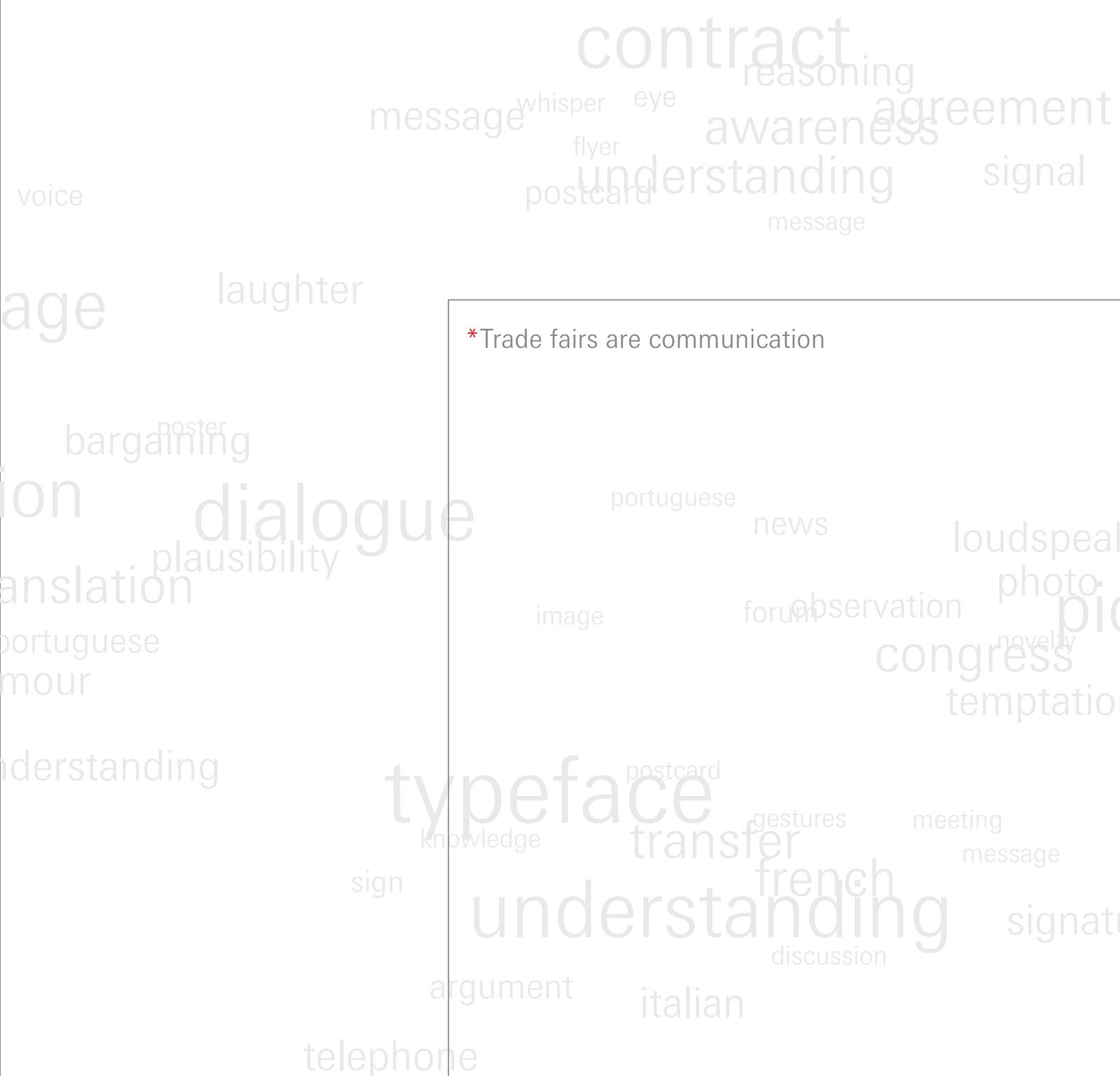


Annual Report

08*



*Trade fairs are communication

Room for communication

Professor Eberhard Merz

"We are looking forward to a fascinating congress with international professional exchanges and cultural encounters. Enjoy an unforgettable atmosphere in Frankfurt am Main!"

The Fetus as a Patient 2008, 12 to 14 June 2008

Michael Glos, German Federal Minister of Economics and Technology

"This is where retailers from all over the world order their product mix for the whole year. This is where it is decided what consumers will see in shop windows and on the shelves in a few months' time."

Ambiente 2008, 8 to 12 February 2008

Angela Merkel, German Federal Chancellor

"In order to enable us to meet global challenges, I believe there is one discussion we need to lead more intensively: What education do we really need with a view to globalisation in the 21st century?"

Euro Finance Week 2008, 17 to 20 November 2008

Klaus von Dohnanyi, German politician

"No one in politics is really in a position to talk about business who hasn't himself experienced sleepless nights as a self-employed businessman."

Eigenkapitalforum Deutsche Börse AG (German Equity Forum), 10 to 12 November 2008

Dr Nader Maleki, owner of the Maleki Group

"Every year with the Euro Finance Week, the Maleki Group succeeds in bringing together the crème de la crème of European business in Frankfurt."

Euro Finance Week, 17 to 20 November 2008

At a glance

The Messe Frankfurt corporate group conceives, plans and hosts trade fairs and exhibitions in Germany and abroad. The parent company and its subsidiaries offer a well-coordinated service package for national and international customers, exhibitors and visitors.

Corporate Group

in € m*	2004	2005	2006	2007	2008
Sales	364	379	406	424	440
Personnel expenses	70	75	77	84	91
Depreciation, amortisation and write-downs	62	49	53	48	47
Earnings before taxes on income	33	41	48	44	52
Pre-tax return on sales in %	9	11	12	10	12
Net income for the year	19	22	27	28	36
Cash flow (simplified)	78	67	76	72	79
Additions to fixed assets	34	64	64	105	115
Equity	320	329	340	340	377
Total assets	732	726	800	778	876
Employees (at 31.12. respectively)	1,227	1,294	1,394	1,471	1,534

* except employees and return on sales

Shareholders: City of Frankfurt (60%), State of Hesse (40%)

Subscribed capital: City of Frankfurt € 108 million, State of Hesse € 72 million

Basic data	2004	2005	2006	2007	2008
Total area (m ²)	475,000	578,000	578,000	578,000	578,000
Available hall space (m ²)	324,277	321,754	321,754	321,754	321,754
Available open space (m ²)	83,163	83,163	83,698	83,698	96,078
Number of halls	10	9	9	9	9
Events in Germany					
Number of trade fairs and exhibitions	50	49	46	44	42
Exhibitors	42,231	41,311	47,417	41,135	43,682
Exhibitors (Germany)	17,031	18,145	19,269	17,669	16,739
Exhibitors (Other countries)	25,200	23,166	28,148	23,466	26,943
Net area (m ²)	1,383,264	1,504,925	1,548,699	1,514,597	1,422,605
Visitors	1,586,766	2,478,724	1,780,119	2,575,899	1,678,677
Events outside Germany					
Number of trade fairs	59	68	64	68	60
Exhibitors	15,486	18,850	20,692	22,955	25,148
Net area (m ²)	322,736	412,926	452,022	515,853	551,535
Visitors	750,330	914,733	918,757	981,070	884,312
Total					
Number of trade fairs	109	117	110	112	102
Exhibitors	57,717	60,161	68,109	64,090	68,830
Net area (m ²)	1,706,000	1,917,851	2,000,721	2,030,450	1,974,140
Visitors	2,337,096	3,393,457	2,698,876	3,556,969	2,562,989

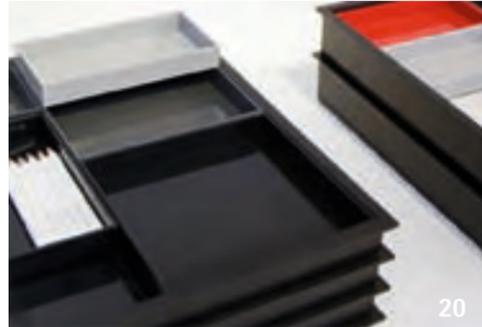
Trade fairs are communication

Meeting with one another, exchanging information, negotiating, discussing and coming to decisions: communication is the link between people and markets. All over the world, successful trade fair communication has established a name for itself: Messe Frankfurt.

Messe Frankfurt does everything in its power to ensure that communication between exhibitors and visitors leads to a successful result.

Over the centuries, communication technology in the field of goods exchange has advanced in leaps and bounds. But the goals have remained the same: people want to inform, convince and inspire one another. All over the world, Messe Frankfurt offers platforms that give people scope to inspire enthusiasm – in 2008 for some 69,000 exhibitors and nearly three million visitors.

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Editorial



Michael von Zitzewitz
(Chairman)



Dr Michael Peters



Detlef Braun



Uwe Behm

Dear Readers,

These days, anyone speaking or writing about the economy ends up using the word “crisis” by the second sentence at the latest. This is regrettable in more ways than one, since the 2008 business year that is under review here was a successful one for Messe Frankfurt. At € 440 million, we achieved a new sales record. More companies than ever before took advantage of our events around the globe in 2008 to exhibit their products and services. Our heartfelt thanks to these approximately 69,000 companies and the nearly three million visitors they attracted. After all, successful trade fairs are never a single-handed achievement. Only in close cooperation with our customers and partners can we succeed in making each of our events the most important meeting place for their respective target groups.

Despite the encouraging look back at last year’s performance, forecasts for the future are uncertain. As things stand, nobody is able to predict just when the current downturn will bottom out. Media hype and horror scenarios painted by experts on a daily basis only serve to kindle uncertainty and fear. And the fact that this combination is not a good adviser not only applies to sensitive capital markets, where the mere fear of crisis is sufficient to trigger and compound it.

Fear paralyses and it impedes creativity. It originates out of ignorance and a feeling of powerlessness. The most effective remedy is communication. In dialogue with others, we not only exchange knowledge: in discussions with like-minded people we can continuously discover new perspectives, new angles to familiar problems. And it is in such exchanges with others that time and again the bright spark of a groundbreaking idea grows.

Trade fairs are communication in its purest form. What makes them unique is not just the tactile experience of products, but first and foremost the direct contact between people. People go home from trade fairs not only with full order books and business merchandise, but also with a wealth of new impressions, ideas, topics and stories.

Our trade fairs are a bit like a campfire, a brief social get-together. They bring together people from all over the world; strangers forge new contacts, old friends renew their acquaintance. They do business together, they exchange goods and know-how and they swap new stories. Anyone who spends time with others around a campfire is sure to go home wiser.

But there’s another aspect to communicating around a campfire. Exchanging know-how and experience strengthens the community – and offers encouragement. Meeting up at a trade fair with other entrepreneurs, colleagues and competitors communicates a sense of cohesion across the respective sector. This restores faith and gives a fresh impetus for new activities.

“Social networks” such as Xing, Facebook and Twitter are currently experiencing a boom. Millions of people are networking in cyberspace, forming “communities” of like-minded people. Messe Frankfurt is also increasingly making use of these media in order to further facilitate trade fair-related communication in the times between shows. And at the next trade fair, what began in the virtual world comes full circle: the community meets in the real world.

The rougher the climate, the more important it is to exchange ideas, give each other encouragement, learn from those who have done well and then rise to the challenges strengthened and full of ideas. Only then will fear and despondency stand no chance.

Michael von Zitzewitz

Dr Michael Peters

Detlef Braun

Uwe Behm



The Messe Frankfurt group

What, in fact, are trade fairs? Are they just market places? Showcases for new product developments? Do they mainly present information? Or emotions? Do they stand for interaction, or rather for trade, or for communication? We at Messe Frankfurt are sure of one thing: trade fairs stand for all of this – and much more besides.

At our events during the first few months of this challenging year for the global economy, we have observed the same phenomenon over and over again: industry representatives from all over the world arrive here not really knowing what to expect. The media are full of doom and gloom, economic indicators are pointing downwards – and even much of what they know about their own business sector is speculation or hearsay.

Then the trade fair opens – be it Heimtextil, Christmasworld, Ambiente or ISH. And just a few days later, when the show closes its doors, exhibitors and visitors leave us in a completely different mood: “Yes,” we hear again and again, “yes, things aren’t as rosy as they used to be, but ...” But: half-truths have been put into perspective through a direct exchange of views. But: the order books and order lists aren’t empty – in many cases they’re surprisingly full. And: the industry representatives have used the opportunity to discuss strategies and possibilities for coping better in today’s difficult economic environment.

This springtime especially has shown how important trade fairs are for the economy – as clearly as was possibly last seen in Germany in the 1950s. Our sector is once again proving how relevant it is for the whole economic, trade and social system. We at Messe Frankfurt are doing everything we can to support this.

Our trade fairs for consumer goods, textiles, architecture and technology as well as automotive technology are the leading events in their respective sectors. With our know-how, we create unique marketing platforms for our customers. They showcase which products and services will define the markets of the future. Here, buyers and retailers gain extensive insights into what is happening in their sector around the globe. We are active with our trade fairs all over the world. An international network of 15 subsidiaries, five branch offices and 52 sales partners worldwide works on behalf of our customers, helping them to tap new markets. With the same high quality standards as at our trade fairs at the home venue in Frankfurt am Main.



In 2008, some three million visitors came to our trade fairs, congresses and events around the globe to see the trends, offerings and presentations of nearly 69,000 exhibitors. The home venue in Frankfurt hosted 36 trade fairs with an attendance of around 1.6 million visitors and 41,000 exhibitors. Added to these were 397 congresses, concerts and other cultural, business and sporting events which attracted over 390,000 visitors.

Creating growth opportunities for our customers

In our increasingly digitalised world, trade fairs are also – or perhaps for that very reason – a “people business”. Bringing the right business partners together is our core business. We leverage our entire know-how in order to professionally and conveniently organise and coordinate the search for – and above all finding of – optimum partners every time. In this way we create benefit together – with our customers, for our customers. This goal is our motivating force.

This becomes apparent from the numerous services linked to trade show appearances and visits to events. It becomes apparent in our event concepts, which we develop in line with the current market situation and the needs of our customers. And it becomes apparent above all in the further development of our online services. Outside show times, the Internet is the ideal place to reach and serve our exhibitors and visitors on a continuous basis with search, service and communication support. We offer them three digital platforms: the extensive offer of information on messefrankfurt.com, company and product search on product-pilot.com and the possibility to communicate in the “social web” via Xing or Twitter.

Our many decades of experience in marketing, communications and media go hand in hand with profound knowledge of our customers’ needs and the sectors in which they operate. We are therefore continuously looking for new markets in which to tap new growth opportunities for our customers. This is what we offer our exhibitors, organisers and visitors.



Frankfurt trade fairs have always been valued for their quality – in terms of customer care as well as our comprehensive range of services. These include standardised or bespoke stand construction as well as all-inclusive packages within the scope of our turnkey solutions. Our advertising services provide all manner of opportunities to promote our customers’ trade fair appearance. Modern and efficient logistics solutions ensure problem-free stand construction and dismantling and help to save time and money. Our Accente Gastronomie Service subsidiary caters to every culinary wish. And because the ideas and innovations of our exhibitors are dear to our heart, a number of years ago we were the first exhibition corporation to launch a campaign against product piracy. “Messe Frankfurt against Copying” is in the meantime a standard fixture at almost all of our major trade fairs. It offers exhibitors advice and support in all questions relating to protecting their intellectual property. And it is the model for many similar initiatives in the trade fair industry worldwide.

Giving the very best

Innovations are not only to be found at our trade fairs, they are also an integral part of our company. We have often broken new ground with the development of our events. We have discovered new thematic areas and early on boldly ventured with our trade fairs into international markets. We provide a forum for innovative ideas. In 2008, we presented the public with a promising new theme at Nutec, an international trade congress with accompanying exhibition. The materials and products on show are consumer goods that can either be returned to the environment as nutrients or consumer durables that can be recycled in technical cycles. The topic of security is gaining in importance all over the world. We have responded to this trend with Intersec, a new trade fair family that continued to grow in 2008. It is in the meantime established in the United Arab Emirates, in Argentina and in China.

To ensure that our exhibition centre is able to meet the requirements of tomorrow, we are continuously modernising our infrastructure. The new Hall 11 and Portalhaus entrance hall will in future be the new face of the west side of the exhibition grounds. This will allow us – even better than in the past – to organise several events at the same time on two prestigious and technically independent exhibition areas.

The wealth of experience of our staff around the world and their commitment to giving the best make us a reliable partner to our customers.



Flight of thought



(*) **Carrier pigeons** have conveyed important information over long distances since around 5,600 BC – first of all among the Ancient Egyptians and later in Europe. Nowadays, Messe Frankfurt's press office can draw on more flexible means of communication: for example WLAN, the most modern form of airmail. From press release to online commentary, we leverage the possibilities of state-of-the-art information technology to inform exhibitors, visitors and the general public about trends and provide them with contacts – be they in Europe, Egypt or anywhere else in the world.

Buenos Aires, Argentina | Registered office of Indexport Messe Frankfurt

Made by people

The Frankfurt am Main Chamber of Commerce and Industry has given Messe Frankfurt an award for its engagement in the field of training. That's something to be proud of. As is another award, conferred on Messe Frankfurt by the research company CRF: Top Employer Germany. This study attests that Messe Frankfurt offers very good working conditions and secure jobs and credits Messe Frankfurt with being one of the 105 top employers in Germany in 2009. CRF establishes an annual ranking of Germany's most attractive companies.

To make it easier for parents working in our company to balance a career and family life, the company introduced back-up day care in 2008 for children up to the age of 13. If school is cancelled or the regular childminder fails to turn up, parents can find a place for their offspring at Messe Frankfurt's kindergarten. When trade fairs are on, the children of exhibitors and visitors share the facility with the children of Messe Frankfurt's employees. We are looking optimistically to the future, because together with our employees we are already in the process of shaping it.

In 2008, we once again made new job appointments to enable us to further develop our sales and marketing activities. Our expansion outside Germany led to a swelling of the ranks above all at our subsidiaries in China, Japan, the United Arab Emirates and Italy. As at 31.12.2008, the Messe Frankfurt corporate group employed 1,534 people worldwide, 63 more than in the previous year.

Every single one of our events, the services – in short, everything that makes Messe Frankfurt the epitome of quality the world over – is the result of the commitment, ideas and knowledge of the people who work in our company.





Our staff continue to learn throughout their entire professional life. This equips them with state-of-the-art know-how which they leverage for the benefit of our customers. To ensure even better internal coordination of our training programmes, we have placed them as from 2008 in the hands of our in-house training academy, which successfully organised over 100 seminars for language training, information technology, work methods and team building. In order to promote integration within the group, the central human resources management services offering for our foreign subsidiaries was further extended.

The focus in this area was a bespoke advanced training programme for the top two executive levels. The Management Development Centre was also continued in order to select deputies for the managing directors of our subsidiaries. In addition to systematic advanced staff training, another important focus is executive development. Our junior executive programme ensures that our company will have sufficient qualified management staff to take it into the future.



Our trainees and BA students are our specialists of tomorrow. In our training programme we offer young people career prospects with a wide range of development potential. Messe Frankfurt trainees get to know a number of departments and are sometimes also posted on assignments in our foreign subsidiaries. They are involved in projects carrying a high degree of responsibility early on and learn to plan, organise and realise events on their own. In 2008, for example, they organised a Messe Frankfurt Global Staff Meeting attended by over 1,000 members of staff.

This is an important experience that is greatly appreciated by all our trainees, regardless of whether they are training to be office and management assistants in event organisation or event technology managers, electronics technicians in production engineering or IT specialists for system integration. Alongside traditional training occupations, we also offer a course of studies at the university of cooperative education ("Berufsakademie") in Ravensburg which leads to a Bachelor of Arts in trade fair, congress and event management. Currently, as many as 37 trainees and students are completing a course of training at Messe Frankfurt.

Chasing themes



(* **Messengers on horseback** used to relay important information to the Persian kings in around 550 BC. After delivering their message, however, they were usually killed in order to prevent them from betraying secrets. Young “messengers” at Messe Frankfurt experience a far better fate: our best junior management assistants fulfil assignments with Messe Frankfurt’s international subsidiaries where they get to know the country, people and local business. This provides them with an opportunity to communicate with other cultures and bring back the global trends that help us to be even more successful in the future. Just what these are, of course, remains our secret.

Shanghai, China | Registered office of Messe Frankfurt (Shanghai) Co. Ltd.

Our trade fairs worldwide



At our consumer goods, textiles and technical fairs, we bring together the right business partners. Together with them, we offer communication in its purest form. Direct contact between people is the best way to exchange experience and do business.





Consumer goods fairs

Consumer goods are the spice of life. They encompass many things that make everyday life more convenient, facilitate our work and make our hearts beat faster. At the events organised by Messe Frankfurt, big and small manufacturers from all corners of the globe present the broadest global spectrum of consumer goods to be showcased at any one time in any one place.

In 2008, **Ambiente**, the world's biggest platform for tableware and kitchenware, home accessories and furnishings as well as gift articles, was more international than ever: nearly one in two of the approximately 140,000 visitors came from outside Germany. The varied programme of accompanying events for the first time featured a trend forum. "In tangible experience worlds, we give our trade visitors a first-hand preview of tomorrow's trends today," explains Vice President Nicolette Naumann. Conscious elegance and naturalness characterised the show trend, accompanied by a heightened awareness for sustainability.

In 2008, Messe Frankfurt responded to the wish of the market for an early all-in-one date for the second half of the year with the Decorate Life collective fair and an earlier date at the beginning of July. Drawing 70,000 visitors from all over the world, the event exceeded the anticipated number of visitors. From 2009, the key consumer goods fair for the autumn and Christmas trade season will continue to be staged at this early date, but once again under the name Tendence – International Autumn Fair Frankfurt. "In these economically difficult times, there is a growing need for values such as trust, security and transparency. By again highlighting the already established name Tendence, we are stressing these values, for which Tendence already enjoys our customers' trust," says Dr Michael Peters, member of the Messe Frankfurt Board of Management, explaining this decision.



ambiente

2010: Brand new!

The world's biggest consumer goods fair is being given a new look from 2010: the new concept will make a visit to Ambiente even more efficient and target group-specific. New features will include special design halls and halls for brand-name suppliers that are above all familiar to final consumers. For the first time, the fair will also occupy the new Hall 11.

Messe Frankfurt has been marketing its established expertise in the organisation of consumer goods fairs worldwide for nearly 20 years, including in Japan. Interior Lifestyle, Japan's leading trade fair for design-oriented interior living, closed in Tokyo in 2008 with a record: 27,390 visitors met with 652 exhibitors from 31 countries. Under the Interior Lifestyle umbrella brand, Messe Frankfurt organises the parallel events Ambiente Japan and Heimtextil Japan. In particular special shows such as "Nordic Lifestyle" and a showcase for young designers made the trade fair more informative and entertaining for visitors than ever. The growing interest over the past few years in extensive product offerings in the interior design segment led in 2008 to a refocusing of Messe Frankfurt's activities in the Asian market. In November, the autumn version of Interior Lifestyle was held in tandem with the International Furniture Fair Tokyo. Under the name IFFT/Interiorlifestyle Living, the show presented an almost complete product range for interior design. The concept was honoured by almost 27,000 visitors and 367 companies. With the première of Ambiente Italia in Rome in June 2009, Messe Frankfurt is continuing to expand internationally and strengthen its position in the Mediterranean region.

In order to meet the growing demand in China for high-quality foreign brand-name products, Messe Frankfurt launched Interior Lifestyle China in 2007, a totally new trade fair for table decoration, gifts and interior design. In 2008, around 200 exhibitors displayed their latest wares to 8,170 trade visitors.

Prior to Ambiente, the established triad of Paperworld, Christmasworld and Beautyworld is held every January in Frankfurt. Against the background of a positive prevailing mood, individuality and sophistication, the bizarre in form and purpose, as well as the environmental aspect were the focus of attention for the altogether 100,000 visitors at the three events.

Paperworld once again underscored its role as the world's flagship fair for paper, office supplies and stationery with a renewed increase in the share of foreign visitors, now at 60 per cent. This is also reflected in the continuously growing popularity of this trade fair abroad. The eighth edition of the Hong Kong International Stationery Fair drew 16,500 buyers from 118 countries to China's southernmost economic metropolis and Paperworld China held in Shanghai attracted nearly 18,000 visitors.

The Middle East Toy Fair, together with the Baby & Infant Middle East and Stationery & Back2School Middle East platforms, is the Asian industry forum for baby toys, learning games, skateboards, rollerblades, personal computers and much more besides. It was held in Dubai in 2008 for the first time independently of the Messe Frankfurt events into which it was previously integrated. This not only enabled it to raise its profile as an industry platform, but also to target visitors more directly and efficiently. In 2008, the show brought together over 4,600 visitors from 87 countries and 120 international exhibitors.

Monochrome, elegant, modern, natural: these were – reduced to the essentials – the trend statements at **Christmasworld**. The mood at the world's showcase fair for decorations and festive ornaments was at times nothing short of euphoric. Visitor numbers rose by over four per cent to more than 31,500. Some exhibitors even spoke of double-digit sales increases. The visitor magnet apart from the trend and special shows was above all guest country Sweden, which presented its traditional Midsommar and Lucia festivals.

At **Beautyworld**, the consolidation of the show time into a compact three days and the concentration of the product range due to the change of hall received a seal of approval from the 8,469 trade visitors and 333 exhibitors. Retailers were in high ordering spirits, which was affirmed by the exhibitors, who ranked the event 11 percentage points higher than in the previous year. In 2009, the international hairdressing show **Hair & Beauty** is being held for the first time on two days parallel to Beautyworld.

With five foreign fairs in Japan, Dubai, India and Argentina, Beautyworld is Frankfurt's most internationally widespread consumer goods fair. Beautyworld Japan closed in its 11th year with a new visitor record: close to 52,000 people attended the fair in Tokyo. Beautyworld Japan West, which was launched in Osaka in 2006 especially to serve the western Japanese market, once again confirmed its status at the previous year's level with 11,100 trade visitors. The trade fair duo Beautyworld Middle East and Wellness & Spa Middle East in Dubai recorded a rise in visitor figures of 38 per cent to around 17,000. The youngest member of the Beautyworld brand, Beautyworld India, debuted in Mumbai with 5,000 visitors.

Cosmesur Beautyworld Buenos Aires, the market leader on the South American continent, once again put up a convincing performance in its 15th year. The nearly 42,500 visitors expressed satisfaction with the clear structure of the event and the range of products on display. Many companies presented live demonstrations of their products at their stands, with hairdressers and cosmetics experts showing the latest hairstyles and make-up techniques.

At the interface between cultural and consumer goods, the biggest international stage for the musical instrument industry, the **Internationale Musikmesse** (International Music Fair) in Frankfurt, achieved an exhibitor record and counted more visitors from Europe and overseas. Chalking up 110,000 visitors from



126 countries, Musikmesse and **Prolight + Sound** – International Trade Fair for Event and Communication Technology, Audiovisual Production and Entertainment – once again broke the previous year's record. The two showcase fairs not only impressed in terms of numbers; they also won over the industry with an electrifying atmosphere and a high level of visitor satisfaction. The accompanying music programme with 250 events and a line-up of stars also fired the enthusiasm of trade visitors and audiences alike.

Music China, Asia's biggest international music fair, again grew at a high level by 14 per cent and drew more than 43,000 visitors to Shanghai. Although almost 80 per cent of the over 1,100 exhibitors were Chinese firms, foreign companies are also showing a stronger interest in the Chinese market for musical instruments, which is becoming increasingly attractive thanks to Chinese education policy, growing consumption and greater transparency of the distribution channels. The parallel event Prolight + Sound Shanghai achieved record exhibitor and visitor figures and delivered a varied music and cultural programme.



musikmesse

Year-round show

Since 2009, Musikmesse and Prolight + Sound have had their own contact groups in the business network Xing. The communities offer interested networkers the chance to chat about trade fair themes, establish contacts to market operators and find project partners.

<http://musikmesse.Xing.com> and <http://prolight-sound.Xing.com>



Textiles fairs

The most important thing in fashions – whether apparel or room design – are textiles. And like the fashion world itself, the textiles industry is permanently in flux. The textiles market is one of the oldest and at the same time without a doubt one of the most future-proof branches of the economy. One of the reasons is that, in addition to the two classic fields of application, technical textiles are increasingly conquering new markets and constantly gaining a bigger market share. A network of textiles trade fairs “made by Messe Frankfurt” spans the world and is especially closely meshed where most of the world’s textile production is at home: in Asia.

Despite the ongoing difficult market situation in the textiles industry – in both Europe and Asia the sector is facing changes in the production process – the prevailing mood in 2008 was optimistic. **Heimtextil** in Frankfurt confirmed its high level of internationality: of the approximately 85,000 visitors in total, 64 per cent travelled to Frankfurt from outside Germany. “The strong presence of exhibitors and visitors from all five continents and the high demand on the part of retailers from the fields of interior decoration, design and architecture led to a very gratifying result for Heimtextil,” said Detlef Braun, member of the Board of Management of Messe Frankfurt, summing up the event. The special role of Heimtextil for the market lies in spotting and highlighting trends. Thus once again in 2008, the trade fair provided important impulses for the retailing and interior design segments. For the first time, the fair also presented thematic shop concepts for the retail sector. With the launch of the new www.heimtextil-trends.com website, Messe Frankfurt is offering its customers a unique work tool.

Heimtextil Russia is the most important event for the Russian home and contract textiles market. It has a strong trend-based orientation, reflecting the high demand for modern textile home furnishings and lifestyle products. The fair was held for the tenth time in 2008 and, counting almost 14,000 visitors, once again grew – also in terms of exhibition space and the number of participating countries.

The growing number of exhibitors and over 32,000 visitors at Intertextile Shanghai Home Textiles consolidated the position of this trade fair as China’s biggest and most important event for the home textiles industry. In response to high demand, an additional spring date is being introduced from 2009: Intertextile Guangzhou Hometextile China.



heimtextil

Sustainability and inspiration

Heimtextil 2009 offered a programme of lectures and presentations on the various facets of sustainability in the textile pipeline entitled “Eco Luxury – Green Business – Innovation”. Inspiration and possibilities for cooperation were provided by initiatives such as the “Young Contract Creations Award Upholstery” or the student forum “Rooms for free”.

interstoff.

“Eco-Textile Labelling” creates clarity

It is becoming increasingly difficult for textiles producers and retailers to find their way around the growing market for eco-labels. Messe Frankfurt has partnered with publisher MCL to produce the 100-page “Eco-Textile Labelling Guide”. This provides information about some 30 international organic production and eco-textile certification standards, including a number of ethical and fair trade standards.



Technical textiles are proving to be an increasingly strong inspirational force for the textiles industry. They are consistently expanding their market share and are ushering in a new era of functions and applications. Every two years, the **Techtextil** leading international trade fair for technical textiles and non-wovens in Frankfurt showcases visions that have become reality. In addition to Techtextil in Frankfurt, there are currently five brand events held in eastern Europe, America and Asia. Messe Frankfurt is consistently and successively tapping markets that show the greatest growth potential in this sector. The Techtextil fairs are accompanied by a symposium which on the one hand provides a forum for presenting the latest developments and reducing information deficits, and on the other hand for establishing contacts between all stakeholders from research through to practical application.

From 2009, **Avantex** – International Forum for Innovative Apparel Fabrics – will be an integral part of Techtextil in Frankfurt am Main. The aim of this integration is to optimise profitable synergies. Furthermore, from 2009 **Material Vision** – International Trade Fair and Conference for Materials for Product Development, Design and Architecture – will also be held parallel to Techtextil. Detlef Braun, member of the Board of Management of Messe Frankfurt: “With Techtextil and Material Vision together, we broadly mirror the international market for innovative materials in Frankfurt. The parallel rhythm allows exhibitors and visitors to tap into new business fields and customer groups.”

A strong surge in demand for technical textiles ensured a lively event with around 13,000 visitors for the over 300 exhibitors at Cinte Techtextil China in Shanghai. In Atlanta, USA, Techtextil North America closed its doors on a positive note. From 2009, the fair will be held in alternating years in Atlanta and Las Vegas. With the second venue, Techtextil North America is aiming to better exploit potential on the west coast.



techtextil avantex

Natural fibres on an upward trend

2009 is the International Year of Natural Fibres. Messe Frankfurt aims to bridge the gap between natural fibres and technical applications, present the special possibilities offered by natural fibres and thus bring new ideas and impulses to the industry with an international congress within the framework of Techtextil.

The “Interstoff” umbrella brand for apparel fabrics in the meantime stands for three strong brands: **Intertextile** for the retail market, **Interstoff** for specialised textiles and the strongly fashion-oriented **Texworld**. With over 2,500 exhibitors and some 50,000 visitors, Intertextile Shanghai Apparel Fabrics is one of the biggest trade fairs for apparel fabrics worldwide. Market leader in North China is the affiliated event Intertextile Beijing Apparel Fabrics, which in 2008 brought over 1,100 exhibitors and over 25,000 visitors together in Beijing.

Following its relaunch, Interstoff Asia Essential in Hong Kong presents itself as “The Home of Cutting-Edge Textiles” for the entire Asian region. The fair has specialised in eco-textiles and multi-functional fabrics. The spring event in March welcomed 8,600 visitors and the autumn edition of the fair in October another 6,200 apparel manufacturers, buyers, retailers and designers to Hong Kong.

Eco-textiles and sustainability were also important themes at Texworld. For the 23rd time already, Texworld in 2008 invited exhibitors and visitors to the “Worldwide Textile Rendezvous” in Paris; the spring and autumn editions of the fair each attracted around 16,000 visitors. The relocation of Texworld USA to the larger Jacob K. Javits Convention Center in New York paid off, with the show scoring a 13 per cent increase in growth. Messe Frankfurt is represented in the Central American market with Exintex in Mexico.

Three textiles trade fairs debuted under the name Textile Days India – Heimtextil India, Texworld India and Techtextil India – under a single roof. They drew over 5,000 trade visitors from 82 countries to Mumbai.

Signs of success



(*) **Hieroglyphics** were used above all in Ancient Egyptian government from 3,200 BC. Other early scripts also mostly described economic phenomena. Wherever people trade and enter binding agreements with one another, sign systems come to their aid. This, of course, also applies to Messe Frankfurt. As a global player, we signpost the way for customer orientation. We create the basis for successful business contacts at the intersection of markets through comprehensive information and state-of-the-art infrastructure, so that at the end of the day a contract can be signed. Just as with the Ancient Egyptians.

Frankfurt am Main, Exhibition Centre, Hall 3



Automotive technology

The car is not only the Germans' favourite toy. All over the world it is a daily helper and the main mode of transport – and sometimes even a status symbol and cult object. With 13 events in 12 countries, Automechanika is the most international trade fair brand in the world.

The heart of the **Automechanika** brand beats at the event held at the Frankfurt home venue. As the world's leading fair for the automotive industry, Automechanika is the biggest international industry meeting place for the automotive after-market and at the same time a must for all original equipment manufacturers. No other trade fair provides a better overview of what is happening across the entire global market. In its 2008 anniversary year, it set new records in terms of exhibition space and internationality: over 161,000 visitors from 146 countries travelled to the metropolis on the River Main for the 20th Automechanika in September 2008. On an exhibition area of 305,000 square metres, 4,471 exhibitors from 80 countries showcased innovative products, solutions and services. Programme highlights included the "Automechanika Green Directory", a new visitor guide to environmental protection, and the special "Automechanika Innovation Award" show. The main visitor magnets were environmentally friendly solutions and innovations.

The approximately 50 per cent share of foreign visitors attending Automechanika in Frankfurt is in no short measure due to the consistent internationalisation strategy that began in 1997 with Auto + Automechanika St. Petersburg and Automechanika China, and has since then been implemented in all key regions for the sector. In the meantime, 13 Automechanika trade fairs are held worldwide. Nine of these took place in the reporting year. Four of those – in Mexico City, Buenos Aires, Dubai and Shanghai – were able to record an increase in the



automechanika

Innovation and award-winning excellence

The Automechanika Innovation Award, which was conferred last time in eight categories, has been a coveted trophy for exhibitors since 1996. After all, it is product novelties and new services that grab the most attention among trade visitors and the industry alike.



number of exhibitors. The strongest-growing show is Automechanika Shanghai with 1,982 exhibitors and 30,845 visitors, the biggest brand event worldwide after Automechanika in Frankfurt. Two additional Automechanika trade fairs in Asia are held in alternating years in Malaysia and in Thailand.

The number of exhibitors at Automechanika Middle East in Dubai has steadily increased for a number of years. The Emirate is one of the region's major trade centres for automotive components. In 2008, the trade fair chalked up nearly 1,000 exhibitors and around 18,000 visitors. The well-established Automechanika Istanbul focuses on the growing Turkish market, southern Europe and the neighbouring Asian states.

The entire American continent is covered by three additional Automechanika trade fairs. As well as Automechanika Canada, which premiered in 2007, Messe Frankfurt also organises Automechanika Argentina and PAACE Automechanika Mexico. Automechanika Argentina is the third-largest show in the Automechanika trade fair family. Despite the restrained business forecasts, the mood at the 2008 event in Buenos Aires was buoyant and hopeful and, drawing 42,264 trade visitors and 580 exhibitors, this proved to be the biggest and most successful



Automechanika Argentina to date. Stephan Kurzawski, globally responsible Vice President for the Automechanika brand, commented: "Automechanika Argentina is a good example of how every crisis also offers a window of opportunity. The future lies in good concepts." With 530 exhibitors and around 18,500 trade visitors, PAACE Automechanika Mexico once again underscored its position as a leading trade fair for the automotive aftermarket in one of the world's most dynamic automotive markets.

The new industry meeting place for the entire Mediterranean region is Automechanika Roma, which debuted in early 2008. The international trade fair for automotive parts and customer service equipment attracted over 12,000 trade visitors to the new "Nuovo Polo Fieristico di Roma" exhibition centre. More than 260 exhibitors from over 14 countries presented their products and services.

In 2009, all eyes in the industry are turned towards South Africa: the first Automechanika South Africa held in Johannesburg in March is Messe Frankfurt's very first event in southern Africa. Detlef Braun, member of the Messe Frankfurt Board of Management, has his eye firmly fixed on potential new regions on the world map: "We will continue to analyse the world's markets in the future and above all offer SMEs a stepping stone to the 'emerging markets'. If the conditions for the industry are favourable, we will launch more fairs for the automotive sector at new locations."



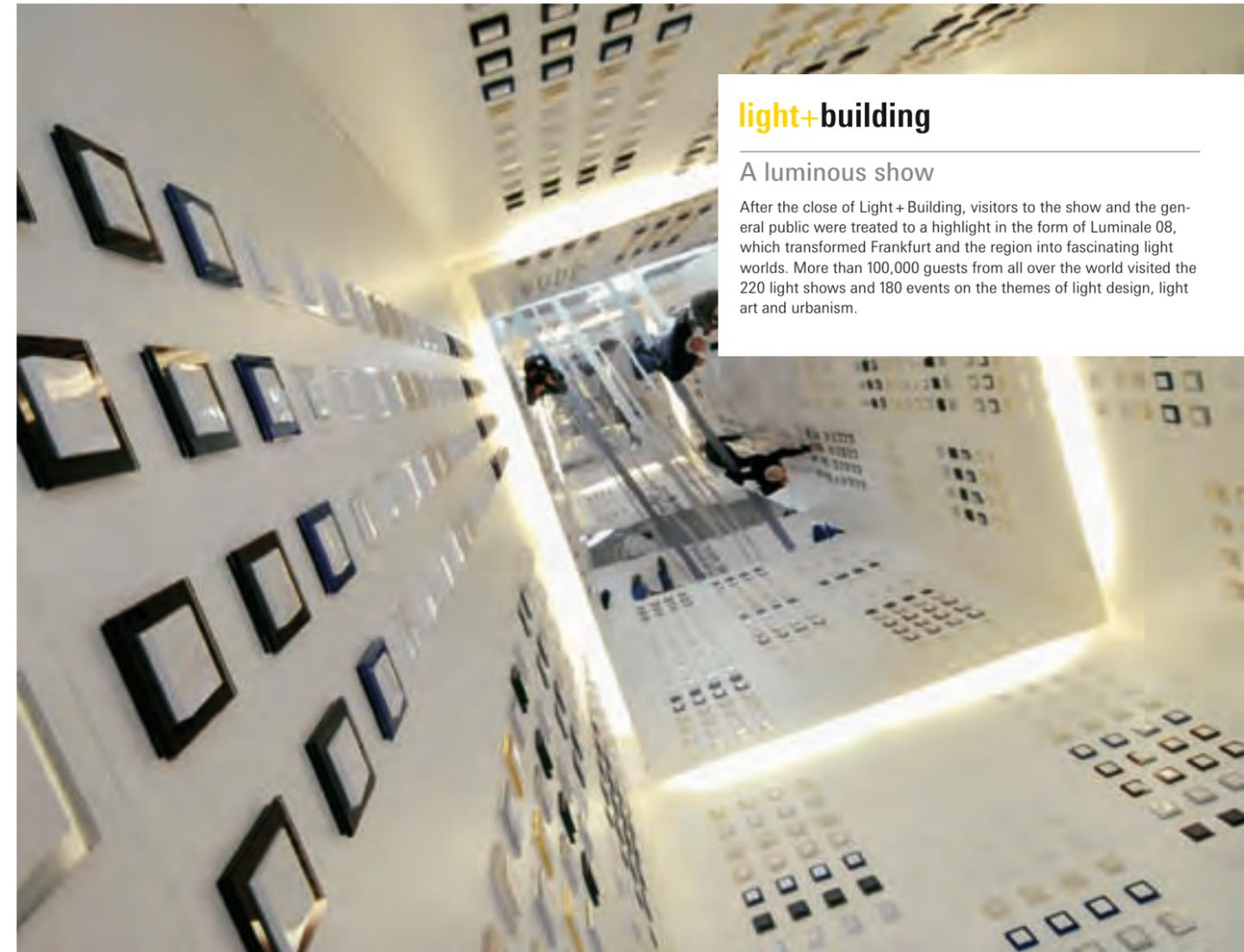
Technical fairs

Technology accompanies us from morning till night, no matter what we are doing. Top-quality technical products enable us to more efficiently use the energy in our homes and develop new energy sources. At Messe Frankfurt, you are able to see what the future brings.

“**Light + Building** set new records in 2008. After only five events, it has uncontestedly become the world’s flagship fair for the industry. Frankfurt is the only venue to spotlight such a broad spectrum from the fields of lighting, electrical engineering as well as building automation,” says Dr Michael Peters, member of Messe Frankfurt’s Board of Management.

Over 167,000 visitors – corresponding to a rise of 23 per cent compared to the previous event – impressively vouched for the success story of the trade fair concept and the close cooperation of all partners. 2,227 exhibitors at the world’s biggest industry platform for lighting, electrical engineering, home and building automation brought the “energy efficiency” leitmotif of the show to life. In the lighting segment, they showed a vast array of energy-saving lighting solutions and corresponding control technology alongside the fascinating world of decorative living space lighting. The installation technology segment demonstrated how intelligent bus systems can help to minimise the energy requirement in buildings, while saving energy, energy efficiency and lowering CO₂ emissions were also the major themes in the home and building automation segments.

Light + Building is currently spreading its formula for success around the globe. The combined Guangzhou International Lighting Exhibition and Electrical Building Technology Guangzhou trade fair closed in 2008 with a seven per cent rise in visitor numbers: over 48,000 trade fair guests from 96 countries found their way to the China Import and Export Fair Pazhou Complex. In Moscow, Light Russia was for the first time held in tandem with Heimtextil Russia. The Light + Building portfolio also contains BIEL Light + Building Buenos Aires as well as Light Middle East in Dubai.



light+building

A luminous show

After the close of Light + Building, visitors to the show and the general public were treated to a highlight in the form of Luminale 08, which transformed Frankfurt and the region into fascinating light worlds. More than 100,000 guests from all over the world visited the 220 light shows and 180 events on the themes of light design, light art and urbanism.





In its “50 years of ISH” anniversary year, the focus at the **ISH 2009** is on the two resources water and energy. The world’s leading fair unites two shows under one roof: the Bathroom Experience and Energy, Building and Air Conditioning Technology. This umbrella brand brings together around 2,400 companies – including all the global market and technology leaders – at a booked-out trade fair complex (250,000 square metres gross). By virtue of the scope of products and services on show, the sales volume and the high savings potential in buildings, the ISH is the world’s biggest fair for environmentally friendly building technology and innovative bathroom design. In the five decades since its launch, it has time and again risen to new challenges and in doing so has written a success story that stands for growth, continuity and a successful trade fair concept.

Light + Building and ISH are the worldwide blue chip fairs for architecture, design and building technology. The top industry event for modern textiles care, **Texcare International**, is also held in Frankfurt. The four-yearly leading worldwide industry forum for laundry and dry cleaners first opened its doors in 1956. In 1998, Messe Frankfurt additionally provided the industry with strategic access to the South-East Asian growth market through **Texcare Asia**. **Texcare International** is unique in that visitors can see and test machinery in operation. In July 2008,

ISH⁵⁰

A plus for design

30 products were awarded the “Design Plus” prize in 2009. They are distinguished by their innovative and excellent creative product attributes, ecological quality and sustainability. The award-winning objects are the result of a successful collaboration between engineers, designers and product developers.

Texcare International in Frankfurt closed with an all-time high: 15,500 trade visitors from 80 countries were impressed by the display of appliances and services from the 257 exhibitors, including all international market leaders. The industry was in a confident mood and is now looking forward in anticipation to Beijing, where the next **Texcare Asia** will be held in October 2009. The portfolio of architecture, technology and design fairs also includes **IFFA**. Every three years, over 900 companies come together to showcase machinery and appliances for the entire process chain at the leading international trade fair for the meat processing industry. The next **IFFA** is scheduled for 2010 from 8 to 13 May.

Under the name **Intersec**, Messe Frankfurt launched a new global trade fair brand for the security sector. The flagship event of the same name has been held in Dubai since 1999. **Seguriexpo** has taken place in Buenos Aires since 2004. Every two years – including 2008 – **Seguriexpo** is staged together with the **BISEC** trade fair. This shows products and solutions for fire protection and fire fighting as well as occupational safety. 2008 also saw the première of **Intersec China** in Shenzhen, which first time round drew over 11,000 visitors. The new portfolio will be complemented in 2009 by the **Intersec Forum**, a trade exhibition for preventive fire protection, to be held parallel to the **Building Law & Fire Protection Symposium** in Frankfurt, and in 2010 by **Intersec Central Asia** in Almaty, Kazakhstan.



Guest shows, congresses and events

The choice of Messe Frankfurt as a partner for guest fairs, congresses, conferences and special events is not only a decision in favour of modern premises with excellent infrastructure and perfect services, but also more than 100 years of experience as a host.

As an experienced full-service provider with a first-class location and state-of-the-art infrastructure, Messe Frankfurt was again instrumental in promoting the successful development of internationally known brands and crowd pullers and realising new concepts in 2008. Thus in its 60th year, the **Frankfurt Book Fair** again increased visitor figures by six per cent compared to the previous year to around 300,000. The particular attractions aside from guest country Turkey were the new digital business models.

Specialised and successful are words that describe **CPhI Worldwide** – International Exhibition for Pharmaceutical Ingredients. CPhI Worldwide is organised at a different venue in Europe every year and for the first time since 2003 was once again hosted at the Frankfurt exhibition centre in association with the PMEC/ICSE sub-events. Recording 1,700 exhibitors and 25,000 trade visitors, it continued on its path of growth and gathered all key accounts from the international pharmaceuticals industry in Frankfurt. The exhibition's success is also mirrored in its size: the amount of leased exhibition area increased from 66,000 square metres in 2003 to 110,000 square metres.





Another event that has grown significantly is the International Trade Fair for Visual Communication. The rebranding and further conceptual development of the former ProSign as **viscom frankfurt**, as well as the relocation to Hall 3, were well received by visitors and exhibitors. The successful concept and the Frankfurt venue were definitely a winning combination: in 2008 viscom frankfurt achieved the highest growth yet in terms of exhibitors, visitors and leased space since it has been held at Frankfurt. The trade fair is hosted in alternating years in Frankfurt or Düsseldorf.

EuroMold, the world fair for the tool and mould-making industries, design and product development, celebrated its 15th anniversary in 2008. In 2009, it will continue to grow at its new location in the new Hall 11 and adjacent halls in the western section of the exhibition grounds. In its sixth year, the world's leading trade fair for incentive travel, congresses and conferences, **IMEX**, also continued its successful development. A total of 16 guest fairs with altogether around 480,600 visitors were hosted in Frankfurt in 2008. In 2009, the crowd puller IAA (International Motor Show) is again relying on Messe Frankfurt as a trusted partner.



For **Congress Frankfurt**, 2008 marked its most profitable year yet with a total of 113 congresses and conferences as well as 90,000 participants. The focus has traditionally been on events in the field of banking and finances. Prestigious customers in this segment were Deutsche Bank, Union Investment, MLP, KPMG, the German Stock Exchange and Euro Finance Week. The second focal theme was events from the IT sector, such as the three-day Microsoft product launch with 7,200 attendees or Storage Networking World Europe 2008. In the field of medicine, 11 congresses dealt with topics related to dentistry, implantology, gynaecology, reproduction medicine, cardiology as well as pain and palliative medicine.

In the tradition-rich **Festhalle** (festival hall), over 290,000 guests experienced memorable hours at concerts, trade fairs, sporting events, congresses, showtime and corporate events. Highlights last year were the Dresdner Kleinwort Frankfurt Marathon, the international Festhalle Riding Tournament as well as performances by stars such as Leonard Cohen, Howard Carpendale, Mark Knopfler, Deep Purple, Linkin Park, Kylie Minogue, Udo Lindenberg and Rosenstolz. In the show segment, the classic Holiday on Ice, the Blue Man Group, the Apassionata equestrian gala and the magic Africa Africa circus event were spectacles to remember. Numerous companies took advantage of the unique flair and flexibility of the Festhalle for unforgettable company celebrations, including DZ-Bank, DVAG, Imtech, Dresdner Bank and Audi. More than 241,000 visitors attended the exhibitions and sales marts, some of which occupied the entire exhibition grounds. The REWE Happy Family summer festival in the open-air grounds alone was enthusiastically attended by over 100,000 visitors. And on the Festhalle forecourt between November 2008 and February 2009 guests were able to enjoy culinary specialties at the Jamie Oliver Dinner Show.

Drumming up enthusiasm



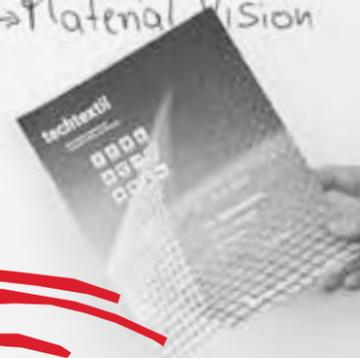
Techtextil 2009

NEU: -> Claim

The innovation interchange

Privatex integrated

Maternal Vision



(*) **Jungle Drums** were for many centuries the only form of telegraph system in the African bush. But usually only the natives were actually able to understand the rhythmic messages. Our marketing has quite a different goal: to communicate the Messe Frankfurt brand messages and experiences to as many people as possible – at every event, in every publication and through every member of our staff. To this end we beat the publicity drum – not loudly, but entertainingly, intelligently and professionally. After all, we want to pass on our centuries-long success story.

Technical textiles brands, Frankfurt am Main

2008 Group management report of Messe Frankfurt GmbH

I. Report on economic position

General economic trend

The development of the world economy in fiscal 2008 was split in two: while business activity was still expanding significantly at the beginning of the year, from Q2 – and at the latest from the middle of the year – it started to cool off noticeably. The economic crisis triggered by the collapse of the financial markets in the USA substantially weakened further world economic development. In real terms, the total gross domestic product of the world economy nevertheless grew on an annual average by a further 2.4 per cent compared to the previous year (3.5 per cent in 2007)¹. This value was positively influenced by the emerging economies, whose gross domestic product in the reporting period grew by 6.4 per cent overall. Leading the way with 9.4 per cent, China played a pioneering role, which is of prime importance for Germany as China's major trading partner within the European Union. India's economy also developed extremely well, showing a plus of seven per cent. The countries of Latin America on the whole posted encouraging growth in 2008 as well, and recorded an increase of 4.2 per cent over the previous period. By contrast, the economic power of the industrialised countries showed a more restrained development at a high level with a rise totalling 1.2 per cent. The countries of the European Union recorded growth of 1.2 per cent in 2008, the USA 1.4 per cent, Canada 0.7 and Japan 0.2 per cent.

The German economy, too, expanded by a total of 1.5 per cent in 2008 after 2.5 per cent in the previous year. The cyclical downturn in the second half of the business year made itself felt above all in exports, which saw a successive sharp decline from the spring on. As an exporting nation, Germany has been particularly hard hit by the international recession, which has first and foremost caused a drop in the demand for investment goods – a mainstay of German exports. Private consumption remained stable on an annual average; on balance, the continuing rise in energy and fuel prices which lasted into the autumn, coupled with the rise in food prices, caused a drop in purchasing power.

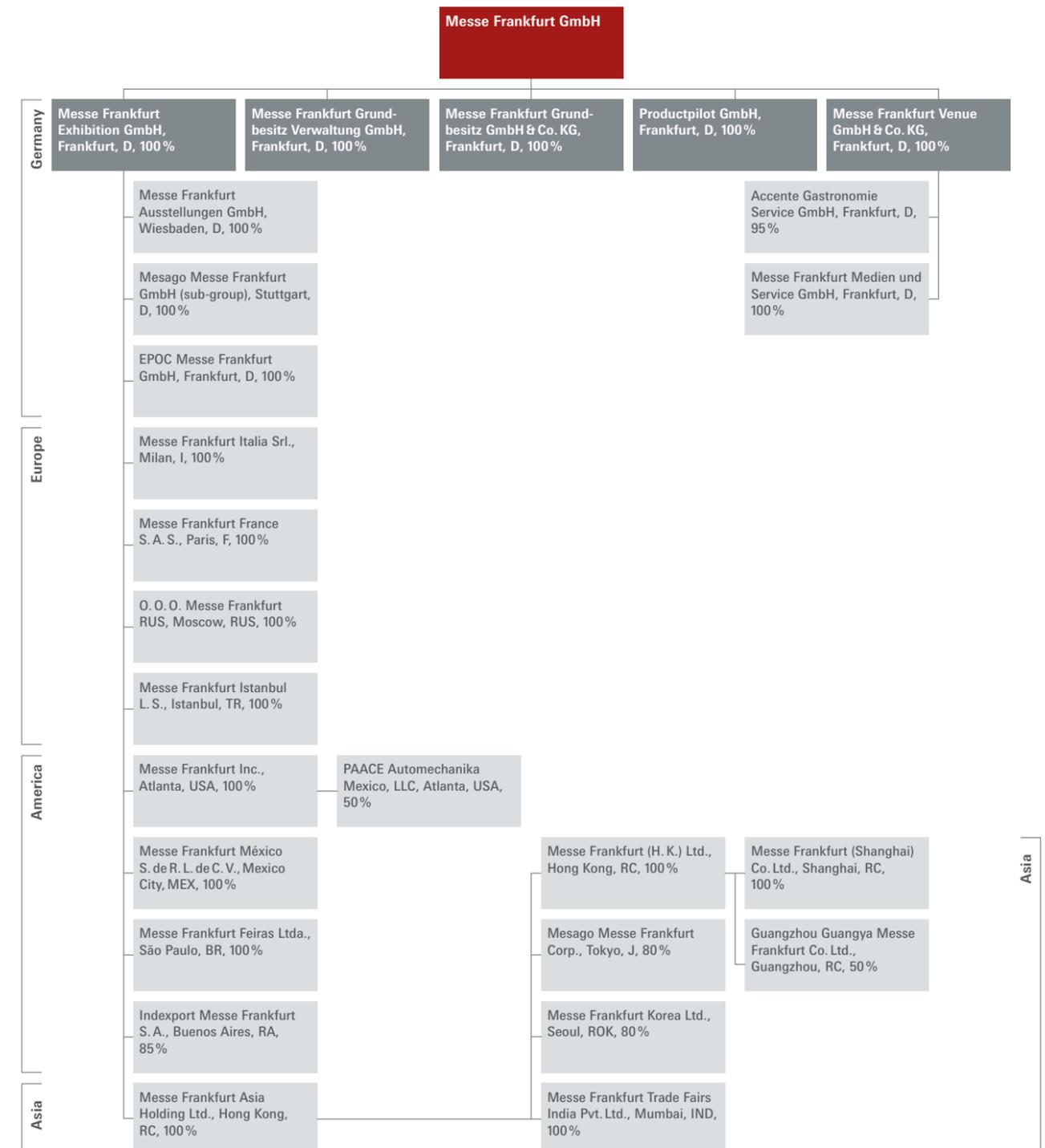
World trade – an important indicator for the international trade fair industry with export-oriented customers – rose by 3.2 per cent (after 6.1 per cent in the previous year).

Development of the German and international trade fair sector

Despite the unfavourable general economic situation, above all in the second half of 2008, the German exhibition sector showed a positive growth for the year. All benchmark data – according to preliminary figures published by the Ausstellungs- und Messeausschuss der deutschen Wirtschaft (AUMA) e.V., Berlin (Association of the German Trade Fair Industry) – showed stable growth. This result is on the one hand attributable to the long-term planning of trade fair participations; registrations for trade fairs held in the second half-year were firmly booked months ahead of time. On the other hand, the positive figures are also an indicator of the relative stability of trade fairs: especially in economically difficult times, exhibitors often initially step up their marketing efforts and thus act anti-cyclically. This above all benefits the leading fairs in the respective sectors. Thus the 153 supraregional trade fairs held in Germany recorded around 179,000 exhibitors (+2.0 per cent compared to the previous year), 10.3 million visitors (+2.0 per cent) and just under seven million square metres of exhibition space booked (+1.5 per cent).

¹) Source: ifo Economic Forecast, December 2008.

Messe Frankfurt corporate group



Apart from the EMEA region (Europe, Middle East, Africa), Messe Frankfurt group's German and foreign subsidiaries are active above all in Asia and America. In all these regions, economic experts are increasingly prioritising trade fairs as a marketing instrument. This is reflected in the expansion of exhibition sites. European exhibition corporations, including those in Germany, still dominate the global trade fair market with 11.8 million square metres of available hall space, corresponding to a share of 57 per cent of corporations with more than 100,000 square metres of hall space respectively. However, exhibition corporations in other world economic regions are catching up. Asia, for example, in the meantime has around 3.8 million (= 19 per cent) and North America over 3.2 million square metres (= 16 per cent). In Central and South America, hall capacities in the meantime reached around 1.0 million square metres. These investments in exhibition grounds reflect the demand for available hall space and at the same time the continued importance of trade fairs as a marketing instrument worldwide.

Messe Frankfurt's main competitors in Germany are the Berlin, Düsseldorf, Hanover, Cologne, Munich and Nuremberg exhibition corporations. However, also compared to other internationally operating exhibition corporations such as Milan and Paris, Messe Frankfurt was able to consolidate its excellent position.

II. Presentation of development of business

Objectives and strategies of the Messe Frankfurt corporate group

Profitable and sustained growth was once again the main goal of the Messe Frankfurt group in fiscal 2008. Economic soundness, foresighted planning and flexibility are the indispensable preconditions for success in the increasingly competitive environment of the German, European and international trade fair sector. Efforts to promote effectiveness and efficiency focused on the customer and were reflected in further optimisation of the existing portfolio. In the customer's interests, the internationalisation of events was further promoted in order to create greater market transparency in globalised markets, the core benefit of any trade fair. The further development of virtual marketplaces intended to accompany trade fairs with additional information about company and product novelties also served this purpose. In the customer's interests, the brand and market positioning of the company and its unique selling propositions were reformulated and more clearly defined.

Corporate strategy with a customer focus

As a constituent part of the "product" trade fair, the focus on the exhibiting and visiting customers plays a particularly important role in the trade fair industry. It is therefore inherent to the day-to-day business of any exhibition maker to gauge and assess the wishes of exhibitors and visitors and incorporate these when developing a new concept for an event. Customer satisfaction is generally regarded as the result of a comparison and evaluation process between customers' performance expectations and their perception of performance. Of interest in this context are the impressions not only of customers attending the trade fairs, but also of former and potential customers. How they evaluate the success of their participation or their visit, as well as their experience with the management processes and the exhibition staff, are the factors that determine customers' satisfaction and, ultimately, their loyalty. And above all loyal customers are what every company needs to ensure sustained success.

Internationalisation of events in two directions

One of the Unique Selling Propositions (USP) of Messe Frankfurt is the international scope of its trade fair operations. This is being accelerated in two directions: on the one hand internationality is being promoted by organising trade fairs outside Germany. On the other hand, Messe Frankfurt is concerting efforts to internationalise its flagship fairs in Frankfurt. The higher the level of internationality of events, the higher their quality, since a high level of internationality stands for high market transparency, and consequently maximum customer benefit to be gained from a trade fair participation.

Foreign trade fair operations are predominantly being expanded through the further development of the brand strategy in the core fields of competence consumer goods, textiles and technical fairs. In the interests of customers – as well as from a strategic point of view – Messe Frankfurt's brand strategy aims to counter the risk of competitors abroad occupying Frankfurt themes and thus possibly encroaching upon the Frankfurt events. The brand events abroad are beneficial for a number of reasons: on the one hand through their clear positioning within the global trade fair competition they protect the Frankfurt flagship shows and brands. On the other hand, through mutual communication, they permit the long-term acquisition of international customers. The brand events abroad permit the sectors and customers that attend the flagship fairs to be supported around the world and the level of internationality to be increased. The interaction of these

two processes produces a synergy effect that particularly at times of crisis assures the two-way protection and stabilisation of the events held at Frankfurt and abroad.

The particular quality of Messe Frankfurt's events outside Germany has now also been independently confirmed: the Shanghai Foreign Economic Relation & Trade Commission in cooperation with the Shanghai Convention & Exhibition Industries Association (SCEIA) has awarded the Music China and Intertextile Shanghai Home Textiles trade fairs organised by Messe Frankfurt in Shanghai top marks. Among 500 events currently held in Shanghai, these two brand events each received the title "Shanghai Top International Brand Fair".

Both internationalisation strategies are supported by an international organisation with 15 operational subsidiaries, five branch offices and 52 sales partners with responsibility for 151 countries.

Optimisation of the product portfolio

In the wake of globalisation, the trade fair industry has for a number of years been undergoing a significant process of change worldwide. Messe Frankfurt has participated in this development, in parts been instrumental in bringing it about and benefited from it. The primary corporate objective in this was to grasp market opportunities in order to occupy expanding markets with its own themes and to be present with a wide variety of events. The challenges now lie in reviewing the strategies and concepts so far in place, identifying strengths and further promoting them. Following a phase of growth, Messe Frankfurt must now focus on consolidation and concentration on its core competences in the field of consumer goods, textiles, technical and guest events as well as further developing its established events worldwide.

Enhanced customer benefit through supplementary services

Messe Frankfurt also had its customers in mind when expanding its product range with the addition of the new trade fair forwarding logistics business segment. Following completion of the new logistics building in 2007, Messe Frankfurt now also acts as contractor and direct contact for logistics services within the exhibition grounds. This service was offered for the first time for the spring fairs in Frankfurt in 2008.

The cross-sectoral Productpilot B2B portal offers exhibitors a meaningful additional platform for customer contacts parallel to trade fair participation. The portal is being continuously developed and expanded. The Productpilot search and service functions have also been integrated into the completely newly designed website of the Messe Frankfurt group. Since the relaunch at the end of 2008, the portal www.messefrankfurt.com has assumed the function of central port of call for all online users, consolidating corporate and trade fair presentations in an optimised way for the respective core target groups visitors, exhibitors, media and organisers.

Fully in the interests of our innovative customers is the "Messe Frankfurt against Copying" initiative. At all own events organised by Messe Frankfurt Exhibition, experts and exhibition staff advise exhibitors and visitors at a central stand on how they can protect their trademarks and the design of their products against piracy and also enforce this protection. Messe Frankfurt is supported in this effort by all the relevant official authorities and private initiatives working in the field of industrial property rights. These include the European Office for Harmonisation in the Internal Market (Trade Marks and Designs), the German Patent and Trademark Office, the Industrial Property Rights Department of German Customs, the Enterprise Europe Network as well as the Anti-Product Piracy Campaign Committee of German Industry, and the Plagiarius campaign. With this initiative, Messe Frankfurt triggered comparable campaigns conducted by other exhibition corporations.

Infrastructure development – masterplan

Through the striking architectural design of its halls, Messe Frankfurt contributes to the unique profile of the City of Frankfurt. With the new Hall 11 and adjacent "Portalhaus" entrance, yet another unique architectural gem is in the making in the western part of the grounds to complement the distinctive Torhaus, Forum, Hall 3, Congress Center and Festhalle. For Messe Frankfurt, these new buildings in the western part of the exhibition grounds not only represent a core project for the overall municipal development of Frankfurt's "Europaviertel" quarter, but are also a suitable supplement to the eastern part of the premises. The ambitious architecture and high level of functionality will appreciably upgrade the western section of the site. Designed by the Hascher Jehle architectural office in Berlin, the complex is being built by the Max Bögl/Lausser consortium. Following the laying of the foundation stone in October 2007, the topping out ceremony was held on 4 September 2008. This marked completion of the first phase of the ambitious schedule, which foresees final completion of the two buildings in time for the International Motor Show (IAA Cars) in September 2009. Hall 11 provides 23,960 square metres of exhibition space on two levels. Following completion, the two new buildings will be linked to Halls 9 and 10 via the Via Mobile – the covered moving walkway system. The investment costs for this building project amount to around €220 million.

Optimisation of processes and structures also in the interests of customers

Following the phase of growth, the focus in the reporting year was again placed on increasing the effectiveness and efficiency of group operations. The aim was to create greater transparency and reduce complexity by consolidating the internationally strongly expanded group. The first steps in this direction were undertaken: the group manual, which all group employees can access via the Intranet, establishes group-wide Messe Frankfurt standards and like this ensures smooth cooperation between the group companies also in the interests of customers. The subsidiaries have the possibility to supplement this manual through individual company manuals. The international rollout was initiated in the reporting year. This manual is supported by optimising and defining inter- and intra-company processes. The task is to identify and evaluate critical success factors for the processes. This is done through proactive process and project management within the scope of a continuous improvement process.

Further emphasis was given to increasing the efficiency of customer processes at the Frankfurt venue. The focus here was above all digital exhibitor stand registration on the one hand and online visitor registration on the other. The creation of a new online system for global advance ticket purchases was also initiated. A project was set up with the aim of centralising global data. Apart from improving data availability, this is intended to provide for their global use throughout the international organisation.

Inspiration and new perspectives presented by the new image campaign

"First in giving future a face" – this motto for Messe Frankfurt's new external advertising campaign gets to the point with a total of six different design motifs: pure inspiration and new perspectives through presentation of international trends and innovation. The posters were designed in cooperation with the Saatchi & Saatchi advertising agency in Frankfurt. The motifs received an award from the world exhibition association UFI (Union des Foires Internationales). The entry triumphed over 161 posters entered by 49 trade fair organisers and won the Grand Award in the category "Generic promotion poster promoting the exhibition industry as a whole". The campaign was an important step in the newly developed positioning of the "Messe Frankfurt" brand in 2008. It consolidates the unique selling propositions of the trade fairs across all fields of competence of the company.

Performance ratios – Trade fairs and exhibitions

Messe Frankfurt group's core business is on the one hand the hosting of trade fairs and exhibitions in its core areas of competence consumer goods, textiles and technical fairs. These are organised by Messe Frankfurt Exhibition and its subsidiaries in Germany and abroad. Furthermore, through its Messe Frankfurt Venue subsidiary, the group also markets exhibition space to trade fair organisers and provides the related infrastructure and services. Both major companies are organised under the shared umbrella of a holding company, Messe Frankfurt GmbH.

The focus of the events held at the Frankfurt venue are the international flagship shows. They bring together the relevant international supply and the respective demand in Europe and around the world. By virtue of their size and internationality, some of these shows even have a stand-alone position or only very few competing events.

The operations of the foreign subsidiaries are based on three pillars: hosting own trade fairs, marketing trade fair participations of Messe Frankfurt Exhibition worldwide and marketing customer services within the framework of so-called turn-key business (leasing of complete stands and other services). The own events are for the most part brand trade fairs. These are oriented towards "their" flagship fair in terms of name, nomenclature and services, with the aim to position themselves in their region as the major industry events. Since unlike in Germany, international trade fair markets are not concentrated around just a few major exhibition centres, the flagship fair standard as it is realised in Frankfurt cannot be translated to the overseas regions. Due to the different outreach of the shows in terms of exhibitors and visitors, it is very difficult to clearly delimit the relevant trade fair market. That is why the trade fair industry does not produce any fixed definitions of the achieved market share.

The Messe Frankfurt group staged 102 trade fairs and exhibitions worldwide in the reporting year. Altogether, around 68,800 exhibitors and 2.6 million visitors were counted; the total net leased area was almost 2.0 million square metres. These were complemented by 397 congresses, conventions and other events at the Frankfurt venue which attracted around 391,000 visitors. Thus, all Messe Frankfurt group events taken together drew around 3.0 million visitors in 2008.

Overall activities of Messe Frankfurt in 2008

	Number	Exhibitors	Net area* (in '000 m ²)	Visitors (in '000)
Trade fairs and exhibitions				
– at the Frankfurt venue	36	41,014	1,332	1,580
– at other venues in Germany	6	2,668	91	99
Total Germany	42	43,682	1,423	1,679
Other countries	60	25,148	552	884
Total trade fairs and exhibitions	102	68,830	1,975	2,563
Other events				
	397			391
Total activities	499	68,830	1,975	2,954

* including special show space

The group's exhibition centre in Frankfurt was the venue for 36 trade fairs altogether, including 12 events organised by Messe Frankfurt Exhibition GmbH. An additional five events were organised by the two German event subsidiaries Mesago Messe Frankfurt GmbH, Stuttgart (1) and Messe Frankfurt Ausstellungen GmbH, Wiesbaden (4). These 17 own group events in Frankfurt recorded around 24,000 exhibitors and around 900,000 visitors. Around 1 million square metres of exhibition space was booked. Mesago as well as Messe Frankfurt Ausstellungen GmbH hosted six more trade fairs at other venues in Germany in addition to the five staged in Frankfurt.

Due to the rotation of events, fewer events are reported in fiscal 2008, since the International Motor Show (IAA Cars) crowd-puller is only held in uneven years. The major guest events in 2008 included the Book Fair, EuroMold and IMEX. The guest events business segment of Messe Frankfurt Venue counted some 17,000 exhibitors at the 19 trade fairs in the reporting year who presented their product ranges on 305,000 square metres, as well as around 680,000 visitors.

As a result of Messe Frankfurt's internationalisation strategy, around 70 per cent of the exhibitors and more than 46 per cent of visitors to the exhibition events held at the Frankfurt venue came from outside Germany. These benchmarks are confirmation of maximum customer benefit on both the supply and demand side. These high levels of internationality represent peak values both in the history of Messe Frankfurt and its competitive environment. By way of comparison: the AUMA puts the average internationality rates for Germany as a trade fair venue at 53 per cent for exhibitors and 25 per cent for visitors.

Messe Frankfurt's foreign operations again contributed significantly to the successful operating result of the Messe Frankfurt group in the reporting year: at 60 events, some 25,150 exhibitors showcased their product and service portfolios to 884,000 visitors on around 552,000 square metres of exhibition space. This means almost half of the exhibitors at the group's own trade fairs attended events outside Germany.

Asia remains the regional focus of overseas business with 31 events in the reporting year, 20 of which were held in China alone. Another attractive exhibition region for Messe Frankfurt was the EMEA (Europe, Middle East, Africa) economic area. In 2008, 17 trade fairs were held in this region, nine of them alone in the United Arab Emirates. In North and South America, Messe Frankfurt's subsidiaries organised 13 trade fairs in the year under review. Operational business in Brazil, on the other hand, was discontinued.

As part of the optimisation of its product spectrum, Messe Frankfurt also expanded the number of events outside Germany in the reporting period. Nine new trade fairs were rolled out worldwide in 2008, six of these in Asia and three in Europe. Most of these were brand events, i.e. trade fairs with a comparable nomenclature and comparable standards to a flagship fair, which is usually based in Frankfurt. Some examples are the new Beautyworld India, the Intersec trade fairs in China and in Thailand, Light Russia and Automechanika Roma, which all debuted in the year under review.

In addition to designing and realising its own events, 17 "German pavilions" were organised at foreign trade fairs. These involved the planning and realisation of trade fair participations organised on behalf of the Federal Ministry of Economics and Technology. They facilitate entry into the market in the respective country for small and medium-sized enterprises.

The interbranch Nutec Congress was a new product to première in 2008. This innovative event focused on the topic of sustainability in line with the "Cradle to Cradle" principle. Trend-setting materials and production methods that allow raw materials to circulate in closed cycles were discussed. Over three days, 100 experts informed the approximately 1,200 participants from 25 countries. The varied programme included best-practice examples from many sectors, ranging from chemicals, architecture and cosmetics to textiles, home design, education and consumption. The event was organised by Messe Frankfurt Exhibition in close cooperation with EPEA Internationale Umweltforschung GmbH (Environment Protection and Encouragement Agency), Hamburg.

Congresses, conventions and Festhalle events

In addition to guest trade fairs and exhibitions, Messe Frankfurt Venue also organises congresses and conventions as well as Festhalle events. In the completed financial year, the Congress Frankfurt department supervised 113 congresses and conferences independently of trade fairs, attracting a total of some 90,000 participants to the Frankfurt exhibition complex. The main focal themes of the congress programme are in the fields of science, medicine, IT and the finance sector. The main events in 2008 included the Microsoft Launch 2008 and the German SharePoint Conference, a three-day Microsoft product launch with 7,200 participants. The "Conventure" department – Messe Frankfurt Venue's professional congress organiser – held seven congress events which drew close to 6,800 visitors.

The tradition-rich and versatile Festhalle (festival hall) was the principal venue for 52 cultural, sporting or social events, which welcomed around 292,000 visitors. The highlights in the reporting year included concerts by Howard Carpendale, the Backstreet Boys, Linkin Park, Mark Knopfler and Kylie Minogue. Other performers were Udo Lindenberg, Paul Potts, Leonard Cohen and Deep Purple. The sporting attractions were the Dresdner Kleinwort Frankfurt Marathon with finishing line in the Festhalle and the traditional Festhalle Riding Tournament featuring top international riders. The Festhalle is also a magnificent setting for major corporate events, which in the year under review included the anniversary celebration "150 years of Imtech" with 5,000 guests.

III. Description of the position of the company

Results of operations

With a new all-time high in 2008 of €440.2 million, the successful 2008 financial year is also mirrored in the rise in group sales. The increase over the previous year amounted to €16.6 million, or 3.9 per cent, and was for the main part generated by Messe Frankfurt Exhibition GmbH and the companies in Asia and Dubai. Measured against the year 2006, which by virtue of its event structure lends itself better to comparison, this corresponds to an increase of as much as €34.1 million or 8.4 per cent.

Sales development (consolidated) 2006–2008

	2006 € m	2007 € m	2008 € m	Change compared to 2007 in % ⁴⁾	
				2007 in % ⁴⁾	2006 in % ⁴⁾
Germany					
Messe Frankfurt GmbH, Frankfurt	0.0	0.2	0.1	-50.0	—
Messe Frankfurt Exhibition GmbH, Frankfurt	190.0	193.0	205.6	6.5	8.2
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt	67.6	72.5	67.4	-7.0	-0.3
Messe Frankfurt Ausstellungen GmbH, Wiesbaden	5.9	4.9	4.3	-12.2	-25.9
Mesago Messe Frankfurt GmbH, Stuttgart ¹⁾	18.6	20.8	21.0	1.0	12.9
Messe Frankfurt Medien und Service GmbH, Frankfurt	15.2	15.7	17.2	9.6	13.9
Accente Gastronomie Service GmbH, Frankfurt	20.8	22.6	20.7	-8.4	-1.0
Total Germany	318.1	329.7	336.3	2.0	5.8
Other countries					
Messe Frankfurt France S. A. S., Paris	12.3	15.4	15.3	-0.6	24.4
Messe Frankfurt Italia Srl., Milan	1.1	0.8	2.1	++	90.9
Messe Frankfurt Istanbul L. S., Istanbul	0.0	0.9	0.0	—	0.0
O. O. O. Messe Frankfurt RUS, Moscow	2.6	3.2	2.8	-12.5	7.7
EPOC Messe Frankfurt GmbH, Frankfurt/Dubai	9.8	9.2	11.2	21.7	14.3
Messe Frankfurt Asia Holding Ltd., Hong Kong ²⁾	43.6	49.0	59.7	21.8	36.9
Messe Frankfurt Inc., Atlanta ³⁾	8.8	5.6	6.1	8.7	-30.7
Messe Frankfurt México S. de R. L. de C. V., Mexico City	2.9	1.8	2.4	33.3	-17.2
Messe Frankfurt Feiras Ltda., São Paulo	3.4	3.8	0.1	-97.4	-97.1
Indexport Messe Frankfurt S. A., Buenos Aires	3.5	4.2	4.2	0.0	16.7
Total other countries	88.0	93.9	103.9	10.6	17.9
Group sales	406.1	423.6	440.2	3.9	8.4

1) sub-group

2) sub-group including the subsidiaries: Messe Frankfurt (H. K.) Ltd., Hong Kong; Messe Frankfurt (Shanghai) Co. Ltd., Shanghai; Mesago Messe Frankfurt Corp., Tokyo; Messe Frankfurt Korea Ltd., Seoul; Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai

3) including PAACE Automechanika Mexico, LLC, Atlanta

4) deviations of more than 100% are shown with ++ or --

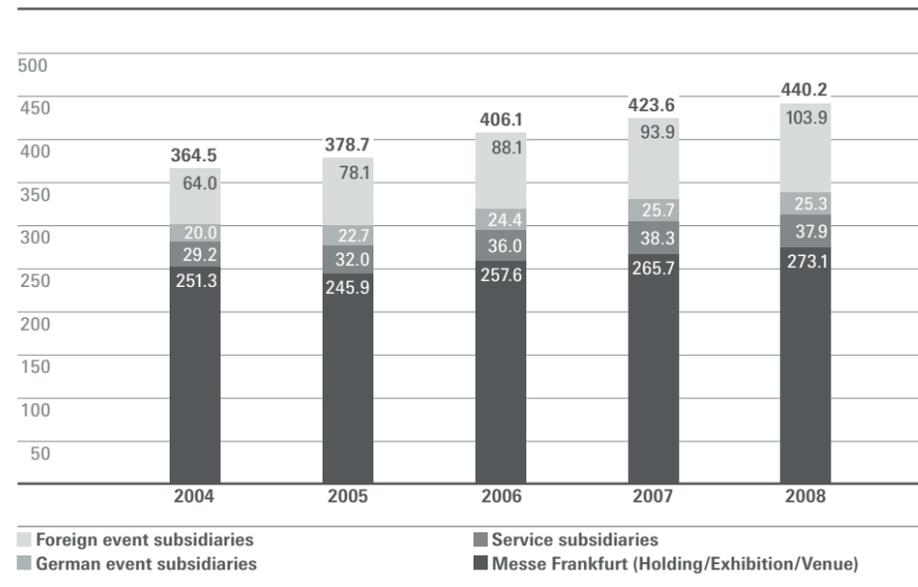
Messe Frankfurt Exhibition GmbH with its key international flagship fairs is the mainstay of group sales and generated consolidated sales of € 205.6 million, an improvement of € 12.6 million compared to the previous year. The positive development of Messe Frankfurt Exhibition GmbH can largely be explained by the rhythm of multi-year events, as in even-numbered years Texcare (every four years) as well as the high sales-generating Automechanika and Light + Building trade fairs, are held. With a rise of € 15.6 million, sales were also significantly up on the more readily comparable year 2006.

Messe Frankfurt Venue posted sales of € 67.4 million. This figure was slightly lower than in previous years since neither an International Motor Show (IAA Cars) as in 2007, nor an ACHEMA as in 2006, took place.

Totalling approx. 46.7 per cent and 15.3 per cent respectively, Messe Frankfurt Exhibition and Messe Frankfurt Venue account for the largest share of group sales.

Together with the service subsidiaries Accente Gastronomie Service GmbH and Messe Frankfurt Medien und Service GmbH, which also posted excellent results, consolidated sales of € 310.9 million were generated at the Frankfurt venue, corresponding to around 71 per cent of group sales (year for year 2007: € 303.8 million; 2006: € 293.6 million).

Group sales development (consolidated) in € m



Messe Frankfurt Ausstellungen GmbH posted a drop in sales of € 0.6 million compared to the previous year due to the development of Marketing Services (Frankfurt) and EBIF and realised € 4.3 million. Mesago Messe Frankfurt achieved a further earnings increase (+€ 0.2 million) driven especially by the continued positive development of SPS/IPC/Drives, International Exhibition & Conference on Electric Automation, and at € 21.0 million recorded its highest sales level to date.

Business was especially encouraging on the international front. With a total of € 103.9 million, sales of the foreign subsidiaries were a significant € 10 million or 10.6 per cent higher than in the preceding period. Looking at the past five years, foreign sales have more than doubled. The contribution of the foreign subsidiaries to group sales was 23.6 per cent, compared to 22.2 per cent in the previous year.

The positive development in the reporting year can be explained especially by the trade fair activities in Asia (+€ 10.7 million) and in Dubai (+€ 2.0 million). The subsidiaries in Italy, Mexico and the USA also contributed to the positive sales trend. The decline in sales posted by Messe Frankfurt Feiras in Brazil is accounted for by the discontinuation of operating activities during the course of the reporting period.

The main driving forces of sales outside Germany were therefore the subsidiaries in Asia (€ 59.7 million), Paris (€ 15.3 million) and Atlanta including PAACE Automechanika Mexico (€ 6.1 million), as well as the branch office in Dubai (€ 11.2 million).

The group also posted new record profit figures. With a figure of € 51.7 million prior to taxes on income, earnings were not only up 18.6 per cent on the previous year (€ 43.5 million), but were also 7.1 per cent higher than the record year 2006 (€ 48.2 million).

Profit development 2006–2008

	2006 € '000	2007 € '000	2008 € '000	Change compared to 2007 in %	2006 in %
Earnings before taxes on income	48,220	43,548	51,659	18.6	7.1
Taxes on income	20,730	15,899	15,757	-0.9	-24.0
Consolidated net income for the financial year	27,490	27,649	35,902	29.8	30.6

Besides the growth in sales (+3.9 per cent) and an increase in other operating income of around € 4.1 million, this positive earnings development can be attributed to a disproportionately low rise in costs of 2.1 per cent.

Apart from operating income from the annual write-back of deferred income, as well as the reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (each at € 2.1 million), other operating income (€ 19.1 million) principally includes the reversal of provisions (€ 5.5 million, previous year € 4.9 million) for unperformed maintenance work which was not carried out for reasons of time, as well as income arising from exchange rate fluctuations amounting to € 5.1 million.

Income stands vis-à-vis operating expenses totalling € 400.8 million, which is € 8.3 million higher than in the prior period. Event-related expenses are the biggest expense item with € 206.0 million, after € 207.3 million in 2007. This corresponds to a cost/income ratio of 46.8 per cent, which is 2.1 percentage points lower than the previous year's level. Event-related expenses include all expenses directly related to events. They are in general variable costs and therefore develop by analogy to sales. As well as costs for visitor advertising, press relations, sales commissions and marketing, they also include all costs for services (e.g. hostess services), as well as rental of external halls and maintenance of the Frankfurt exhibition grounds.

Personnel expenses showed a somewhat disproportionately high increase. The approximately € 7.0 million or 8.3 per cent increase in expenses was due to the recruitment of 63 additional employees in the group, bringing the number to 1,534, and to salary adjustments. This results in a rise in the personnel ratio from 19.9 per cent in 2007 to 20.7 per cent in the reporting year. Depreciation, amortisation and write-downs on the other hand showed a decline compared to the previous year of € 1.3 million to € 47.2 million. This item includes € 2.5 million higher depreciation, amortisation and write-downs for Messe Frankfurt Venue as opposed in particular to € 3.5 million and € 0.5 million lower depreciation, amortisation and write-down amounts for Messe Frankfurt Exhibition and Messe Frankfurt Medien und Service GmbH respectively. Furthermore, other operating expenses were posted in the amount of € 56.6 million, a rise of € 4.0 million over the previous year.

This item includes all expenses not directly related to events, e.g. consulting, insurances, IT costs and office supplies.

The financial result amounts to –€3.0 million (2007: €0.6 million). As well as interest income from securities and investments (€5.4 million; 2007: €8.1 million), this includes interest expenses amounting to €8.4 million (2007: €7.6 million). These result from bank loans taken out at the end of 2006 by Messe Frankfurt Grundbesitz GmbH & Co. KG and at the beginning of 2008 by Messe Frankfurt Venue GmbH & Co. KG to finance the building of Hall 3 and the new Hall 11.

Net of taxes on income (€15.8 million), as well as other taxes (€3.8 million), the group recognised consolidated net income for the financial year of €35.9 million, around €8.3 million higher than in the previous year (€27.6 million). This produces a return on sales after taxes of 8.2 per cent (previous year 6.5 per cent) and a return on equity of as much as 10.6 per cent (previous year 8.1 per cent).

Taking the EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) earnings ratio into consideration, at €101.8 million, Messe Frankfurt achieved a result that almost equals the previous record year 2006 (€102.3 million). As a percentage of sales, the EBITDA margin for the financial year is 23.1 per cent.

EBITDA development 2006–2008

	2006	2007	2008	Change compared to	
	€'000	€'000	€'000	2007	2006
				in €'000	in €'000
Consolidated net income for the financial year	27,490	27,649	35,902	8,253	8,412
Taxes on income	20,730	15,899	15,757	–142	–4,973
less financial result	861	–584	3,032	3,616	2,171
Depreciation, amortisation and write-downs	53,217	48,485	47,153	–1,332	–6,064
Group EBITDA	102,298	91,449	101,844	10,395	–454
EBITDA margin	25.6%	21.6%	23.1%		

The following presents the results before consolidation of the companies and sub-groups included in the consolidated financial statements.

Messe Frankfurt GmbH as parent disclosed a net income for the financial year of €23.6 million, after €23.3 million in the previous year. This can for the most part be attributed to the financial result, which apart from positive net interest income of €2.4 million includes a profit distribution of Messe Frankfurt Exhibition GmbH amounting to €22.0 million. The slightly higher result of €0.3 million compared to the prior period is due to a lower taxation ratio.

Messe Frankfurt Exhibition GmbH reported earnings before taxes on income of €31.1 million (previous year €19.2 million) and a net income for the financial year of €25.7 million (previous year €18.7 million). The rise compared to the previous year is mainly explained by the fact that – due to the rhythm of the multi-year events Automechanika and Light + Building – even-numbered years produce higher profits. Added to this are higher profit distributions (+€1.3 million) included in the financial result above all from the sub-group in Asia and the subsidiaries in Stuttgart and France.

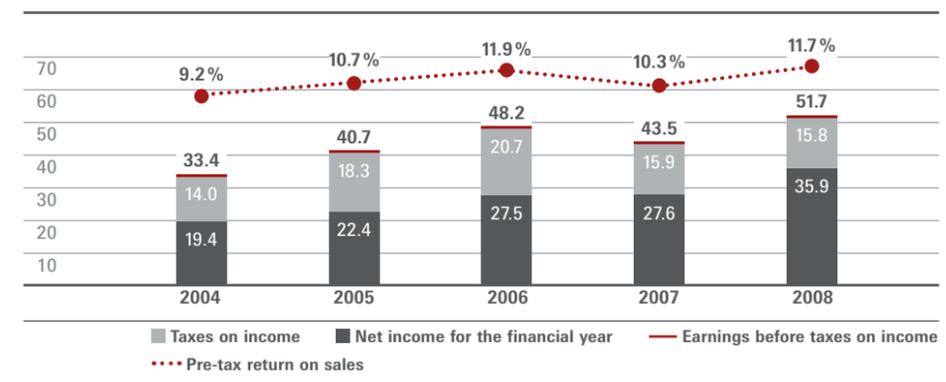
Showing net income for the year of €3.7 million, Messe Frankfurt Venue GmbH & Co. KG fell short of the previous year's result by €4.6 million. The main reason for this is the higher interest expense recognised in the reporting year due to the loan taken out to finance the construction

of Hall 11. Furthermore, the financial result for 2007 included a one-time profit transfer on the part of the Messe Frankfurt Medien und Service GmbH subsidiary due to proceeds arising from the intra-group sale of the Productpilot business segment to Productpilot GmbH.

The operating results of the German and foreign subsidiaries of Messe Frankfurt Exhibition GmbH showed a differentiated development, which, however, on balance produced a result significantly above that of the previous year. Net retained profits add up to €18.3 million in the 2008 financial year, following €14.9 million in the previous year.

Particularly encouraging are the results of the Asian sub-group, which once again improved on the previous year (€7.4 million) with earnings of €7.7 million in the year under review. The main driving force behind this positive development was Messe Frankfurt (H. K.) in Hong Kong. However, with a net income for the financial year of €6.2 million, the German subsidiary Mesago Messe Frankfurt GmbH in Stuttgart also once again boosted its profits compared to the previous year by €1.4 million. The French subsidiary with €2.4 million (previous year €2.6 million) as well as EPOC Messe Frankfurt with its branch office in Dubai with €1.9 million also made notable contributions to the overall result. While the subsidiaries in Mexico and Brazil posted net losses, all other event and marketing companies recognised positive results for the year.

Earnings before taxes on income and pre-tax return on sales 2004–2008 (in € m)



Net worth and financial position

The fixed assets of the Messe Frankfurt group are made up primarily of land and buildings as well as trade fair rights and goodwill. In the year under review, additional investments were made amounting to around €114.9 million (previous year €105.4 million). Of this amount, €4.8 million is apportioned to intangible fixed assets, which for the most part are accounted for by purchased software. Most of the investment amount was apportioned to tangible fixed assets, with approximately €91.4 million for the construction of Hall 11 alone. The remaining additions to fixed assets were posted for smaller infrastructure measures and operating facilities in the halls, as well as for operating and office supplies.

Net of depreciation, amortisation and write-downs amounting to €47.2 million, disposals of fixed assets (€0.8 million) and additions to fixed assets (€1.2 million), fixed assets totalling €665.5 million (previous year €597.0 million) are shown in the balance sheet at year's end 2008, which corresponds to a share of around 76 per cent of total assets (€876.1 million).

Current assets increased by €30.2 million to €209.5 million. The rise results in particular from a higher level of cash-in-hand and bank balances (+€39.3 million). Other assets increased by €3.1 million to €38.5 million as a result of a rise in payments received on account for hall leases.

At €16.6 million, trade receivables, by contrast, were €9.9 million lower than in the previous year due to the rotation of events. This drop can be attributed in particular to Messe Frankfurt Venue, the French subsidiary and the sub-group in Asia.

On the equity and liabilities side, €376.7 million is shown in the balance sheet under equity on the basis of the earned net income for the 2008 financial year (€35.9 million), distributions to minority shareholders (€1.1 million) and the change in the adjustment item for foreign currency translation. This is €37.0 million higher than the previous year's figure (€339.7 million). This corresponds to an equity ratio of around 43 per cent and leads to an equity/fixed assets ratio of around 57 per cent. Together with the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€36.1 million), as well as deferred income, which for the most part is also available over the long term, of €38.6 million and medium- and long-term provisions (€21.5 million) and the long-term bank loans (€174.0 million), the equity/fixed assets ratio increases to 97 per cent.

Provisions increased by €10.2 million compared to the previous year to €85.6 million. Apart from the separately disclosed provisions for pensions and taxes, these primarily include provisions for deferred maintenance and building modernisation commitments, indemnification claims from agents, claims from employees, as well as outstanding invoices, amounting to around €59.4 million (+€7.3 million) in total.

Group liabilities amount to €339.0 million (previous year €284.0 million). This corresponds to around 39 per cent of total equity and liabilities, and leads to a debt/equity gearing ratio of around 91 per cent compared to around 84 per cent in the previous year. The rise results on the one hand from the bank loan amounting to €62.5 million taken out by Messe Frankfurt Venue in the course of 2008 to finance the construction of Hall 11. This borrowing arrangement was offset by the scheduled repayment of the bank loan owed by Messe Frankfurt Grundbesitz GmbH & Co. KG in the amount of €7.2 million. On the other hand, payments on account received from exhibitors for the trade fairs in Q1 2009 increased by €5.7 million compared to the prior period. This rise over the previous year can be attributed to the biennial rhythm of the ISH trade fair, which is scheduled to take place again in 2009. By contrast, trade payables fell by €3.8 million, and other liabilities by €2.2 million.

Financing

Corresponding to the statement of cash flow, the outflow of funds for investment activities (€112.2 million) was financed through the available net current assets as well as the positive cash flows from operating activities (€96.5 million), and from financing activities (€54.2 million). This resulted in a rise in cash funds of €39.6 million to around €143.3 million. This produces the following abstracted values and changes in the cash funds:

Development of cash funds 2007–2008

	2007 €'000	2008 €'000	Change €'000
Cash flows from operating activities	49,080	96,519	47,440
Cash flows from investing activities	-97,571	-112,194	-14,623
Cash flows from financing activities	-34,010	54,198	88,208
Net change in cash funds	-82,501	38,523	121,024
Effect on cash funds of exchange rate movements	-672	797	1,468
Cash funds at beginning of period	187,145	103,972	-83,173
Cash funds at end of period	103,972	143,292	39,320

Human resources

At 31.12.2008, the Messe Frankfurt corporate group employed 1,534 people worldwide, 63 more than at the end of 2007.

The increase of 40 new employees in Germany is primarily accounted for by the ongoing development of the sales and marketing operations of Messe Frankfurt Exhibition GmbH. In addition to this, Accente Gastronomie Service GmbH again raised its number of regular staff from 153 to 162. This growth is the result of the continuation of the policy to take selected temporary staff into permanent employment in order to stabilise the quality level.

Outside Germany, the expansion of operations above all in China, Italy, Dubai (EPOC Messe Frankfurt GmbH) and Japan led to a – sometimes significant – rise in new staff appointments.

Employee development *

2006–2008	2006	2007	2008
Messe Frankfurt GmbH, Frankfurt, Germany	238	247	249
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	247	272	288
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt, Germany	248	249	253
Mesago Messe Frankfurt GmbH, Stuttgart, Germany	58	61	64
Messe Frankfurt Ausstellungen GmbH, Wiesbaden, Germany	29	28	27
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	65	60	65
Accente Gastronomie Service GmbH, Frankfurt, Germany	148	153	162
Productpilot GmbH, Frankfurt, Germany		5	7
Germany	1,033	1,075	1,115
Messe Frankfurt France S. A. S., Paris, France	11	17	16
Messe Frankfurt Italia Srl., Milan, Italy	18	18	24
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	17	17	16
O. O. O. Messe Frankfurt RUS, Moscow, Russia	25	29	29
EPOC Messe Frankfurt GmbH, Frankfurt, Germany/Dubai, UAE	33	36	43
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	2	2	2
Messe Frankfurt (H. K.) Limited, Hong Kong, China	118	147	167
Mesago Messe Frankfurt Corp., Tokyo, Japan	21	24	26
Messe Frankfurt Korea Ltd., Seoul, South Korea	8	8	8
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	20	18	18
Messe Frankfurt Inc., Atlanta, USA	22	28	26
Messe Frankfurt México S. de R. L. de C. V., Mexico City, Mexico	15	12	11
Messe Frankfurt Feiras Ltda., São Paulo, Brazil	16	5	1
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	35	35	32
Other countries	361	396	424
Messe Frankfurt group	1,394	1,471	1,534
Increase in number of employees		77	63

* incl. trainees and management executives

In order to promote integration within the Messe Frankfurt group, the central human resources management services offer for the foreign subsidiaries was further extended. Apart from the continuation of the Management Development Centre courses to select deputies for the managing directors of the subsidiaries, a bespoke advanced training programme was developed for the top two levels of management in the subsidiaries. The international exchange programme continues to be very popular. Furthermore, initial preparations were made in 2008 for the founding of a branch office in Belgium. In this context, a staff member from the holding company was sent to Belgium on a two-year assignment.

Messe Frankfurt considers the continuous investment in its employees to be a vital factor of success for the company. In response to the demands of the market, human resources development therefore continued to be a focus of activities. The development of executive manager potential and demand-driven qualification measures were systematically and consistently continued. A junior executive training programme is in place as an important module complementing the existing offer of human resources development measures.

The "VELO" project was also continued. VELO stands for Vergüten – Entwickeln – Leiten – Orientieren (Remuneration – Development – Management – Orientation). The aim of this project is to create an integrated system for staff that, based on the competences required in the trade fair sector, offers corresponding development paths and performance evaluations. It is intended to round off this approach with a market-driven and customised remuneration system which for the first time clearly takes trade fair-specific factors into account.

The employees of the Messe Frankfurt corporate group once again demonstrated in 2008 that with a great deal of motivation as well as unswerving and flexible efforts, it is possible to achieve successes everyone can justifiably be proud of. The Board of Management would like to take this opportunity to thank all employees for the good work done.

IV. Opportunities and risks of future development

The current economic crisis will also impact Messe Frankfurt. Due to the relatively long lead times for the major Messe Frankfurt events, the trade fairs in spring 2009 still achieved positive results. However, the own and guest events scheduled for the second half of the year are expected to see a decline. This brings with it the risk that the sales and earnings targets for 2009 and 2010 that were approved last year might not be reached. Reductions in the number of exhibitors and visitors at the events also have repercussions on the sales revenue of the subsidiaries.

Messe Frankfurt is attempting – also in times of crisis – to secure the loyalty of exhibitors, visitors and guest organisers through long-term customer retention strategies. The broad spectrum of products and services provided by Messe Frankfurt and its subsidiaries offers plenty of potential for attractive package solutions. These include travel deals for visitors or extensive startup packs with voucher booklets for exhibitors.

Messe Frankfurt is at the same time looking at possible opportunities presented by the current economic situation, for example through acquisitions or cooperation agreements, in order to ensure that it is optimally positioned for the time after the crisis. Risks arising from the analysis, implementation and management of new events and business segments in Germany and abroad are controlled by the introduction of corresponding personnel and organisational measures.

The economic problems in the international consumer goods, automotive and textiles industries, combined with further concentrations in the retail sector, pose serious global challenges for the corresponding brands, e.g. Automechanika, Paperworld, Beautyworld or Heimtextil. Guest events such as the International Motor Show (IAA Cars) are not immune to the crisis either.

Many companies in these sectors have either disappeared from the market altogether or are reducing or cancelling their trade fair participations. Increased bad debt losses must also be anticipated. It is intended to compensate these developments through new concepts, consolidations and intensified acquisition measures.

The new conception of Tendence involves the risk that the new concept and date might not establish itself with some exhibitors and visitors. However, it also offers the opportunity to reposition the event in the market and win back both exhibitors and visitors.

The restructuring of international sales through a relaunch of global sales processes and related controlling, as well as intensifying the timely integration of relevant market partners, enhances the efficiency and effectiveness of exhibitor and visitor acquisitions worldwide. The changes in relations with sales partners inherent in this could in some sectors and countries lead to temporary difficulties in the field of customer liaison and support, as well as impinge on internal processes during the implementation phase.

Although Messe Frankfurt does not host any trade fairs in risk-prone regions, wars or terrorist activities nevertheless pose a general risk. Subsidiaries in regions like India or Dubai are therefore experiencing increasing difficulties in winning exhibitors and visitors.

If trade fair participations abroad are no longer subsidised by national governments, there is a risk that joint stands will become smaller. Many European exhibitors also look for overseas sales partners, and therefore no longer exhibit at Messe Frankfurt's foreign events.

Given the saturated exhibition market in Germany, Messe Frankfurt above all sees opportunities for growth through trade fairs held outside Germany. The global economic crisis is also affecting the subsidiaries around the globe. On the one hand it is becoming more difficult to win exhibitors and visitors for events in Frankfurt and worldwide, and on the other hand in some cases the overseas events also have to fear a sharp decline in sales. This problem is further aggravated by the fact that these trade fairs are not always the leading fairs in their respective sector. In such cases, the more firmly established rival shows could emerge as winners from the crisis.

This situation is exacerbated by local exhibition organisers, who are in some cases financially sponsored by their governments. Messe Frankfurt and its subsidiaries counter this with their Frankfurt brands and an international sales network, making it possible despite the crisis to organise high-quality trade fairs with a much more international flavour.

A further risk for the subsidiaries arises out of the fact that they do not have their own exhibition grounds and are therefore dependent on local exhibition infrastructures and exhibition site operators. The biggest challenge lies in finding suitable timeslots and in the quality of sufficient hall facilities. On the other hand, this also allows the subsidiaries greater flexibility, making it easier for them to respond to regional shifts in the market and economic sectors with a change of venue.

Some subsidiaries also have a relatively small event portfolio that is focused on just a few industries. This results in greater dependency on individual events and sectors. This risk is countered by rolling out further brand events, developing new trade fair themes and providing additional services.

The ongoing modernisation of the exhibition centre is a prerequisite for fulfilling growing customer needs. Risks may arise as a result of additionally required construction measures that only come to light in the course of refurbishment work. If completion of the new Hall 11 falls behind schedule, alternatives for the planned events will need to be found.

To finance the building of the new Hall 11/West Entrance, Messe Frankfurt Venue GmbH & Co. KG has taken out a variable interest loan with a volume totalling €140 million and a term that runs until 31 December 2013. €40 million of this amount can be freely and variably drawn by way of a revolving credit line. A further €100 million was taken out within the scope of a syndicated financing transaction (term loan) with a fixed drawing and repayment schedule. In order to as far as possible hedge the interest rate risk of a variable interest loan, cap agreements at 4.75 per cent were concluded for the credit line and 50 per cent of the term loan, as well as an interest rate swap for the second half of the term loan amounting to 4.075 per cent.

Messe Frankfurt GmbH and Messe Frankfurt Venue GmbH & Co. KG have entered a so-called US cross-border lease transaction. As a result of the current financial and economic crisis, poorer ratings for participating banks and insurance companies could make it necessary to switch contractual partners or provide higher security. At the time of preparing the present year-end financial accounts, the current S&P/Moody's rating for the participating insurance company is still two tiers above the contractually required minimum rating. If the rating falls below the minimum rating, the company could incur financial distress costs. A possible risk arising from the current situation in respect of the US cross-border lease transaction is countered by active monitoring of the contractual obligations.

Processes, structures and systems in the fields of financing, human resources and IT are continuously being optimised. In light of the ongoing globalisation of the group and the growing importance of international operations, establishing and optimising globally coordinated systems and structures poses a constant challenge.

Over and above those disclosed, no risks that pose a threat to the existence or future development of the company are currently anticipated.

In line with the Act on Corporate Control and Transparency (KonTraG), the Messe Frankfurt group has consolidated all opportunities and risks as well as measures taken within the company to control risk in a uniform and consistent risk management system. This system also encompasses the group subsidiaries. Early-warning signals have been defined to enable future development risks to be identified in a timely manner. These include, for example, developments in the individual economic sectors, activities by competitors and exhibitor and visitor development.

The risk management manual defines in particular the risk principles, the risk management process and the documentation and monitoring of the risk management system. Risk management is conceived as a continuous process and is reviewed at regular intervals to ensure its adequacy and, where required, optimised.

V. Report on post-balance sheet date events

After completion of the 2008 financial year and up to preparation of the group management report, no events – apart from the further clouding of the economic horizon – having a material impact on the position of the company occurred.

VI. Other disclosures/Report on expected developments

Economic experts¹ recorded the sharpest decline in international trade since Q4 2008 in early 2009. Worldwide imports and exports of goods and services took their sharpest nosedive since the Second World War. The classic exporting countries Germany, Japan and China have been particularly hard hit. The emerging economies are suffering as a result of a massive loss of confidence on the part of investors and trading partners. In Germany, GDP fell in Q4 2008 by 2.1 per cent compared to the previous year; exports slumped by 7.3 per cent compared to the previous quarter and by 5.2 per cent compared to Q4 2007. According to a forecast by the Institut für Weltwirtschaft (IfW) in Kiel (Institute for the World Economy), the negative trend is set to continue in the first half of 2009, before it is expected to level out slightly in the summer. The researchers in Kiel are pinning their hopes on the extensive government recovery programmes. On the 2009 average, the institute is anticipating a decline in worldwide exports of around ten per cent compared to the previous year. Other economic forecasts are by no means confident of a stabilisation from the middle of the year.² They believe a return to strong growth is only possible once the financial crisis has been sorted out and a global level playing field restored.

For the German trade fair industry, the AUMA is nevertheless predicting more or less stable exhibitor figures for 2009, because in times of recession companies are especially keen to demonstrate their presence in the market. Accordingly, a total of 160,000 exhibitors are expected to attend 138 trade fairs at locations in Germany with an anticipated 6 million square metres of leased exhibition stand space. Visitor figures are projected at around 9.7 million in total.

Given these negative economic omens, any outlook concerning the course of Messe Frankfurt's business operations for 2009 can only be tentative at best. Nevertheless, in the medium term the Messe Frankfurt group aims to become the leading exhibition corporation with its own exhibition centre in Germany and Europe, at the same time forge ahead with promoting the international Frankfurt and Hesse venue, finance its investments on own account and generate annual dividend distributions to its shareholders. Compared to its competitors, Messe Frankfurt is relatively well positioned to achieve these goals, so that they do not appear illusory. The way trade fairs work is cause for a certain amount of optimism: especially in economically difficult times, exhibitors often step up their marketing efforts and thus act anti-cyclically. This above all benefits the leading fairs. For this reason, Messe Frankfurt will specifically strive to strengthen its flagship fairs above all at the Frankfurt venue.

Outside Germany, the brand strategy at established events will be further pursued. Furthermore, through new acquisitions, innovation and consolidation, Messe Frankfurt aims in its new product developments to tap thematically and geographically into new international markets.

The exhibition centre management targets also still appear realistic: Messe Frankfurt Venue GmbH & Co. KG is aiming to operate the site efficiently and at full capacity over the long term. The inauguration of the new Hall 11 and the Portalhaus in September for the International Motor Show (IAA Cars) is one of the highlights in 2009. With this, Messe Frankfurt is continuing in its tradition of trend-setting exhibition centre development 100 years after completion of the oldest hall on the site – the Festhalle. Exhibition centre management highlights in 2009 apart from the international showcase fairs organised by Messe Frankfurt Exhibition GmbH, include the three major guest shows IAA Cars, Book Fair and ACHEMA as well as – a one-off – the International German Gymnastics Festival Frankfurt.

Despite the negative economic climate, Messe Frankfurt will do everything to uphold the quality of its events. Nevertheless, a cost-saving programme was introduced in 2009. This will examine human resources, maintenance and overhead costs as well as internal projects and investments. The aim is to harmonise the rapid evolution of the organisation over the past few years and the resulting complexity at all levels so as to enhance the effectiveness and efficiency of the group's business operations.

For 2009, Messe Frankfurt GmbH has revised its original targets in light of the economic crisis and now anticipates sales of around € 425 million. The uncertain general economic picture currently makes it impossible to make any serious forecast for the 2010 financial year. However, the company is again reckoning with a further rise in sales. A continued positive result for the Messe Frankfurt group is again expected for 2009 and the subsequent years.

Frankfurt am Main, 31. March 2009

Michael von Zitzewitz

Dr Michael Peters

Detlef Braun

Uwe Behm

1) Source: Financial Times Deutschland, 26.2.2009

2) Source: Frankfurter Allgemeine Zeitung, Economics section, 11.3.2009

Consolidated income statement of Messe Frankfurt GmbH for the 2008 financial year

	Notes	2007 €'000	€'000	2008 €	€
1. Sales	(14)	423,557		440,165,289.35	
2. Other operating income	(15)	15,035		19,122,852.01	
			438,592		459,288,141.36
3. Event-related expenses	(16)	207,310		206,004,039.81	
4. Personnel expenses	(17)	84,102		91,071,163.94	
5. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	(18)	48,485		47,152,989.35	
6. Other operating expenses	(19)	52,642		56,595,686.82	
			392,539		400,823,879.92
7. Financial result	(20)		584		-3,031,786.38
8. Result from ordinary activities			46,637		55,432,475.06
9. Taxes	(21)		18,988		19,530,161.04
10. Consolidated net income for the year			27,649		35,902,314.02
11. Profit attributable to minority interests			-847		-1,287,948.29
12. Loss attributable to minority interests			24		0.00
13. Consolidated retained profits carried forward			19,397		9,841,961.17
14. Appropriation of net profit			-26,000		0.00
15. Appropriation to revenue reserves			-10,381		-23,511,511.68
Consolidated net retained profits			9,842		20,944,815.22

Explanatory notes to the 2008 consolidated financial statements

General disclosures

The consolidated group financial statements of Messe Frankfurt GmbH, Frankfurt am Main, have been prepared in accordance with Sections 290 ff HGB (German Commercial Code).

To enhance the clarity and transparency of the consolidated financial statements, individual items of the consolidated balance sheet and consolidated income statement have been combined. These items are explained separately in the notes to the consolidated financial statements. The additional disclosures required for the individual items have also been included in the notes. The consolidated income statement has been prepared according to the total cost method of accounting.

Companies included in the consolidated financial statements

In addition to Messe Frankfurt GmbH, Frankfurt am Main, as parent, the consolidated financial statements also embrace the following subsidiaries

Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt am Main/Germany
Messe Frankfurt Medien und Service GmbH, Frankfurt am Main/Germany
Accente Gastronomie Service GmbH, Frankfurt am Main/Germany
Productpilot GmbH, Frankfurt am Main/Germany
Messe Frankfurt Grundbesitz Verwaltung GmbH, Frankfurt am Main/Germany
Messe Frankfurt Grundbesitz GmbH & Co. KG, Frankfurt am Main/Germany
EPOC Messe Frankfurt GmbH, Frankfurt am Main/Germany
Messe Frankfurt Ausstellungen GmbH, Wiesbaden/Germany
Mesago Messe Frankfurt GmbH, Stuttgart/Germany
Messe Frankfurt Italia Srl., Milan/Italy
Messe Frankfurt France S. A. S., Paris/France
O. O. O. Messe Frankfurt RUS, Moscow/Russia
Messe Frankfurt Istanbul L. S., Istanbul/Turkey
Messe Frankfurt Asia Holding Ltd., Hong Kong/China
Messe Frankfurt (H. K.) Ltd., Hong Kong/China
Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China
Messe Frankfurt (Shanghai) Co. Ltd., Shanghai/China
Mesago Messe Frankfurt Corporation, Tokyo/Japan
Messe Frankfurt Korea Ltd., Seoul/South Korea
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India
Messe Frankfurt Inc., Atlanta/USA
Messe Frankfurt México S. de R. L. de C. V., Mexico City/Mexico
Messe Frankfurt Feiras Ltda., São Paulo/Brazil
Indexport Messe Frankfurt S. A., Buenos Aires/Argentina

which are either collectively managed by Messe Frankfurt GmbH, Frankfurt am Main, or in which Messe Frankfurt GmbH directly or indirectly holds the majority of voting rights.

The 100 per cent interests held by Mesago Messe Frankfurt GmbH, Stuttgart, in Mesago Messe-management GmbH, Stuttgart, and Mesago PCIM GmbH, Stuttgart, are also included in the consolidated financial statements on the basis of sub-group consolidated accounts. SMT/ASIC/Hybrid Mesago Messe & Kongreß GmbH & Co. oHG, Nuremberg, is managed jointly by Mesago Messe Frankfurt GmbH and a company not included in the consolidated financial statements and is therefore included in the consolidated financial statements with 75 per cent in proportion to the shares in its capital held (Section 310 HGB – German Commercial Code).

PAACE Automechanika Mexico, LLC, Georgia/USA is managed jointly by Messe Frankfurt Inc., Atlanta/USA and three companies not included in the consolidated financial statements and is therefore included in the consolidated financial statements with 50 per cent in proportion to the shares in its capital held (Section 310 HGB – German Commercial Code).

Where changes in the reporting entity have resulted in material changes in the presentation of the consolidated financial statements, these are recorded in the notes below.

An adjustment item is disclosed in Equity as “Minority interests” to indicate shares held by minority shareholders in the equity capital carried in the balance sheet of a fully consolidated company.

Consolidation principles and currency translation

The balance sheet date for the consolidated financial statements as well as all subsidiaries included in the financial statements is 31 December 2008.

Shares held by the parent in subsidiaries included in the consolidated financial statements were accounted for using the book-value acquisition method of accounting for acquisitions by eliminating the carrying amounts against the proportionate amount that these shares represented in the equity of the subsidiary at the time of acquisition. Receivables, liabilities, expenses and income items between companies included in the consolidated financial statements were eliminated. Intercompany profits were eliminated.

Where acquisition accounting resulted in goodwill, this was amortised systematically in accordance with Section 309, (1), Sentence 2 HGB (German Commercial Code) over the term of the underlying agreement or over a useful life of 15 years, or written down to fair value on the balance sheet date. The useful life was estimated at 15 years on the assumption that trade fair operations have a long-term orientation and the goodwill can be used over this period.

End-of-year financial statements of the foreign subsidiaries prepared in a foreign currency are translated in compliance with German Accounting Standard (DRS) 14. All balance sheet items of the included foreign group entities, with the exception of Equity (subscribed capital, reserves, retained profits carried forward), which is translated at cost, are translated into euros at the respective mid-rate on the balance sheet date. Differences arising from the translation of equity as a result of changes in the exchange rate compared to the previous year are included as not affecting income in Equity under Foreign currency translation differences.

Expenses and income are translated at the mid-rate. The net income for the year shown in the translated income statement is carried over into the consolidated balance sheet and included in Equity under Foreign currency translation differences.

Accounting and measurement policies

The assets and liabilities of the companies included in the consolidated financial statements were measured uniformly using the accounting and measurement principles applicable to the group as a whole.

Purchased intangible fixed assets are recognised at cost, where applicable less amortisation through use over their useful life.

Tangible fixed assets are recognised at cost, less depreciation through use (buildings 25–40 years) and, where applicable, write-downs. Depreciation for use is calculated on a straight-line basis on the basis of unchanged principles. In the case of new additions in the period 1989 to 1993, use was made of the right to opt for a higher depreciation value for buildings in accordance with Section 7, (5) EStG (German Income Tax Law). New additions are depreciated on a pro rata temporis basis. Assets of minor value are expensed in line with provisions for taxation.

Under Financial assets, shares and ownership interests are stated at the lower of cost or fair value.

Inventories of raw materials, consumables and supplies are capitalised at the lower of average cost or net realisable value on the balance sheet date.

Receivables and other assets are disclosed at nominal value. Identified individual risks were recognised through valuation allowances. Other assets are shown in the balance sheet at nominal value. Securities were measured at the lower of cost or fair value. Liquid assets are disclosed at nominal value.

Pension provisions include regular pension obligations as well as obligations arising from deferred compensation. They are measured according to the Projected Unit Credit Method in line with IAS 19 based on the “2005G actuarial tables” published by Prof. Klaus Heubeck. For regular pension obligations, an interest rate of 5.0 per cent (previous year 4.5 per cent) p.a. is assumed as well as a rate of pension progression of 2.0 per cent (previous year 1.5 per cent) p.a. and a qualifying trend of 4.0 per cent (previous year 4.0 per cent). No employment fluctuations were taken into account.

Provisions for pension obligations arising from deferred compensation are recognised in the amount of the premium reserve for defined contribution plans under consideration of the provisions of the coordinated "Länder" decree of 2 February 1963 (Federal Tax Gazette 1963 II 47, Number 4). These include claims arising from dividends, profit shares or premium refunds to the extent that their amount was known on the balance sheet date.

Provisions for pre-retirement part-time employment were recognised on the basis of the "2005G actuarial tables" published by Prof. Klaus Heubeck and an interest rate of 5.5 per cent (previous year 5.5 per cent). Provisions for seniority are recognised on the basis of the "2005G actuarial tables" drawn up by Prof. Klaus Heubeck and an interest rate of 5.0 per cent (previous year 5.5 per cent).

Other provisions take account of all uncertain obligations and impending losses arising from uncompleted transactions. They are stated at the amount necessary based on reasonable commercial assessment. Provisions were also recognised for possible indemnification claims by commercial agents.

Liabilities are carried at their repayment amount. Included payments received on account of orders are shown in the balance sheet using the net method.

Foreign currencies are translated at the mid-rate on the date of acquisition or reporting date in accordance with the lower- or higher-of-cost-or-market principle.

Incurred costs for press, advertising and public relations work for events in subsequent years are posted throughout the group as expenses in the reporting year.

Notes to the consolidated balance sheet

(Amounts in €'000 unless otherwise indicated)

(1) Fixed assets

The classification of the combined fixed asset headings disclosed in the consolidated balance sheet and their development trend (Statement of changes in fixed assets) in 2008 is attached to these notes. The additions to tangible fixed assets result primarily from the building of the new Hall 11 and the related infrastructure measures.

A list of share ownership at 31 December 2008 has also been attached to the financial statements.

(2) Inventories

This covers raw materials, consumables and supplies as well as finished goods and merchandise.

(3) Trade receivables

Receivables due after more than one year are not included in this item.

(4) Other assets

	due within one year	due between one and five years	due after more than 5 years
Taxes	21,851	3,983	522
Prepayments	4,291	0	0
Other	7,700	77	85
Total for 2008	33,842	4,060	606
Total for 2007	32,680	2,121	606

Other assets include business tax receivables from the City of Frankfurt (shareholder of the Messe Frankfurt group) amounting to €1,508,000.

(5) Securities

Securities include shares in money market funds and a commercial paper.

(6) Cash-in-hand, bank balances and cheques

	2008	2007
Cash-in-hand and cheques	1,474	566
Bank balances	141,818	103,406
	143,292	103,972

(7) Equity

The classification of equity and minority interests is attached to these notes.

(8) Equity-similar special reserve for subsidies or grants for the acquisition of fixed assets

A special tax-allowable reserve was formed in 2000 containing subsidies and grants made by the city of Frankfurt am Main in relation to the exhibition centre car park. The special reserve is written back on a straight-line basis over the useful life of the car park.

(9) Other provisions

Other provisions mainly include outstanding purchase invoices, repairs and refurbishment commitments, indemnification claims from sales partners (sales agents) and claims from employees.

(10) Liabilities

	due within one year	due between one and five years	due after more than 5 years
Liabilities to banks ¹⁾	7,521	96,606	77,407
Payments received on account of orders	109,740	0	0
Trade payables ²⁾	26,377	49	0
Other liabilities	17,937	3,403	0
–of which taxes	(15,787)	(3,403)	(0)
–of which social security	(231)	(0)	(0)
Total for 2008	161,575	100,058	77,407
Total for 2007	164,971	32,456	86,577

1) Liabilities to banks comprise an amortisable loan on the part of Messe Frankfurt Grundbesitz GmbH & Co. KG for the acquisition of Hall 3 as well as an amortisable loan on the part of Messe Frankfurt Venue GmbH & Co. KG for the construction of Hall 11. The liabilities of Messe Frankfurt Grundbesitz GmbH & Co. KG are secured by a first-rank land charge on the part of Messe Frankfurt Grundbesitz GmbH & Co. KG, an assignment on the part of Messe Frankfurt Grundbesitz GmbH & Co. KG of the rent demand from Messe Frankfurt Venue GmbH & Co. KG as well as the assignment of claims arising from the property insurance (fire/terror) of Messe Frankfurt Grundbesitz GmbH & Co. KG in favour of a bank consortium.

2) Trade payables include liabilities vis-à-vis the City of Frankfurt (shareholder of the Messe Frankfurt group) amounting to € 18,000.

(11) Deferred income

The one-off payments received in advance in the years 1988 and 1996 for 35 years respectively for two building leases and a payment for a 99-year joint usufruct in parts of buildings were disclosed under Liabilities as Deferred income. The three partial deferred income amounts are written back on a straight-line basis over the specified terms.

(12) Other financial commitments and contingent liabilities

Other financial commitments total € 138.672 million. These are primarily made up of commitments from open purchase orders related to investments, refurbishment measures due to official requirements and orders, commitments relating to the acquisition of additional company shares as well as ground rents for three building lease contracts.

In connection with the conclusion of an agreement governing an automatic cash management system between Messe Frankfurt GmbH and the other participating companies in the cash management system, Messe Frankfurt Venue GmbH & Co. KG, Messe Frankfurt Exhibition GmbH, Accente Gastronomie Service GmbH, Messe Frankfurt Medien und Service GmbH and Messe Frankfurt Ausstellungen GmbH, the participating companies have assumed a joint and severable liability for all liabilities arising from the automatic cash management system towards Commerzbank Aktiengesellschaft, Frankfurt am Main. The subsidiaries of Messe Frankfurt GmbH participating in the cash management system are liable only insofar and to the extent that they have themselves generated the liability balance and/or themselves received the loan resulting from the overdraft. They are additionally liable so far and to the extent that compliance with the assumed obligation to pay does not affect the assets required to maintain the nominal capital at the time of entering into the payment obligation. The assumption of joint and several liability also applies in the event that the accorded overdraft limit or credit line is exceeded.

Furthermore, unlimited joint and several liability exists in connection with a cash-concentrating agreement between Dresdner Bank AG, Frankfurt am Main, and Messe Frankfurt GmbH together with the other companies participating in the cash concentrating, Messe Frankfurt Venue GmbH & Co. KG, Messe Frankfurt Exhibition GmbH, Messe Frankfurt Grundbesitz GmbH & Co. KG, Messe Frankfurt Medien und Service GmbH, Mesago Messe Frankfurt GmbH and Productpilot GmbH for the squaring of the respective debit balances/borrowings on the main account and corresponding or separately agreed foreign currency accounts, including interest and costs apportioned thereto.

(13) Derivative financial instruments

Derivative financial instruments are used exclusively as security for the amortisable loan in the amount of up to € 100 million (€ 62.5 million per 31.12.2008) and a credit line of € 40 million.

Type/category	Nominal- amount € '000	Fair value € '000	Book value (where known) € '000	Balance sheet account (where recognised) € '000
Interest-related transactions ("Caps")	786	296	296	Prepaid expenses
Interest-related transactions ("Swaps")	0	-1,620	0	

The "caps" are interest-hedging instruments that limit the interest rate risks for 50 per cent of the amortisable loan and the credit line by capping the short-term variable interest rate at a maximum 4.75 per cent. The "swaps" are interest-hedging instruments that limit the risks for the remaining 50 per cent of the amortisable loan by fixing the short-term variable interest rate at 4.075 per cent.

Since the underlying transactions are closed items, the negative fair values of the "swaps" did not give rise to any provision requirements.

Fair value was calculated using a measurement method based on the Black-Scholes model. The fair market value was calculated on the basis of market assessments made by financial institutes. The assessed market values correspond to the amounts for the conclusion of comparable contracts over the respective residual term.

Consolidated statement of changes in fixed assets of the Messe Frankfurt GmbH group

Amounts in € '000	Cost					At 31.12.2008
	At 01.01.2008	Additions	Disposals	Transfers	Currency trans- lation differences	
I. Intangible fixed assets						
1. Concessions, industrial and similar rights and assets and licences in such rights and assets	60,850	4,379	43	27	369	65,582
2. Goodwill from acquisition accounting	56,472	388	0	0	79	56,939
	117,322	4,767	43	27	448	122,521
II. Tangible fixed assets						
1. Land, land rights and buildings, incl. buildings on third-party land	946,610	6,327	0	10,408	32	963,377
2. Technical equipment and machinery	75,683	3,318	432	4,625	1	83,195
3. Other equipment, operating and office equipment	86,682	6,131	1,578	1,196	15	92,446
4. Prepayments and assets under construction	71,222	94,366	571	-16,256	0	148,761
	1,180,197	110,142	2,581	-27	48	1,287,779
III. Long-term financial assets						
1. Long-term equity investments	20	0	0	0	0	20
2. Securities classified as fixed assets	5,000	0	0	0	0	5,000
	5,020	0	0	0	0	5,020
	1,302,539	114,909	2,624	0	496	1,415,320

Depreciation, amortisation and write-downs (cumulative)						Carrying amounts		
At 01.01.2008	Additions	Disposals	Write-ups	Currency trans- lation differences	At 31.12.2008	At 31.12.2008	At 31.12.2007	
51,863	4,071	32	0	165	56,067	9,515	8,987	
24,359	2,938	0	0	25	27,322	29,617	32,113	
76,222	7,009	32	0	190	83,389	39,132	41,100	
500,721	31,496	0	-1,189	27	531,055	432,322	445,889	
60,882	3,214	432	0	0	63,664	19,531	14,801	
67,697	5,434	1,408	0	25	71,748	20,698	18,985	
0	0	0	0	0	0	148,761	71,222	
629,300	40,144	1,840	-1,189	52	666,467	621,312	550,897	
0	0	0	0	0	0	20	20	
0	0	0	0	0	0	5,000	5,000	
0	0	0	0	0	0	5,020	5,020	
705,522	47,153	1,872	-1,189	242	749,857	665,464	597,017	

Notes to the consolidated income statement
(Amounts in € '000 unless otherwise indicated)

(14) Sales

according to type	2008	2007
Stand rents	271,229	256,721
Halls, site and other rents	24,737	30,211
Admission fees and participation fees	11,628	12,805
Services and other income	132,571	123,820
	440,165	423,557

according to region	2008	2007
Germany	336,156	329,679
Europe excl. Germany	20,291	20,316
Asia	70,939	58,139
America	12,779	15,423
	440,165	423,557

(15) Other operating income

This account mainly includes prior-period income from the reversal of provisions (€5.464 million), income from foreign currency translation differences (€5.124 million), income from recoveries on receivables written off in prior periods (€1.168 million), income from additions to fixed assets (€1.189 million) as well as income from the pro rata write-back of deferred income (€2.099 million) and the reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€2.147 million).

(16) Event-related expenses

	2008	2007
Cost of consumables and supplies and of purchased merchandise	15,958	15,261
Cost of purchased services	190,046	192,049
	206,004	207,310

Cost of purchased services comprises in particular expenses for hall and site rental, hall fitting, maintenance of the exhibition grounds and expenses for corporate communication. The designation of the heading Cost of materials was changed to Event-related expenses pursuant to Section 265, (6) HGB (German Commercial Code).

(17) Personnel expenses/employees

	2008	2007
Wages and salaries	76,456	68,756
Social security, post-employment and other employee benefit costs	14,615	15,346
of which in respect of old-age pensions	(4,198)	(3,902)
	91,071	84,102

Employees (annual average)	2008	2007
Vice presidents	31	25
Salaried employees	1,327	1,264
Wage-earning employees	95	90
	1,453	1,379

(18) Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets

Where acquisition accounting resulted in goodwill, this was amortised systematically in accordance with Section 309, (1), Sentence 2 HGB (German Commercial Code) over the term of the underlying agreement or over a useful life of 15 years, or written down to fair value on the balance sheet date.

Amortisation, depreciation and write-downs include €1.966 million in accordance with Section 7, (5) of the EStG (German Income Tax Law).

(19) Other operating expenses

Other operating expenses principally include rental and lease expenses and office costs, legal, consulting and auditing costs, expenses for promotional activities and allowances for bad debts.

(20) Financial result

	2008	2007
Interest and similar income	5,384	8,140
Interest and similar expenses	8,416	7,556
Financial result	-3,032	584

Interest and similar expenses principally include interest for the amortisable loans taken out to finance the building of Halls 3 and 11.

(21) Taxes

	2008	2007
Taxes on income	15,757	15,899
Other taxes	3,773	3,089
	19,530	18,988

Other disclosures**Disclosures relating to the cash flow statement**

Cash funds recognised in the cash flow statement comprise exclusively cash-in-hand and bank balances.

Purchase of consolidated subsidiaries and other entities includes subsequent acquisition costs for former shares in Mesago Messe Frankfurt GmbH.

Non-cash income results from the reversal of deferred income for building leases amounting to €2.099 million and the reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets amounting to €2.147 million.

Minority shareholders received €1.145 million in dividend payouts in the financial year. Prepayments for interests amounted to €8.416 million.

Disclosures relating to the consolidated statement of changes in equity

No parts of the earned group equity were barred from distribution at the balance sheet date 31 December 2008.

Disclosures relating to deferred taxes

The preparation of the consolidated financial statements did not give rise to any deferred tax liabilities. No deferred tax expenses or income were recognised in the consolidated income statement.

Supervisory Board of Messe Frankfurt GmbH

Petra Roth (Chairwoman)

Presiding mayoress of the city of Frankfurt am Main, Frankfurt am Main

Dr Alois Rhiel (Vice-chairman)

Minister for Economics, Transport and State Development for the State of Hesse, Wiesbaden

Uwe Becker

City treasurer of the city of Frankfurt am Main, Frankfurt am Main

Josef A. Beckmann

Member of the Advisory Board of IBENA Textilwerke Beckmann GmbH & Co. KG, Bocholt

Volker Bouffier

Minister of the Interior and Sport for the State of Hesse, Wiesbaden

Bernd Dombek

Director Messe Frankfurt Venue GmbH & Co. KG, Frankfurt am Main

Jutta Ebeling

Mayoress of the city of Frankfurt am Main, Frankfurt am Main

Klaus J. Maack

CEO of ERCO Leuchten GmbH, Lüdenscheid

Alexander Neumann

Member of the Works Council Messe Frankfurt GmbH, Frankfurt am Main

Peter Pippart

Project manager Messe Frankfurt Venue GmbH & Co. KG, Eppstein

Franz Porstner

Project manager Messe Frankfurt GmbH, Gründau

Dr Lutz Raettig

Chairman of the Supervisory Board of Morgan Stanley Bank AG, Frankfurt am Main

Christiane Rüdiger

Director Messe Frankfurt GmbH, Frankfurt am Main

Peter Saalmüller

Idstein

Ute Schuchardt

Chairwoman of the Works Council Messe Frankfurt GmbH, Frankfurt am Main

Edwin Schwarz

Councillor of the city of Frankfurt am Main, Frankfurt am Main

Lutz Sikorski

Councillor of the city of Frankfurt am Main, Frankfurt am Main

Dr Martin Viessmann

CEO of Viessmann Werke GmbH & Co. KG, Allendorf

Karlheinz Weimar

Minister for Finance for the State of Hesse, Wiesbaden

Detlef Wittig

Executive Vice President of Volkswagen AG, Group Marketing and Sales, Wolfsburg

Hamid Yazdtschi

CEO of Gilde-Handwerk Macrander GmbH & Co. KG, Bocholt

Remuneration of the members of the executive bodies

In 2008, the members of the Board of Management received total remunerations of €2.415 million, taking into account all amounts subject to disclosure. This figure includes benefits for 2006 in the amount of €505,000 and for 2007 in the amount of €630,000 for which respective provisions had been recognised in prior periods. Furthermore, provisions amounting to €654,000 for variable benefits were recognised in 2008, bringing total remunerations for 2008 to €1.934 million. Superannuation benefits and retirement annuities of €549,000 were paid to former members of the Board of Management and surviving dependents. Pension provisions and provisions for other payment obligations totalling €8.353 million were formed for the latter group of persons up to 31 December 2008. The members of the Supervisory Board do not receive any remuneration. The expenses allowance paid to them amounted to a total of €7,000.

Board of Management

Uwe Behm, Diplom-Ingenieur/Diplom-Wirtschaftsingenieur (FH), (Graduate in Engineering/Graduate in Industrial Engineering (University of Applied Sciences))

Detlef Braun, Diplom-Betriebswirt (Graduate in Business Administration)

Dr Michael Peters, Diplom-Kaufmann (Graduate in Business Studies)

Michael von Zitzewitz, Diplom-Volkswirt (Graduate in Economics) (Chairman of the Board of Management)

Frankfurt am Main, 31 March 2009



Michael von Zitzewitz



Dr Michael Peters



Detlef Braun



Uwe Behm

Consolidated cash flow statement of the Messe Frankfurt GmbH group

in € '000	2007	2008
Net income for the financial year (including minority interest in net income)	27,649	35,902
Depreciation, amortisation and write-downs (+) of fixed assets	48,485	47,153
Decrease (-)/increase (+) in provisions	-3,448	10,173
Other non-cash income	-4,246	-4,246
Proceeds (-)/expense (+) from disposal of fixed assets	-308	8
Proceeds (-)/expense (+) from sales of securities classified as current assets	-368	217
Increase (-)/decrease (+) in inventories	-53	60
Increase (-)/decrease (+) in trade receivables and other assets not attributable to investing or financing activities	-11,460	7,559
Decrease (-)/increase (+) in trade payables and other liabilities not attributable to investing or financing activities	-7,171	-307
Cash flows from operating activities	49,080	96,519
Intangible fixed assets/tangible fixed assets		
- Capital expenditures	-95,062	-114,521
- Proceeds from disposal of fixed assets	1,400	744
Purchase (-) of consolidated subsidiaries and other business units	-10,288	-388
Receipts from cash investments (securities classified as current assets)	6,379	1,971
Cash flows from investing activities	-97,571	-112,194
Cash payments to the owners of Messe Frankfurt GmbH and minority shareholders	-27,200	-1,145
Cash repayments (-) of bank loans	-6,810	-7,157
Cash proceeds (+) from the issuance of bank loans	0	62,500
Cash flows from financing activities	-34,010	54,198
Net change in cash funds	-82,501	38,523
Effect on cash funds of exchange rate movements	-672	797
Cash funds at beginning of period	187,145	103,972
Cash funds at end of period	103,972	143,292

Consolidated statement of changes in equity of Messe Frankfurt group and minority interests

in € '000	Parent				Minority interests			Group	
	Subscribed capital	Capital reserves	Group revenue reserves	Adjustment item for foreign currency translation	Equity	Minority interests	Adjustment item for foreign currency translation	Equity	Equity
At 31.12.2006	180,000	85,219	76,765	-2,682	339,302	1,045	-30	1,016	340,318
Dividends paid			-26,000		-26,000	-1,200		-1,200	-27,200
Other changes			-7	-1,095	-1,102	25	4	29	-1,074
Consolidated net income for the financial year			26,826		26,826	823		823	27,649
At 31.12.2007	180,000	85,219	77,584	-3,777	339,026	693	-26	667	339,693
Dividends paid					0	-1,145		-1,145	-1,145
Other changes				2,186	2,186		54	54	2,240
Consolidated net income for the financial year			34,614		34,614	1,288		1,288	35,902
At 31.12.2008	180,000	85,219	112,198	-1,591	375,826	836	28	864	376,690

Auditors' report

We have audited the consolidated financial statements prepared by Messe Frankfurt GmbH, Frankfurt am Main, – comprising the balance sheet, income statement, notes, cash flow statement and statement of changes in equity – and the group management report for the financial year from 1 January 2008 to 31 December 2008. Responsibility for the preparation of the consolidated financial statements and the group management report in compliance with the provisions set forth under German commercial law lies with the company's legal representatives. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with the provisions of Section 317 HGB (German Commercial Code) and the generally accepted auditing principles for the audit of financial statements as laid down by the Institut der Wirtschaftsprüfer (IDW) (Institute of German Independent Auditors). Those standards require that we plan and perform the audit such that misstatements and violations having a material effect on the presentation of the net assets, financial position and results of operations as conveyed by the consolidated financial statements in compliance with German accepted accounting principles and by the group management report can be detected with reasonable assurance. In determining audit procedures, the auditor is guided by his understanding of the business activities concerned, of the commercial and legal environment in which the group operates, and his assessment of the risks of possible misstatements. The auditor considers, primarily on a random basis, the effectiveness of the accounting-related internal control system and evidence supporting the amounts and disclosures in the consolidated year-end financial statements and the group management report. The audit includes assessing the annual financial statements of the companies included in the consolidated financial statements, the definition of the reporting entity structure, the appropriateness of the accounting and consolidation policies applied and material estimates made by the legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not lead to any objections.

In our opinion, based on the information obtained in our audit, the consolidated financial statements comply with the legal regulations and give a true and fair view of the net assets, financial position and results of group operations in accordance with German accepted accounting principles. The group management report is consistent with the consolidated financial statements and on the whole provides a suitable understanding of the group's position and accurately presents the risks and opportunities of future development.

Eschborn/Frankfurt am Main, 8 May 2009

Ernst & Young AG
Auditors
Tax Consultants

Klingelhöfer Pächke
Auditor Auditor

Report of the Supervisory Board

During the course of the financial year, the Supervisory Board of Messe Frankfurt GmbH informed itself routinely of the company's position in regular meetings with the Board of Management as well as through written or oral reports, and discussed important issues with the Board of Management.

The Supervisory Board has examined the annual financial statements and consolidated annual financial statements of Messe Frankfurt at 31 December 2008 for the financial year from 1 January to 31 December 2008, as well as the reports of the Board of Management on the position of the company and the group for the 2008 financial year, which have been audited and issued an unqualified opinion by the auditing company Ernst & Young AG, Eschborn/Frankfurt am Main.

It recommends that the General Meeting should adopt the annual financial statements and consolidated annual financial statements of Messe Frankfurt GmbH as at 31 December 2008 and accept the reports on the position of the company and the group for the financial year from 1 January to 31 December 2008.

Frankfurt am Main, 29 June 2009

The Supervisory Board

Petra Roth

Overall activities of Messe Frankfurt in 2008

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2008

	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Germany	Other countries	Total		Germany	Other countries	Total
■ Airtec ¹⁾		240	130	370	5,000	3,372	628	4,000
■ Ambiente		1,412	3,168	4,580	195,326	75,964	63,281	139,245
■ Automechanika		913	3,558	4,471	173,533	81,595	79,674	161,269
■ Beautyworld		124	209	333	7,844	4,971	3,498	8,469
■ Book Fair ¹⁾		3,337	4,036	7,373	100,000	299,112	0	299,112
■ Christmasworld		309	714	1,023	53,474	14,332	17,236	31,568
■ CPhi ¹⁾		200	1,500	1,700	55,000	6,000	19,000	25,000
■ Decorate Life ²⁾		1,232	1,689	2,921	116,182	47,327	22,120	69,447
■ EuroMold		975	548	1,523	32,907	39,307	19,535	58,842
■ European Banking & Insurance Fair		65	9	74	1,526	1,934	178	2,112
■ Fur & Fashion Frankfurt		52	29	81	3,895	3,734	2,489	6,223
■ Heimtextil		454	2,274	2,728	139,844	29,750	54,766	84,516
■ Imex		532	2,989	3,521	20,885	4,357	4,394	8,751
■ IT-Forum		88	2	90	7,267	9,500	0	9,500
■ Light + Building incl. ACS		933	1,294	2,227	134,132	97,360	69,724	167,084
■ Media-Tech Expo		34	70	104	3,077	1,154	1,846	3,000
■ Musikmesse		595	1,055	1,650	58,522	53,218	25,273	78,491
■ Nanosolutions		89	21	110	2,487	1,700	800	2,500
■ Nutec		24	31	55	888	214	225	439
■ Optatec		276	248	524	9,000	3,676	1,893	5,569
■ Paperworld		500	1,740	2,240	75,256	22,764	33,443	56,207
■ Prolight + Sound		342	498	840	37,127	17,209	14,077	31,286
■ Texcare		102	159	261	19,566	7,352	7,923	15,275
■ Turntec		65	45	110	1,497	6,477	2,275	8,752
■ Viscom		199	78	277	8,672	10,467	0	10,467
International trade fairs	25	13,092	26,094	39,186	1,262,906	842,846	444,278	1,287,124

■ International trade fairs ■ Trade exhibitions ■ Exhibitions open to the public

	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Germany	Other countries	Total		Germany	Other countries	Total
■ Facility Management		137	3	140	1,955	2,666	145	2,811
■ Marketing Services		242	7	249	5,724	5,605	229	5,834
Trade exhibitions	2	379	10	389	7,679	8,271	374	8,645
■ Marathon Mall ³⁾		103	4	107	3,375	43,000	0	43,000
■ Sales marts and exhibitions	8	1,332	0	1,332	57,905	241,100	0	241,100
Exhibitions open to the public	9	1,435	4	1,439	61,280	284,100	0	284,100

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2008

	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Germany	Other countries	Total		Germany	Other countries	Total
■ International trade fairs	25	13,092	26,094	39,186	1,262,906	842,846	444,278	1,287,124
■ Trade exhibitions	2	379	10	389	7,679	8,271	374	8,645
■ Exhibitions open to the public	9	1,435	4	1,439	61,280	284,100	0	284,100
	36	14,906	26,108	41,014	1,331,865	1,135,217	444,652	1,579,869

1) Messe Frankfurt estimate, unconfirmed figures of the organiser

2) Decorate Life (Tendence, Collectione, The Design Annual)

3) free admission for visitors to and participants in the Frankfurt Marathon

■ International trade fairs ■ Trade exhibitions ■ Exhibitions open to the public

Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue in 2008

	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Germany	Other countries	Total		Germany	Other countries	Total
■ Asianliving		6	110	116	1,503	3,741	3,186	6,927
■ EMV		47	19	66	1,183	2,935	876	3,811
■ Handarbeit & Hobby		96	119	215	8,583	6,691	2,399	9,090
■ PCIM Europe		124	128	252	5,295	4,285	2,208	6,493
■ SMT/Hybrid/Packaging		459	174	633	15,960	17,556	6,826	24,382
■ SPS/IPC/Drives		1,101	285	1,386	58,216	40,336	7,769	48,105
	6	1,833	835	2,668	90,740	75,544	23,264	98,808

Trade fairs and exhibitions in Germany in 2008

	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Germany	Other countries	Total		Germany	Other countries	Total
■ International trade fairs	31	14,925	26,929	41,854	1,353,646	918,390	467,542	1,385,932
■ Trade exhibitions	2	379	10	389	7,679	8,271	374	8,645
■ Exhibitions open to the public	9	1,435	4	1,439	61,280	284,100	0	284,100
	42	16,739	26,943	43,682	1,422,605	1,210,761	467,916	1,678,677

■ International trade fairs ■ Trade exhibitions ■ Exhibitions open to the public

Events outside Germany in 2008

Consumer goods fairs	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries	Total		Host country	Other countries	Total
Ambiente								
IFFT/Interiorlifestyle Living		301	66	367	6,366	26,302	610	26,912
Interior Lifestyle China		110	90	200	3,133	7,900	270	8,170
Interior Lifestyle Japan		419	233	652	10,751	26,706	684	27,390
	3	830	389	1,219	20,250	60,908	1,564	62,472
Paperworld								
Hong Kong International Stationery Fair		79	190	269	2,787	8,200	8,264	16,464
Middle East Toy Fair		31	89	120	2,463	3,525	1,125	4,650
Paperworld China		494	137	631	12,236	15,038	2,945	17,983
	3	604	416	1,020	17,486	26,763	12,334	39,097
Beautyworld								
Beautyworld India		12	47	59	855	4,439	473	4,912
Beautyworld Japan		468	155	623	12,441	50,907	1,092	51,999
Beautyworld Japan West		134	16	150	3,281	10,980	177	11,157
Beautyworld Middle East		135	642	777	13,001	10,902	6,091	16,993
Cosmesur Beautyworld Buenos Aires		128	28	156	4,853	41,442	873	42,315
	5	877	888	1,765	34,431	118,670	8,706	127,376
Musikmesse								
Music China		869	237	1,106	28,343	40,612	2,626	43,238
	1	869	237	1,106	28,343	40,612	2,626	43,238
Total consumer goods fairs	12	3,180	1,930	5,110	100,510	246,953	25,230	272,183

Textiles fairs	Exhibitors				Net area (in m ²)	Visitors		
	Number of events	Host country	Other countries	Total		incl. special show space	Host country	Other countries
Heimtextil								
Heimtextil India *)		94	3	97	2,225	0	0	0
Heimtextil Russia		135	182	317	7,798	13,609	247	13,856
Intertextile Shanghai Home Textiles		779	130	909	48,259	29,908	2,631	32,539
	3	1,008	315	1,323	58,282	43,517	2,878	46,395
Interstoff								
Exintex		115	31	146	2,868	5,321	106	5,427
Interstoff Asia Autumn		43	156	199	2,188	4,658	1,544	6,202
Interstoff Asia Spring		47	177	224	2,721	6,297	2,305	8,602
Intertextile Beijing		964	166	1,130	19,084	22,053	3,007	25,060
Intertextile Shanghai Apparel Fabrics and Accessories		2,025	534	2,559	52,406	42,572	7,324	49,896
Texworld (Autumn)		6	866	872	16,279	1,948	13,557	15,505
Texworld (Spring)		3	814	817	15,775	2,000	14,223	16,223
Texworld India *)		34	24	58	1,106	0	0	0
Texworld USA (Summer)		10	166	176	2,291	2,566	280	2,846
Texworld USA (Winter)		7	151	158	1,943	2,035	315	2,350
Yarn Expo Autumn		49	6	55	558	2,353	415	2,768
Yarn Expo Spring		84	8	92	987	3,179	381	3,560
	12	3,387	3,099	6,486	118,206	94,982	43,457	138,439
Techtextil								
Cinte Techtextil China		203	98	301	4,770	11,365	1,404	12,769
Techtextil North America		167	143	310	4,371	3,054	657	3,711
Techtextil Russia		22	81	103	1,058	1,883	256	2,139
	3	392	322	714	10,199	16,302	2,317	18,619
Collective events								
*) Collective event India ⁴⁾		0	0	0	0	3,605	1,532	5,137
Total textiles fairs	18	4,787	3,736	8,523	186,687	158,406	50,184	208,590

4) Heimtextil India and Texworld India are held in parallel, therefore it is not possible to state precisely how many visitors attended each fair.

Technical fairs	Exhibitors				Net area (in m ²)	Visitors		
	Number of events	Host country	Other countries	Total		incl. special show space	Host country	Other countries
Prolight + Sound								
Prolight + Sound Shanghai		290	18	308	9,565	13,008	1,144	14,152
	1	290	18	308	9,565	13,008	1,144	14,152
IFFA								
Tecno Fidta		272	13	285	8,178	14,913	940	15,853
	1	272	13	285	8,178	14,913	940	15,853
Intersec								
Intersec China		192	28	220	4,758	10,331	990	11,321
Intersec Middle East		200	575	775	14,807	6,889	7,464	14,353
	2	392	603	995	19,565	17,220	8,454	25,674
Architecture + technology								
ISH								
ISH China		110	113	223	4,871	6,155	956	7,111
ISH Kitchen + Bathroom Middle East		14	72	86	2,540	3,608	1,474	5,082
ISH North America		255	64	319	5,869	2,467	208	2,675
	3	379	249	628	13,280	12,230	2,638	14,868
Light + Building								
Guangzhou Int. Lighting Exhibition		1,586	42	1,628	54,176	37,862	10,243	48,105
Light Middle East		33	189	222	4,438	3,855	1,285	5,140
Light Russia		29	9	38	631	2,343	74	2,417
	3	1,648	240	1,888	59,245	44,060	11,602	55,662
Automotive + technology								
Automechanika								
Auto + Automechanika St. Petersburg		192	30	222	8,141	37,881	59	37,940
Automechanika Argentina		414	166	580	16,960	39,083	3,181	42,264
Automechanika Canada		67	59	126	1,764	1,012	100	1,112
Automechanika Middle East		99	842	941	13,578	10,328	7,480	17,808
Automechanika Moscow		28	104	132	1,929	4,547	539	5,086
Automechanika Roma		203	61	264	6,440	11,181	842	12,023
Automechanika Shanghai		1,857	125	1,982	36,925	25,876	4,969	30,845
Automechanika Thailand		62	111	173	1,930	3,186	988	4,174
Expotransporte Anpact		252	62	314	22,878	30,546	298	30,844
PAACE Automechanika Mexico		168	363	531	7,744	16,071	2,246	18,317
	10	3,342	1,923	5,265	118,289	179,711	20,702	200,413
Total technical fairs	20	6,323	3,046	9,369	228,122	281,142	45,480	326,622

Independent brands outside Germany	Exhibitors			Total	Net area (in m ²) incl. special show space	Visitors		Total
	Number of events	Host country	Other countries			Host country	Other countries	
Asiamold / Asia Fastener		179	74	253	5,014	8,589	1,066	9,655
Canadian Waste & Recycling Expo		133	58	191	3,623	2,392	269	2,661
Eco Expo Asia		93	30	123	1,099	3,472	2,562	6,034
Garden + Landscaping Middle East		34	102	136	1,967	2,888	1,297	4,185
Hardware & Tools Middle East		34	363	397	3,419	4,504	1,752	6,256
International CES Hometech		44	150	194	6,626	8,188	2,614	10,802
Micromachine Japan		342	16	358	4,238	13,639	436	14,075
Seguriexpo Bueons Aires		160	25	185	6,032	11,814	289	12,103
Super Market Trade Show		63	62	125	756	2,624	375	2,999
Water Expo China		131	53	184	3,442	7,935	212	8,147
Total independent brands outside Germany	10	1,213	933	2,146	36,216	66,045	10,872	76,917
Overall activities of Messe Frankfurt outside Germany	60	15,503	9,645	25,148	551,535	752,546	131,766	884,312

Congresses, conventions and other activities in 2008

	Exhibitors			Total	Net area (in m ²) incl. special show space	Visitors		Total
	Number of events	Germany	Other countries			Germany	Other countries	
Congresses and conferences at the exhibition centre not linked to trade fairs	113					90,000		90,000
Congresses and conventions (supervised by "Conventure")	7					4,358	2,400	6,758
Conventions (concerts, sporting, religious, political and other events)	52					292,283		292,283
German pavilions (planning and implementation of show participations)	17							
Akademie Messe Frankfurt	208					1,765	45	1,810
	397					388,406	2,445	390,851

Overall activities of Messe Frankfurt in 2008

	Exhibitors			Total	Net area (in m ²) incl. special show space	Visitors		Total
	Number of events	Host country	Other countries			Host country	Other countries	
Trade fairs and exhibitions at the Frankfurt exhibition venue	36	14,906	26,108	41,014	1,331,865	1,135,217	444,652	1,579,869
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue	6	1,833	835	2,668	90,740	75,544	23,264	98,808
Events outside Germany	60	15,503	9,645	25,148	551,535	752,546	131,766	884,312
Congresses, conventions and other activities	397					388,406	2,445	390,851
	499	32,242	36,588	68,830	1,974,139	2,351,713	602,127	2,953,840

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Room for communication

Paul Trowbridge, SNW Europe Marketing Director

“European users are looking for ways to scale their IT infrastructure and get fit for the future, and at the same time operate cost-efficiently. They can find out how to do so at the SNW Europe.”

Storage Networking World Europe 2008, 28 and 29 October 2008

Christopher Anton, Microsoft Germany

“Welcome to the biggest event that Microsoft has ever staged in Germany.”

Microsoft: ready.for.take.off, 19 to 21 February 2008

Dr Ulrich Schröder, Chairman of KfW Bankengruppe

“Innovation is one of the main motors for more growth, competition and prosperity.”

Eigenkapitalforum Deutsche Börse AG (German Equity Forum), 10 to 12 November 2008

Tom Hulton, Director for International Relations, IMEX

“It’s clear in the meantime that the forum has created a number of strong new partnerships between political and commercial institutions and that these will promote further changes at the local level.”

IMEX, Association Day, 21 April 2008

Klaus Peter Schulz, Chairman of ProSiebenSat.1 Media AG

“Counting, measuring, weighing is not the one and only true path to efficiency and effectiveness; ultimately what counts is the idea behind the brand and the creation.”

5th TV-Wirkungstag (TV Effect Day), 17 April 2008

Horst Sievert, Director of the CardioVascular Centre Frankfurt

“CSI will be streamed live to the Internet! This gives a great opportunity for people all over the world to follow the congress live online.”

CSI 2008 – 11th International Congress Congenital and Structural Interventions, 26 to 28 June 2008