



FIERA MILANO

1st Quarter 2017 Consolidated Results

FIERA MILANO GROUP

CONFERENCE CALL - 16 MAY 2017

www.fieramilano.it

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1st QUARTER 2017 HIGHLIGHTS



- **Positive quarterly results, in line with expectations**, although below the results for the same period of 2016 which included the biennial exhibition Mostra Convegno Expocomfort
- **Net exhibition space occupied in Italy:** 467,365 square metres (31% from directly organised exhibitions), compared to 497,490 square metres in 1Q16
- Consolidated quarterly **revenues of Euro 65.4 million** (Euro 76.9 million in 1Q16)
- 1Q17 consolidated **gross operating profit: Euro 8.8 million** (Euro 18.4 million in 1Q16)
- 1Q17 consolidated **net operating profit: Euro 6.4 million** (Euro 16.1 million in 1Q16)
- **Improvement in the net debt to Euro 13.3 million** at 31 March 2017 from Euro 38.3 million at 31 December 2016 due partly to the trend in net working capital
- On 22 February 2017 **the Company signed a contract to sell its 75% shareholding in Worldex Fiera Milano Exhibitions Co., Ltd.**, which operates in China (the closing took place on 24 April 2017): this disposal aims at concentrating all of the Group's activities in China in its joint venture with its German partner Deutsche Messe



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ITALIAN EXHIBITION CALENDAR

Exhibitions	Net sq. metres of exhibition space	
	1Q17	1Q16
Annual exhibitions		
Directly organised	88,045	93,525
Organised by 3rd parties	264,255	281,930
Total annual exhibitions	352,300	375,455
Biennial exhibitions		
Directly organised	56,765	-
Organised by 3rd parties	53,060	118,395
Total biennial exhibitions	109,825	118,395
Total exhibitions	462,125	493,850
Congresses with related exhibition area	5,240	3,640
Total	467,365	497,490

- **Annual exhibitions:**

- Directly organised: increase in demand for HOMI, direct organisation of Promotion Trade Exhibition for the first time and postponement of Bit
- Organised by third parties: positive performance of LineaPelle February edition and Simac Tanning-Tech, absence of Esposizione Internazionale Canina, postponement of Milano Auto Classica, first time in Milano of MAM and first edition of The ONE Milano

- **Biennial exhibitions:**

- Directly organised: presence of Transpotec Logitec
- Organised by third parties: presence of Made Expo and absence of Mostra Convegno Expocomfort

ITALIAN EXHIBITIONS



Italian exhibitions	1Q17	1Q16
Revenues (€'000)	58,216	68,019
Gross operating result (€'000)	7,902	14,889
% on revenues	13.6%	21.9%
Net operating result (€'000)	6,614	13,595
% on revenues	11.4%	20.0%



- The decline in revenues is attributable to the aforementioned absence of the exhibition Mostra Convegno Expocomfort and the postponement of Bit, partially offset by the presence of the biennial exhibitions Made Expo and Transpotec Logitec
- The trend of the gross operating result is primarily related to the trend of revenues and to the higher consultancy costs arising from the review of company processes as a consequence of the procedures relating to the ongoing Administration Order

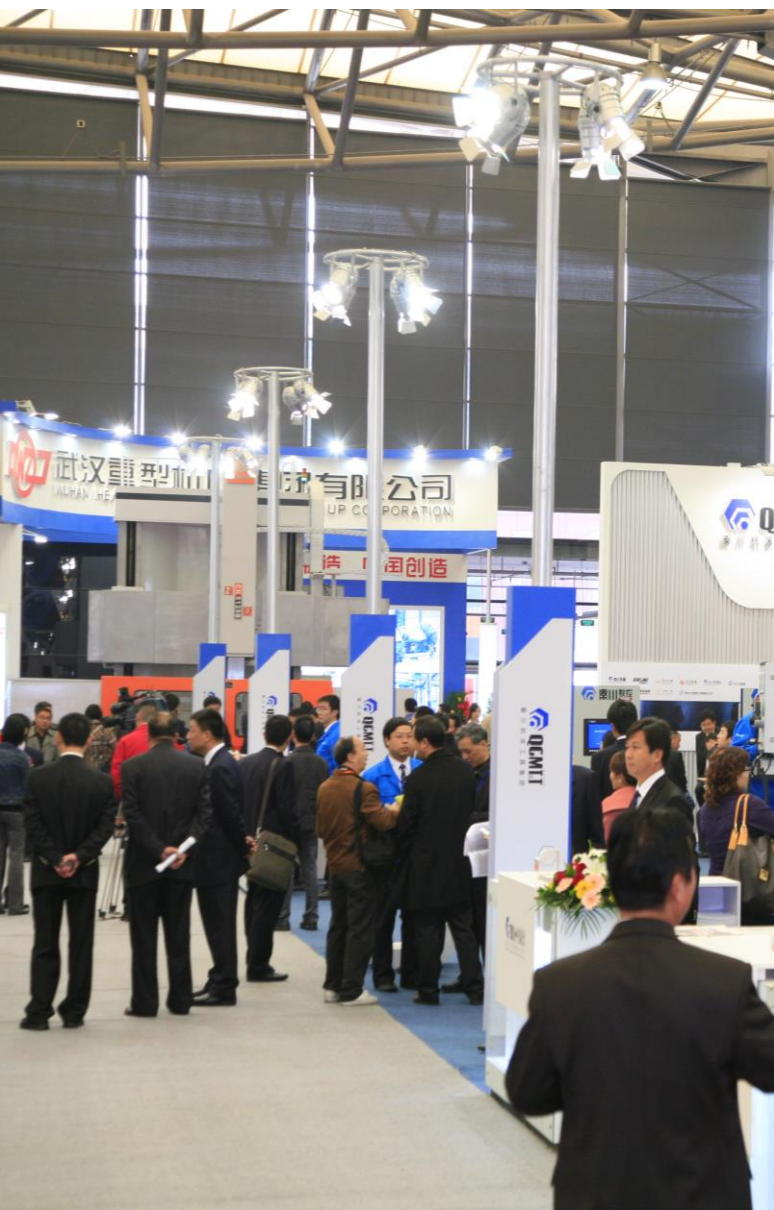
FOREIGN EXHIBITION CALENDAR

Exhibitions	Net sq. metres of exhibition space	
	1Q17	1Q16
<u>Annual exhibitions</u>		
China	80,180	73,250
South Africa	3,075	2,030
India	2,970	2,840
Total annual exhibitions	86,225	78,120
Total	86,225	78,120

- China: positive performance of Chinafloor Domotex Shanghai
- South Africa: good performance from Cape Town Art Fair
- India: Food Hospitality World organised in Mumbai

100% of the net exhibition space of the joint venture in China is included

FOREIGN EXHIBITION



Foreign exhibitions	1Q17	1Q16 restated*
Revenues (€'000)	518	343
Gross operating result (€'000)	983	920
% on revenues	189.8%	268.2%
Net operating result (€'000)	729	706
% on revenues	140.7%	205.8%

* Some figures in the Consolidated Financial Statements at 31 March 2016 have been restated following the application of IFRS 5 because of the divestment of the Chinese subsidiaries Worldex and Haikou Worldex



- The increase in revenues was mainly due to higher demand for exhibition space at the exhibition Cape Town Art Fair
- Results slightly increased compared to 1Q16

STAND-FITTING SERVICES

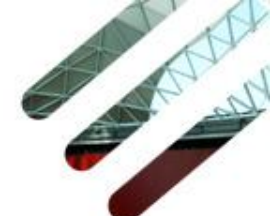


Stand-fitting services	1Q17	1Q16
Revenues (€'000)	9,811	15,378
Gross operating result (€'000)	561	2,990
% on revenues	5.7%	19.4%
Net operating result (€'000)	122	2,604
% on revenues	1.2%	16.9%



Lower revenues and margins mainly reflect the different exhibition calendar as well as the absence of revenues linked to the dismantling of some structures associated with Expo 2015 which occurred in the same quarter of the previous year

MEDIA



Media	1Q17	1Q16
Revenues (€'000)	2,472	2,873
Gross operating result (€'000)	-248	-43
% on revenues	-10.0%	-1.5%
Net operating result (€'000)	-371	-260
% on revenues	-15.0%	-9.0%



The trend in revenues and gross operating result was mainly attributable to the different exhibition calendar and to lower activities from the education market

CONGRESSES



Congresses	1Q17	1Q16
Revenues (€'000)	5,706	4,231
Gross operating result (€'000)	-379	-294
% on revenues	-6.6%	-6.9%
Net operating result (€'000)	-703	-540
% on revenues	-12.3%	-12.8%



- Revenues increased mainly due to the positive trend of conventions and congresses
- The gross operating result reflected the lower contribution of other income which in the previous year benefited from the inclusion of insurance settlements

INCOME STATEMENT

Consolidated Income Statement (€'000)	1Q17	1Q16 restated*
Revenues	65,396	76,890
Gross operating result	8,819	18,427
Gross operating margin (%)	13.5%	24.0%
Net operating result (EBIT)	6,375	16,058
Net operating margin (%)	9.7%	20.9%
Profit/loss before income tax from continuing operations	6,168	15,829
Profit/loss margin (%)	9.4%	20.6%
Profit/loss before income tax from discontinued operations	-	-172
Profit/loss before income tax	6,168	15,657
Profit/loss before tax margin (%)	9.4%	20.4%
-attributable to Shareholders of the controlling entity	6,246	15,742
Profit/loss before tax attributable to Shareholders of the controlling entity margin (%)	9.6%	20.5%
-attributable to non-controlling interests	-78	-85
Profit/loss before tax attributable to non-controlling interests margin (%)	-0.1%	-0.1%

* Some figures in the Consolidated Financial Statements at 31 March 2016 have been restated following the application of IFRS 5 because of the divestment of the Chinese subsidiaries Worldex and Haikou Worldex

STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position (€'000)	31/03/17 before tax	31/12/16 after tax
Non-current assets	162,234	160,882
Net working capital	-67,855	-46,527
Gross capital employed	94,379	114,355
Non-current liabilities	15,223	16,409
Net capital employed continuing operations	79,156	97,946
Net capital employed discontinued operations	2,049	2,049
Total net capital employed	81,205	99,995
Equity	67,864	61,679
Net financial position continuing operations	14,555	39,530
Net financial position assets held for sale	-1,214	-1,214
Equity and net financial position	81,205	99,995

NET FINANCIAL POSITION

Consolidated Net Financial Position (€'000)	31/03/17	31/12/16
Cash (including bank balances)	37,166	20,904
Other cash equivalents	-	-
Securities held for trading	-	-
Cash and cash equivalents	37,166	20,904
Current financial assets	2,632	2,622
Current bank borrowings	15,189	18,019
Current portion of non-current debt	25,278	27,523
Other current financial liabilities	4,545	3,364
Current financial debt	45,012	48,906
Current net financial debt (cash)	5,214	25,380
Non-current bank borrowings	9,299	14,108
Debt securities in issue	-	-
Other non-current payables	42	42
Non-current net financial debt	9,341	14,150
Net financial debt (cash) from continuing operations	14,555	39,530
Net financial debt (cash) from assets held for sale	-1,214	-1,214
Net financial debt (cash)	13,341	38,316

The improvement is attributable to the positive cash flow in the quarter and the positive change in cash flows arising from net working capital, principally as a result of advances for exhibitions that are to take place in later quarters

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BUSINESS OUTLOOK

- The remainder of the financial year 2017 will reflect the benefits of the more favourable exhibition calendar when, amongst other events, the important directly organised biennial exhibitions Tuttofood and Host will take place
- The exhibition calendar in the coming months of the current year will also be enriched by the inclusion of new exhibitions: including the directly organised exhibitions, Versilia Yachting Rendez-vous, and the exhibitions organised by third parties, Lamiera, Expo Ferroviaria and the international dog show ENCI Winner
- The Group therefore expects a significant improvement in the gross operating profit in 2017 compared to the previous year in the absence of currently unforeseen events or developments
- The Administration Order relating to the subsidiary Nolostand is scheduled to expire on 6 July 2017 and the analogous provision of Fiera Milano SpA limited to the branch of the business regarding stand fitting services is scheduled to expire on 11 October 2017

FORWARD-LOOKING STATEMENTS



Data and information herewith set forth are extracted from Fiera Milano Consolidated Interim Management Report to 31 March 2017 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 Sebastiano Carbone 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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