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Annual Report



# 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*	2005	2006	2007	2008	2009
Sales	379	406	424	440	424
Personnel expenses	75	77	84	91	94
Depreciation, amortisation and write-downs	49	53	48	47	53
Earnings before taxes on income	41	48	44	52	37
Pre-tax return on sales in %	11	12	10	12	9
<b>Net income for the year</b>	<b>22</b>	<b>27</b>	<b>28</b>	<b>36</b>	<b>23</b>
Cash flow (simplified)	67	76	72	79	73
Additions to fixed assets	64	64	105	115	118
<b>Equity</b>	<b>329</b>	<b>340</b>	<b>340</b>	<b>377</b>	<b>384</b>
<b>Total assets</b>	<b>726</b>	<b>800</b>	<b>778</b>	<b>876</b>	<b>869</b>
<b>Employees (at 31.12. respectively)</b>	<b>1,294</b>	<b>1,394</b>	<b>1,471</b>	<b>1,534</b>	<b>1,665</b>

\* 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	2005	2006	2007	2008	2009
Total area (m <sup>2</sup> )	578,000	578,000	578,000	578,000	578,000
Available hall space (m <sup>2</sup> )	321,754	321,754	321,754	321,754	345,697
Available open space (m <sup>2</sup> )	83,163	83,698	96,078	96,078	95,721
Number of halls	9	9	9	9	10
<b>Events in Germany</b>					
Number of trade fairs and exhibitions	49	46	44	42	37
Exhibitors	41,311	47,417	41,135	43,682	41,097
Exhibitors (Germany)	18,145	19,269	17,669	16,739	17,534
Exhibitors (other countries)	23,166	28,148	23,466	26,943	23,563
Net area (m <sup>2</sup> )	1,504,925	1,548,699	1,514,597	1,422,605	1,438,709
Visitors	2,478,724	1,780,119	2,575,899	1,678,677	2,325,565
<b>Events outside Germany</b>					
Number of trade fairs	68	64	68	60	54
Exhibitors	18,850	20,692	22,955	25,148	22,320
Net area (m <sup>2</sup> )	412,926	452,022	515,853	551,535	483,217
Visitors	914,733	918,757	981,070	884,312	837,317
<b>Total</b>					
Number of trade fairs	117	110	112	102	91
Exhibitors	60,161	68,109	64,090	68,830	63,417
Net area (m <sup>2</sup> )	1,917,851	2,000,721	2,030,450	1,974,140	1,921,926
Visitors	3,393,457	2,698,876	3,556,969	2,562,989	3,162,882

# We make room for change

Trade fairs need room – and make room for change. Our business demands flexibility on the part of all stakeholders. Transition and growth, continuous innovations and changes are constant companions for exhibitors and visitors alike. Their wishes, ideas and potential need to be able to evolve. Their curiosity and innovative spirit need room so that good ideas can develop into business success. That doesn't just apply since today – but it applies today more than ever: only by ensuring this can we and our customers all over the world remain competitive. Messe Frankfurt stands for change. The most recent symbol for this is Hall 11.



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# Management editorial



Wolfgang Marzin  
(Chairman)

**Dear readers,**

2009 was “different”. The economic crisis was a test for the resilience of international markets. Consequently, it also became a test for the business model of the trade fair sector. We believe our industry has passed this test. But it has once again brought to our attention – both as a sector of the economy and as a company – that we can only be and remain successful if we continue to develop, to change and to adapt to the new challenges of the markets.

The crisis has left its mark on us too: for the first time in many years, Messe Frankfurt posted no growth in sales for 2009. Our operating result fell markedly. Nevertheless, despite the crisis, the Messe Frankfurt group continued to operate at a profit. And we managed this without having to cut jobs. This is something we are proud of.

Our strategy is characterised by the correlations between business at and for the Frankfurt Rhine/Main venue. As Messe Frankfurt, we are proud to carry the name of our home venue into the world. Trade fairs “made by Messe Frankfurt” have a unique reputation. Markets seek out the strongest partners – more so than ever in times of crisis. In the wind of change currently prevailing across markets and business sectors, our Messe Frankfurt brand offers a strong competitive edge. The crisis strengthens successful organisers and venues; it weakens those who just go with the flow.



Detlef Braun



Uwe Behm



Dr Michael Peters

Messe Frankfurt has worked hard to earn this outstanding reputation – with excellent events in Frankfurt, with consistent internationalisation of business and time and again with new developments and innovations for the exhibition sector. This is possible thanks to the exceptional infrastructure of our Frankfurt exhibition complex. Its architecture, with the 100-year-old Festhalle (festival hall) and the new Exhibition Hall 11, stands symbolically for change, which is a recurring theme throughout this year’s annual report.

In the middle of the worst economic crisis of recent years, Hall 11 and the Portalhaus make a bold statement: trade fairs have a proud past. Trade fairs have weathered the storm. And we are confident: trade fairs have a great future ahead – under one condition: we must constantly change, question our actions and continue to develop. Messe Frankfurt’s global team works hard every day to make this happen!

Wolfgang Marzin

Detlef Braun

Uwe Behm

Dr Michael Peters



# Everything in flux

**In 2009, the Frankfurt exhibition grounds acquired a new face.** The new Hall 11 is now a distinctive landmark in the West. This is where ideas for tomorrow's trade fairs are born. Because good trade fair and congress architecture breathes zeitgeist and opens up perspectives. Trade fair architecture stands for movement and change in more than one sense, not least for Messe Frankfurt's dynamism and its capacity to continuously reinvent itself as a marketplace of its time.

A good omen: Exactly 100 years after the opening of the Festhalle (festival hall), the oldest building on the Frankfurt exhibition grounds, the new Hall 11 and the Portalhaus opened their doors to the public for the first time in summer 2009. Between the oldest and the youngest building lie around 578,000 square metres of exhibition grounds, another eight halls and 100 years of colourful corporate history.

Two key characteristics make the Frankfurt exhibition site so unique: its location at the heart of the economic hotspot Frankfurt am Main and its architecture. The Frankfurt trade fair venue has – as the only exhibition centre in the world – grown organically throughout the course of a century. Its exhibition halls are timeless cathedrals for trade and encounters and, architecturally, children of their respective time and their architects. Familiar names are linked to Frankfurt exhibition buildings – from Friedrich von Thiersch (Festhalle), via Oswald Mathias Ungers (Torhaus, Galleria, Hall 9), Helmut Jahn (Hall 1 and City Entrance in connection with the trade fair tower), through to Nicholas Grimshaw (Hall 3 and Dependence), as well as most recently Rainer Hascher and Sebastian Jehle (Hall 11 and Portalhaus).

#### **Form and function – both must be in harmony**

For Messe Frankfurt, excellent architecture is not simply an end in itself. Over the years, the grounds have grown

to become a lively, evolved city within a city, featuring a variety of architectural styles from Bauhaus to post modernist. The exhibition halls are not just pleasing to the eye, however. They are also highly functional buildings equipped with state-of-the-art technology.

While trade fairs are being held, this city within the city is populated by thousands of people – exhibitors, visitors, media representatives – all with different wishes and requirements that need to be fulfilled. Exhibitors first and foremost want an optimum stage to present their goods and services; visitors want to see and experience as much as possible in a short time. All want to trade, to negotiate, to quickly and efficiently obtain the best results. They want to become acquainted and communicate with each other. And in between times they want to take a break and enjoy a meal – be it a quick snack on the way from one appointment to the next, or in a relaxed atmosphere with pleasure and a little more time. Like all good city planning, good trade fair architecture also provides room for all these needs of its “inhabitants”, and beyond this creates a pleasant atmosphere with its own aesthetics. This forms an excellent basis for dynamic trade, successful communication and creative relaxation.



## Architect duo Rainer Hascher & Sebastian Jehle: Good architecture demands more than just attention

*What challenges did you face with the “Exhibition Hall 11 and Portalhaus” project?*

Apart from the extremely short planning and realisation period for such a huge construction volume – following the tendering decision, we had just less than two years until the inauguration – the most difficult planning challenge was how to integrate the high, two-storey halls into the urban landscape. It was important that the massive hall construction did not dwarf the directly adjacent estate from an optical point of view. For that reason we deliberately steered away from a busy roof geometry and opted instead for a flat, light, “floating” roof that, while elegant and discrete, from the perspective of the estate unobtrusively blends in with the road space.

*What does the architecture of the building complex stand for?*

The design of Exhibition Hall 11 and the transparent entrance building is intended to represent a gesture of welcome that is visible from afar. The dominant height and systematically interpreted theme of an architectural doorway lend the striking Portalhaus entrance a clear long-distance impact – an expressive architectural trademark.

*How are your demands on sustainable building reflected in Hall 11?*

We attach prime importance to sustainability and environmental compatibility in terms of choice of building materials, energy efficiency of the technical facilities and the overall design. During the planning phase, the possibility presented itself to exchange the 78-metre steel roof structure spanning the upper hall for a timber construction. Wood is Germany’s most important renewable raw material and unlike steel, it is “CO<sub>2</sub>-neutral”. Any CO<sub>2</sub> stored in wood remains accumulated in the wood until it decays or is burned, when it is released back into the atmosphere.





#### Hall 11: key facts

Construction time	around 24 months
Start of building work	summer 2007
Laying of the foundation stone	8 October 2007
Inauguration	International Motor Show (IAA Cars) 2009
Ground plan	122.30 x 215.90 m
Exhibition hall, inside	76.35 x 156.25 m
Gross exhibition space	2 x 11,930 m <sup>2</sup> = 23,860 m <sup>2</sup>
Gross volume	758,000 m <sup>3</sup>
Roof bearing distance	78.00 m hall and 2 x 19.40 m
Roof projection	116.80 m

#### Beautiful outside, technically sophisticated inside

Construction of the new building complex comprising the Portalhaus and Hall 11 took around two years from start to finish. Work on the shell occupied 250 people, while up to 600 tradesmen were involved in completing the interiors and installing the technical facilities. Nearly 8,000 tonnes of structural steel were utilised and more than 35,000 cubic metres of concrete poured during the construction period. 48 heavy lorries were used to deliver the precast units, some of which weighed as much as 110 tonnes. The roof structure, which spans 78 metres, is supported by wooden trusses.

The two-storey Hall 11, featuring more than 23,000 square metres of exhibition space, has not only changed the face of the exhibition grounds. Together with the new Portalhaus entrance, it is an imposing counterpart to the eastern part of the exhibition grounds. Visitors arriving from the motorway or the Rebstock car park will experience shorter distances and can now pass through the impressive Portalhaus entrance on their way to quickly reaching Hall 11 and the adjoining exhibition halls. All halls are now linked on Level 1 by the Via Mobile moving walkway. What's more, the eastern and the western parts of the exhibition grounds can now simultaneously host two separate parallel events.

#### New hall – new opportunities

The commissioning of a new hall typically leads to creative ferment: it gives trade fairs the opportunity to develop and reposition themselves. This can cause shake-ups all round, and sometimes means giving up cherished regular stand positions. Yet such changes also offer an excellent opportunity to restructure events, rearrange product groups and optimise routes for visitors. For exhibitors, a changed environment brings a new perspective and new wind to trade fair participations. Trade fairs as a communication medium live on what's new – on change.

As an indelible part of the city's history, Messe Frankfurt has always viewed its advantageous location in the heart of the city as an obligation to ensure its buildings blend with the city skyline, represent architectural highlights that are not only a gain for the company and its customers, but also for the city and its citizens. The Portalhaus and Hall 11 are a successful accomplishment of a core project for the municipal development of the new "Europaviertel" district in the western part of the city.

# Our ambition

**Messe Frankfurt serves global markets** – with made-to-measure event formats and the best possible access conditions for vendors as well as buyers. We aim to offer our customers the best possible trade fair experience: with innovative trade fair concepts, excellent service and the professional expertise of our staff.

Messe Frankfurt is one of the world's major trade fair organisers. In 2009, we hosted 91 trade fairs at over 30 locations – 54 of these abroad. With leading trade fairs serving entire industries, regionally adapted trade fair concepts and efficient digital business matching platforms, we provide our customers access to the world's markets – from Frankfurt via Europe and America to the Middle East and Asia. Our trade fairs for consumer goods, textiles, architecture and technology as well as automotive technology are the leading events in their respective sectors. This is where supply and demand, inventiveness and innovativeness cross paths.

## Perfect host

As an attentive host, we take good care of our exhibitors, visitors and guests before, during and after trade fairs. Because for us, the markets are developing towards the future 365 days a year – in all four corners of the globe.

We strive every single day to become even better. Continuous change and new economic, commercial and so-

cial challenges stand for a globalising world. Especially in times like these, we as trade fair organisers are not content to simply tread the well-worn path with traditional concepts. We are continuously developing new trade fair concepts, seeking out new growth areas and constantly redefining ourselves in part in order to shape the markets for and with our customers. Backed by the industry expertise of our 1,665 employees, we can confidently implement new event formats both in the real and the virtual world, enabling us to defend our top position in the international trade fair industry.

## Global challenges

In 2009, the global economic crisis put international markets to a very tough test. The gross domestic product of the world economy fell compared to 2008 by 2.3 percent. With minus 11 percent, world trade took a nosedive. As international platforms for trade, it is not surprising that trade fairs reflected this trend – in some sectors more than others. All key performance indicators for the trade fair industry in 2009 – whether the number of exhibitors

and visitors or the net leased exhibition space – showed a negative development across the board at all the major German trade fair venues.

This reinforces the throwback effect on the market re-adjustment process in the exhibition industry that we have been observing for several years now. A study by Roland Berger into the global trade fair market in 2009 shows that this consolidation trend is set to continue. Premium events and flagship fairs are in demand in difficult economic times; small rival fairs tend to lose out. For 2012, the consultants are anticipating that the top 20 trade fair organisers will share more than half of the world market between them. Messe Frankfurt and the Frankfurt trade fair venue will be among them.

## Strong position worldwide

As a leading trade fair venue with a strong tradition, our expertise gives us a clear advantage over our competitors. We have succeeded in consistently increasing sales over the past few years and once again generated a profit in 2009 despite a difficult market environment.

Thanks to our strong international leading industry trade fairs such as Ambiente, Heimtextil, ISH, Light+Building and Automechanika, we are very well positioned at our home venue in Frankfurt. In times of crises, these industry events become even more important as companies tend to utilise them as a focus for their marketing activities. In order to further strengthen these flagship events, we continuously optimise and adapt the individual trade fair concepts in line with the respective industry needs. To ensure Messe Frankfurt's strategically focused further development, we also tap into new trade fair themes and business areas with future potential.

In this we can draw on our success outside Germany, where apart from new trade fair themes, we also develop creative new formats for our customers. Above all the emerging markets in Asia currently have a high demand for top-quality business matching events. This is where we generate a large percentage of our foreign sales.

## New markets – new trade fairs

At the same time, we are continuing to develop new international markets. In 2009, we acquired a majority

shareholding in the A&S Group. Underpinned by their expertise in the security sector, we are now reinforcing our activities in Asia in this field. We are continuing to pursue our strategic goal of internationalisation and portfolio expansion in the first half of 2010: for example, by adding the Paris Ethical Fashion Show to our textiles portfolio and also expanding the Automechanika brand to include Motortec Automechanika Ibérica on the Iberian Peninsula.

Thus we will continue to expand and intensify our event activities in the future. We keep a keen eye on which market trends set the pace and what our customers want – in Frankfurt and around the world. In doing so, our relations with our customers come first. We strengthen these through innovative trade fairs and attractive service offerings. Our primary goal in this is to support our exhibitors' and visitors' business success throughout the year – both at our live events and on our digital business platforms. Thanks to our far-sighted strategic goals and the wealth of experience of our staff around the world, we are well-positioned to give our best for our customers and their markets.





# Our service

**As an attentive host,** we create the basis for doing good business. Our know-how and years-long cooperation with reliable partners provide exhibitors with the best possible market opportunities. Our competent and reliable service from a single source makes us a trusted partner.

## Top service quality with a full commitment

*Gatekeepers, traffic officers, hostesses and many other service staff besides are the face of Messe Frankfurt. They are often the first people to come into direct personal contact with our customers.*



In this, customer friendliness and competence are top priorities. This is the only way to guarantee first-class customer service at all times. "Heartaffairs" is a Messe Frankfurt initiative intended to reinforce awareness for a customer-friendly attitude among the approximately 2,000 external employees of its service partners. In workshops, participants are given ideas for how best to support customers of Messe Frankfurt.

Alma Mirvić, hostess at Messe Frankfurt, provides service with heart and soul:

*Customer friendliness – what form does this take in your day-to-day work?*

A smile is the best calling card. But just being friendly isn't enough. My aim is always to resolve customers' problems reliably – with competent answers. If a customer is annoyed, I always try to win him or her over by being especially attentive. Most of the time that works. Like this, I always find a way to help. And then I usually get a smile back.

*What impact does Heartaffairs have on your work?*

Heartaffairs really brought it home to me again how important my attitude towards the customer is. After all, my colleagues and I are the first point of contact to the customer and we represent Messe Frankfurt. If they feel welcome and well looked after, then they will look forward to coming back.

## Getting in shape – not just for the show

*The training programmes offered by the Messe Frankfurt Academy enhance exhibitors' market opportunities.*

Trade fairs are an important part of companies' marketing mix. To enable them to leverage the best market opportunities at international industry events, well-conceived organisation and realisation of their trade fair presentation is an absolute must.

The Messe Frankfurt Academy offers exhibitors training seminars and workshops aimed at utilising trade fairs as a marketing tool to maximum benefit. In bespoke seminars, courses and congresses, participants learn more about project management and controlling, stand de-

sign, conducting professional trade show talks and complementary media work. Stand analyses with individual coaching complete the services offering.

To enhance the skills of specialists and executive management, the Academy draws on an extensive network of industry experts and partners. In this connection, the Seminar Alliance within AUMA, the Association of the German Trade Fair Industry, was set up in 2008. 13 German-speaking exhibition companies have already joined up.

## Creative ideas for stand construction

*At Messe Frankfurt, exhibitors are not left high and dry when it comes to their stand presentation. Whether with the help of the online configurator or in a personal dialogue – Fairconstruction offers turnkey stand construction solutions from a single source.*

From planning, transporting, assembling and dismantling individual stands to placing them in storage – all these services are available to exhibitors directly from Messe Frankfurt. With the help of Fairconstruction, Messe Frankfurt's dedicated exhibition stand construction company, exhibitors are supported every step of the way – from the initial idea, via stand realisation, to storage.

In order to meet individual exhibitor requirements, Fairconstruction extended its offer in 2009 from nine to

19 stand types. In addition, a special online booth configurator enables exhibitors to choose their turnkey stand in just four simple steps.

Realising customised concepts and demands is also no problem for Fairconstruction. The "Design.Solutions" product line, which stands for a whole team of professionals for creative ideas and design, offers bespoke stand construction solutions for discerning customers, which can be realised not only in Frankfurt but Europe-wide.



## Going with the flow with an innovative logistics service

*The Cargo Center is the logistics hub at the Frankfurt exhibition grounds. Its central location, short distances and a sophisticated logistics concept ensure goods are transported quickly to and from the exhibition halls.*

Like worker ants, the forklifts zoom to and fro across the Frankfurt exhibition grounds. They transport crates packed with stand construction materials and exhibits to the entrance of one of the halls or directly to the booth. Once the goods have been delivered in line with the exhibitor's specifications, the forklift driver reports to the store controller at the Cargo Center via a mobile terminal. From here, he receives the next available order: a consignment of empties is waiting nearby to be picked up for storage.

The Cargo Center has been responsible for coordinating Messe Frankfurt's logistics services since 2008: exhibitors' orders are accepted, distributed to free capacities and executed with reliable quality. The modern logistics concept based on centrally organised one-stop order handling that permits just-in-time resource management ensures short distances and fewer traffic movements within the exhibition grounds. It also means shorter waiting times.



## To suit all tastes

*Meals, drinks, event catering, staff and furniture: Accente Gastronomie Service GmbH offers a successful all-round service whatever the event.*

Trade fairs are usually a case of one appointment after another. Visitors are keen to meet with as many exhibitors as possible. This often leaves little time for a leisurely meal. Accente Gastronomie Service GmbH runs over 60 cafés and bistros, seven shops, 24 restaurants and numerous small snack trolleys around the Frankfurt exhibition grounds. This means there's always a possibility to enjoy a quick meal – or a more relaxed gourmet dining experience in pleasant surroundings to get the most out of the short breaks between appointments.

The exhibition caterer has traded in this field since 1959, back then under the name "Frankfurter Messe-Gaststätten GmbH". In recent years, the range of services has grown significantly. Today, the company's portfolio also includes providing refreshments at congresses, conferences and shows – as well as individual catering for galas and parties. A booking service for trade fair hostesses and waiting staff rounds off the range of services. Accente also offers a wide selection of rental furniture.

# Future- pointing trade fairs

**Our consumer goods, textiles, technical, automotive technology, architecture and design trade fairs** are mirrors of global change. For our customers worldwide, we create the best conditions to ensure the future success of new as well as established markets.

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# Consumer goods fairs

Beautiful things make life more colourful, more varied and more pleasurable. Messe Frankfurt's international consumer goods fairs provide orientation in a sea of choice and inspiration motivated by new trends. And they respond to the needs of the market with tailor-made trade fair concepts.

## Facts and figures 2009

Consumer goods fairs Frankfurt	7
Consumer goods fairs outside Germany	14
Exhibitors worldwide	16,603
Visitors worldwide	638,661

## paperworld

### Put on paper

*Paperworld underpins its product portfolio through cooperation – and specialist retailers with a visitor initiative.*

At Paperworld, everything revolves around paper, office supplies and stationery – for both the private and the commercial sector. The mainstay of the industry is the specialist retail segment. One of the main challenges for manufacturers in the future will be to strengthen this base. Private consumers in particular are becoming increasingly difficult to reach as a result of the declining number of specialist retail and department stores.

Messe Frankfurt has responded to the changed demands since 2009 with the "Paperworld Insider" initiative. This value-added programme specifically targets specialist retail visitors. Complimentary admission tickets, concessions on public transport and an "insider club" are designed to strengthen this target group's loyalty to the show. An 11 percent rise in visitor numbers from the specialist retail sector underscores the success of the initiative at just the right time.

The cooperative venture between Paperworld and Remax launched in 2009 further adds to the attraction of the

world's flagship fair. From 2010 Remax, the largest trade fair in Europe for the remanufacturing and recycling of printer materials and accessories, is being presented as a part of the Paperworld Imaging area complementing the fair's product portfolio. As the platform for IT and printer accessories, paper, foils and labels, ink and toner for printers, Paperworld Imaging offers the ideal context for Remax.



**Paperworld** Exhibitors: 2,029, visitors: 41,826, exhibition space: 70,202 m<sup>2</sup>



## ambiente

### More space for the world of beautiful objects

*The product mix and marketing structures for tableware and kitchenware, home accessories and furnishings as well as gift articles have changed and are requiring the industry's leading fair to restructure too.*

Design experts and product developers all agree: the classic 12-piece dinner service is out. It no longer reflects the lifestyle of today's younger generation. Their tabletop looks different, but eating and cooking with friends continue to be the preferred form of entertaining.

This trend was also reflected at Ambiente, the world's biggest consumer goods fair, in Frankfurt. "The tableware segment has shown a downward trend over the past few years, while kitchen and houseware products have enjoyed high demand and dynamism," says Thomas Kastl, director of the top international fair, Dining, at Ambiente.

Responding to this, the lasting changes in market requirements across the whole consumer goods sector have been given consideration in the restructuring of Ambiente. In February 2010, the trade fair for Dining, Living and Giving was given a complete makeover.

The new structure and arrangement of the individual product areas make a visit to the fair more efficient and target group-oriented. Ambiente is now organised according to

market segments as well as aspects like product mix and customer acquisition. Since 2009, exhibitors, industry and retail associations have helped to optimise the presentation forms and product categories of the new concept, ensuring the fair provides a platform that responds to the needs of the market.

The consumer goods market is also developing dynamically worldwide. Messe Frankfurt answers this trend by exporting its competences to international markets. Most recently to Rome, which in 2009 hosted the first Ambiente Italia. In Tokyo, Messe Frankfurt organises Japan's leading trade fairs for interior design with Interior Lifestyle and IFFT/Interior Lifestyle.

**Ambiente** Exhibitors: 4,473, visitors: 136,263, exhibition space: 185,038 m<sup>2</sup>

## beautyworld hair&beauty

### Beauty is always in fashion

*The cosmetic industry has an extensive box of tricks to help us achieve our perfect look – and Beautyworld has everything for the industry.*

When it comes to beauty, customers have discerning tastes. Young women are not the only ones to give nature a helping hand with cosmetics and hairstyling products. Growth markets include cosmetics for men and best agers. Care products and natural cosmetics are also enjoying a boom, as are spa treatments.

The international market with its regionally different beauty ideals is complex. Under the Beautyworld brand, Messe Frankfurt offers strong platforms around the world: Beautyworld Japan has become market leader

in Asia's key cosmetics market. Beautyworld India is reaping the benefits of a growth market. In Dubai, Beautyworld Middle East opens the door to the Arab world for the beauty industry. And the colourful Latin American market is catered to by Cosmesur Beautyworld Buenos Aires.

In Frankfurt, Beautyworld, the meeting place for the international beauty industry, was held in 2009 and 2010 in parallel with the international hairdressing show Hair and Beauty. Changing marketing structures within the industry are leading Messe Frankfurt to reposition itself in this sector from 2011: Beautyworld will then be integrated into Hair and Beauty and Ambiente.

**Hair and Beauty** Exhibitors: 106, visitors: 16,868, exhibition space: 5,091 m<sup>2</sup>

## christmasworld

### Full festive calendar

The international festive calendar presents reasons enough to celebrate every day and Christmasworld has the right decorations for the occasion. At the international industry meeting place, Christmas and festive decorations, floristry supplies and individual party articles are in high demand.

Christmasworld is also expanding its activities outside Germany: in March 2011 the first Festivalworld Middle East will open its doors in Dubai. There is an eager market for festive decorations in this region, with major festivals and celebrations taking place throughout the year.



**Christmasworld** Exhibitors: 963, visitors: 30,366, exhibition space: 53,428 m<sup>2</sup>

## tendence

### New date

Trade fairs are marketplaces: buyers from around the world look for orientation amid the vast array of products for living, giving and decorating and are inspired by trends. Tendence is the leading consumer goods platform for the second half of the year. This is where orders are placed for new products for the autumn and winter season.

The timing of buyers' orders mostly depends on customers' consumption behaviour. To ensure greater planning reliability, they often don't place their orders until shortly before the goods hit retailers' shelves. For this reason, following an extensive customer survey, in 2010 Tendence will return from July to its original date at the end of August.

**Tendence** Exhibitors: 2,041, visitors: 52,117, exhibition space: 82,095 m<sup>2</sup>

## musikmesse

### Going social!

At Musikmesse (International Music Fair), musicians and speciality retailers experience the state of the art in musical instruments in action and copy tricks from the stars. Steve Lukather with his guitar sound was not the only celebrity professional musician to wow visitors in 2009. As a tight-knit community, the industry thrives on exchange – at the fair itself and on the social web. Hence Musikmesse has been twittering about what's happening in the sector since 2009. On Facebook, as many as 3,600 fans of the Musikmesse community now exchange views on the latest trends and products. However, the Frankfurt setting remains unmatched as the musical instrument industry's major international stage.

**Musikmesse** Exhibitors: 1,541, visitors: 78,847, exhibition space: 47,436 m<sup>2</sup>



## prolight+sound

### Spectacular and networked: technology makes it possible

*What turns special events into spectacular events is a combination of the right mood and perfectly coordinated lighting, audio and stage technology. From microphones, loudspeakers, stage elements to spotlights: Prolight + Sound presents customised technology and services.*



When an artist announces a new concert tour, a whole team of architects, stage designers and event technicians start designing a completely new experience world. For the days when a lone musician gets up on stage with nothing but a guitar and a single spotlight have become the exception. Nowadays they put on spectacular multimedia shows.

Not only musicians, but companies, too, are keen to present their products effectively, for example at corporate events. As the international stage for the event industry, Prolight+Sound in Frankfurt showcases

the latest technologies and services for mind-blowing entertainment and top-class events.

The latest trends in the sector are above all reflected in the networking and systems integration of display, video, audio and lighting technology on stages, in conference and congress rooms or in shopping malls. For this trend-setting industry evolution, Media Systems Prolight+Sound offers visitors a cross-section of all product groups and systems integration professions. Closely tied in with the technical integration of systems are also topics such as broadcasting and production.

**Prolight + Sound** Exhibitors: 847, visitors: 33,631, exhibition space: 34,057 m<sup>2</sup>

# Textiles fairs

The textiles industry is subject to a far-reaching process of change. We are experiencing a shift in markets and customer interests. For the entire industry, Messe Frankfurt weaves an important web between the world's major textiles centres. As established industry platforms, its international textiles trade fairs provide new orientation.

## Facts and figures 2009

Textiles fairs Frankfurt	2
Textiles fairs outside Germany	16
Exhibitors worldwide	11,052
Visitors worldwide	298,268

## techtex

### Technical textiles: dynamic growth market

*Hardly any other sector is as strongly focused on innovation as technical textiles. This makes them a sure bet for ensuring the growth of the textiles industry – above all in Europe and North America.*

The market for technical textiles is today one of the high-tech sectors with the highest growth potential. It is projected to grow by 3.8 percent annually. This is due in large part to the different areas of application for which there is a demand for technical textiles.

Every two years, Techtex in Frankfurt provides the platform for all areas of application. They showcase where we encounter these special-function textiles in our day-to-day lives: in medicine, in building and road construction, in landscaping, in cars, aircraft or furnishings. They are also used for special protective work apparel or functional sportswear and footwear.

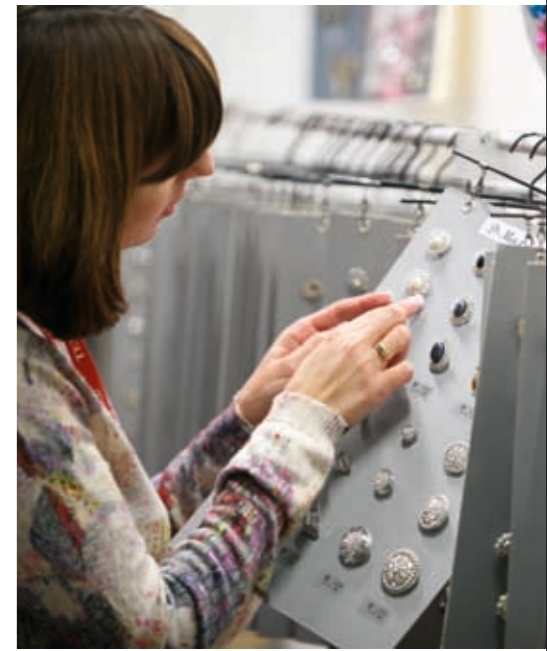
As research and development are important mainstays of such technological innovations, most manufacturers from Europe and North America concentrate on technical textiles. Germany, Italy and France were the biggest exhibitor countries at Techtex Frankfurt 2009. They are the main

exporters of technical textiles alongside the US. For the first time in 2009, Techtex was held in tandem with Material Vision as a trade fair showcasing innovative non-textile materials for product developers, designers and architects.

At the upcoming Techtex in May 2011, Messe Frankfurt's textiles portfolio will be rounded off by Texprocess. The capital goods trade fair presents machinery and equipment for the processing of textiles and flexible materials. The parallel timing of the three events provides synergies for tapping new business segments and customer groups for exhibitors and visitors.

The global dynamic growth of technical textiles is underscored by the five events held outside Germany in China, India, Russia and the US. Since 2009, Techtex North America has taken place in alternating years on the east and west coast in order to consolidate even more innovativeness. Previously it was held every two years in Atlanta.

Techttextil Frankfurt incl. Material Vision Exhibitors: 1,248, visitors: 23,902, exhibition space: 27,007 m<sup>2</sup>



## TEXWORLD

### Fashionable

The world of textiles influences fashion trends and is therefore as fascinating as it is fast-moving. For this reason, Messe Frankfurt showcases the latest developments in apparel textiles twice a year at the Texworld apparel fabrics trade fair in Paris as well as New York. In 2009, the range of high-quality fabrics attracted numerous buyers for renowned fashion labels such as Calvin Klein and Victoria's Secret. Both events at the same time presented a platform for young up-and-coming designers.

Texworld Spring Exhibitors: 654, visitors: 13,244, exhibition space: 12,368 m<sup>2</sup>  
Texworld Autumn Exhibitors: 762, Besucher: 14,758, exhibition space: 13,818 m<sup>2</sup>

## Challenges for the textiles industry: An industry in flux

Interview with Hendrik van Delden, GHERZI Consultants to the fibre, textiles and apparel industry.

### How has the global textiles industry changed?

Worldwide fibre consumption for textile products is increasing by between eight and ten percent each year. The reason for this is the growing demand in newly industrialising countries. In order to meet this demand, new factories are for example being built in these emerging markets.

Furthermore, processing of fibres for textiles manufacture is increasingly being located in the regions where the fibres are produced. India and China currently have a 58-percent share in worldwide chemical fibre production. Europe and North America account for 19 percent, down from 58 percent in 1970.

### What is the biggest challenge facing the textiles industry?

The textiles market is becoming increasingly segmented. Sustainability is growing to be more important for some consumers, for example. The structure of the home textiles market is more strongly directed towards regional design

concepts. As a result of market segmentation, textiles production lots are smaller, while collection ranges become more extensive. The additional costs this generates are compensated by shifting production of smaller lot sizes to low cost countries.

### What potential for development does the industry have?

It often seems as if such a mature industry has only limited innovative capacity left. But technological trends such as digital printing, new chemical fibres with washing-resistant properties or ultra fibres that surpass even the natural fibre silk in terms of fineness keep up the innovative pace of the industry worldwide.

### In what areas can Europe and North America grow?

Growth opportunities are, for example, presented by inherently flame-retardant and odour-neutralising home textiles, functional apparel textiles as well as sustainable and technical textiles.



## heimtextil



## Industry mood up close at Heimtextil

Trade fairs act as mood barometers for their respective sectors. Heimtextil in January 2009 made the changes taking place in the textiles industry manifest. Production sites are being relocated to Asia and demand for home and contract textiles is also rising in these regions. The high level of internationality of the leading international fair impressively underscores this trend with 84 percent of the exhibitors and 62 percent of visitors coming from outside Germany.

The particular strength of the industry lies in its innovative capacity. Key themes were quality assurance and transparency aimed at ensuring sustainable production and supply

chains. Home textiles such as eco-friendly towels manufactured using 30 percent fewer chemicals than usual are good examples of sustainability.

Heimtextil is intensifying its focus on rapidly growing contract business. The "Contract Creations" segment addresses visitors active in the interior design of hotels, gastronomic outlets, clinics, offices and congress centres, where high-quality, design-oriented and at the same time robust textiles are in demand.

Heimtextil Exhibitors: 2,556, visitors: 67,199, exhibition space: 129,668 m<sup>2</sup>

## inter~~textile~~ inter~~stoff~~

## Trend China

Twice a year, fashion labels present their new collections at major fashion shows in New York, Paris and Milan. The basis for fashion trends, however, is determined beforehand by textile manufacturers with their latest fabric creations.

In Shanghai, a Mecca of the fashion industry, Intertextile Shanghai Apparel Fabrics has developed over the past 15 years to become Asia's leading and the world's biggest apparel textiles trade fair. In autumn 2009, 2,459 manufacturers showed trade visitors which colours, patterns and fabrics will set the tone for apparel fashions in the coming season.



Since fashion trends are seasonal, apparel textiles manufacturers exhibit their fabrics and accessories at Intertextile Beijing in the spring. Intertextile is geared above all to buyers in the

core and high-volume business segments. By contrast, Interstoff Asia Essential focuses on innovative, design-oriented multifunctional fabrics and eco-textiles.

Intertextile Shanghai Apparel Fabrics  
Exhibitors: 2,459, visitors: 53,948,  
exhibition space: 53,474 m<sup>2</sup>

# Technical fairs

**Technical innovations** are the answer to small and big changes. The desire for more security, more comfort and more energy efficiency: with its international blue chip fairs for architecture and technology, Messe Frankfurt provides solutions for the future and the global challenges it brings.

## Facts and figures 2009

Technical fairs in Frankfurt	2
Technical fairs outside Germany	5
Exhibitors worldwide	6,332
Visitors worldwide	356,904

## ISH

### Global change as a driver of innovation – 50 years of ISH Frankfurt

Green buildings does not refer to green-painted buildings with a grass-covered roof. Quite the contrary, these architecturally highly modern buildings featuring the state-of-the-art in technological gadgetry and systems are the very latest in energy efficiency. Buildings harbour significant energy savings potential: according to EU statistics, in Europe alone, buildings account for 40 percent of the total energy consumption.

The core of eco-friendly building lies in an integrated energy-efficient concept which extends from choice of materials and construction methods through to long-term management of energy consumption in terms of heating, cooling energy and water.

Over 2,300 water, energy, building and air conditioning technology manufacturers presented ready-to-go and intelligent modules and systems for modern building technology at the 2009 edition of the ISH – the world's leading trade fair for The Bathroom Experience, Building, Energy, Air-Conditioning Technology, Renewable Energies.

The drivers of innovation are renewable energies: solar thermal energy, biomass and solar-based air-conditioning systems provide answers to current global challenges such as resource conservation and climate change.

Water, the basis of life, is also a limited resource worldwide. Modern sanitary technology offers solutions for ensuring economical use of water: new technologies lower water consumption and purify waste water for use as drinking water. The use of easy-care materials in bathroom fittings also reduces the amount of cleaning agents we use. Apart from sustainability, bathroom trends include wellbeing and quality of life in the bathroom. The functional wet room of the 1950s is now a design-oriented oasis of relaxation.

In the 50 years since its launch, the ISH has time and again proved to be the international innovative platform for the industry. With ready-to-go technologies and the latest design developments, it presents ingenious solutions for today's and tomorrow's challenges. The next event is being held from 15 to 19 March 2011 in Frankfurt.

ISH Exhibitors: 2,327, visitors: 200,795, exhibition space: 168,622 m<sup>2</sup>

## light+building

### The light revolution: LEDs are changing the market

The invention of the light bulb 130 years ago marked the start of the electrification of society. Despite its short life, the luminous glass bulb is still standard today. Except that the call for greater energy efficiency is now pitting the light bulb against increasing competition.

Take LEDs for example: miniature light-emitting diodes have a life of up to 80,000 hours and are up to 90 percent more energy-efficient. These characteristics make LEDs globally the strongest growing lighting segment. At the Guangzhou International Lighting Exhibition alone, the number of exhibition halls showcasing LED products had to be extended from two to three in 2009. The innovative illuminants also have a huge impact on luminaire design.

Less energy consumption is also achieved via lighting management systems, in other words the combination of electrical engineering and house and building automation. Held every two years and attracting around 2,200 manufacturers to Frankfurt, Light + Building, the worldwide blue chip fair for architecture and technology, presents the entire spectrum of energy-efficient products and systems – next time in spring 2012. This makes it the driving force for innovations in technology and design.

Guangzhou International Lighting Exhibition Exhibitors: 1,641, visitors: 52,795, exhibition space: 52,475 m<sup>2</sup> | BIEL Light + Building Buenos Aires Exhibitors: 307, visitors: 32,806, exhibition space: 9,607 m<sup>2</sup>





## texprocess

### Building textiles competence

*With Texprocess, the top international fair for the processing of textiles and flexible materials, Messe Frankfurt is further building on its competence in the textiles sector.*

From design to finished collection, many processing steps are necessary. The technology and accessories behind these can be seen at Texprocess, the new leading fair for the apparel and textiles processing industry. The product spectrum encompasses the entire textiles value chain from design and cutting, via sewing and joining, embroidery and knitting, through to finishing, IT and logistics.

Texprocess will debut with around 500 exhibitors parallel to Techtextil from 24 to 27 May 2011. The parallel timing of the two trade fairs will create a new magnet in Frankfurt for the industry. The conceptual organiser of Texprocess is VDMA Bekleidungs- und Ledertechnik (German Engineering Federation Apparel and Leather Technology).

## texcare international

### Textiles care trade fair expands

*Texcare International in Frankfurt is the world's biggest capital goods fair for the textiles care sector, with an increasing focus on international markets.*

The intensive exchange of the 300 industry representatives at the first Texcare Forum Russia 2009 showed that Russia is an up-and-coming market for textiles care. On this basis, in September 2010 the Forum is being expanded into Texcare Russia trade fair.

Texcare Asia is already firmly established in South-East Asia. In 2009, the focus was on energy-efficient machinery and equipment, as well as fabric- and eco-friendly laundry and care products. The fair is an important supplement to Texcare International, the leading industry forum held every four years in Frankfurt – next time from 5 to 9 May 2012.

Texcare Asia Exhibitors: 133, visitors: 5,977, exhibition space: 3,321 m<sup>2</sup>

## IFFA



### Optimally processed

From slaughtering and jointing, via processing, to packing, refrigeration, storage and sales: every three years, over 900 exhibitors come together at IFFA to showcase new developments for the entire process chain of the meat processing industry. Machines and appliances for processing meat under optimum hygienic and efficient conditions point the way for the future. The sales product segment presents the full range of products and services for the retail butcher's trade. IFFA has been the leading international trade fair for the entire meat processing industry since 1971.



## intersec

### Global trade fair brand in the security sector

*A new theme, a new fair, a new strategy: with the Intersec brand, Messe Frankfurt is breaking with old patterns and successfully going new ways.*

Deviating from Messe Frankfurt's normal strategy to export strong trade fair themes from Frankfurt to the rest of the world, Intersec has developed from Dubai to become a globally successful trade fair brand for all aspects of security.

What began in 2004 with a solitary trade fair in Dubai in the meantime encompasses additional trade fairs reaching from Thailand to Buenos Aires. Through the acquisition of the Taiwanese A&S Group – a trade fair organiser and media service provider – in 2009, the portfolio has two new additions: Secutech Expo in Taiwan and Secutech Vietnam. Here and at five other venues around the world, the Intersec trade fair brand offers an optimal event concept tailored to the regional markets.

The spectrum of products and solutions ranges from building and site security, via data protection, to fire and disaster prevention. With the growing importance of security technology around the world, Intersec is continuing to expand. Demand is particularly increasing in the so-called "emerging markets", the growth markets of Asia, Latin America, eastern Europe, Africa and the Middle East. As prosperity flourishes in these regions, companies and citizens are more concerned about their protection and security.

The growth potential in this sector is clearly illustrated by Intersec Dubai: in 2009, it had to extend the amount of exhibition space by an additional hall in order to accommodate the 710 exhibitors from 50 different countries.

Intersec Dubai Exhibitors: 710, visitors: 17,206, exhibition space: 12,637 m<sup>2</sup>

# Automotive technology

**Change and continuity:** Automechanika has successfully managed to combine the two strategies and establish the brand as a firm fixture on trade fair calendars around the world. In 2009, the international automotive industry met up in Moscow, Johannesburg, Malaysia, Istanbul, Dubai, Mexico, St. Petersburg and Shanghai.

**Facts and figures 2009**

Automechanika outside Germany	7
Exhibitors worldwide	4,608
Visitors worldwide	127,149

**automechanika**

## Full speed ahead from Frankfurt to the rest of the world

*Automechanika is one of Messe Frankfurt's strongest events and at the same time the most international trade fair brand worldwide. With 14 events altogether, the leading international trade fair in the automotive sector is represented in 13 countries.*

The crucible of success is Automechanika Frankfurt, held for the first time in 1971. The fair has since grown to become the world's leading business platform for the supplier and components industry, repair shop and retail segments.

A key prerequisite for this success is the ongoing development of the Automechanika brand. In March 2009, the network of international venues was further expanded with the addition of Automechanika South Africa. The very first event at the Expo Centre Johannesburg already exceeded all expectations. 400 exhibitors from South Africa, Asia, Europe, South America and the Arab states presented their

innovations – 250 had been anticipated. They were able to establish new contacts with some 8,200 visitors, including dealers, repair shop owners, forwarders and investors. With Automechanika South Africa, Messe Frankfurt had its finger right on the pulse of the industry: given the continuous increase in production rates in the South African automotive sector, the market urgently needed a trade fair.

Cars fascinate people all over the world. For this reason, Automechanika will continue to expand. In March 2011, Motortec Automechanika Ibérica will be launched in Madrid in cooperation with the leading Spanish exhibition corporation, IFEMA. Spain is



Europe's second-largest market for automotive components after Germany. This will be Messe Frankfurt's first ever event on the Spanish peninsula.

Just how consistent growth can be is proved by Automechanika Shanghai, the biggest Automechanika event outside Germany. Despite the cloudy world economic climate, over 38,500 visitors, some 25 percent more than in 2008, attended Asia's leading trade fair for automotive parts and repair shop equipment in 2009. A significant rise of 22 percent was also recorded among the exhibitors, with 2,414 companies presenting their products and services. Last year's trade fair was also more international than ever: 29 percent of visitors travelled to Shanghai from overseas. These figures, coupled with the strong growth in production on the domestic market, underscore the fundamental importance of Auto-

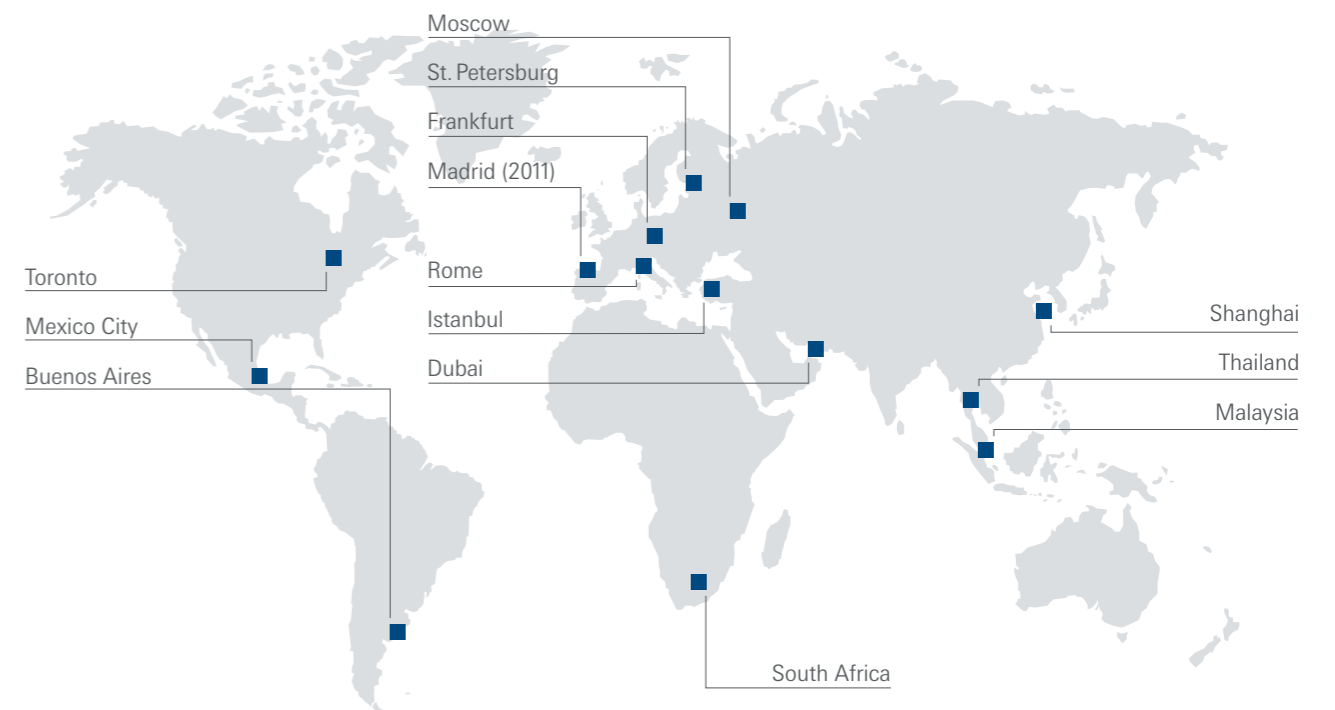


mechanika Shanghai within the Automechanika family.

Crisis-induced changes have been introduced for Automechanika Frankfurt, which is scheduled to take place in September 2010. Messe Frankfurt offered a "loyalty price" to exhibitors

from 2008, guaranteeing them the same square metre price as at the last event. The scheme has paid off: six months before the actual event, almost as much exhibition space had already been booked as in the record year 2008.

### Automechanika venues worldwide



As at: April 2010

# Independent brands

In order to remain attractive for many sectors as an international trade fair organiser, it is essential to recognise the needs of regional markets and develop new trade fair themes. Messe Frankfurt does this with its independent brands, i.e. events with no corresponding flagship fair in Frankfurt.

## Facts and figures 2009

Independent brands worldwide	12
Exhibitors worldwide	2,187
Visitors worldwide	109,586

## Independent brands

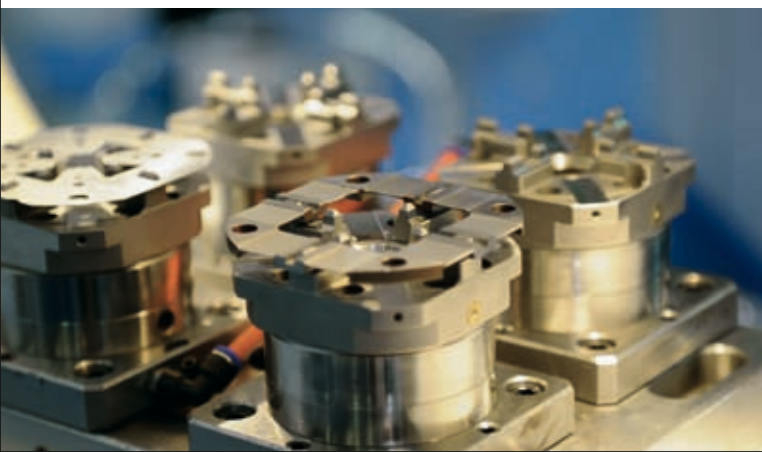
### Tapping new markets

With its independent brands, Messe Frankfurt very successfully occupies new market themes such as tooling and mould-making (Asiamold in Guangzhou) or environmental protection. In this context, the two events Eco Expo Asia in Hong Kong and Water Expo China in Beijing in particular demonstrate that sustainability is not only a hot topic in western societies.

Eco Expo Asia is to date the only trade fair in Hong Kong with a portfolio of products, services and solutions for environmental protection; and the attention it draws is correspondingly high. In 2009, Eco Expo Asia attracted over 60 percent more exhibitors and visitors than in the year before.

A similar increase in visitor and exhibitor numbers was recorded at Water Expo China, which in 2009 presented the latest in eco-friendly water technologies, and in doing so makes a valuable contribution to bettering the Chinese water industry.

Growing interest in these shows has to do with the general increase in environmental awareness, which the two trade fairs Garden + Landscaping Middle East in Dubai and the Canadian Waste & Recycling Expo in alternating years in Toronto and Vancouver demonstrate. Their success shows that Messe Frankfurt is well-positioned when it comes to developing new formats and is able to respond to manifold changes in the economy, industry and society.



# Guest shows, congresses and events

Every idea needs room to develop: modern rooms, excellent infrastructure and perfect service from a single source make Messe Frankfurt the ideal partner for organisers looking to implement their individual trade fair, congress, conference and event concepts.

## Facts and figures 2009

Guest shows	7
Congresses and conferences	104
Events	46
Total no. of visitors	2,073,454

## Congresses

### Unlimited possibilities thanks to bigger congress areas

*The Congress Center has become firmly established as a prominent venue for congresses and conferences. Its central location offers optimum convenience for conferences of all kinds.*

Frankfurt am Main is Germany's financial metropolis and the seat of major institutions such as the ECB and the German stock exchange. This is also reflected in the type of congresses the city attracts: Congress Frankfurt supports many congress organisers from the financial sector. Particular highlights are Euro Finance Week, which as Europe's industry meeting place for the finance and insurance sector draws over 5,000 participants every year, and the CFA European Investment Conference, which was held in 2009. The exhibition complex also offers major corporations such as Deutsche Bank an ideal setting for their annual meetings.

Frankfurt is also known for its creative industry, attracting a large number of agencies and designers to the metropolis on the Main. The Art Directors Club for Germany (ADC) also wants to tap this potential. From 2010, it is moving from Berlin to Frankfurt for an initial period of three years to stage the biggest convention in the creative and communications industry. The main meeting point for the 10,000 anticipated visitors is the Frankfurt exhibition

complex, where the congress, exhibition and awards ceremony will take place. The central location of the exhibition grounds allows the festival to spill over into the city centre.

In 2009, Messe Frankfurt hosted 104 congresses and conferences. Many of these were accompanied by an exhibition, as in the case of the 13th International Passive House Conference, which was attended by 110 companies. Event space is in demand. With the Portalhaus and Hall 11, a building complex has been created that thanks to spacious foyers, variable conference rooms and generous exhibition space provides plenty of scope for fascinating concepts.



## Guest shows

### Popular guest show venue thanks to flexible infrastructure

*Partnership-based, individual and versatile: as a full-service provider, Messe Frankfurt offers every event organiser the best possible conditions for realising successful trade fair concepts.*

Chemical industry, automotive sector, booktrade, tool manufacture, food industry – as different as all these sectors are, they have one thing in common: they showcase their respective industry at trade fairs in Frankfurt. One of the reasons for this is the city's easy access by all modes of transport.

Messe Frankfurt has established itself as a partner to prestigious guest shows and demonstrated that with the help of modern infrastructure and extensive exhibition services it is possible to successfully realise organisers' individual trade fair concepts.

One prominent example is the cooperation with the Frankfurt Book Fair. In 2009, this tradition-rich event extended its contract with Messe Frankfurt until 2022. "For an international event on the scale of the Frankfurt Book Fair, it is key to be able to plan dependably and know that you have a reliable partner on the organisational side. We found just such a partner in Messe Frankfurt back in 1951," said Juergen Boos, director of

the Frankfurt Book Fair, on signing the contract.

The crowd-puller IAA Cars (International Motor Show) is famous for its world premières, and presents the latest models in a two-yearly rhythm. The secret star in 2009, however, was the new Hall 11, which opened its doors for the first time at the International Motor Show. The first lessee, BMW, used it as a backdrop for a spectacular staging: on a 280-metre circuit around the hall, its cars shifted into top gear.

Young trade fairs are also gathering momentum, supported by Messe Frankfurt's know-how. Food Ingredients Europe, the global exhibition for food and beverage ingredients, surpassed its 2007 visitor and exhibitor figures for example by 29 and 38 percent respectively. The attractiveness of the trade fair venue is also confirmed by long-established trade fairs: 73 percent of exhibitors at ACHEMA, the flagship event for the chemical industry, said they were very satisfied.



## Events

### Sporting free-for-all: exhibition grounds become one big sports arena

*The highlight in the anniversary year of the Festhalle (festival hall) was the International German Gymnastics Festival. Thanks to the central location of the Frankfurt exhibition grounds, this was the fifth time the gymnastics festival guested in Frankfurt.*

Following 1880, 1908, 1948 and 1983, the International German Gymnastics Festival gave its fifth guest performance in Frankfurt in 2009. The focal point of the festival and sporting highlight was again the exhibition complex. The athletes used 17 bars, 13 balance beams and almost 500 gymnastics mats in five exhibition halls, the Forum and the Congress Center. Even the open-air ground mutated into an attraction area for sports enthusiasts and visitors.

The International German Gymnastics Festival drew more than 85,000 people to Frankfurt. The exhibition centre proved to be an ideal meeting place for athletes and visitors from around the world. The German Gymnastics Festival was also a fitting highlight of the Festhalle anniversary celebrations, having been held in the unfinished building shell of the Festhalle back in 1908. Sporting events have an important place in the 100-year history of the Festhalle. Every year it is the venue for the International Festhalle Riding Tournament. And sporting legends such as Henry Maske and Boris Becker also celebrated wins within its imposing walls.



### 100 years old and top fit

*The Festhalle (festival hall) is a piece of Messe Frankfurt's history and it is a symbol of perpetual changeability in a changing environment.*

When the Festhalle first opened its doors in 1909, it was considered to be a marvel of modern architecture with one of the largest self-supporting domed structures of its day. In 2009 the one-hundred-year-old building is resplendent in new old glory. It is one of Germany's most popular show venues and is the pulsating heart of Messe Frankfurt.

Having gone through a number of modernisation phases, it now boasts state-of-the-art event technology and is a veritable master of metamorphosis. This makes it the perfect backdrop for any event. The "Grande Dame" has many faces: dynamic for sporting events, glamorous for galas or events such as the presentation of the MTV Europe Music Awards, or spectacular at concerts given by national or international stars.

Visitors old and new continue to be fascinated by the splendour of the preserved historical architecture and the more than 40-metre-high dome. The appeal of the building in its jubilee year is unbroken: 20,000 people followed Messe Frankfurt's invitation to the 100th anniversary festivities in the summer of 2009 and celebrated "their" Festhalle.

# Overall activities of Messe Frankfurt in 2009

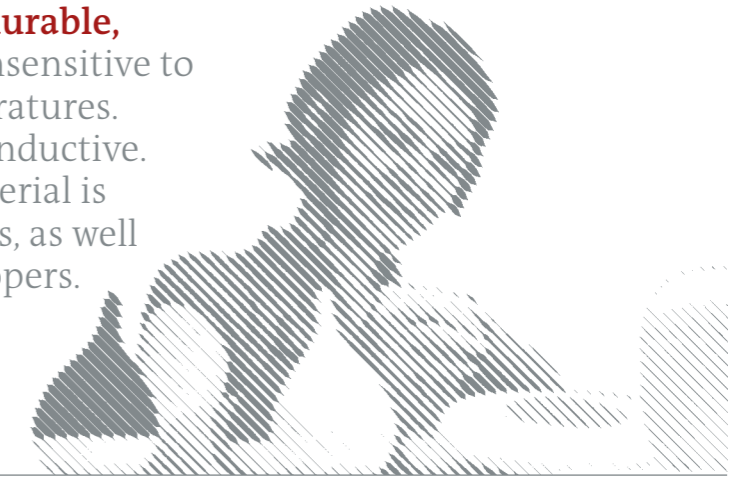
## Trade fairs and exhibitions at the Frankfurt exhibition venue in 2009

	Exhibitors			Net area (in m <sup>2</sup> ) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ AACHEMA <sup>1)</sup>		2,010	1,757	3,767	134,000	129,176	43,059	172,235
■ Airtec <sup>1)</sup>		235	100	335	3,000	2,008	493	2,501
■ Ambiente		1,370	3,103	4,473	185,038	80,769	55,494	136,263
■ Beautyworld		181	150	331	9,792	8,920	2,517	11,437
■ Book Fair <sup>1)</sup>		3,312	4,002	7,314	100,000	290,469	0	290,469
■ Christmasworld		277	686	963	53,428	14,323	16,043	30,366
■ EuroMold		818	536	1,354	28,000	35,740	20,632	56,372
■ Food Ingredients Europe <sup>1)</sup>		351	902	1,253	27,500	4,011	10,315	14,326
■ Hair & Beauty		81	25	106	5,091	15,034	1,834	16,868
■ Heimtextil		399	2,157	2,556	129,668	25,506	41,693	67,199
■ IAA		581	200	781	150,967	741,910	103,090	845,000
■ IMEX		491	2,967	3,458	20,779	4,341	4,561	8,902
■ ISH		1,042	1,285	2,327	168,622	142,651	58,144	200,795
■ Musikmesse		584	957	1,541	47,436	54,006	24,841	78,847
■ Paperworld		447	1,582	2,029	70,202	19,470	22,356	41,826
■ Prolight+ Sound		356	491	847	34,057	20,310	13,321	33,631
■ Techtexil incl. Material Vision		472	776	1,248	27,007	13,102	10,800	23,902
■ Tendence		882	1,159	2,041	82,095	38,907	13,210	52,117
<b>International trade fairs</b>	<b>18</b>	<b>13,889</b>	<b>22,835</b>	<b>36,724</b>	<b>1,276,682</b>	<b>1,640,653</b>	<b>442,403</b>	<b>2,083,056</b>

1) Messe Frankfurt estimate, unconfirmed figures of the organiser

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

**Fantastically robust, fantastically durable, fantastically varied.** Ceramics are insensitive to wear, corrosion and extreme temperatures. Ceramics are insulating and heat conductive. That's why this multifunctional material is so popular with artists and designers, as well as engineers, researchers and developers.



	Exhibitors			Net area (in m <sup>2</sup> ) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ Facility Management		104	3	107	2,024	3,229	63	3,292
■ Marketing Services		215	29	244	4,805	3,907	145	4,052
■ Other trade exhibitions	2	184	0	184	17,000	4,700	0	4,700
<b>Trade exhibitions</b>	<b>4</b>	<b>503</b>	<b>32</b>	<b>535</b>	<b>23,829</b>	<b>11,836</b>	<b>208</b>	<b>12,044</b>
■ Marathon Mall <sup>2)</sup>		93	3	96	3,825	43,000	0	43,000
■ Sales marts and exhibitions	8	1,277	0	1,277	51,405	90,800	0	90,800
<b>Exhibitions open to the public</b>	<b>9</b>	<b>1,370</b>	<b>3</b>	<b>1,373</b>	<b>55,230</b>	<b>133,800</b>	<b>0</b>	<b>133,800</b>

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

## Trade fairs and exhibitions at the Frankfurt exhibition venue in 2009

	Exhibitors			Net area (in m <sup>2</sup> ) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ International trade fairs	18	13,889	22,835	36,724	1,276,682	1,640,653	442,403	2,083,056
■ Trade exhibitions	4	503	32	535	23,829	11,836	208	12,044
■ Exhibitions open to the public	9	1,370	3	1,373	55,230	133,800	0	133,800
	<b>31</b>	<b>15,762</b>	<b>22,870</b>	<b>38,632</b>	<b>1,355,741</b>	<b>1,786,289</b>	<b>442,611</b>	<b>2,228,900</b>

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

**I spy with my little eye.** People are naturally curious. People love discoveries and relish encounters: with other people, with new ideas and products that make life more enjoyable. Trade fairs hold plenty of opportunities for trade visitors to make this happen.

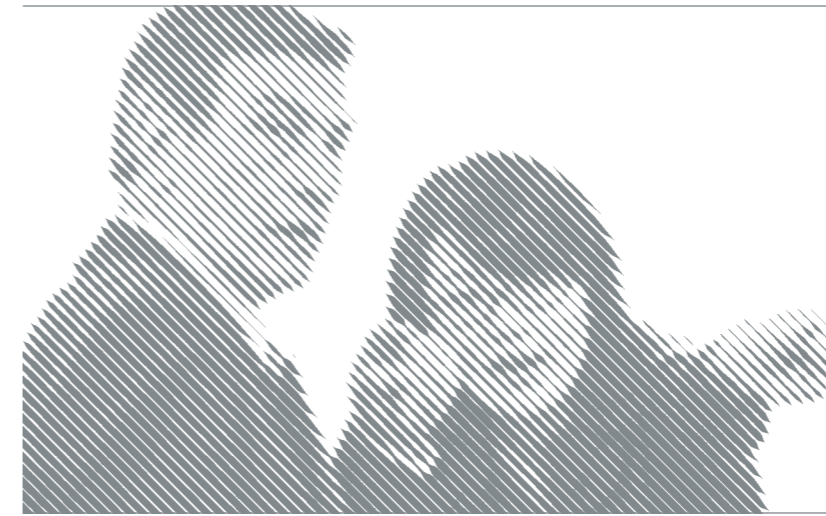
#### Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue in 2009

	Exhibitors			Net area (in m <sup>2</sup> ) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ EMV		70	19	89	1,242	2,194	299	2,493
■ Handarbeit & Hobby		97	114	211	8,519	6,543	2,432	8,975
■ Parken		81	6	87	1,326	941	84	1,025
■ PCIM Europe (trade fair/congress)		138	152	290	6,293	4,180	10,144	14,324
■ SMT/Hybrid/Packaging		413	137	550	13,233	16,151	5,102	21,253
■ SPS/IPC/Drives		973	265	1,238	52,355	41,040	7,555	48,595
	<b>6</b>	<b>1,772</b>	<b>693</b>	<b>2,465</b>	<b>82,968</b>	<b>71,049</b>	<b>25,616</b>	<b>96,665</b>

#### Trade fairs and exhibitions in Germany in 2009

	Exhibitors			Net area (in m <sup>2</sup> ) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ International trade fairs	24	15,661	23,528	39,189	1,359,650	1,711,702	468,019	2,179,721
■ Trade exhibitions	4	503	32	535	23,829	11,836	208	12,044
■ Exhibitions open to the public	9	1,370	3	1,373	55,230	133,800	0	133,800
	<b>37</b>	<b>17,534</b>	<b>23,563</b>	<b>41,097</b>	<b>1,438,709</b>	<b>1,857,338</b>	<b>468,227</b>	<b>2,325,565</b>

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



#### Events outside Germany in 2009

Consumer goods fairs	Exhibitors			Net area (in m <sup>2</sup> ) incl. special show space	Visitors			
	Number of events	Host country	Other countries		Host country	Other countries	Total	
<b>Ambiente</b>								
Ambiente Italia		303	68	371	13,627	12,613	1,559	14,172
IFFT/Interiorlifestyle Living		275	52	327	6,186	19,827	399	20,226
Interior Lifestyle China		107	93	200	3,555	10,036	363	10,399
Interior Lifestyle Tokyo		438	192	630	10,574	25,978	332	26,310
	<b>4</b>	<b>1,123</b>	<b>405</b>	<b>1,528</b>	<b>33,942</b>	<b>68,454</b>	<b>2,653</b>	<b>71,107</b>
<b>Paperworld</b>								
Hong Kong International Stationery Fair		73	150	223	2,275	8,713	5,973	14,686
Middle East Toy Fair		34	67	101	1,925	2,603	630	3,233
Paperworld China		406	110	516	9,394	14,867	3,662	18,529
	<b>3</b>	<b>513</b>	<b>327</b>	<b>840</b>	<b>13,594</b>	<b>26,183</b>	<b>10,265</b>	<b>36,448</b>
<b>Beautyworld</b>								
Beautyworld India		20	20	40	1,203	4,370	109	4,479
Beautyworld Japan		435	195	630	11,907	51,409	677	52,086
Beautyworld Japan West		119	21	140	2,647	11,082	135	11,217
Beautyworld Middle East		80	517	597	7,983	7,132	3,431	10,563
Cosmesur Beautyworld Buenos Aires		113	8	121	2,687	37,433	579	38,012
Wellness & Spas Middle East		16	43	59	698	3,056	1,470	4,526
	<b>6</b>	<b>783</b>	<b>804</b>	<b>1,587</b>	<b>27,125</b>	<b>114,482</b>	<b>6,401</b>	<b>120,883</b>
<b>Musikmesse</b>								
Music China		913	251	1,164	28,656	40,001	2,498	42,499
	<b>1</b>	<b>913</b>	<b>251</b>	<b>1,164</b>	<b>28,656</b>	<b>40,001</b>	<b>2,498</b>	<b>42,499</b>
<b>Total consumer goods fairs</b>	<b>14</b>	<b>3,332</b>	<b>1,787</b>	<b>5,119</b>	<b>103,317</b>	<b>249,120</b>	<b>21,817</b>	<b>270,937</b>

**The earliest textile finds are 30,000 years old.** Flax, nettles, linen and hemp were woven into fibres, with the addition of sheep's wool from 3,000 BC. Today, consumption of fashion and lifestyle textiles is growing at a rapid pace worldwide. Germany is out in front with an annual per capita consumption of over 24 kg.

Textiles fairs	Exhibitors				Net area (in m <sup>2</sup> )		Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total	
<b>Heimtextil</b>									
Heimtextil India		47	3	50	942	5,523	816	6,339	
Heimtextil Russia		122	115	237	5,435	13,739	254	13,993	
Intertextile Guangzhou Home Textiles		146	6	152	5,400	12,275	4,176	16,451	
Intertextile Shanghai Home Textiles		787	121	908	44,541	33,993	2,861	36,854	
	<b>4</b>	<b>1,102</b>	<b>245</b>	<b>1,347</b>	<b>56,318</b>	<b>65,530</b>	<b>8,107</b>	<b>73,637</b>	
<b>Interstoff</b>									
Interstoff Asia Essential Autumn		55	177	232	3,209	4,772	1,670	6,442	
Interstoff Asia Essential Spring		34	129	163	2,067	5,416	1,571	6,987	
Intertextile Beijing Apparel Fabrics		833	167	1,000	18,125	22,120	2,188	24,308	
Intertextile Shanghai Apparel Fabrics		1,938	521	2,459	53,474	44,402	9,546	53,948	
Texworld Autumn		2	760	762	13,818	2,257	12,501	14,758	
Texworld Spring		3	651	654	12,368	1,988	11,256	13,244	
Texworld USA Summer		13	126	139	1,846	2,438	237	2,675	
Texworld USA Winter		10	82	92	1,344	1,891	140	2,031	
Yarn Expo Autumn		71	13	84	1,262	2,856	465	3,321	
Yarn Expo Spring		87	6	93	1,146	4,280	237	4,517	
	<b>10</b>	<b>3,046</b>	<b>2,632</b>	<b>5,678</b>	<b>108,659</b>	<b>92,420</b>	<b>39,811</b>	<b>132,231</b>	
<b>Techtextil</b>									
Techtextil India		36	70	106	1,487	<sup>3)</sup>	<sup>3)</sup>	<sup>3)</sup>	
Techtextil North America		65	52	117	1,328	966	333	1,299	
	<b>2</b>	<b>101</b>	<b>122</b>	<b>223</b>	<b>2,815</b>	<b>966</b>	<b>333</b>	<b>1,299</b>	
<b>Total textiles fairs</b>	<b>16</b>	<b>4,249</b>	<b>2,999</b>	<b>7,248</b>	<b>167,792</b>	<b>158,916</b>	<b>48,251</b>	<b>207,167</b>	

<sup>3)</sup> For visitor numbers, see Heimtextil India, since this was held in parallel and it is therefore not possible to tell exactly how many visitors attended each fair.



Technical fairs	Exhibitors				Net area (in m <sup>2</sup> )		Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total	
<b>Prolight + Sound</b>									
Prolight + Sound Shanghai		343	24	367	9,665	12,606	1,088	13,694	
	<b>1</b>	<b>343</b>	<b>24</b>	<b>367</b>	<b>9,665</b>	<b>12,606</b>	<b>1,088</b>	<b>13,694</b>	
<b>Texcare</b>									
Texcare Asia		72	61	133	3,321	5,206	771	5,977	
	<b>1</b>	<b>72</b>	<b>61</b>	<b>133</b>	<b>3,321</b>	<b>5,206</b>	<b>771</b>	<b>5,977</b>	
<b>Intersec</b>									
Intersec		124	586	710	12,637	10,789	6,417	17,206	
	<b>1</b>	<b>124</b>	<b>586</b>	<b>710</b>	<b>12,637</b>	<b>10,789</b>	<b>6,417</b>	<b>17,206</b>	
<b>Light + Building</b>									
BIEL Light + Building Buenos Aires		214	93	307	9,607	31,097	1,709	32,806	
Guangzhou Int. Lighting Exhibition		1,427	214	1,641	52,475	41,550	11,245	52,795	
	<b>2</b>	<b>1,641</b>	<b>307</b>	<b>1,948</b>	<b>62,082</b>	<b>72,647</b>	<b>12,954</b>	<b>85,601</b>	
<b>Automotive + technology</b>									
<b>Automechanika</b>									
Auto + Automechanika St. Petersburg		78	20	98	3,669	17,297	462	17,759	
Automechanika Istanbul		447	216	663	15,892	28,158	4,356	32,514	
Automechanika Malaysia		39	94	133	1,209	3,747	774	4,521	
Automechanika Middle East		86	872	958	12,728	8,248	7,027	15,275	
Automechanika Moscow		54	52	106	1,708	4,865	231	5,096	
Automechanika Shanghai		2,236	178	2,414	46,204	27,342	11,209	38,551	
PAACE Automechanika Mexico		113	123	236	3,905	13,256	177	13,433	
	<b>7</b>	<b>3,053</b>	<b>1,555</b>	<b>4,608</b>	<b>85,315</b>	<b>102,913</b>	<b>24,236</b>	<b>127,149</b>	
<b>Total technical fairs</b>	<b>12</b>	<b>5,233</b>	<b>2,533</b>	<b>7,766</b>	<b>173,020</b>	<b>204,161</b>	<b>45,466</b>	<b>249,627</b>	

### A critical look says more than a thousand words.

Quality is fun. Even in the personal sphere, sustainability pays off. Consumer friendliness and consumer critique are not necessarily mutually exclusive. Retailers know that critical consumers can be conscious connoisseurs.

Independent brands outside Germany	Exhibitors				Net area (in m <sup>2</sup> ) incl. special show space	Visitors		
	Number of events	Host country	Other countries	Total		Host country	Other countries	Total
Asiamold		167	60	227	4,112	9,235	1,233	10,468
Canadian Waste & Recycling Expo		87	49	136	1,914	767	53	820
Eco Expo Asia		102	98	200	1,935	5,731	4,371	10,102
Exhibition Micromachine / MEMS		227	25	252	3,269	12,026	221	12,247
Expo Ferrertera		243	19	262	5,536	17,586	237	17,823
Garden + Landscaping Middle East		28	74	102	1,539	4,391	1,099	5,490
Hardware & Tools Middle East		19	294	313	3,491	4)	4)	4)
Korea Railways & Logistics Fair		106	18	124	5,373	17,928	512	18,440
Materials Handling Middle East		50	65	115	2,998	4,697	2,108	6,805
Seguriexpo BISEC Buenos Aires		98	16	114	1,973	8,569	352	8,921
Thermotec		114	31	145	2,680	7,877	354	8,231
Water Expo China		176	21	197	4,268	10,009	230	10,239
<b>Total independent brands outside Germany</b>	<b>12</b>	<b>1,417</b>	<b>770</b>	<b>2,187</b>	<b>39,088</b>	<b>98,816</b>	<b>10,770</b>	<b>109,586</b>
<b>Overall activities of Messe Frankfurt outside Germany</b>	<b>54</b>	<b>14,231</b>	<b>8,089</b>	<b>22,320</b>	<b>483,217</b>	<b>711,013</b>	<b>126,304</b>	<b>837,317</b>

4) For visitor numbers, see Garden + Landscaping Middle East, since this was held in parallel and it is therefore not possible to tell exactly how many visitors attended each fair.



### Congresses, conventions and other activities in 2009

	Exhibitors				Net area (in m <sup>2</sup> ) incl. special show space	Visitors		
	Number of events	Germany	Other countries	Total		Germany	Other countries	Total
Congresses and conferences at the exhibition centre not linked to trade fairs	97					78,000		78,000
Congresses and conventions (supervised by "Conventure")	7					798	1,011	1,809
Conventions (concerts, sporting, religious, political and other events)	46					603,840		603,840
German pavilions (planning and implementation of show participations)	19					0		0
Akademie Messe Frankfurt	235					2,443	78	2,521
	<b>404</b>					<b>685,081</b>	<b>1,089</b>	<b>686,170</b>

### Overall activities of Messe Frankfurt in 2009

	Exhibitors				Net area (in m <sup>2</sup> ) incl. special show space	Visitors		
	Number of events	Host country	Other countries	Total		Host country	Other countries	Total
Trade fairs and exhibitions at the Frankfurt exhibition venue	31	15,762	22,870	38,632	1,355,741	1,786,289	442,611	2,228,900
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue	6	1,772	693	2,465	82,968	71,049	25,616	96,665
Events outside Germany	54	14,231	8,089	22,320	483,217	711,013	126,304	837,317
Congresses, conventions and other activities	404	0	0	0	0	685,081	1,089	686,170
	<b>495</b>	<b>31,765</b>	<b>31,652</b>	<b>63,417</b>	<b>1,921,926</b>	<b>3,253,432</b>	<b>595,620</b>	<b>3,849,052</b>



# 2009 Group management report of Messe Frankfurt GmbH

## I. Report on economic position

### General economic trend

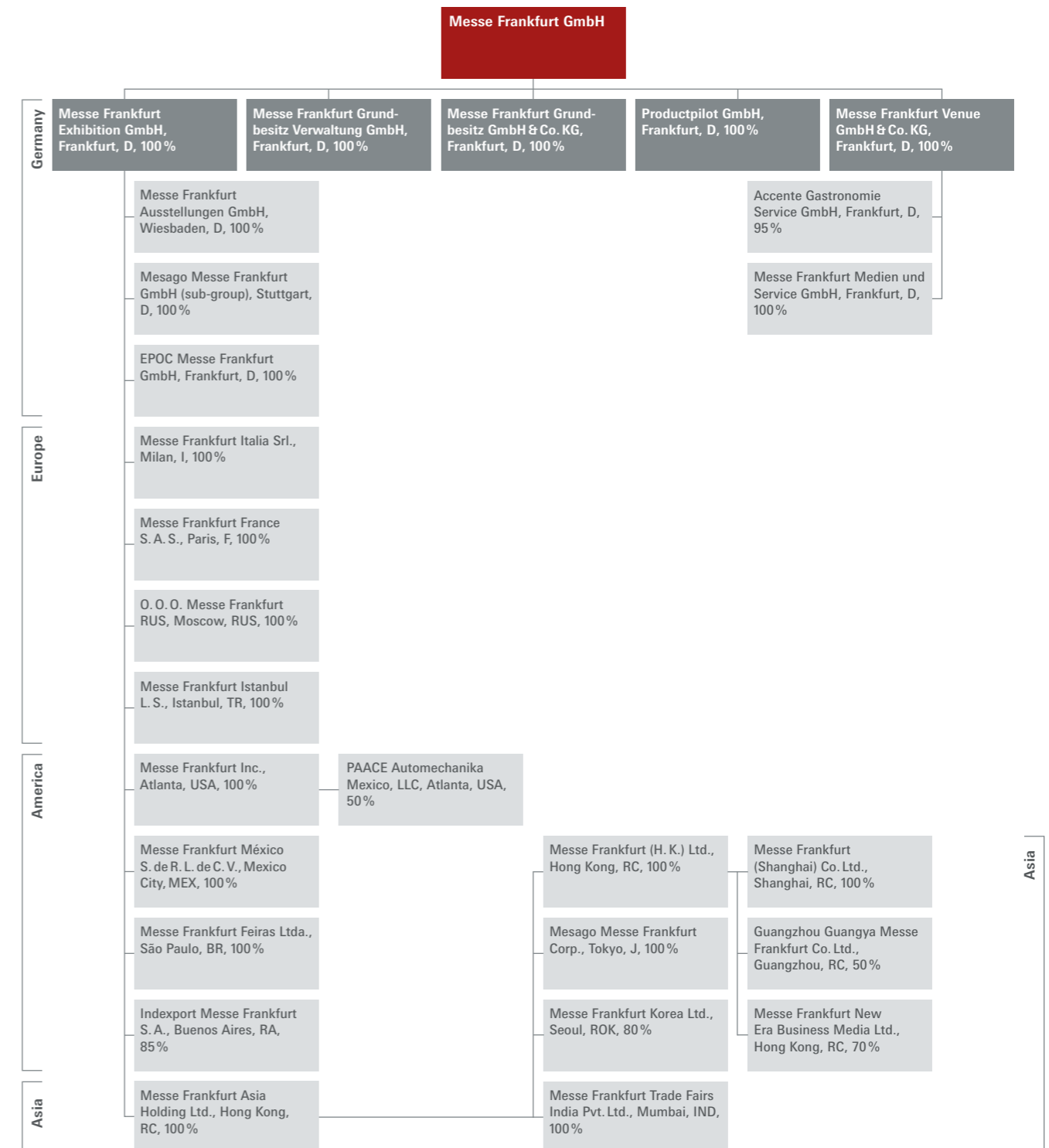
2009 was overshadowed by the global economic crisis. Starting in the USA, the worst recession since the Second World War spread around the world, hitting all major economies hard. Reviewing the business development, this was reflected in corresponding negative growth rates. In real terms, the total gross domestic product of the world economy fell by 2.3 percent compared to the previous year.<sup>1</sup> This downward trend particularly affected the industrialised nations, whose GDP shrank in 2009 by as much as 3.6 percent, whereby the countries of the European Union with -4.1 percent and Japan with -5.3 percent suffered even higher losses. These figures, however, were already cushioned slightly by the recovery that set in in the autumn, which prevented growth rates at the end of the year from reflecting an even greater slide. A reversal of the negative trend could be felt above all in the major euro zone nations – fronted by Germany and Italy and to a somewhat lesser degree in France and the Netherlands. This recovery was driven by stimulus packages implemented by the respective governments. In the eastern European nations by contrast, there were no such signs of stabilisation at the end of the year 2009. A far more positive overall development was posted for the reporting period in the emerging economies with a total increase of 1.3 percent. Leading the way once again was China with Hong Kong (+7.8 percent) followed by India (+6.9 percent), both of which posted above-average positive growth rates. Here, too, the development was buoyed by government stimulus packages, which mitigated the impact of the global crisis on growth in these countries. The economic situation in the countries of Latin America improved over the course of the year thanks to a growing demand for commodities. Nevertheless, business development in these countries was inconsistent. The crisis was not without impact in the Middle East either. However, by the end of the year the mood was becoming increasingly optimistic. World trade – an important indicator for the international trade fair industry as a provider of international marketing platforms for the retail sector – plummeted by -11 percent.

### Development of the trade fair sector

The generally depressed economic conditions over the past year also left their mark on the trade fair industry and confronted all market participants with economic and structural challenges. According to preliminary figures published by the Ausstellungs- und Messe-Ausschuss der Deutschen Wirtschaft (AUMA e.V.), Berlin (Association of the German Trade Fair Industry), this meant that all key performance indicators – number of exhibitors and visitors as well as net exhibition space sold – took a downward turn in the completed trade fair year. Exhibitor figures, for example, fell by 3 to 4 percent. From outside Germany, as many as 5 percent stayed away from the events. AUMA put the blame for this on the sharp slump in world trade. There was a 5 percent decline in the amount of leased space, and between 8 and 9 percent fewer visitors attended events than in the previous year. Nevertheless, AUMA stresses that these trends are not uniformly consistent, but depend on conditions in the respective sectors of the economy. The situation is further exacerbated by the absence of foreign trade as the engine of growth in the trade fair sector. The report adds that the global development in 2009 also confirms the relative stability of the leading trade fairs. By contrast, numerous trade fairs outside Germany – above all second- and third-ranking events – found themselves steering through difficult waters. The ones to benefit from this trend were the major international leading fairs in the respective sectors, giving them a golden opportunity to emerge strengthened from the crisis.

<sup>1</sup>) Source: Ifo Economic Report 4/2009 for Messe Frankfurt

### Messe Frankfurt corporate group



## II. Presentation of development of business

Messe Frankfurt was also not immune to the general economic development. The structural problems in the primary markets also afflicted the sectors in which Messe Frankfurt offers its events. Budget cuts or even insolvencies led to many – sometimes even established – exhibitors not attending trade fairs. Exhibition corporations only have limited possibilities to counter this trend. As one of Germany's leading exhibition corporations and thanks to its flagship events and broad-based international network, Messe Frankfurt enjoyed a comparatively good starting position, which it was again able to further consolidate in the year under review: it made strong events even stronger, seized market opportunities and in doing so put the company on track for the future.

The core activities of the Messe Frankfurt group consist on the one hand in hosting trade fairs and exhibitions in its key areas of competence consumer goods, textiles and technical fairs. These are hosted in Germany and abroad by Messe Frankfurt Exhibition GmbH and its subsidiaries. In addition to this, via its Messe Frankfurt Venue GmbH & Co. KG subsidiary, the group also markets exhibition space to trade fair organisers and provides the related infrastructure and services. Both operating companies are organised under the shared umbrella of the holding company, Messe Frankfurt GmbH.

The focus of the events held at the Frankfurt venue are the international industry flagship shows. They bring together the relevant international range of goods and services on offer with the respective continental demand in Europe. By virtue of their size and internationality, some of these shows even have a stand-alone character, or compete against very few rival events.

The operating activities of the foreign subsidiaries are based above all on two pillars: organising their own trade fairs as well as marketing trade fair participations for Messe Frankfurt Exhibition worldwide. In addition to this, some subsidiaries also sell support services within the scope of so-called turnkey business (renting of complete stands and other services). Own events are mostly brand fairs. These are oriented towards the showcase fair of the brand in terms of name, nomenclature and services. Since international trade fair markets, unlike in Germany, are not all concentrated around just a few major exhibition centres, the flagship fair standard as it is realised at the Frankfurt venue cannot be translated to the overseas regions. Due to the different outreach of the trade fairs in terms of exhibitors and visitors, it is extremely difficult to clearly delimit the relevant trade fair market. This is why in the trade fair sector there are no definitions of the overall market share reached.

Apart from organising its own events in Germany and abroad, Messe Frankfurt offers numerous guest organisers a central location, excellent infrastructure and a professional range of services, enabling them to provide their target groups with unique marketing platforms.

Messe Frankfurt's business portal, available under [www.productpilot.com](http://www.productpilot.com), has in the meantime become an indispensable service platform. This portal offers users a rapid online search tool among more than 22,000 exhibitors at the group's own events in Frankfurt and their products. Productpilot.com is integrated into the marketing portfolio of Messe Frankfurt Exhibition GmbH. In this context, the introduction of media packages was prepared in the reporting year. These aim at the integrated capture of all exhibitor information needed for the catalogue, the Compass visitor orientation system in the exhibition grounds and the individual event websites.

### Performance ratios – Trade fairs and exhibitions

The Messe Frankfurt group staged 91 trade fairs and exhibitions worldwide in the reporting year. Altogether, around 63,400 exhibitors and 3.2 million visitors were counted; the total net leased area was around 1.9 million square metres. These were complemented by 404 congresses, conventions and other events at the Frankfurt venue which attracted around 686,200 visitors. Thus, all Messe Frankfurt group events taken together drew around 3.8 million visitors in 2009.

### Overall activities of Messe Frankfurt in 2009

	Number	Exhibitors	Net area* (in '000 m <sup>2</sup> )	Visitors (in '000)
Trade fairs and exhibitions				
– at the Frankfurt venue	31	38,632	1,356	2,229
– at other venues in Germany	6	2,465	83	97
<b>Total Germany</b>	<b>37</b>	<b>41,097</b>	<b>1,439</b>	<b>2,326</b>
Other countries	54	22,320	483	837
<b>Total trade fairs and exhibitions</b>	<b>91</b>	<b>63,417</b>	<b>1,922</b>	<b>3,163</b>
Other events	404			686
<b>Total activities</b>	<b>495</b>	<b>63,417</b>	<b>1,922</b>	<b>3,849</b>

\* including special show space

The group's exhibition centre in Frankfurt was the venue for 31 fairs, sales marts and trade exhibitions, including 11 events organised by Messe Frankfurt Exhibition GmbH. An additional three events were organised in Frankfurt by the two German subsidiaries Mesago Messe Frankfurt GmbH, Stuttgart (1) and Messe Frankfurt Ausstellungen GmbH, Wiesbaden (2). These 14 own group events in Frankfurt recorded around 18,900 exhibitors and around 744,000 visitors. Some 823,000 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 2009 in addition to the three staged in Frankfurt. Seven guest fairs as well as eight sales marts and exhibitions and two more additional trade exhibitions completed the events portfolio at the Frankfurt exhibition venue.

As a result of Messe Frankfurt's internationalisation strategy, around 67 percent of the exhibitors and approximately 38 percent of visitors to the Messe Frankfurt 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 and represent peak values in the competitive environment. By way of comparison: AUMA provisionally puts the average internationality rates for Germany as a trade fair venue at 53 percent for exhibitors and 23 percent for visitors.

Due to the rotation of events, the reporting year was strong in terms of the number of events, since major events took place such as the International Motor Show (IAA Cars) crowd-puller, which is only held in uneven years, and AICHEMA, which every three years offers a communication platform for chemical engineering and providers of environmental protection technology and biotechnology systems. Nevertheless, due to the crisis 2009 did not quite match the results of the previous year (in the case of trade fairs not held annually related to the last event year) in the key industry performance indicators – exhibitors, visitors, leased space. At second glance, the trade fair year was split in two. Own events in the first half-year were, as anticipated, extremely stable. Some fairs, such as Techtexil and the ISH, even posted growth. Among the guest events, AICHEMA was more international than ever and IMEX registered a record number of visitors. In the middle of the year, the crisis caught up with the trade fair industry as a whole as well as with Messe Frankfurt. This was reflected in a sharp drop in both exhibitor and visitor numbers at Tendance, for example. Guest events such as IAA Cars were impacted as a result of the respective

problems in the primary market. The Frankfurt Book Fair on the other hand achieved almost the same level as in the previous year.

Positive: in the reporting year, the partnership with the organiser of the Book Fair was contractually extended until 2022. Thus a tradition-rich event will in future continue to remain loyal to a tradition-rich trade fair venue.

Messe Frankfurt's foreign operations again contributed significantly to the successful operating result in the reporting year: at 54 events, some 22,300 exhibitors showcased their product and services portfolios to 837,000 visitors on over 483,000 square metres of exhibition space. This means more exhibitors attended the group's own trade fairs outside Germany than in Germany in 2009.

Asia remains the regional focus of overseas business with 30 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 2009, 15 trade fairs were held in this region, eight of them alone in the United Arab Emirates. From Canada to Argentina, the subsidiaries of Messe Frankfurt Exhibition GmbH organised nine trade fairs on the American continent in the year under review.

As part of the optimisation of its product spectrum, Messe Frankfurt also expanded its portfolio outside Germany in fiscal 2009. New own developments of the Heimtextil and Ambiente brands were rolled out. In China, Intertextile Guangzhou Hometextiles celebrated its debut. In Europe, Ambiente Italia premiered.

Other additions to the portfolio were realised through the acquisition of the operational divisions of the Taiwanese A&S Group. To this end, Messe Frankfurt (H. K.) in Hong Kong set up a new company, Messe Frankfurt New Era Business Media Ltd., based in Hong Kong, and acquired the group assets. Messe Frankfurt (H. K.) holds 70 percent of the shares in this company; the remaining 30 percent of the shares are held by the previous shareholders of the A&S Group. The A&S Group was a trade fair organiser and specialist publisher active in the field of security technology. Messe Frankfurt Exhibition GmbH has thus created an additional prerequisite to further expanding its Intersec brand. Under the SecuTech trade name, it organises two trade fairs in Taiwan and Vietnam.

In addition to designing and realising its own events, 19 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.

#### **Congresses, conventions and Festhalle events**

In addition to guest shows and exhibitions, Messe Frankfurt Venue GmbH & Co. KG also organises congresses and conventions as well as Festhalle events. The tradition-rich and versatile Festhalle celebrated its 100th anniversary in 2009. In its day, it was the starting point for the continued successive development of the Frankfurt exhibition centre, which today boasts 10 halls. Now as then, the Festhalle is one of the top locations for major events, offering a unique backdrop that combines historical architecture with state-of-the-art technology. For many international organisers, it is the venue of choice for concerts, show, sporting and other events. 46 such events were staged in 2009, which drew close to 604,000 visitors. The highlights included the German Gymnastics Festival, the 100-year Festhalle anniversary celebration, the Dresdner Kleinwort Frankfurt Marathon, as well as the International Festhalle Riding Tournament. Numerous concerts featuring international stars again attracted a wide audience in 2009: The artists who wowed their audiences in the Festhalle included Pink, Lionel Richie, Simply Red, AC/DC, André Rieu and Metallica.

In the completed financial year, the Congress Center with its adjacent premises supervised 97 congresses and conferences independently of trade fairs, attracting a total of some 78,000 participants to the Frankfurt exhibition complex. The main focal themes of the congress programme were in the fields of science, medicine, IT and the finance sector.

All of Messe Frankfurt's business operations are supported by wide-ranging activities designed to bolster the Messe Frankfurt umbrella brand. Based on new, central brand values, the internal and external corporate messages were reviewed and coordinated in all media in the reporting year. With good reason: a strong umbrella brand is a guarantee for the professional endorsement and reliable stability of the product brands both at home and abroad.

#### **Infrastructure development – site management**

With its distinctive architecture, the city within the city – the exhibition complex with its extensive services for exhibitors and visitors – adds its unmistakable signature to the profile of the city of Frankfurt. Within the scope of the modernisation and further development plans for the exhibition centre, the new Exhibition Hall 11 and the Portalhaus opened their doors to the public in the western part of the grounds for the first time at the IAA Cars in 2009 after just two years of construction. With the two-storey Hall 11, featuring more than 23,000 square metres of exhibition space, Messe Frankfurt offers its customers a prestigious exhibition building that meets the highest technical standards. Visitors arriving from the motorway or the Rebstock car park can now pass through the foyer of the Portalhaus on their way to quickly reaching Hall 11 and the adjoining exhibition grounds, as the two new buildings are linked to Halls 9 and 10 by the Via Mobile – the indoor moving walkway. This brings the total amount of leasable hall space within the Frankfurt exhibition grounds to around 345,700 square metres.

In the reporting year, a jointly operated photovoltaic system was installed on the roof of Hall 10, which was initiated by the Sonneninitiative e.V. association and supported by Messe Frankfurt together with the regional energy supplier Mainova as an employee and citizen involvement project. In two steps, as many as 2,097 polycrystalline modules were installed, which produce a maximum output of 455 kWh of electricity – corresponding to the consumption of 150 private households.

### III. Description of the position of the company

#### Results of operations

The business trend and general economic situation are also mirrored in the development of group sales. At €423.8 million, sales in 2009 were 3.7 percent, or €16.4 million, down on the boom year 2008 (€440.2 million). The drop is accounted for principally by the foreign subsidiaries, which generated a total of €14.3 million, or 13.8 percent, less than in the previous year. On the home front, by contrast, the decline in sales was a relatively moderate -0.6 percent, with the opposing effects at Messe Frankfurt Exhibition GmbH (€-31.7 million) and Messe Frankfurt Venue GmbH & Co. KG (€+36.6 million) caused by the rotation of events almost balancing each other out. Measured against 2007, which by virtue of its event structure lends itself better to comparison, a slight sales increase of €0.2 million was generated overall. Here, too, the development was divided: while in Germany sales were up by €4.5 million (1.4 percent), foreign sales fell €4.3 million (4.6 percent) short of 2007 levels.

#### Sales development (consolidated) 2007–2009

	2007 € m	2008 € m	2009 € m	Change compared to 2008 in % <sup>4)</sup>	2007 in % <sup>4)</sup>
<b>Germany</b>					
Messe Frankfurt GmbH, Frankfurt	0.2	0.1	0.0	-100.0	-100.0
Messe Frankfurt Exhibition GmbH, Frankfurt	193.0	205.6	173.9	-15.4	-9.9
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt	72.5	67.4	104.0	54.3	43.4
Messe Frankfurt Ausstellungen GmbH, Wiesbaden	4.9	4.3	3.7	-14.0	-24.5
Mesago Messe Frankfurt GmbH, Stuttgart <sup>1)</sup>	20.8	21.0	19.2	-8.6	-7.7
Messe Frankfurt Medien und Service GmbH, Frankfurt	15.7	17.2	12.4	-27.9	-21.0
Accente Gastronomie Service GmbH, Frankfurt	22.6	20.7	21.0	1.4	-7.1
<b>Total Germany</b>	<b>329.7</b>	<b>336.3</b>	<b>334.2</b>	<b>-0.6</b>	<b>1.4</b>
<b>Other countries</b>					
Messe Frankfurt France S. A. S., Paris	15.4	15.3	13.3	-13.1	-13.6
Messe Frankfurt Italia Srl., Milan	0.8	2.1	2.7	28.6	++
Messe Frankfurt Istanbul L. S., Istanbul	0.9	0.0	0.6	++	-33.3
O. O. O. Messe Frankfurt RUS, Moscow	3.2	2.8	1.8	-35.7	-43.8
EPOC Messe Frankfurt GmbH, Frankfurt/Dubai	9.2	11.2	8.5	-24.1	-7.6
Messe Frankfurt Asia Holding Ltd., Hong Kong <sup>2)</sup>	49.0	59.7	52.6	-11.9	7.3
Messe Frankfurt Inc., Atlanta <sup>3)</sup>	5.6	6.1	2.5	-59.0	-55.4
Messe Frankfurt México S. de R. L. de C. V., Mexico City	1.8	2.4	0.1	-95.8	-94.4
Messe Frankfurt Feiras Ltda., São Paulo	3.8	0.1	0.0	-100.0	-100.0
Indexport Messe Frankfurt S. A., Buenos Aires	4.2	4.2	7.5	78.6	78.6
<b>Total other countries</b>	<b>93.9</b>	<b>103.9</b>	<b>89.6</b>	<b>-13.8</b>	<b>-4.6</b>
<b>Group sales</b>	<b>423.6</b>	<b>440.2</b>	<b>423.8</b>	<b>-3.7</b>	<b>0.0</b>

1) sub-group

2) Sub-group including the subsidiaries: Messe Frankfurt (H. K.) Ltd., Hong Kong; Messe Frankfurt (Shanghai) Co. Ltd., Shanghai; Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou; Messe Frankfurt New Era Business Media Ltd., Hong Kong; 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

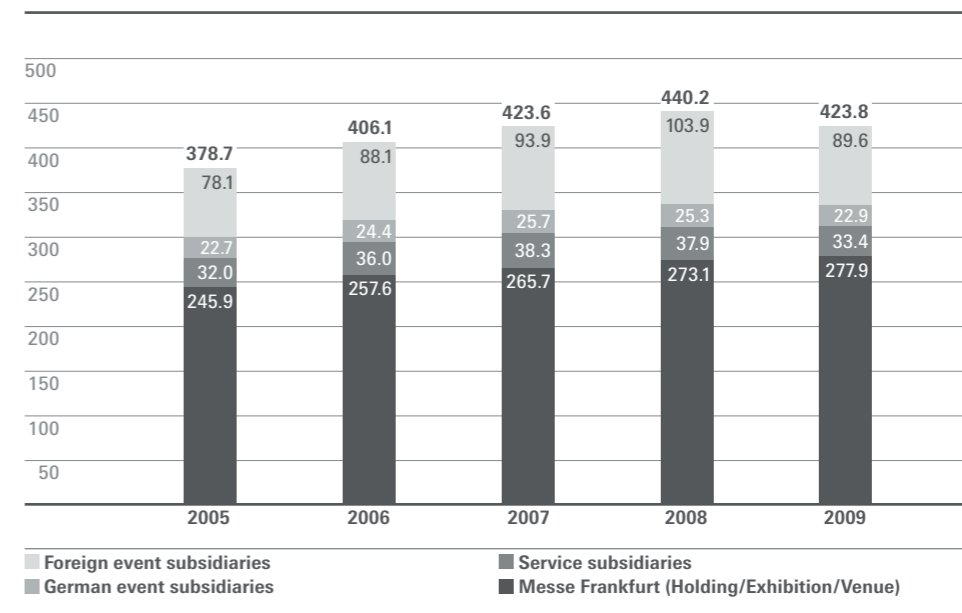
4) deviations of more than 100% are shown with ++ or --

Messe Frankfurt Exhibition GmbH with its key international flagship fairs is the mainstay of group sales and generated consolidated sales of €173.9 million compared to €205.6 million in the previous year. Apart from the economic crisis and the development at the Tendence consumer goods fair, this can be explained by the two-yearly rhythm of Automechanika, which is not held in uneven years. However, also measured against 2007, which has a more readily comparable trade fair portfolio, sales were down by around €19.1 million, or 9.9 percent, as the three-yearly IFFA event was held in 2007.

By contrast, the rotation of events helped Messe Frankfurt Venue GmbH & Co. KG post a new sales record of €104.0 million, which was an impressive €+36.6 million over the previous year's result. The reason for this was the rotation of events: in 2009 the guest show IAA Cars, which is held every two years, and AACHEMA, which has a three-yearly rhythm, both took place. This combination occurs every six years. Furthermore, the German Gymnastics Festival was held as a stand-alone event. Compared to 2007, the company increased earnings by €31.5 million, or 43.4 percent. Totalling 41.0 percent and 24.5 percent 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, consolidated sales of €311.3 million were generated at the Frankfurt venue, corresponding to around 73 percent of group sales (year for year: 2008: €310.9 million, 2007: €303.8 million).

#### Group sales development (consolidated) in € m



Driven by the crisis, Mesago Messe Frankfurt GmbH in Stuttgart was unable to maintain the peak sales record of the previous year. Despite the continued strong development of SPS/IPC/Drives, International Exhibition & Conference on Electric Automation, sales slipped by €1.8 million to €19.2 million. 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 and the cancellation of the scheduled EBIF (European Banking & Insurance Fair) and realised €3.7 million.

Sales generated outside Germany totalled €89.6 million and accounted for 21.1 percent of group sales (previous year 23.6 percent). The Asian companies combined in the Messe Frankfurt Asia

Holding Ltd. sub-group made a consolidated contribution to this amount of €52.6 million. These were followed by Messe Frankfurt France with €13.3 million and EPOC Messe Frankfurt GmbH with its branch office in Dubai with €8.5 million. The decline in sales compared to the previous year can be put down to the financial and economic crisis and was mainly experienced by the companies in Asia (€-7.1 million), USA (€-3.6 million), Dubai (€-2.7 million) and Mexico (€-2.3 million).

A positive sales development in 2009 was noted by contrast by the companies in Italy (€+0.6 million) and Argentina (€+3.3 million). This can be explained by the successful première of Ambiente Italia as well as two major congresses held in Buenos Aires. Furthermore, the two-yearly rhythm of Automechanika in Turkey led to a rise in sales of €0.6 million.

Profit figures also failed to reach the record levels of the previous year. With a figure of €36.6 million prior to taxes on income, earnings were down by €15.1 million, or 29.1 percent, on the previous year (€51.7 million). Compared to 2007, earnings were €6.9 million lower.

#### Profit development 2007–2009

	2007 €'000	2008 €'000	2009 €'000	Change compared to	
				2008 in %	2007 in %
Earnings before taxes on income	43,548	51,659	36,601	-29.1	-15.9
Taxes on income	15,899	15,757	13,235	-16.0	-16.8
<b>Consolidated net income for the financial year</b>	<b>27,649</b>	<b>35,902</b>	<b>23,366</b>	<b>-34.9</b>	<b>-15.5</b>

Besides the drop in sales (€-16.4 million, or -3.7 percent) and a decline in other operating income of around €4.0 million, this negative earnings development can be attributed to a disproportionately low cost reduction of 2.1 percent.

Apart from operating income from the annual reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€2.1 million), other operating income (€15.1 million) principally includes the reversal of provisions (€8.6 million; previous year: €5.5 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 €2.4 million. The main reason for this decrease compared to the previous year is that in 2009 income from the pro rata write-back of the capitalised ground rent for the trade fair tower carried under deferred income (€2.1 million) was for the first time not disclosed in other operating income, but in sales.

Income stands vis-à-vis operating expenses totalling €392.6 million, which is €8.2 million lower than in the prior period. Event-related expenses are the biggest expense item with €197.2 million, after €206.0 million in 2008. This corresponds to a cost/income ratio of 46.5 percent, which is 0.3 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 contrary development. The approximately €2.4 million, or 2.7 percent, increase in expenses was due to the rise in the average number of group employees and to salary adjustments. This results in a rise in the personnel expenses ratio from 20.7 percent in the previous year to 22.1 percent in the reporting year. Depreciation, amortisation and write-downs showed an increase of €5.8 million to €52.9 million due in particular to the completion of the new Hall 11. Furthermore, other operating expenses were posted in the amount of €48.9 million, a decrease of €7.6 million over the previous year. This account includes all expenses that are not directly related to events, such as consulting, insurance, IT costs and office supplies.

The financial result amounts to €-6.2 million (2008: €-3.0 million). As well as interest income from securities and investments (€2.8 million; 2008: €5.4 million), this includes interest expenses amounting to €8.9 million (2008: €8.4 million). These result from financial instruments and bank loans taken out at the end of 2006 by Messe Frankfurt Grundbesitz GmbH & Co. KG and in 2008 and 2009 by Messe Frankfurt Venue GmbH & Co. KG to finance the building of Hall 3 and Hall 11.

Net of taxes on income (€13.2 million), as well as other taxes (€3.5 million), the group recognised consolidated net income for the financial year of €23.4 million, around €12.5 million lower than in the previous year (€35.9 million). This produces a return on sales after taxes of 5.5 percent (previous year 8.2 percent) and a return on equity of 6.2 percent (previous year 10.6 percent).

Taking the EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) earnings ratio into consideration, at €95.7 million Messe Frankfurt achieved a result that is €6.1 million lower than in the previous year (€101.8 million). As a percentage of sales, the EBITDA margin for the financial year is 22.6 percent.

#### EBITDA development 2007–2009

	2007 €'000	2008 €'000	2009 €'000	Change compared to	
				2008 in €'000	2007 in €'000
Consolidated net income for the financial year	27,649	35,902	23,366	-12,536	-4,283
Taxes on income	15,899	15,757	13,235	-2,522	-2,664
less financial result	-584	3,032	6,145	3,113	6,729
Depreciation, amortisation and write-downs	48,485	47,153	52,950	5,797	4,465
<b>Group EBITDA</b>	<b>91,449</b>	<b>101,844</b>	<b>95,696</b>	<b>-6,148</b>	<b>4,247</b>
<b>EBITDA margin</b>	<b>21.6 %</b>	<b>23.1 %</b>	<b>22.6 %</b>		

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

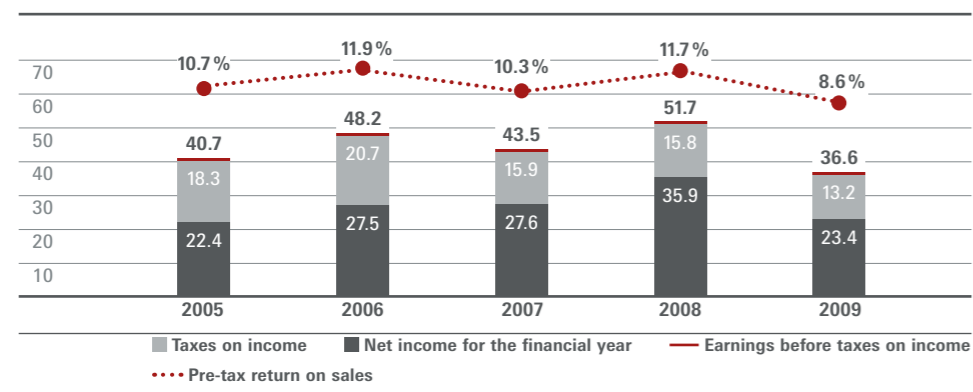
Messe Frankfurt GmbH as parent disclosed a net income for the financial year of €11.5 million, after €23.6 million in the previous year. This can for the most part be attributed to the financial result, which apart from positive net interest income of €0.9 million (previous year: €2.4 million), includes a profit distribution of Messe Frankfurt Exhibition GmbH amounting to €12.0 million, after €22.0 million in the previous year.

Messe Frankfurt Exhibition GmbH reported earnings before taxes on income of €14.4 million (previous year €31.1 million) and a net income for the financial year of €11.5 million (previous year €25.7 million). The decline 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 is a lower financial result (€-3.6 million) ensuing on the one hand from a higher loss transfer for Messe Frankfurt Ausstellungen GmbH, Wiesbaden, and on the other hand from necessary write-downs on financial assets.

For Messe Frankfurt Venue GmbH & Co. KG, the reporting year was a new record year, also in terms of earnings. Although completion of Hall 11 gave rise to higher depreciation expense as well as higher interest expense due to taking up an additional loan, interest rate swaps to finance the construction work and the interest from advance rents paid by Messe Frankfurt Exhibition GmbH accrued within the scope of the write-back of deferred income, the company showed a net income for the financial year of €10.0 million, after €3.7 million in the previous year.

The operating results of the German and foreign subsidiaries of Messe Frankfurt Exhibition GmbH showed a differentiated development, which, however, produced a bottom-line net retained profit in the reporting year of €12.0 million, after €18.3 million in the previous year. The Asian sub-group contributed €6.1 million of this amount in the reporting year, after €7.7 million in 2008. This decline is explained in particular by developments in Korea and India, since the other Asian companies showed a positive earnings development compared to the previous year. Mesago Messe Frankfurt GmbH in Stuttgart with a net income for the financial year of €4.3 million (previous year €6.2 million), as well as the French subsidiary with €1.4 million (previous year €2.4 million) also made notable contributions to the overall profit. While the subsidiaries in the USA, Mexico, Italy and Russia 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 2005–2009 (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 €117.7 million (previous year €114.9 million). Most of the investment amount was apportioned to tangible fixed assets, with approximately €73.6 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.

An additional €16.1 million was apportioned to intangible fixed assets, and was made up principally of additions to goodwill (€7.3 million) and licences and similar rights (€5.1 million) within the Messe Frankfurt Asia Holding sub-group. These result above all from the acquisition of the remaining shares in the subsidiary in Japan and from the acquisition of the operational divisions of the Taiwanese A&S Group. Net of depreciation, amortisation and write-downs amounting to €52.9 million and disposals of fixed assets (€0.9 million), fixed assets totalling €729.4 million (previous year €665.5 million) are shown in the balance sheet at year's end 2009, corresponding to a share of around 84 percent of total assets (€868.8 million).

Current assets decreased by €71.1 million to €138.4 million. The decline results in particular from a lower level of cash-in-hand and bank balances (€-45.8 million). Other assets decreased by €13.5 million to €25.0 million in particular as a result of lower tax receivables and securities holdings decreased by €10.2 million.

On the equity and liabilities side, €384.2 million is shown in the balance sheet under equity on the basis of the earned net income for the 2009 financial year (€23.4 million), profit distributions (€14.4 million), the change in companies included in the consolidated financial statements (€2.3 million) and the change in the adjustment item for foreign currency translation (€-3.8 million). This is €7.5 million higher than the previous year's figure (€376.7 million). This corresponds to an equity ratio of around 44 percent and leads to a tier 1 equity/fixed assets ratio of around 53 percent. Together with the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€34.0 million) and deferred income, which for the most part is also available over the long term, of €36.5 million, as well as medium- and long-term provisions (€22.2 million) and the long-term bank loans (€178.2 million), the tier 2 equity/fixed assets ratio increases to 85 percent.

Provisions decreased by €2.9 million compared to the previous year to €82.7 million. Apart from the separately disclosed provisions for pensions and taxes (€+0.7 and €+1.6 million), 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 €54.3 million (€-5.1 million compared to the previous year) in total.

Group liabilities amount to €331.4 million (previous year €339.0 million). This corresponds to around 38 percent of total equity and liabilities, and leads to a debt/equity gearing ratio of around 86 percent compared to around 90 percent in the previous year. Additional bank loans amounting to €37.5 million were taken out by Messe Frankfurt Venue in the course of 2009 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 €7.5 million. On the other hand, payments on account received from exhibitors for the trade fairs in Q1 2010 decreased by €17.6 million compared to the prior period. This decline over the previous year can be attributed to the biennial rhythm of the ISH trade fair, which by virtue of the rotation of events does not take place in 2010. Furthermore, trade payables fell by €13.4 million and other liabilities by €6.7 million.

#### Financing

Corresponding to the statement of cash flow, the outflow of funds for investment activities (€101.4 million) was financed through the available liquidity as well as the positive cash flows from operating activities (€43.7 million), and from financing activities (€15.6 million). This resulted in a drop in cash funds of €45.8 million to around €97.5 million. This produces the following abstracted values and changes in the cash funds:

#### Development of cash funds 2007–2009

	2007 €'000	2008 €'000	2009 €'000
Cash flows from operating activities	49,080	96,519	43,658
Cash flows from investing activities	-97,571	-112,194	-101,410
Cash flows from financing activities	-34,010	54,198	15,609
<b>Net change in cash funds</b>	<b>-82,501</b>	<b>38,523</b>	<b>-42,143</b>
Effect on cash funds of exchange rate movements	-672	797	-3,635
Cash funds at beginning of period	187,145	103,972	143,292
<b>Cash funds at end of period</b>	<b>103,972</b>	<b>143,292</b>	<b>97,514</b>

### Human resources

At 31.12.2009 the Messe Frankfurt corporate group employed 1,665 people worldwide, 131 more than at the end of 2008.

The increase of 41 new employees in Germany is primarily accounted for by the Accente Gastronomie Service GmbH subsidiary and the opening of the restaurant Depot 1899 in Frankfurt-Sachsenhausen. The number of regular staff was raised from 162 to 202.

Outside Germany, the expansion of operations above all in China (especially the foundation of Messe Frankfurt New Era Business Media Ltd., Hong Kong and, linked to this, taking over 79 employees of the A & S Group) and Japan (expansion due to the growth of existing trade fairs) led to a significant increase in the number of employees. Altogether, 90 new staff appointments were made outside Germany.

### Employee development at the reporting dates<sup>1)</sup>

2007-2009	2007	2008	2009
Messe Frankfurt GmbH, Frankfurt, Germany	247	249	248
Productpilot GmbH, Frankfurt, Germany	5	7	8
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	272	288	281
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt, Germany	249	253	249
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	60	65	73
Mesago Messe Frankfurt GmbH, Stuttgart, Germany	61	64	70
Messe Frankfurt Ausstellungen GmbH, Wiesbaden, Germany	28	27	25
Accente Gastronomie Service GmbH, Frankfurt, Germany	153	162	202
<b>Germany</b>	<b>1,075</b>	<b>1,115</b>	<b>1,156</b>
Messe Frankfurt France S. A. S., Paris, France	17	16	16
Messe Frankfurt Italia Srl., Milan, Italy	18	24	26
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	17	16	15
O. O. O. Messe Frankfurt RUS, Moscow, Russia	29	29	28
EPOC Messe Frankfurt GmbH, Frankfurt, Germany/Dubai, UAE	36	43	38
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	2	2	2
Messe Frankfurt (H. K.) Limited, Hong Kong, China <sup>2)</sup>	147	167	260
Mesago Messe Frankfurt Corp., Tokyo, Japan	24	26	30
Messe Frankfurt Korea Ltd., Seoul, South Korea	8	8	8
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	18	18	16
Messe Frankfurt Inc., Atlanta, USA	28	26	27
Messe Frankfurt México S. de R. L. de C. V., Mexico City, Mexico	12	11	10
Messe Frankfurt Feiras Ltda., São Paulo, Brazil	5	1	0
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	35	32	33
<b>Other countries</b>	<b>396</b>	<b>419</b>	<b>509</b>
<b>Messe Frankfurt group</b>	<b>1,471</b>	<b>1,534</b>	<b>1,665</b>
<b>Increase in number of employees</b>	<b>77</b>	<b>63</b>	<b>131</b>

1) incl. passive employees, trainees and management executives

2) Hong Kong sub-group incl. the companies Messe Frankfurt (Shanghai) Co. Ltd., Guangzhou Guangya Messe Frankfurt Co. Ltd. and Messe Frankfurt New Era Business Media Ltd.

The subsidiary in Brazil was wound down into a dormant company and no longer has any staff.

The Messe Frankfurt Ausstellungen GmbH subsidiary in Wiesbaden is to merge with Messe Frankfurt Exhibition GmbH in 2010. MFA staff will be integrated into the group companies at the Frankfurt venue.

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 implemented for the second layer of management in the subsidiaries with a focus on promoting business administration skills. The international exchange programme continues to be very popular. The founding of the branch office in Belgium was realised as planned. In this context, a staff member from Messe Frankfurt GmbH was sent to Brussels on a two-year assignment.

An additional managing director was appointed to the EPOC Messe Frankfurt GmbH subsidiary, who will assume sole responsibility for the Dubai branch office from 2010. For EPOC Messe Frankfurt in Dubai, binding rules including a travel policy were set up to govern human resources operations. These represent a guideline that can serve as a blueprint for the other subsidiaries.

Messe Frankfurt considers the continuous investment in its employees to be a vital factor of success for the company's future development. Despite the generally difficult economic situation, Messe Frankfurt GmbH again trained 37 young people in seven different professions in 2009. For the trainees, the prospect of being taken on for a year after completion of their training is a welcome commitment that once again clearly underscores the importance Messe Frankfurt GmbH attaches to training and education.

The development of executive manager potential and demand-driven qualification measures were systematically and consistently continued in cooperation with the Messe Frankfurt GmbH Academy. On this basis it has been possible to implement a wide range of in-house human resources development measures.

Human resources development work also focussed on accompanying change processes within the company. This support was especially welcomed for the planning and implementation of measures arising from the annual employee survey on corporate culture.

In response to changes in the market, a new human resources and organisational development position was created in order to professionally accompany and support the global merger & acquisition process within the company.

Messe Frankfurt's attractiveness as an employer was also confirmed by third parties: in the reporting year the company was awarded the accolade of Top Employer in Germany. A survey conducted by the independent research institute CRF established the 105 most attractive employers according to the criteria market leadership, corporate culture, job security, development opportunities, work-life balance and remuneration.

The employees of the Messe Frankfurt corporate group once again demonstrated in 2009 that with a great deal of motivation as well as unswerving and flexible efforts, it is possible even in economically difficult times 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

### General economic crisis

The general economic development will continue to impact the Messe Frankfurt group. Despite good results at some of the spring events, planning for the rest of 2010 is clouded in uncertainty depending on how the general economic situation pans out. 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 to secure the loyalty of exhibitors, visitors and guest organisers also in times of crisis 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 for exhibitors.

In addition to risks, 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. These projects and their associated risks are managed by introducing corresponding personnel and organisational measures to achieve a successful implementation of the new events and business segments in Germany and abroad.

### General industry risks

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, Ambiente, Musikmesse or Heimtextil. Many companies in these sectors have either disappeared from the market altogether or are reducing or cancelling their trade fair participations. It is intended to compensate these developments through new concepts, consolidation and intensified acquisition measures.

Furthermore, liquidity bottlenecks on the part of customers are likely to give rise to delays in payment or increased bad debt losses.

### Event risks

The new conception of Tendence – combined with the return to the date at the end of August – involves the additional risk that the new concept and date might not be accepted by some exhibitors and visitors. However, this also offers the opportunity to reposition the event in the market and win back both exhibitors and visitors.

### Marketing risks

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 can 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.

### Risks outside Germany

Although Messe Frankfurt does not host any trade fairs in politically risk-prone regions, wars or terrorist activities nevertheless pose a general risk. Some regions, such as 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 overseas 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 counters this with its quality standards 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 challenges lie 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 themes. This results in greater dependency on individual events and sectors. This risk is countered by rolling out additional brand events, developing new trade fair themes and providing additional services.

### Site/construction risks

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.

The risk of catastrophes or crises jeopardising individual events or the exhibition centre is countered by corresponding insurance policies and security measures, such as emergency plans or the Operation Security Center.

### Financial risks

The generally negative economic situation will continue to make it difficult to establish the new concept and date of Tendence, which can ultimately affect the earnings situation and hence financing.

Messe Frankfurt GmbH entered a so-called US cross-border lease transaction in 2000. As a result of the current financial and economic crisis, sliding ratings for participating banks and insurance companies could necessitate a change of contracting partners or the provision of additional security, which can lead to financial distress costs. At the time of preparing the present year-end financial accounts, the current S&P/Moody's rating for the participating insurance companies is still as in the previous year two tiers above the contractually required minimum rating. Furthermore, certain financial ratios must be maintained, otherwise additional charges could become due.



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.

#### Interest rate risks

In its financing activities, the company as a matter of principle pursues a conservative strategy with respect to interest rate risks. The aim is to avoid interest rate risks and resulting negative earnings fluctuations as far as possible. However, advantage is taken of opportunities presented by the respective market situation to reduce or minimise interest expenses. It is in general only permitted to make use of derivatives in connection with underlying transactions.

#### Foreign currency risks

For foreign currency risks the company applies hedge accounting in order to reduce earnings fluctuations as far as possible. The use of foreign-currency derivatives is tied to underlying transactions or budget assumptions. Foreign-currency risks are currently selectively hedged. Foreign-currency risks exist primarily in the case of distribution payouts by foreign subsidiaries.

#### Organisational and IT risks

Processes, structures and systems in the fields of purchasing, financing, human resources and IT are continuously being optimised. However, positive effects can only be realised by observing defined management and control processes, for example for procurements or projects.

In light of the increasing globalisation of the group and the growing importance of foreign operations, establishing and optimising globally coordinated systems and structures constitutes a permanent challenge. Particular attention is given in this context to developing and implementing an international IT strategy, as well as the further harmonisation of the brand organisation.

#### Personnel risks

An additional risk is to be seen in finding suitable successors for key positions, which it is intended to minimise through optimised succession planning.

#### Other risks

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

#### Risk management system

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. Other disclosures/Report on expected developments

The bottom of the recession has been hit, the momentum of the upswing, however, is uncertain. This is the conclusion arrived at by the Ifo economic report 4/2009 prepared for Messe Frankfurt, which presents its economic forecast for the coming year. According to the report, production and trade are again on the up – driven by multi-billion government stimulus packages. Even though the situation in all major economic regions – in particular the euro zone and North America – is still viewed as critical, the Ifo Business Climate Index has risen noticeably. Ifo anticipates better development in the emerging economies. The institute is also expecting a normalisation of international trade, albeit with less dynamism than before the onset of the crisis.

Under these circumstances, the outlook concerning the course of Messe Frankfurt's business operations for 2010 can only be cautiously optimistic. Messe Frankfurt's strategic objective is to leverage its events in order to position the city of Frankfurt and the state of Hesse as an international, business-oriented and modern trade fair venue. Messe Frankfurt aims to continue to expand its position as a leading exhibition corporation with its own exhibition centre in Germany and Europe, finance its investments on own account and generate annual dividend distributions to its shareholders. Compared to its competitors, Messe Frankfurt is therefore 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 especially at the Frankfurt venue. One step in this direction: from 2010, Remax, the biggest European trade fair for printer accessories, is being held parallel to Paperworld. Furthermore, Messe Frankfurt also intends to expand its business fields in order to become more independent of industry-specific developments.

One of Messe Frankfurt's USPs is the internationalisation of its event business. This is promoted in two directions: on the one hand Messe Frankfurt is making every possible effort to enhance the internationality of its flagship fairs in Frankfurt. The higher the foreign participation at its events, the higher their quality, because a high level of internationality stands for greater market transparency and greater benefit of a trade fair participation. On the other hand, Messe Frankfurt is also forging ahead with the organisation of events outside Germany.

In this context, the brand strategy for established events is being further pursued. Furthermore, through new acquisitions or cooperation agreements, Messe Frankfurt aims in its future product developments – in addition to consolidating new product groups – to tap thematically and geographically into as yet undeveloped international markets. For example, the company has taken over the Ethical Fashion Show, which has been staged in Paris since 2004 and from 2010 will be organised by Messe Frankfurt France S.A.S. This event ties in well with the growing engagement in the field of sustainable textiles at the other textiles fairs Interstoff Asia Essential, Texworld and Texworld USA. As Messe Frankfurt's first fashion fair, the Ethical Fashion Show rounds off Messe Frankfurt's textiles portfolio. The event is expected to attract 150 exhibitors and 4,000 visitors.

The site management goals also appear realistic: Messe Frankfurt's aim is to operate and manage capacities at the site as efficiently as possible on a long-term basis. The international importance of the exhibition centre in Frankfurt will be further underlined. Messe Frankfurt takes a responsible and sustainable approach to the allocation of resources. The only planned infrastructure development project is the modernisation of Hall 6. For this and other infrastructure measures, an investment volume of around €26 million has been earmarked.

Messe Frankfurt is reacting to the difficult economic situation with ongoing cost management measures. Human resources, maintenance and overhead costs, along with projects and investments, are reviewed on an ongoing basis in an effort to harmonise the rapid growth the organisation has seen over the past few years with the resulting complexity on all levels. Only like this will it be possible to maximise the effectiveness and efficiency of the group's business operations.

The upcoming financial year will see a change in the Board of Management. With effect from 1 April 2010, Wolfgang Marzin will succeed Michael von Zitzewitz as Chairman of the Board of Management, following the latter's retirement.

For 2010, Messe Frankfurt anticipates sales of around €441 million and, due to increasing personnel expenses and depreciation, amortisation and write-downs, a positive result slightly below the previous year's level. The uncertain general economic picture currently makes it impossible to give any serious forecast for the 2011 financial year.

## VI. Report on post-balance sheet date events

After completion of the 2009 financial year and up to preparation of the group management report, no events having a material impact on the position of the group occurred.

Frankfurt am Main, 31 March 2010

Michael von Zitzewitz    Dr Michael Peters    Detlef Braun    Uwe Behm    Wolfgang Marzin



## Consolidated income statement of Messe Frankfurt GmbH for the 2009 financial year

	Notes	2008 €'000	€'000	2009 €	€
1. Sales	(15)	440,165		423,778,536.21	
2. Other operating income	(16)	19,123		15,109,922.69	
			<b>459,288</b>		<b>438,888,458.90</b>
3. Event-related expenses	(17)	206,004		197,185,226.40	
4. Personnel expenses	(18)	91,071		93,515,368.31	
5. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	(19)	47,153		52,949,899.53	
6. Other operating expenses	(20)	56,596		48,946,208.16	
			<b>400,824</b>		<b>392,596,702.40</b>
<b>7. Financial result</b>	(21)		<b>-3,032</b>		<b>-6,144,669.03</b>
<b>8. Result from ordinary activities</b>			<b>55,432</b>		<b>40,147,087.47</b>
9. Taxes	(22)		19,530		16,781,386.45
<b>10. Consolidated net income for the year</b>			<b>35,902</b>		<b>23,365,701.02</b>
11. Profit attributable to minority interests			-1,288		-1,186,245.06
12. Consolidated retained profits carried forward			9,842		20,944,815.22
13. Appropriation of net profit			0		-13,000,000.00
14. Withdrawals from revenue reserves			0		11,485.93
15. Appropriation to revenue reserves			-23,511		-240,212.59
<b>Consolidated net retained profits</b>			<b>20,945</b>		<b>29,895,544.52</b>

## Explanatory notes to the 2009 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 Grundbesitz GmbH & Co. KG, Frankfurt am Main/Germany  
Messe Frankfurt Grundbesitz Verwaltung GmbH, Frankfurt am Main/Germany  
Productpilot 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  
Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany  
Messe Frankfurt Ausstellungen GmbH, Wiesbaden/Germany  
EPOC Messe Frankfurt GmbH, Frankfurt am Main/Germany  
Mesago Messe Frankfurt GmbH, Stuttgart/Germany  
Messe Frankfurt France S. A. S., Paris/France  
Messe Frankfurt Italia Srl., Milan/Italy  
Messe Frankfurt Istanbul L. S., Istanbul/Turkey  
O. O. O. Messe Frankfurt RUS, Moscow/Russia  
Messe Frankfurt Asia Holding Ltd., Hong Kong/China  
Messe Frankfurt (H. K.) Ltd., Hong Kong/China  
Messe Frankfurt (Shanghai) Co. Ltd., Shanghai/China  
Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China  
Messe Frankfurt New Era Business Media Ltd., Hong Kong/China  
Mesago Messe Frankfurt Corporation, Tokyo/Japan  
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India  
Messe Frankfurt Korea Ltd., Seoul/South Korea  
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 percent 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 percent in proportion to the shares in its capital held (Section 310 HGB – German Commercial Code).

PAACE Automechanika Mexico, LLC, Atlanta/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 percent 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.

Messe Frankfurt New Era Business Media Ltd., Hong Kong/China was included in the consolidation in fiscal 2009. First-time consolidation was carried pursuant to Section 301II's HGB (German Commercial Code) with effect from 1 December 2009.

#### 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 2009.

Acquisition accounting used the book-value method to consolidate subsidiaries by eliminating the carrying amounts of the investments against the proportionate equity of the subsidiaries attributable to the parent 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. Low-value assets with a net value of up to €150 per item are written down in full or expensed in the year of acquisition with their immediate disposal being assumed. In the interest of simplification, fixed assets acquired since 2008 with a net value of more than €150 but less than €1,000 per item are recognised as a compound item in the commercial balance sheet in accordance with the item required to be set up annually for tax purposes. The total amount of the annual compound items is immaterial and is written down at a flat rate over five years in line with tax rules.

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. Regular pension obligations are measured according to the Projected Unit Credit Method in line with IAS 19 based on the “2005 G actuarial tables” published by Prof. Klaus Heubeck. For regular pension obligations, an interest rate of 5.0 percent (previous year 5.0 percent) p.a. was assumed as well as a rate of pension progression of 2.0 percent (previous year 2.0 percent) p.a. and a qualifying trend of 4.0 percent (previous year 4.0 percent). No employment fluctuations were taken into account.

For Accente GmbH, Frankfurt, pension provisions are recognised in accordance with the partial values calculated according to actuarial principles pursuant to Section 6a EStG (German Income Tax Law) in conjunction with R 6a EStR (German Income Tax Directive) on the basis of the 2005 G actuarial tables. They are calculated at an interest rate of 6 percent.

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 "2005 G actuarial tables" published by Prof. Klaus Heubeck and an interest rate of 5.5 percent (previous year 5.5 percent). Provisions for seniority are recognised on the basis of the "2005 G actuarial tables" drawn up by Prof. Klaus Heubeck and an interest rate of 5.0 percent (previous year 5.0 percent).

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.

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 2009 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 2009 has also been attached to the financial statements.

The increase in goodwill is accounted for by additions to Messe Frankfurt Asia Holding resulting from the acquisition of the remaining shares in Mesago Messe Frankfurt Corporation, Tokyo/ Japan (€5.535 million), as well as the acquisition of the operational divisions of the A&S Group, Taiwan, (€1.716 million).

##### (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	15,216	3,138	0
Prepayments	2,093	8	0
Other	4,226	365	1
<b>Total 2009</b>	<b>21,535</b>	<b>3,511</b>	<b>1</b>
<b>Total 2008</b>	<b>33,842</b>	<b>4,060</b>	<b>606</b>

Other assets include business tax receivables from the City of Frankfurt (shareholder of the Messe Frankfurt group) amounting to €546,000 (previous year: 1.508 million).

##### (5) Securities

Securities relate to shares in money market funds.

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

	2009	2008
Cash-in-hand and cheques	536	1,474
Bank balances	96,978	141,818
	<b>97,514</b>	<b>143,292</b>

**(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 <sup>1)</sup>	32,903	110,840	67,769
Payments received on account of orders	92,135	9	0
Trade payables <sup>2)</sup>	13,046	3	0
Other liabilities	14,671	0	0
–of which taxes	(12,093)	(0)	(0)
–of which social security	(241)	(0)	(0)
<b>Total 2009</b>	<b>152,755</b>	<b>110,852</b>	<b>67,769</b>
<b>Total 2008</b>	<b>161,575</b>	<b>100,058</b>	<b>77,407</b>

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 €207,000. (previous year: €18,000).

**(11) Deferred income**

The one-off payments received in advance in the years 1988 and 1999 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) Off-balance-sheet transactions**

On 12 December 2000, Messe Frankfurt GmbH concluded a US cross-border lease transaction with an American investor as well as lending and securitising banks in six tranches for exhibition halls 2, 4, 5, 6, 8 and 10 in connection with the corresponding real estate, with the aim of procuring additional liquidity.

To this end, corresponding head leases were drawn up (leasing of the halls to the US investor) each with a term of approx. 99 years and including a re-lease contract (re-leasing of the halls by Messe Frankfurt) with a term of approximately 29 years.

On expiration of the re-lease contracts, Messe Frankfurt has a termination option, which if exercised entitles it to terminate the lease against payment of a fixed termination option price agreed in the initial contract.

Since under German law Messe Frankfurt retains ownership of the halls and all payments were effected on conclusion of the contract, apart from the cash inflow recognised as income in 2000, the transaction has no further effect on the balance sheet. In fiscal 2003, the "Venue" business segment with all land and halls was hived off from Messe Frankfurt GmbH to Messe Frankfurt Venue GmbH & Co. KG. In August 2003, an agreement was made with the US investor which provided for Messe Frankfurt Venue GmbH & Co. KG to be included as an additional contracting party in the cross-border lease contract. A corresponding agreement was made with the securitising banks.

As a result of the current financial and economic crisis, sliding ratings for participating banks and insurance companies might necessitate a change of contracting partners or the provision of additional security. This could lead to financial distress costs that currently cannot be quantified.

Furthermore – in the absence of a rating of the group and of Messe Frankfurt Venue GmbH & Co. KG – Messe Frankfurt must maintain certain financial ratios, otherwise additional charges for the banks providing the letter of credit could become due.

**(13a) Other financial commitments and contingent liabilities**

Other financial commitments total €131.693 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 several liability for all liabilities arising from the automatic cash management system towards Commerzbank AG, Frankfurt am Main, and Dresdner Bank AG, 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.

Within the scope of the US cross-border lease transaction, Messe Frankfurt is obliged under civil law in its legal relations with third parties to make payments to the US investor. The obligation to perform these payments has been contractually transferred to third parties. As long as the transferees meet their commitments, Messe Frankfurt will not have to make any payments.

#### (13b) Fiduciary relationships

The company administrates fiduciary accounts for events hosted by guest organisers. The balance of the fiduciary accounts at the end of the period was €638,519.22.

#### (14) Derivative financial instruments

Derivative financial instruments are used exclusively as security for the amortisable loan in the amount of up to €100 million (€100 million per 31.12.2009) and a credit line of €40 million.

Type/category	Nominal amount	Fair value	Book value (where known)	Balance sheet account (where recognised)
Interest-related transactions ("Caps")	786	296	296	Prepaid expenses

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

The additional "swaps" are interest-hedging instruments that eliminate the interest rate risks for amortisable loans by swapping the short-term variable interest rate for a fixed rate of 3.026 percent (4.075 percent and 1.977 percent via "swaps" for 50 percent respectively of the amortisable loan).

Since the underlying transactions are closed items, the negative fair values of the "swaps" (€-2.171 million) 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.

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

#### (15) Sales

according to type	2009	2008
Stand rents	238,383	271,229
Halls, site and other rents	40,846	24,737
Admission fees and participation fees	9,868	11,628
Services and other income	134,682	132,571
	<b>423,779</b>	<b>440,165</b>

according to region	2009	2008
Germany	334,282	336,156
Europe excl. Germany	18,315	20,291
Asia	61,114	70,939
America	10,068	12,779
	<b>423,779</b>	<b>440,165</b>

#### (16) Other operating income

This account mainly includes prior-period income from the reversal of provisions (€8.637 million) and income from recoveries on receivables written off in prior periods (€701,000), as well as income from foreign currency translation differences (€2.390 million) and income from the pro-rata reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€2.147 million).

Income from the write-back of deferred income for heritable building rights amounting to €2.099 million (previous year: €2.099 million) is recognised for the first time in Sales. In the previous year it was recognised in this account.

#### (17) Event-related expenses

	2009	2008
Cost of consumables and supplies and of purchased merchandise	19,074	15,958
Cost of purchased services	178,111	190,046
	<b>197,185</b>	<b>206,004</b>

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



**(18) Personnel expenses/employees**

	2009	2008
Wages and salaries	77,331	76,456
Social security, post-employment and other employee benefit costs	16,184	14,615
of which in respect of old-age pensions	(4,792)	(4,198)
	<b>93,515</b>	<b>91,071</b>

<b>Employees (annual average)</b>	2009	2008
Vice presidents	31	31
Salaried employees	1,341	1,327
Wage-earning employees	120	95
	<b>1,492</b>	<b>1,453</b>

**(19) 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).

**(20) 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.

**(21) Financial result**

	2009	2008
Interest and similar income	2,825	5,384
Interest and similar expenses	8,970	8,416
<b>Financial result</b>	<b>-6,145</b>	<b>-3,032</b>

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

**(22) Taxes**

	2009	2008
Taxes on income	13,235	15,757
Other taxes	3,546	3,773
	<b>16,781</b>	<b>19,530</b>

The preparation of the consolidated financial statements did not give rise to any deferred tax liabilities.

**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.

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 €1.370 million in dividend payouts in the financial year. Prepayments for interests amounted to €8.970 million.

The total acquisition price for the 20 percent remaining share in Mesago Messe Frankfurt Corp., Japan, and the operational divisions of the A & S Group, Taiwan, amounts to €13.075 million. Within the scope of the acquisition of the operational division of the A & S Group, the following assets were taken over: intangible assets €6.833 million, tangible assets €116,000 and current assets €592,000.

**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 2009.

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

Amounts in € '000	Cost					At 31.12.2009
	At 01.01.2009	Additions	Disposals	Transfers	Currency trans- lation differences	
<b>I. Intangible fixed assets</b>						
1. Concessions, industrial and similar rights and assets and licences in such rights and assets	65,582	8,842	27	51	-180	74,268
2. Goodwill from acquisition accounting	56,939	7,261	0	0	-47	64,153
	<b>122,521</b>	<b>16,103</b>	<b>27</b>	<b>51</b>	<b>-227</b>	<b>138,421</b>
<b>II. Tangible fixed assets</b>						
1. Land, land rights and buildings, incl. buildings on third-party land	963,377	80,008	4	143,161	-24	1,186,518
2. Technical equipment and machinery	83,195	4,488	1,022	2,894	0	89,555
3. Other equipment, operating and office equipment	92,446	9,283	8,396	266	-70	93,529
4. Prepayments and assets under construction	148,761	7,774	628	-146,372	0	9,535
	<b>1,287,779</b>	<b>101,553</b>	<b>10,050</b>	<b>-51</b>	<b>-94</b>	<b>1,379,137</b>
<b>III. Long-term financial assets</b>						
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
	<b>5,020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,020</b>
	<b>1,415,320</b>	<b>117,656</b>	<b>10,077</b>	<b>0</b>	<b>-321</b>	<b>1,522,578</b>

At 01.01.2009	Additions	Disposals	Currency trans- lation differences	Carrying amounts		
				At 31.12.2009	At 31.12.2009	At 31.12.2008
56,067	4,116	1	-146	60,036	14,232	9,515
27,322	3,739	0	-31	31,030	33,123	29,617
<b>83,389</b>	<b>7,855</b>	<b>1</b>	<b>-177</b>	<b>91,066</b>	<b>47,355</b>	<b>39,132</b>
531,055	35,318	4	-23	566,346	620,172	432,322
63,664	3,601	1,022	0	66,243	23,312	19,531
71,748	6,176	8,348	-49	69,527	24,002	20,698
0	0	0	0	0	9,535	148,761
<b>666,467</b>	<b>45,095</b>	<b>9,374</b>	<b>-72</b>	<b>702,116</b>	<b>677,021</b>	<b>621,312</b>
0	0	0	0	0	20	20
0	0	0	0	0	5,000	5,000
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,020</b>	<b>5,020</b>
<b>749,856</b>	<b>52,950</b>	<b>9,375</b>	<b>-249</b>	<b>793,182</b>	<b>729,396</b>	<b>665,464</b>

## Supervisory Board of Messe Frankfurt GmbH

### **Petra Roth** (Chairwoman)

Mayor,  
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  
(until 5 February 2009)

### **Dieter Posch** (Vice-chairman)

Minister for Economics,  
Transport and State Development for the State of Hesse, Wiesbaden  
(since 5 February 2009)

### **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**

Project manager  
Messe Frankfurt Venue GmbH & Co. KG,  
Frankfurt am Main

### **Jutta Ebeling**

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

### **Professor Dr**

**Gottfried Honnefelder**  
President of the German Publishers and Booksellers Association, Frankfurt am Main

### **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

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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**

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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 2009, the members of the Board of Management received total remunerations of €1.931 million, taking into account all amounts subject to disclosure. This figure includes benefits for 2008 in the amount of €630,000 for which respective provisions had been recognised in prior periods. Furthermore, provisions amounting to €630,000 for variable benefits were recognised in 2009, bringing total remunerations for 2009 to €1.931 million. Superannuation benefits and retirement annuities of €528,000 were paid to former members of the Board of Management and surviving dependents. Pension provisions and provisions for other payment obligations totalling €8.822 million were formed for the latter groups of persons at 31 December 2009. The members of the Supervisory Board do not receive any remuneration. The expenses allowance paid to them amounted to a total of €8,000.

### **Auditors' fees**

The auditors' fees expensed in the financial year amount to €867,000 for the auditors' report, which includes €58,000 for the previous year.

### **Board of Management**

The following were appointed to the 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)

Wolfgang Marzin, Diplom-Betriebswirt (HWF WirtschaftsFH)


(Graduate in Business Administration (University of Applied Sciences)), since 1 February 2010

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

Michael von Zitzewitz, Diplom-Volkswirt (Graduate in Economics),

Chairman of the Board of Management until 31 March 2010

### **Frankfurt am Main, 31 March 2010**

      
Michael von Zitzewitz    Dr Michael Peters    Detlef Braun    Uwe Behm    Wolfgang Marzin

## Consolidated cash flow statement of the Messe Frankfurt GmbH group

in € '000	2008	2009
<b>Consolidated net income for the financial year</b> (including minority interest in net income)	35,902	23,366
Depreciation, amortisation and write-downs (+) of fixed assets	47,153	52,950
Decrease (-)/increase (+) in provisions	10,173	-6,502
Other non-cash income	-4,246	-4,246
Proceeds (-)/expense (+) from disposal of fixed assets	8	5
Proceeds (-)/expense (+) from sales of securities classified as current assets	217	311
Increase (-)/decrease (+) in inventories	60	19
Increase (-)/decrease (+) in trade receivables and other assets not attributable to investing or financing activities	7,559	15,240
Decrease (-)/increase (+) in trade payables and other liabilities not attributable to investing or financing activities	-307	-37,485
<b>Cash flows from operating activities</b>	<b>96,519</b>	<b>43,658</b>
Intangible fixed assets/tangible fixed assets		
- Capital expenditures	-114,521	-101,572
- Proceeds from disposal of fixed assets	744	695
Purchase (-) of consolidated subsidiaries and other business units	-388	-10,399
Receipts from cash investments (securities classified as current assets)	1,971	9,866
<b>Cash flows from investing activities</b>	<b>-112,194</b>	<b>-101,410</b>
Cash payments (-) to the owners of Messe Frankfurt GmbH and minority shareholders	-1,145	-14,370
Cash repayments (-) of bank loans	-7,157	-7,521
Cash proceeds (+) from the issuance of bank loans	62,500	37,500
<b>Cash flows from financing activities</b>	<b>54,198</b>	<b>15,609</b>
Net change in cash funds	38,523	-42,143
Effect on cash funds of exchange rate movements	797	-3,635
Cash funds at beginning of period	103,972	143,292
<b>Cash funds at end of period</b>	<b>143,292</b>	<b>97,514</b>

## 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
<b>At 31.12.2007</b>	<b>180,000</b>	<b>85,219</b>	<b>77,584</b>	<b>-3,777</b>	<b>339,026</b>	<b>693</b>	<b>-26</b>	<b>667</b>	<b>339,693</b>
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
<b>At 31.12.2008</b>	<b>180,000</b>	<b>85,219</b>	<b>112,198</b>	<b>-1,591</b>	<b>375,826</b>	<b>836</b>	<b>28</b>	<b>864</b>	<b>376,690</b>
Dividends paid			-13,000		-13,000	-1,370		-1,370	-14,370
Change in the companies included in the consolidation					0	2,263		2,263	2,263
Other changes				-3,308	-3,308	-420	-1	-421	-3,729
Consolidated net income for the financial year			22,180		22,180	1,186		1,186	23,366
<b>At 31.12.2009</b>	<b>180,000</b>	<b>85,219</b>	<b>121,378</b>	<b>-4,899</b>	<b>381,698</b>	<b>2,495</b>	<b>27</b>	<b>2,522</b>	<b>384,220</b>

## 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 2009 to 31 December 2009. 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, 5 May 2010

Ernst & Young GmbH  
Auditors

Klingelhöfer  
Auditor

Päthke  
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 2009 for the financial year from 1 January to 31 December 2009, as well as the reports of the Board of Management on the position of the company and the group for the 2009 financial year, which have been audited and issued an unqualified opinion by the auditing company Ernst & Young GmbH, 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 2009 and accept the reports on the position of the company and the group for the financial year from 1 January to 31 December 2009.

Frankfurt am Main, 29 June 2010

The Supervisory Board

Petra Roth

# Imprint

**Editors-in-chief**

Gabriele Wehrl  
Klaus Münster-Müller

**Editors**

Julia Krell  
Iris Saalmüller

**Responsibility for content  
in accordance with the  
German press laws**

Kai Hattendorf

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Ingo Bach  
Wilfried Dechau  
Jochen Günther  
Marc Jacquemin  
Pietro Sutura  
Jean Luc Valentin  
Petra Welzel

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**Editorial team address**

Messe Frankfurt GmbH  
Corporate Publishing  
Ludwig-Erhard-Anlage 1  
60327 Frankfurt am Main  
Germany  
Telephone + 49 69 75 75 - 56 25  
Telefax + 49 69 75 75 - 67 60  
corporate-publishing@  
messefrankfurt.com

**Messe Frankfurt GmbH**

Ludwig-Erhard-Anlage 1  
60327 Frankfurt am Main  
Germany  
Telephone + 49 69 75 75 - 0  
Telefax + 49 69 75 75 - 64 33  
info@messefrankfurt.com  
www.messefrankfurt.com