



FIERA MILANO

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3rd Quarter 2014 Consolidated Results

Fiera Milano Group

Conference Call – 14 November 2014



Contents

Highlights

Financial results

Business outlook



Official Partner



3rd Quarter 2014 highlights

- Despite the extended slowdown in the domestic market, the weak exhibition calendar in 2014, and the absence of activity in the summer months, the quarterly results showed a year-on-year improvement
- This improvement was mainly attributable to the positive performance of the congress business, the first edition of the biannual exhibition Lineapelle and the reduction in the rent of the Rho exhibition site
- Net exhibition space of 310,555 square meters (29% from directly organised events) of which 103,270 square meters abroad
- Quarterly revenues of Euro 52.8 million (+36% year-on-year)
- Gross operating result negative for Euro 2.3 million in 3Q14 (negative for Euro 11.7 million in 3Q13)
- The first nine months 2014 revenues were Euro 191.4 million (+12% year-on-year) and the gross operating profit was Euro 2.8 million (negative for Euro 7.1 million in the same period of 2013)



Contents

Highlights

Financial results

Business outlook



Official Partner



Italian exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	3Q14	3Q13
Annual exhibitions		
Directly organised	60,460	62,025
Organised by 3rd parties	141,455	102,730
Total annual exhibitions	201,915	164,755
Biennial exhibitions		
Organised by 3rd parties	-	2,470
Total biennial exhibitions	-	2,470
Total exhibitions	201,915	167,225
Congresses with related exhibition area	5,370	4,840
Total	207,285	172,065



- First edition of the biannual exhibition Lineapelle (42,390 square meters)
- Substantial stability in fashion accessory exhibitions and in HOMI



Italian exhibitions



Italian exhibitions	3Q14	3Q13	9M14	9M13
Revenues (€'000)	34,017	29,676	146,971	135,140
Gross operating result (€'000)	-5,851	-11,081	-3,240	-11,097
% on revenues	-17.2%	-37.3%	-2.2%	-8.2%
Net operating result (€'000)	-7,273	-12,855	-7,402	-13,683
% on revenues	-21.4%	-43.3%	-5.0%	-10.1%



- The third quarter rise in revenues reflected the trend in net exhibition space occupied; the gross operating result also benefited from the reduction in the rent of the Rho exhibition site
- The increase in the first nine months revenues reflected the presence of the biennial exhibitions Mostra Convegno Expocomfort and Xylexpo and the launch of Lineapelle, although this was partly offset by the absence of Tuttofood and by the decrease in demand for exhibition space for the January edition of HOMI and Bit. The improvement in the results was also due to reduction in the rent of the Rho exhibition site

Foreign exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	3Q14	3Q13
Annual exhibitions		
China	72,600	73,195
Turkey	8,110	2,255
Brazil	5,095	2,055
South Africa	3,620	6,875
Thailand	-	1,500
Total annual exhibitions	89,425	85,880
Biennial exhibitions		
Brazil	13,845	4,025
Total biennial exhibitions	13,845	4,025
Total	103,270	89,905



- The Motor Show in China was organised in Chengdu
- In Turkey there was a positive performance from Art Istanbul and the successful launch of Promoturk, an exhibition for corporate communication & promotional gifts
- In Brazil there was a more favourable exhibition calendar with the presence of the biennial exhibition Fesqua and there was also a good performance from the annual exhibition FIPPA
- The Good Food & Wine Show was held in Johannesburg
- The Good Food & Wine Show in Durban, the China Products Show in Thailand and Food Hospitality World in Guangzhou were all postponed until the last quarter of the year

Foreign exhibitions



Foreign exhibitions	3Q14	3Q13 restated*	9M14	9M13 restated*
Revenues (€'000)	4,644	4,169	10,827	11,132
Gross operating result (€'000)	-123	98	-1,599	1,137
% on revenues	-2.6%	2.4%	-14.8%	10.2%
Net operating result (€'000)	-368	-180	-2,421	190
% on revenues	-7.9%	-4.3%	-22.4%	1.7%

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



- The third quarter increase in revenues mainly reflected the presence of the biennial exhibition Fesqua and a good performance from the annual exhibition FIPPA in Brazil, offset by the postponement of a few exhibitions to the last quarter. Results reflected the trend in revenues offset by few higher costs
- Revenues for the first nine months of 2014 were in line with those for the same period of 2013 whilst the change in the results reflected the increased operating costs in the Brazilian companies due to corporate restructuring

Stand-fitting services



Stand-fitting services	3Q14	3Q13	9M14	9M13
Revenues (€'000)	7,249	6,600	28,735	25,216
Gross operating result (€'000)	629	387	2,670	1,850
% on revenues	8.7%	5.9%	9.3%	7.3%
Net operating result (€'000)	335	32	1,540	779
% on revenues	4.6%	0.5%	5.4%	3.1%



- The third quarter increase in revenues and results was mainly linked to the stand-fitting services supplied to the exhibitions HOMI and Micam and for the first edition of Lineapelle
- The year-on-year increase in nine months revenues and results was due to higher stand-fitting volumes that reflected the presence of Mostra Convegno Expocomfort, as well as the strong performances of the Salone Internazionale del Mobile, HOMI and Lineapelle

Media

Media	3Q14	3Q13	9M14	9M13
Revenues (€'000)	2,395	2,000	8,936	8,264
Gross operating result (€'000)	-272	-477	-24	-237
% on revenues	-11.4%	-23.9%	-0.3%	-2.9%
Net operating result (€'000)	-494	-782	-634	-1,079
% on revenues	-20.6%	-39.1%	-7.1%	-13.1%



- The quarterly increase in revenues and margins reflects the higher volume of digital services supplied and the revenues from poster advertising for the exhibition Lineapelle
- The increase in the revenue figure for the first nine months of the year was mainly due to higher poster advertising revenues from the presence of Mostra Convegno Expocomfort and the launch of Lineapelle, as well as higher revenues from digital services. Results were impacted by higher operating costs that were mainly attributable to the strengthening of the marketing department

Congresses

Congresses	3Q14	3Q13	9M14	9M13
Revenues (€'000)	12,357	3,223	27,248	16,536
Gross operating result (€'000)	3,342	-661	4,917	1,164
% on revenues	27.0%	-20.5%	18.0%	7.0%
Net operating result (€'000)	2,419	-1,055	2,957	-
% on revenues	19.6%	-32.7%	10.9%	-



- The third quarter increase in revenues and margins was mainly due to the use of the MiCo Congress Centre for meetings held during the Italian presidency of the European Union
- The increase in revenues for the first nine months reflected the good quarterly results but also the positive trend in international congresses. The year-on-year change in results reflects the trend in revenues but was affected by one-off maintenance costs



Income Statement

Consolidated Income Statement (€'000)	3Q14	3Q13 restated*	9M14	9M13 restated*
Revenues	52,805	38,847	191,387	171,572
Gross operating result	-2,272	-11,732	2,774	-7,112
Gross operating margin (%)	-4.3%	-30.2%	1.4%	-4.1%
Net operating result (EBIT)	-5,406	-14,833	-5,976	-13,716
Net operating margin (%)	-10.2%	-38.2%	-3.1%	-8.0%
Profit/loss before income tax	-6,302	-15,822	-9,512	-16,509
Profit/loss before tax margin (%)	-11.9%	-40.7%	-5.0%	-9.6%
-attributable to Shareholders of the controlling entity	-6,215	-15,704	-8,866	-16,288
Profit/loss before tax attributable to Shareholders of the controlling entity margin (%)	-11.8%	-40.4%	-4.6%	-9.5%
-attributable to non-controlling interests	-87	-118	-646	-221
Profit/loss before tax attributable to non-controlling interests margin (%)	-0.2%	-0.3%	-0.3%	-0.1%

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

Statement of Financial Position

31/12/13 restated* after tax	Consolidated Statement of Financial Position (€'000)	30/09/14 before tax	30/06/14 after tax
209,402	Non-current assets	206,643	209,193
-49,186	Net working capital	-30,248	-39,941
160,216	Gross capital employed	176,395	169,252
20,929	Non-current liabilities	21,869	21,524
139,287	Total net capital employed	154,526	147,728
37,462	Equity	28,581	34,364
101,825	Net financial position	125,945	113,364
139,287	Equity and net financial position	154,526	147,728

* 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

31/12/13 restated*	Consolidated Net Financial Position (€'000)	30/09/14	30/06/14
11,416	Cash (including bank balances)	16,387	13,178
-	Other cash equivalents	-	-
-	Securities held for trading	-	-
11,416	Cash & cash equivalents	16,387	13,178
635	Current financial assets	-	1,706
42,706	Current bank borrowings	48,941	51,950
12,699	Current portion of non-current debt	16,470	14,547
20,572	Other current financial liabilities	44,437	24,771
75,977	Current financial debt	109,848	91,268
63,926	Current net financial debt (cash)	93,461	76,384
34,408	Non-current bank borrowings	29,576	33,527
-	Debt securities in issue	-	-
3,491	Other non-current payables	2,908	3,453
37,899	Non-current net financial debt	32,484	36,980
101,825	Net financial debt (cash)	125,945	113,364

* 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 caused by negative cash flow due to the absence of activity in July and August and lower cash flow caused by an increase in net working capital from the required pre-payment of the six-monthly rent of the exhibition sites

Contents

Highlights

Financial results

Business outlook



Official Partner



Business outlook

- The stagnant macroeconomic environment and the unfavourable exhibition calendar in 2014 continue to have a significant impact on the results of the current financial year, increasing the weakness of the first nine months of the year
- The ongoing negative environment means that Fiera Milano Group is particularly cautious regarding the results expected for the full financial year
- The Company is currently preparing the new business development plan for the four-year period 2015-2018
- The Group is confident regarding expectations for the next financial year due to the presence in Italy of several important directly organised exhibitions and of some multi-annual exhibitions, the impact of the reduction in the rent payable for the exhibition site, and the opportunities that could be forthcoming from the collaboration with Expo



Forward-Looking Statements

Data and information herewith set forth are extracted from Fiera Milano Consolidated Interim Management Report to 30 September 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 document results, books and accounting records.

Fiera Milano SpA

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