



FIERA MILANO

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3rd Quarter 2015 Consolidated Results

Fiera Milano Group

Conference Call – 26 October 2015



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Official Partner



3rd quarter 2015 highlights

- The 3rd quarter covers what is structurally a weak period for Fiera Milano and the exhibition business due to the **absence of activity in the summer months** in Italy
- Occupied **net exhibition space of 309,805 square metres** (53% from directly organised events) of which 97,790 square metres from exhibitions organised abroad
- Quarterly consolidated **revenues of Euro 46.8 million**, -10% year-on-year mainly because of the absence of the meetings for Italy's presidency of the European Union that were held at the Mico Congress Centre in 3Q14
- Consolidated **gross operating loss of Euro 9.5 million** (a loss of Euro 2.1 million in 3Q14) negatively affected by the variable rent for the Rho exhibition site and some extraordinary personnel expenses
- Consolidated **net operating loss of Euro 12.2 million** (a loss of Euro 5.2 million in 3Q14)
- **First nine months 2015 revenues of Euro 228.4 million** (+20% year-on-year) **and gross operating profit of Euro 17.2 million** (Euro 3.2 million in the same period of 2014)



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Italian exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	3Q15	3Q14
Annual exhibitions		
Directly organised	66,415	60,445
Organised by 3rd parties	139,175	140,960
Total annual exhibitions	205,590	201,405
Biennial exhibitions		
Organised by 3rd parties	1,130	-
Total biennial exhibitions	1,130	-
Total exhibitions	206,720	201,405
Congresses with related exhibition area	5,295	5,370
Total	212,015	206,775



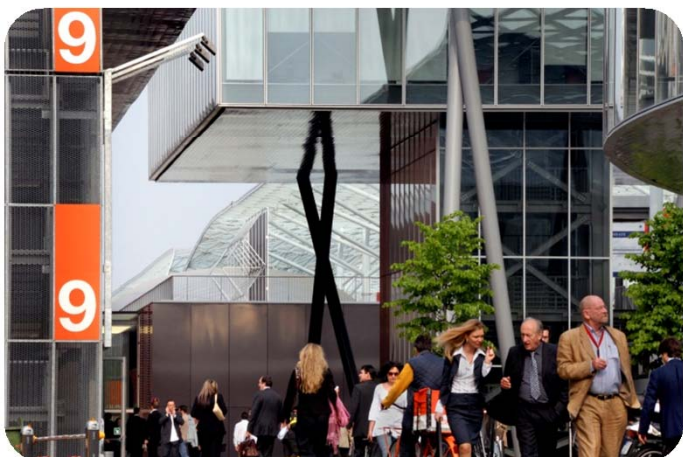
- Directly organised exhibitions: HOMI, in the homeware sector, had a 10% increase
- Substantial stability in exhibitions organised by third parties



Italian exhibitions



Italian exhibitions	3Q15	3Q14	9M15	9M14
Revenues (€'000)	35,866	34,017	184,589	146,971
Gross operating result (€'000)	-9,167	-5,851	11,013	-3,240
% on revenues	-25.6%	-17.2%	6.0%	-2.2%
Net operating result (€'000)	-10,539	-7,273	4,682	-7,402
% on revenues	-29.4%	-21.4%	2.5%	-5.0%



- The third quarter revenues and gross operating result reflected the trend in net exhibition space occupied, as well as the rental to Expo 2015 of areas for vehicle circulation and parking; the gross operating result was affected by the variable component of the rent for the **fieramilano** exhibition site (Euro 2.5 million), higher personnel costs for variable remuneration, and redundancy payments (Euro 1.2 million)
- The increase in revenues in the first nine months reflected the more favourable exhibition calendar; the gross operating result was affected by the variable component of the rent payable, higher personnel costs for variable remuneration, and redundancy payments

Foreign exhibition calendar

Exhibitions	Net sq. metres of exhibition space	
	3Q15	3Q14
Annual exhibitions		
China	88,015	79,265
South Africa	3,360	3,300
Thailand	3,000	-
Brazil	1,905	5,095
Turkey	-	7,945
Total annual exhibitions	96,280	95,605
Biennial exhibitions		
Brazil	1,510	13,845
Total biennial exhibitions	1,510	13,845
Total	97,790	109,450



- China: the Motor Show Chengdu was organised in the quarter; Industrial Automation Shenzhen was held in a different quarter in the previous financial year
- Brazil: cancellation of some small exhibitions and absence of Fesqua-Vitech, an exhibition falling in even-numbered years
- South Africa: Good Food & Wine Show organised in Gauteng
- Exit from the Turkish market in July 2015 given the downgrading of future growth expectations



Foreign exhibitions



Foreign exhibitions	3Q15	3Q14 restated*	9M15	9M14 restated*
Revenues (€'000)	1,746	3,778	5,743	8,975
Gross operating result (€'000)	-835	17	-1,836	-1,200
% on revenues	-47.8%	0.4%	-32.0%	-13.4%
Net operating result (€'000)	-888	-198	-9,271	-1,891
% on revenues	-50.9%	-5.2%	-161.4%	-21.1%

* Following the application of IFRS 5, the divestment of the subsidiary Interteks on 27 July 2015 required some of the figures in the interim consolidated financial statements at 30 September 2014 to be restated for comparative purposes.



- The fall in quarterly revenues mainly reflected the different exhibition calendar in Brazil and the absence of the biennial exhibition Fesqua; the deterioration in margins was aggravated by higher personnel expenses for the reorganisation of the Brazilian subsidiary
- In the first nine months of the year, the decline in revenues and margins reflected the drop in demand for exhibition space in Brazil, in particular at Exposec and Reatech, as a result of the slowdown in the Brazilian economy, as well as a decline in the South African subsidiary's results because of a weaker performance from The Good Food & Wine Show; the net operating result was affected by fair value adjustments to goodwill and trademarks

Stand-fitting services



Stand-fitting services	3Q15	3Q14	9M15	9M14
Revenues (€'000)	7,943	7,249	43,159	28,735
Gross operating result (€'000)	261	629	5,160	2,670
% on revenues	3.3%	8.7%	12.0%	9.3%
Net operating result (€'000)	-175	335	4,654	1,540
% on revenues	-2.2%	4.6%	10.8%	5.4%



- The third quarter increase in revenues was mainly linked to stand-fitting services provided to other Group companies for Expo 2015 whilst revenues from exhibition stand-fitting services were in line with those for the third quarter of the previous financial year; the decrease in margins mainly reflected greater volumes of lower margin stand-fitting services
- The year-on-year increase in revenues and results in the first nine months was due to activities for Expo 2015 and the more favourable exhibition calendar

Media

Media	3Q15	3Q14	9M15	9M14
Revenues (€'000)	2,591	2,395	9,337	8,936
Gross operating result (€'000)	-230	-272	-20	-24
% on revenues	-8.9%	-11.4%	-0.2%	-0.3%
Net operating result (€'000)	-329	-494	-249	-634
% on revenues	-12.7%	-20.6%	-2.7%	-7.1%



- The improvement in both the quarter under review and in the first nine months of this financial year was due to higher revenues in the digital sector and to LED wall and online portal advertising
- The increase in margins for both the third quarter and for the first nine months reflected the increase in revenues but was negatively affected by costs for the start-up of new digital services

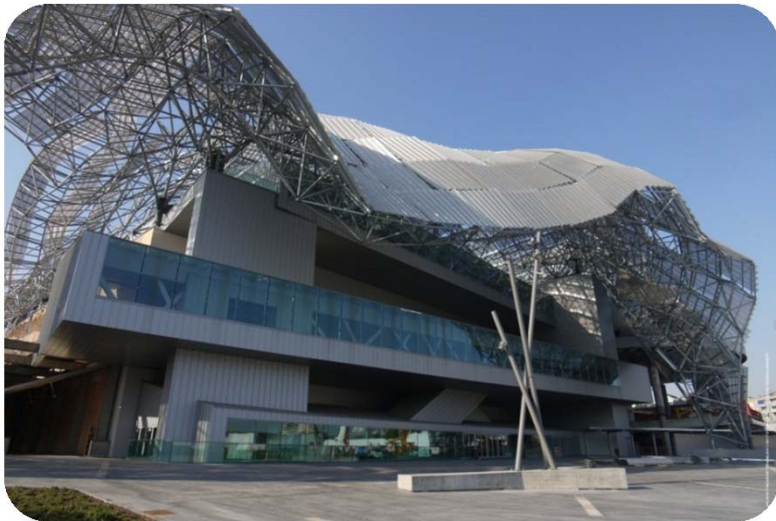


Congresses

Congresses	3Q15	3Q14	9M15	9M14
Revenues (€'000)	7,285	12,357	25,694	27,248
Gross operating result (€'000)	425	3,342	2,860	4,917
% on revenues	5.8%	27.0%	11.1%	18.0%
Net operating result (€'000)	-282	2,419	807	2,957
% on revenues	-3.9%	19.6%	3.1%	10.9%



- The third quarter decrease in revenues and margins was mainly due to the absence of revenues from the use of the MiCo Congress Centre for meetings held during the Italian presidency of the European Union in the third quarter of the previous year
- Revenues from the management of the Expo 2015 Congress Centre and Auditorium, in part, compensated for this in the figure for the first nine months of 2015 while the revenue figure for normal congress activity was almost unchanged year-on-year



Income Statement

Consolidated Income Statement (€'000)	3Q15	3Q14 restated*	9M15	9M14 restated*
Revenues	46,848	51,939	228,380	189,535
Gross operating result	-9,536	-2,132	17,179	3,173
Gross operating margin (%)	-20.4%	-4.1%	7.5%	1.7%
Net operating result (EBIT)	-12,217	-5,236	557	-5,446
Net operating margin (%)	-26.1%	-10.1%	0.2%	-2.9%
Profit/loss before income tax from continuing operations	-14,068	-6,139	-3,444	-8,959
Profit/loss margin (%)	-30.0%	-11.8%	-1.5%	-4.7%
Profit/loss before income tax from discontinued operations	9	-163	-1,988	-553
Profit/loss before income tax	-14,059	-6,302	-5,432	-9,512
Profit/loss before tax margin (%)	-30.0%	-12.1%	-2.4%	-5.0%
-attributable to Shareholders of the controlling entity	-14,080	-6,212	-4,654	-8,866
Profit/loss before tax attributable to Shareholders of the controlling entity margin (%)	-30.1%	-12.0%	-2.0%	-4.7%
-attributable to non-controlling interests	21	-90	-778	-646
Profit/loss before tax attributable to non-controlling interests margin (%)	0.0%	-0.2%	-0.3%	-0.3%

* Following the application of IFRS 5, the divestment of the subsidiary Intertek on 27 July 2015 required some of the figures in the interim consolidated financial statements at 30 September 2014 to be restated for comparative purposes.

Statement of Financial Position

Consolidated Statement of Financial Position (€'000)	30/09/15 before tax	31/12/14 after tax
Non-current assets	187,747	204,730
Net working capital	-73,397	-44,135
Gross capital employed	114,350	160,595
Non-current liabilities	18,186	19,240
Net capital employed from continuing operations	96,164	141,355
Net capital employed from discontinued operations	310	-
Total net capital employed	96,474	141,355
Equity	13,727	19,688
Net financial position from continuing operations	82,747	121,667
Net financial position from discontinued operations	-	-
Equity and net financial position	96,474	141,355

Net Financial Position

31/12/14	Consolidated Net Financial Position (€'000)	30/09/15	30/06/15
12,276	Cash (including bank balances)	19,893	17,190
-	Other cash equivalents	-	-
-	Securities held for trading	-	-
12,276	Cash & cash equivalents	19,893	17,190
-	Current financial assets	-	-
62,908	Current bank borrowings	23,501	34,192
19,986	Current portion of non-current debt	18,952	19,948
22,150	Other current financial liabilities	42,062	37,498
105,044	Current financial debt	84,515	91,638
92,768	Current net financial debt (cash)	64,622	74,448
26,898	Non-current bank borrowings	15,970	16,996
-	Debt securities in issue	-	-
2,001	Other non-current payables	2,155	2,139
28,899	Non-current net financial debt	18,125	19,135
121,667	Net financial debt (cash) from continuing operations	82,747	93,583
-	Net financial debt (cash) from discontinued operations	-	784
121,667	Net financial debt (cash)	82,747	94,367



The Euro 11.6 million decrease in net debt was due to an increase in cash flow from working capital due to advances and cash-in for exhibitions held in the quarter under review or due to be held in subsequent months (in particular, EMO and Host). This was in part offset by early payment of the six-month rental charge for the **fieramilano** exhibition site



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- The results of the third quarter 2015 were in line with expectations. Current forecasts for the final part of the year are for a **continuation in Italy of the positive trend of the first nine months** mainly because of the important exhibitions that are in the calendar (these include the proprietary exhibition HOST and the multi-annual exhibition EMO)
- The forecasts for full-year 2015 point to consolidated **revenues in excess of Euro 320 million and a gross operating profit of over Euro 28 million**
- It is reasonable to assume that the fair value adjustments taken in the first half will necessitate fair value adjustments for the relative investments in the full-year accounts of the Parent Company: this could mean that the target of restoring the equity of the Parent Company in 2015 to above the two-thirds threshold required under Article 2446 of the Italian Civil Code will not be reached
- **The share capital increase** approved by the Extraordinary General Meeting on 31 July 2015 will provide further financial support and ensure that the target of restoring the equity of the Parent Company to above the two-third threshold required under Article 2446 of the Italian Civil Code will be reached. At the same time, it **will also strengthen the capital position and raise resources for the Group development plan**
- On 20 July 2015, **Fondazione Fiera Milano**, the controlling shareholder of Fiera Milano with a shareholding of 62.062%, **gave a binding agreement to exercise all its rights to subscribe and pay for its quota of the new shares**



Forward-Looking Statements

Data and information herewith set forth are extracted from Fiera Milano press release related to Consolidated Interim Management Report to 30 September 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.

Fiera Milano SpA

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