



European Midcap Event "Spring"

FIERA MILANO GROUP

Paris, 27 June 2014



Contents

Market and company overview

Financials

Strategy

Closing remarks



Fiera Milano in brief

The Group is the market leader in Italy and one of the world's leading operators across the entire value chain of the exhibition industry



It has two venues in Milan with a total of **388,000 gross sq m** of indoor space (+ 60,000 sq m of outdoor space)

Fiera Milano is a successful exhibition organiser **in fast-growing countries** with a **portfolio of about 80 exhibitions**

In 2013 it hosted 113 exhibitions in Italy and abroad with **over 30,000 exhibitors** and over five million visitors, of which 30% were business people

In 2013 **it rented out over 1.7 million net sq m** of exhibition space, of which 23% was abroad

At 31 March 2014, **it had 838 employees** (of which 214 abroad)



Fiera Milano mission

- **Fiera Milano offers a means for companies to grow and become more international**
- **It contributes to economic growth**
- **It promotes socio-economic improvement in the region in which it is based**

The Company's aims are:

- to feature among the leading global companies in the exhibition sector
- to offer companies a more effective business platform to raise awareness of their existence, instigate fruitful contacts and increase their business opportunities
- to be a leader in new growth areas worldwide while promoting Made in Italy exports
- to facilitate the interaction of different corporate cultures, the exchange of know-how and experience, and to encourage innovation



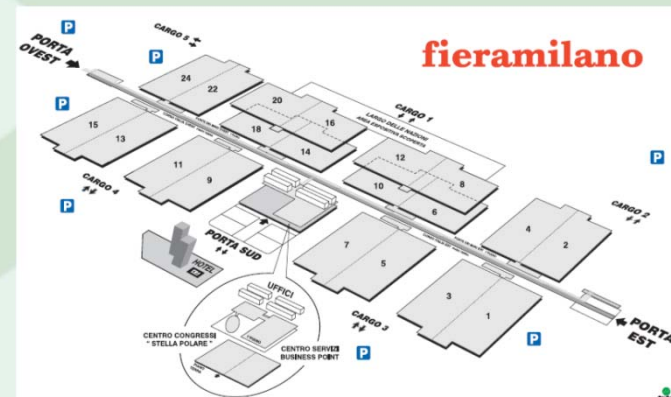
Italian and foreign exhibitions

In Italy Fiera Milano hosts exhibitions

- operating as a «facility manager» through the management of the exhibition sites of fieramilano and fieramilanocity, promoting and making equipped show areas available, also offering design support and correlated services to third party organisers

and directly organises its own exhibitions

- providing exhibition space and services directly to exhibitors



Abroad the Group:

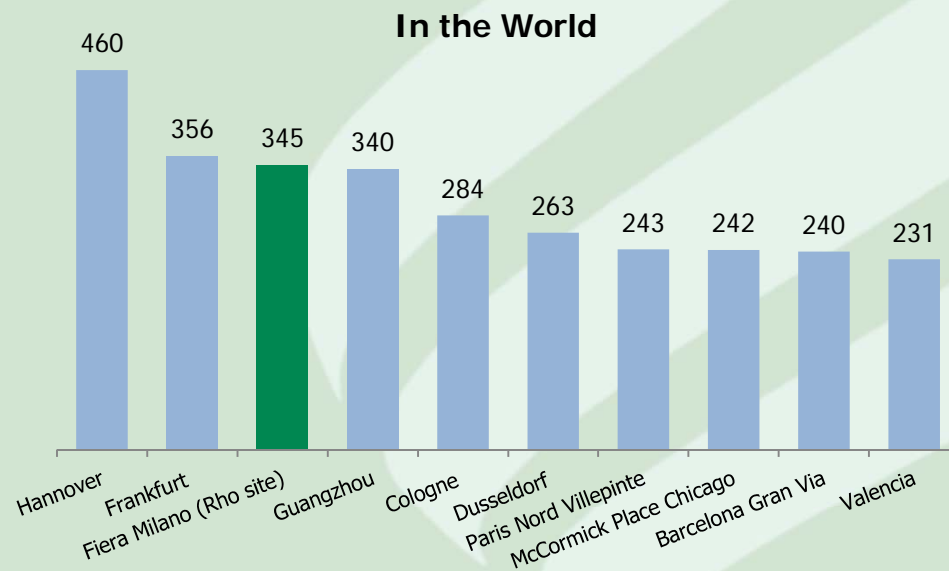
- operates only as a direct organizer in fast-growing countries through its direct presence or through joint ventures or partnerships with local operators

The calendar of biennial and multi-year exhibitions creates fluctuations in annual and quarterly revenues

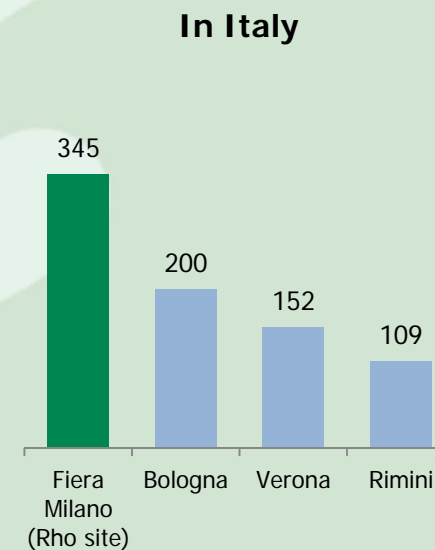


Fiera Milano's market position

Fiera Milano is the largest exhibition entity in Italy and among the largest in the world in terms of Gross Indoor Exhibition Capacity



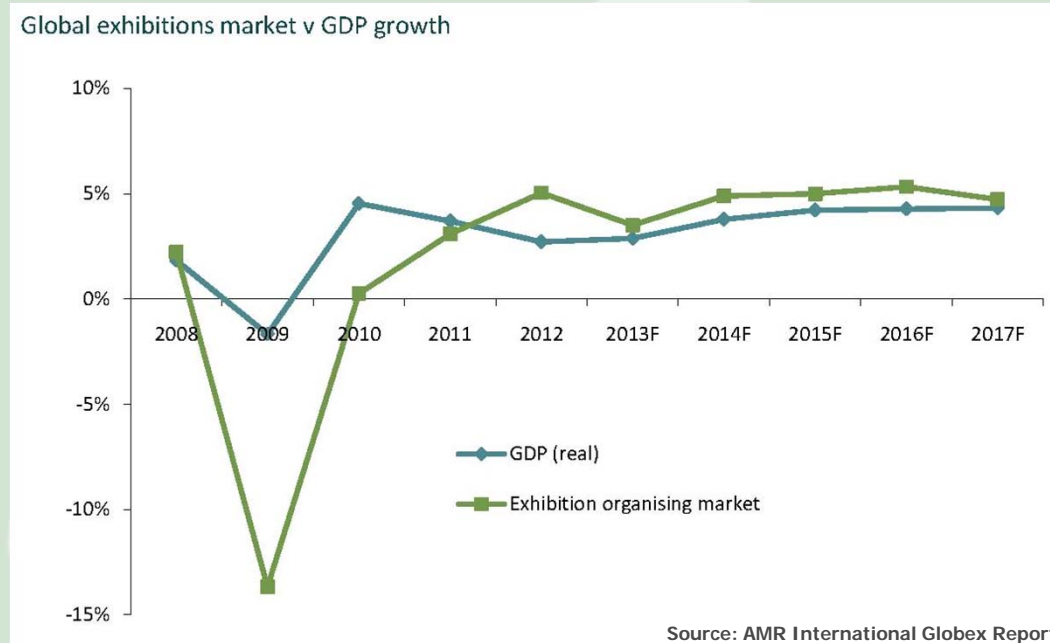
Source: AUMA, January 2013



Source: EMECA, July 2013



Exhibition market



- The exhibition industry is strongly linked to the performance of the underlying economy with a lag of 6-12 months
- In 2009 the market plummeted by 14% due to the global financial crisis
- Since 2007 the European exhibition sector has suffered from strong competition due to the growth in exhibition space in 2002-2006, the result of increased investments by exhibition sites





Fiera Milano in the macroeconomy

2008-2009

- INCREASED IMPACT OF THE ECONOMIC CRISIS ON EXHIBITION ACTIVITY
(a risk of reduction in the life cycle of exhibitions and potential cancellations)
- INCREASED COMPETITION AMONGST EXHIBITION VENUES
(exhibition space exceeds demand)

How Fiera Milano reacted to the macroeconomic and competitive environment

- Developing international alliances and acquisitions
Fiera Milano is becoming a multi-national entity
- Rationalising the offer and creative revamping of exhibition content
An increase in service content and no longer just a seller of space (a commodity) but offering an event rich in experience in which to confront competition and reach specific demand
- Support and incentive initiatives to encourage participation at Italian exhibitions and aimed at increasing exhibitor loyalty



Decisive cost rationalisation initiatives

Structural costs

- Rationalisation of site management costs: renegotiation of supply contracts, synergies between Group companies, enhanced procedural efficiencies

-26% in 2009-2013

Personnel costs

- Significant structural interventions
- Rationalisation of the organisational structure and shared services
- Staff mobility, state backed lay-off schemes, collective redundancies
- Recruitment freeze, block on increases in bonuses
- No variable incentives for managers

-27% in 2009-2013

Corporate reorganisation

- Merger of the 5 organising companies and the 5 media and service companies
- Centralisation of departments: shared Group services

From 93 directors and statutory auditors as at 31 December 2008
to 13 directors **and 3** statutory auditors in the 3 subsidiaries today

Rental costs

- Strong reduction of the rent of the Rho exhibition site

-27% per year vs. the actual contract



Group structure

FOREIGN EXHIBITIONS

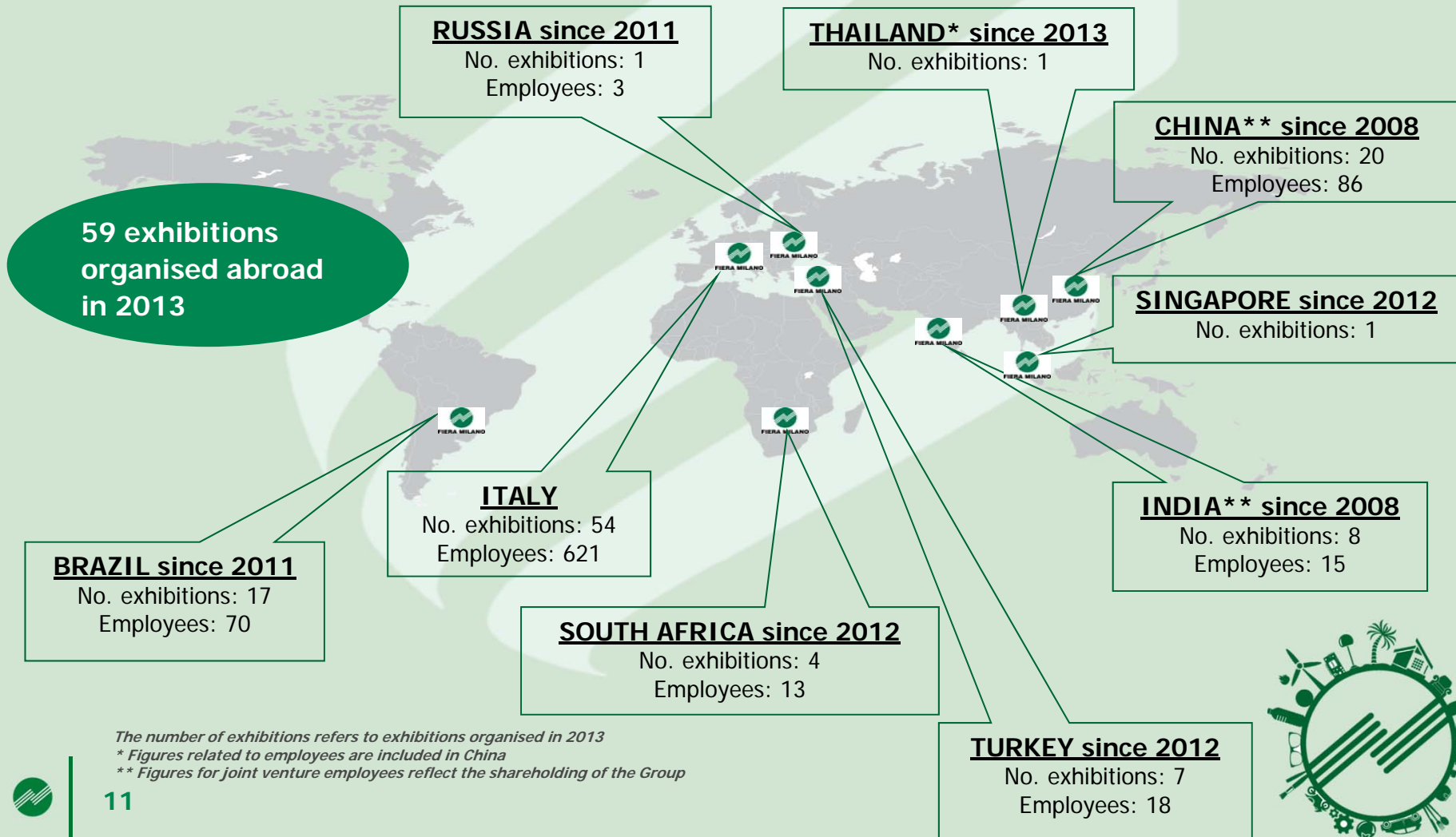


Direct organisation of exhibitions

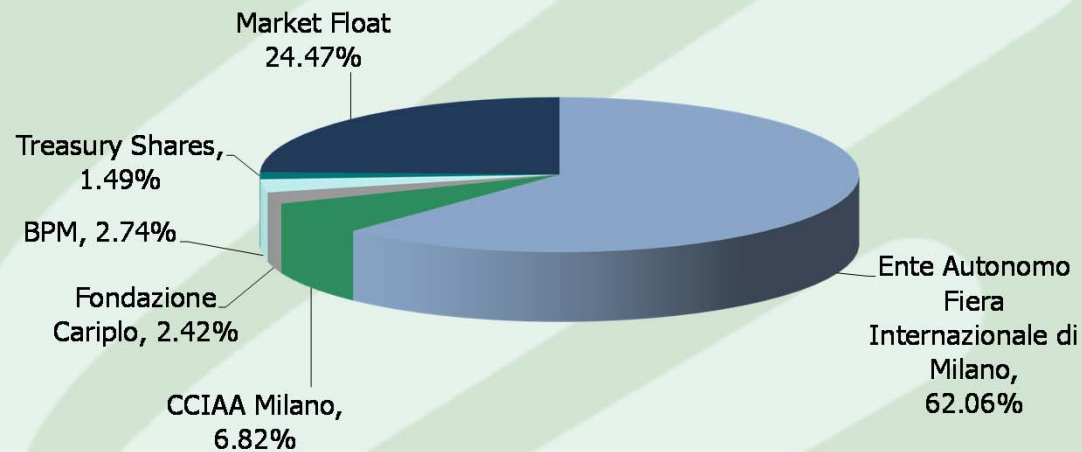


Global presence

Fiera Milano is a successful organiser of exhibitions in fast-growing countries



Shareholder structure



Fiera Milano is controlled by Fondazione Fiera Milano, a private law foundation, whose corporate mission is the development of the exhibition sector in Italy and abroad



Contents

Market and company overview

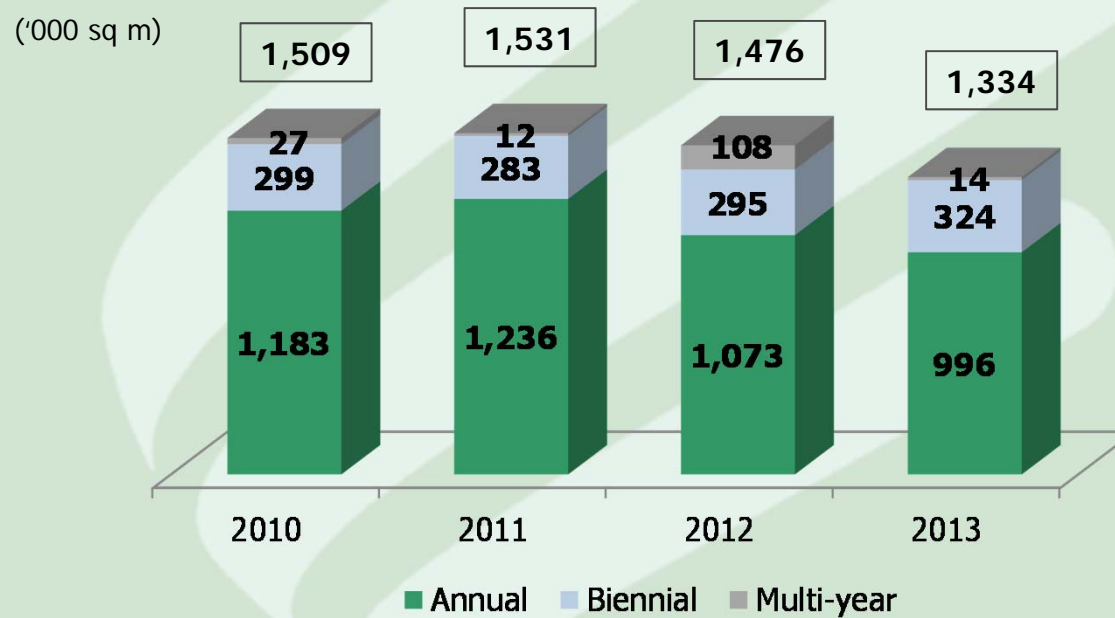
Financials

Strategy

Closing remarks



Exhibition space rented out in Italy

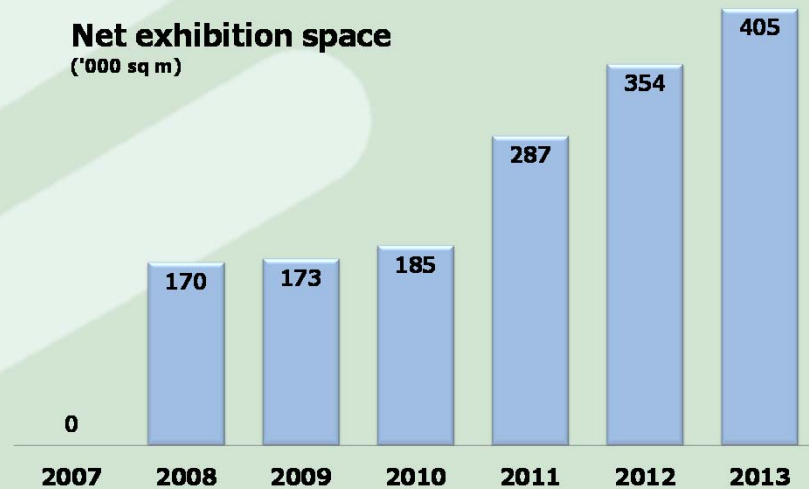


Significant growth in foreign activities



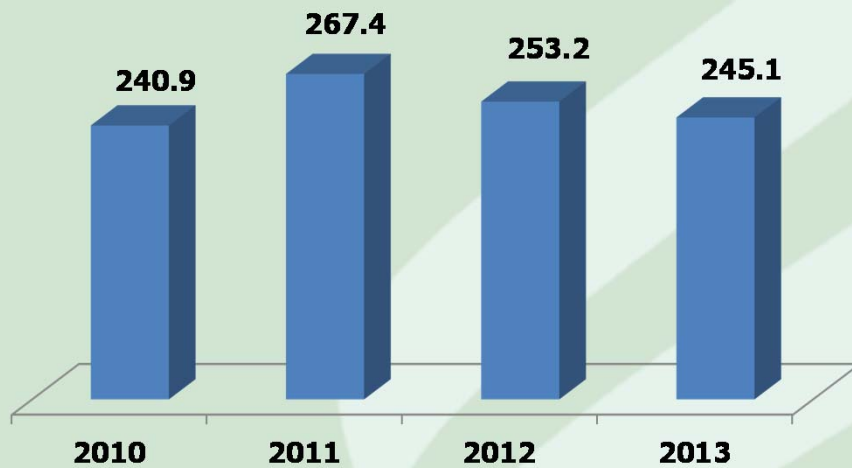
59 exhibitions organised abroad in 8 countries in 2013

+19% CAGR in net exhibition space in 2008-2013



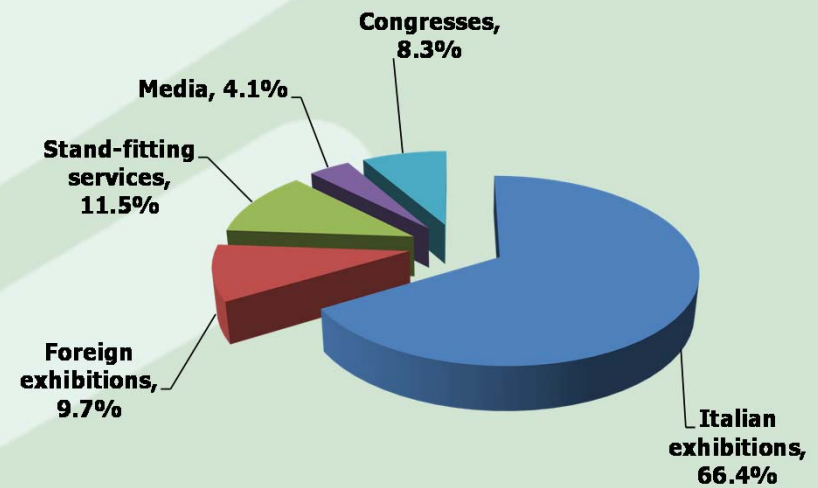
Revenues

Consolidated revenues (€ million)



Figures have been adjusted following the adoption of the new IFRS 11 Joint arrangements

2013 Revenues by operating segment



Figures, gross of adjustments for inter-segment transactions, include revenues of Joint Ventures



Income Statement

2013	Consolidated Income Statement (€'000)	1Q14	1Q13
245,057	Revenues	74,763	62,143
2,172	Profit/(loss) of equity-accounted companies	1,282	1,766
0.9%	Gross operating margin (%)	1.7%	2.8%
2,155	Gross operating result	7,712	-597
0.9%	Gross operating margin (%)	10.3%	-1.0%
-17,087	Net operating result (EBIT)	5,228	-1,198
-7.0%	Net operating margin (%)	7.0%	-1.9%
-20,932	Profit/(loss) before income tax	3,925	-2,197
-8.5%	Profit/(loss) before tax margin (%)	5.2%	-3.5%
-20,821	-attributable to Shareholders of the controlling entity	4,063	-1,956
-8.5%	Profit/(loss) before tax attributable to Shareholders of the controlling entity margin (%)	5.4%	-3.1%
-111	-attributable to non-controlling interests	-138	-241
0.0%	Profit/(loss) before tax attributable to non-controlling interests margin (%)	-0.2%	-0.4%



- 2013 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
- 1Q14 results mainly reflect the more favourable exhibition calendar in Italy



Net Financial Position

Consolidated Net Financial Position (€'000)	31/03/14	31/12/13
Cash (including bank balances)	17,288	11,416
Other cash equivalents	-	-
Securities held for trading	-	-
Cash & cash equivalents	17,288	11,416
Current financial assets	-	635
Current bank borrowings	43,572	42,706
Current portion of non-current debt	14,621	12,745
Other current financial liabilities	33,962	20,572
Current financial debt	92,155	76,023
Current net financial debt (cash)	74,867	63,972
Non-current bank borrowings	38,079	34,506
Debt securities in issue	-	-
Other non-current payables	302	385
Non-current net financial debt	38,381	34,891
Net financial debt (cash)	113,248	98,863



The increase in net debt was mainly due to the trend in net working capital and, in particular, to the advance payment of the six monthly rent for the two exhibition sites



Contents

Market and company overview

Financials

Strategy

Closing remarks



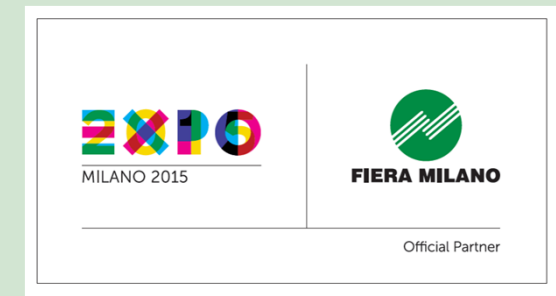
Strategic guidelines

Fiera Milano is focused on its core business with the strategic aim of consolidating its leadership position and expanding further in foreign markets

The strategic guidelines of the Group are:

- **Strengthening the exhibition portfolio in Italy** through the launch of new exhibitions and the repositioning of some of the existing exhibitions
- **Internationalisation** through the consolidation of its presence in high growth markets, the acquisition of exhibitions offering synergies with the existing exhibition portfolio and the export of proprietary exhibitions

2014 represents the eve of the World Expo to be held in Milan in 2015: Fiera Milano is ready to seize all the opportunities that it can generate through its integrated offer of high quality services to **EXPO 2015**



From MACEF to... HOMI

- The first edition of HOMI took place in January 2014 in an exhibition space of **more than 80,000 net sq metres with 1,500 national and international exhibitors and selected buyers**, and 94,000 visitors, of which 15% came from abroad
- HOMI is the **new international Lifestyle exhibition**, focusing on the home and on people and their surroundings and lifestyle preferences
- HOMI has a strong identity: it is the synthesis of Italian elegance and excellence
- HOMI proposes a synergy between style and business, giving centre stage to **new distribution channels**, the fruit of product category cross-fertilisation signaling a new concept in product marketing, for both exhibitors and visitors
- The satellite format is the inspiration behind the **10 exhibition areas**, each presenting distinct life and lifestyle visions: trends for the home, for indoor and outdoor living, ideas to make the most of both night and day, solutions for experimenting with and sharing well-being in all its forms
- In October 2014 the first edition of **HOMI Russia** will take place in Moscow simultaneously with the Worldwide Salons to be held **during Moscow Design Week**, at which 50,000 buyers from all over the world will be present



The satellite format

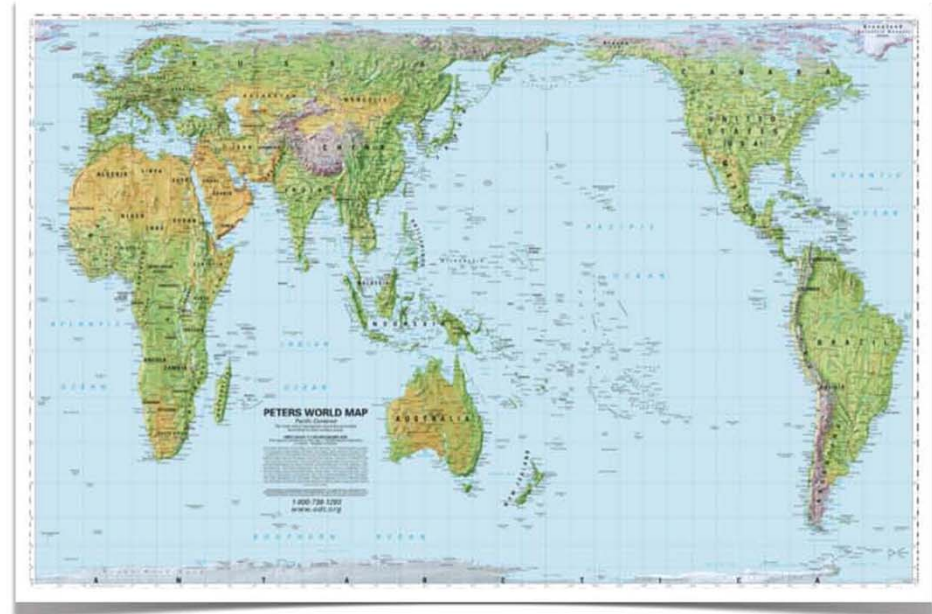
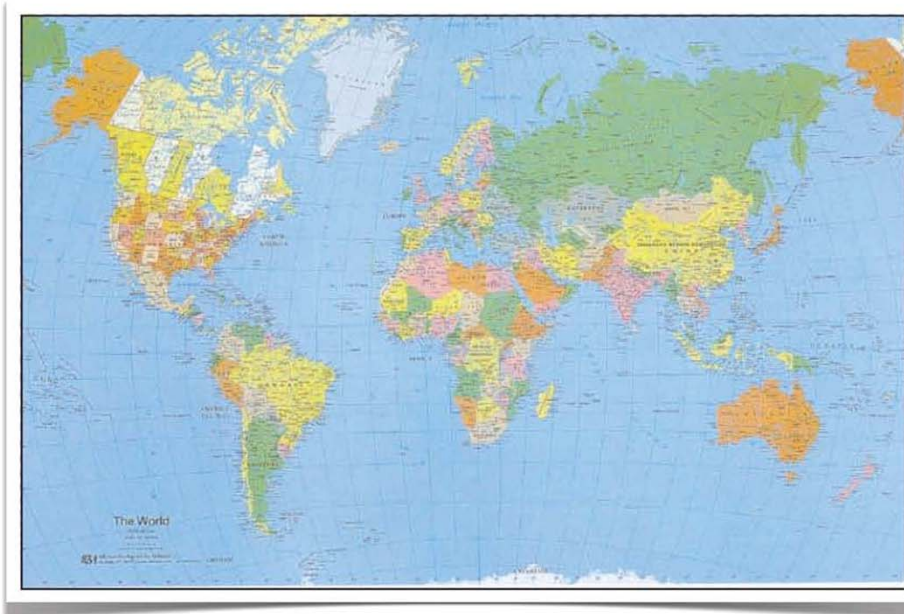


BIT

- Definition of a new format
- New sectors (Mice, Luxury, Technology, National Tourism Congress)
- Major accent on B2B
- Increase in professional operators: objective of over 2,000 attendees
- Increase in international visitors: in 2015 representation will be extended to Italian buyers for the section dedicated to the foreign tourist offering, increasing the number of specialist *hosted buyers* present to 1,500 Italian and foreign attendees
- BIT in the World: initiation of the internationalisation strategy with a presence in China at the GITF exhibition in 2015



/// In order to operate at a global level
you must see the world as it is



**WE MAY NOT BE AT THE CENTRE OF THE WORLD
THE RELATIONSHIP BETWEEN COUNTRIES MAY DIFFER FROM HOW WE IMAGINE IT**



International strategy

EXPORT PROPRIETARY EXHIBITIONS

Export proprietary exhibitions to fast-growing countries
Bring foreign proprietary brands to Italy and to other target countries

EXPORT EXHIBITIONS OWNED BY THIRD-PARTIES

Use the Group's international platform to develop outside Italy those exhibitions organised by third-parties and hosted in Milan

DEVELOP THE NETWORK FOR INTERNATIONAL ATTENDEES

Expand the presence of international exhibitors and buyers through a direct presence in the main European countries and through a network of marketing agents

CONSOLIDATE EXHIBITIONS IN FAST-GROWING COUNTRIES

Consolidate the existing presence in fast-growing countries and expand the portfolio of exhibitions

BUSINESS DEVELOPMENT

Penetration of countries with strong economic growth through acquisitions, joint ventures and/or commercial partnerships



Contents

Market and company overview

Financials

Strategy

Closing remarks





Closing remarks

- Leadership in the Italian and European trade show market with a wide and diversified portfolio of exhibitions, almost entirely B2B
- Presence in fast-growing countries and a strategy focused on further international development to capture the demand in dynamic countries and on developing systems to achieve synergies with flexible integration
- Higher operating margin due to increasing foreign activity
- Upside potential from its integrated offer of high quality services to EXPO 2015





Appendix



Fiera Milano history

1920

Eight entrepreneurs organise the first trade fair in Milan aimed at showing sample products to acquire commercial agreements

1922

Fiera Milano Campionaria Internazionale ("Ente Autonomo") is set up by the committee of eight entrepreneurs and obtains charitable status

1960-1970

Fiera Campionaria grows at a fast pace becoming the market place for "Made in Italy" products

1980

Fiera Campionaria becomes "Fiera d'Aprile". In addition to the traditional annual trade fair, the first sector exhibitions are launched. Since 1991, the exhibition calendar includes only sector based exhibitions



1990

In 1997 Ente Autonomo increases the exhibition capacity by opening three new pavilions located in an industrial area next to Fiera (the "Portello" area)

2000

From February 2000, Ente Autonomo acts as a "Fondazione" and, in July 2000, spins off Fiera Milano ("FM"), a new company active in exhibitions management and related services. In October 2000 FM starts its activities

2001

FM acquires the previously rented trade fair business from Fondazione

2002- today

In December 2002 FM is listed on the Italian Stock Exchange. In 2005 the Rho exhibition complex opens. FM acquires some important exhibition organisers in Italy and develops services. FM grows abroad in fast-growing countries



Congresses



Fiera Milano Congressi is active in the organisation of congresses, conventions and conferences through the **management of Europe's newest and largest congress centre, MiCo, Milano Congressi:**

- 18,000 seats, an auditorium with 4,500 seats, 73 rooms with seating for from 20 to 2,000, ancillary exhibition space of 54,000 sq m

The Group also manages:

- Stella Polare Congress Center (Rho)
- Stresa Convention Centre, the events venue on Lake Maggiore
- Momec, the executive business suite in Rome

The Company runs over 500 events a year ranging from big international congresses and conventions to gala dinners and product launches



Stand-fitting services and Media



The subsidiary Nolostand offers **stand-fitting services**, technical services and all exhibition site services for exhibitions and congresses

The Group produces content and supplies on line and off line publishing services, as well those associated with the organisation of events and congresses

This segment includes the following sectors:

- publishing and digital services
- events and training



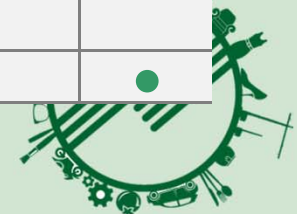
Italian exhibition portfolio: main events

Exhibition	Industry	Frequency	Sq.metres (‘000)	Number of exhibitors
Salone del mobile + Eurocucina + Salone del Bagno	Furniture and furnishing	Annual	208	1,660
Macef primavera + Macef autunno/Bijoux	Homeware and gifts	Annual	151	2,610
Micam (Spring) + Micam (Autumn)	Textiles, clothing & accessories	Annual	136	2,940
Mostra Convegno Expocomfort	Building and related furniture	Biennial	134	1,520
Host	Commerce - Services	Biennial	101	1,555
EMO	Industrial machinery	Multi-year	96	1,415
Eicma Moto	Vehicles and related equipments	Annual	93	605
Made Expo	Architecture, design and building	Annual	59	980
CPHI	Health and Environment	Multi-year	58	1,400
Plast	Industrial machinery	Multi-year	56	1,020



Exhibition sectors by country

	<u>Italy</u>	<u>Brazil</u>	<u>China</u>	<u>India</u>	<u>Russia</u>	<u>Singapore</u>	<u>South Africa</u>	<u>Turkey</u>	<u>Thailand</u>
AGRICULTURE, FORESTRY, FISHERY			●						
ART	●						●	●	
AUTOMOBILES, MOTORCYCLES	●		●						
BEAUTY AND PERSONAL CARE								●	
BUSINESS SERVICES, RETAIL	●							●	
CONSTRUCTION, INFRASTRUCTURE	●	●	●						
ENERGY, OIL, GAS	●	●	●						
AUTOMATION AND ENGINEERING	●	●	●	●					
FOOD AND BEVERAGE, HOSPITALITY	●	●	●	●			●		
HEALTH AND REHABILITATION	●	●				●			
IT AND TELECOMMUNICATIONS	●			●					
JEWELRY, WATCH & ACCESSORIES	●								
LEISURE, HOBBY, ENTERTAINMENT	●	●	●				●	●	
PREMIUM, HOUSEHOLD, GIFTS, TOYS	●	●			●			●	
SECURITY, FIRE SAFETY, DEFENSE	●	●							
TEXTILES, APPAREL, FASHION	●		●						
TRANSPORT, LOGISTICS, MARITIME	●		●	●				●	
TRAVEL	●		●						
OTHERS	●		●						●



Synergies across continents

Own exhibitions exported from Italy

HOMI to:

- Russia (Moscow since 2014)

Food Hospitality World to:

- India (Bangalore since 2012; Mumbai since 2012)
- China (Guangzhou since 2012)
- Brazil (São Paulo since 2013)
- South Africa (Cape Town from 2014)



Third-party exhibitions exported from Italy

TheMICAM to: China (Shanghai since 2013)

EnergSolar+ to: Brazil (São Paulo since 2012)

theMICAMshanghai



Own exhibitions exported from Brazil

Reatech to:

- Italy (Reatech since 2012)
- Singapore (RehabTech Asia since 2013)

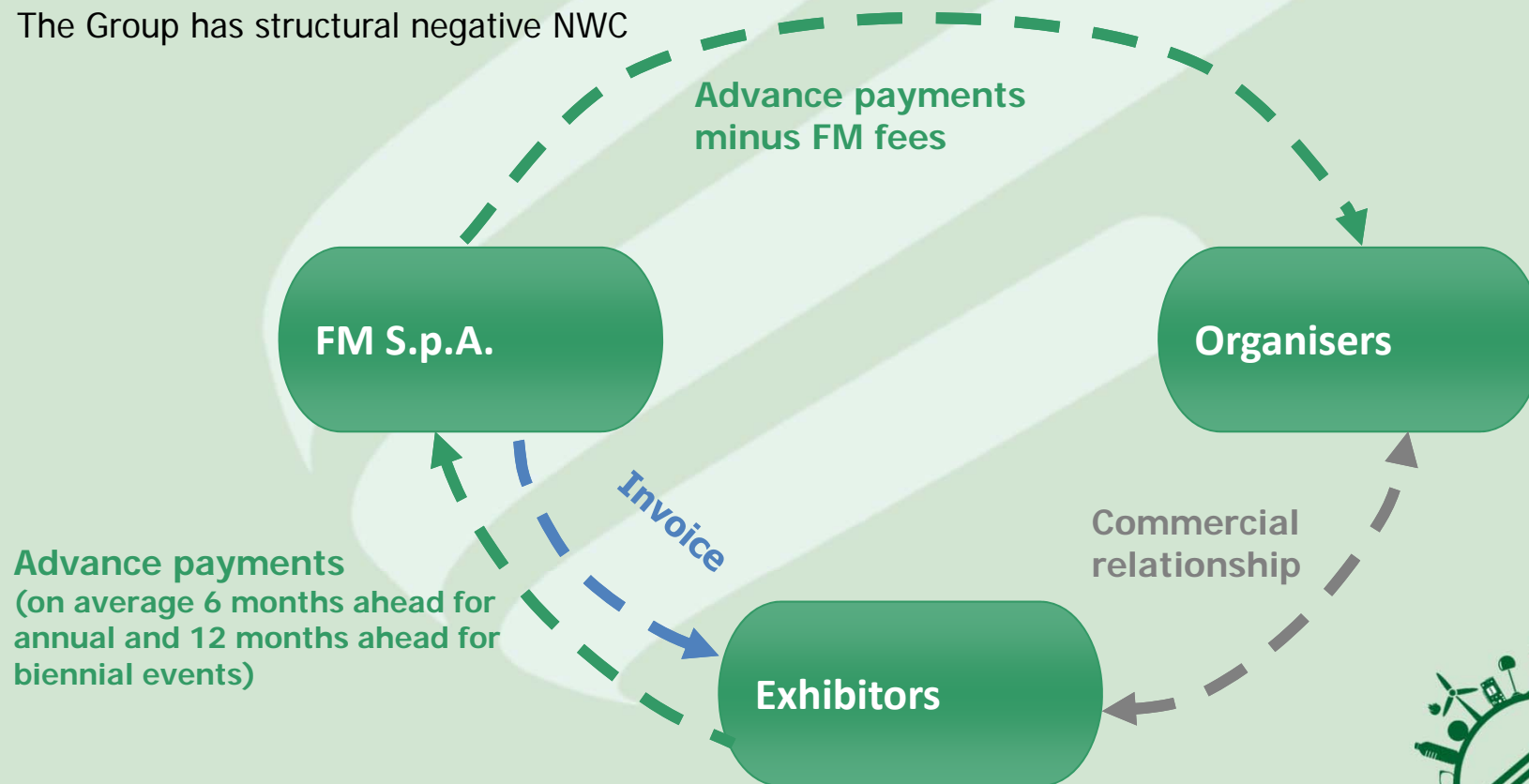


Favourable payment cycle

Main financial clauses in the contractual agreements with organisers:

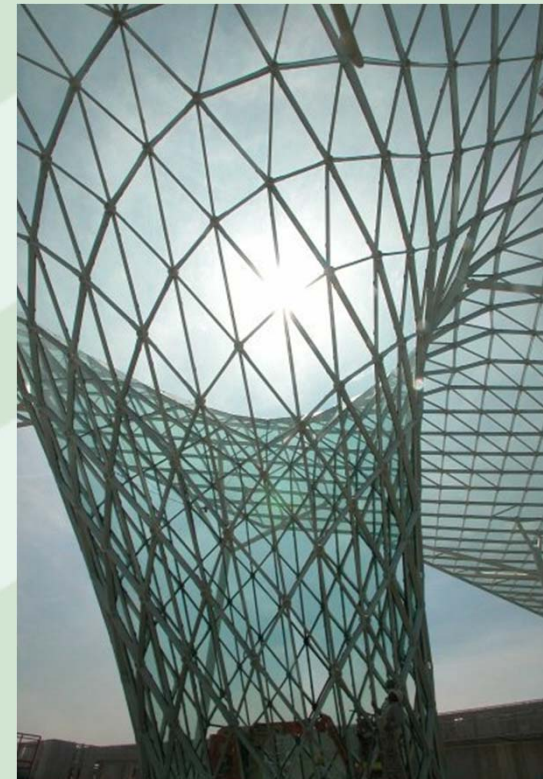
- standard contract guarantee (minimum guaranteed)
- significant advance payments
- treasury management services on behalf of organisers

The Group has structural negative NWC



Rental contract

- On 31 March 2014 Fiera Milano and the Controlling Shareholder Fondazione Fiera Milano, owner of the exhibition sites in Rho and Milan, signed the leasing contracts **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; 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 2012-2014 **up to a maximum of Euro 10 million**
- **Milan site**
 - The parties confirmed the current rent of Euro 2,850,000



Statement of Financial Position

Consolidated Statement of Financial Position (€'000)	31/03/14 before tax	31/12/13 after tax
Non-current assets	209,453	209,402
Net working capital	-30,117	-49,042
Gross capital employed	179,336	160,360
Non-current liabilities	24,120	24,035
Total net capital employed	155,216	136,325
Equity	41,968	37,462
Net financial position	113,248	98,863
Equity and net financial position	155,216	136,325





Forward-Looking Statements

This document has been prepared by Fiera Milano S.p.A. 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 official documents, books and accounting records.



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

