

2008 first half results, Confirmation of 2008 full-year forecasts

2008 H1 FINANCIAL HIGHLIGHTS (1)

€ millions	H1 2006	H1 2007	H1 2008	Change
Net sales	251.9	333.9	294.0	-12.0%
Operating profit	20.8	31.0	23.1	-25.4%
<i>Operating margin</i>	<i>8.3%</i>	<i>9.3%</i>	<i>7.9%</i>	-
Net financial expense	(1.6)	(1.4)	(6.9)	-
Income before taxes	19.2	29.6	16.3	
Tax	(5.9)	(9.4)	(2.6)	-
Net income of fully consolidated companies	13.4	20.2	13.7	-32.0%
Income from equity-accounted investments	(0.2)	0.1	0.6	-
Net income before minority interests	13.1	20.3	14.3	-29.7%
Minority interests	(1.0)	(3.1)	0.1	-
Net income	12.1	17.2	14.4	-16.2%

(1) The interim condensed consolidated financial statements can be consulted at the website www.gl-events.com, under the heading Financial Information.

GL events had net sales in the 2008 first half of €294.0 million, remaining stable on the basis of the consolidation scope of 1 January 2008. Following exceptional expansion in the 2007 first half (with organic growth of +28.5%), at constant structure and exchange rates sales declined 4.6%. Venue Management and Event Organisation accounted for 54% of consolidated sales.

As previously indicated, this first-half performance includes impacts of:

- Disposals at 2007 year-end;
- The biennial nature of certain events such as the International Catering and Food Trade Exhibition in Lyon (SIRHA): -€19 million;
- Full-year contributions from the acquisitions of notably Promotor International (organisation of trade fairs and ownership of the Turin exhibition centre) and Agor (organisation of trade fair) and for additional revenue of €19 million;
- Industrial trade fairs added to the event portfolio in 2008.

The Venue Management and Event Organisation businesses had revenue of €159 million. Revenue was virtually unchanged for Venue Management and declined 4.6% at constant structure and exchange rates for Event Organisation.

The integration of Agor (Tradexpo, Foods&Goods, Orhopa, CFIA and Print'or trade fairs), Expo Indus (Industrie Paris and Industrie Lyon, SCS Automation & Control Paris & Lyon, RF & Hyper and the Forum de l'Electronique) and Promotor International (trade shows: Bologna Motor Show, My Special Car, Salone del Vino, Expocasa and ownership of the Turin exhibition park) has proceeded as planned.

Overall, frequency levels for trade fairs organised by the Group were satisfactory in line with forecasts. For the full year, trade fairs organised by the Group will provide showcases for more than 31,000 exhibitors and 6.000.000 visitors.

The Services division had sales of €135 million, down 6.1% on a constant structure and exchange rate basis, following the excellent performance of the 2007 first-half (with the Cricket World Cup contributing revenue of €21 million).

In the first six months, the Group contributed as a partner to a significant number of recurrent local, national and international events. These included services for Olympic Game venues in Hong Kong and the European Football Championship.

Consolidated operating profit was €23.1 million with an operating margin of 7.9%:

- Following significant changes in the consolidation scope, the operating margin for venue and event management was 12% on operating profit of €19 million;
- Operating profit for Services totalled €4.2 million with an operating margin of 3.1%.

The Group does not expect capital gains from disposals in the second half compared with €6 million in the first six months. For the full year, capital gains in consequence should not exceed the amount for 2007 or €7 million.

CASH FLOW AND BALANCE SHEET AT 30 JUNE 2008

Cash flow totalled €27 million. The trend for use of working capital that totalled €24.7 million in the first half should be reversed in the second half reflecting the schedule of trade fairs. In addition, the Group is progressively building up working capital funds (negative WCR) that totalled €64 million at 30 June 2008.

Investments in the first half totalled €38 million including €27 million for operating capital expenditures.

At 30 June, the Group had gearing of 77%.

CONFIRMATION OF 2008 OBJECTIVES

The Group intends to pursue its strategy and strengthen its positions in the three major event industry markets (trade shows, conventions and large events), through its unique offering for event organisation, hosting and equipment:

- Developing the event organisation offering: As trade fairs continue to represent a highly attractive vehicle for commerce, the Group will pursue the development of specialised offerings, in line with those already developed for the industry, fashion and agri-food segments;
- Continued expansion of the network of venues: in 2009, the Brussels convention centre, the Hôtel Salomon de Rothschild in Paris and the multi-purpose hall of Roanne will be put into service. In addition, the worldwide market should provide a significant number of opportunities for growth, both in France, with a significant schedule of competitive bids as well as in Europe, Latin America and Asia for all types of venues;
- An international strategy for Services.

The contract signed with the Ministry of Ecology, Energy, Sustainable Development and Territorial Development will be implemented in the second half. Under France's Presidency of the European Union, this six month agreement provides for the organisation of 60 events and will represent approximately €8 million and includes the provision of associated services.

In this same period, GL events will produce major events or host trade fairs at its venues including Pollutec (in Lyon), Piscine (a leading worldwide trade fair organised by the Group and held in Lyon), Bologna Motor Show (organised by the Group in Bologna) and the Pret à Porter Paris® trade fair (Porte de Versailles, in partnership with the French Federation of Women's Ready-To-Wear).

In the Services division, The Group has also renewed its multiyear contract with the Ministry of Foreign Affairs to provide temporary installations for summits in France and international locations. On this basis, the Group will contribute in 2009 to the NATO summit in Strasbourg. This contract should represent sales of approximately €14 million over the four-year period.

The Group maintains targets for the full year in line with guidance announced on 27 July 2008: sales of €610 million with income before taxes of approximately €46 million and net income comparable to last year's performance on the basis of a tax rate of approximately 28%.

For fiscal 2009, GL events forecasts significant sales growth

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**Upcoming events:
2008 third-quarter sales: 21 October 2008 (after the close of trading)**

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