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1st Quarter 2015 Consolidated Results

Fiera Milano Group

Conference Call – 12 May 2015



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1st Quarter 2015 highlights

- **Revenues and gross operating profit** for the first quarter 2015 **were very slightly lower** than those for the same period of 2014, **mainly because of the different exhibition calendar**: absence of the biennial exhibition, Mostra Convegno Expocomfort, in part compensated by the presence of the biennial exhibition Made Expo, by Lineapelle, and the first edition of some new exhibitions, as well as the positive performance of the congress segment
- Occupied **net exhibition space of 527,080 square metres** (38% from directly organised events) of which 98,940 square metres from exhibitions organised abroad
- Consolidated quarterly **revenues of Euro 73.8 million** (Euro 74.8 million in 1Q14)
- Consolidated **gross operating profit of Euro 7.1 million** in 1Q15 (Euro 7.7 million in 1Q14)
- Consolidated **net operating profit of Euro 2.6 million** (Euro 5.2 million in 1Q14), affected by non recurring provisions



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Italian exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	1Q15	1Q14
Annual exhibitions		
Directly organised	99,310	104,445
Organised by 3rd parties	264,140	199,795
Total annual exhibitions	363,450	304,240
Biennial exhibitions		
Organised by 3rd parties	56,940	125,265
Total biennial exhibitions	56,940	125,265
Total exhibitions	420,390	429,505
Congresses with related exhibition area	7,750	5,455
Total	428,140	434,960



- Directly organised exhibitions: positive performance from BIT following its repositioning and more or less stable exhibition space from HOMI
- Exhibitions organised by third parties: first edition of the biannual exhibition Lineapelle to be held in the first semester of the year (41,575 square meters), Simac Tanning-Tech, an exhibition for shoe and leather goods manufacturing technology (15,200 square meters), and My Plant & Garden, a B2B floriculture exhibition
- Biennial exhibitions: presence of Made Expo an exhibition for architecture, design and building



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Italian exhibitions



Italian exhibitions	1Q15	1Q14
Revenues (€'000)	62,331	65,772
Gross operating result (€'000)	5,387	5,407
% on revenues	8.6%	8.2%
Net operating result (€'000)	1,907	4,248
% on revenues	3.1%	6.5%



- The decrease in revenues was mainly attributable to the different exhibition calendar: the absence of Mostra Convegno Expocomfort was in part compensated by the presence of Made Expo and of Lineapelle
- The gross operating result mainly reflected the trend in revenues but also an increase in operating costs for the Rho exhibition site and higher personnel costs in the Parent Company to strengthen the marketing department. This was almost entirely compensated by the fall in the rental costs for the **fieramilano** exhibition site and the absence of the extraordinary costs present in the first quarter 2014 for the relaunch and internationalisation of HOMI
- The net operating result was affected by the provisions for risks and charges made for the indemnity payable to the previous Chief Executive Officer (Euro 1.5 million)

Foreign exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	1Q15	1Q14
Annual exhibitions		
China	73,595	67,865
Turkey	7,800	10,815
India	3,195	2,390
Brazil	1,365	430
South Africa	1,260	850
Total annual exhibitions	87,215	82,350
Biennial exhibitions		
China	10,000	-
Singapore	1,725	-
Total biennial exhibitions	11,725	-
Total	98,940	82,350



- China: positive performance of Chinafloor and a more favorable exhibition calendar that included the biennial exhibition WoodMac China (woodworking machinery)
- Turkey: positive performance from Beauty and Care in Istanbul
- India: Food Hospitality World organised in Mumbai
- Brazil: positive performance of Food Hospitality World in São Paulo
- South Africa: good performance from the Art Fair in Cape Town



Foreign exhibitions



Foreign exhibitions	1Q15	1Q14
Revenues (€'000)	1,397	1,334
Gross operating result (€'000)	82	63
% on revenues	5.9%	4.7%
Net operating result (€'000)	-145	-166
% on revenues	-10.4%	-12.4%



- Revenues in the first quarter 2015 were in line with those of the same period of the previous financial year
- The year-on-year change in the gross operating result mainly reflects the absence of higher costs in 1Q2014 for the corporate restructuring in Brazil although this was almost completely eroded by higher costs in the Turkish subsidiary Interteks

Stand-fitting services



Stand-fitting services	1Q15	1Q14
Revenues (€'000)	12,764	12,938
Gross operating result (€'000)	1,321	2,181
% on revenues	10.3%	16.9%
Net operating result (€'000)	1,392	1,716
% on revenues	10.9%	13.3%



- Revenues were in line with those of the first quarter 2014: the negative effect of the absence of Mostra Convegno Expocomfort was offset by an increase in revenues from services supplied to countries taking part in EXPO 2015
- The decrease in the gross operating result was mainly due to higher costs for outsourced staff; there was also a negative impact from higher losses on receivables and costs linked to the resolution of an employment dispute, which were compensated at the EBIT level by the use of provisions made in previous financial years

Media

Media	1Q15	1Q14
Revenues (€'000)	2,883	3,015
Gross operating result (€'000)	-312	-211
% on revenues	-10.8%	-7.0%
Net operating result (€'000)	-475	-413
% on revenues	-16.5%	-13.7%



- Revenues were slightly lower than in the first quarter 2014: billboard revenues fell due to the absence of the biennial exhibition, Mostra Convegno Expocomfort, although this was in part compensated by the presence of Lineapelle
- The trend in the gross operating result mainly reflects the trend in revenues



Congresses

Congresses	1Q15	1Q14
Revenues (€'000)	7,196	5,585
Gross operating result (€'000)	601	229
% on revenues	8.4%	4.1%
Net operating result (€'000)	-34	-186
% on revenues	-0.5%	-3.3%



- Revenues increased mainly due to Cisco Live 2015 and some important international congresses that included Assiom Forex 2015 and Global Entrepreneurship 2015
- The improvement in the gross operating profit was mainly due to the positive trend in revenues in this segment but was affected by an increase in rental and maintenance costs for the congress centre

Income Statement

Consolidated Income Statement (€'000)	1Q15	1Q14
Revenues	73,760	74,763
Gross operating result	7,079	7,712
Gross operating margin (%)	9.6%	10.3%
Net operating result (EBIT)	2,618	5,228
Net operating margin (%)	3.5%	7.0%
Profit/loss before income tax	1,403	3,925
Profit/loss before tax margin (%)	1.9%	5.2%
-attributable to Shareholders of the controlling entity	1,763	4,063
Profit/loss before tax attributable to Shareholders of the controlling entity margin (%)	2.4%	5.4%
-attributable to non-controlling interests	-360	-138
Profit/loss before tax attributable to non-controlling interests margin (%)	-0.5%	-0.2%



Statement of Financial Position

Consolidated Statement of Financial Position (€'000)	31/03/15 before tax	31/12/14 after tax
Non-current assets	203,808	204,730
Net working capital	-53,643	-44,135
Gross capital employed	150,165	160,595
Non-current liabilities	19,075	19,240
Total net capital employed	131,090	141,355
Equity	21,641	19,688
Net financial position	109,449	121,667
Equity and net financial position	131,090	141,355



Net Financial Position

Consolidated Net Financial Position (€'000)	31/03/15	31/12/14
Cash (including bank balances)	16,691	12,276
Other cash equivalents	-	-
Securities held for trading	-	-
Cash & cash equivalents	16,691	12,276
Current financial assets	-	-
Current bank borrowings	42,906	62,908
Current portion of non-current debt	20,005	19,986
Other current financial liabilities	36,394	22,150
Current financial debt	99,305	105,044
Current net financial debt (cash)	82,614	92,768
Non-current bank borrowings	24,903	26,898
Debt securities in issue	-	-
Other non-current payables	1,932	2,001
Non-current net financial debt	26,835	28,899
Net financial debt (cash)	109,449	121,667



Net debt decreased by Euro 12.2 million due to the positive cash flow generated in the quarter and the cash flows from net working capital from pre-payments and cash-in for exhibitions held in the quarter under review or due to be held in subsequent months



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- On 29 April 2015, Fiera Milano signed a contract worth Euro 7.2 million to rent approximately 120,000 square metres of the **fieramilano** exhibition site for vehicle circulation and parking to EXPO 2015 until 10 November 2015
- In **2015** the demand for exhibition space is expected to increase due to the **strong exhibition calendar**, which includes the two important proprietary exhibitions Tuttofood and Host, as well as some multi-annual exhibitions
- As a result of these factors and given the economic environment which is showing signs of a weak recovery, the forecasts for the 2015 financial year are for an increase in consolidated **revenues to over Euro 330 million, a gross operating margin of 10%**, and a return to net profit
- The first quarter 2015 results of the Parent Company were in line with expectations and appear to confirm that the target of the share capital rising by one-third, in compliance with Article 2446 of the Italian Civil Code, will be reached by the end of the current financial year barring any currently unforeseen events that might impede this target being reached



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Forward-Looking Statements

Data and information herewith set forth are extracted from Fiera Milano Consolidated Interim Management Report to 31 March 2015 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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