FIERA MILANO

FIERA MILANO: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT TO 30 SEPTEMBER 2009 MERGER OF THE EXHIBITION COMPANIES EFFECTIVE FROM NOVEMBER

- ***Consolidated revenues of € 41.6 million, compared with € 53.5 million in the 3rd quarter of 2008, due to the effects of the economic crisis***
- ***Gross Operating Result of € -8.5 million, compared with € -1.2 million in the 3rd quarter of 2008***
- ***EBIT of € -14.3 million (€ -6.9 million from the comparable period)***
- ***Pre-tax result of € -14.7 million (€ -8.0 million)***

Enrico Pazzali, CEO of Fiera Milano SpA, *stated: "The third quarter is traditionally a weak quarter for Fiera Milano, since it reflects the interruption to exhibition activities during July and August. This year it also reflects the impact of the economic crisis, to which, as we have already communicated to the market, we will be more susceptible in the second half of 2009 because of the structural delay which the exhibition business reacts to changes in the economic cycle. This expectation has now been confirmed in this report which is however difficult to compare with 2008 due to the exceptional nature of the situation. Having foreseen this trend for some time we have nevertheless been able to mitigate the impact of the crisis by taking appropriate countermeasures. We have done this through initiatives to support our exhibitions; these have been onerous but thanks to these initiatives we have limited the reduction in exhibition space and in the number of exhibitors. We have achieved this while also completing the previously announced reorganisation of the Group, which became effective on 1 November and which concentrates in Rassegne Fiera Milano's exhibition organising activities, which have in the past been carried out by three subsidiaries, Fiera Milano International, ExpoCTS and Fiera Milano Tech. This is an important and very substantial structural intervention from which we expect to see significant results in terms of savings, optimisation of resources, development of the exhibition business and effective governance. It is, furthermore, the first significant step on a path of rectification over the medium term that will reform our Group organisation with a view to greater efficiency and with the centralization of staff functions in the parent company".*

Milan, 6 November 2009. The Board of Directors of Fiera Milano SpA, in a meeting presided over by Chairman Michele Perini, has approved the Interim Management Report of Fiera Milano Group for the third quarter of 2009.

The Report represents the management results for the three operating segments: "Venue and Related Services" (grouped under the parent company Fiera Milano SpA), "Value Added Services" (relating to exhibition and congress activities provided by specialised Group companies) and "Exhibition & Congress Organisation".

It should be noted that the seasonality of the exhibition activities and the absence of exhibitions during the months of July and August have a significant impact on the results for the second half in general and for the third quarter in particular. Furthermore, given the strong seasonal trends, the revenues and the results of individual quarters are not representative of the year as a whole and may also vary significantly between quarters.

The third quarter of 2009 closed with results that were lower than those of the corresponding period of 2008, and which reflect the impact of the ongoing economic crisis and its effect on the product sectors served by the exhibition business.
Net exhibition space occupied totalled 210,675 square metres, compared with 237,520 square metres in the third quarter of 2008, of which 83,795 square metres relates to exhibitions organised by the Group (a decline of 21,245 square metres). There were 4,280 exhibitors during the period (4,730 in the third quarter of 2008). The reduction in exhibitions organised by the Group is primarily attributable to Macef Autunno (homeware) the relaunch of which has been initiated by Fiera Milano with a well-structured repositioning plan.
During the period the Chinese joint venture with Deutsche Messe organised the Chengdu Motor Show (over 34,000 square metres and more than 60 exhibitors).
In addition, the third quarter of 2009 reflected:
- the execution of the initiatives undertaken by the Group to counteract the effects of the ongoing adverse economic climate and in support of exhibitions;
- the completion of the corporate rationalisation of the Group, via the merger of the three subsidiaries Fiera Milano International, ExpoCTS and Fiera Milano Tech into Rassegne, which became effective on 1 November in accordance with the Italian Civil Code.

▪ **Anti-crisis initiatives** – Fiera Milano has commenced a series of initiatives aimed at supporting exhibitions, which are being implemented thanks also to the support of the controlling shareholder Fondazione Fiera Milano, which contributed € 5.2 million during the period. The objective of these initiatives is to support and relaunch exhibitions through grants, promotions and strategic support operations, domestic and foreign exhibitor and visitor participation incentives and communication activities. Non-recurring items also include € 1.1 million made available by Fondazione as part of the allocation of € 12 million approved at the end of 2008 and destined for development projects in the context of growing international competition.
▪ **Group rationalisation** – The process of rationalising the Group's corporate structure continued during the third quarter with the merger by incorporation into Rassegne of the companies Fiera Milano International, ExpoCTS and Fiera Milano Tech. The merger project was approved on 31 July by the Boards of Directors of the companies involved, and the merger decision approved by the relevant Shareholders' Meetings. On 19 October, following the end of the quarter, the merger agreement concluding the process was signed; on 22 October the merger was registered in the Companies Register and the reorganisation became legally effective on 1 November. As previously announced to the market, this merger responds to the need to align the company's structures to the new structure of exhibition sector, which has changed radically in recent years. It is expected to generate benefits in terms of commercial effectiveness, management efficiency, optimisation of costs and the relaunch of exhibitions also through co-ordinated initiatives at an international level.

In addition to the above the following developments also took place in the period in question:

- On 23 September the subsidiary Fiera Milano Tech sold to Italia Crea Srl the trademarks Cartoomics and Egi Expo, as part of its rationalisation of the Group's portfolio of non-strategic exhibitions. The consideration for the sale was € 150,000 which generated a capital gain of € 124,000. At the same time as the sale the Group signed a contract requiring Italia Crea Srl to hold at the Fiera Milano site the exhibition Cartoomics – Salone del fumetto, dei cartoons, del collezionismo e dei games (Cartoomics – Comic strip, cartoons, games and collectors' exhibition) from 2010 to 2015, with the possibility for renewal for a further five years;

- On 28 September the subsidiary Fiera Milano Tech acquired the organisation and promotion business arm of the Bias and Fluidtrans exhibitions, sold by the company Fiere e Mostre Srl. This transaction was carried out as part of the strategy of reinforcing the directly organised business division. The purchase price of this business unit is € 1.0 million of which € 500 thousand was paid at the date of execution of the contract and € 500 thousand is to be paid in 2010 and 2012 if certain contractually defined objectives are achieved.

■ ***RESULTS FOR THE THIRD QUARTER 2009***

The following table shows a summary of the main figures of the Group.

Full Year at 31/12/08	Fiera Milano Group Summary of key figures (Amounts in € '000)	3rd Quarter at 30/09/09	3rd Quarter at 30/09/08	Nine months at 30/09/09	Nine months at 30/09/08
306,535	Revenues from sales and services	41,596	53,500	216,184	244,693
33,055	Gross operating result	-8,513	-1,219	17,240	37,046
14,937	Net operating result (EBIT)	-14,259	-6,874	1,593	25,003
12,036	Profit (loss) before tax:	-14,695	-7,973	-381	23,412
12,690	- Attributable to the Group	-14,648	-7,478	-222	22,886
-654	- Attributable to Minorities	-47	-495	-159	526
30,154	*Cash flow before income tax for the Group and Minority Interest (a)*	-8,949	-2,318	15,266	35,455
124,551	Net capital employed (b)	127,278	129,406	127,278	129,406
	covered by:				
68,430	Equity attributable to the Group	64,528 *	86,990 *	64,528 *	86,990 *
1,414	Equity attributable to Minorities	1,275 *	7,927 *	1,275 *	7,927 *
54,707	Net financial debt (cash)	61,475	34,489	61,475	34,489
54,953	Investments	5,102	17,169	8,738	40,043
770	Employees (no. of permanent employees at end of period)	777	770	777	770
	* includes result for the period before tax				

a) Cash Flow is represented by the sum of the result for the period, depreciation and amortisation and provisions.

b) Net Capital Employed is represented by the sum of total net equity and the net financial position.

♦ **Revenues from sales and services** – Consolidated revenues were € 41.6 million compared with the previous result of € 53.5 million. The decline is attributable to the reduction in exhibition space, to initiatives taken in support of exhibitions and to a lower contribution from publishing activities. These factors were only partially compensated by the fact that the Eicma Bici exhibition was brought forward this year and took place during the quarter, and by the positive trend of the congress sector. Revenues in the first nine months of the year were € 216.2 million, down by 12% compared with the same period of 2008.

♦ **Gross Operating Result** – was € -8.5 million, compared with € -1.2 million reported in the same quarter of 2008. As previously reported for sales, the decline in the Gross Operating Result is attributable to the deterioration in the profitability of exhibitions during the period and to the particularly significant impact of the negative economic climate on the Group's publishing activities. The Gross Operating Result in the first nine months of the year was € 17.2 million, compared with € 37.0 million in 2008.

♦ **Net Operating Result (EBIT)** – totalled € -14.3 million, compared with € -6.9 million in the third quarter of 2008. The result was impacted by higher amortisation (€ 636,000) resulting from the change in definition to assets with a finite useful life of exhibition trademarks and publishing titles beginning from the fourth quarter of the 2008 financial year; from the write-off of the value of the titles “Orafo Italiano” and “Orafo Italiano del mondo” (€ 724,000), which were severely affected by the economic crisis; from a provision of € 700,000 by the Parent Company relating to the “Palazzo Italia” project in Berlin; from the benefit generated by the partial release of reserves set aside in prior periods and lower losses on receivables. EBIT in the first nine months of 2009 was € 1.6 million, compared with € 25.0 million in the same period of 2008.

♦ **Result before taxes** – € -14.7 million, compared with € -8.0 million in the comparable period of 2008. It was affected by the negative balance of financial items of € 437,000, which improved by € 662,000 compared with 2008 as a result of the favourable trend in interest rates. € 14.6 million of the pre-tax result is attributable to the Group (€ -7.5 million in 2008) and € -47,000 is attributable to Minorities (€ -495,000 in 2008).

♦ **Total cash flow** (the result before taxes plus depreciation & amortisation and provisions) – was equal to € -8.9 million compared with € -2.3 million in the comparable period.

■ ***TREND BY OPERATING SEGMENT AND BY GEOGRAPHICAL AREA***

Revenues from sales and services, gross of eliminations for infragroup transactions, were € 57.5 million, down by € 15.5 million compared with the comparable period of 2008. Of this total, € 24.8 million (-22%) is attributable to the Venue and Related Services segment; € 12.0 million (-17%) is attributable to Value Added Services (the change in this result was impacted by the decline in exhibition space as well as the decline in publishing sales); € 20.7 million (-22%) is attributable to the Exhibition and Congress Organisation segment, where revenues from organising exhibitions declined but those deriving from congress activities rose by about 18%.

The **Gross Operating Result** of the Group (€ -8.5 million) is composed as follows:

- Venues and Related Services: € -6.5 million, compared with € -2,4 million in the third quarter of 2008, due to the lower exhibition space utilised and the commercial initiatives taken in support of the main exhibitions in the quarter, which were only partly offset by the increase in income provided by the controlling shareholder Fondazione Fiera Milano relating to anti-crisis initiatives;
- Value Added Services: € 360,000 compared with € 1.8 million in 2008, principally due to the impact of the crisis on the publishing division and the fall in participation for the exhibitions held during the period;
- Exhibition and Congress Organisation: € -2.4 million compared with € -586,000 in 2008, due to interventions aimed at the support and promotion of certain exhibitions and Macef Autunno in particular.

The **EBIT** of the three operating segments (€ -14.3 million) reflects the trend of the respective Gross Operating Results and, for the Value Added Services and Exhibition and Congress Organisation sectors, is impacted by the effect of the increase in amortisation relating to exhibition trademarks and publishing titles which were not subject to amortisation in the corresponding quarter of 2008.

With regard to the **breakdown by geographical area**, the foreign activities in the third quarter, principally relating to the joint venture with Deutsche Messe – Hannover, contributed revenues of € 568,000 and a contribution to Gross Operating Revenues and EBIT of, respectively, € -7,000 and € -11,000.

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■ *NET FINANCIAL POSITION*

The Net financial position at 30 September 2009 shows net debt of € 61.5 million compared with € 58.3 million at 30 June 2009. The increase in debt is attributable to the negative cash flow that resulted from the absence of activity during the months of July and August, and to investment in the period and was partly compensated by the positive cash flow deriving from changes in net working capital.

■ *ESTIMATED FUTURE BUSINESS TREND*

The results of the third quarter are confirmation that the economic crisis is having a greater effect on Fiera Milano in the second half of the year, because of the structural delay with which the exhibition business reacts to changes in the economic cycle. This trend has been expected for some time and that has allowed the Group to put effective anti-crisis initiatives and structural adjustments in place. These initiatives serve, on the one hand, to contain the negative effects of the crisis to which the product sectors in which the Group operates are exposed and, on the other hand to establish the foundations for a solid recovery in the medium term. They also allow us to confirm expectations for the current year of a Gross Operating Result of about € 16 - € 18 million and total net exhibition space of more than 1.6 million square metres, assuming that there are no further currently unexpected economic developments.

These figures have been taken from the interim consolidated management report to 30 September 2009, which is unaudited.

The consolidated interim management report to 30 September 2009 will be made available to the public at the operational and administrative headquarters of Fiera Milano SpA, in Rho (Milan), S.S. del Sempione, 28 and at the headquarters of Borsa Italiana SpA, and will also be published today on the Company's website www.fieramilano.it, in the Investor Relations section under Financial Reports.

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The Manager charged with preparing the company's financial reports, Flaminio Oggioni, in compliance with the requirements of paragraph 2 of article 154-*bis* of the Consolidated Law on Finance (Testo Unico della Finanza), herewith declares that the financial disclosure contained in this press release matches documentary evidence, corporate books, and accounting records.

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Attachments:
Consolidated income statement
Reclassified consolidated statement of financial position

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Full Year to 31/12/08	%	Consolidated income statement (Amounts in €'000)	3rd Quarter to 30/09/09	%	3rd Quarter to 30/09/08	%	Nine months to 30/09/09	%	Nine months to 30/09/08	%
306,535	**100.0**	**Revenues from sales and services**	**41,596**	**100.0**	**53,500**	**100.0**	**216,184**	**100.0**	**244,693**	**100.0**
4,661	1.5	Cost of materials	786	1.9	1,287	2.4	3,073	1.4	3,854	1.6
162,539	53.0	Cost of services	28,108	67.6	28,505	53.3	120,129	55.6	119,793	49.0
66,398	21.7	Costs for use of 3rd-party assets	14,374	34.6	13,657	25.5	42,737	19.8	52,310	21.4
57,643	18.8	Personnel expenses	12,465	30.0	12,826	24.0	43,852	20.3	41,393	16.9
9,448	3.1	Other operating expenses	1,544	3.7	1,607	3.0	5,114	2.4	5,652	2.3
300,689	**98.1**	**Total operating costs**	**57,277**	**137.7**	**57,882**	**108.2**	**214,905**	**99.4**	**223,002**	**91.1**
27,209	8.9	Other income	7,168	17.2	3,163	5.9	15,961	7.4	15,355	6.3
33,055	**10.8**	**Gross operating result**	**-8,513**	**-20.5**	**-1,219**	**-2.3**	**17,240**	**8.0**	**37,046**	**15.1**
15,154	4.9	Depreciation and amortisation	4,436	10.7	3,815	7.1	12,751	5.9	10,707	4.4
-672	-0.2	Provisions for receivables and others - (write-backs)	586	1.4	1,840	3.4	1,627	0.8	1,317	0.5
3,636	1.2	Adjustments to asset values	724	1.7	-	0.0	1,269	0.6	19	0.0
14,937	**4.9**	**Net operating result (EBIT)**	**-14,259**	**-34.3**	**-6,874**	**-12.8**	**1,593**	**0.7**	**25,003**	**10.2**
-2,901	-0.9	Financial income (expenses)	-437	-1.1	-1,099	-2.1	-1,974	-0.9	-1,591	-0.7
-	0.0	Profit (loss) of equity-accounted companies	-	0.0	-	0.0	-	0.0	-	0.0
12,036	**3.9**	**Profit (loss) before tax:**	**-14,695**	**-35.3**	**-7,973**	**-14.9**	**-381**	**-0.2**	**23,412**	**9.6**
12,690	**4.1**	**- attributable to the Group**	**-14,648**	**-35.2**	**-7,478**	**-14.0**	**-222**	**-0.1**	**22,886**	**9.4**
-654	**-0.2**	**- attributable to Minorities**	**-47**	**-0.1**	**-495**	**-0.9**	**-159**	**-0.1**	**526**	**0.2**
30,154	**9.8**	**Cash flow before taxes for the Group and Minority Interest**	**-8,949**	**-21.5**	**-2,318**	**-4.3**	**15,266**	**7.1**	**35,455**	**14.5**

Full Year at 31/12/08		Reclassified consolidated statement of financial position (Amounts in €'000)	3rd Quarter at 30/09/09	1st Half at 30/06/09	Change
105,869		Goodwill and intangible assets with an indefinite useful life	107,277	106,187	1,090
58,858		Intangible assets with a finite useful life	54,070	55,893	-1,823
38,237		Tangible fixed assets	36,038	35,365	673
23,405		Other non-current assets	23,641	18,032	5,609
226,369	**A**	**Non-current assets**	**221,026**	**215,477**	**5,549**
5,449		Inventory and contracts in progress	5,299	3,318	1,981
79,317		Trade and other receivables	87,781	71,816	15,965
-		Other current assets	-	-	-
84,766	**B**	**Current assets**	**93,080**	**75,134**	**17,946**
50,419		Trade payables	41,344	48,407	-7,063
54,159		Payments received on account	52,001	35,785	16,216
4,480		Tax liabilities	1,409	3,924	-2,515
33,457		Provisions for risks and charges and other current liabilities	51,378	30,488	20,890
142,515	**C**	**Current liabilities**	**146,132**	**118,604**	**27,528**
-57,749	**D**	**Net working capital (B - C)**	**-53,052**	**-43,470**	**-9,582**
168,620	**E**	**Gross capital employed (A + D)**	**167,974**	**172,007**	**-4,033**
9,792		Employee benefit provisions	10,009	9,924	85
34,277		Provisions for risks and charges and other non-current liabilities	30,687	28,646	2,041
44,069	**F**	**Non-current liabilities**	**40,696**	**38,570**	**2,126**
124,551	**G**	**NET CAPITAL EMPLOYED continuing operations (E - F)**	**127,278**	**133,437**	**-6,159**
-	**H**	**NET CAPITAL EMPLOYED operations destined for sale**	-	-	-
124,551		**TOTAL NET CAPITAL EMPLOYED (G + H)**	**127,278**	**133,437**	**-6,159**
		covered by:			
68,430		Equity attributable to the Group	64,528 *	73,804	-9,276
1,414		Equity attributable to Minorities	1,275 *	1,338	-63
69,844	**I**	**Total net equity**	**65,803**	**75,142**	**-9,339**
-22,304		Cash & cash equivalents	-18,343	-21,934	3,591
69,919		Current financial payables (receivables)	75,197	75,456	-259
7,092		Non-current financial payables (receivables)	4,621	4,773	-152
54,707		**Net financial position (continuing operations)**	**61,475**	**58,295**	**3,180**
-		**Net financial position (operations destined for sale)**	-	-	-
54,707	**L**	**Net financial position (TOTAL)**	**61,475**	**58,295**	**3,180**
124,551		**NET EQUITY AND NET FINANCIAL POSITION (I + L)**	**127,278**	**133,437**	**-6,159**

* includes result for the period before tax