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## **GL EVENTS PLANS A CAPITAL INCREASE TO ACCELERATE DEVELOPMENT IN THE MARKETS OF EMERGING POWERS FOR WORLDWIDE EVENTS**

### **SOFINA TO BECOME A SHAREHOLDER OF GL EVENTS AND ITS HOLDING COMPANY POLYGONE**

### **MAJOR CONTRACTS IN BRAZIL: SIGNATURES FOR MORE THAN R\$100M (€40M) IN REVENUE FOR 2013-2014**

## **GL EVENTS PLANS A CAPITAL INCREASE TO ACCELERATE DEVELOPMENT IN THE MARKETS OF EMERGING POWERS FOR WORLDWIDE EVENTS**

### **HIGHLIGHTS OF THE CAPITAL INCREASE**

GL events Group will submit a proposal to its shareholders to strengthen its equity by approximately €72 million through two successive capital increases. The first for €28.5 million will be reserved for Sofina and the second will be for a maximum amount of €43.4 million maintaining the pre-emptive subscription rights of shareholders. Sofina and Polygone SA will take up this second issue for the amounts of their respective pre-emptive subscription rights.

Within the framework of this issue, GL events, the leading fully integrated provider of event solutions and services and Sofina, a Belgium-based investment holding company listed on the Brussels stock exchange and a traditional partner providing support to entrepreneurs and family investment groups in managing growth companies ([www.sofina.be](http://www.sofina.be)), today announced the signature of an investment agreement defining the conditions for an acquisition by Sofina of a minority equity interest in GL events.

Sofina will also acquire a minority interest in Polygone SA, GL events' controlling holding company, through an acquisition of a block of approximately 4% of Polygone shares from the founders, combined with a reserved capital increase and subscription of an ORA bond issue (*obligations remboursables en actions*) redeemable in existing GL events shares no later than 2017 for a total amount of €23 million. The proceeds thus raised will be used by Polygone SA to subscribe to the capital increase maintaining the pre-emptive subscription rights of GL events for the amount of its rights.

The proposed reserved capital increase of GL events as well as the Polygone SA ORA bond issue will be submitted to the shareholders shortly in an Extraordinary General Meeting. The capital increase with pre-emptive subscription rights will be decided by GL events' Board of Directors within the framework of the delegation of authority granted by the Extraordinary General Meeting of 27 April 2012. A prospectus will be issued for this latter capital increase to be submitted for approval by the French financial market authority (*Autorité des Marchés Financiers* or AMF) and made public in accordance with applicable regulation.

Completion of these corporate actions, currently programmed for the month of November, is subject to receiving an exemption by the AMF from the obligation to file a public offering proposal concerning GL events that is not contested, as well as obtaining the necessary authorisations from Polygone SA and GL events corporate governance bodies and AMF approval for the prospectus relating to the capital increases of GL events.

Pursuant to these different transactions, Sofina would immediately hold after their completion approximately 8.7%<sup>1</sup> of GL events' capital and 8.4% of Polygone SA's capital. Sofina's acquisition of holdings in the capital of GL events and Polygone SA will result in the conclusion of a shareholders agreement and an action in concert between Sofina and Messrs. Olivier Ginon, Olivier Roux and Polygone SA.

## **EMERGENCE OF NEW POWERS IN THE GLOBAL EVENT SCENE**

In line with its strategy, GL events Group intends to leverage its status as a European leader to effectively manage its costs and margins, while taking advantage of development opportunities, particularly in venue management. On this basis, it today intends to accelerate its expansion in major international regions outside of Europe, by developing solid bases in "emerging powers" like Brazil, Russia, China, and selected African and Middle Eastern countries, with Turkey as a priority.

These "emerging powers" have a combined GDP comparable to the European Union and the US, and will host many major sports events over the next 10 years. With their strong economic momentum and improving infrastructures, they should experience exceptional development in their event industry and business tourism markets.

With a very strong track record for many of these destinations, the expertise of its teams and high-quality assets, GL events is well-equipped to pursue rapid, solid and lasting development.

In Turkey, the Group is studying major projects for venue concessions and intends to ramp up expansion in this country of considerable potential, building on its first successful developments in 2011 with the acquisition of Serenas, Turkey's leading PCO, and the management concession for the Congressium Ankara convention and exhibition centre.

At the same time, the Group is pursuing several negotiations within the framework of call for tenders for major event projects in Africa, Gulf countries, Russia and China.

## **ALIGNMENT OF LONG-TERM FINANCIAL RESOURCES WITH LONG-TERM ASSETS**

These projects present multiple interests for the Group. They must contribute to accelerating the Group's growth, improving its margins and accelerating the turnover of its assets. To successfully carry out these projects and capture future growth, the Group estimates the amount of funds for development investments by 2016 at €150 million, mainly for "long-term assets" supplemented by reasonably sized company acquisitions, and notably local.

Despite very difficult economic market conditions in Hungary and Italy, the consolidated financial statements of 30 June 2012 highlighted significant improvements in Group margins and cash flow

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<sup>1</sup> Indicative data based on the share price of GL events on 31 August 2012 according to an assumption whereby this price would remain unchanged.

generation, driven by robust growth and highly effective management of overhead costs. With a gearing of 0.75 for equity of €346.3 million, the Group has a solid financial structure with quality assets.

The Group today seeks to achieve the right balance between internal financing, by generating significant cash flows over the 2012-2016 period, and the need to strengthen its equity, both to take advantage of opportunities and position itself for 2013-2016 that includes an exceptional calendar of events. The goal of the two capital increases planned is to achieve this balance.

## **MAJOR CONTRACTS IN BRAZIL: SIGNATURES FOR MORE THAN R\$100M (€40M) IN REVENUE FOR 2013-2014**

### **SEVERAL HIGH QUALITY DEVELOPMENT PROJECTS**

With the goal of focusing on the most attractive and safest global event destinations, Brazil was selected as one of GL events' priority markets for development.

To this purpose, and in advance of the FIFA World Cup 2014 (preceded by the Confederations Cup 2013) and the 2016 Rio de Janeiro Olympic Games (preceded by the Test Events in 2015), the Group is planning large-scale installations for the Riocentro exhibition park that will be at the centre of these two major events.

The Group has thus signed with the Rio de Janeiro city government a framework agreement providing for the following main items:

- Hosting the Organizing Committee for the FIFA World Cup at Riocentro over 30 months. For this occasion, and until the completion of the works currently underway, these offices have been partially installed in a temporary structure developed by the Group serving as a showcase for GL events' expertise in Brazil;
- Hosting the **International Broadcast Centre** at Riocentro for which different halls will be outfitted;
- 20,000 m<sup>2</sup> of commercial space linked to the activity of the exhibition centre rendered available for marketing;
- The construction of a 306 room hotel under the Mercure franchise. In a local environment with a significant shortage of hotel space, this project will have two objectives: 1) strengthen the visibility and capacity of the convention centre integrated within Riocentro and 2) support major events coming up and the economic development of Rio de Janeiro in general and the Barra di Tijuca urban economic area currently undergoing a phase of strong development.

Over 2013-2014, these contracts represent revenue of more than BRL 100 million (R\$m) (€40m).

The Group will also participate in a number of calls for tender for the construction and installation of temporary structures (grandstands, bleachers and tents) for these events as well as the World Youth Day of Rio 2013.

GL events had revenue in Brazil of more than €50 million in 2011 with growth expected to exceed 30% in 2012 to reach sales volume of more than €65 million.

## EXTERNAL GROWTH OPERATION

GL events has signed a memorandum of understanding subject to the condition precedent of due diligence to acquire a company specialised in temporary installations for all of Brazil. This company which has revenue of approximately R\$50m (€20m) has already worked with the Group with a high degree of professionalism for the recent RIO +20 summit.

Olivier Ginon, Chairman-CEO of GL events, commented: "*Today we are proposing our shareholders resolutely positive initiative devoted to financing our development projects of high quality. The penetration of event markets in emerging powers offers considerable promise. GL events, through its well-established local presence and ability to successfully meet the needs of customers, is particularly well-positioned to benefit from these opportunities and, in this way pursue profitable growth and ongoing value creation. We are very pleased that an investor such as Sofina shares and supports this legitimate ambition.*"

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### Upcoming events:

An information meeting will be held on **Monday, 24 September 2012** at Palais Brongniart (Paris) at 10:00 AM (opening coffee, 9:30 AM) - Salon d'Honneur, 2nd floor.

Access to Palais Brongniart:

Side Entrance: 40 rue Notre Dame des Victoires 75002 Paris

Main Entrance: Place de la Bourse, facing rue Vivienne 75002 Paris

A Meeting Notice for the Extraordinary General Meeting will soon be published in the French publication for legal announcements (*Bulletin des Annonces Légales Obligatoires* or BALO) and on the website of GL events ([www.gl-events.com](http://www.gl-events.com)). After this Extraordinary General Meeting, and subject to the result of the shareholders' vote, a prospectus for this transaction will be submitted for approval to the AMF.

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**About GL events** ([www.gl-events.com](http://www.gl-events.com)): GL events is an international event industry group providing integrated solutions covering three main market segments: Event Organisation, Venue Management and Event Services. The Group has a portfolio of more than 250 proprietary B2B and B2C trade fairs worldwide and a network of 35 venues under management that include convention centres, exhibition centres, concert halls and multi-purpose facilities in France and international destinations. Today GL events has more than 3,700 employees through more than 90 offices worldwide. GL events is listed in compartment B (Mid Caps) of NYSE Euronext Paris and a component of the CAC Small & Mid index.

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