,605	132,590
China	-	4,760
Brazil	-	4,745
Total biennial exhibitions	-	9,505
Total	118,605	142,095

- China: positive performance from Chinafloor Domotex Shanghai and presence of the biennial exhibition Metal + Metallurgy
- Brazil: good performance from Exposec and presence of the biennial exhibition Reatech
- South Africa: good performance from Cape Town Art Fair



100% of the net exhibition space of the joint venture in China is included



FOREIGN EXHIBITIONS



Foreign exhibitions	1H16 restated*	1H17
Revenues (€000)	2,053	3,620
Gross operating result (€000)	92	295
% on revenues	4.5%	8.1%
Net operating result (€000)	-1,762	-32
% on revenues	-85.8%	-0.9%

* Some figures in the Interim Consolidated Financial Statements at 30 June 2016 have been restated to reflect, under IFRS 5, the sale of the Chinese companies, Worldex and Haikou Worldex finalised on 24 April 2017.



- The increase in revenues was mainly due to the strong performance of Exposec in Brazil and the presence of the biennial exhibition Reatech organised in the same country
- The Gross operating result reflected the trend in revenues and the improvement in the equity-accounted joint venture with Deutsche Messe AG. This was, in part, offset by higher personnel costs in the Brazilian subsidiary, Cipa

Gross of adjustments for inter-segment transactions

STAND-FITTING SERVICES



Stand-fitting services	1H16	1H17
Revenues (€000)	26,283	18,631
Gross operating result (€000)	3,817	377
% on revenues	14.5%	2.0%
Net operating result (€000)	3,072	-650
% on revenues	11.7%	-3.5%



- Lower revenues and margins mainly reflect the absence of the dismantling business linked to Expo 2015 and non-exhibition contracts present in 2016, as well as lower revenues from customised stand-fittings

Gross of adjustments for inter-segment transactions

MEDIA



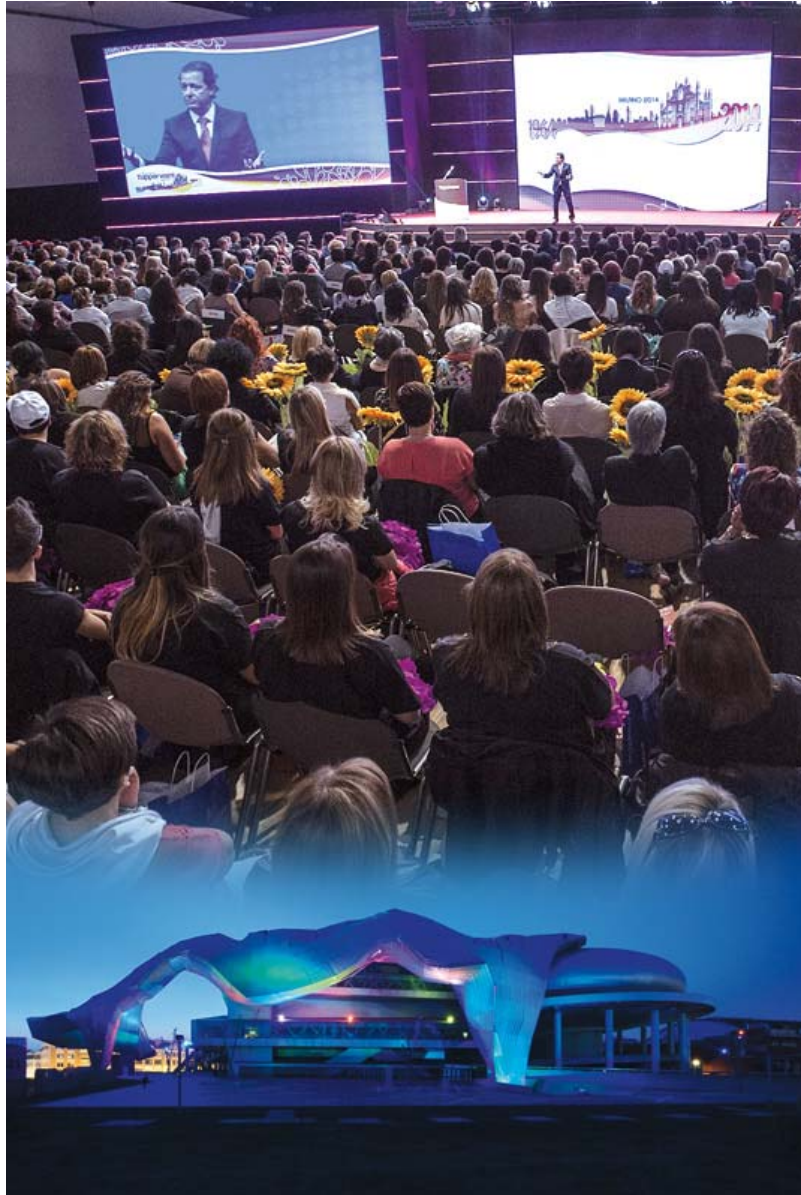
Media	1H16	1H17
Revenues (€000)	5,908	5,335
Gross operating result (€000)	267	-106
% on revenues	4.5%	-2.0%
Net operating result (€000)	-650	-314
% on revenues	-11.0%	-5.9%



- The trend in revenues was due to the different exhibition calendar and a fall in revenues from the training sector
- The gross operating loss reflected the decline in revenues but was partly compensated by lower personnel and rental expenses

Gross of adjustments for inter-segment transactions

CONGRESSES



Congresses	1H16	1H17
Revenues (€000)	15,395	16,233
Gross operating result (€000)	1,356	439
% on revenues	8.8%	2.7%
Net operating result (€000)	835	-229
% on revenues	5.4%	-1.4%



- Revenues increased mainly due to the positive trend of conventions and congresses
- The gross operating result reflected a fall in other income which, in the previous year, had included insurance payments, and higher personnel expenses for new employees to manage audio-visual activities

Gross of adjustments for inter-segment transactions

INCOME STATEMENT



Consolidated Income Statement (€000)	1H16 restated*	1H17
Revenues	138,587	141,870
Gross operating result	21,121	13,501
Gross operating margin (%)	15.2%	9.5%
Net operating result (EBIT)	14,187	8,418
Net operating margin (%)	10.2%	5.9%
Profit/loss before income tax	14,078	7,695
Profit/loss before tax margin (%)	10.2%	5.4%
Profit/loss from continuing operations	8,818	5,639
Profit/loss margin (%)	6.4%	4.0%
Profit/loss from discontinued operations	-421	-
Profit/loss	8,397	5,639
Profit/loss margin (%)	6.1%	4.0%
-attributable to Shareholders of the controlling entity	8,564	5,863
-attributable to non-controlling interests	-167	-224

* Some figures in the Interim Consolidated Financial Statements at 30 June 2016 have been restated to reflect, under IFRS 5, the sale of the Chinese companies, Worldex and Haikou Worldex finalised on 24 April 2017.



STATEMENT OF FINANCIAL POSITION



Consolidated Statement of Financial Position (€000)	31/12/16	30/06/17
Non-current assets	160,882	156,694
Net working capital	-46,527	-70,600
Gross capital employed	114,355	86,094
Non-current liabilities	16,409	14,581
Net capital employed continuing operations	97,946	71,513
Net capital employed discontinued operations	2,049	-
Total net capital employed	99,995	71,513
Equity	61,679	67,399
Net financial position continuing operations	39,530	4,114
Net financial position assets held for sale	-1,214	-
Equity and net financial position	99,995	71,513



NET FINANCIAL POSITION



Consolidated Net Financial Position (€000)	31/12/16	30/06/17
Cash (including bank balances)	20,904	28,062
Other cash equivalents	-	-
Securities held for trading	-	-
Cash and cash equivalents	20,904	28,062
Current financial assets	2,622	4,632
Current bank borrowings	18,019	6,465
Current portion of non-current debt	27,523	24,505
Other current financial liabilities	3,364	3,547
Current financial debt	48,906	34,517
Current net financial debt (cash)	25,380	1,823
Non-current bank borrowings	14,108	2,248
Debt securities in issue	-	-
Other non-current payables	42	43
Non-current net financial debt	14,150	2,291
Net financial debt (cash) from continuing operations	39,530	4,114
Net financial debt (cash) from assets held for sale	-1,214	-
Net financial debt (cash)	38,316	4,114

The improvement in the net financial debt is attributable to the positive cash flow generated from operations in the semester and to movements in net working capital, primarily payments and advances received for the exhibitions held in the semester and for those due to be held in coming months



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SIGNIFICANT EVENTS AFTER THE END OF THE SEMESTER



- On 25 July 2017, an Ordinary Shareholders' Meeting was held that increased the number of Board members to nine and appointed as a new Director Mr Fabrizio Curci effective from 1 September 2017 with a mandate that expires at the Shareholders' Meeting to approve the Financial Statements at 31 December 2019
- The meeting of the Board of Directors, held immediately after the Shareholders' Meeting, appointed Mr Fabrizio Curci as Chief Executive Officer and General Manager of Fiera Milano SpA from 1 September 2017



BUSINESS OUTLOOK



- The performance in the first semester of the current financial year was positive albeit negatively impacted by some necessary extraordinary costs that were mainly consultancy fees for the overhaul of corporate procedures
- Given the lifting of the administration order on the subsidiary Nolostand, the Company is finalising all the initiatives to optimise and introduce new working models and methodologies that ensure more effective and secure business management: the hearing for the outcome of the administration order on the stand-fitting business division of Fiera Milano is scheduled to take place on 28 September 2017
- The remainder of the year should benefit from the effect of a more favourable exhibition calendar that includes the important directly organised biennial exhibition Host, the world leader in the professional hospitality sector
- Therefore, barring any unforeseen events or circumstances, the Group expects a consistent year-on-year improvement in the gross operating profit for full-year 2017
- The Company is confident that its governance issues have been resolved and that this will ensure management stability, a renewed business focus and the introduction of improved corporate strategies



FORWARD-LOOKING STATEMENTS



Data and information herewith set forth are extracted from the press release on the Fiera Milano Consolidated Half-Year Financial Report to 30 June 2017 filed with the 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, Sebastiano Carbone, 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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