



LUGANO SMALL & MID CAP INVESTOR DAY



IV Edition
Hotel Splendide Royal
20 September 2013

Fiera Milano Group Presentation

Enrico Pazzali – Chief Executive Officer



- Company overview

- Financial results
 - Strategy and outlook

- Exhibitions represent a tool for the economic development of a country
 - Exhibitions bring together demand (visitors and buyers) and supply (exhibitors)
 - Exhibitions invest to attract buyers from abroad and to take exhibitors abroad
 - Exhibitions invest in communication that offers synergies with other types of media (publications, TV, internet, ...)
- Exhibitions are strong and international when combined with sector leadership (e.g. furniture in Italy, technology in Germany, fashion in France)
 - Salone Internazionale del Mobile in Milan
 - Industrial Automation in Hanover
 - Première Vision in Paris



EXHIBITIONS AS A STIMULUS FOR EXPORTS

- German exporting companies
 - Of every 100 companies that take part in an exhibition, 68% manage to export their goods
 - Of every 100 companies who do NOT take part in exhibitions, only 37% manage to export their goods
- Companies that take part in exhibitions export on average almost double the amount of those who do not partake in exhibitions

The average amount of exports is

- 26% for companies that take part in exhibitions
- 13% for companies that do not take part in exhibitions

The Group is the market leader in Italy and one of the world's leading operators across the entire value chain of the exhibition industry



It has two venues in Milan with a total of 388,000 gross sq m of indoor space (+ 60,000 sq m of outdoor space)

Fiera Milano is a successful exhibition organiser **in fast-growing countries** with a **portfolio of 81 exhibitions**

In 2012 it hosted about 100 exhibitions in Italy and abroad with **more than 35,000 exhibitors** and over five million visitors, of which 30% were business people

In 2012 it rented out 1.8 million net sq m of exhibition space, of which 19% was abroad

At 30 June 2013, **it had 822 employees** (of which 199 abroad)

Fiera Milano's market position



Fiera Milano is the largest exhibition entity in Italy and among the largest in the world in terms of Gross Indoor Exhibition Capacity

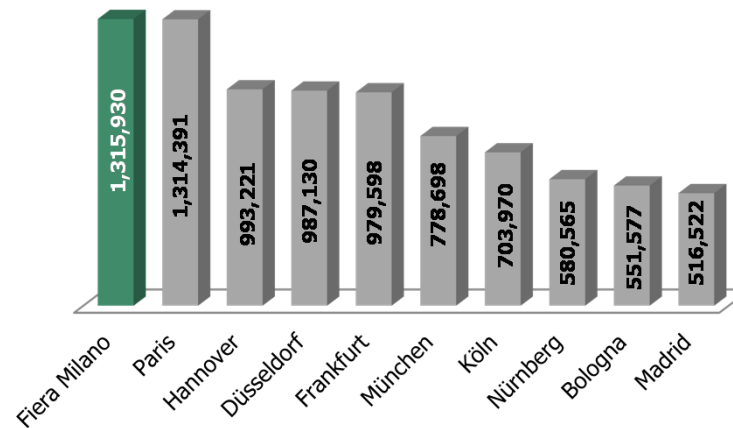
Leading Exhibition Sites in Italy	Gross Indoor Capacity (sq m. '000)
Fiera Milano (Rho site)	345
Bologna	200
Verona	152
Rimini	109

Source: EMECA, July 2013

Top 10 Exhibitions Sites in the World	Gross Indoor Capacity (sq m. '000)
Hanover	460
Frankfurt	356
Fiera Milano (Rho site)	345
China Import & Export Fair Complex Guangzhou	340
Cologne Exhibition Sites	284
Dusseldorf Exhibition Sites	263
Paris - Nord Villepinte	243
McCormick Place Chicago	242
Fira Barcelona Gran Via	240
Feria Valencia	231

Source: AUMA, January 2013

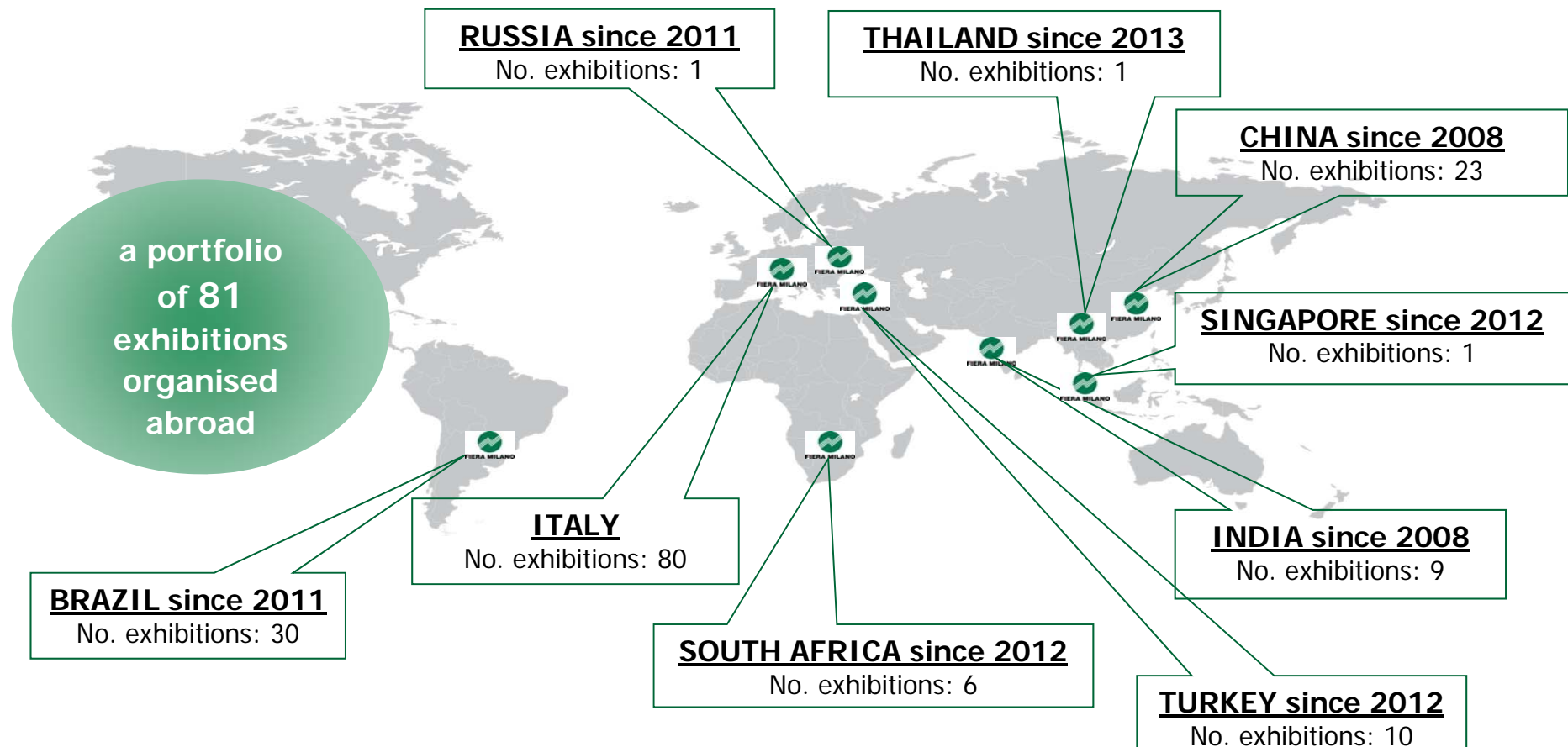
Fiera Milano is the European leader for net sq m of exhibition space rented out to international exhibitions



Source: Cermes Bocconi, 2013 - Data refer to 2010-2011

Global presence

Fiera Milano is a successful organiser of exhibitions in fast-growing countries

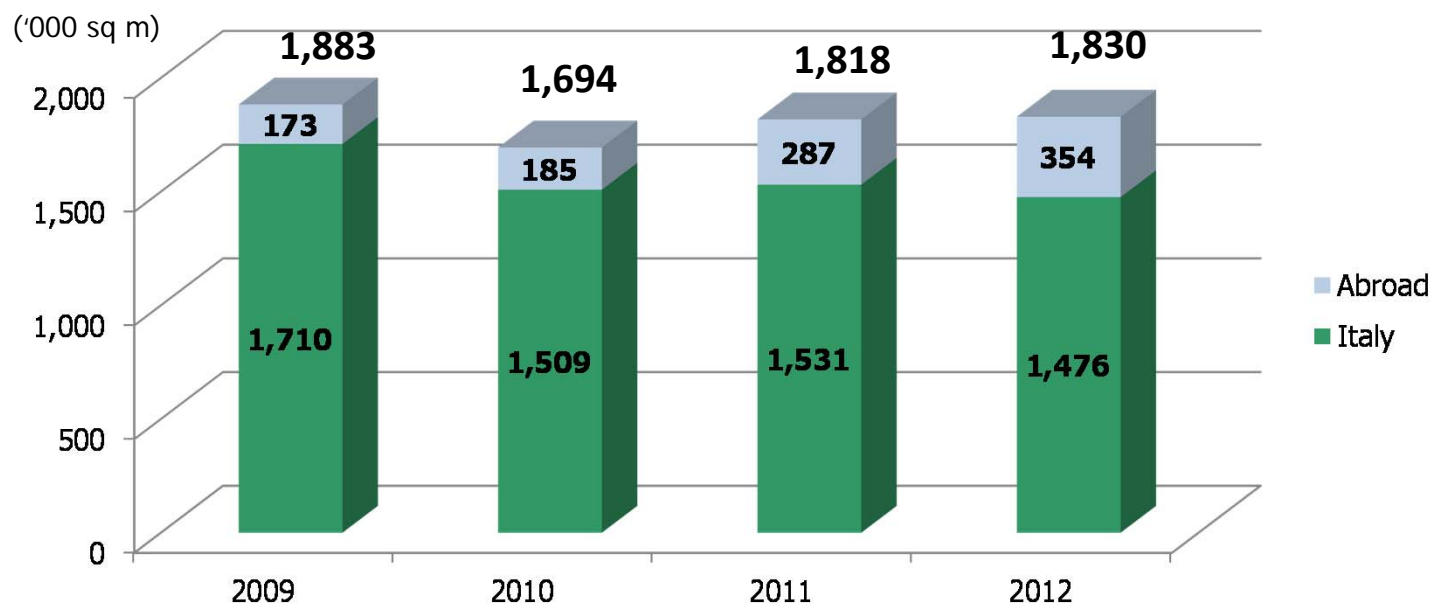


- Company overview

- Financial results

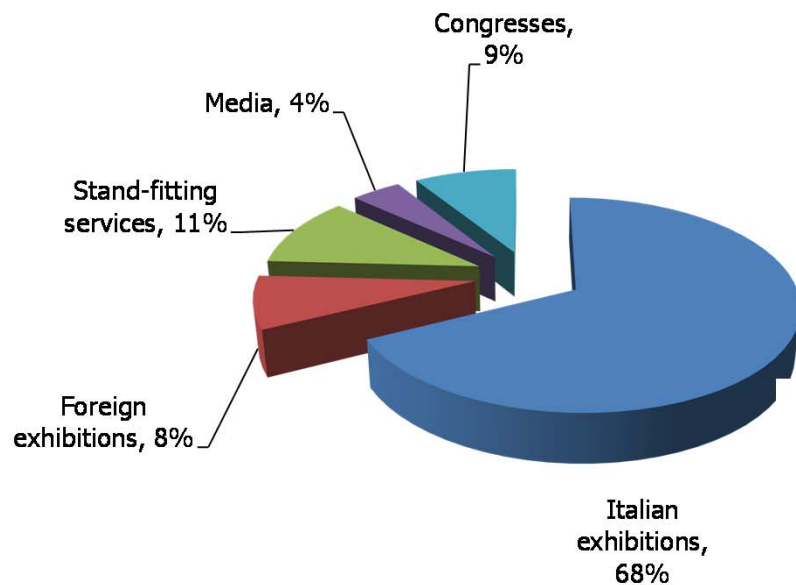
- Strategy and outlook

Exhibition space rented out

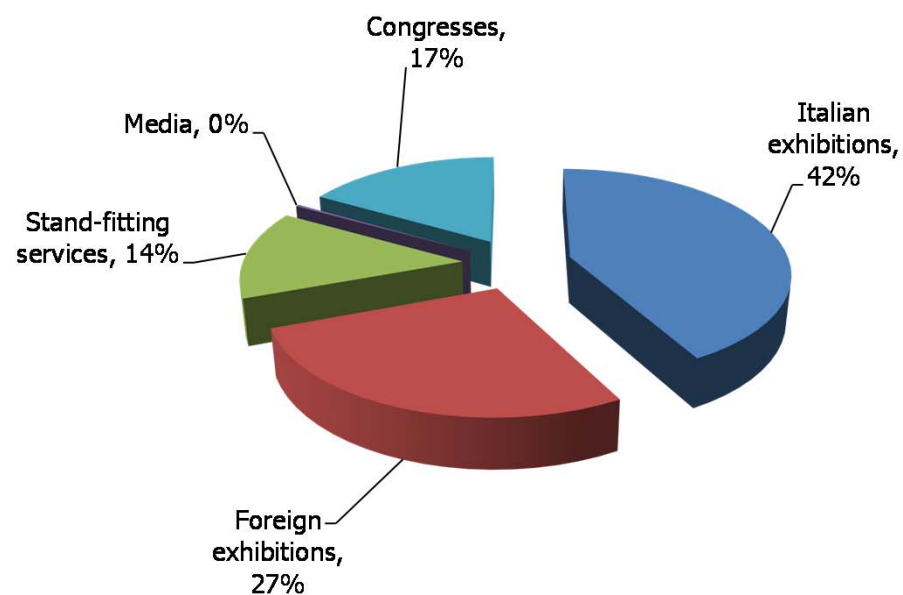


2012 breakdown by operating segment

Revenues

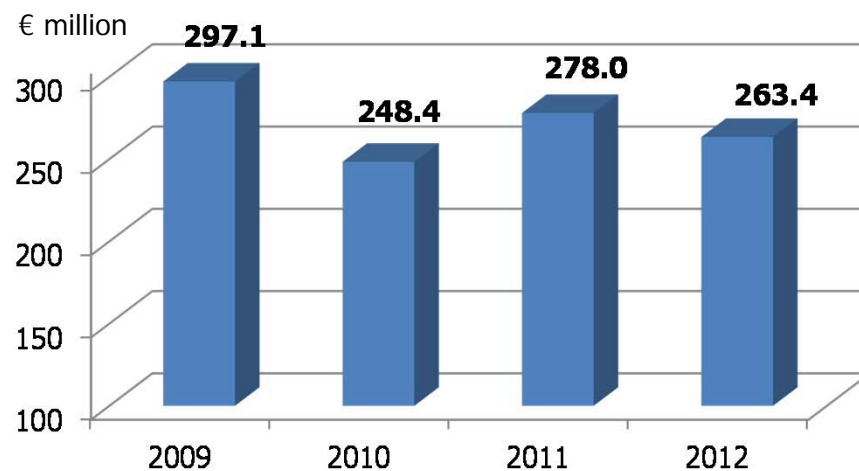


Gross Operating Profit

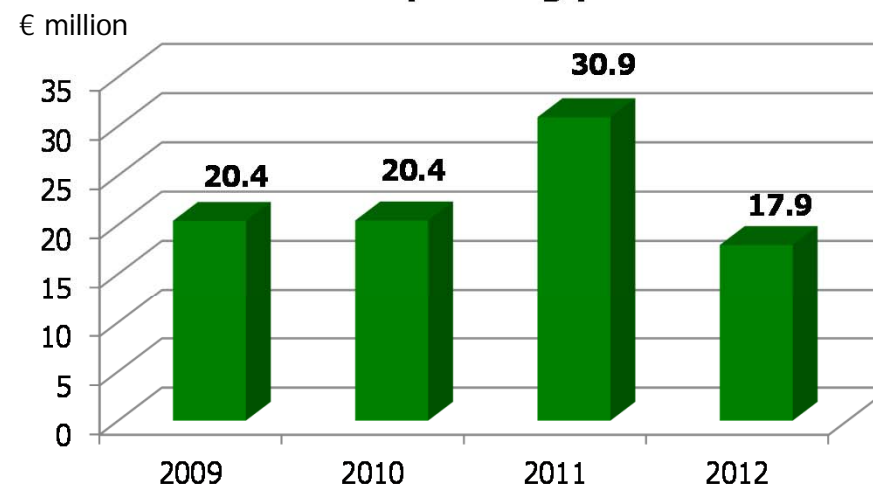


Revenues and Gross operating profit

Revenues

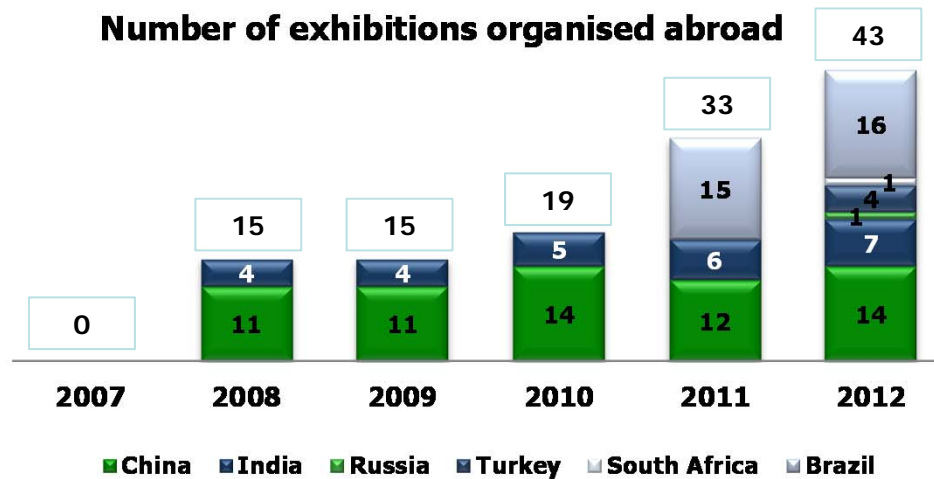


Gross operating profit



Significant growth in foreign activities

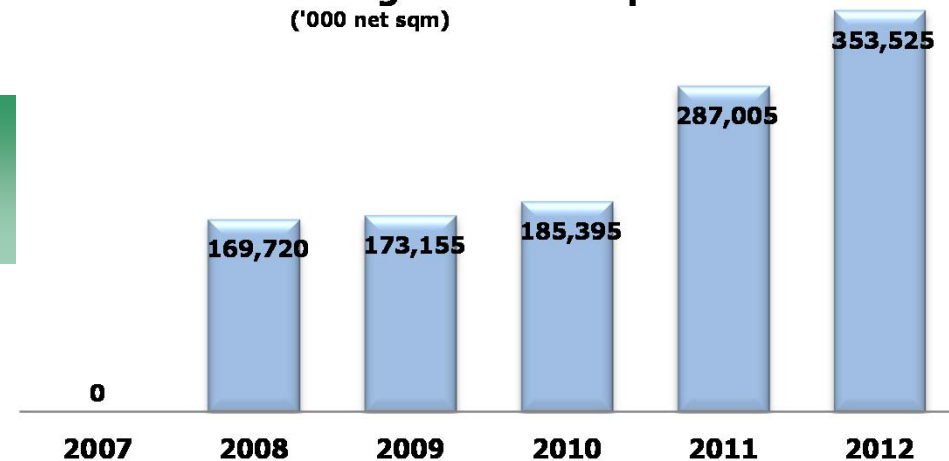
Number of exhibitions organised abroad



43 exhibitions organised abroad in 2012

+20% CAGR in net exhibition space in 2008-2012

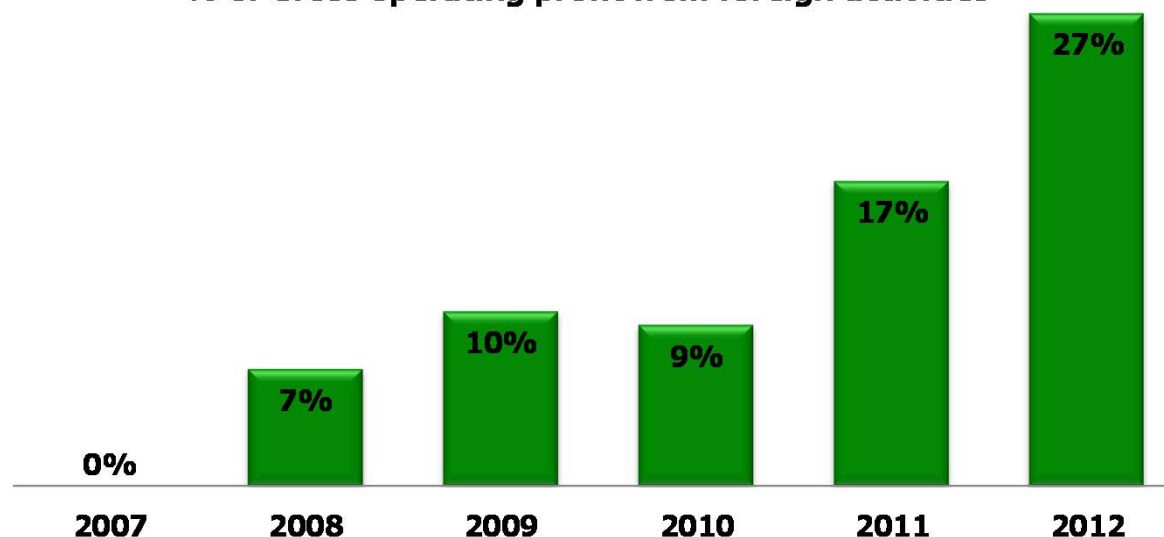
Foreign exhibition space
(^{'000} net sqm)



Significant growth in margins generated abroad

Over 25% of Gross operating profit generated abroad

% of Gross operating profit from foreign activities

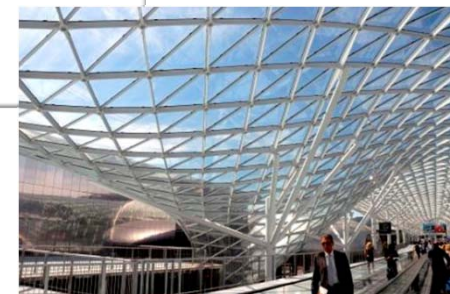


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The Group's strategy is to:

- **Reposition and strengthen** its Italian exhibition portfolio
- Increase its **internationalisation** and consolidate its existing presence abroad
- Create value by **renegotiating the rental lease** for the exhibition site
- Take advantage of the opportunities offered by **Expo 2015**



- Launch of a new concept for Macef at the September 2013 edition to 1,500 national and international exhibitors and buyers
- HOMI is the new international lifestyle exhibition, focusing on the person, his/her environment and his/her habits
- HOMI has a solid identity: it is a synthesis of Italian elegance and excellence
- HOMI acts both as a frame for and a contemporary representation of future shops dedicated to the home and the individual
- The satellite format is the inspiration behind the 10 exhibition areas, representing inspirational life choices as much as lifestyle concepts: trends for indoor and outdoor living, ideas to make the most both of the day and night-time, solutions for experimenting with and sharing wellbeing in all its forms

International strategy

EXPORT PROPRIETARY EXHIBITIONS

Export proprietary exhibitions to
fast-growing countries
Bring foreign proprietary brands to Italy
and to other target countries

EXPORT EXHIBITIONS OWNED BY THIRD-PARTIES

Use the Group's international platform to
develop outside Italy those exhibitions
organised by third-parties and hosted in
Milan

DEVELOP THE NETWORK FOR INTERNATIONAL ATTENDEES

Expand the presence of
international exhibitors
and buyers through a
direct presence in the
main European
countries and through a
network of marketing
agents

CONSOLIDATE EXHIBITIONS IN FAST-GROWING COUNTRIES

Consolidate the existing presence in
fast-growing countries
and expand the portfolio of exhibitions

BUSINESS DEVELOPMENT


Penetration of countries with strong
economic growth through acquisitions,
joint ventures and/or commercial
partnerships


- The economic and sector environment that existed in 2003 when the first rental contract for the exhibition site was agreed has changed significantly
- The rent paid by Fiera Milano now represents 28%* of revenues compared to depreciation as a percentage of revenues of 6% - 12% for other Italian and leading European exhibition sites
- The rental contract with the controlling shareholder, Fondazione Fiera Milano expires on 31 December 2014, with notice of cancellation to be given by 30 October 2013
- Fiera Milano has intention to open discussions with Fondazione Fiera Milano to renegotiate the terms of the contract



- **Investments totalling Euro 2.6 billion** are expected
 - Euro 1 billion of investments in Expo 2015 from foreign countries
 - A Euro 1.3 billion investment agreed by the government
 - Expo expects to receive Euro 300 million from companies



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- **Fiera Milano will contribute with its know-how through an all-inclusive offer** to design, coordinate, manage and organise the activities of participating countries for:
 - the design and realisation of pavilions and exhibition areas
 - the supply of services throughout the period of the event
 - through the availability of business centres and meeting rooms
 - organising congresses and events
 - media and web marketing projects

- 
- **Preliminary agreements have been signed with Pico InCreative UK Ltd**, a London-based subsidiary of Pico Far East Holdings Limited, **and NUSSLI Italia S.r.l.**, an Italian company that is part of the NUSSLI group, both leading international operators in large event management, to provide professional services to participating countries
 - **Expo SpA has assigned the planning of the "Clusters"** – nine shared pavilions dedicated to single themes based on food chains – **to Fiera Milano**
 - Fiera Milano has become an **Official Partner for Operations of Expo 2015**



FIERA MILANO

- Appendix

Group structure

FOREIGN EXHIBITIONS



Direct organisation of exhibitions



ITALIAN EXHIBITIONS

Rent of space and related services
to exhibition organisers and
direct organisation of exhibitions



CONGRESSES

Management of conventions and
congresses



MEDIA

A multimedia and multi-channel
communications system including
printed publications, internet and
conferences



STAND-FITTING SERVICES

Stand-fitting services

Own exhibitions exported from Italy

MACEF to:

- Brazil (São Paulo since 2012)
- Russia (Moscow since 2012)



Food Hospitality World to:

- India (Bangalore since 2012; Mumbai since 2012; Goa since 2013)
- China (Guangzhou since 2012)
- Brazil (São Paulo since 2013) and South Africa (Cape Town from 2014)



Sposaitalia to: Turkey (Istanbul since 2013)

Third-party exhibitions exported from Italy

MICAM to: Shanghai since 2013



Energysolar to: Brazil (São Paulo since 2012)



Own exhibitions exported from Brazil

Reatech to:

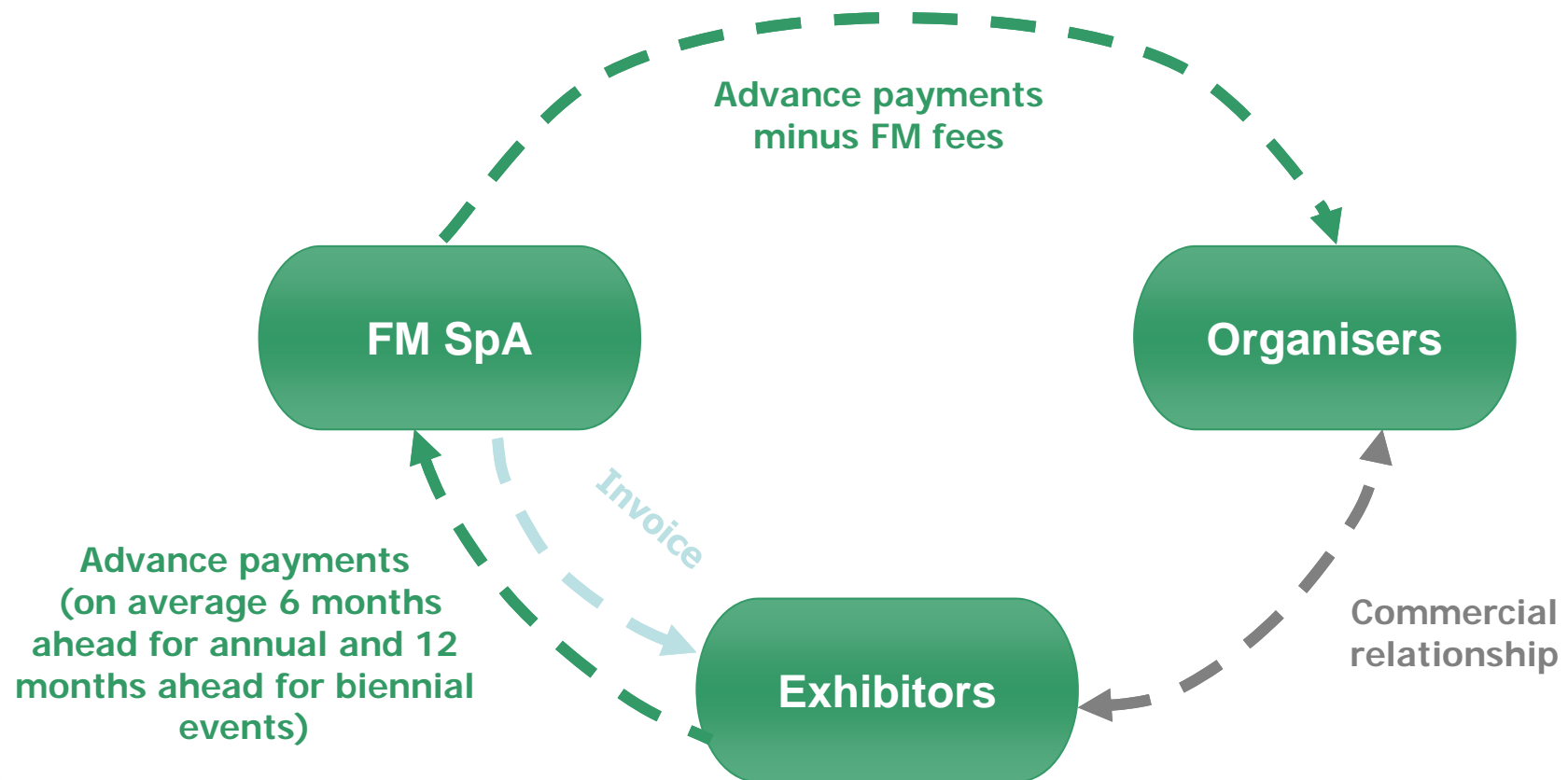
- Italy (Reatech since 2012),
- Singapore (RehabTech Asia since 2013)
- Turkey (RehabTech Turkey since 2013)



Favourable payment cycle

Main financial clauses in the contractual agreements with organisers:
standard contract guarantee (minimum guaranteed)
significant advance payments
treasury management services on behalf of organisers

The Group has structural negative NWC



Consolidated Income Statement

FY12	Income Statement (€'000)	1H13	1H12
263,408	Revenues	138,501	160,645
17,933	Gross operating result	5,374	30,751
6.8%	Gross operating margin (%)	3.9%	19.1%
2,105	Net operating result (EBIT)	1,850	24,686
0.8%	Net operating margin (%)	1.3%	15.4%
(1,098)	Profit/(loss) before income tax	(103)	23,082
-0.4%	Profit/(loss) before tax margin (%)	-0.1%	14.4%
(1,453)	Profit/(loss)	(1,548)	14,379
-0.6%	Profit/(loss) before tax margin (%)	-1.1%	9.0%
(1,541)	-attributable to Shareholders of the controlling entity	(1,448)	14,421
-0.6%	Profit/(loss) before tax attributable to Shareholders of the controlling entity margin (%)	-1.0%	9.0%
88	-attributable to non-controlling interests	(100)	(42)
0.0%	Profit/(loss) before tax attributable to non-controlling interests margin (%)	-0.1%	0.0%

The figures for the first half 2012 and for the full year have been restated following application of the amendment to IAS 19. Compared to the previously published figures, the impact, due to the accounting of actuarial losses included in other comprehensive income for the period net of tax effects, result in a contribution to profit of Euro 0.433 million for the semester and a reduction of Euro 0.483 million in losses for the full financial year.

Consolidated Statement of Financial Position

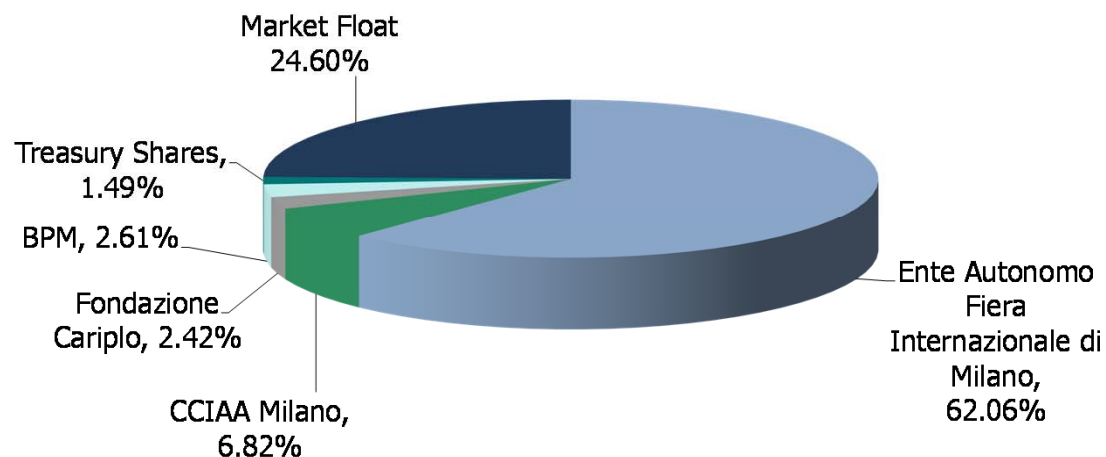
Statement of Financial Position (€'000)	30/06/13	31/12/12
Non-current assets	215,549	212,701
Net working capital	(45,483)	(46,734)
Gross capital employed	170,066	165,967
Non-current liabilities	26,678	26,474
Net capital employed continuing operations	143,388	139,493
Net capital employed discontinued operations	-	50
Total net capital employed	143,388	139,543
Equity	54,725	59,870
Net financial position	88,663	79,673
Equity and net financial position	143,388	139,543

Consolidated Net Financial Position

Net Financial Position (€'000)	30/06/13	31/12/12
Cash (including bank balances)	19,107	19,400
Other cash equivalents	-	-
Securities held for trading	-	-
Cash & cash equivalents	19,107	19,400
Current financial assets	316	-
Current bank payables	60,174	62,842
Current portion of non-current debt	8,265	8,140
Other current financial payables	16,076	320
Current financial debt	84,515	71,302
Current net financial debt (cash)	65,092	51,902
Non-current bank payables	23,107	27,226
Debt securities on issue	-	-
Other non-current payables	464	545
Non-current net financial debt	23,571	27,771
Net financial debt (cash)	88,663	79,673

The increase in net debt reflects cash outflows for the acquisition of Worldex (China) and the payment of earn-outs for the acquisitions of Cipa FM and Cape Gourmet, partly offset by pre-payments and cash inflow from exhibitions held in 1H2013 or to be held in the next few months

Shareholder structure



Fiera Milano is controlled by Fondazione Fiera Milano, a private law foundation, whose corporate mission is the development of the exhibition sector in Italy and abroad

On 13 November 2012, 600,000 treasury shares (1.42% of the share capital) were placed with leading institutional investors

Updated as at 23 April 2013

Forward-Looking Statements



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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 official documents, books and accounting records.



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