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FY 2015 Consolidated Results

Fiera Milano Group

Conference Call – 15 March 2016



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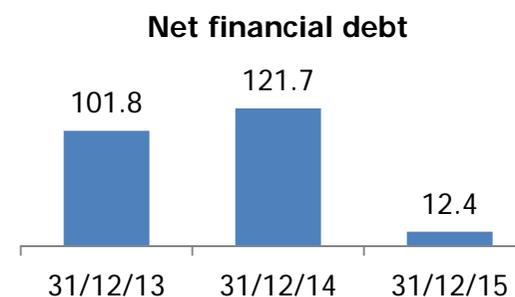
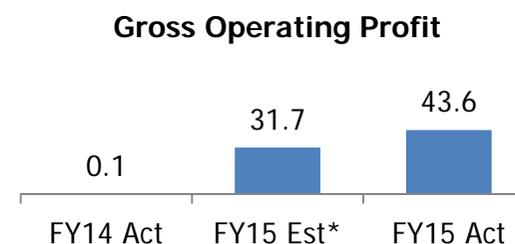
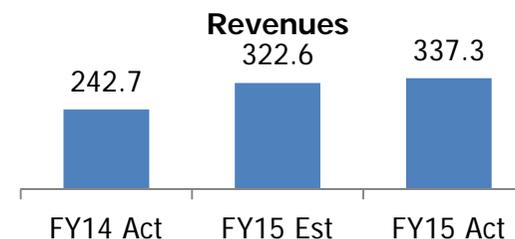
Business outlook



FY 2015 highlights

Strong 2015 results exceed 2014 results and 2015 forecasts

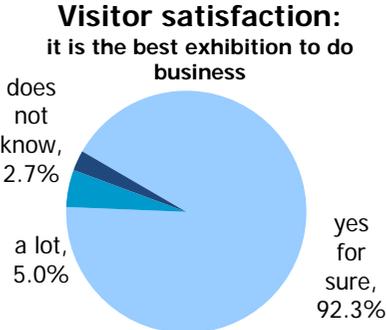
- **Net exhibition space in Italy** of 1,822,875 square metres (25% at directly organised exhibitions): **+49% vs 2014**
- Consolidated revenues: **Euro 337.3 million, +39% vs 2014 and 5% higher than forecast**
- Consolidated gross operating profit: **Euro 43.6 million** (Euro 0.133 million in 2014) and **38% higher than forecast***
- Consolidated net operating profit: **Euro 12.0 million** (loss of Euro 18.3 million in 2014) impacted by Euro 11.1 million of write-downs plus non-recurring expenses
- Consolidated net profit: **Euro 0.4 million** (net loss of Euro 19.1 million in 2014) including Euro 2.0 million of net losses from discontinued operations
- **Net financial debt falls to Euro 12.4 million**, mainly due to the share capital increase



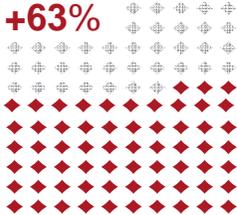
Italian exhibitions



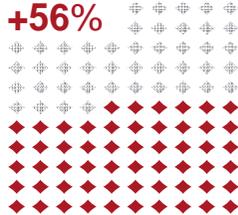
Host - the equipment, coffee and food international hospitality exhibition: **+32% in net exhibition space**; a record **150,968 visitors**, **40% from outside Italy**, +13.5% compared to the previous edition



Tuttofood confirms its leadership in the food sector in Italy becoming the reference point for Southern European countries and **the third largest B2B food exhibition in Europe**



Net exhibition space

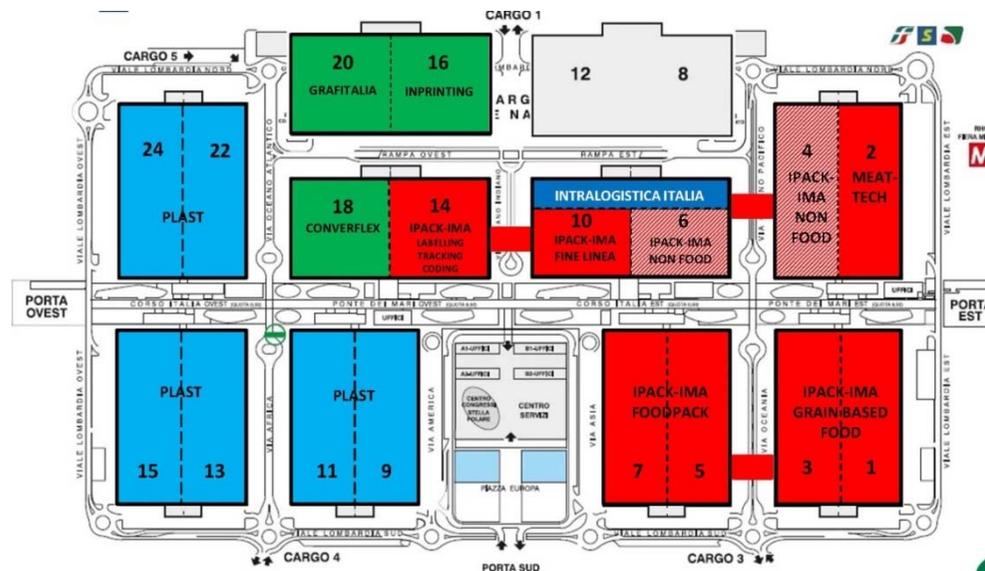


Visitors



Acquisition of Ipack-Ima

- On 23 July 2015, the Company finalised the **acquisition of Ipack-Ima SpA**, owner of Ipack-Ima, a triennial exhibition that is one of the world's leading events in food and non-food processing and packaging, and other related exhibitions organised in the Fiera Milano exhibition site - The amount paid was Euro 2.5 million plus the net financial position of the acquired company and totalled Euro 6.8 million
- The CAGR of the packaging industry is expected to be equal to 5.4%* in the three-year period 2016-2018
- UCIMA, the main Italian association for producers of packaging machineries, entered the company
- A new event, "The Innovation Alliance", was announced in February 2016; it will be held from 29 May - 1 June 2018 and will combine different production sectors that use the same strong supply chain from processing to packaging, from plastic processing to industrial and commercial printing, from graphic customization of packages and labels to handling and warehousing of consumption-ready goods



Expo 2015

- The Group acted as a support to EXPO 2015 S.p.A and in 2015
 - **rented** areas totalling approximately **120,000 square metres** inside the Rho exhibition site **for vehicle circulation and parking areas**
 - through its subsidiaries Nolostand and Fiera Milano Congressi provided **stand-fitting services and managed the EXPO 2015 Congress Centre and Auditorium**
- The Group built the **exhibition stands of several of the countries taking part in EXPO**
- In 2015 total **revenues** linked to this event **were Euro 23.2 million**



Share capital increase

Offer size

Issue of maximum 31,126,821 ordinary shares offered to existing shareholders at Euro 2.245 per share, in the ratio of 3 new shares for every 4 shares held for a maximum total value of Euro 69,879,713

Results

Subscription of 29,770,392 ordinary shares, equal to 95.64% of the total number of shares offered, for a total value of Euro 66,834,530

Controlling shareholder

Fondazione Fiera Milano, the controlling shareholder, exercised all its rights and subscribed to 19,618,206 shares for a total value of Euro 44,042,872. Its shareholding has risen to 63.65% from 62.062%

New share capital

The new share capital is composed of 71,917,829 ordinary shares with no nominal value and totals Euro 42,445,141

Use of proceeds

Funds were used to strengthen the capital structure and reduce financial exposure; the new financial structure will support the Group investment and development plan



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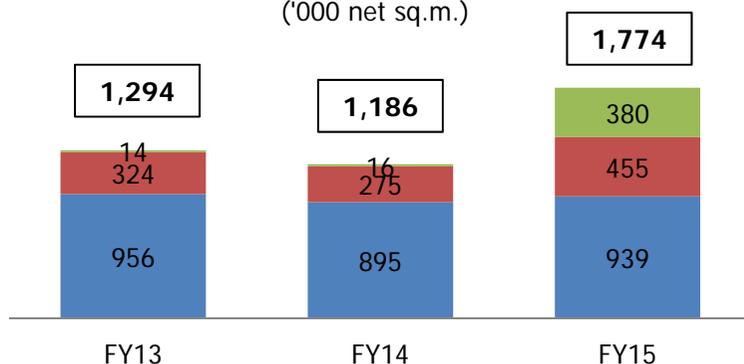
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Italian exhibition calendar

Exhibition space rented out
(‘000 net sq.m.)

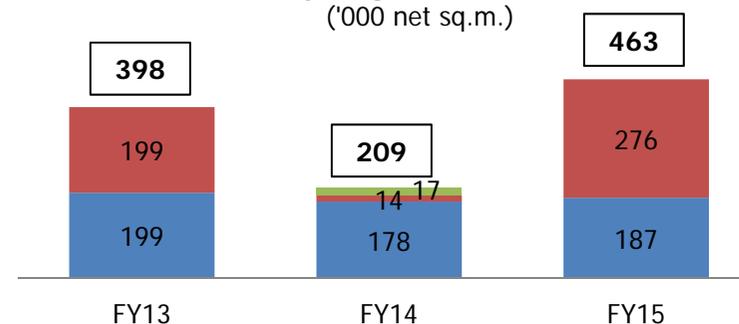


■ Annual exhibitions ■ Biennial exhibitions ■ Multi-year exhibitions

- Increase of 5% in directly organised annual exhibitions, mainly due to the September edition of HOMI
- Record editions of the biennial exhibitions Host (132,580 net sq m) and Tuttofood (74,885 net sq m)
- Special edition of the biennial exhibition Sicurezza because of the presence of Expo 2015

- The first February edition of Lineapelle and Simac Tanning-Tech were held in Milan
- Presence of multi-year exhibitions, in particular EMO (116,995 net sq m), Ipack-Ima and Plast
- The itinerant exhibition ITMA (109,570 net sq m), for textile machinery was successfully held in Milan for the first time in 20 years

Exhibition space rented out
of directly organised exhibitions
(‘000 net sq.m.)



■ Annual exhibitions ■ Biennial exhibitions ■ Multi-year exhibitions

Italian exhibitions



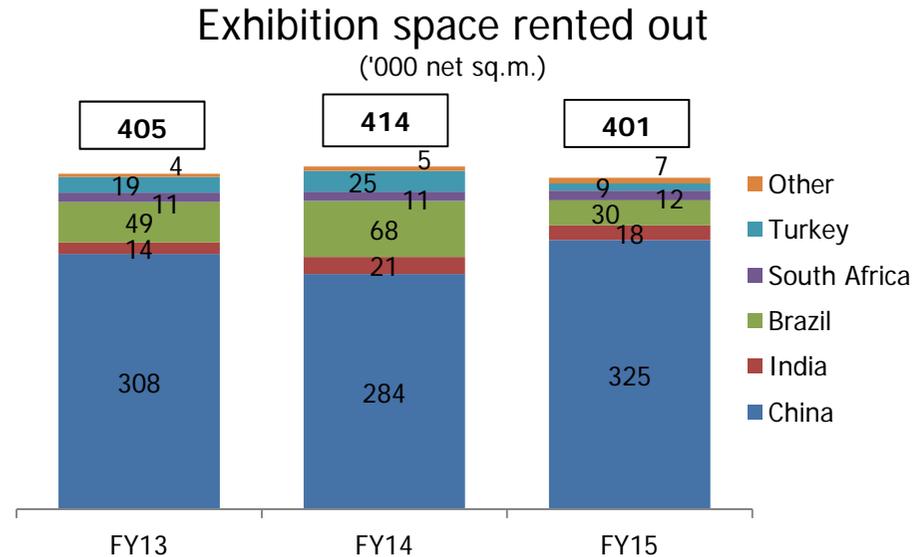
Italian exhibitions	FY15	FY14 restated*
Revenues (€'000)	277,310	181,098
Gross operating result (€'000)	31,931	-10,233
% on revenues	11.5%	-5.7%
Net operating result (€'000)	18,204	-18,320
% on revenues	6.6%	-10.1%

* Some figures in the Consolidated Financial Statements at 31 December 2014 have been restated for comparative purposes following the different classification of the use of risk provisions



- The 2015 increase in revenues reflected the trend in exhibition space occupied and the activities linked to Expo 2015
- The gross operating result rose because of the trend in revenues, partially offset by non-recurring expenses related to higher personnel costs for variable remuneration (Euro 4.3 million), redundancy incentives (Euro 4.1 million), the indemnity paid to the previous Chief Executive Officer (Euro 1.5 million), and higher rent for the **fieramilano** exhibition site due to the one-off variable rent (Euro 10.0 million) payable only in 2015 for the presence of Expo 2015. The latter was partially compensated by the Euro 6.7 million decrease in the rent compared to 2014 because of the new contract
- The net operating result was negatively affected by the provision for Palazzo Italia in Berlin (Euro 3.1 million) and the write-downs on the Transpotec & Logitec and Bias exhibition trademarks (Euro 2.0 million)

Foreign exhibition calendar



- Strong 2015 performance in China from Industrial Automation Shanghai and PTC Asia and from the presence of the biennial exhibition WoodMac China (woodworking machinery) and Metal and Metallurgy
- Brazil suffered from the absence of the biennial exhibitions FISP and Fesqua, a decrease in the size of both Exposec and Reatech affected by local competition and the cancellation of some smaller exhibitions
- In July 2015, the Group exited Turkey following the downgrading of future growth expectations for the local exhibition market



Foreign exhibitions



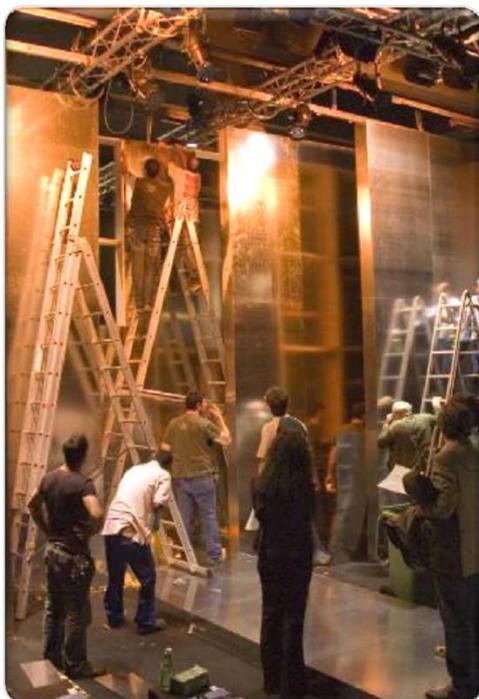
Foreign exhibitions	FY15	FY14 restated*
Revenues (€'000)	9,376	16,040
Gross operating result (€'000) % on revenues	-1,031 -11.0%	1,156 7.2%
Net operating result (€'000) % on revenues	-11,100 -118.4%	178 1.1%

* Some figures in the Consolidated Financial Statements at 31 December 2014 have been restated for comparative purposes following the application of IFRS 5 because of the divestment of the subsidiary Intertek on 27 July 2015



- 2015 revenues were lower than in 2014 mainly because of the decrease in the exhibition space occupied in Brazil and lower sponsorship in South Africa
- The year-on-year change in the gross operating result mainly reflected the trend in revenues but also costs for corporate restructuring
- The net operating result was affected by the write-down of goodwill and trademarks in the Brazilian (Euro 5.5 million) and South African (Euro 1.9 million) subsidiaries, as well as of goodwill in the Chinese subsidiary (Euro 1.5 million), following risk indicators from weak performances and lower growth expectations

Stand-fitting services



Stand-fitting services	FY15	FY14 restated*
Revenues (€'000)	55,890	33,389
Gross operating result (€'000)	7,197	2,271
% on revenues	12.9%	6.8%
Net operating result (€'000)	5,221	365
% on revenues	9.3%	1.1%

* Some figures in the Consolidated Financial Statements at 31 December 2014 have been restated for comparative purposes following the different classification of the use of risk provisions



- Record year for the subsidiary Nolostand in terms of revenues and profit
- Revenues increased 67% mainly due to the more favourable exhibition calendar compared to 2014 and to stand fitting services provided to the Expo 2015 Auditorium and Congress Centre
- The increase in the gross operating result and net operating result was mainly due to higher revenues

Media

Media	FY15	FY14 restated*
Revenues (€'000)	13,376	12,334
Gross operating result (€'000)	821	655
% on revenues	6.1%	5.3%
Net operating result (€'000)	-2,138	-4,120
% on revenues	-16.0%	-33.4%

* Some figures in the Consolidated Financial Statements at 31 December 2014 have been restated for comparative purposes following the different classification of the use of risk provisions



- Revenues increased 8% compared to 2014 due to increased billboard revenues reflecting the more favourable exhibition calendar and higher revenues from digital services
- The rise in the gross operating result mainly reflected the trend in revenues, partially offset by higher costs for the launch of digital services
- The net operating result was affected by risk provisions for personnel indemnities as a consequence of the company restructuring announced in December (Euro 2.0 million) and the write-down of the trademarks of the real estate trade publications (Euro 0.3 million), partially offset by lower amortisation



Congresses



Congresses	FY15	FY14 restated*
Revenues (€'000)	37,446	37,835
Gross operating result (€'000) % on revenues	4,626 12.4%	6,054 16.0%
Net operating result (€'000) % on revenues	1,764 4.7%	3,373 8.9%

* Some figures in the Consolidated Financial Statements at 31 December 2014 have been restated for comparative purposes following the different classification of the use of risk provisions



- Revenues in 2015 were basically unchanged compared to 2014 due to the presence of important international congresses and the management of the Expo 2015 Congress Centre and Auditorium – in the previous year the MiCo Congress Centre had been used for meetings held during the Italian presidency of the European Union
- The decrease in the gross operating profit was mainly due to a different mix in profitability

Consolidated Income Statement

Consolidated Income Statement (€'000)	FY15	FY14 restated*
Revenues	337,339	242,711
Gross operating result	43,594	133
Margin (%)	12.9%	0.1%
Net operating result (EBIT)	11,958	-18,347
Margin (%)	3.5%	-7.6%
Profit/(loss) before income tax	8,438	-23,216
Margin (%)	2.5%	-9.6%
Profit/loss from continuing operations	2,427	-18,635
Profit/loss margin (%)	0.7%	-7.7%
Profit/loss from discontinued operations	-1,998	-471
Profit/loss	429	-19,106
Profit/loss margin (%)	0.1%	-7.9%
-attributable to Shareholders of the controlling entity	1,014	-18,955
Profit/loss attributable to Shareholders of the controlling entity margin (%)	0.3%	-7.8%
-attributable to non-controlling interests	-585	-151
Profit/loss attributable to non-controlling interests margin (%)	-0.2%	-0.1%

* Some figures in the Consolidated Financial Statements at 31 December 2014 have been restated for comparative purposes following the application of IFRS 5 because of the divestment of the subsidiary Interteks on 27 July 2015 and following the different classification of the use of risk provisions



Consolidated Statement of Financial Position

Consolidated Statement of Financial Position (€'000)	31/12/15	31/12/14
Non-current assets	182,302	204,730
Net working capital	(64,884)	(44,135)
Gross capital employed	117,418	160,595
Non-current liabilities	19,724	19,240
Total net capital employed	97,694	141,355
Equity	85,268	19,688
Net financial position	12,426	121,667
Equity and net financial position	97,694	141,355



Consolidated Net Financial Position

Consolidated Net Financial Position (€'000)	31/12/15	31/12/14
Cash (including bank balances)	56,092	12,276
Other cash equivalents	-	-
Securities held for trading	-	-
Cash and cash equivalents	56,092	12,276
Current financial assets	-	-
Current bank borrowings	23,481	62,908
Current portion of non-current debt	15,985	19,986
Other current financial liabilities	16,036	22,150
Current financial debt	55,502	105,044
Current net financial debt (cash)	-590	92,768
Non-current bank borrowings	10,922	26,898
Debt securities in issue	-	-
Other non-current payables	2,094	2,001
Non-current net financial debt	13,016	28,899
Net financial debt (cash)	12,426	121,667



The strong decrease in net debt mainly reflects the funds raised by the share capital increase and the cash flow from operations



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Business outlook

- The Group continues its strategy to prioritise the increase in directly organised exhibitions and to focus on increasing the number of international buyers and exhibitors
- Outside Italy, the Group intends to consolidate its exhibition portfolio through a selective focus on events offering high growth potential while enhancing its presence also through partnerships with leading international exhibition operators
- While benefiting from the reorganisation implemented, 2016 will suffer from a less favourable exhibition calendar in Italy compared to the previous year due to the absence of the important directly organised biennial exhibitions and the multi-annual exhibitions
- In the medium-term, assuming no events or circumstances that at the present time cannot be foreseen, the Group expects a significant improvement in the gross operating profit already in 2017 from the measures implemented and from taking advantage of business development potential and opportunities arising from the improvement in the reference economic environment
- The strength of the capital and financial position of the Company following the recent share capital increase should underpin the Group investment and development plan



Forward-Looking Statements

Data and information herewith set forth are extracted from the Fiera Milano Press Release issued on 14 March 2016 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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