

Global Exhibition Barometer

Results of the survey conducted
in December 2011 among
UFI*, SISO**, AFIDA*** & EXSA**** Members

(*) World

(**) USA

(***) Central & South America

(****) Southern Africa

REPORT

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Introduction

At the beginning of 2009, UFI decided to assess the impact of the economic downturn by developing a “Crisis Barometer” based on the perceptions of our UFI members in 84 countries and including for the USA, an identical survey conducted by SISO (Society of Independent Show Organizers). The scope of the survey was then enlarged to include Members of AFIDA (Asociacion Internacional de Ferias de America) in Central & South America and more recently members of EXSA (Exhibition and Events Association of Southern Africa).

Results of this regular survey were first published in February, May & August 2009. This tool then went forward as the “Global Exhibition Barometer”, with 2 surveys planned per year, and the last 4 reports were issued in January 2010, June 2010, January 2011 and June 2011.

The current document presents the results of the eighth survey, conducted in December 2011. It includes trends drawing on the results of the previous surveys wherever possible.

It should be noted that the number of replies to this survey (172, from 49 countries – see details in appendix) provides representative results. However, the consolidated regional results may not reflect the situation of specific countries in that region.

For questions related to this survey, please contact Christian Druart at research@ufi.org.

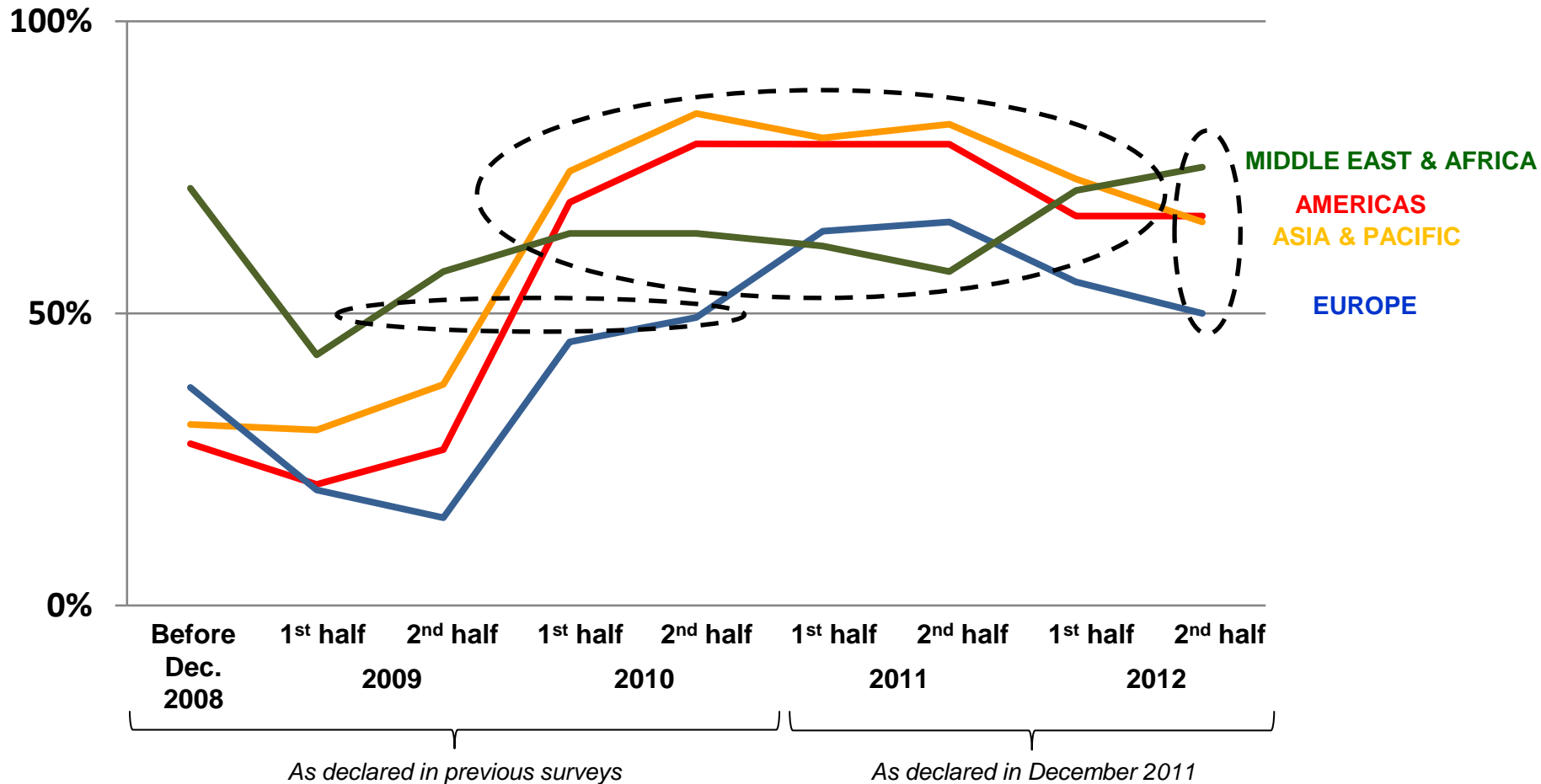
1. Gross Turnover

The 8th Barometer survey questioned the evolution of the participants' turnover for all of 2011 and half of 2012 as compared to the same period the year before (regardless of possible biennial effects). The charts presented on the next 2 pages combine these results with those of the previous survey, which relate to 2008, 2009 and 2010. The first chart presents the percentage of companies declaring an increase in their turnover and the charts on the following page details these results, adding the identification of the percentages of companies declaring decreases of their turnover, with 2 categories: more or less than 10%. It also includes the percentage of “unknown” answers for the 2012 turnovers.

Results confirm the existence of 3 types of development:

- Asia/Pacific and the Americas show a very similar evolution with a return of growth in gross turnover for 7 to 8 companies out of 10 in both 2010 and 2011. This level of performance appears to drop slightly for 2012 with less than 7 companies out of 10 declaring an increase in the Americas and less than 8 in Asia/Pacific (where a higher proportion of answers indicates that the evolution is not yet known).
- The same evolution but with a lower level of performance applies to Europe, where the return of growth for a majority of companies, which only appeared in 2011, now seems fragile. Only 50% of the respondents declare an increase of their turnover for the 2nd half of 2010 (and 11% don't know how it will evolve)
- The Middle East / Africa region continues to be little affected, with a majority of companies declaring an increase in their turnover during all periods except the beginning of 2009.

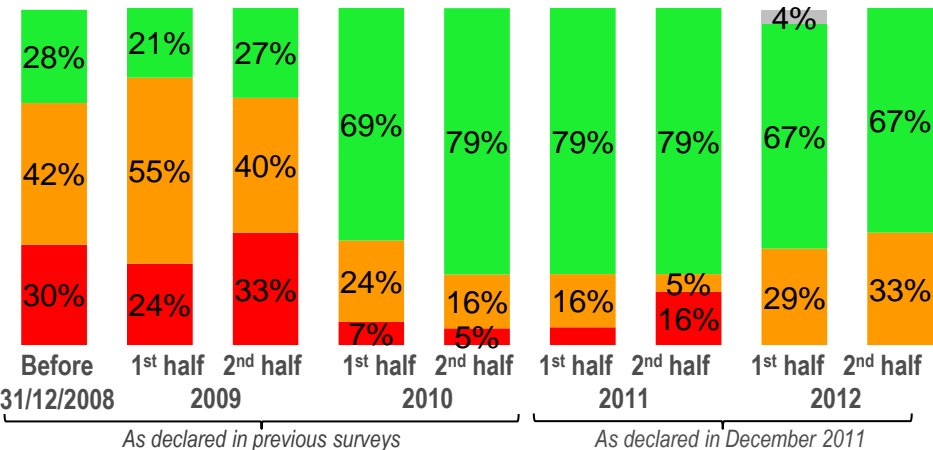
% of companies declaring an increase in their turnover when compared to the same period the year before (regardless of possible biennial effects)



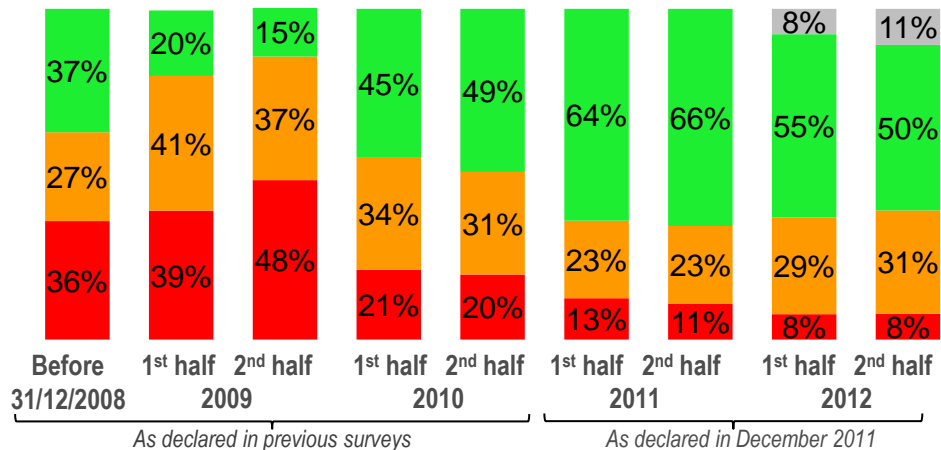
How do you expect your turnover to change when compared to the same period the year before (regardless of possible biennial effects)?

I don't know
 Decrease: 10% or more
 Decrease: less than 10%
 Increase

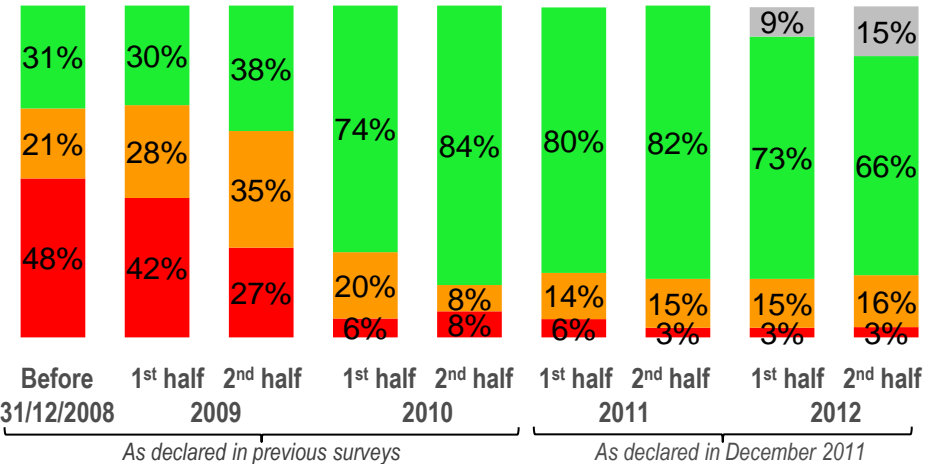
AMERICAS



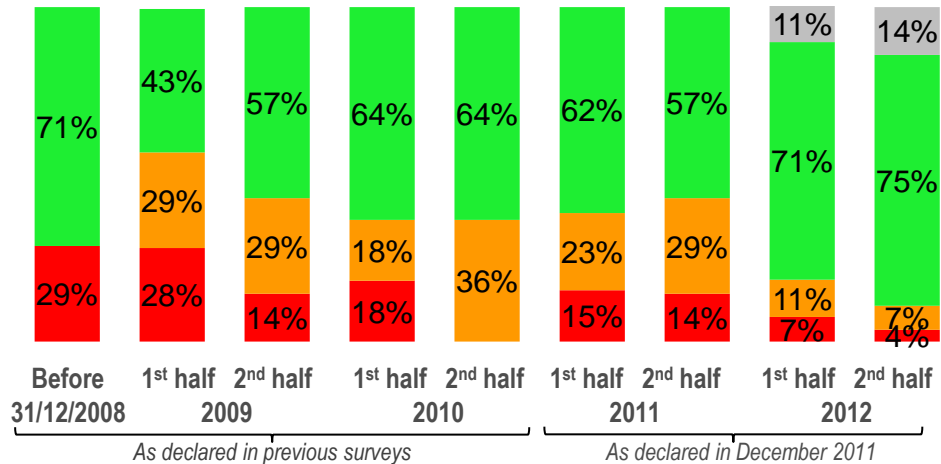
EUROPE



ASIA/PACIFIC



MIDDLE EAST/AFRICA



2. Operating Profit

The 8th barometer survey questioned the evolution of operating profits for 2011 when compared to the 2 previous years.

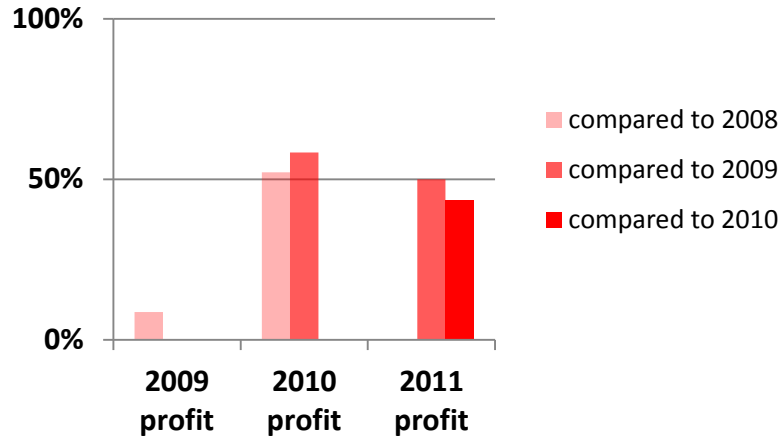
The charts presented in the previous and the next pages combine these results with those of previous surveys which provided the evolution of the operating profits for 2009 and 2010: the first slide only shows those companies declaring an increase of more than 10%, whereas the second combines those declaring a stable result (between -10% and +10%) and those with an increase of more than 10%.

This indicates that:

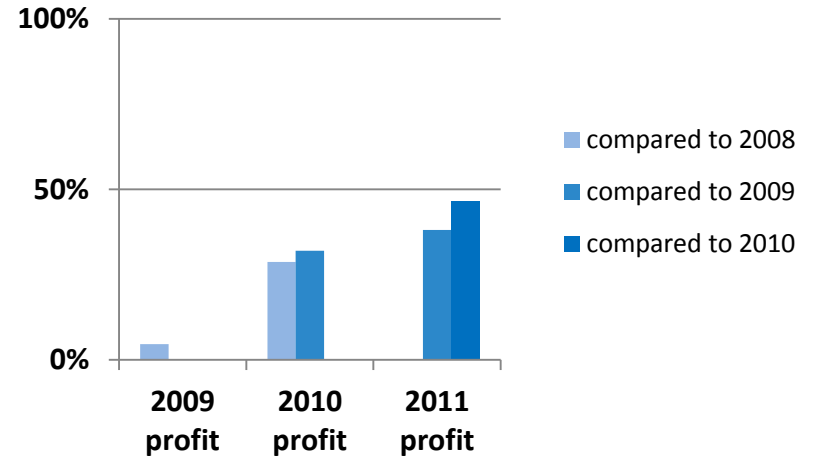
- fewer than 50% anticipate an increase of more than 10% in annual profit in 2011 in all regions except in Asia/Pacific where there is already a majority of companies declaring such an increase
- few companies declare decreases of more than 10% in operating profit for 2010 or 2011.

% of companies declaring an increase by more than 10% of their annual profit

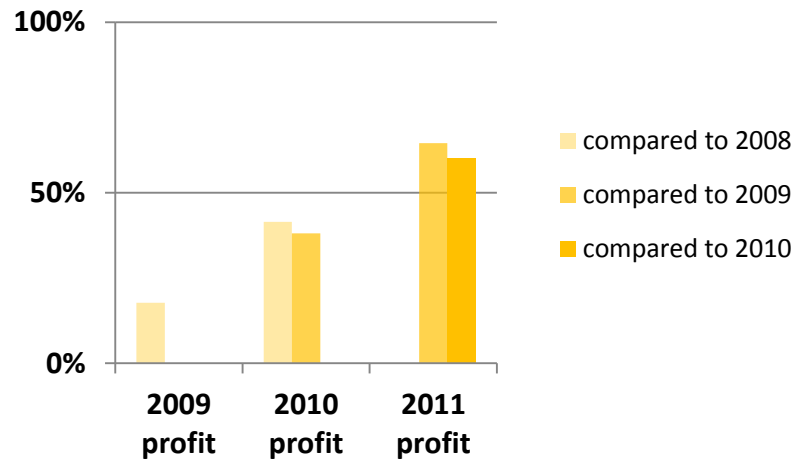
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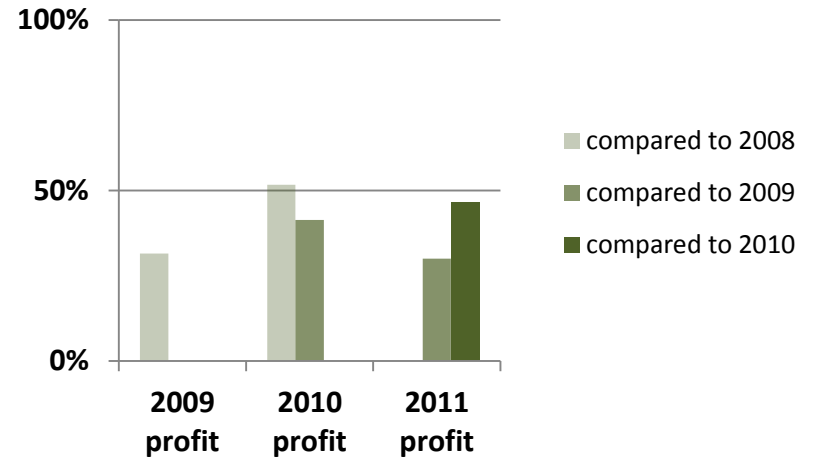
EUROPE



ASIA & PACIFIC

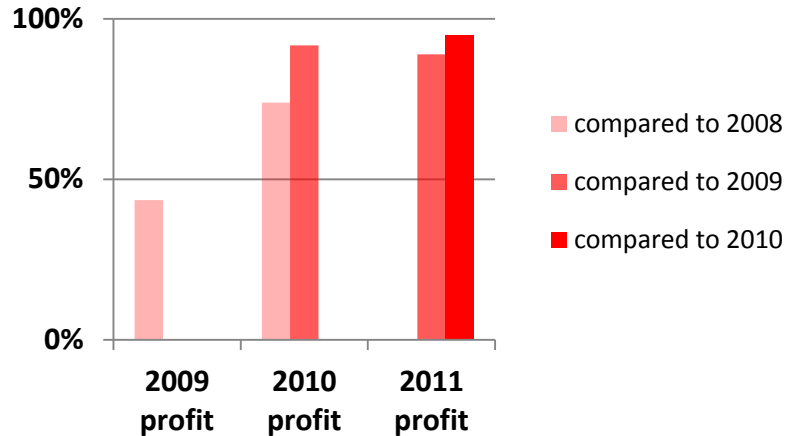


MIDDLE EAST & AFRICA

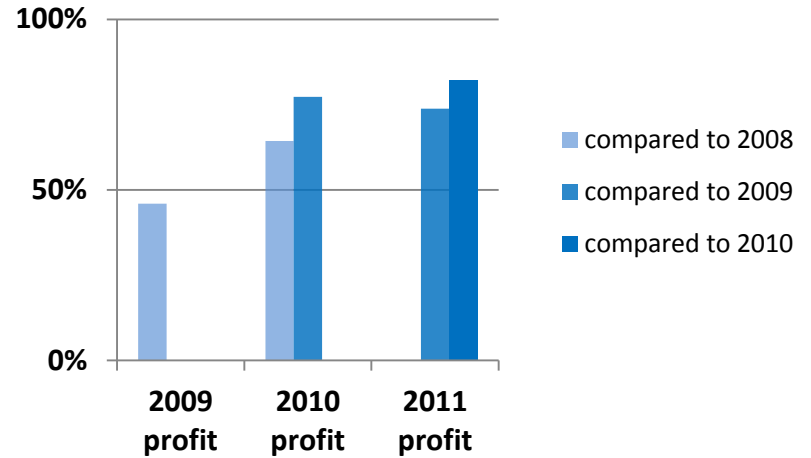


% of companies declaring either a stable (between -10% and +10%) or an increase by more than 10% of their annual profit

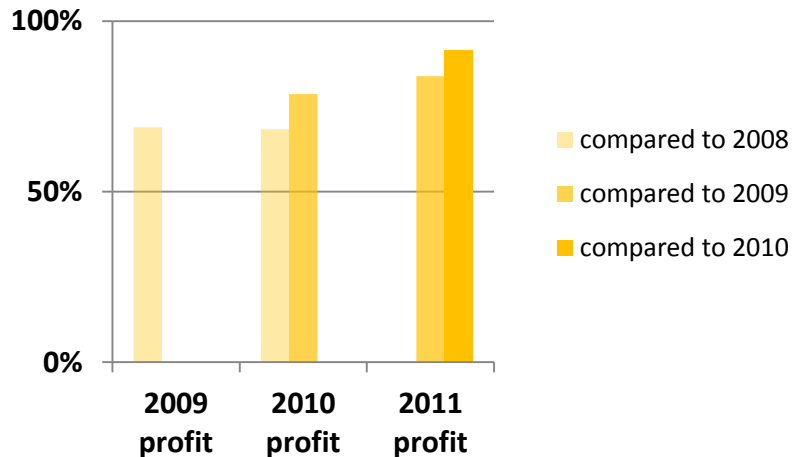
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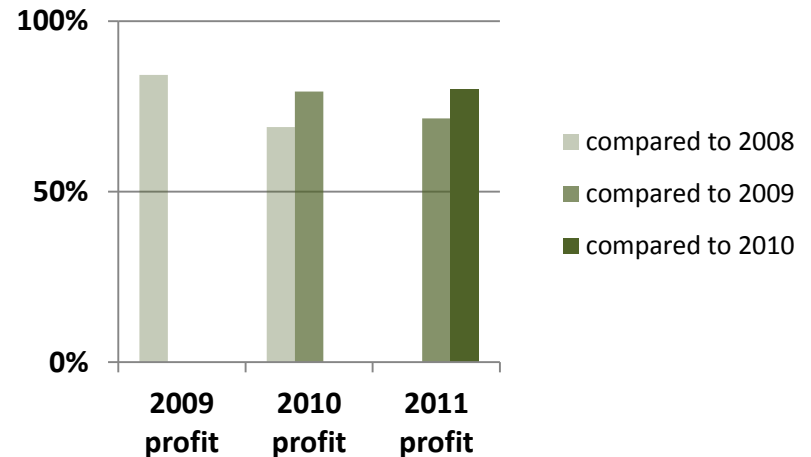
EUROPE



ASIA & PACIFIC



MIDDLE EAST & AFRICA



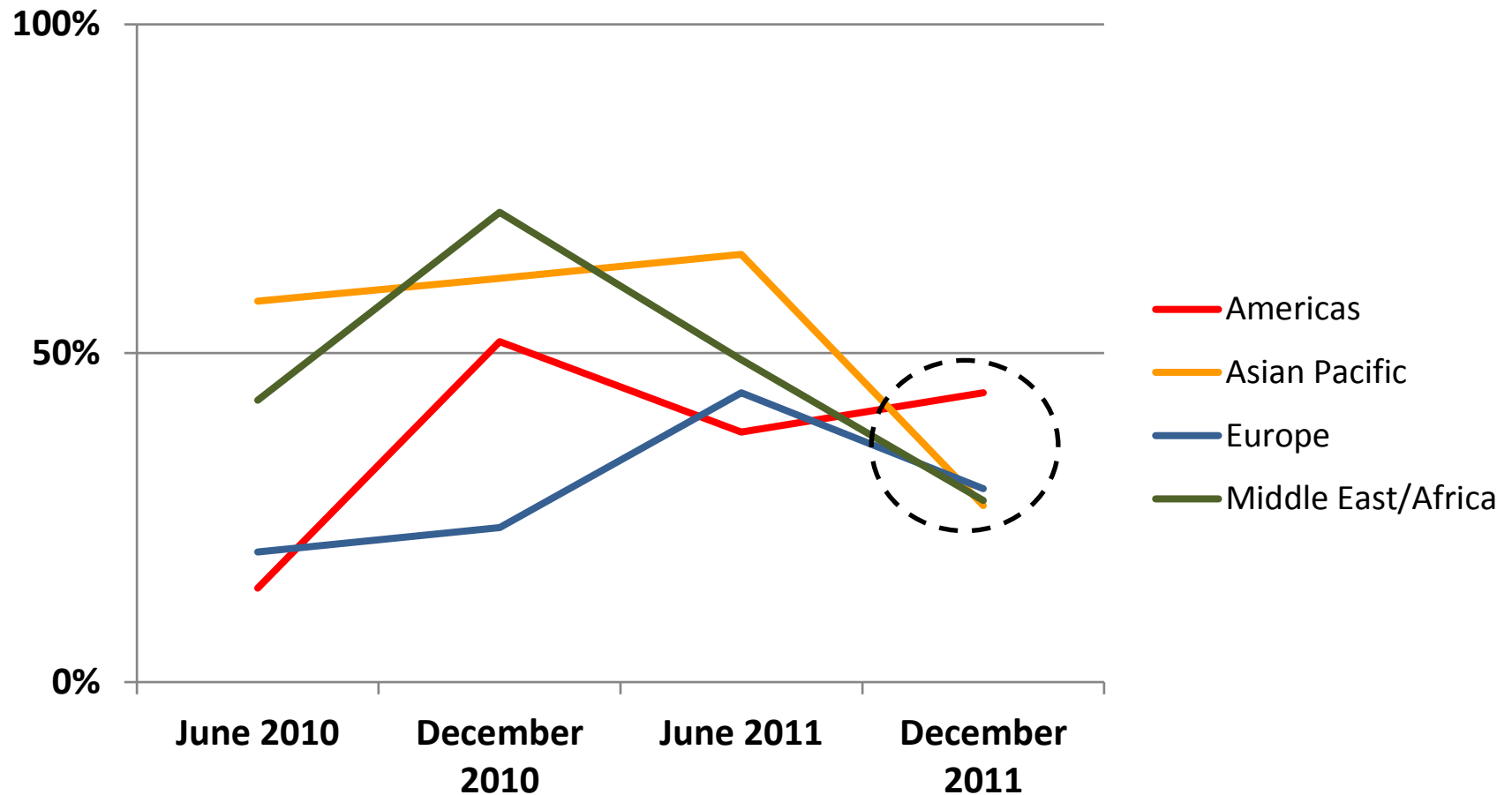
3. Perception of the economic crisis

Companies were asked their view on whether the impact of the “economic crisis” on their business was over or not. The chart on the next page presents the results together with those declared 6, 12 and 18 months ago on that same question.

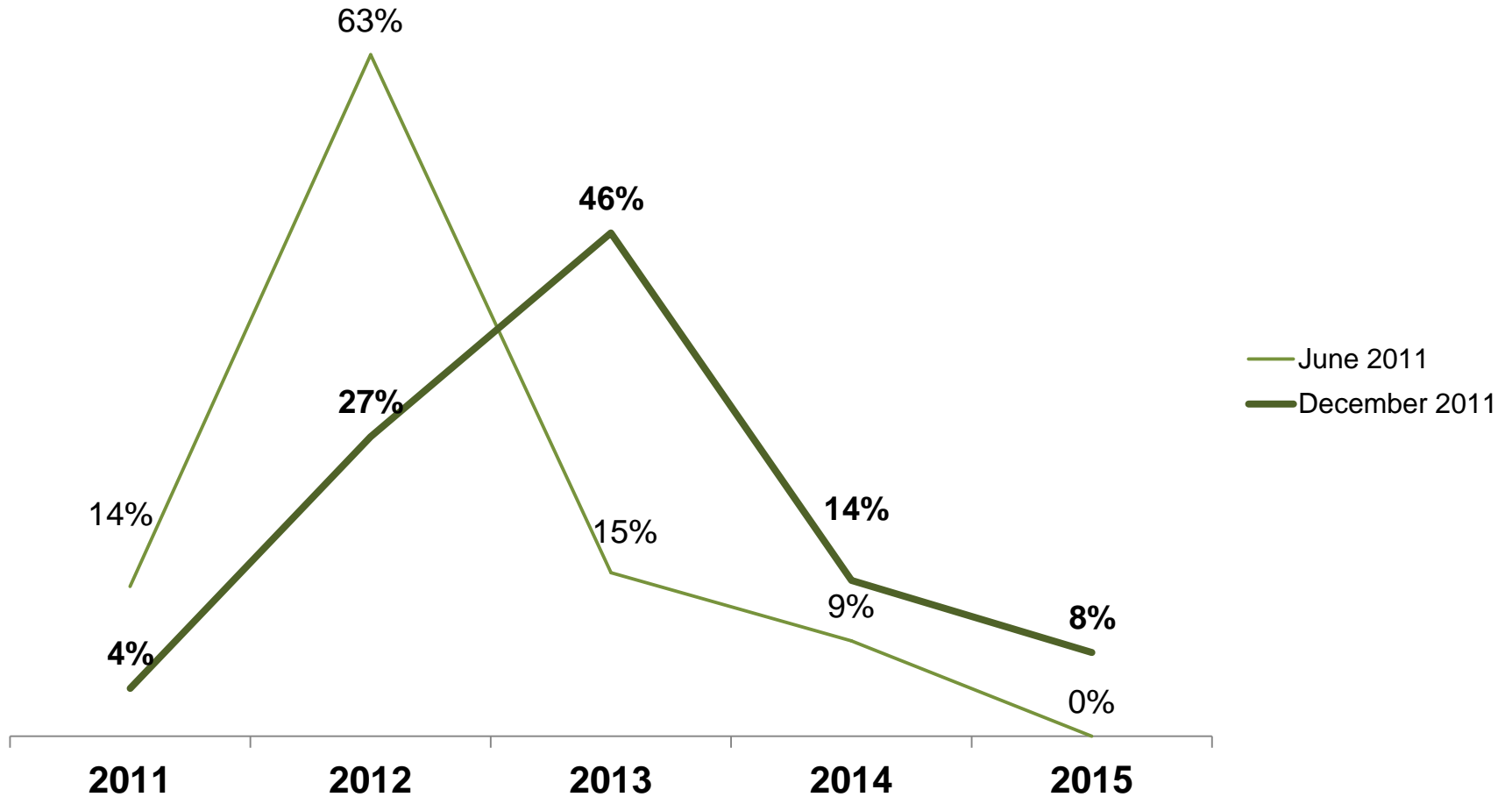
It shows that, for the first time a majority of respondents from all regions consider that their business is affected by the “economic crisis”. The decrease of confidence is particularly significant in Asia / Pacific where the level of positive answers drops from 65% to 27%.

Another new element relates to the year end results anticipated by those who declared that the impact of the “economic crisis” on their exhibition business is not over. Almost 50% now think it will end in 2013, whereas 6 months ago 63% considered it would end in 2012. 14% of respondents now believe that the year the crisis will end will be 2014 and 8% think that it won't be before 2015.

% of companies declaring – in the last 4 surveys - that the impact of the “economic crisis” on their exhibition business is now over



Anticipated ending year of the impact of the “economic crisis” for those who consider that it is not yet over



4. Most important business issues

As in the three previous Global Barometer Surveys companies were asked to identify the three most important issues for their business in the coming year from a proposed list of seven issues.

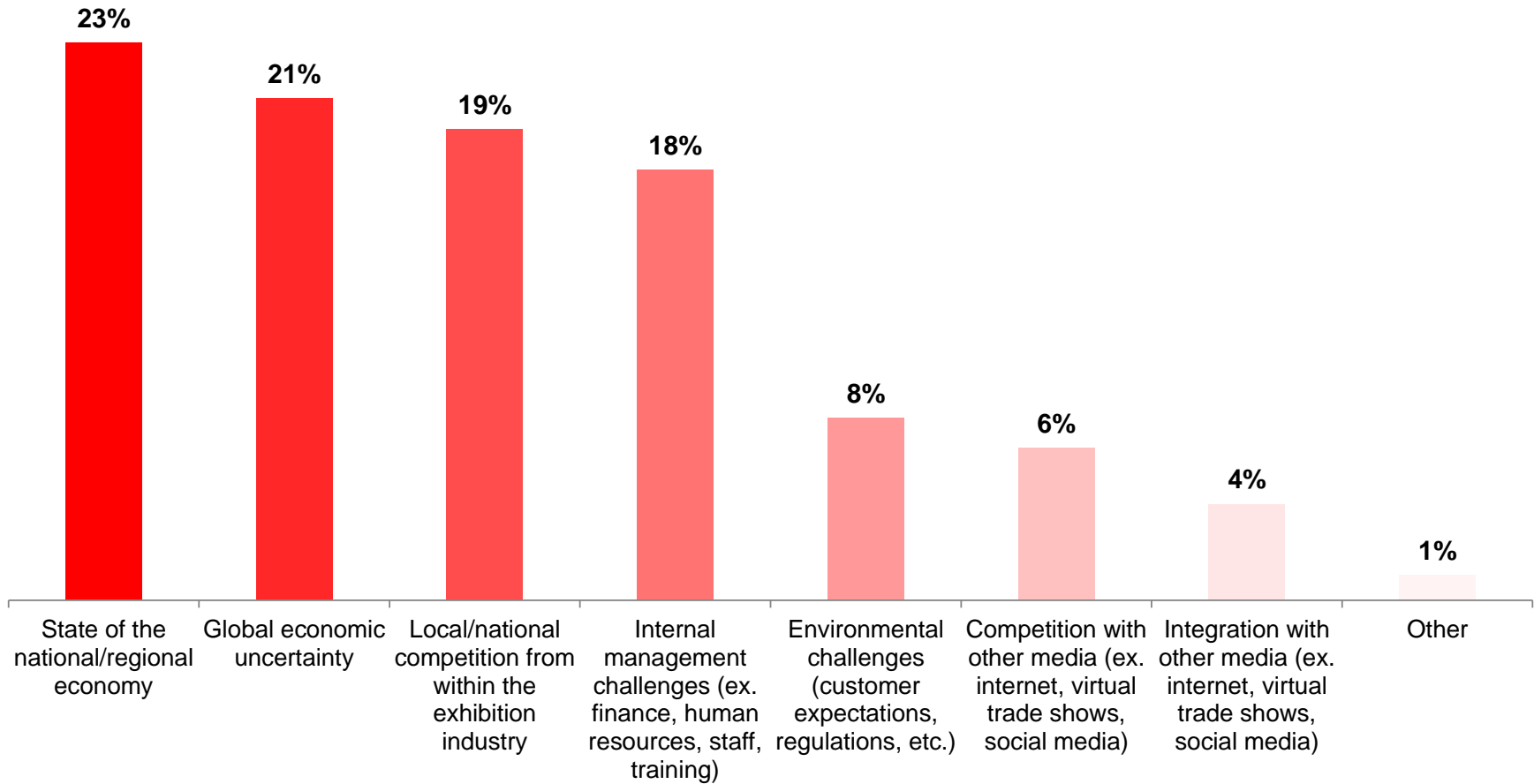
The next slide shows the distribution of issues selected as being the three most important issues.

As in the previous surveys around 80% of all answers relate to the following 4 issues:

- “State of the national/regional economy” (23% in this survey)
- “Global economic uncertainty” (21% in this survey, which shows a 3% increase in the last 6 months)
- “Local/national competition from the exhibition industry” (19%)
- “Internal management challenges” (18%).

“Environmental challenges (customer expectations, regulations, etc.)” and “Other media” issues - “Competition from other media (ex. internet, virtual trade shows, social media)” or “Integration with other media” (ex. internet, virtual trade shows, social media) - are currently considered as less critical.

Distribution of all issues considered as being the 3 most important ones



5. Priorities in terms of strategy

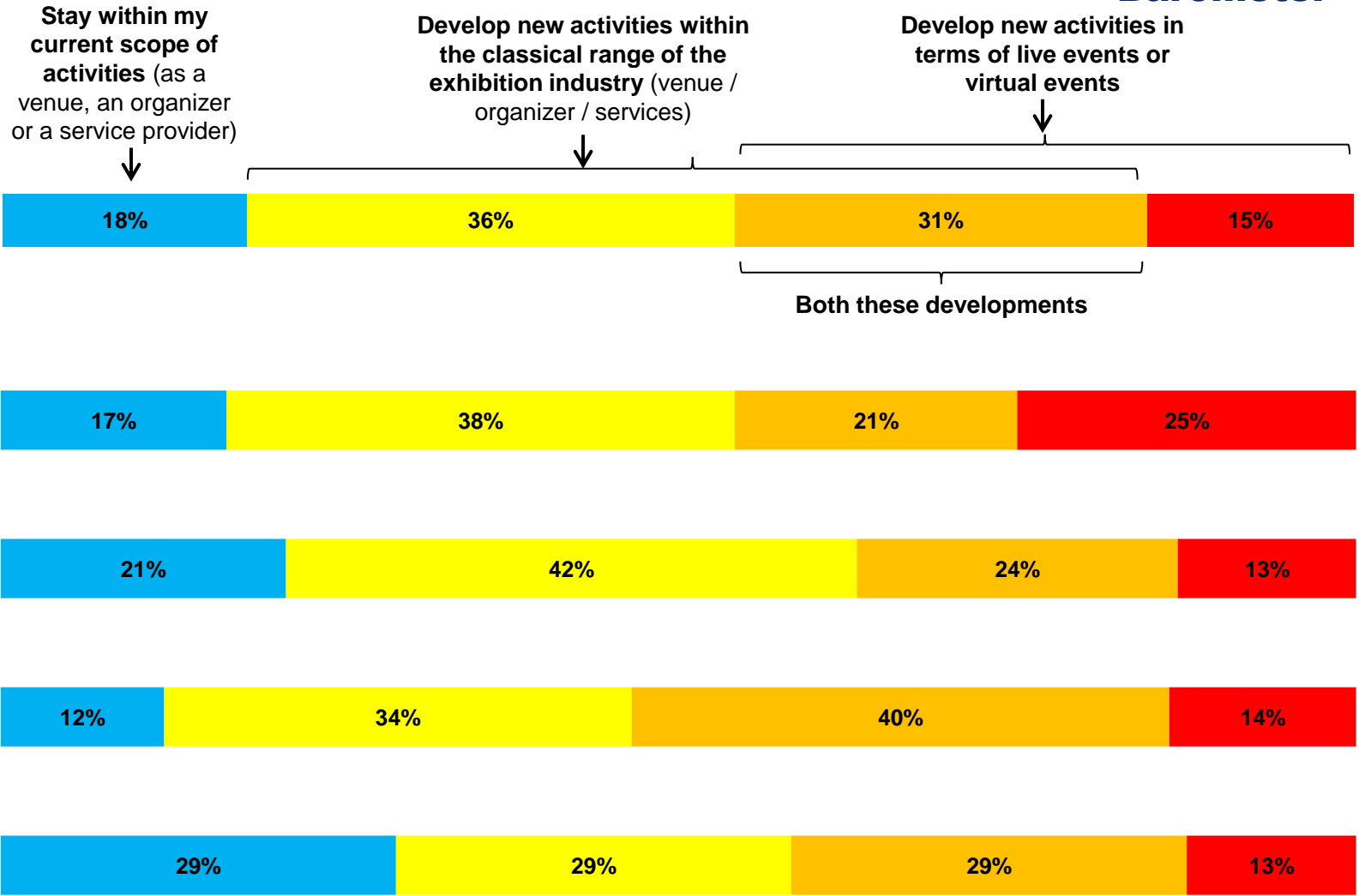
Finally, companies were asked if they could share their current priorities in terms of strategy in 2 specific areas: their range of activities and their geographical exposure.

The replies do not indicate significant differences across regions.

Only 18% of respondents plan to stay within their current scope of activities (as a venue, an organizer or a service provider), whereas 36% plan to develop new activities within the classical range of the exhibition industry (venue / organizer / services), 19% to develop new activities in terms of live events or virtual events and 31% to develop both activity options.

In terms of geographical exposure, 51% of respondents plan to remain active in their current countries. It should be noted that 49% declare the intention to expand operations to new countries.

Current priorities in terms of strategy related to the range of activities

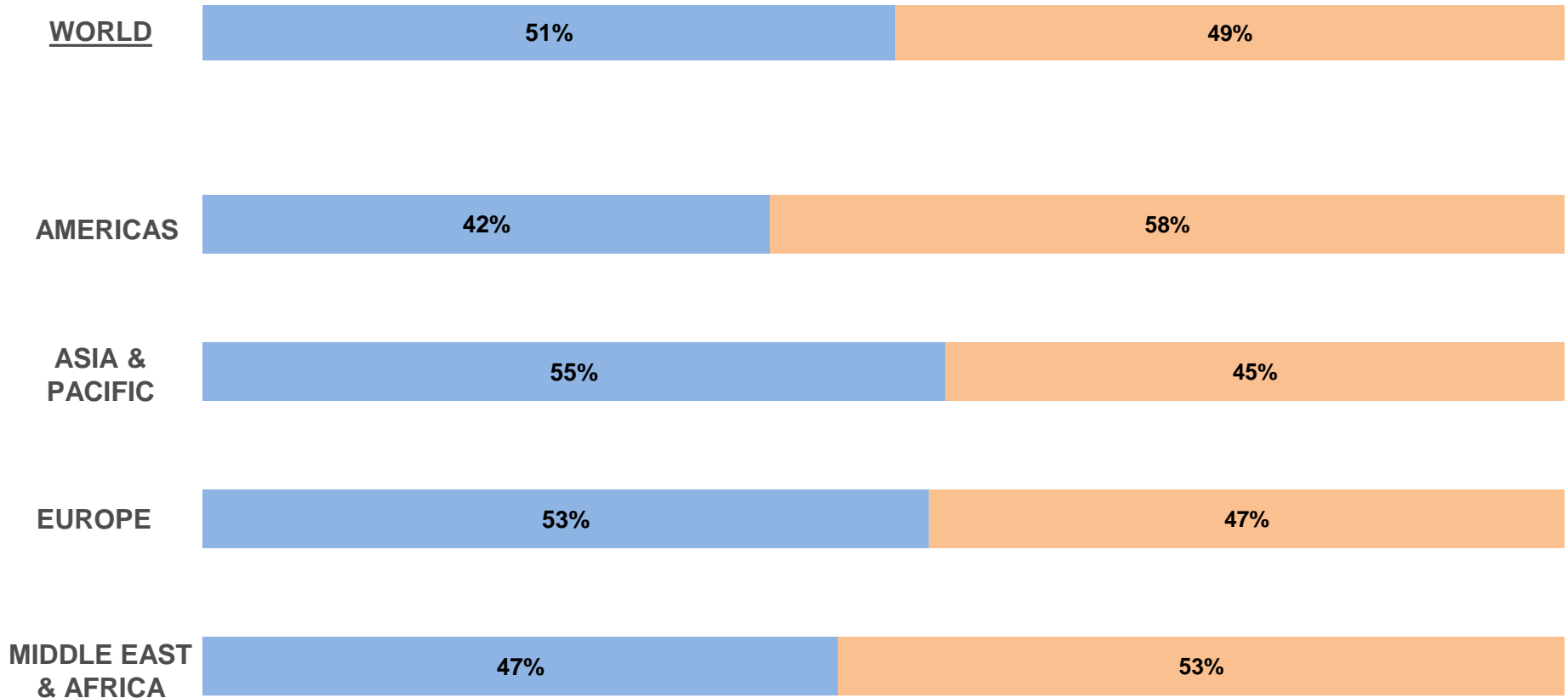


Current priorities in terms of strategy related to the geographical exposure

Stay in the **same countries** as those where I currently operate



Operate in **new countries**



CONCLUSION

The 8th barometer survey, conducted in December 2011, was answered by 172 companies from 49 countries. Its results, combined with those of the previous surveys, provide an insight into the impact of the economic crisis on the exhibition industry since the end of 2008.

The positive trends recorded in 2010 and 2011 now seem to be deteriorating with, for the first time in the last 18 months, a majority of respondents from all regions considering that their business is affected by the “economic crisis”.

The period where a majority of respondents in Europe declared an increase of their gross turnover now appears to have ended. However, the situation remains solid in Asia/Pacific and the Americas where a continuing majority of respondents declare increases of their 2010, 2011 and 2012 turnovers.

Not surprisingly, “general economic” considerations (either related to the “State of the national/regional economy” or the “global economic uncertainty”) remain at the top of the agenda in all regions, together with “local competition” and “Internal management challenges”.

Almost one company out of 2 anticipates an increase of more than 10% of its annual profit in 2011. 82% of respondents plan a strategic development: 36% within the classical range of the exhibition industry (venue / organizer / services), 19% into new activities in terms of live events or virtual events and 31% in both pre-mentioned developments. In addition, 49% declare an intention to export operations in new country markets.

NEXT SURVEY WILL BE RUN IN JUNE 2012 – PLEASE PARTICIPATE!

Number of answers per country/region

Total = 172 (in 49 countries/regions)

<u>Americas</u>	<u>26</u>	<u>Europe</u>	<u>71</u>	<i>(Europe - continued)</i>	
Argentina	3	Austria	2	Switzerland	1
Canada	3	Belgium	3	Turkey	8
Colombia	3	Croatia	1	Ukraine	4
El Salvador	1	Czech Republic	1	United Kingdom	3
Mexico	3	France	1		
Puerto Rico	1	Georgia	1		
USA	12	Germany	11	<u>Middle East/Africa</u>	<u>32</u>
		Greece	4	Iran	1
<u>Asia/Pacific</u>	<u>43</u>	Hungary	1	Iraq	1
Australia	2	Italy	7	Jordan	2
Azerbaijan	1	Netherlands	4	Lebanon	1
Hong Kong	4	Norway	1	Oman	1
India	3	Poland	3	Qatar	1
Japan	3	Portugal	2	South Africa (*)	21
Mainland China	20	Russian Federation	5	Syria	1
Singapore	3	Slovenia	1	United Arab Emirates	2
South Korea	3	Spain	4	Zimbabwe	1
Thailand	2	Sweden	3		

(*) a ratio was applied when necessary to the answers from South Africa in order not to produce biased consolidated regional results