2019 HALF-YEARLY FINANCIAL REPORT

ITALIAN EXHIBITION GROUP S.p.A.
Via Emilia 155 – 47921 Rimini
Share capital: € 52,214,897 fully paid-in
Rimini Register of Companies no. 00139440408
REA (economic and administrative index) no. 224453
VAT no. and Tax Code 00139440408

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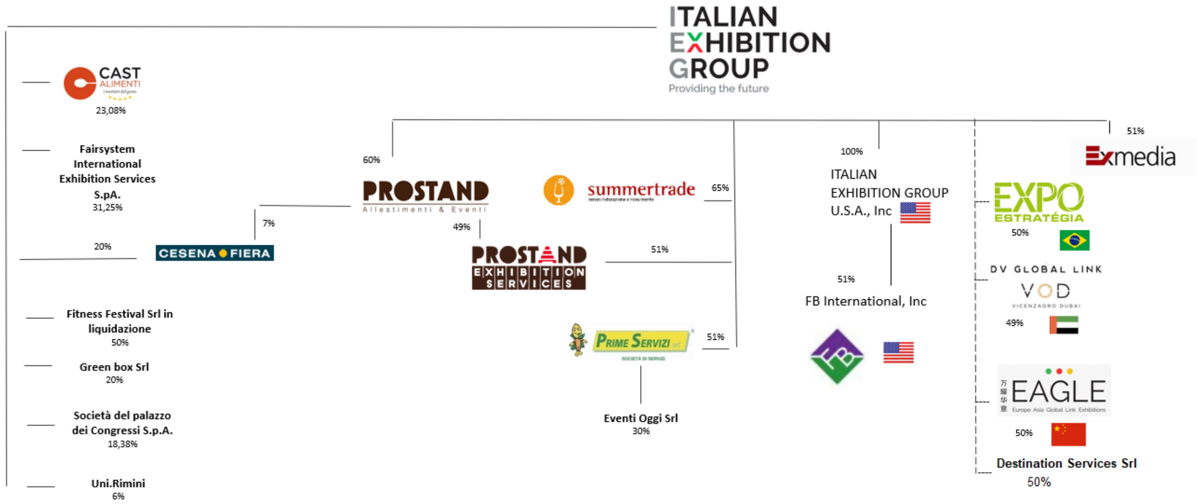
Structure of the IEG Group

STRUCTURE OF THE IEG GROUP
POSITION AS AT JUNE 30TH, 2019



The IEG Group is active in organising trade fairs, hospitality for trade fairs and other events through the provision of fitted-out exhibition spaces, promoting and managing convention centres and supplying services related to trade fairs and conferences. Lastly, the Group is active in the publishing sector and trade fair services connected with sporting events hosted.

The Group confirmed its position as one of the leading national and European operators in the trade fair organisation sector: in particular, it is a leader in Italy in organising international events, focussing on those targeted at the professional sector (so-called B2B events).

It organises and manages trade fairs primarily in the following structures:

- Quartiere Fieristico (Trade Fair District) of Rimini, located in via Emilia no. 155;
- Quartiere Fieristico (Trade Fair District) of Vicenza, situated in via dell'Oreficeria no. 16;
- Palacongressi di Rimini, located in via della Fiera no. 23 in Rimini;
- Vicenza Convention Centre of Vicenza, in via dell'Oreficeria no. 16.

The two trade fair districts are owned by the Parent Company Italian Exhibition Group S.p.A., the Rimini convention centre is leased while the one in Vicenza is part owned and part leased, based on a gratuitous loan for use agreement expiring on December 31st, 2050.

The Parent Company also operates through a local unit in Milan.

Aside from the Rimini and Vicenza sites, the Group organises trade fairs in the trade fair districts of other operators in Italy and abroad (e.g. Rome, Milan, Arezzo, Dubai, Las Vegas), also through subsidiaries and associated companies.

As at June 30th, 2019, the Parent Company exercises management and coordination activities, pursuant to and in accordance with art. 2497 bis of the Italian Civil Code, for the companies Exmedia S.r.l., Prime Servizi S.r.l., Prostand Exhibition Services S.r.l., Summertrade S.r.l., Pro.Stand S.r.l., Italian Exhibition Group USA Inc. and FB International Inc..

Italian Exhibition Group S.p.A. is a subsidiary of Rimini Congressi S.r.l., which, in turn, drafts the consolidated financial statements. The Company, nonetheless, is not subject to management and coordination by Rimini Congressi S.r.l. pursuant to art. 2497 et seq. of the Italian Civil Code. In fact, none of the activities that typically prove management and coordination activities pursuant to art. 2497 et seq. of the Italian Civil Code exist, given that, by way of a non-exhaustive example:

- Rimini Congressi does not exercise any significant influence over the management decisions and operations of the Issuer, but limits it relations with said entity to the normal exercise of administrative and equity rights owing to its status of holder of voting rights; there is no connection between the members of the administration, management control bodies of the two companies;
- the Company does not receive - and, at any rate, is not subject in any way - to the financial or credit directives or instructions from Rimini Congressi;
- the Company has an organisational structure composed of expert professionals who, based on the powers conferred and the positions held, operate independently in line with the indications of the Board of Directors;
- the Company prepares the strategic, industrial, financial and/or budget plans of the Issuer and of the Group independently, and autonomously implements these;
- the Company operates fully independently, from a contractual perspective, in relations with its customers and its suppliers, without any external interference from Rimini Congressi.

COMPOSITION OF THE GROUP AND CHANGES WITH RESPECT TO DECEMBER 31ST, 2018

A summary of the activities carried out by the various Group companies and the main changes in the composition of the Group compared to the situation as at December 31st, 2018 is provided below. The Group structure as at June 30th, 2019 differs from the one as at December 31st, 2018 due to the following changes.

- Merger by incorporation of Colorcom S.r.l. in Prostand S.r.l., carried out on April 1st, 2019, backdated to January 1st, 2019 for accounting and tax purposes.
- Incorporation, on February 26th, 2019, of the company Destination Services S.r.l., a jointly controlled company that will handle the promotion and organisation of tourist services.

Italian Exhibition Group S.p.A. is the Parent Company, created as a result of the transfer to Rimini Fiera S.p.A. of the company managed by Fiera di Vicenza S.p.A. (now Vicenza Holding S.p.A.) and the simultaneous change of the former's company name. Italian Exhibition Group S.p.A., in addition to its role of management of Group activities, organises/hosts trade fairs and conferences at the above-mentioned places and in other locations. As part of trade fair support services, IEG also carries out publishing activities.

The Group is composed of various **operating subsidiaries** which, given held directly or indirectly, with stakes of more than 50%, are consolidated on a *line-by-line basis*. The companies listed below fall under this group.

Exmedia S.r.l. operates in the trade fair/conference organisation sector. In particular, in the trade fair district of Rimini, the company organises the event *Food Nova – international show dedicated to gluten-free products and the latest food trends*. The company is currently 51% owned.

Summertrade S.r.l., 65% owned, operates in catering and banqueting in both the trade fair districts of Rimini and Vicenza and at the Palacongressi and Convention Centre of Vicenza, for which it is the exclusive concession holder of the service, and at other sales points, restaurants and company cafeterias. Summertrade also manages catering services at Cesena Fiera, the trade fair district and the convention centre of Riva del Garda, the Cesena hippodrome and at the Misano World Circuit "Marco Simoncelli".

Italian Exhibition Group USA Inc., company with registered office in the United States, established in 2017 by the Parent Company and wholly-owned by the latter, acquired 51% of FB International Inc. on March 1st, 2018.

FB International Inc., company with registered office in the United States, joined the IEG Group on March 1st, 2018 through the acquisition of 51% of the share capital by Italian Exhibition Group USA Inc,. The Company operates in the trade fair stand fitting field in North America.

Prime Servizi S.r.l., established in 2005, is 51% owned and operates in the marketing of cleaning and porterage services.

Pro.Stand S.r.l., 60% owned as a result of the acquisition of shares on September 1st, 2018, operates in the sales of stand fitting equipment and integrated solutions in support of trade fairs and conferences for the national and international market.

Colorcom S.r.l., wholly-owned by Pro.Stand S.r.l. as a result of the acquisition of shares on September 1st, 2018, at the same time as the acquisition of Pro.Stand S.r.l. by the Parent Company. The company was merged by incorporation in its holding company Pro.Stand. S.r.l., effective from January 1st, 2019.

Prostand Exhibition Services S.r.l., 51% owned directly by the Parent Company and 49% indirectly through Pro.Stand S.r.l., operates in the trade fair stand fitting field.

Some **associated companies** recorded in the consolidated financial statements using the *equity method* also belong to the Group. The following companies fall into this category.

Fairsystem S.r.l., in which IEG S.p.A. holds a 31.25% stake, is active in trade fair services and promoting and organising events abroad. It should be noted that the company was placed into liquidation on April 18th, 2019.

Eventioggi S.r.l.: in which an indirect stake of 30% is held through Prime Servizi, is active in the event design and organisation sector.

Green Box S.r.l.**:** in 2014, Rimini Fiera acquired 20% of the company following agreements with Florasì -– Consorzio Nazionale per la promozione dei florovivaisti Soc. Coop.- and Florconsorzi for the organisation in Rimini of an event dedicated to plant nursery in autumn 2015.

Cesena Fiera S.p.A.: in 2017, IEG S.p.A. acquired 20% of the capital of the company active in the trade show events and exhibitions organisation sector. In particular, the company conceived MacFrut, the professional trade show, a reference point of the entire national and international fruit and vegetable chain, held in the Rimini trade fair district. Through the acquisition of Pro.Stand S.r.l., the Group indirectly holds an additional 7% of the company.

In addition to the subsidiaries and associated companies cited above, note should be taken of the Parent Company's participation in the **joint-venture** for the development of international trade fairs. The following companies fall into this category.

Expo Extratégia Brasil Eventos e Produções Ltda: in 2015**,** Rimini Fiera S.p.A. (now IEG S.p.A.), together with the company Tecniche Nuove S.p.A. of Milan and local partner Julio Tocalino Neto, completed the incorporation of the jointly-controlled Brazilian company, with registered office in San Paolo. The company holds events and produces technical publications in the environmental sector. In 2016, the shareholders IEG S.p.A. and Tecniche nuove increased their stake, bringing it to 50% each, by acquiring the shares of the local shareholder. In 2017, the shareholder Tecniche nuove sold its shares to its subsidiary, Senaf S.r.l., specialised in organising events.

Dv Global Link LLC: is 49% owned by IEG S.p.A. and the result of the Joint Venture between the then Fiera di Vicenza S.p.A. and the company DXB Live LLC, a UAE company 99% owned by Dubai World Trade Centre LLC. The Joint Venture organises Vicenzaoro Dubai, an event dedicated to jewellery and gold in an exclusive location in the UAE, able to compete at global level with the main events currently in existence.

Europe Asia Global Link Exhibitions Ltd. (EAGLE): on December 29th, 2018, the Parent Company acquired 50% of the company established in 2018 by VNU Exhibition Asia Co Ltd. The company has its registered office in Shanghai and is active in organising and managing trade fairs in the Asian market.

Destination Services S.r.l.: a company in which a 50% stake is held, incorporated on February 26th, 2019 together with the shareholder Promozione Alberghiera soc. coop.. The company will handle the promotion and organisation of tourist services.

Lastly, the Group has some **minority shareholdings**, listed below, which are classified under fixed assets. These will be detailed extensively in the Explanatory notes to the consolidated financial statements.

Società del Palazzo dei Congressi S.p.A.**:** the company, incorporated in 2005 by the then Rimini Fiera, through the transfer of its conference business unit, constructed and is the owner of the Rimini Conference Centre which it leases to the Parent Company. In 2007, as a result of the share capital increase and the subsequent entry of new shareholders Rimini Fiera (now IEG) lost control of the company, reducing its share of ownership to 35.34%. Subsequently, as a result of further share capital increases subscribed by other shareholders, Italian Exhibition Group S.p.A.'s share fell to the current 18.38%.

Administration and Control Bodies of Italian Exhibition Group S.p.A.

Corporate Bodies of IEG S.p.A.

Board of Directors

Lorenzo Cagnoni	Chairman
Ugo Ravanelli	Chief Executive Officer
Daniela Della Rosa	Director (*) (1)
Maurizio Renzo Ermeti	Director (2)
Lucio Gobbi	Director (*) (1)
Catia Guerrini	Director (*) (1)
Valentina Ridolfi	Director (*) (2)
Simona Sandrini	Director (*)
Fabio Sebastiano	Director (*) (2)

(*) Independent pursuant to the Corporate Governance Code of Borsa Italiana
(1) Member of the Control and Risk Committee
(2) Member of the Remuneration and Appointments Committee

Board of Statutory Auditors

Massimo Conti	Chairman
Cinzia Giaretta	Standing auditor
Marco Petrucci	Standing auditor
Mariliana Donati	Alternate auditor
Paola Negretto	Alternate auditor

Independent Auditors

PricewaterhouseCoopers S.p.A.

Manager responsible for preparing the company's financial documents

Roberto Bondioli

The Board of Directors was appointed by the Shareholders' Meeting held on April 27th, 2018 and shall remain in office until the financial statements for the year ended as at December 31st, 2020 are approved. The Board of Statutory Auditors was appointed by the Shareholders' Meeting held on July 4th, 2017 and shall remain in office until the financial statements for the year ended as at December 31st, 2019 are approved. On August 3rd, 2018, following the resignation of Mr. Mario Giglietti, Chairman of the Board of Statutory Auditors, the Shareholders' Meeting appointed Massimo Conti as his replacement, who will step down from office together with the rest of the members of the Board of Statutory Auditors.

Effective from June 19th, 2019, the date of the start of trading of ordinary shares on the MTA (Milan Stock Exchange), given the company is considered a Public Interest Entity pursuant to art. 16 of Legislative Decree 39/2010, it was necessary to assign the independent auditors a new nine-year audit engagement (in accordance with art. 17 of Legislative Decree 39/2010) through the Shareholders' Meeting of October 17th, 2018, subject to the start of trading. The audit engagement will finish with approval of the financial statements for the year ended as at December 31st, 2027.

Again effective from the date of the start of trading of ordinary shares on the MTA (Milan Stock Exchange), in order to satisfy the requirements of Law no. 262 of December 28th, 2005 (art. 154 bis of the Consolidated Law on Finance), Roberto Bondioli assumed the position of Manager responsible for preparing the company's financial documents as per the resolution of the Board of Directors of September 3rd, 2018, having acquired the opinion of the Board of Statutory Auditors.

The Board of Directors is vested with all the widest powers for the ordinary and extraordinary administration of the company, with the sole exclusion of those acts that the national or regional laws reserve to the shareholders' meeting or which are assigned to it by the company Articles of Association (for example, the issuing of significant guarantees and transfer of trademarks).

On June 20th, 2019, the resignation from the position of member of the Board of Directors was received from Roberta Albiero, effective immediately, and Fabio Sebastiano renounced his role of Deputy Chairman of the Board of Directors who, however, will continue to hold the office of member of the company's administrative body.

Interim Report on Operations

GROUP PERFORMANCE AND ANALYSIS OF THE MAIN RESULTS OF THE FIRST HALF OF 2019

The consolidated half-yearly financial report of the IEG Group (hereinafter also the "Group") as at June 30th, 2019, was drafted in accordance with the international accounting standards (IFRS), meaning all International Financial Reporting Standards (IFRS), all International Accounting Standards (IAS), all interpretations of the International Reporting Interpretations Committee (IFRIC), previously named the Standard Interpretations Committee (SIC) which, as at the date of approval of the half-yearly financial report as at June 30th, 2019 were approved by the European Union in accordance with the procedure laid down in Regulation (EC) No. 1606/2002 of the European Parliament and the European Council of July 19th, 2002. Specifically, this half-yearly financial report was drawn up in summary form, in compliance with IAS 34 ("Interim Financial Reporting"). Therefore, this condensed half-yearly financial report does not include all of the information required in the annual financial report and should be read together with the annual financial report prepared for the year ended as at December 31st, 2018.

The IEG Group closed the first half of 2019 with total consolidated revenues of € 99.9 million, marking an increase of € 22.6 million (+29.3%) compared to revenues in the first half of 2018 (€ 77.3 million). This result augments the significant growth already recorded at the end of 2018 (+22.2%) and confirms IEG's ability in development and integration projects.

It is important to emphasise that this growth in revenues concerned all the business lines covered by the Group.

In particular, the Group's "core business", comprised of the direct organisation of trade fairs, accounted for 53.7% of total revenues, and recorded an increase of 6.6% compared to the previous year. This increase is almost entirely organic and attributable to the main leading products in the "Food & Beverage" and "Jewellery & Fashion" categories. The seasonal nature of the trade fair calendar only had a marginally positive impact, thanks to the holding of the Koinè event (biennial event in odd years) in February 2019.

The Conferences business line, which accounts for 7.6% of total Group revenues, recorded an increase of 26% (up € +1.6 million) compared to the first half of 2018, thanks to the holding of larger conferences in terms of the number of participants, conference areas used and additional services required.

Revenues from related services, such as stand fitting, catering and cleaning, account for 35.2% of the Group's total revenues and essentially doubled compared to the first half of the previous year (+97.8%). The growth in the revenues from catering services, driven by the development of trade fairs organised and the management of new activities, was augmented by the higher revenues recorded in the stand fitting services segment, already covered through the subsidiary Prostand Exhibition Services, due to the fact that the effects of the acquisitions of the three companies completed in 2018 were felt in full. More specifically, Pro.Stand S.r.l. and Colorcom Allestimenti Fieristici S.r.l. were acquired on September 1st, 2018 and, therefore, the associated revenues are not present in the comparative data of the first half of 2018. The US company Fb International Inc. was acquired on March 1st, 2018 and, therefore, the associated revenues are included in the comparative data of 2018 only for the March-June 2018 period. Roughly 85.8% of the overall increase in revenues is, nonetheless, attributable to the change of the perimeter of this business line, while the remainder relates to organic growth.

EBITDA and EBIT, after the application of new accounting standard IFRS 16, which had a positive impact on interim results of € 1.8 million and € 32 million respectively, reached € 26.6 million and € 17.7 million respectively, growth compared to the 2018 values, which did not reflect the effects of IFRS 16, which stood at € 17 million and € 11.8 million. Net of the aforementioned accounting standard, EBITDA and EBIT therefore recorded increases of +44.8% and +49.6% compared to the same period in the previous period, also confirming the further strengthening in IEG's ability to manage operating costs and stabilise the efficiencies already achieved in the second part of the previous year.

The Group's net profit was therefore € 10.7 million, 40.2% higher than the € 7.6 million in the first half of 2018. It should be noted that the profit for the period was impacted by the higher Net financial income (expense) expenses compared to the same period in the previous year, as a result of the application of IFRS 16 amounting to € 330 thousand and the calculation, for the whole first half of 2019, of financial charges on the put options granted to the minorities of the newly acquired stand fitting companies for € 342 thousand.

The results achieved in the first half of 2019, therefore, confirm IEG's leading position in the management of directly organised events and, subsequently, in the level of profitability of its core business which, through the above-mentioned acquisitions, registered significant expansion in the world of related higher value-added services.

It should be noted that the data reported in the tables in this report are stated in thousands of Euros, unless specified otherwise.

It should be pointed out that new standard IFRS 16 - Leases entered into force on January 1st, 2019, which the Group complied with as of said date. The impacts on the financial position in the first half of 2019 are summarised in the following table. In particular, the new standard involved lower profit for the period of € 228 thousand, a net increase in fixed assets of € 29,389 thousand and a worsening in the NFP of € 32,005 thousand.

The IEG Group - Impacts of IFRS 16	06/30/2019 with IFRS 16	06/30/2019 without IFRS 16	Impact of IFRS 16 1st half 2019
Operating costs	(73,357)	(75,252)	1,895
Gross Operating Profit	**26,575**	**24,680**	**1,895**
Amortisation, depreciation and write-downs of fixed assets	(8,146)	(6,283)	(1,863)
Operating Profit/Loss	**17,691**	**17,659**	**32**
Net financial income (expense)	(2,681)	(2,351)	(330)
Pre-tax result	**15,100**	**15,398**	**(298)**
Income taxes	(4,421)	(4,492)	70
Comprehensive income/loss for the period	**10,679**	**10,906**	**(228)**
Property, Plant and Equipment	**211,347**	**181,958**	**29,389**
Net financial position	**(120,184)**	**(88,178)**	**(32,005)**

ANALYSIS OF CONSOLIDATED RECLASSIFIED INCOME STATEMENT DATA

The table below presents the IEG Group's reclassified income statement, in order to highlight the main operating results and the deviations with respect to the previous half. The table also shows the percentage breakdown of revenues and the percentage impact of each item with respect to the "Total Revenues".

IEG Group
Reclassified income statement

IEG Group Reclassified income statement	1st half 2019	%	1st half 2019 rev. Excluding IFRS16	%	1st half 2018	%	Change 2019 rev - 2018	% change 2019 rev - 2018
Revenues from sales and services	98,519	*98.6%*	98,519	*98.6%*	76,119	*98.5%*	22,399	*29.4%*
Other revenues	1,414	*1.4%*	1,414	*1.4%*	1,190	*1.5%*	224	*18.8%*
Total Revenues	**99,932**	***100.0%***	**99,932**	***100.0%***	**77,309**	***100.0%***	**22,623**	***29.3%***
Operating costs	(55,210)	*(55.2%)*	(57,105)	*(57.1%)*	(45,311)	*(58.6%)*	(11,794)	*26.0%*
Value added	**44,722**	***44.8%***	**42,827**	***42.9%***	**31,998**	***41.4%***	**10,830**	***33.8%***
Staff costs	(18,147)	*(18.2%)*	(18,147)	*(18.2%)*	(14,959)	*(19.3%)*	(3,188)	*21.3%*
Gross Operating Profit	**26,575**	***26.6%***	**24,680**	***24.7%***	**17,039**	***22.0%***	**7,641**	***44.8%***
Amortisation, depreciation and write-downs of fixed assets	(8,146)	*(8.2%)*	(6,283)	*(6.3%)*	(4,754)	*(6.1%)*	(1,528)	*32.1%*
Write-downs of receivables, provisions, adjustments to value of financial assets	(738)	*(0.7%)*	(738)	*(0.7%)*	(483)	*(0.6%)*	(254)	*52.7%*
Operating Profit/Loss	**17,691**	***17.7%***	**17,659**	***17.7%***	**11,801**	***15.3%***	**5,858**	***49.6%***
Net financial income (expense)	(2,681)	*(2.7%)*	(2,351)	*(2.4%)*	(847)	*(1.1%)*	(1,504)	*177.5%*
Financial income (charges)	(985)	*(1.0%)*	(985)	*(1.0%)*	(823)	*(1.1%)*	(162)	*19.7%*
Change In Mark to Market value - derivative	(745)	*(0.7%)*	(745)	*(0.7%)*	168	*0.2%*	(913)	*(543.3%)*
Financial charges on Put Options	(595)	*(0.6%)*	(595)	*(0.6%)*	(253)	*(0.3%)*	(342)	*135.2%*
Financial charges for IFRS 16	(330)	*(0.3%)*	-	-	-	-	-	-
Exchange gains (losses)	(26)	*(0.0%)*	(26)	*(0.0%)*	60	*0.1%*	(87)	*(143.5%)*
Gains and losses from equity investments	90	*0.1%*	90	*0.1%*	24	*0.0%*	65	*268.2%*
Pre-tax result	**15,100**	***15.1%***	**15,398**	***15.4%***	**10,978**	***14.2%***	**4,420**	***40.3%***
Income taxes	(4,421)	*(4.4%)*	(4,492)	*(4.5%)*	(3,360)	*(4.3%)*	(1,132)	*33.7%*
Group result for the period	**10,679**	***10.7%***	**10,906**	***10.9%***	**7,618**	***9.9%***	**3,288**	***43.2%***
of which:								
- Result for the period attributable to minority interests	*1,080*	*1.1%*	*1,103*	*1.1%*	*686*	*0.9%*	*417*	*60.9%*
- Result for the period attributable to shareholders of the Parent Company	***9,599***	***9.6%***	***9,803***	***9.8%***	***6,933***	***9.0%***	***2,871***	***41.4%***

In the first half of 2019, the "Total Revenues" of the Group stood at € 99.9 million, marking an increase of roughly € 22.6 million (+29.3%) compared to the same period of the previous year.

With reference to the single Group business sector relating to the "Hosting of trade fairs, events and performance of related services", the revenues from sales and services are presented below, broken down according to the following business lines:

- organisation and holding of trade fairs and exhibitions (the "**Organised Events**");
- the rental of trade fair facilities at events organised by third party organisers (the "**Hosted Events**");
- the promotion and management of convention centres and the supply of specific connected services (the "**Conferences**");
- the provision and supply of services related to trade fairs and conferences, in relation to both proprietary events and events organised by third parties at the Group's facilities or in other locations (the "**Related Services**");
- the performance of other activities and the provision of non-core services, such as publishing, sports, rental of advertising spaces and district commercial and advertising activities ("**Publishing, Sporting events and Other Activities**").

IEG Group
Revenue from sales and services per business line

	Balance as at 06/30/2019	% Breakdown	Balance as at 06/30/2018	% Breakdown	Change 2019/2018	% chg. 2019/2018
Organised Events	53,641	53.7%	50,336	65.1%	3,305	6.6%
Hosted Events	1,801	1.8%	1,638	2.1%	163	10.0%
Conferences	7,608	7.6%	6,039	7.8%	1,569	26.0%
Related Services (stand fitting, catering, cleaning)	35,188	35.2%	17,787	23.0%	17,401	97.8%
Publishing, Sports and Other Activities	1,694	1.7%	1,509	2.0%	185	12.2%
TOTAL REVENUES	**99,932**	100.0%	**77,309**	100.00%	**22,623**	**29.3%**

The **Organised Events** business line generated revenues of € 53.6 million, accounting for around 53.7% of Group revenues registered in the first half of 2019. The item recorded an increase of € 3.3 million compared to the first half of 2018 (+6.6%), while the reduction in the incidence on the Total Revenues compared to the same period of the previous year is the result of the increase in the volumes of the Related Services line which will be discussed later.

The improvement in the Organised Events line is attributable primarily to the two leading events in the respective sectors Sigep and VicenzaOro. The other events organised recorded a general improvement in terms of the volumes of revenues, including the main increase which was due to the events in the beer sector. It should be noted that the impact of the seasonal nature of the calendar of organised events is limited to the Koinè event (biennial event in odd years), which is added algebraically to the impact of the other minor multi-year events or held in a different half from the previous year determines a balance of close to zero.

Revenues from **Hosted Events**, held in the trade fair districts of Rimini and Vicenza, amounted to € 1.8 million, marking an increase of 10% compared to the first quarter of the previous year. These results were achieved thanks to the holding of the Elettromondo and Lo Show dei Motori events, not present in the first half of the previous year, and the increase in the profits of recurring events, Macfrut and Expodental in particular. By contrast, the event Arte Vicenza was not held, with respect to the same period of the previous half.

Conferences include the results deriving from the management of the Palacongressi of Rimini and the Vicenza Convention Centre (VICC). Revenues totalled € 7.6 million in the first half of 2019, marking significant growth of +26% (roughly € 1.6 million in revenues) compared to the same period of the previous year. This important performance is attributable primarily to an improvement in the mix of conferences held in the first half of 2019 which, with respect to those held in the same period of the previous year, were bigger in terms of the number of participants, conference areas used and additional services required.

Revenues from **Related Services** came to € 35 million, accounting for 35.2% of the Total Revenues of the Group in the first half of 2019, marking an increase of roughly € 17.4 million (+97.8%) compared to the same period of the previous year. This significant increase, in addition to the organic growth of ***catering services***, driven by the development of Organised Events and the management of new catering services at Riva del Garda Fiere e Congressi and other new sales points, is largely a result of the change in the Group's perimeter, which concerned the ***stand fitting services***, with the Parent Company's acquisition of the companies FB International Inc. (from March 1st, 2018) and Prostand S.r.l. and Colorcom Allestimenti Fieristici S.r.l. (from September 1st, 2018), which were added to the already operational Prostand Exhibition Services S.r.l.. The 2018 results reported by way of a comparison, therefore, take account solely of the 4 months of activities of FB International Inc.. The contribution of Prostand S.r.l. (which, in the first half, merged Colorcom by incorporation) to the consolidated data of the first half of 2019 was approximately € 16.1 million and must be considered jointly with the reduction in the revenues of the subsidiary Prostand Exhibition Services S.r.l. for € 5.1 million. The increase in revenues contributed by FB International Inc. came to € 6.1 million compared to the first half of 2018, where the company contributed revenues solely for the months from March to June. Roughly € 4.2 million of the variation in FB's revenues derive from the different consolidation period, while around € 1.9 million are attributable to organic growth.

The business connected to **Publishing, Sports and Other Activities** includes publishing activities, embodied by the information related to Tourism (TTG Italia, Turismo d'Italia and HotelMag) and the gold sector (VO+ and Trendvision), sporting events (which were held in the trade fair district of Rimini) and other residual revenues and, therefore, not directly attributable to the other business lines. The increase is attributable to the sporting event "Ginnastica in Festa" which, as a result of the change in the calendar, was held in the first half of 2019 unlike the previous year, in which it was held in the second half.

Staff costs stood at € 18.1 million in the first half of 2019, an increase of € 3.2 million compared to the first half of the previous year, due mainly to the effect of the change in the perimeter resulting from the newly acquired Italian and foreign stand fitting companies.

In light of the reasons outlined above, the **Gross Operating Profit (EBITDA)** in the first half of 2019 (excluding IFRS 16) amounted to € 24.7 million, an increase of € 7.6 million (**+44.8%**) compared to the previous half. The ***EBITDA Margin*** (ratio between EBITDA and Total Revenues excluding IFRS 16) also improved, standing at **24.7%,** compared to **22.0%** in the first half of the previous year. The Gross Operating Profit (EBITDA) in the first half of 2019, considering the effects of the new IFRS 16, amounted to € 26.6 million, while the EBITDA Margin stood at 26.6%. The application of the new accounting standard actually involved a reduction in operating costs due to the use of third-party assets amounting to € 1.9 million.

In terms of the components of non-monetary operating revenues, in the first half of 2019 (excluding IFRS 16), higher **amortisation/depreciation** of around € 1.5 million was recorded with respect to the first half of the previous year. Also in this case, these were mostly due to new stand fitting companies, and due to the fact some of the expansion works on the parent company's venues got up to full speed. In the first half of 2019, the item amortisation/depreciation, considering the effects of IFRS 16, amounted to € 8.1 million. In fact, the new accounting standard led to a worsening in the item in question by € 1.9 million.

In the first half of 2019, the Group's **Operating profit/loss (EBIT)** therefore stood at € 17.7 million, € 5.9 million higher than the same period of the previous year (**+49.6%**). The EBIT Margin (ratio between EBIT and Total Revenues) stood at 17.7%, an increase compared to 15.3% in the first half of the previous year. As the reader can see, EBIT essentially did not feel the effects of the application of new accounting standard IFRS 16.

In the first half of 2019, **Net financial income (expense)** (excluding IFRS 16), recorded total expenses of € 2.4 million, an increase of € 1.5 million compared to the first half of 2018. The "ordinary" part of management, understood as that related to financial charges on loans (primarily relating to the Parent Company), shows a slight increase in total net charges of roughly € 162 thousand compared to the previous year. The main change on financial charges is therefore linked to other factors described hereunder.

a) higher expenses of € 0.9 million from fair value changes in the derivative financial instrument linked to the Banca Intesa loan taken out to expand Fiera di Vicenza (expenses of € 0.7 million in the first half of 2019 compared to income of € 0.1 million in the first half of 2018).

b) higher charges on put options of € 0.3 million. In fact, in the first half of 2019, financial charges of roughly € 0.6 million were recorded, linked to the put options for the purchase of the remaining shares of FB International Inc., Prostand S.r.l. and Colorcom S.r.l.. In the first half of 2018, charges on put options accrued were included solely for the March-June period regarding the purchase of FB International Inc, given the purchase of Prostand and Colorcom has still not taken place. The potential payable for the exercise of options by the minority shareholders of these companies is represented by the present value of the presumed exercise value of said options and, therefore, incorporates a financial element which is gradually booked to the income statement based on the approaching date of potential exercising of the option.

The introduction of the new accounting standard IFRS 16 led to a worsening in Net financial income (expense) of € 0.3 million compared to the first half of 2019. Therefore, the balance of the item in question amounted to approximately € 2.7 million in the first half of 2019.

The **Pre-tax result** (excluding IFRS 16) in the first half of 2019 came to € 15.4 million, an increase of € 4.4 million compared to the first half of the previous year, therefore marking an increase of **+40.3%.** The same balance, in the first half of 2019, considering the application of the new standard, which led to a net worsening of € 0.3 million, amounted to € 15.1 million.

Income taxes for the period amounted to € 4.5 million (tax rate of 29.2%), an increase of € 1.1 million compared to the first half of the previous year (tax rate 30.6%). As can be seen, the effect of the application of the new IFRS had an insignificant impact on the estimate of income taxes (positive effect of € 70 thousand).

The **Group result for the period** (excluding IFRS 16) amounted to € 10.9 million in the first half of 2019, an increase of € 3.3 million (**+43.2%**), compared to the same period of 2018, despite the burden of financial charges on payables for put options and the change in the fair value of derivative contracts. The **Net Income Margin** (ratio between the Group result for the period and the Total Revenues) stood at **10.9%**, compared to 9.9% in the previous year, therefore showing an improvement in comprehensive income. The Group result for the period, considering the new accounting standard, worsened by a net effect of € 0.2 million, recording a value of **€ 10.7 million** in the first half of 2019, growth of **40.2%** compared to the result of the same; the Net Income Margin stood at 10.7%.

ANALYSIS OF RECLASSIFIED CONSOLIDATED BALANCE SHEET FIGURES

The balance sheet data reclassified according to the *sources-net invested capital model* are presented below. In fact, it is believed that this layout for the reclassification of the equity-financial figures is able to provide an additional disclosure of the breakdown of net invested capital and the nature of the sources used for its financing.

NET INVESTED CAPITAL	Balance at 06/30/2019	Balance at 12/31/2018
Property, Plant and Equipment	211,347	182,315
Intangible fixed assets	32,562	33,089
Equity investments	15,450	15,182
TOTAL FIXED ASSETS AND EQUITY INVESTMENTS	**259,358**	**230,586**
Deferred tax assets	1,283	697
Other non-current assets	120	117
Employee provisions	(4,433)	(4,565)
Other non-current liabilities	(4,200)	(4,903)
OTHER NON-CURRENT ASSETS/(LIABILITIES)	**(7,230)**	**(8,654)**
NWC	**(26,759)**	**(50,450)**
TOTAL NET INVESTED CAPITAL	**225,369**	**171,482**

SOURCES	Balance at 06/30/2019	Balance at 12/31/2018
Loans payable	79,454	78,667
Non-current financial payables for rights of use	28,484	
Other non-current financial liabilities	22,181	20,256
Other non-current financial assets	(488)	(1,826)
Other current financial assets	(1,515)	(523)
Current financial payables for rights of use	3,521	
Other current financial liabilities	462	697
Shareholders - dividends and payables due to shareholders	913	1,154
Short-term indebtedness (excess)	(12,830)	(29,479)
Total non-monetary NFP	**120,184**	**68,946**
of which monetary NFP (excluding IFRS 16, Put options, Derivatives)	***66,541***	***49,234***
Shareholders' equity attributable to shareholders of the Parent Company	100,596	98,844
Shareholders' equity attributable to minority interests	4,589	3,693
TOTAL SHAREHOLDERS' EQUITY	**105,185**	**102,536**
TOTAL SOURCES	**225,369**	**171,482**

ANALYSIS OF THE CONSOLIDATED NET FINANCIAL POSITION

IEG Group
Net financial position

		IEG Group Net financial position (Values in Euro/000)	06/30/2019	12/31/2018
1		**Short-term available funds**		
	01:01	Cash on hand	398	152
	01:02	Bank current account balances	12,431	29,327
	01:03	Invested liquidity	66	1,405
	01:04	Other short-term receivables	1,143	-
	01:05	Financial receivables due from associated companies	373	523
		Total	**14,411**	**31,407**
	02:01	Bank current account overdrafts	(4,414)	(5,578)
	02:02	Other short-term payables to banks	-	(2,591)
	02:03	Portions of medium/long-term payables due within 12 months	(13,978)	(8,849)
	02:04	Other short-term payables	(473)	(697)
	02:05	Financial payables due to shareholders	(459)	(710)
	02:06	Current financial payables for rights of use	(3,521)	-
		Total	**(22,845)**	**(18,426)**
3		**Short-term financial position (1+2)**	**(8,434)**	**12,981**
4		**Medium/long-term financial receivables (after 12 months)**	**421**	**421**
5		**Medium/long-term financial payables (after 12 months)**		
	05:01	Loans	(61,062)	(61,649)
	05:05	Other medium/long-term payables – Put Option	(15,770)	(15,175)
	05:06	Other medium/long-term payables – Other	(988)	(988)
	05:07	Medium/long-term derivative financial instruments	(5,867)	(4,536)
	05:08	Non-current financial payables for rights of use	(28,484)	-
		Total	**(112,172)**	**(82,348)**
6		**Medium/long-term financial position (4+5)**	**(111,750)**	**(81,927)**
7		**TOTAL INDEBTEDNESS**	**(134,595)**	**(100,353)**
8		**Net financial position (3+6)**	**(120,184)**	**(68,946)**
9		**Net MONETARY financial position** **excluding rights of use - IFRS16, Put Option and derivatives (8 – 02:06 – 05:02 – 05:07 – 05:08)**	**(66,541)**	**(49,234)**

The Net Financial Position (hereinafter NFP) of the Group as at June 30th, 2019 recorded an increase in total indebtedness of € 51.2 million, compared to December 31st, 2018. The value includes financial payables for put options relating to the acquisition of stand fitting companies for a total of € 15.8 million, the effects of the introduction of IFRS 16, which involved the recognition of financial payables for rights of use as at June 30th, 2019 equal to € 32.0 million and financial payables for derivative financial instruments for € 5.9 million. Excluding the aforementioned non-monetary effects, the "**Monetary NFP**" amounted to **€ 66.5 million** June 30th, 2019, compared to € 49.2 million as at December 31st, 2018, thus marking an increase in indebtedness of € 17.3 million. This variation is attributable primarily:

- to an absorption of the financial-management available funds resulting from the seasonal nature of the business for € 4.6 million; in fact, it should be noted that two of the most important events for the Group are held at the start of each year, which are, for the most part, recorded in the accounts in the previous year;
- to investments of € 5.7 million, and
- to the distribution to shareholders of € 5.6 million relating to the 2018 result for the year.

The monetary NFP as at June 30th, 2018 amounted to € 66.9 million.

CONSOLIDATED CASH FLOW STATEMENT

IEG Group NFP (Values in Euro/000)	1st half 2019	1st half 2018
Flows generated (absorbed) by:		
Operating profit/loss (EBIT)	17,691	11,801
Costs for use of third-party assets (IFRS 16)	(1,895)	-
Amortisation, depreciation and write-downs of fixed assets (IFRS 16)	1,863	-
Monetary (EBIT) operating profit/loss	**17,659**	**11,801**
Amortisation, depreciation and write-downs of fixed assets	6,283	4,754
Allocation to the provision for credit risks and other provisions	595	475
Other non-monetary operating revenues	(97)	(97)
Current income taxes	(4,757)	(3,332)
1st cash flow from current operations	**19,682**	**13,601**
Flows generated (absorbed) by the change in NWC:		
Change in inventories	90	(45)
Change in trade receivables	(207)	(3,037)
Change in other current assets	952	2,088
Net change in tax receivables/payables for direct taxes	4,311	2,282
Change in trade payables	(8,294)	(12,931)
Change in other current liabilities	(21,156)	(5,626)
Change in NWC	**(24,303)**	**(17,268)**
Cash flow from current operations	**(4,620)**	**(3,668)**
Flows generated (absorbed) by investment activities:		
Investments in intangible fixed assets	(102)	(379)
Investments in property, plant and equipment	(5,296)	(3,420)
Equity investments in associated companies and other companies	(267)	(1,574)
Net equity investments in subsidiaries	-	(6,220)
Flows generated/(absorbed) by investment activities	**(5,665)**	**(11,593)**
Flows generated (absorbed) by the change in other non-current items		
Changes in deferred tax assets/liabilities	313	7
Net change in other non-current assets	(3)	46
Change in employee severance indemnity and other provisions	(895)	(261)
Net change in other non-current liabilities	97	(388)
Flows generated/(absorbed) by the change in other non-current items	**(488)**	**(595)**
Cash flow from operations	**(10,773)**	**(15,856)**
Flows generated (absorbed) by:		
Net financial income (expense)	(1,011)	(762)
Gains (losses) from equity investments	43	44
Distribution of dividends	(5,556)	-
Other capital changes (share capital increases, etc.)	(10)	(3,894)
Level 1 cash flow (change in "Monetary NFP")	**(17,307)**	**(20,469)**
Changes in NFP for IFRS 16 on Level 1 cash flow	**(32,005)**	**-**
Changes in NFP for PUT OPTION on Level 1 cash flow	**(595)**	**(7,940)**
Changes in NFP for Derivative financial instruments on Level 1 cash flow	**(1,330)**	**168**
Level 2 cash flow (change in NFP)	**(51,238)**	**(28,421)**
Change in financial current and non-current payables due to banks	793	13,095
Change in other non-current financial liabilities – put options	595	7,940
Change in other non-current financial liabilities – derivatives	1,330	(168)
Change in other current and non-current financial liabilities for rights of use	32,005	-
Change in other current and non-current financial liabilities - other	(482)	5,259
Change in other current and non-current financial assets	346	4,647
Level 3 cash flow (change in cash and cash equivalents)	**(16,650)**	**2,532**
Cash and cash equivalents at start of year	29,479	6,234
Cash and cash equivalents at end of year	**12,830**	**8,766**

INVESTMENTS

The tables below detail the net investments made by the Group in the first half of 2019.

IEG Group
Net investments in Intangible fixed assets

Euro/000	Investments	Transfers for entry into operation	PPA	Exchange rate effect	Net investments 1st half 2019
Patent rights and intellectual property rights	59	18	0	0	77
Concessions, licences, trademarks and similar rights	15	18	0	0	34
Goodwill	0	0	(22)	29	6
Fixed assets under construction and payments on account	60	0	0	0	60
Other intangible fixed assets	44	(119)	0	0	(75)
TOTAL NET INVESTMENTS IN INTANGIBLE FIXED ASSETS	**178**	**(82)**	**(22)**	**29**	**102**

Under the item "Industrial patents and intellectual property rights", the costs for the purchase of software licences and legally protected intellectual property are capitalised. As at June 30th, 2019, the item included primarily the investments made by the Parent Company for the purchase of the new licences for the SO-FAIR software needed for the technical management of trade fairs/exhibitions and the development of some modules of the treasury management software.

The investments made by the subsidiary Summertrade S.r.l. for rebranding activities, for the filing of the trademark and the review of all "permanent" graphical aspects were recorded under the item "Concessions, licences, trademarks and similar rights".

The item "Fixed assets under construction and payments on account" includes exclusively the investments of the Parent Company, still not completed, relating to the implementation of the new SALESFORCE CRM.

IEG Group
Net investments in property, plant and equipment

Euro/000	Investments	Transfers for entry into operation	Disinvestments	Exchange rate effect	Net investments 1st half 2019
Land and buildings	442	309	0	0	751
Plant and equipment	471	10	0	0	481
Equipment	1,034	0	(40)	8	1,001
Other assets	1,035	100	(20)	3	1,118
Fixed assets under construction and payments on account	2,281	(337)	0	0	1,945
TOTAL NET INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	**5,263**	**82**	**(61)**	11	**5,296**

Net investments relating to "Land and buildings" as at June 30th, 2019, amounting to € 442 thousand, are attributable to the Parent Company for the building of new offices in the Rimini trade fair district, whose works were completed in the second quarter of 2019.

Investments in the item "Plant and equipment" as at June 30th, 2019, amounting to € 471 thousand, are attributable for € 274 thousand, to systems in service of the new offices in the Rimini site and, for € 100 thousand, relating largely to the strengthening of the lighting systems in the trade fair pavilions. The item also includes further increases for the period totalling € 61 thousand relating to investments made by

Summertrade S.r.l. for the installation of new ovens in the Rimini kitchen and various systems installed in the new Riva del Garda site.

“Industrial and commercial equipment” rose by € 1,034 thousand as a result of:

- investments totalling € 489 thousand made by the company FB for the purchase of visual display equipment for the building of trade fair stands;
- investments of around € 217 thousand for the purchase of technological equipment (ledwall and monitors) and other equipment for trade fair pavilions;
- investments totalling € 261 thousand made by the company Prostand for the purchase of structures for the building of trade fair stands;
- investments totalling € 65 thousand made by the company Summertrade for the purchase of equipment for bars and kiosks.

The category “Other assets” recorded a net increase of € 1,035 thousand in the half, attributable primarily to investments in the period:

- investments of the Parent Company totalling € 657 thousand, of which € 124 thousand relating to office machines, € 260 thousand relating to improvements for the modernisation of the new Milan offices, € 228 thousand relating to network infrastructures and € 45 thousand for transport vehicles;
- investments of the subsidiary Summertrade S.r.l. totalling € 282 thousand, mainly due to the purchase of new vehicles for the transport of meals, foodstuffs and equipment and the purchase of new cash terminals for the adjustment into line with the electronic management of the flow of payments;
- investments of the subsidiary FB International Inc. totalling € 68 thousand relating primarily to furniture for the furnishing of the company’s offices;

Lastly, the item “Fixed assets under construction and payments on account”, amounting to € 2.3 million as at June 30th, 2019, registered an increase, primarily attributable to the design activities relating to projects for the expansion/refurbishment of the Parent Company’s “venues”.

RELATIONS WITH SUBSIDIARIES, ASSOCIATED COMPANIES AND PARENT COMPANIES

To supplement the information already reported in the section “Group structure”, the main data relating to the subsidiaries, associated companies and other companies are summarised below:

	Registered office	Financial Statements	Total Revenues	Profit (loss) for the year	Employees (FTE)	Shareholders' equity
Subsidiaries						
Exmedia S.r.l.	Via Emilia, 155 – 47921 Rimini	12/31/2018	534	(18)	3	234
Prostand Exhibition Services S.r.l.	Via Emilia, 155 - 47921 Rimini	12/31/2018	13,410	1	0	124
Prime Servizi S.r.l.	Via Flaminia, 233/A - 47924 Rimini	12/31/2018	3,499	57	1	357
Summertrade S.r.l.	Via Emilia, 155 - 47921 Rimini	12/31/2018	14,782	400	135	1,053
Sub-consolidated company Ieg Usa Inc and Fb International Inc	Ieg Usa -1001 Brickell Bay Dr., Suite 2717° Miami (FL)	12/31/2018	13,075	317	44	7,930
Prostand S.r.l.	Via Santarcangiolese 18 – 47824 Poggio Torriana (RN)	12/31/2018	9,156	585	43	7,431
Colorcom Allestimenti Fieristici S.r.l.	Via Delle Prese 4 – Santorso (VI)	12/31/2018	14,782	400	47	1,053
Associated companies						
Fairsystem International Exhibition Services S.r.l. in liquidazione (in liquidation)	Via Maserati, 16 - Bologna	12/31/2018	88	(17)	nd	426
Fitness Festival International S.r.l. in liquidazione (in liquidation)	Via Martiri dei Lager, 65 – 06128 Perugia	12/31/2017	164	93	nd	67
Cesena Fiera Spa	Via Dismano 3845 – Cesena (FC)	12/31/2018	5,423	141	nd	3,567
Green Box S.r.l.	Via Sordello 11/A – 31046 Oderzo (TV)	12/31/2017	nd	nd	nd	nd
Cast Alimenti S.r.l.	Via Serenissima, 5 - Brescia (BS)	12/31/2018	4,622	620	nd	3,074
Eventi Oggi S.r.l.	Via Mazzoni 43 – Cesena (FC)	12/31/2017	479	0	1	15
Jointly controlled companies						
Expo Estrategia Brasil Eventos e Producoes Ltda	Rua Felix de Souza, 307 Vila Congonhas - Sao Paulo	12/31/2018	25	(290)	nd	562
Dv Global Link LLC	P.O. Box 9846 – Dubai – UAE	12/31/2016	2,243	(1,206)	nd	114
Eagle	Shanghai, China	12/31/2018	238	(138)	nd	(11)
Other equity investments						
Uni.Rimini	Via Angherà, 22, Rimini RN	12/31/2017	1,309	20	nd	1,406
Centro Interscambio Merci e Servizi - C.I.S. in liquidazione (in liquidation)	Contrà Gazzolle 1 - 36100 - Vicenza (VI)	nd	nd	nd	nd	nd
Società del Palazzo dei Congressi S.p.A.	Via Emilia, 155 – 47921 Rimini	12/31/2018	1,593	(853)	0	76,373

Amounts in €/thousand

The Parent Company, Italian Exhibition Group S.p.A., in addition to its role of management of Group activities, has operating relations with subsidiaries and associated companies, aimed at maximising synergies. All transactions are settled contractually and services are rendered and assets transferred at market prices.

In the stand fitting sector, Prostand maintains supply relations with the parent company and pays fees to the latter for the commercial brokerage activities carried out. FB International provides stand fitting services to Italian Exhibition Group S.p.A. for events in the United States. Summertrade is the official supplier for catering in the Trade fair districts of Rimini and Vicenza, to the Palacongressi di Rimini and the Vicenza Convention Centre; the relationship makes provision not only for the sale of assets and services to Italian Exhibition Group, but the payment of a fee on the activities carried out in the premises made available to it. Prime Servizi is the supplier of Italian Exhibition Group and Summertrade, regarding cleaning and porterage activities. Italian Exhibition Group S.p.A., also provides Exmedia with accounting and administrative services.

The following tables show the amount and nature of the receivables/payables as at June 30th, 2019 and details of the costs/revenues of the half deriving from relations between the individual company (indicated in the column heading) and all other companies included in the scope of consolidation.

Intercompany receivables	Italian Exhibition Group SpA	IEG USA / FB International	Prostand Srl	Exmedia srl	Summertrade Srl	Prostand Exhibitions Service S.r.l.	Prime Servizi S.r.l.	TOTAL ELIMINATIONS
Trade and tax receivables	2,402	33	3,483	19	1,269	590	693	**8,494**
Financial receivables	685	5	666		6			**1,356**
TOTAL	**3,087**	**38**	**4,149**	**19**	**1,275**	**590**	**693**	**9,850**

Intercompany payables	Italian Exhibition Group SpA	IEG USA / FB International	Prostand Srl	Exmedia srl	Summertrade Srl	Prostand Exhibitions Service S.r.l.	Prime Servizi S.r.l.	TOTAL ELIMINATIONS
Trade and tax payables	5,632	20	1,190	108	730	813	-	**8,494**
Financial payables	671		224	186	98	177	-	**1,356**
TOTAL	**6,304**	**20**	**1,414**	**294**	**828**	**990**	**-**	**9,850**

Revenues and costs	Italian Exhibitio n Group SpA	IEG USA / FB Internation al	Prostan d srl	Exmedi a S.r.l.	Summertrad e S.r.l.	Prostand Exhibitio n Service S.r.l.	Prime Serviz i S.r.l.	TOTAL ELIMINATION S
REVENUE								
Revenue from sales and services	1,646	167	5,654		2,010		1,118	**10,594**
Other revenues	84		4					**88**
OPERATING COSTS								
Costs for raw materials	(31)				(91)			**(121)**
Costs for services	(8,797)	(6)	(989)	(6)	(751)	(8)		**(10,557)**
Costs for use of third party assets								
Other operating costs					(5)			**(5)**
Gross operating profit (EBITDA)	**(7,098)**	**161**	**4,670**	**(6)**	**1,164**	**(8)**	**1,118**	**-**
FINANCIAL INCOME AND CHARGES								
Financial income	2							**2**
Financial charges				(1)	(1)			**(2)**
TOTAL FINANCIAL INCOME AND CHARGES								**-**
TOTAL	**(7,096)**	**161**	**4,670**	**(7)**	**1,163**	**(8)**	**1,118**	**-**

The tables below summarise all credit/debit and cost/revenue transactions as at June 30th, 2019 between companies in the IEG Group and the associated companies:

Receivables due from associated companies	CAST Alimenti	Cesena Fiera S.p.A.	DV Global Link LLC	Total
Trade receivables	-	1,804	41	**1,845**
Other current financial assets	-	-	373	**373**
TOTAL	-	**1,804**	**413**	**2,217**

Payables due to associated companies	Cesena Fiera S.p.A.	C.A.S.T. Alimenti Srl	Total
Trade payables	196	12	208
TOTAL	196	12	208

Revenues and costs with associated companies	Cesena Fiera S.p.A.	DV Global Link	C.A.S.T. Alimenti Srl	Total
REVENUES				
Revenues from sales and services	1,421	16	2	1,439
OPERATING COSTS				
Costs for services	(146)		(11)	(156)
GROSS OPERATING PROFIT (EBITDA)	1,276	16	(9)	1,283
FINANCIAL INCOME AND CHARGES				
Financial income			43	43
TOTAL	1,276	16	34	1,326

Società del Palazzo S.p.A. is considered a related party of the IEG Group as it is a company under joint control (81.39% of its share capital is held by Rimini Congressi and 18.38% by IEG). The tables below indicate the credit/debit and cost/revenue transactions as at June 30th, 2019 between IEG and Società del Palazzo S.p.A.. It should be noted that, on application of the new accounting standard, IFRS 16, the costs for the use of third-party assets, relating to Palas rental agreements stipulated between IEG S.p.A. and Società del Palazzo S.p.A., were correctly reversed against the recognition of the asset in the Group’s financial statements and were replaced by costs for amortisation/depreciation and financial charges which, for the sake of completeness, we report in the table. Financial payables amounting to € 19 million relate entirely to the discounting of lease instalments to be paid for the rental of Palacongressi of Rimini, as set forth in IFRS 16.

Payables due to companies subject to common control	Società del Palazzo S.p.A.	Total
Financial payables	18,965	18,965
TOTAL	18,965	18,965

Revenues and costs with companies subject to common control	Società del Palazzo S.p.A.	Total
REVENUES		
Revenues from sales and services	20	20
Other revenues	20	20
OPERATING COSTS		
Costs for services	(1)	(1)
Costs for use of third-party assets		
Other operating expenses	(3)	(3)
AMORTISATION/DEPRECIATION		
Amortisation for rights of use (IFRS 16)	(527)	(527)
GROSS OPERATING PROFIT (EBITDA)	(491)	(491)
FINANCIAL INCOME AND CHARGES		
Financial income	-	
Financial charges for rights of use (IFRS 16)	(193)	(193)
TOTAL FINANCIAL CHARGES AND INCOME	(193)	(193)
TOTAL	(684)	(684)

On the equity front, as at June 30th, 2019, the Group paid to the parent company Rimini Congressi S.r.l. only payables relating to tax consolidation contracts, amounting to € 1,745 thousand, the taxation regime selected for IRES purposes by Rimini Congressi to optimise the Group's tax management, valid until the close of the 2018 financial statements.

RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development activities play a significant role in the pursuit of the Group's objectives and in staying competitive in a sector that is becoming increasingly more competitive, characterised by a growing installed productive capacity in relation to a market with more restrained dynamics.

The lines of action of Research and Development activities were organised primarily with two methods. The development of products and of the ordinary activities of the various subsidiaries and associated companies is handled directly by the Chief Executive Officers of said companies, while at IEG S.p.A. it is monitored by dedicated personnel who deal with both development of the products in the portfolio and the analysis of development of new exhibitions and events. The study of new sectors and major strategic projects are coordinated directly by the management of IEG S.p.A. and the Group, in close collaboration with the Board of Directors.

Research and development costs are expensed in full in the relevant year.

RISKS CONNECTED TO THE EXTERNAL CONTEXT

The activities and results of the IEG Group depend on the investments budgeted for by its customers (including third-party organisers, conference promoters, exhibitors and other customers of the subsidiaries) in trade fairs, conferences and related services; the volume of these investments is, in turn, heavily influenced by the economic trend in the countries in which the Group customers operate and where the Group operates, with particular reference to the Italian market.

The growth prospects for the Italian market remain characterised by heightened economic-political uncertainty, which could lead to possible negative repercussions on the Group's activities and on its economic, equity and financial position.

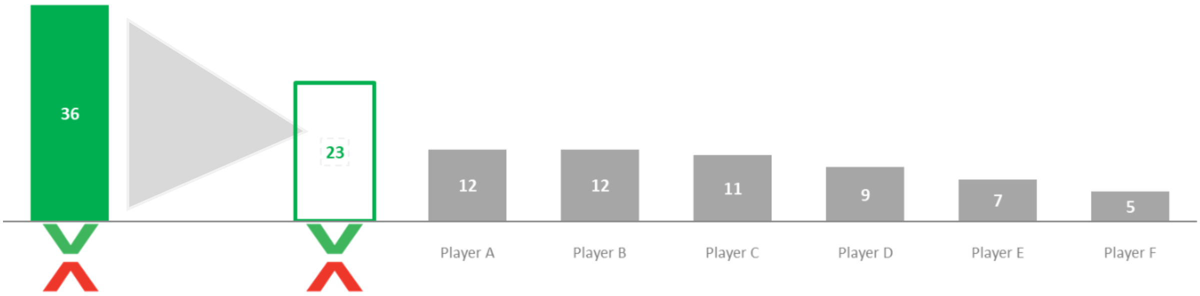
The risks brought about by the contraction in the past years, not recovered at system level by the modest growth in the last few years and with the prospects of a fresh recession, are added to the more specific risks of the trade fair market, a market that, albeit having shown signs of a recovery in Italy too, remains characterised by a phase of maturity with the concentration of investments in the most important events with international appeal, to the detriment of those with purely national ambitions. Minor events targeted at the local audience have shown good staying power. Our country remains characterised by excess (on the whole) square metres of exhibition space available and is heavily fragmented; the country is starting to see a shortage of high quality exhibition spaces with suitable dimensions to host important events. Consequently, the main national trade fair hubs are committed to programmes involving the development and refurbishment of exhibition spaces that will lead to an intensification of competitive pressure, with the subsequent risk of a decrease in profit margins for trade fair organisers and, even more so, for managers of trade fair districts.

The mitigation actions implemented by the Group are embodied by the constant monitoring of the levels of profitability needed to ensure the objectives of financial and capital equilibrium are met, as well as the continuous alignment with the budget plans and other plans formulated, through tireless reporting to the Top Management and the Board of Directors.

RISKS CONNECTED TO THE INTERNAL CONTEXT

Group operations primarily entail trade fair activities, whose revenues are distributed among an extremely broad number of customers, concentrated, however, on a small number of events, some of which organised on the basis of agreements with associations representing the biggest exhibitors. Although the risk deriving from the possible loss of events organised by third parties is contained, given that the revenues and margins linked to these events are small, more significant is the potential risk related to a change in relations with the associations or with groups of leading customers which could involve a loss of some events.

In order to counteract this phenomenon, the Group has, for some time, pursued specific diversification strategies, including the enhancement of the events portfolio, the internationalisation of events, the launch of commercial and strategic collaborations and partnerships with other districts and/or organisers and the stipulation of long-term agreements with the most representative trade associations as part of the events organised. From this perspective, the Group is considered the leading national trade fair organiser, as borne out in the latest UFI report published in November 2018 and relating to 2017[1]: of the 36 events organised by IEG in that year, 23 of them were international events, almost double that of the leading national competitors.



The Group is constantly committed to research, targeted at distinguishing itself from its competitors, thanks to the continuous improvement in the offering and in the quality of the events organised, by developing the high levels of in-house skills and know-how, the strength of the brands and contents and synergies between the businesses.

FINANCIAL RISKS

The IEG Group is exposed to financial risks related to its activities, in particular relating to the following types:

- *credit risk*, deriving from commercial transactions or financing activities;
- *liquidity risk*, relating to the availability of financial resources and access to the credit market;
- *market risk* (composed of exchange rate risk, interest rate risk, price risk), with particular reference to interest rate risk, relating to the exposure to the Group on financial instruments that generate interest.

Credit risk

The credit risk to which the IEG Group is subject falls under normal commercial activities, both owing to the fragmentation of positions and the excellent credit quality historically recorded. The positions considered at risk were, nonetheless, written down accordingly. In order to contain the risks deriving from the management of trade receivables, each company has identified an office or a person responsible for the systematic coordination of the reminder activities, managed jointly by the commercial and administrative departments, legal representatives and companies specialised in credit recovery.

[1] Processing by the company of the data published by UFI, Euro Fair Statistics 2017

The software implemented by the parent company IEG S.p.A. and used by the main subsidiaries keeps a track of each reminder.

Liquidity risk

The Group believes it is fundamentally important to maintain a level of available funds suited to its requirements.

The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other, the maturity and renewal characteristics of the debt or of the liquidity of financial investments and market conditions.

The Group has adopted a series of policies and processes for optimising the management of financial resources, reducing liquidity risk:

- *maintenance of an adequate level of available liquidity;*
- *obtainment of adequate credit lines;*
- *monitoring of prospective liquidity conditions, in relation to the process of company planning.*

As part of this type of risk, as regards the composition of net financial indebtedness, the IEG Group tends to finance investments with medium/long-term payables, while it meets current commitments with both the cash flow generated by operations and by using short-term credit lines.

Market risk

Exchange rate risk

The IEG Group is exposed to exchange rate risk deriving from the fluctuation in exchange rates, in particular, vis-à-vis the US Dollar for the investment made in the subsidiary FB International Inc. and VICENZAORO Dubai, vis-à-vis the United Arab Emirates for the investment made in the Joint Venture DV Global Link LLC, vis-à-vis the Brazilian Real for the investment made in the Joint Venture Expo Estrategia Brasil and vis-à-vis the Chinese Renmimbi for the investment made in the Joint Venture Europe Asia Global Link Exhibition Ltd.

Interest rate risk

In order to carry out its activities, the Group obtains finance on the market by taking out primarily floating rate debt (linked to the Euribor), hence exposing itself to the risk deriving from an increase in interest rates.

The objective of interest risk management is to limit and stabilise flows of expenses due to interest paid primarily on medium-term payables to ensure close correlation between the underlying and the hedging instrument.

The hedging activity, evaluated and decided on a case by case basis, is carried out predominantly through derivative contracts targeted at transforming a variable rate to a fixed rate.

Price risk

The type of activity performed by the Group, essentially represented by the provision of services that do not require a process of purchase-transformation of assets, is as such that the risk of fluctuations in prices is not particularly significant. The majority of the purchases made in relation to business activities is represented by the provision of service whose value is not immediately influenced by macroeconomic changes in the prices of the main commodities. In addition, as stated in relation to exchange rate risk, sales are almost all in the accounting currency and purchases not in Euro are negligible.

For the sake of complete disclosure, it should be noted that, as at June 30th, 2019, the Group is exposed to a minimal extent to the price risk associated with investments in listed equities, as it has made a small investment in the shares of the company Gambero Rosso, classified to the financial statements under financial assets at “Fair Value through Profit & Loss”.

To complete the information reported hereunder, please refer to the section “Financial risks” of the Explanatory notes.

INFORMATION ON TREASURY SHARES

As at June 30th, 2019, Italian Exhibition Group does not have any treasury shares in the portfolio. During the first half, no treasury share purchase or sale transactions were carried out. The same goes for the other companies included in the scope of consolidation.

INFORMATION ON HUMAN RESOURCES

In the first half of 2019, no workplace accidents were verified involving a fatality or serious injuries to workers recorded in the company's employee register. In compliance with the regulations governing workplace safety, the Single Document for the Assessment of the Risks of Interference (DUVRI) was prepared, and the operating plans for the safety of the suppliers operating in the trade fair district were examined.

No charges were recorded against any Group companies, regarding occupational illnesses involving employees or former employees and cases of mobbing.

INFORMATION ON THE ENVIRONMENT

ITALIAN EXHIBITION GROUP S.p.A. considers the focus on the requirements and pursuit of satisfaction of its Customers and Stakeholders, respect for and safeguarding of the environment and protection of workplace health and safety to be essential values for the development of its business activities.
These values represent the fundamental primary aspects that do not conflict with the company’s development but, on the contrary, promote the company by distinguishing it. They constitute elements of productive investment and are a tangible and qualifying expression of the commitment to sustainable development and continuous improvement of activities and qualitative, environmental and safety performances.

To this end, Italian Exhibition Group S.p.A. launched a process targeted at planning, developing and keeping active an integrated company management system compliant with the applicable regulations on the Environment (UNI EN ISO 14001) and Workplace Health and Safety (OHSAS 18001).

The Trade Fair Districts are currently equipped with an Environmental Management System and a certified Workplace Health and Safety Management System which complies with the requirements of the applicable regulations, for the purpose of protecting the health of its workers and other operators that work in the trade fair district.

Both sites monitor the attendances of personnel from outside of Italian Exhibition Group S.p.A. operating in its structures and IEG provides them with all the information relating to the specific risks in the environment in which they are due to operate and the measures for the prevention, protection and management of existing emergencies. In order to optimise the management of safety as a whole, Italian Exhibition Group S.p.A. has outsourced the role of Prevention and Protection Service Manager to a professionally recognised external party.

The Vicenza site holds the environmental certification UNI EN ISO 14001:2015 and the certification OHSAS 18001:2007 and is also implementing an Energy Efficiency Programme by adhering to the criteria of standard UNI CEI EN ISO 50001:2011 to reach the maximum level of efficiency and effectiveness in observance of protection of the environment and worker health and safety and the quality of services.

The Rimini Trade Fair District, which holds the environmental certification UNI EN ISO 14001:2015 and the certification OHSAS 18001:2007, was designed and managed with a view to a low environmental impact (it was awarded with the prestigious international Elca, ‘Edilizia e Verde’ award of Nuremburg). The wood that dominates the architecture of the district comes from Scandinavia where the reforestation cycle is continuous. Large windows and skylights allow primarily natural light; in addition, in the entrance areas, where constant lighting is needed, led lighting technology is mostly used, with an 85% saving in electricity. A photovoltaic system has already been in operation on the roof of the main entrance since 2005, which extends over an area of 400 square metres, providing energy to the central hall, saving Rimini roughly 40 tonnes of carbon dioxide annually.

The photovoltaic systems constructed over the years has made Rimini Fiera a ‘zero impact’ trade fair district, since it is able to generate more electricity from renewable sources than it consumes annually.

Air conditioning in the district is obtained through a system that produces cold air during night-time hours and recirculates the cold air during daytime hours (a sort of “ice bank” which allows a reduction in the electricity power burden of approximately 50%). By contrast, for the heating, a heating system is in place with condensing boiler, which saves the city of Rimini 90% of nitrogen oxide emissions with respect to burner boilers. The internal and external green spaces cover an area of 160 thousand square metres, with more than 1,500 plants and 30 thousand square metres of lawns (and the irrigation systems use exclusively surface waters).

The fountains are all recirculated water, while in the toilets of the trade fair district, the water jets are pressure controlled (two initiatives with a saving of 23 million litres of water per year). A number of ecological islands are also present throughout the entire district and in the external areas, allowing visitors to separate waste products. Lastly, the district can be reached by train thanks to the railway station located at the southern entrance, which lightens the impact of traffic on the environment.

The same focus on the themes of eco-sustainability is also evident from the Palacongressi venue. The structure is 100% eco-friendly. Low environmental impact, integration in the urban setting, they are completed perfectly with flexibility, functionality and aesthetic quality. For the construction of its 39 rooms with 9,000 seats, eco-compatible materials were used: wood, glass, stone. Spaces and environments are illuminated by natural light, thanks to large windows. Artificial fluorescent lamps are equipped with dimmer switches and those for the lighting of escape routes are equipped with LED technology, thanks to which optimum lighting and minimum energy waste is achieved. By contrast, a rainwater collection system ensures the irrigation of the green areas around the building and alleviation of the water burden for storm overflow sewers and combined sewer overflow systems. One of the eco-green jewels is the ice accumulation system. During the night, storage tanks accumulate the energy needed to generate cold air, used during the day to air condition the building. Result: 30% reduction in electricity used. While, latest generation boilers and exchangers guarantee energy savings and lower emissions of fumes into the environment.

INFORMATION ON THE ADMINISTRATIVE LIABILITY OF THE COMPANIES AND PROCESSING OF PERSONAL DATA

Italian Exhibition Group S.p.A. has adopted an organisation, management and control model pursuant to Legislative Decree 231/2001, approved recently by the Board of Directors at the meetings on July 3rd, 2018 (general part) and December 2018 (special parts).

Italian Exhibition Group S.P.A.'s Code of Ethics, approved by the Board of Directors on December 6th, 2017, clearly and precisely defines the set of Principles and Values that the Company recognises, accepts and shares, as well as the responsibilities that it assumes vis-à-vis the internal and external environments in relation to all stakeholders.

In compliance with Regulation EU 679/2016 (GDPR), the company communicates that it has appointed a Data Protection Officer and special prosecutors and, more generally speaking, has complied with the obligations set forth in the aforementioned EU legislation.

SIGNIFICANT EVENTS IN THE FIRST HALF OF 2019 AND BUSINESS OUTLOOK

On April 27th, 2019, the shareholders' meeting approved the financial statements for the year ended as at December 31st, 2018 and resolved the distribution of a gross dividend of € 0.18 per share (same as last year), for a total of € 5,555,555, with coupon no. 4 detachment on May 29th, 2019, record date May 30th, 2019 and payment on May 31st, 2019 (last year the payment of dividends was made in July). The profit not distributed was allocated to retained earnings (€ 3,754,962), to the legal reserve (€ 492,620) and to the statutory reserve (€ 49,262).

In the first half of 2019, the Parent Company Italian Exhibition Group S.p.A. positively concluded the listing process, debuting on the MTA (Milan Stock Exchange) organised and managed by Borsa Italiana S.p.A. on June 19th, 2019.

In the placement phase, the two selling shareholders of Borsa Italiana S.p.A. collected roughly € 19.9 million. The free float at the time of trading was 27.01%, with a capitalisation of approximately € 114.2 million.

The results achieved by the Group in the first half confirm the success of the organisational and management decisions made and allow the management of the Parent Company to confirm the planned consolidation and growth objectives.

Rimini, August 27th, 2019

For the Board of Directors
the Chairman
Lorenzo Cagnoni

IEG Group
Condensed Consolidated Half-Yearly Financial Statements
June 30th, 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Values in Euro/000)	Note	06/30/2019	12/31/2018
NON-CURRENT ASSETS			
Property, Plant and Equipment	1	211,347	182,315
Intangible fixed assets	2	32,562	33,089
Equity investments valued using the equity method	3	4,476	4,166
Other equity investments	4	10,974	11,016
Deferred tax assets	5	1,283	697
Non-current financial assets	6	488	1,826
Other non-current assets	7	120	117
TOTAL NON-CURRENT ASSETS		261,249	233,226
CURRENT ASSETS			
Inventories	8	795	885
Trade receivables	9	33,855	34,182
Tax credits for direct taxes	10	59	20
Current financial assets	11	1,515	523
Other current assets	12	7,208	8,161
Cash and cash equivalents	13	12,830	29,479
TOTAL CURRENT ASSETS		56,262	73,250
TOTAL ASSETS		317,511	306,477

LIABILITIES	(Values in Euro/000)	Note	06/30/2019	12/31/2018
SHAREHOLDERS' EQUITY				
	Share capital	14	52,215	52,215
	Share premium reserve	14	13,947	13,947
	Other reserves	14	26,563	26,613
	Profit (loss) for previous years	14	(1,727)	(4,232)
	Profit (Loss) for the period attributable to shareholders of the Parent Company	14	9,599	10,301
	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		100,596	98,844
	Share capital and reserves attributable to minority interests	14	3,509	3,172
	Profit (Loss) for the period attributable to minority interests	14	1,080	520
	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS		4,589	3,693
	TOTAL GROUP SHAREHOLDERS' EQUITY		105,185	102,536
NON-CURRENT LIABILITIES				
	Payables due to banks	15	61,062	61,649
	Non-current financial payables for rights of use	16	28,484	-
	Other non-current financial liabilities	17	22,181	20,256
	Provisions for non-current risks and charges	18	1,706	2,409
	Employee provisions	19	4,433	4,565
	Other non-current liabilities	20	2,494	2,494
	TOTAL NON-CURRENT LIABILITIES		120,362	91,373
CURRENT LIABILITIES				
	Payables due to banks	15	18,297	16,918
	Current financial payables for rights of use	21	3,521	-
	Other current financial liabilities	22	1,469	1,951
	Trade payables	23	32,258	40,553
	Tax payables for direct taxes	24	6,096	1,745
	Other current liabilities	25	30,322	51,400
	TOTAL CURRENT LIABILITIES		91,965	112,568
TOTAL LIABILITIES			317,511	306,477

CONSOLIDATED INCOME STATEMENT

(Values in Euro/000)	Note	06/30/2019	06/30/2018
REVENUES			
Revenues from sales and services	26	98,519	76,119
Other revenues	27	1,414	1,190
TOTAL REVENUES		99,932	77,309
Change in inventories		(72)	(45)
Costs for raw materials, consumables and goods for resale		(7,477)	(3,680)
Costs for services		(42,917)	(39,019)
of which costs for non-recurring services		*(248)*	-
Costs for use of third-party assets		(3,547)	(1,417)
Personnel costs		(18,147)	(14,959)
Other operating costs		(1,341)	(1,240)
TOTAL OPERATING COSTS	28	(73,357)	(60,270)
GROSS OPERATING PROFIT (EBITDA)		26,575	17,039
of which impact of non-recurring items		*(248)*	-
Amortisation, depreciation and write-downs of fixed assets	29	(8,146)	(4,754)
Write-down of receivables	9	(534)	(409)
Provisions	18	(60)	(66)
Value adjustments of financial assets other than equity investments	30	(143)	(8)
OPERATING PROFIT/LOSS		17,691	11,801
FINANCIAL INCOME AND CHARGES			
Financial income		44	43
Financial charges		(2,699)	(951)
Exchange rate gains and losses		(26)	60
TOTAL FINANCIAL INCOME AND CHARGES	31	(2,681)	(847)
GAINS AND LOSSES FROM EQUITY INVESTMENTS			
Effect of valuation of equity investments with the equity method		47	(20)
Other gains/losses on equity investments		43	44
TOTAL GAINS AND LOSSES ON EQUITY INVESTMENTS	32	90	24
PRE-TAX RESULT		15,100	10,978
INCOME TAXES			
Current taxes		(4,687)	(3,333)
Deferred tax assets/(liabilities)		266	(27)
TOTAL INCOME TAXES	33	(4,421)	(3,360)
PROFIT/(LOSS) FOR THE PERIOD		10,679	7,618
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTERESTS		1,080	686
PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY		9,599	6,933
EARNINGS PER SHARE		0.3110	0.2476
DILUTED EARNINGS PER SHARE		0.3110	0.2476

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro/000)	06/30/2019	06/30/2018
PROFIT/(LOSS) FOR THE PERIOD	**10,679**	**7,618**
Other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the period:		
Gains/(losses) on cash flow hedges	(586)	-
Gains/(losses) on translation of financial statements in foreign currency	42	283
Gains/(losses) on financial assets measured at FVOCI	(46)	404
Total other comprehensive income components which will be subsequently be reclassified under profit/(loss) for the period:	**(589)**	**687**
Other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the period:		
Actuarial gains/(losses) from defined benefit plans for employees – IAS 19		
Income taxes		
Total effect of change in actuarial reserve		
Total other comprehensive income components which will not be subsequently be reclassified under profit/(loss) for the period:		
TOTAL PROFIT/(LOSS) BOOKED TO EQUITY	**(589)**	**687**
COMPREHENSIVE INCOME/LOSS FOR THE PERIOD	**10,089**	**8,305**
Attributable to:		
Minority interests	**1,084**	**663**
Shareholders of the Parent Company	**9,005**	**7,642**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share Capital	Share premium reserve	Revaluation reserves	Legal reserve	Statutory reserve	Other reserves	Retained earnings (losses carried forward)	Profit (Loss) for the period attributable to shareholders of the Parent Company	Shareholders' equity attributable to shareholders of the Parent Company	Share capital and reserves attributable to minority interests	Profit/(loss) attributable to minority interests	Total shareholders' equity
Balances as at 12/31/2017	**52,215**	**13,947**	**67,160**	**8,777**	**2,369**	**(40,748)**	**(7,235)**	**9,079**	**105,564**	**457**	**97**	**106,118**
Allocation of profit for the year												
- Distribution of profits to shareholders	-	-	-	-	-	-	(5,556)	-	(5,556)	-	-	(5,556)
- Allocation to reserves	-	-	-	437	44	-	8,598	(9,079)	-	97	(97)	-
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	1,294	-	1,294
Put option reserve	-	-	-	-	-	(7,687)	-	-	(7,687)	-	-	(7,687)
Fair value OCI (*)	-	-	-	-	-	404	-	-	404	-	-	404
Other changes in reserves	-	-	-	-	-	30	(30)	-	-	-	-	-
Reserve for translation of foreign financial statements (*)	-	-	-	-	-	305	-	-	305	22	-	327
Result for period (*)	-	-	-	-	-	-	-	6,933	6,933	-	686	7,618
Balances as at 06/30/2018	52,215	13,947	67,160	9,213	2,413	**(47,695)**	**(4,222)**	**6,933**	**99,963**	**1,870**	**686**	**102,519**
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	1,324	-	1,324
Put option reserve	-	-	-	-	-	(4,417)	-	-	(4,417)	-	-	(4,417)
Fair value OCI (*)	-	-	-	-	-	(80)	-	-	(80)	-	-	(80)
Fair Value of CFH derivative	-	-	-	-	-	(75)	-	-	(75)	-	-	(75)
Other changes in reserves	-	-	-	-	-	3	(10)	3,368	3,361	-	-	3,361
Reserve for translation of foreign financial statements (*)	-	-	-	-	-	92	-	-	92	(22)	-	70
Result for period (*)	-	-	-	-	-	-	-	-	-	-	(165)	(165)
Balances as at 12/31/2018	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,173)**	**(4,232)**	**10,301**	**98,844**	**3,172**	**520**	**102,536**
Change in retained earnings - IFRS 16	-	-	-	-	-	-	(1,699)	-	(1,699)	(134)	-	(1,833)
Balances as at 01/01/2019 adjusted	**52,215**	**13,947**	**67,160**	**9,213**	**2,413**	**(52,173)**	**(5,931)**	**10,301**	**97,145**	**3,039**	**520**	**100,704**
Allocation of profit for the year												
- Distribution of profits to shareholders	-	-	-	-	-	-	(5,556)	-	(5,556)	(53)	-	(5,608)
- Allocation to reserves	-	-	-	493	49	-	9,759	(10,301)	-	520	(520)	-
Fair value OCI (*)	-	-	-	-	-	(46)	-	-	(46)	-	-	(46)
Fair Value of CFH derivative	-	-	-	-	-	(586)	-	-	(586)	-	-	(586)
Reserve for translation of foreign financial statements (*)	-	-	-	-	-	39	-	-	39	3	-	42
Result for period (*)	-	-	-	-	-	-	-	9,599	9,599	-	1,080	10,679
Balances as at 06/30/2019	**52,215**	**13,947**	**67,160**	**9,706**	**2,462**	**(52,767)**	**(1,727)**	**9,599**	**100,596**	**3,509**	**1,080**	**105,185**

(*) These items fall under the components of the statement of comprehensive income

CONSOLIDATED CASH FLOW STATEMENT

Values in Euro/000	*Note*	**06/30/2019**	**06/30/2018**
Profit before tax		**15,100**	**10,978**
Adjustments to trace profit for the year back to the cash flow from operating activities:			
Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	**29**	8,146	4,754
Provisions and write-downs	**30**	534	409
Other provisions	**18**	60	66
Charges/(income) from valuation of equity investments in other companies with the equity method	**32**	(90)	(24)
Write-down of financial assets		-	8
Net financial charges	**31**	2,681	847
Costs for use of third-party assets (IFRS 16)		(1,895)	-
Other non-monetary changes		(97)	(97)
Cash flow from operating activities before changes in working capital		**24,440**	**16,942**
Change in working capital:			
Inventories	**8**	90	(45)
Trade receivables	**9**	(207)	(3,037)
Trade payables	**23**	(8,294)	(12,931)
Other current and non-current assets	**7 – 12**	949	2,134
Other current and non-current liabilities	**20 – 25**	(21,059)	(5,814)
Receivables/payables for current taxes	**10 – 24**	(445)	(48)
Deferred/prepaid taxes		313	-
Cash flow from changes in working capital		**(28,653)**	**(19,742)**
Income taxes paid		-	(1,000)
Employee provisions and provisions for risks	**18**	(895)	(261)
Cash flows from operating activities		**(5,108)**	**(4,061)**
Cash flow from investment activities			
Net investments in intangible fixed assets	**2**	(102)	(187)
Net investments in property, plant and equipment	**1**	(5,296)	(3,349)
Dividends from associate companies and joint-ventures	**32**	43	44
Change in current and non-current financial assets	**6 – 11**	346	4,451
Net equity investments in subsidiaries		-	(4,634)
Changes in equity investments in associated companies and other companies	**4**	(267)	(1,574)
Cash flow from investment activities		**(5,276)**	**(5,247)**
Cash flow from financing activities			
Change in other financial payables	**18 – 22**	(828)	10,659
Payables to shareholders	**18 – 22**	(240)	5,556
Obtainment/(repayment) of short-term bank loans	**18**	1,379	1,786
Net financial charges paid		(1,011)	(763)
Dividends paid	**14**	(5,556)	-
Change in Group reserves	**14**	(10)	(5,398)
Cash flow from financing activities		**(6,266)**	**11,840**
Net cash flow for the period		**(16,650)**	**2,532**
Opening cash and cash equivalents		29,479	6,234
Closing cash and cash equivalents		12,830	8,766

Explanatory notes to the financial statements

STRUCTURE AND CONTENTS OF THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. Introduction

Italian Exhibition Group S.p.A. (hereinafter "IEG", the "Company" or the "Parent Company", together with its subsidiaries, associated companies and/or jointly controlled companies, the "Group" or the "IEG Group") is a joint-stock company domiciled in Italy, with registered office in Via Emilia 155, Rimini, and organised according to the legal system of the Italian Republic. IEG is the Parent Company, created as a result of the transfer of Fiera di Vicenza S.p.A. to Rimini Fiera S.p.A. and the simultaneous change of the latter's company name to Italian Exhibition Group S.p.A..

The company is controlled by Rimini Congressi S.r.l., which holds 49.29% of the share capital and holds voting rights for 66.03%.

The Group's activities consist of the organisation of trade fairs (Exhibition Industry) and hospitality for trade fairs and other events, through the design, management and provision of fitted-out exhibition spaces (mainly in the "Trade fair districts"), the supply of services connected to trade fairs and conferences, as well as the promotion and management, in both its own locations and those of third parties, of conferences, conventions, exhibitions, cultural events, shows and leisure activities, including not related to organised events and conferences.

These condensed consolidated interim financial statements for the half ended as at June 30th, 2019 (hereinafter "**Condensed Consolidated Half-Yearly Financial Statements**") were approved by the company's Board of Directors on August 27th, 2019, and are subject to a limited audit by PricewaterhouseCoopers S.p.A., the company's independent auditors.

2. METHOD OF PRESENTATION AND ACCOUNTING STANDARDS

2.1. Method of presentation

The Condensed Consolidated Half-Yearly Financial Statements were prepared in compliance with the International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union (**EU-IFRS).** EU-IFRS mean all International Financial Reporting Standards (IFRS), all International Accounting Standards (**IAS**), all interpretations of the International Financial Reporting Standards Interpretations Committee (**IFRIC**), previously named the Standard Interpretations Committee (**SIC**) which, at the date of approval of the Consolidated Financial Statements, had been approved by the European Union in accordance with the procedure laid down in Regulation (EC) No. 1606/2002, by the European Parliament and the European Council of July 19th, 2002. In particular, it is pointed out that the EU-IFRS were applied consistently to all periods included in this document.

In particular, the Condensed Consolidated Half-Yearly Financial Statements were prepared in compliance with IAS 34, concerning interim financial disclosures. IAS 34 allows the drafting of the financial statements in "condensed" form and, that is, based on the minimum level of information which is significantly less that required by the International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union (hereinafter "EU-IFRS"), where a complete set of financial statements prepared on the basis of the EU-IFRS have been made available to the public for the previous year. The Condensed Consolidated Half-Yearly Financial Statements must, therefore, be read together with IEG's consolidated financial statements for the year ended as at December 31st, 2018, drafted in compliance with the EU-IFRS and approved by the Board of Directors on March 21st, 2019.

In order to prepare these Condensed Consolidated Half-Yearly Financial Statements, the subsidiaries of the IEG Group, which continue to draft their financial statements according to local accounting standards, have prepared the financial positions in compliance with the international standards.

These Condensed Consolidated Half-Yearly Financial Statements were prepared:

- based on the best understanding of the EU-IFRS and taking into account the best interpretations in this area; any future interpretative guidelines and updates will be reflected in subsequent years, according to the procedures envisaged by the accounting standards in question at any given time;
- on the basis of the going concern assumption, as the Directors verified that there were no financial, managerial or other indicators that could signify critical issues concerning the Group's ability to meet its obligations in the foreseeable future and, in particular, over the next 12 months;
- based on the conventional historical cost method, with the exception of the measurement of financial assets and liabilities in cases in which the application of the fair value criterion is mandatory.

2.2. Form and content of the financial statements

The Condensed Consolidated Half-Yearly Financial Statements were drafted in Euro, which is the currency of the prevailing economic area in which the entities forming part of the Group operate. All amounts included in this document are in thousands of Euros, unless specified otherwise.

Shown below are the financial statements layouts and the relative classification criteria adopted by the Group, as part of the options provided by IAS 1 "Presentation of Financial Statements":

- the *consolidated statement of financial position* has been prepared by classifying assets and liabilities in accordance with the "current/non-current" criterion;
- *the consolidated income statement* – whose layout is based on the classification of costs and revenues on the basis of their nature; the net profit (loss) before taxes and the effects of discontinued operations is shown, as well as the net profit (loss) attributable to minority interests and the net profit (loss) attributable to the Group;
- *the consolidated statement of comprehensive income* – presents the changes in shareholders' equity deriving from transactions other than capital transactions carried out with the company's shareholders;
- *the consolidated cash flow statement* has been prepared by stating cash flows arising from operating activities according to the "indirect method".

The layouts used are those that best represent the Group's financial position, results and cash flows.

MEASUREMENT CRITERIA

The accounting standards and criteria adopted to prepare the Condensed Consolidated Half-Yearly Financial Statements as at June 30th, 2019 conform to those used for the drafting of the consolidated financial statements as at December 31st, 2018, to which reference should be made for further information, with the exception of the application of the new standard IFRS 16 – Leases.

Starting from January 1st, 2019, the Group complied with new IFRS 16 – Leases for all leases that, in exchange for a consideration, confer the right to control the use of a specified asset for a given period of time - with the exception of a lease with a duration of less than 12 months and leases in which the underlying asset is a of low value - according to the provisions of paragraphs 5, B3-B8 of the standard. The duration of the lease has been defined on the basis of the term established contractually and, where required, the reasonable certainty of exercising (or not) the options of extension and suspension of the contract, by considering all pertinent facts and circumstance that create a financial incentive for the lessee to exercise the option.

The Group has applied the standard by using the simplified retrospective method, by measuring, for leases classified previously as operating leases, the lease liability at the present value of the remaining payments due, discounted using the marginal financing rate of the lessee at the date of initial application, and recognising the asset consisting of the right of use for an amount equal to the initial value of the liability at the start of the operating lease net of accumulated depreciation at the date of initial application. In addition, the data of the comparative period have not been re-stated.

In particular, the amount of net assets (Right of use) booked on the date of initial application amounts to € 30.3 million (net property, plant and equipment of € 28.8 million and deferred tax assets of € 0.6 million) and the amount of financial lease liabilities of € 32.1 million. subsequently, the cumulative effects adjusting the opening balance at January 1st, 2019 on shareholders' equity came to € 1.8 million.

In this half-yearly financial report, the amount of assets consisting of the right of use are included under the item Property, Plant and Equipment in the statement of financial position and lease liabilities under the new item Financial liabilities for rights of use (current and non-current). Please refer to notes 1, 16 and 21.

The leases stipulated by the Group are essentially attributable to leases of property, land and vehicles.

The group has chosen to apply the following practical expedients set forth in the accounting standard:

- for the discounting of the flows of future payments, both the lease components and the non-lease components of existing leases (as indicated in paragraph 15 of the standard) were considered;
- recognition in shareholders' equity of the accumulated retroactive effect due to the application of this standard as at January 1st, 2019, without re-stating the data of the comparative period as set forth in the simplified approach (indicated in paragraphs C7 – C13);
- aggregation of a leasing portfolio with reasonably similar characteristics (such as leases with a similar residual duration for a similar category of underlying asset).

The impacts that were acknowledged in the consolidated financial statements as at January 1st, 2019 and the situation as at June 30th, 2019 are summarised below:

(+) sign = Debit

(-) sign = Credit

Values in Euro/000	01/01/2019 pre IFRS 16	Impact of IFRS 16	01/01/2019	06/30/2019 pre IFRS 16	impact of IFRS 16	06/30/2019
BALANCE SHEET						
Net property, plant and equipment	182,315	29,750	212,065	181,957	29,389	211,347
Deferred tax assets	697	563	1,260	650	633	1,283
Accrued expenses and deferred income	(1,983)	(135)	(2,118)	403	(78)	325
Current financial payables	(1,951)	(3,212)	(5,163)	(1,469)	(3,521)	(4,990)
Non-current financial payables	(20,256)	(28,799)	(49,055)	(22,181)	(28,484)	(50,666)
Accumulated losses of shareholders of the parent company	4,232	1,699	5,931	28	1,699	1,727
Share capital and reserves attributable to minority interests	(3,185)	134	(3,051)	(3,656)	134	(3,522)
INCOME STATEMENT						
Costs for use of third-party assets	-	-	-	5,442	(1,895)	3,547
Amortisation/depreciation	-	-	-	5,654	1,863	7,518
Financial charges	-	-	-	2,369	330	2,699
Income taxes	-	-	-	4,492	(70)	4,421

The difference between the commitments indicated in the financial statements as at December 31st, 2018 relating to operating leases and rentals and liabilities deriving from the impact of IFRS 16 as at January 1st, 2019 indicated in this half-yearly financial report is reported below:

Values in Euro/000	Values as at 12/31/2018	Values as at 01/01/2019 (financial liabilities booked to the financial statements due to IFRS 16)	Differences
Current financial commitments	(3,259)	(3,521)	262
Non-current financial commitments	(29,516)	(28,484)	(1,032)
Total commitments	**(32,775)**	**(32,005)**	**(770)**

The differences indicated refer primarily to the different considerations of the duration of contracts drawn up at the time of the analysis of the existing contracts at the date of the transition to the new accounting standard.

USE OF ESTIMATES

The preparation of the consolidated financial statements requires Directors to use accounting principles and methods that, in some instances, require the use of complex and subjective valuations and estimates drawn from historical experience and assumptions that, in each case, are deemed to be reasonable and realistic under the circumstances existing at that time.

The use of these estimates and assumptions has an impact on the amounts reported in the financial statements, which include the statement of financial position, the income statement and the cash flow statement, as well as the explanatory notes.

The final amounts shown in the consolidated financial statements for which the above-mentioned estimates and assumptions were used may differ from the amounts reported in the financial statements of the individual companies due to the uncertainty that is inherent in the assumptions and the conditions upon which the estimates were based.

The financial statements items that, more than others, require greater subjective input by the Directors in the preparation of estimates and for which a change in the conditions underlying the assumptions used could have a material impact on the Group’s financial statements mainly concern:

- the measurement of fixed assets (amortisation/depreciation and any write-downs due to impairment);
- the measurement of receivables;
- the recognition and quantification of contingent liabilities;
- the determination of deferred tax assets/liabilities;
- the determination of liabilities relating to “Employee severance indemnity” kept at the company, which was carried out by making use of the actuarial evaluation prepared by independent actuaries.

However, some measurement processes, especially those which are more complex, such as the calculation of impairment losses on non-current assets, are generally carried out fully only upon drawing up the annual financial statements, or when all information required is available, except cases in which there are impairment indicators which require an immediate measurement of any impairment losses.

The parameters used to draw up the estimates are commented on in the Explanatory notes to the consolidated financial statements.

The estimates and assumptions are periodically reviewed and the impact of any change recognised immediately in the income statement.

The economic result for the period is presented net of taxes recognised on the basis of the best estimate of the expected weighted average rate for the whole year.

FINANCIAL RISK MANAGEMENT

The IEG Group is exposed to financial risks related to its activities, in particular relating to the following types:

- *credit risk*, deriving from commercial transactions or financing activities;
- *liquidity risk*, relating to the availability of financial resources and access to the credit market;
- *market risk* (composed of exchange rate risk, interest rate risk, price risk), with particular reference to interest rate risk, relating to the exposure to the Group on financial instruments that generate interest.

For a more detailed examination, please refer to the Directors’ Report and the contents of the financial report to the financial statements for the year ended as at December 31st, 2018.

Fair Value

IFRS 13 defines the following three levels of fair value to which to refer the measurement of financial instruments recognised in the statement of financial position.

- *Level 1*: prices quoted on an active market;
- *Level 2*: inputs other than the listed prices described for Level 1, which can be directly (price) or indirectly (price derivatives) observed on the market;
- *Level 3*: inputs that are not based on observable market data.

The following tables show the classification of financial assets and liabilities and the level of inputs used for the fair value measurement, as at June 30th, 2019 and December 31st, 2018.

06/30/2019						
in Euro/000	**Notes**	**Fair value level**	**Amortised cost**	**Fair value through OCI**	**Fair value through profit and loss**	**Total**
ASSETS						
Other equity investments	4	2-3		10,962	11	10,974
Non-current financial assets	6	1-2	438		50	488
Other non-current assets	7		120			120
Trade receivables	9		33,855			33,855
Current financial assets	11		1,515			1,515
Other current assets	12		7,208			7,208
Cash and cash equivalents	13		12,830			12,830
TOTAL ASSETS			**55,966**	**10,962**	**61**	**66,990**
LIABILITIES						
Non-current payables due to banks	15		65,562			65,562
Other non-current financial liabilities	16	2	44,799	661	5,206	50,666
Other non-current liabilities	19		2,494			2,494
Current payables due to banks	15		13,798			13,798
Other current financial liabilities	20		4,990			4,990
Trade payables	21		32,258			32,258
Other current liabilities	23		29,948			29,948
TOTAL LIABILITIES			**193,851**	**661**	**5,206**	**199,717**

12/31/2018						
in Euro/000	**Notes**	**Fair value level**	**Amortised cost**	**Fair value through OCI**	**Fair value through profit and loss**	**Total**
ASSETS						
Other equity investments	4	3		11,016		11,016
Non-current financial assets	6	1-2	1,783		43	1,826
Other non-current assets	7		117			117
Trade receivables	9		34,182			34,182
Current financial assets	11		523			523
Other current assets	12		8,161			8,161
Cash and cash equivalents	13		29,479			29,479
TOTAL ASSETS			**74,245**	**11,016**	**43**	**85,304**
LIABILITIES						
Non-current payables due to banks	15		61,649			61,649
Other non-current financial liabilities	16	2	15,720	75	4,461	20,256
Other non-current liabilities	19		2,494			2,494
Current payables due to banks	15		16,918			16,918
Other current financial liabilities	20		1,951			1,951
Trade payables	21		40,552			40,552
Other current liabilities	23		51,400			51,400
TOTAL LIABILITIES			**190,686**	**75**	**4,461**	**195,222**

Change in liabilities deriving from financing activities

The reconciliation of liabilities deriving from financing activities, as reported in the cash flow statement, for the period ended as at June 30th, 2019 and June 30th, 2018 is reported below. For June 30th, 2019, it should be noted that the fair value changes in Other non-current financial payables refer primarily to the worsening in the MTM value of the derivative subscribed on November 4, 2011 with Banca Popolare di Vicenza, now banca Intesa Sanpaolo S.p.A.; while the other non-monetary changes include the impacts of the introduction of the new accounting standard, IFRS 16, on current and non-current financial payables and the change in payables for put options (for more details, please refer to Notes 16, 17, 21 and 22 of this document).

In Euro/000	Balance at December 31st, 2018	Change in cash flow	Change in fair value	Other non-monetary changes	Change in scope of consolidation	Balance as at June 30th, 2019
Current bank payables	16,918	(3,121)				13,798
Non-current bank payables	61,648	3,914				65,562
Other current financial payables	1,951	(482)		3,521		4,990
Other non-current financial payables	20,256		736	29,674		50,666

In Euro/000	Balance as at December 31st, 2017	Change in cash flow	Change in fair value	Other non-monetary changes	Change in scope of consolidation	Balance as at June 30th, 2018
Current bank payables	7,888	1,786			353	10,027
Non-current bank payables	52,040	10,956				62,996
Other current financial payables	534	14		5,556		6,104
Other non-current financial payables	5,192	(359)	(168)	7,988		12,653

Operating segments

An operating segment is defined by IFRS 8 as a component of the entity that: i) carries out business activities which generate revenues or costs (including revenues or costs regarding transactions with other components of the same entity); ii) whose operating results are periodically reviewed by the entity's highest operating decision-maker for the purposes of taking decisions regarding resources to be allocated to the segment and the assessment of results; iii) for which separate financial statements information is available.

For the purposes of IFRS 8 - Operating segments, the activities performed by the Group are incorporated in a single operating segment.

In fact, the Group structure identifies a strategic and unitary business vision and this representation is consistent with the methods used by management to take its decisions, allocate resources and define the communication strategy, making the assumptions of a division-based business drive financially ineffective at the current state of play.

Scope of consolidation and its changes

The Condensed Consolidated Half-Yearly Financial Statements as at June 30th, 2019 include the economic and equity data of IEG S.p.A. (Parent Company) and all companies in which it holds control directly or indirectly.

The consolidated financial statements have been drafted on the basis of the accounting positions as at June 30th, 2019 prepared by the consolidated companies and adjusted, where necessary, in order to bring them into line with the accounting standards and classification criteria of the Group compliant with the IFRS.

The list of the equity investments included in the scope of consolidation, with an indication of the method used for consolidation is provided in attachment 1 of the Explanatory notes.

The balance sheet and income statement figures as at June 30th, 2019 also include the share of profits and losses of companies measured using the equity method on the date on which the company gained its significant influence over management up to its cessation.

The scope of consolidation as at June 30th, 2019 does not differ from that at December 31st, 2018. By contrast, with respect to the previous half, note that the income statement of the IEG Group includes the results of the six-month period of Prostand S.r.l. and Colorcom S.r.l. (merged in Prostand S.r.l., effective from January 1st, 2019 for accounting and tax purposes) which joined the Group on September 1st, 2018 and the additional two months of FB International Inc., consolidated for the first time on March 1st, 2018.

As regards associated companies, on February 26th, 2019, the company Destination Services S.r.l. was incorporated, a jointly controlled company that will handle the promotion and organisation of tourist services.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1ST, 2019 OR APPLICABLE EARLY

In 2019, the IEG Group adopted the following new accounting standards, amendments and interpretations, revised by the IASB.

- Annual Improvements to IFRSs 2015-2017 Cycle: acknowledges the amendments to some standards as part of the annual process for their improvement. The main amendments, which did not impact the IEG Group's financial statements, concern:
    - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: the amendment clarifies that, at the moment in which an entity obtains control of a business that represents a joint operation, it must remeasure the interest previously held in said business. By contrast, this process is not envisaged in the case of obtainment of joint control.
    - IAS 12 Income Taxes: the amendment clarifies that all the tax effects linked to dividends (including payments on financial instruments classified under shareholders' equity) should be accounted for consistently with the transaction that generated said profits (income statement, OCI or shareholders' equity).
    - IAS 23 Borrowing costs: the amendment clarifies that, in the case of loans that remain outstanding also after the qualifying asset is ready for use or for sale, these become part of the group of loans used to calculate borrowing costs.
- *Amendment to IAS 19 – Plan Amendment, curtailment or settlement.* This document clarifies that, if there is a change to a defined benefit pension plan, the estimate of the plan must be updated on the basis of updated assumptions, in order to determine the current service cost and the net interest for the rest of the reference period after modification of the plan itself. Up until now, IAS 19 did not specify how to determine these expenses for the period after the plan change. By requiring the use of updated assumptions, the amendments are expected to provide useful information to financial statements users. The new interpretation applies from January 1st 2019. The amendment in question did not have any effects on the IEG Group's financial statements.
- Amendment to IAS 28 – Long-term Interests in Associates and Joint Ventures. This document clarifies the need to apply IFRS 9, including the requirements related to impairment, to other long-term interests in associated companies and joint ventures for which the equity method is not applied. The amendment applies from January 1st, 2019 but early application is allowed. The amendment in question did not have any effects on the IEG Group's financial statements. The amendment in question did not have any effects on the IEG Group's financial statements.
- IFRIC 23 – Uncertainty over Income Tax Treatments. The document addresses the issue of uncertainties over income tax treatment and requires the uncertainties in determining tax assets or liabilities to be reflected in the financial statements solely where it is likely that the entity will pay or recover the amount in question. In addition, the document does not contain any new disclosure obligation, but stresses that the entity must establish whether it is necessary to provide information on the considerations reached by the management and relating to the uncertainty over the accounting of taxes, in accordance with IAS 1. The new interpretation applies from January 1st, 2019, but early application is allowed. The amendment in question did not have any effects on the IEG Group's financial statements.
- *Amendment to IFRS 9 – Prepayment Features with Negative Compensation*. This document specifies that a debt instrument that provides an early repayment option could respect the characteristics of contractual cash flows ("SPPI" test) and, subsequently, could be valued using the amortised cost method or fair value through other comprehensive income also in the event in which the "reasonable additional compensation" envisaged in the case of early repayment is

a "negative compensation" for the lender. The amendment applies from January 1st, 2019 but early application is allowed. The amendment in question did not have any effects on the IEG Group's financial statements.

- On January 13th, 2016, IASB published the standard IFRS 16 Leases which is going to replace the standard IAS 17 – Leases, as well as the interpretations IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to distinguish lease contracts from service contracts, identifying the following as discriminants: the identification of the asset, the right to replace the same, the right to substantially obtain all of the economic benefits resulting from the use of the asset and the right to direct the use of the asset underlying the contract. The standard establishes a single model for the recognition and measurement of leases for the lessee that involves the recognition of the asset subject to lease, including operating lease, under assets with a contra-item in the form of a financial payable, also providing the possibility of not recognising as a lease contracts involving "low-value assets" and leases with a contract duration or less than 12 months. On the contrary, the Standard does not include significant changes for lessors. The standard applies from January 1st, 2019 but early application is allowed, only for companies that have already applied IFRS 15 – Revenue from Contracts with Customers. The impacts on the IEG Group's financial statements of the application of this standard are detailed extensively in this document.

NEW IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE IEG GROUP

The following new accounting standards, amendments and interpretations, approved by the competent bodies of the European Union. The IEG Group is assessing the impacts that the application of these will have on the consolidated financial statements. The new accounting standards, amendments and interpretations will be adopted according to the effective dates of introduction as reported below.

- At the date of drafting of this document, no new accounting standards, amendments and interpretations were approved with a date of future application.

The following accounting standards, updates, interpretations and amendments to accounting standards, already approved by the IASB, are also in the process of being acknowledged by the competent bodies of the European Union:

- *IFRS 17 – Insurance Contracts*. The objective of the new standard is to ensure that an entity provides relevant information that faithfully represent the rights and obligations from insurance contracts issued. The IASB developed the standard to eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The new standard also specifies presentation and disclosure requirements to enhance comparability between insurers. The standard applies from January 1st, 2021 but early application is allowed, only for entities that have already applied IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers.

- Amendment to IFRS 3 – Business combinations. This document, issued by the IASB on October 22nd, 2018, is targeted at resolving the difficulties that arise when an entity determines whether it has acquired a company or a group of assets. These amendments are effective for business combinations for which the date of acquisition is effective on or after January 1st, 2020. Early application is allowed.

- Amendment to IAS 1 and to IAS 8: *Definition of Material*. This document was issued by the IASB on October 31st, 2018 and provides a different definition of "material", i.e.: *"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary user of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity"*. These amendments will be applicable for years beginning on January 1st, 2020 and thereafter. Early application is allowed.

Lastly, it should be noted that, for the following standards and interpretations, the EU approval process has been suspended indefinitely:

- IFRS 14 – *Regulatory Deferral Accounts*, the interim standard related to the Rate-regulated activities project. IFRS 14 permits only first-time adopters of IFRS to continue to account for regulatory deferral account balances in accordance with their previous GAAP. To improve comparability with entities that already apply IFRS and do not recognise these balances, the standard requires regulatory deferral account balances to be presented separately from other items. The standard applies as of January 1st, 2016.
- Amendment to IFRS 10 and to IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. On September 11th, 2014, the IASB published the amendments in question which seek to eliminate the conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction that involves an associate or a joint venture the extent to which it is possible to recognise a profit or a loss depends on whether the asset to be sold or transferred is a business. On February 12th, 2016, the IASB indefinitely postponed the effectiveness of the amendment, following the postponement of the amendment's approval procedure.

COMMENTS ON MAIN ASSET ITEMS

NON-CURRENT ASSETS

1) Property, Plant and Equipment

The table below indicates the changes in the first half of 2019.

	Balance as at 12/31/2018	Changes in the 1st half 2019								Balance as at 06/30/2019
		Increases	Change IFRS16	Dec./Write -down	Depreciation	Dep. IFRS16	Transfers	Exchange rate effect	Changes in scope of consol.	
Land and buildings										
Book value	259,234	442	40,797				309	(25)		300,757
Depreciation	(104,949)		(9,670)		(2,477)	(1,838)		7		(118,927)
Total land and buildings	**154,284**	**442**	**31,127**		**(2,477)**	**(1,838)**	**309**	**(18)**		**181,829**
Plants and machinery										
Book value	75,658	471		(8)	0		10			76,130
Depreciation	(65,062)			8	(905)					(65,959)
Total plant and machinery	**10,595**	**471**		**0**	**(905)**		**10**			**10,171**
Industrial and commercial equipment										
Book value	33,378	1,034		(100)			(1)	10		34,321
Depreciation	(23,394)			60	(1,636)		1	(1)		(24,972)
Total industrial and commercial equipment	**9,984**	**1,034**		**(40)**	**(1,636)**		**0**	**9**		**9,349**
Other assets										
Book value	21,796	1,035	228	(81)			436	7	(93)	23,328
Depreciation	(15,737)		(84)	61	(636)	(25)	(336)	(3)	93	(16,668)
Total Other assets	**6,059**	**1,035**	**144**	**(20)**	**(636)**	**(25)**	**100**	**3**	**0**	**6,660**
Total fixed assets under construction and payments on account	**1,393**	2,281					(337)			**3,337**
TOTAL	**182,315**	**5,263**	**31,271**	**(61)**	**(5,654)**	**(1,863)**	**82**	**(7)**	**0**	**211,347**

The net value of Land and buildings as at June 30th, 2019 amounts to roughly € 182 million, a net increase of € 27.5 million. The increases, amounting to roughly € 41.2 million, are almost entirely attributable to the application of new accounting standard IFRS 16 (please refer to the paragraph “Measurement criteria” for more details), while for € 442 thousand they are attributable to the parent company’s investments for the construction of new offices in the Rimini trade fair district, whose works were completed in the second quarter of 2019.

The net value of “Plant and equipment” as at June 30th, 2019, amounted to around € 10 million, and recorded increases of € 471 thousand, attributable for € 274 thousand to systems in service of the new offices in the Rimini site and, for € 100 thousand, relating largely to the strengthening of the lighting systems in the trade fair pavilions. The item also includes further increases for the period totalling € 61 thousand relating to investments made by Summertrade S.r.l. for the installation of new ovens in the Rimini kitchen and various systems installed in the new Riva del Garda site.

“Industrial and commercial equipment” as at June 30th, 2019 came to € 9,349 thousand and rose by € 1,034 thousand in the first half, as a result of:

- increases in the period totalling € 489 thousand deriving from the investments of the company FB for the purchase of visual display equipment and material for the building of trade fair stands;
- increases in the period totalling € 217 thousand largely relating to the purchase of technological equipment (ledwall and monitors) and equipment for trade fair pavilions;
- increases in the period totalling € 261 thousand deriving from the investments of the company Prostand for the building of trade fair stands;
- increases in the period totalling € 65 thousand made deriving from the investments of the company Summertrade for the purchase of equipment for bars and kiosks;

Lastly, note should be taken of a decrease due to the sale of obsolete equipment amounting to € 40 thousand and depreciation of € 1,646 thousand.

The category "Other assets" as at June 30th, 2019 totalled € 6,660 thousand, and is composed primarily of hardware, furniture and fixtures and company vehicles. The item also includes costs capitalised for improvements to third-party assets. An increase of € 1,035 thousand was recorded in the half, attributable primarily to the following investments in the period:

- investments of the Parent Company totalling € 657 thousand, of which € 124 thousand relating to office machines, € 260 thousand relating to improvements for the modernisation of the new Milan offices, € 228 thousand relating to network infrastructures and € 45 thousand for transport vehicles;
- investments of the subsidiary Summertrade S.r.l. totalling € 282 thousand, mainly due to the purchase of new vehicles for the transport of meals, foodstuffs and equipment and the purchase of new cash terminals for the adjustment into line with the electronic management of the flow of payments;
- investments of the subsidiary FB International Inc. totalling € 68 thousand relating primarily to furniture for the furnishing of the company's offices.

This category includes depreciation of € 636 thousand. The application of the new accounting standard IFRS 16 involves a net increase of € 144 thousand, attributable to the rental of company vehicles.

Lastly, the item "Fixed assets under construction and payments on account", amounting to € 3,337 million as at June 30th, 2019, recorded a decrease due mainly to the entry into operation of the investments for the new offices of the Rimini site, and an increase primarily attributable to the design relating to projects for the expansion/refurbishment of the Parent Company's venues.

The property on via Emilia 155 (Rimini trade fair district) is encumbered by:

- a first mortgage issued to guarantee the loan granted by Banca Intesa Infrastrutture e Sviluppo (now Banca Intesa San Paolo) for € 14.25 million;
- a second mortgage of € 16 million to guarantee the loan granted by Banca Nazionale del Lavoro S.p.A. and drawn down in 2015;
- a third mortgage of € 25.2 million issued to guarantee the loan granted by BPER Banca S.p.A. and drawn down in 2016.

The property in Vicenza, via dell'Oreficeria 16 (Vicenza trade fair district) is encumbered by a first mortgage of € 84 million to guarantee the loan granted in 2008 by Banca Popolare di Vicenza-Società Cooperativa per azioni, now Intesa Sanpaolo S.p.A..

2) Intangible fixed assets

	Balance at 12/31/2018	Changes in the 1st half 2019					Balance as at 06/30/2019
		Increases	Decreases	Amortisation	Transfers	Exchange rate effect	
Industrial patent and intellectual property rights							
Book value	3,587	59			18		3,664
Accumulated amortisation	(3,210)			(122)			(3,332)
Total industrial patent and intellectual property rights	**377**	**59**		**(122)**	**18**		**332**
Concessions, licenses, trademarks and similar rights							
Book value	11,029	15			18		11,062
Accumulated amortisation	(2,457)			(242)			(2,699)
Total concessions, licenses, trademarks and similar rights	**8,572**	**15**		**(242)**	**18**		**8,364**
Goodwill	**22,109**		**(22)**			**29**	**22,115**
Fixed assets under construction and payments on account	**0**	**60**					**60**
Other intangible fixed assets							
Book value	5,214	44	(1)		(119)		5,139
Accumulated amortisation	(3,183)	0		(265)			(3,449)
Total other intangible fixed assets	**2,031**	**44**	**(1)**	**(265)**	**(119)**	**0**	**1,691**
TOTAL INTANGIBLE FIXED ASSETS	**33,089**	**179**	**(23)**	**(628)**	**(82)**	**29**	**32,562**

Under the item “Industrial patents and intellectual property rights”, the costs for the purchase of software licences and legally protected intellectual property are capitalised. As at June 30th, 2019, the item included primarily the investments made by the Parent Company for the purchase of the new licences for the SO-FAIR software needed for the technical management of trade fairs/exhibitions and the development of some modules of the treasury management software.

The item “Goodwill” includes the values generated by the surplus between the cost of the business combinations and the fair value of the assets, liabilities and contingent liabilities acquired. As at June 30th, 2019, the balance of said item was roughly € 22,115 thousand. As outlined in the chapter relating to the “Measurement criteria”, goodwill is subject to impairment testing at the date of year-end or more frequently if there are indicators of impairment. At the date of drafting of this document, no indicators of possible impairment of the goodwill recorded were identified. The values resulting from the acquisitions and booked to the Group’s financial statements are set out below.

Euro/000	**Balance at 06/30/2019**	**Balance at 12/31/2018**
Fiera di Vicenza transfer	7,948	7,948
Other goodwill	355	355
Purchase of FB International Inc. (*)	4,648	4,642
Purchase of Pro.stand S.r.l. (**)	4,278	4,278
Purchase of Colorcom S.r.l. (**)	4,887	4,887
TOTAL GOODWILL	**22,115**	**22,109**

(*) the values indicated as at June 30th, 2019 are definitive while those as at December 31st, 2018 are provisional
(*) the values indicated as at June 30th, 2019 and December 31st 2018 are provisional

During the first half, the "Purchase Price Allocation" process was completed, as set forth in international accounting standard IFRS 3 Revised in relation to the provisional goodwill that emerged as at June 30th, 2018 from the acquisition of FB International Inc. amounting to USD 5,315 thousand (€ 4,367 thousand).

Through the evaluations performed at the time of the PPA, no intangible assets separable from the goodwill itself were identified. By contrast, the fair value of the consideration paid, which went from USD 6,885 thousand to USD 6,859 thousand, was re-stated, a reduction which occurred as a result of the definition of the definitive value of a liability for which the seller had to indemnify IEG USA. As a result, the definitive value of the goodwill stood at USD 5,290 thousand, which, based on the EUR/USD exchange rate as at June 30th 2019, stood at € 4,648 thousand.

The goodwill that emerged from the acquisition FB International Inc. will be tested for impairment, at IEG Group level consistently with the synergies expected from the aggregation that is expected to bring benefits for the Group. In line with the provisions of IAS 36, paragraph 80, the IEG Group:

a) represents the minimum level in which the goodwill deriving from the FB Business Combination will be monitored for internal management purposes and

b) is not larger than the single operating segment determined in compliance with IFRS 8 Operating segments.

The following table shows the values defined for the transaction in question, expressed in thousands of USD.

USD/000	Book values at the acquisition date	Fair value at the acquisition date (*definitive values)*
Property, Plant and Equipment	1,775	1,775
Non-current financial assets	8	8
Trade receivables	6,317	6,317
Other current assets	59	153
Cash and cash equivalents	1,245	1,245
Deferred tax liabilities	(7)	(7)
Current payables due to banks	(430)	(430)
Trade payables	(4,659)	(4,659)
Tax payables for direct taxes	(4)	(404)
Other current liabilities	(2,193)	(920)
Total net assets acquired	**2,111**	**3,078**
Minority interests designated at fair value (49%)		**(1,508)**
Cost of the acquisition		**6,860**
Goodwill		**5,290**
Goodwill translated to EURO as at 1 March 2018		***4,620***

The item "Fixed assets under construction and payments on account" includes exclusively the investments of the Parent Company, still not completed, relating to the implementation of the new SALESFORCE CRM.

The costs incurred for the implementation of software for the registration of exhibitors of the e-commerce platform and the overhaul of the website were recognised under "Other intangible fixed assets".

3) Equity investments valued using the equity method

Associated companies and jointly controlled companies, stated in the table below, are booked and measured in compliance with IAS 28 or using the equity method.

	% Held at 06/30/2019	Balance at 12/31/2018	Changes in the 1st half 2019				Balance at 06/30/2019
			Increases	Decreases	Revaluations/ Write-downs	Transfers	
Associated companies							
Cesena Fiera S.p.A.	**27.00%**	863			70		933
Fairsystem Intl Exhibition Services S.r.l.	**31.25%**	138			(5)		133
Fitness Festival Intl S.r.l. in liquidazione (in liquidation)	**50.00%**	34					34
CAST Alimenti S.r.l.	**23.08%**	1,634					1,634
Eventi Oggi S.r.l.	**15.30%**	4				(4)	-
TOTAL ASSOCIATED COMPANIES		***2,672***	***-***	***-***	***65***	***(4)***	***2,734***
Jointly controlled companies							
Expo Estrategia Brasil Ltda	**50.00%**	281			(12)		269
DV Global Link LLC	**49.00%**	0					0
Destination Services srl	**50.00%**	0	5				5
EAGLE Asia	**50.00%**	1,213	256				1,469
TOTAL JOINTLY OWNED COMPANIES		***1,494***	***261***	***-***	***(12)***	***-***	***1,743***
TOTAL EQUITY INVESTMENTS MEASURED USING THE EQUITY METHOD		**4,166**	**261**	**-**	**53**	**(4)**	**4,476**

The item in question as at June 30th, 2019 came to € 4,476 thousand, marking a net increase of € 310 thousand.

The increases totalled € 261 thousand, and relate for € 256 thousand, to the additional contribution of capital to EAGLE Asia made in order to support the purchase of Chengdu Eagle ZhongLian Exhibition Ltd, a Chinese company operating in the staging of environmental events. For € 5 thousand to the subscription of the capital of the newly formed company Destination Service S.r.l..

The measurements using equity method contributed a total revaluation of € 53 thousand.

4) Other equity investments

The item amounted to € 10,974 thousand and includes the value of the equity investment Società del Palazzo dei Congressi S.p.A. – owner of the Palacongressi of Rimini - of the equity investment in Uni.Rimini. S.p.A. - the consortium company that supports and promotes the educational activities of the Rimini University hub and some minor equity investments. During the half, the item decreased mainly due to the fair value measurement represented by the value of the residual share of shareholders' equity held in the company Società del Palazzo dei Congressi S.p.A..

The equity investment in Società del Palazzo dei Congressi S.p.A. is measured at FV (through OCI without recycling) which the directors of IEG believe to coincide, for this type of company, with the adoption of the equity method.

This is because this method approximates, under the circumstances, the "fair value" of the investee, estimated as the sum of the parts, given that the assets and liabilities of Società del Palazzo dei Congressi S.p.A., are composed of:
- financial assets and liabilities, i.e. trade receivables, cash and cash equivalents, trade payables and payables due to banks, which have a book value that does not differ significantly from their fair value.

- the fixed asset "Palacongressi di Rimini", forming the object of the recent estimate report by an independent expert.

	% Held at 06/30/2019	Balance 12/31/2018	Changes in the 1st half 2019				Balance 06/30/2019
			Incr.	Decr.	Revaluations/Write-downs	Transfers	
Uni Rimini S.p.A.	6.00%	62					62
Società del Palazzo dei Congressi S.p.A.	18.38%	10,943			(46)		10,896
Eventi oggi	15.30%	-				4	4
BCC Alto Vicentino	<0.5%	1					1
BCC San Giorgio	<0.5%	10					11
TOTAL EQUITY INVESTMENTS IN OTHER COMPANIES		**11,016**			**(46)**	4	**10,974**

5) Deferred tax assets

"Deferred tax assets" are recognised up to the limits in which future taxable income will be available with which to utilise the temporary differences. Deferred tax assets and liabilities are offset given that they refer to the same tax authority. For a more in-depth analysis of the temporary differences that generate the deferred tax assets and deferred tax liabilities, please refer to the 2018 Annual Financial Report.

	Balance at 06/30/2019	Balance at 12/31/2018
Deferred tax assets	4,449	3,878
Payables for deferred taxes	(3,166)	(3,181)
TOTAL DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES	**1,283**	**697**

6) Non-current financial assets

	Balance 12/31/2018	Changes in the 1st half 2019				Balance 06/30/2019
		Increases	Revaluation /Write-downs	Decreases	Transfers	
Banca Nazionale del Lavoro policy	1,082		10		(1,092)	-
UNIPOL bonds	49		1		(50)	-
Gambero Rosso shares	40		6			46
Banca Malatestiana Credito Cooperativo shares	4					4
Employee severance indemnity policy	421					421
USA Security Deposit	230			(213)		17
TOTAL NON-CURRENT FINANCIAL ASSETS	**1,826**	**-**	**17**	**(213)**	**(1,143)**	**488**

As at June 30th, 2019 the item amounted to € 488 thousand (€ 1,826 thousand as at December 31st, 2018). The variation in the period is primarily due to:

- revaluations for the adjustment of fair values amounting to € 17 thousand;
- decrease in the USA Security Deposit recorded at FB International Inc. amounting to € 213 thousand;
- reclassification under the section of short-term financial assets of the two financial instruments, BNL S.p.A. policy and Unipol bonds, for a total of € 1,143 thousand, as they are set to expire in the next 12 months.

The nature and classification according to the categories established by IAS 39 of "Non-current financial assets" is reported in the Fair value section of these Explanatory notes. For the measurement of the fair value of the Gambero Rosso shares, the prices quoted on active markets at the measurement date were used.

7) Other non-current assets

"Other non-current assets" amounted to € 120 thousand, down by € 3 thousand during the half, and refer primarily to security deposits.

CURRENT ASSETS

8) Inventories

The item “Inventories” amounted to € 795 thousand as at June 30th, 2019, registering a decrease of € 90 thousand during the half. The value is composed of raw materials, consumables and finished products used in the performance of ordinary activities by the subsidiaries Summertrade S.r.l. and Prostand S.r.l..

9) Trade receivables

“Trade receivables” amounted to roughly € 34 million as at June 30th, 2019, and posted a decrease of € 327 thousand during the half. The breakdown of the item is shown below:

	Balance at 06/30/2019	Balance at 12/31/2018
Receivables from customers	32,625	33,977
Receivables from associated companies	1,189	156
Receivables due from jointly owned companies	40	49
TOTAL TRADE RECEIVABLES	**33,855**	**34,182**

Receivables due from customers represent the balance of amounts due from organisers and exhibitors for services relating to the provision of trade fair/conference spaces and the supply of event-related services.
Receivables due from associated companies refer almost entirely to trade receivables due to Prostand S.r.l. from Cesena Fiera S.p.A., for stand fittings created for the event MACFRUT, while “Receivables due from jointly owned companies” refer entirely to business relations held with DV Global Link LLC.

Receivables are stated net of the bad debt provision, whose changes are reported in the table below.

	Balance 12/31/2018	Changes in the 1st half 2019		Balance 06/30/2019
		Uses	Provisions	
Bad debt provision	740	(121)	185	804
Bad debt provision - taxed	3,412	(53)	349	3,708
TOTAL	**4,152**	**(174)**	**534**	**4,512**

10) Tax credits for direct taxes

The balance as at June 30th, 2019 amounted to € 59 thousand, and refers mainly to IRES credits due from the various Group companies.

11) Current financial assets

The item “Current financial assets” came to € 1,515 thousand as at June 30th, 2019, and recorded a net increase of € 993 thousand during the half, resulting primarily from the reclassification of two financial instruments previously recorded under non-current financial assets: BNL financial instrument and Unipol Bonds.
The breakdown is detailed in the table below:

	Balance at 06/30/2019	Balance at 12/31/2018
Jointly controlled companies	**373**	**523**
DV Global Link LLC	373	523
Other current financial assets	**1,143**	**0**
BNL financial instrument	1,093	0
Unipol Bonds	50	0
TOTAL CURRENT FINANCIAL ASSETS	**1,515**	**523**

12) Other current assets

The item “Current financial assets” came to € 7,208 thousand as at June 30th, 2019, and recorded a decrease of € 953 thousand during the half. The breakdown of the item is shown below:

	Balance at 06/30/2019	Balance at 12/31/2018
Other tax receivables	1,188	3,266
Other receivables	1,851	1,561
Accrued income and prepaid expenses	883	1,389
Costs paid in advance pertaining to subsequent years	3,286	1,944
TOTAL OTHER CURRENT ASSETS	**7,208**	**8,161**

“Other tax receivables” are composed mainly of amounts due from the tax authorities, whose decrease of € 2,078 thousand is due mostly to the reduction in the VAT credit due from the Italian stand fitting companies.

“Other receivables” amounted to € 1,851 thousand as at June 30th, 2019, and are detailed in the table below:

	Balance at 06/30/2019	Balance at 12/31/2018
Down payments	14	-
Suppliers - advances	254	803
Trade receivables	133	72
Receivables from employees	77	85
Receivables due from social security institutions	25	23
Guarantee deposits	0	13
Agents - advances	47	47
Other receivables	1,302	517
TOTAL Other receivables	**1,851**	**1,561**

The “Other receivables” account rose by € 785 thousand. This variation is attributable primarily to the receivable due from the supplier that manages the cash service of the Rimini Trade Fair District, for the payments collected during the events and still not credited to IEG S.p.A..

Prepaid expenses as at June 30th, 2019 refer mainly to insurance charges, rental expenses, software and maintenance fees.

The costs already incurred for the staging of trade fairs that will be held in the next few months, and therefore fully pertaining to subsequent periods, were accounted as “Costs advanced pertaining to subsequent years”, in application of the Decision of the Regional Council of Emilia - Romagna no. 4197/1992 for the financial statements of former trade fair organisations.

13) Cash and cash equivalents

The item “Cash and cash equivalents” amounted to € 12,829 thousand as at June 30th, 2019, and includes almost exclusively short-term deposits remunerated at floating rate.
The trend in cash flows with respect to June 30th, 2018 has been reported in the “Consolidated Cash Flow Statement” to which reference should be made.

SHAREHOLDERS' EQUITY

14) Shareholders' equity

Consolidated shareholders' equity is detailed as follows:

	Balance at 12/31/2018	Changes in the 1st half 2019 Increases	Decreases	Allocation of profit	Distribution of dividends	Balance at 06/30/2019
Share capital	52,215					52,215
Share premium reserve	13,947					13,947
Revaluation reserves	67,160					67,160
Legal reserve	9,213			493		9,706
Statutory reserves	2,413			49		2,462
Capital grants	5,878					5,878
First-time adoption reserve	(46,306)					(46,306)
IAS transition reserve	0					-
CFH reserve	(75)		(586)			(661)
Actuarial reserve	(229)					(229)
Translation reserve	370	39				409
OCI reserve	294		(46)			248
Put option reserve	(12,105)					(12,105)
Retained earnings (losses carried forward)	(4,232)		(1,699)	9,759	(5,556)	(1,727)
Profit (Loss) for the period attributable to shareholders of the Parent Company	10,301	9,599		(10,301)		9,599
SHAREHOLDERS' EQUITY OF SHAREHOLDERS OF THE PARENT COMPANY	**98,844**	**9,638**	**(2,330)**	**-**	**(5,556)**	**100,596**
Share capital and reserves of minority interests	3,184	3	(134)	520	(53)	3,520
First-time adoption reserve of minority interests	8					8
Actuarial reserve of minority interests	(21)					(21)
Profit (loss) for period attributable to minority interests	520	1,080		(520)		1,080
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	**3,693**	**1,083**	**(134)**	**-**	**(53)**	**4,589**
TOTAL SHAREHOLDERS' EQUITY	**102,536**	**10,720**	**(2,464)**	**-**	**(5,608)**	**105,185**

The total shareholders' equity of the Group as at June 30th, 2019 totalled € 105.2 million, of which € 100.6 million attributable to the shareholders of the Parent Company and € 4.6 million attributable to minority interests.

The Parent Company's Share Capital, fully subscribed and paid-up, amounted to € 52.2 million and is divided into 30,864,197 shares.

The most significant changes in the shareholders' equity attributable to the shareholders of the parent company are due to the result achieved in the period in question, amounting to € 9.6 million, the distribution of dividends by the parent company totalling € 5.6 million, the application of new standard IFRS 16, which involved a reduction in retained earnings of € 1.7 million and the adjustment of the hedging derivative for € 0.6 million.

The calculation of the basic and diluted earnings per share is presented in the following table:

(in Euro)	06/30/2019	06/30/2018
Basic EPS	0.3110	0.2246
Diluted EPS	0.3110	0.2246

The calculation is based on the following data:

(in Euro)	06/30/2019	06/30/2018
Profit for the period	9,598,535	6,932,722
Number of shares	30,864,197	30,864,197

NON-CURRENT LIABILITIES

15) Payables due to banks

	Balance at 06/30/2019	Balance at 12/31/2018
Short-term credit facilities	7,562	7,351
Banca Intesa-Sanpaolo loan	750	735
Unicredit loan	773	762
BPER loan exp. 2019	0	388
BPER loan exp. 2028	1,300	1,291
BNL loan	1,778	1,778
Banco BPM loan	1,099	1,094
Volksbank loan	1,784	800
Banca Intesa-Sanpaolo (former Banca Popolare di Vicenza) loan	1,901	1,902
ICCREA loan (pool)	1,029	817
Unipol loan	323	0
TOTAL SHORT-TERM PAYABLES DUE TO BANKS	**18,297**	**16,918**

	Balance at 06/30/2019	Of which due beyond 5 years	Balance at 12/31/2018
Banca Intesa-Sanpaolo loan	2,016	0	2,394
BPER loan exp. 2019	0	0	0
BPER loan exp. 2028	11,931	6,517	12,585
BNL loan	889	0	1,778
Unicredit loan	0	0	387
Unipol Stand-by	4,000	0	0
BPM loan	2,798	0	3349
Banca Intesa- Sanpaolo (former Banca Popolare di Vicenza) loan	32,634	24,871	33,578
Volksbank loan	6,183	0	7,159
ICCREA loan (pool)	0	0	418
Unipol loan	612	0	0
TOTAL MEDIUM/LONG-TERM PAYABLES DUE TO BANKS	**61,062**	**31,388**	**61,649**

The overall net financial position of the IEG Group is reported hereunder, drafted according to the provisions of Consob Communication 6064293 of 28 July 2006 and the recommendation of the CESR of 10 February 2005, which differs from the one in the Directors' Report on Operations owing to the absence of medium/long-term financial receivables.

IEG Group
Net financial position based on the CONSOB/CESR format

	IEG Group Net financial position (Values in Euro/000)	06/30/2019	12/31/2018
1	**Short-term available funds**		
01:01	Cash on hand	398	152
01:02	Bank current account balances	12,431	29,327
01:03	Invested liquidity	66	1,405
01:04	Other short-term receivables	1,143	-
01:05	Financial receivables due from associated companies	373	523
	Total	**14,411**	**31,407**
02:01	Bank current account overdrafts	(4,414)	(5,578)
02:02	Other short-term payables to banks	-	(2,591)
02:03	Portions of medium/long-term payables due within 12 months	(13,978)	(8,849)
02:04	Other short-term payables	(473)	(697)
02:05	Financial payables due to shareholders	(459)	(710)
02:06	Current financial payables for rights of use	(3,521)	-
	Total	**(22,845)**	**(18,426)**
3	**Short-term financial position (1+2)**	**(8,434)**	**12,981**
4	**Medium/long-term financial payables (after 12 months)**		
05:01	Loans	(61,062)	(61,649)
05:05	Other medium/long-term payables – Put Option	(15,770)	(15,175)
05:06	Other medium/long-term payables – Other	(988)	(988)
05:07	Medium/long-term derivative financial instruments	(5,867)	(4,536)
05:08	Non-current financial payables for rights of use	(28,484)	-
	Total	**(112,172)**	**(82,348)**
5	**Net financial position (3+4)**	**(120,605)**	**(69,367)**

As at June 30th, 2019, loans accounted for 91% of the Group's bank debt.

Based on the trend in liquidity in the half, the Group also uses other types of short-term financing, such as hot money and current account overdrafts. These lines, relating to Hot Money, as at June 30th, 2019, were drawn down for a total of € 7.6 million, of which € 4.5 million by the parent company and € 3.1 million by Prostand S.r.l.. These lines rose by € 200 thousand compared to the end of the previous year.

As a result of the combination with Fiera di Vicenza S.p.A. which took place in 2016, Italian Exhibition Group S.p.A. took over the financing relationships described hereunder.

- Loan originally stipulated with Banca Popolare di Vicenza S.p.A (now Banca Intesa Sanpaolo S.p.A.) for € 34,535 thousand as at June 30th, 2019, of which € 32,634 thousand medium/long-term. The loan was granted on June 30, 2008 for an amount of € 50 million (subsequently reduced to € 42 million), repayable in deferred six-monthly instalments, the last of which will be paid on June 30th, 2036. The loan accrues interest at the 6-month Euribor plus a spread of 70 basis points and is secured by a first mortgage of € 84 million on the properties of Italian Exhibition Group S.p.A. located in Via dell'Oreficeria 16.

- Unsecured loan with Banca Unicredit S.p.A. with a balance of € 771 thousand as at June 30th, 2019, fully short-term. The loan was granted on May 15th, 2015 for an amount of € 3 million and is repaid in deferred quarterly instalments, expiring on May 31st, 2020. The loan accrues interest at the 3-month Euribor plus a spread of 200 basis points.

The “Unipol Stand-by” loan which generates interest at the 3-month Euribor plus a spread of 90 basis points, was drawn down as at June 30th, 2019 for a total of € 4 million.

On April 23rd, 2019, Pro.Stand and Unipol Banca S.p.A. signed a contract according to which Unipol granted a loan to Pro.Stand of € 1,000 thousand, with expiry of the final repayment on April 30th, 2022, settled at the 3-month Euribor interest rate plus 150 basis points. The sum financed will be repaid in 36 monthly equal, consecutive, deferred instalments, including principal and interest, with first expiry on May 31st, 2019. As at the reference date, the residual amount payable for the loan came to € 934 thousand, of which € 323 thousand within 12 months.

It should be noted that some loans taken out by the Parent Company are guaranteed by compliance with given indexes (“covenants”) calculated on the consolidated financial statements as at December 31st of each year. These indexes were respected as at December 31st, 2018.

16) Non-current financial liabilities for rights of use

The balance of € 28.5 million represents the non-current portion of liabilities recognised for lease fees still not paid at the close of the half, in compliance with the introduction of new accounting standard IFRS 16 on January 1st, 2019.

17) Other non-current financial liabilities

The item “Other current financial liabilities” as at June 30th, 2019 came to € 22,181 thousand, and recorded an increase of € 1,925 thousand in the half. The breakdown is shown below.

	Balance at 06/30/2019	Balance at 12/31/2018
Fair value of derivative instruments	5,867	4,536
Financial liabilities for put options	16,314	15,720
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	**22,181**	**20,256**

The item “Fair value of derivative instruments” amounted to € 5,867 thousand, an increase of € 1,330 thousand compared to the previous year due to the change in fair value during the half.

The derivative stipulated on November 4th, 2011 with Banca Popolare di Vicenza, now Banca Intesa Sanpaolo S.p.a., was stipulated in order to hedge the interest rate risk of part of the underlying loan and makes provision for the swapping of the 6-month Euribor with a fixed rate of 2.95%. The amortisation plan of the derivative perfectly matched, at the date of stipulation of the contract, the repayment plan of the Intesa Sanpaolo loan and, for said reason, was initially classified as a hedge, also for accounting purposes.

In 2014, the company Fiera di Vicenza, transferred to Rimini Fiera S.p.A. effective from November 1st, 2016 (which subsequently changed its company name to Italian Exhibition Group S.p.A.), altered the time-scales for repayment of the loan with respect to the original repayment plan, extending the pre-amortisation period. Consequently, the derivative, albeit continuing to guarantee an operational hedge given that it follows the amortisation plan of the loan until 12/31/2026, no longer possesses all the characteristics to qualify for hedge accounting. For the reasons just stated, the derivative is classified as an instrument measured at fair value through profit and loss of the Parent Company.

The final date of repayment of the Intesa Sanpaolo loan is set for June 3rd, 2036, around 10 years after the hedge of the first derivative contract stipulated in 2011. For this reason, IEG's Risk Management department opted to stipulate a second derivative contract at the end of the previous year, in order to mitigate potential fluctuation in the interest rate risk, which meant the item increased by € 586 thousand, with the following characteristics:

- trading date: December 7th, 2018;
- effective date; June 29th, 2018;
- maturity date: June 30th, 2036;
- date of interest payment: six-monthly, January 31st and June 30th of each year;
- total notional: € 9,635,397.46
- fixed rate (pay leg): 0.96400% (Actual/360)
- floating rate (receive leg): Euribor 6M (Actual/360)

The table below shows the impacts of the change in the fair value of the two derivative instruments as at June 30th, 2019.

VALUATION DATE	IRS Fair Value	Financial income (charges) through profit and loss	Change in CFH reserve
Dec-31-18	(4,536)	279	(75)
Jun-30-19	**(5,796)**	**(745)**	**(586)**

The item "Financial liabilities for put options" relates to the valuation, at the moment of the acquisition of the equity investment, increased due to the financial charges for the period, in the sale options granted to the minority shareholder FB International Inc. and the minority shareholders of Pro.Stand S.r.l.. The increase in the item compared to the previous year, amounting to € 595 thousand, is exclusively due to the financial charges accrued in the first half of 2019.

18) Provisions for non-current risks and charges

"Provisions for risks and charges" recorded a reduction of € 703 thousand and the change is shown in the table below:

	Balance at	Changes in the 1st half 2019			Balance at
	12/31/2018	Provisions	Uses/decreases	Transfers	06/30/2019
Provision for dispute risks	1,458	60	(5)		1,513
Other provisions for risks	768		(758)		10
Provision for the write-down of equity investments	183				183
TOTAL PROVISIONS FOR RISKS AND CHARGES	**2,409**	**60**	**(763)**	**-**	**1,706**

The "Provision for dispute risks" rose by € 55 thousand due to the allocations and uses relating to labour law proceedings.

The item "Other provisions" includes primarily the allocation made by the Parent Company for the estimated expense for ICI (municipal property tax) and the associated 'specifically targeted tax' pertaining to previous years. Tax relating to the years 2013, 2014 and 2015 totalling € 758 thousand was paid in the first half.

The "Provision for the write-down of equity investments" includes the allocation relating to the previous year, amounting to € 183 thousand, carried out for the alignment with the shareholders' equity of the investee DV Global Link, an equity investment whose book value had already been fully written down.

19) Employee provisions

The balance as at June 30th, 2019 amounted to € 4,433 thousand (€ 4,565 thousand at the close of the previous year).

	Balance at 12/31/2018	Changes in the 1st half 2019			Balance at 06/30/2019
		Provisions	Uses/decreases	Changes in scope of consol.	
Provision for agents' leaving indemnities	162				162
Provision for non-competition agreement	460				460
Provision for employee severance indemnity	3,943	158	(289)	-	3,812
TOTAL EMPLOYEE PROVISIONS	**4,565**	**158**	**(289)**	**-**	**4,433**

The balance is composed of employee severance indemnity accrued until December 31st. The change in the period, amounting to € 158 thousand, relates to the allocation in the period as a result of the revaluation of the previous provisions, for € 289 thousand and uses due to employee exits.

By contrast, for a total of € 162 thousand, it is composed of the "Provision for agents' leaving indemnities" allocated in compliance with article 1751 of the Italian Civil Code and the collective economic agreement for the regulation of the agency and commercial representation relationship of the commerce sector signed on February 16th, 2009.
For € 460 thousand, it includes the considerations accrued over the years due to the non-competition obligations assumed by employees based on the contracts signed between said employees and the parent company, in line with the employment contract, whose associated consideration will be paid, on termination of the employment contract, if the non-competition clause has been respected.

20) Other non-current liabilities

The item "Other non-current liabilities" includes the amount of the grant disbursed by the Emilia-Romagna Region for the construction of the Rimini Trade Fair District, still not booked to the income statement, amounting to € 2,494 thousand.

CURRENT LIABILITIES

21) Current financial liabilities for rights of use

The change in the half derives from the application, from January 1st, 2019, of the new accounting standard IFRS 16, which involved the recognition of a current financial liability of € 3,521 thousand, booked to the item “Current financial payables for rights of use”.

22) Other current financial liabilities

The item “Other current financial liabilities” as at June 30th, 2019 came to € 1,470 thousand, and recorded an increase of € 481 thousand in the half. The breakdown is shown below.

	Balance at 06/30/2019	Balance at 12/31/2018
Payables to shareholders	914	1,154
Payables due to other lenders within 12 months	462	697
Accrued interest expense on loans	94	100
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	**1,470**	**1,951**

Accrued expenses relate to amounts of interest expense on loans pertaining to the first half of 2019.

Payables to shareholders amounted to € 914 thousand and are due, for € 665 thousand, to some minority shareholders of Prostand S.r.l. (former shareholders Colorcom for the purchase by Prostand of shares in the former), for € 236 thousand to payables recorded by Fb International Inc. due from the minority shareholder, and for the remainder, payables of the Parent Company for dividends resolved but still not paid out.

Payables due to other lenders within 12 months are composed, for € 190 thousand, of payables due to “Mantova In S.r.l.” for the acquisition of the trademarks “Cosmofood” and “Golositalia” and, for € 272 thousand, of the short-term amount due from “Essezeta S.r.l.” in relation to the purchase of Prostand S.r.l..

23) Trade payables

“Trade payables” amounted to € 32.3 million as at June 30th, 2019 and registered a decrease in the half of € 8.3 million. The breakdown of the item is shown below:

	Balance at 06/30/2019	Balance at 12/31/2018
Trade payables	32,050	40,448
Payables to associated companies	208	96
Payables due to jointly owned companies	0	9
TOTAL TRADE RECEIVABLES	**32,258**	**40,553**

“Trade payables” recorded as of today refer, for the most part, to purchases of the services needed for the staging of trade fairs and conferences. The change recorded in the half is attributable primarily to the correlation between the trade fair calendar and payment terms adopted by the Parent Company.

As regards “Payables to associated companies”, an amount of € 196 thousand is due from the associated company Cesena Fiera S.p.A. and € 12 thousand from CAST Alimenti S.r.l..

24) Tax payables for direct taxes

	Balance at 06/30/2019	Balance at 12/31/2018
Payables to parent companies	1,745	1,745
Tax payables for direct taxes	4,351	0
TOTAL TAX PAYABLES FOR DIRECT TAXES	**6,096**	**1,745**

"Payables to parent companies" include the payables of the Group companies of a tax nature due to the company Rimini Congressi S.p.A. deriving from the application of the National Tax Consolidation regime, adopted until the close of the year 2018.

Effective from January 1st, 2019, the company no longer applies the National Tax Consolidation regime and, therefore, registered a payable due directly to the Tax Authorities amounting to € 4,351 thousand, relating to the liability for taxes accrued in the first half of 2019.

25) Other current liabilities

"Other current liabilities" amounted to € 30.3 million as at June 30th, 2019 and registered a decrease in the half of € 21.1 million. The breakdown of the item is shown below:

	Balance at 06/30/2019	Balance at 12/31/2018
Payments on account	6,850	3,863
Amounts payable to pension and social security institutions	1,425	1,371
Other payables	7,206	6,955
Accrued expenses and deferred income	325	1,983
Revenues paid in advance pertaining to subsequent years	11,684	34,593
Other tax payables	2,832	2,610
Other current liabilities	0	25
TOTAL OTHER CURRENT LIABILITIES	**30,322**	**51,400**

The variation in the period is represented mainly by the net effect of the increase in advance payments for € 3 million and the reduction in "Revenues paid in advance pertaining to subsequent years" amounting to € 22.9 million. The latter item, shown in application of the Decision of the Regional Council of Emilia – Romagna no. 4197/1992 for the financial statements of former Trade Fair Organisations, includes the revenues already collected for the organisation of trade fairs that will be held in subsequent periods. The item fell compared to the previous period due to the different type, scope and invoicing period of the events that will be held in the period after June 30th, 2019, with respect to those held after December 31st, 2018 (in particular, SIGEP and VicenzaOro January held in January 2019, Beer Attraction and HIT held in February 2019).

Comments on main items of the consolidated income statement

26) Revenues from sales and services

The following table shows the breakdown of revenues by business line.

	Balance at 06/30/2019	Balance at 06/30/2018
Organised events	53,262	50,085
Hosted Events	1,801	1,677
Conferences	7,444	5,895
Related Services (stand fitting, catering, cleaning)	34,890	17,610
Publishing, Sports and Other lines	1,122	852
TOTAL REVENUES FROM SALES AND SERVICES	**98,519**	**76,119**

As regards the analysis of the trend in revenues during the first half of 2019 and the comparison with the data in the previous year, please refer to the information already outlined in the Directors' Report on Operations. It should be noted that the increase in revenues between the two halves analysed was influenced by the entry into the scope of consolidation of the IEG Group if the stand fitting companies Prostand S.r.l. (acquired on September 1st, 2018, therefore not present in the comparative data), Colorcom S.r.l. (acquired on September 1st, 2018 from Prostand S.r.l. and merged in the direct parent company and effective from January 1st, 2019 for accounting and tax purposes) and Fb International Inc. (acquired on March 1st, 2018, therefore present in the comparative data only for 4 months, i.e. the March-June 2018 period). The contribution of Prostand S.r.l. to the consolidated data of the first half of 2019 was approximately € 16.1 million and must be considered jointly with the reduction in the revenues of the subsidiary Prostand Exhibition Services S.r.l. for € 5.1 million. The increase in revenues contributed by FB International Inc. came to € 6.1 million compared to the first half of 2018, where the company contributed revenues solely for the months from March to June. Roughly € 4.2 million of the variation in FB's revenues derive from the different consolidation period, while around € 1.9 million are attributable to organic growth.

27) Other revenues

"Other revenues and income" are detailed as follows:

	Balance at 06/30/2019	Balance at 06/30/2018
Emilia-Romagna Region Grant	97	97
Other revenues	1,317	1,093
TOTAL OTHER REVENUES	**1,414**	**1,190**

The item "Other revenues and income" includes mostly accessory trade fair income, but falling under the ordinary activities of the IEG Group, for example revenues from concessions, costs pertaining to third parties relating to events managed in collaboration with other parties, income from publications and subscriptions and other minor revenues.

28) Operating costs

Operating costs amounted to € 73,357 thousand (€ 60,270 thousand as at June 30th, 2018) and are detailed as follows:

	Balance at 06/30/2019	Balance at 06/30/2018
Costs for raw materials, consumables and goods for resale	(7,477)	(3,680)
Costs for services	(42,917)	(39,019)
For use of third-party assets	(3,547)	(1,417)
For personnel		
Wages and salaries	(12,743)	(10,798)
Social security costs	(3,730)	(2,891)
Employee severance indemnity	(723)	(630)
Pension costs and similar liabilities	0	0
Other costs	(363)	(258)
Directors’ fees	(589)	(382)
	(18,147)	**(14,959)**
Change in inventories	72	45
Other operating costs	(1,341)	(1,240)
TOTAL OPERATING COSTS	**(73,357)**	**(60,270)**

As regards an analysis of the trend in “Operating costs” in the first half of 2019, an increase of € 13.1 million was recorded, of which € 3.9 million relating to costs for services and € 3.2 million to personnel costs.

It should be emphasised that, as regards total “Operating costs”, the companies included under new acquisitions, as specified in the previous paragraph 26) Revenues, involved a cost increase of around € 14 million.

Lastly, it should be noted that “Costs for services” include an amount of € 248 thousand in non-recurring expenses relating to advisory costs incurred by IEG S.p.A. to finalise its listing process, initiated in 2018 and completed with the Parent Company’s access to the MTA (Milan Stock Exchange) on June 19th, 2019.

	Balance at 06/30/2019	Balance at 06/30/2018
Municipal taxes	(501)	(512)
SIAE (Italian Authors and Publishers Association) fees, exhibition taxes	(67)	(37)
Vehicle ownership tax	(4)	(5)
Membership fees and contributions	(195)	(115)
Revenue stamps and certification of the books	(7)	(19)
Other taxes	(31)	(20)
Other costs	(536)	(453)
Capital losses from fixed asset disposal	0	(1)
Losses on receivables	0	(77)
TOTAL OTHER OPERATING COSTS	**(1,341)**	**(1,240)**

It should be noted that the item “Other costs” is composed primarily of non-existent assets and contingent liabilities booked in the half.

29) Amortisation, depreciation and write-downs of fixed assets

	Balance at 06/30/2019	Balance at 06/30/2018
Amortisation of intangible fixed assets	(628)	(586)
Depreciation of property, plant and equipment	(7,518)	(4,168)
TOTAL AMORTISATION, DEPRECIATION AND WRITE-DOWNS	**(8,146)**	**(4,754)**

"Amortisation, depreciation and write-downs of fixed assets" rose by € 3.4 million. This increase, which primarily characterises property, plant and equipment, can be broken down as follows: increase of € 1.9 million due to the application of the new accounting standard IFSR 16; increase of € 1.1 million attributable to Prostand S.r.l., both not present in the data as at June 30th, 2018 for the reasons already cited. The remainder of the increase is attributable predominantly to the Parent Company, whose "Depreciation of property, plant and equipment" rose mainly due to the fact that the amortisation of the investments made in the previous year took full effect.

30) Value adjustments of financial assets other than equity investments

The "Value adjustments of financial assets other than equity investments" reported a loss for the period of € 143 thousand, compared to the loss of € 8 thousand in the first half of 2018, hence signalling a downturn of € 135 thousand. The item includes an allocation of € 150 thousand made in order to consider the loss in value identified on the receivables due from DV Global Link and booked under "Current financial assets".

31) Financial income and charges

	Balance at 06/30/2019	Balance at 06/30/2018
From securities in Current assets other than equity investments	**37**	**30**
Interest income on bank deposits	4	1
Other interest income	3	0
Financial capital gains	0	13
Income other than the above	**7**	**14**
TOTAL FINANCIAL INCOME	**44**	**43**

"Financial income" amounted to € 44 thousand, and is essentially the result of the Parent Company's liquidity management.

	Balance at 06/30/2019	Balance at 06/30/2018
Interest expense on payables due to banks	(435)	(354)
Negative differences of SWAPs	(484)	(457)
Positive/(negative) differences of IRS	(745)	168
Other interest expense and charges	(110)	(56)
Interest expense for rights of use (IFRS 16)	(330)	0
Financial charges on Put Options	(595)	(253)
TOTAL FINANCIAL CHARGES	**(2,699)**	**(951)**

Financial charges encumber almost exclusively Italian Exhibition Group S.p.A. and relate to loans taken out and the temporary use of short-term credit facilities.

The “IRS Differential” represents the change in the fair value of the derivative contracted by the Parent Company with former Banca Popolare di Vicenza (now Banca Intesa San Paolo), between December 31st, 2018 and June 30th, 2019, while the “Negative differences of SWAPs” refer to the interest paid to said institution at the fixed rate established by the contract in question. It should be noted that the change in the fair value of the derivative financial instrument had a different impact in the two periods: a positive € 168 thousand in 2018; a negative € 745 thousand in 2019, with a net change which led to an overall worsening in the item of roughly € 0.9 million.

The item “Financial charges on Put Options” amounted to € 595 thousand and includes financial charges accrued on payables connected with the put options relating to the stand fitting companies acquired in 2018. The main reason for the increase, amounting to € 342 thousand, is linked to the fact that the first half of 2019 includes, unlike the same period in the previous year, also financial charges on the put options relating to the acquisition of Prostand S.r.l. and Colorcom Allestimenti Fieristici S.r.l..

	Balance at 06/30/2019	Balance at 06/30/2018
Positive exchange differences	20	180
Negative exchange differences	(46)	(120)
TOTAL EXCHANGE GAINS AND LOSSES	**(26)**	**60**

The item “Exchange rate gains and losses” posted a net charge of € 26 thousand as at June 30th, 2019. At the end of the previous half, by contrast, net income of € 60 thousand was recorded. The change is attributable to the different volumes of transactions performed in foreign currency (in particular USD) by the Parent Company.

32) Gains and losses from equity investments

Equity investments in associated companies and joint ventures were measured using the equity method. For more information, please refer to the previous comments on financial fixed assets.

	Balance at 06/30/2019	Balance at 06/30/2018
Revaluations of equity investments		
Cesena Fiera S.p.A.	70	30
Fitness Festival International S.r.l. (in liquidation)	0	46
Total revaluations of equity investments	**70**	**76**
Write-downs of equity investments		
Expo Estrategia Brasil Eventos e Producoes Ltda	(19)	(81)
Fairsystem Srl in liquidation	(5)	(15)
Total Write-down of equity investments	**(24)**	**(96)**
Income from equity investments		
C.A.S.T. Alimenti S.r.l. dividends	43	44
Total income from equity investments	**43**	**44**
TOTAL GAINS AND LOSSES FROM EQUITY INVESTMENTS	**90**	**24**

The item “Gains and losses from equity investments” includes, for € 43 thousand, the dividend collected from the associated company CAST Alimenti S.r.l. resolved at the shareholders’ meeting on May 22nd, 2019 on the allocation of the profit posted in the financial statements as at December 31st, 2018.

33) Taxes

The item “Income taxes” includes the taxes pertaining to the first half of 2019 recognised on the basis of the best estimate of the average weighted expected rate for the entire year. These amounted to € 4.4 million, marking an increase of € 1.1 million compared to the previous half.

34) Related party transactions

The companies in the IEG Group entered into transactions under market conditions and based on reciprocal cost effectiveness, both within the Group and with other related companies.

Business transactions between the IEG Group companies are mainly targeted at the organisation and management of exhibitions and events. IEG S.p.A. also provides treasury services to some Group companies. For a description of the nature and the amounts of the transactions between companies consolidated on a line-by-line basis, please refer to the contents of the Directors’ Report on Operations.

The table below shows the amount and the nature of the receivables/payables as at June 30th, 2019 and details of the costs/revenues in the year deriving from transactions between consolidated companies and associated companies, jointly controlled companies and the parent company Rimini Congressi S.p.A..

It should be noted that, as of the 2019 tax year, the Tax Consolidation Regime is no longer in place with the parent company Rimini Congressi S.p.A..

In addition, it should be noted that, on application of the new accounting standard, IFRS 16, the costs for the use of third-party assets, relating to rental agreements for the Rimini Conference Centre stipulated between IEG S.p.A. and Società del Palazzo S.p.A., were replaced by costs for amortisation/depreciation and financial charges which, for the sake of completeness, we report in the table. Financial payables amounting to € 19 million relate entirely to the discounting of lease instalments to be paid for the rental of Palacongressi of Rimini, as set forth in IFRS 16.

	Balance as at 06/30/2019					
Related party transactions	Società Palazzo dei Congressi	Rimini Congressi	Green Box	DV Global Link LLC	Cesena Fiera	CAST Alimenti Srl
Trade receivables				41	1,804	
Current financial assets				373		
TOTAL RECEIVABLES				**413**	**1,804**	
Trade payables					(196)	(12)
Financial payables	(18,965)					
Tax payables for direct taxes		(1,745)				
TOTAL PAYABLES	**(18,965)**	**(1,745)**			**(196)**	**(12)**
Revenues from sales and services	20			16	1,421	2
Other revenues	20					
Costs for services, use of third-party assets, other expenses	(4)				(146)	(11)
Amortisation on rights of use (IFRS 16)	(527)					
Financial charges on rights of use (IFRS 16)	(193)					
Financial income						43
TOTAL REVENUES AND COSTS	**(684)**			**16**	**1,276**	**34**

35) Other information

Sureties and guarantees granted to third parties

It should be noted that, as at June 30th, 2019, the Group has guarantees in place relating to sureties totalling € 1,479 thousand, broken down as follows:

- Bank sureties issued to the Municipality of Rimini, for € 1 million, in relation to the successful completion of works, supplies or particular obligations of the Parent Company.
- Other bank sureties issued amounting to € 423 thousand, mainly relating to leases in place of the parent company and the subsidiary Summertrade S.r.l..
- Sundry insurance sureties amounting to € 53 thousand.

Employees

The average number of employees is expressed as the number of FTE (full-time equivalent) workers. The comparison between the average number of employees in the first half of 2019 and the first half of 2018 is shown below.

FTE	06/30/2019	06/30/2018
Executives	14.3	13.3
Middle managers-White collar workers	369.5	274.7
Blue-collar workers	173.2	143
AVERAGE NUMBER OF EMPLOYEES	**557.0**	**430.6**

The exact number of workers (headcount) as at June 30th, 2019 compared with the figure as at December 31st, 2018 is indicated hereunder.

Headcount	06/30/2019	12/31/2018
Executives	14	13
Middle managers-White collar workers	402	383
Blue-collar workers	291	152
AVERAGE NUMBER OF EMPLOYEES	**707**	**548**

ANNEX 1

These annexes contain additional information with respect to the contents of the Explanatory notes, of which they constitute an integral part.

COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30TH, 2019 USING THE LINE-BY-LINE METHOD

Company name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct IEG S.p.A.	Indirect - Other Group Companies	
Italian Exhibition Group S.p.A.	Via Emilia, 155 – 47921 Rimini	Organiser and host site of trade fairs / events / conferences		*Parent Company*			
Exmedia S.r.l.	Via Emilia, 155 – 47921 Rimini	Organiser of trade fairs / events / conferences and other trade fair activity accessory services	200	51%	51%		
Summertrade S.r.l.	Via Emilia, 155 – 47921 Rimini	Catering services	105	65%	65%		
Prostand Exhibition Services S.r.l.	Via Emilia, 129 – 47900 Rimini	Trade fair stand fittings	78	90.2%	51%	39.2%	Prostand S.r.l. (1)
Pro.stand S.r.l.	Poggio Torriana, via Santarcangiolese 18	Trade fair stand fittings	182	80%	80%		(1)
IEG USA Inc.	1001 Brickell Bay Dr., Suite 2717° Miami (FL)	Equity holding company	USD 7,200	100%	100%		
FB International Inc.	1 Raritan Road, Oakland, New Jersey 07436 - USA	Trade fair stand fittings	USD 48	51%		51%	IEG USA Inc.
Prime Servizi S.r.l.	Via Flaminia, 233/A – 47924 Rimini	Cleaning and porterage services	60	51%	51%		

(1) The percentage considered of the equity investment in Prostand S.r.l. includes an option equal to 20% of share capital.

COMPANIES ACCOUNTED FOR IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30TH, 2019 USING THE EQUITY METHOD

Company name	Registered office	Core business	Share capital (figures in thousands)	% Share held by the Group			Group company
				Total Group	Direct IEG S.p.A.	Indirect - Other Group Companies	
Fairsystem International Exhibition Services S.r.l. in liquidazione (in liquidation)	Via Maserati, 16 – Bologna	Organiser of international trade fairs / events	100	31.25%	31.25%		
Expo EstrategiaBrasilEventos e ProducoesLtda	Rua Felix de Souza, 307 Vila Congonhas – Sao Paulo	Organiser and host site of trade fairs / events / conferences	REAL 6,091	50%	50%		
DV Global Link LLC	P.O. Box 9292, Dubai, United Arab Emirates	Organiser and host site of trade fairs / events / conferences	AED 500	49%	49%		
Fitness Festival International S.r.l. in liquidazione (in liquidation)	Via Martiri dei Lager, 65 – 06128 Perugia	Organiser of trade fairs / events and conferences	220	50%	50%		
EAGLE	Shanghai, China	Organiser of trade fairs / events and conferences	CNY 1,000	50%	50%		
Cesena Fiera S.p.A.	Via Dismano, 3845 – 47522 Pievesestina di Cesena (FC)	Organiser of trade fairs / events and conferences	2,000	25.6%	20%	5.6%	Prostand S.r.l. (1)
C..A.S.T. Alimenti S.p.A.	Via Serenissima, 5 – Brescia (BS)	Training courses and professional training courses	126	23.08%	23.08%		
Destination Services S.r.l.	Viale Roberto Valturio 44 – 47923 Rimini (RN)	Promotion and organisation of tourist services	10	50%	50%		
Green Box S.r.l.	via Sordello 11/A – 31046 Oderzo (TV)	Organiser of trade fairs / events and conferences	15	20%	20%		
Eventi Oggi S.r.l.	Via Mazzoni 43 – Cesena (FC)	Organiser of trade fairs / events and conferences	10	15.3%		15.3%	Prime Servizi S.r.l.

(1) The percentage considered of the equity investment in Prostand S.r.l. includes an option equal to 20% of share capital.

Certification of the condensed half-yearly financial statements pursuant to article 154 bis of Legislative Decree 58/98

CERTIFICATION OF THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154 BIS OF LEGISLATIVE DECREE 58/98

1. The undersigned Ugo Ravanelli as Chief Executive Officer and Roberto Bondioli as Manager responsible for preparing the company's financial documents of Italian Exhibition Group S.p.A. hereby certify, also taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24th, 1998:

   - the adequacy with respect to the company's profile, and
   - the effective application

   of the administrative and accounting procedures for preparing the condensed half-yearly financial statements during the first half of 2019.

2. It is also certified that:

2.1. The Condensed Half-Yearly Financial Statements:

a) were prepared in accordance with the international accounting standards recognised by the European Union pursuant to European Parliament and Council Regulation No. 1606/2002/EC of July 19th, 2002;
b) are consistent with the underlying documentary evidence and accounting records;
c) are suitable to provide a true and fair representation of the capital, economic and financial situation of the issuer and group of companies included within the scope of consolidation.

2.2. The interim report on operations includes a reliable analysis of the significant events in the first six months of the financial year and their impact on the condensed half-yearly financial statements, as well as a description of major risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of information regarding related party transactions of major relevance.

Rimini, August 27th, 2019

Chief Executive Officer	*Manager responsible for preparing the company's financial documents*
Ugo Ravanelli	*Roberto Bondioli*

Report of the independent auditors

pwc

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Italian Exhibition Group SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Italian Exhibition Group SpA and its subsidiaries (IEG Group) as of 30 June 2019, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flow and related notes. The directors of Italian Exhibition Group SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of IEG Group as of 30

June 2019 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, 30 August 2019

PricewaterhouseCoopers SpA

Signed by
Roberto Sollevanti
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers