

Growth and profitability for the 2015 first half

Revenue: +0.5%

Operating profit: +2.5%

A strong pipeline of orders for the next three years

The Board of Directors of GL events, the integrated event industry group, today adopted the interim consolidated financial statements for the 2015 first half.

€m	H1 2015	H1 2014 restated*
Revenue	466.9	464.7
Current operating income	37.9	37.3
Other income and expense	0.3	-
Operating profit	38.2	37.3
<i>Operating margin (%)</i>	8.2%	8.02%
Profit before tax	31.9	31.9
Income tax	(10.8)	(11.2)
Net income before non-controlling interests	20.6	19.2
Non-controlling interests	4.1	1.0
Net income attributable to the equity holders of the parent	16.5	18.2

* Retrospective application of IFRIC interpretation 21, and impacts relating to entities accounted for under the equity method according to IAS 8

Growth in operating profit and net income

The financial statements for the half-year period ended 30 June 2015 highlighted business growth from one year earlier, coming after a strong year in 2014 bolstered by the Football World Cup (€74 million in sales revenues) The euro zone accounted for 82% of half-year revenue, including 55% from France.

As previously announced, this commercial strength was accompanied by growth in operating profit of 2.5% in relation to the 2014 first half. This profitability was driven by the success of the biennial Lyon edition of Sirha and its impact on the Exhibitions and Venues business units, as well as contributions from other "strong" Group events. As a result, the Group's operating margin for the first half rose to 8.2%, up respectively from the same periods in 2014 (8%) and 2013 (7.6%).

After a net financial expense of €6.4 million and a 33.8% tax rate, net income reached €20.6 million. After minority interests, net income attributable to the Group came to €16.5 million compared with €18.2 million for the same period in 2014.

Exhibitions and Venues: strong growth in operating margins

€m	H1 2015	H1 2014 restated*	H1 2013
Revenue – Live	221.6	257.5	214.3
Current operating income	8.2	24.2	6.4
Operating margin	3.7%	9.4%	3.0%
Revenue – Exhibitions	100.1	78.5	93.9
Current operating income	16.0	5.4	13.9
Operating margin	16.0%	6.8%	14.8%
Revenue – Venues	145.2	128.7	124
Current operating income	13.7	7.7	12.5
Operating margin	9.4%	6.0%	10.1%

* Retrospective application of interpretation IFRIC 21

Live: An unfavourable base effect from the Football World Cup in the 2014 first half. Despite this, the operating margin improved by 0.7 points in relation to the 2013 first half.

Exhibitions: With revenue trends positive overall and a margin of 16% in the first half (also up on H1 2013), this business unit benefited from good performances from this year's Première Vision and Industrie Lyon events.

Venues: Strong revenue growth in the first half with a margin at normative levels, supported by the commercial roll-out of "Plug-&-Play" packages incorporating all Group services and business lines specialisations.

Financial structure

Capital expenditures in the first half (€32 million) were consistent with normative levels for a post-acquisition cycle and significant renovations (Palais Brongniart, Palais de la Mutualité, Hôtel RioCentro).

GL events' balance sheet includes "short-term" assets destined for events in parallel with a net source of funds of more than €90 million, and long-term assets for 30- to 50-year concessions, whose financing represents one third of the Group's debt.

Given the excellent order book and multi-year contracts signed by Sao Paulo Expo with major international principals/decision-makers present in Brazil, the Group has decided to accelerate construction of this exhibition park, with delivery now expected at the end of 2016.

ROCE (return on capital employed), restated for current investments in Brazil not yet generating direct revenue, rose to 6.5% from 5.3% in last year's first half.

Revenue to potentially exceed the €1 billion milestone in 2016

Commercial momentum across all Group businesses – based on a balanced mix in terms of products, business lines and geographic exposures – will have a positive impact on the 2015 second half. The international calendar of events remains favourable, both for the end of 2015 and the years thereafter.

The Group confirms its guidance for revenue growth in fiscal 2015, and for 2016 expects to exceed the milestone of €1 billion in revenue. In addition, the Group will pursue its efforts focused on cost efficiencies and improving margins.

In Brazil, 2016 and beyond

The Group expects to profit from government measures to stimulate the trade show and consumer fair industry to promote local know-how with international groups, with the two regional hubs of Rio de Janeiro and Sao Paulo assuring 65% of all planned annual events in Brazil*. The upcoming 2016 Olympic Games in Rio will significantly develop operations at the Rio site. Specifically, GL events has signed several major contracts to provide temporary installations, with revenue expected to at least double compared with the Football World Cup in 2014 (€74 million).

The framework agreements signed by Sao Paulo Expo with international trade show organizers will ensure this site steady revenue streams for the next three years. On that basis, revenue for the exhibition centre is thus expected to increase from BRL 10 million in 2013 to BRL 120 in 2017.

**Brazilian calendar of Exhibitions and Fairs 2015*

Upcoming events:

2015 third-quarter sales 20 October 2015 (after the close of trading)



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