

2010

Annual Report



*We find
answers*

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*	2006	2007	2008	2009	2010
Sales	406	424	440	424	448
Personnel expenses	77	84	91	94	102
Depreciation, amortisation and write-downs	53	48	47	53	59
Earnings before taxes on income	48	44	52	37	42
Pre-tax return on sales in %	12	10	12	9	9
Net income for the year	27	28	36	23	24
Cash flow (simplified)	76	72	79	73	80
Additions to fixed assets	64	105	115	118	20
Equity	340	340	377	384	397
Total assets	800	778	876	869	875
Employees (at 31.12. respectively)	1,328	1,395	1,463	1,589	1,629

* 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	2006	2007	2008	2009	2010
Total area (m ²)	578,000	578,000	578,000	578,000	578,000
Available hall space (m ²)	321,754	321,754	321,754	345,697	355,678
Available open space (m ²)	83,698	83,698	96,078	95,721	96,078
Number of halls	9	9	9	10	10
Events in Germany					
Number of trade fairs and exhibitions	46	44	42	37	36
Exhibitors	47,417	41,135	43,682	41,097	42,386
Exhibitors (Germany)	19,269	17,669	16,739	17,534	17,434
Exhibitors (other countries)	28,148	23,466	26,943	23,563	24,952
Net area (m ²)	1,548,699	1,514,597	1,422,605	1,438,709	1,281,215
Visitors	1,780,119	2,575,899	1,678,677	2,325,565	1,474,301
Events outside Germany					
Number of trade fairs	64	68	60	54	51
Exhibitors	20,692	22,955	25,148	22,320	26,196
Net area (m ²)	452,022	515,853	551,535	483,217	572,538
Visitors	918,757	981,070	884,312	837,317	921,183
Total					
Number of trade fairs	110	112	102	91	87
Exhibitors	68,109	64,090	68,830	63,417	68,582
Net area (m ²)	2,000,721	2,030,450	1,974,140	1,921,926	1,853,753
Visitors	2,698,876	3,556,969	2,562,989	3,162,882	2,395,484

Dear readers,

Trade fairs in the “digital age” – does this still make sense? We firmly believe that not only does it still make sense, but it makes more sense than ever! After all, Web 2.0 is ultimately all about the “community”, a network of people who meet up in the digital domain to exchange news, opinions and ideas. They inform themselves and they inform others about topics and products, they rate them, discuss the pros and cons, take decisions and place orders. In other words: Web 2.0 reproduces using digital resources what trade fairs have been doing successfully for hundreds of years.

Messe Frankfurt's major international fairs bring together global supply and demand, buyers and users meet producers and designers, researchers and developers. These transitory “communities” are product presentations and order platforms; what's more, they are also hotspots of innovation. Integrated trade fairs and conventions also follow this trend by combining knowledge transfer and communication with an exhibition and ordering possibility.

Our trade fairs not only network all market partners from a given sector worldwide – their very existence is in fact a result of the interaction of an international network of individuals all contributing their expertise and industry know-how. Behind every successful trade fair is a community of committed, professional “players”. It is only the interaction between them that at the end of the day results in a successful event – whether at our home base in Frankfurt or at one of the 30 trade fair venues around the world where Messe Frankfurt is represented.

Networking is something of a leitmotif running through this year's Annual Report. The global economy depends on it and – as its mirror image – trade fairs do too. The question about the future of trade fairs in the digital age therefore doesn't even arise: the medium “trade fair” does not need to fear Web 2.0 and its further development. On the contrary: by combining the best of both, the real world and the digital world complement each other optimally. Like this we can achieve what even at the very well-equipped Frankfurt exhibition grounds would be difficult: 365 show days a year.



Wolfgang Marzin



Uwe Behm



Detlef Braun



4 Team players

Wolfgang Marzin, Uwe Behm and Detlef Braun have been working at Messe Frankfurt as a team and creating new perspectives since 2010.



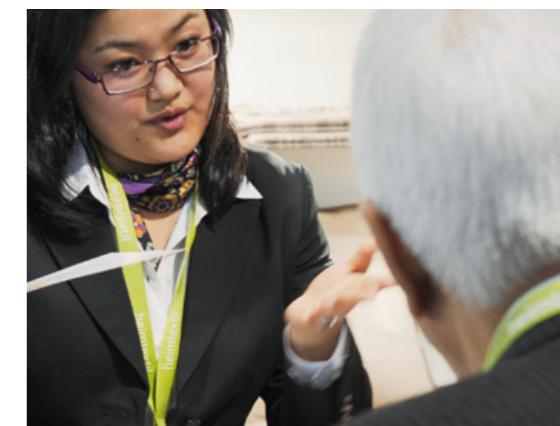
14 Digital interaction

With the help of digital information and communication, combined with digital services, Messe Frankfurt extends real trade fair events onto the Web.



18 Our responsibility

Environmental protection and sustainable development have a high priority for Messe Frankfurt as a committed partner in the region.



22 Our trade fairs worldwide

At over 30 venues around the world, Messe Frankfurt creates platforms for new ideas and networks supply and demand in a wide variety of sectors.

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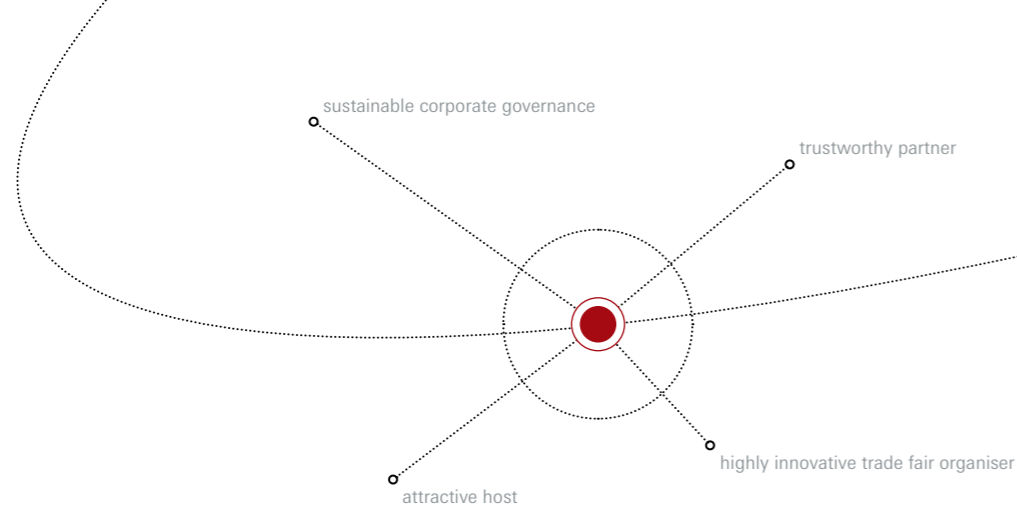
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*How do we shape
Messe Frankfurt's future?*



In dialogue | Messe Frankfurt's Executive Board

Wolfgang Marzin (centre), Uwe Behm and Detlef Braun are team players. Since 2010, as members of the Executive Board, they have been defining the profile of Messe Frankfurt together – as three of 1,629 employees worldwide. The success of the past financial year is the result of close cooperation between all stakeholders. The management intends to continue this corporate success in future by leveraging this internal networking to create new perspectives for Messe Frankfurt.



The exhibition business relies on networking. Through our international events and services, we create global industry networks and bring supply and demand together for real market partners. It is our job to keep these diverse communities alive. We must permanently ask ourselves the right questions in order to be able to provide our customers with the answers to tomorrow's challenges today – with new event formats, opportunities based on innovative technological developments and sustainable corporate governance.

Messe Frankfurt's Executive Board has been working together in its current constitution since July 2010. How has this first year been?

— Wolfgang Marzin:

For me it was an exciting start. There wasn't much time to settle in, because after the difficult world economic situation in 2009 we faced the challenge of stabilising and above all expanding our business. It quickly became clear to all three of us that this can only be done if we pull together as a team. That's why at Messe Frankfurt we have established an Extended Executive Board. This helps us to respond more rapidly to internal and market demands, take decisions more effectively and leverage synergies – above all in those business segments where we see potential for growth. And our success proves us right: without close and trusting cooperation both within the management and the entire Messe Frankfurt team, we wouldn't have achieved our new sales record.

— Detlef Braun:

New first of all was that there are now just the three of us making up the Executive Board of Messe Frankfurt. We have redistributed the tasks but nevertheless place great importance on strong networking with one another. Optimal collaboration between all parties involved is the alpha and omega of the trade fair business at all levels. Whether trade fairs at home or abroad, whether events

or services, whether intra-group shows or guest events – none of these can be seen in isolation. If we utilise the synergies, everyone benefits.

In what ways are trade fairs changing as a marketing instrument? And how important are guest events for exhibition corporations?

— Wolfgang Marzin:

Trade fairs are not only the mirror of the economy. They are also anchor points in the ebbs and swells of economic activity and as such guarantee stability in change. This has once again been impressively proved during the recent economic crisis. Already a highly regarded medium, trade fairs have as a result enhanced their standing even further. Trade fairs are among the key instruments in B2B communication, allowing existing contacts to be refreshed and new alliances forged.

A comparison across the trade fair sector shows that the crisis has strengthened those corporations that are internationally well-positioned and organise the world's leading trade fairs and events for entire business sectors. Things are not quite so rosy for the smaller organisers whose trade fairs are number 3, 4 or 5 in their respective market. Messe Frankfurt is the only German exhibition corporation listed among the world's Top 5 – a reflection of our business success.

— Detlef Braun:

Our trade fairs are key industry events that have given rise to a myriad other meetings – special shows, supporting programmes, conferences, receptions, B2B discussions, workshops, lectures. Together with all Internet activities and the various portals, each individual trade fair becomes an integrated platform. In addition to the classic function of trade fairs as marketplaces, they are also increasingly becoming communication platforms and meeting places for entire industries. This makes them irreplaceable even in times of economic austerity.

— Uwe Behm:

This is something we also notice when leasing our exhibition grounds to guest organisers. Leading international industry shows such as AACHEMA, EuroMold and CPhi Worldwide clearly illustrate the powerful attraction trade fairs have today. With 105 congresses and conferences independently of trade fairs drawing 129,400 participants, 2010 generated the highest congress sales to date.



Congress business is one business field where we continue to see high potential for growth. At the same time, with these successful events we also enhance the attractiveness of the entire region.

Exhibition corporations – to a greater extent than other enterprises – employ people with a very broad range of expertise. How do you link these abilities to enable Messe Frankfurt to derive the maximum benefit from them?

— Wolfgang Marzin:

The diversity of talents and qualifications is one of the major strengths of the trade fair industry – that is something I have experienced time and again in my more than 20 years in the business. But with all this diversity among



our staff, one thing is especially important: the ability to work together as a team. Because we perform best when every single member of staff pools their qualities and competences in order to achieve more together. We trust our employees, promote their individual responsibility as well as internal networking.

“The diversity of talents and qualifications is one of the major strengths of the trade fair industry.”

Wolfgang Marzin

— Uwe Behm:

Time and time again precisely these networks produce solutions and answers to complex challenges that surprise even us at first, but turn out to be convincingly logical and work a treat.

For example the two photovoltaic plants installed at our exhibition grounds. They were developed in cooperation with the Sonneninitiative association and with the financial support of the new plant owners – our staff and citizens of the region. With a convincing result: the plant provides clean electricity for around 330 households and our exhibition grounds have a new additional use.

— Detlef Braun:

Diversity and networking also open up new opportunities to further develop our events. The dialogue with our customers and partners continuously offers new perspectives.

Successful cooperation at the same time requires us to work with uniform high standards – both as regards internal processes and the way we present ourselves externally. As Messe Frankfurt we know who we are and how we wish to be perceived. This is something we have developed ourselves through our brand management and our corporate identity. And our customers reap the benefit every day.

Where do you see the main perspectives for the future?

— Wolfgang Marzin:

“Full house in Frankfurt” is our motto. Our aim is not only to hold on to our leading role in the global trade fair industry, but to build on it. We will do this on the one hand by adding new trade fairs to our portfolio. In 2011, Creativeworld, Texprocess and Maintier are on the agenda. We also aim to increasingly become a pioneer for innovative event and communication platforms. With the introduction of new formats – for example integrated trade fairs and conventions dealing with digital marketing themes – we have already taken the first step in this direction.

Another priority is to look after our customers more intensively. As a trade fair organiser, our goal is to be a marketing and services partner to our customers – offering them innovative concepts, new trade fairs and supporting measures. By strengthening our service mentality, we hope to increase customer retention. Here, our focus is particularly on networking real and digital services. The idea is to supplement our trade fairs with extensive information channels and offerings relating to all aspects of the exhibition events in communities and social networks. This means intensifying supplementary digital services – beyond the actual trade fair itself to year-round networking of all market partners. Our digital newsroom on the Internet, apps for smartphones and tablet PCs, as well as being on Twitter and Facebook, are just some examples.

— Uwe Behm:

Conference and congress business is another growth segment that can still be tapped further. In 2010 Messe Frankfurt generated its highest sales in congress business to date. We intend to follow on from this success by innovatively combining different formats.

Apart from our own group events, major international guest shows characterise our trade fair venue. Crowd pullers like the IAA Cars and the Book Fair each draw hundreds of thousands of visitors to Frankfurt.

Which routes do you intend to take internationally?

— Detlef Braun:

Despite the fact that our Frankfurt exhibition centre is one of the largest in the world, our possibilities to expand our events at our home venue are limited. Our greatest opportunities for growth are therefore outside Germany. Messe Frankfurt is in the meantime present in all growth regions around the world. The emerging markets in Asia – India and China in particular but also



We are therefore especially pleased that, taking its cue from the Book Fair, the IAA has now also made a long-term commitment to the Frankfurt venue, so that every two years to 2019 at least Frankfurt will be the world capital of the automobile.

the Middle East – are strong markets where there is still enormous backlog demand. This is accompanied by a corresponding demand for trade fairs, both within the regions themselves and beyond. Our 2011 event calendar therefore again features around ten international premières, with a focus on Dubai, Russia and Asia.

Translating ideas into success

Messe Frankfurt is looking to strengthen its leading role in the global trade fair industry. Sustainably enhancing its diverse portfolio and at the same time promoting strategic trade fair themes requires teamwork. Since 2010, the senior management has been supported by an Extended Executive Board – allowing it to respond faster to customer and market demands.

Companies that have a good knowledge of the market conditions, are quick to recognise changes and develop them into new ideas that drive their own business forward are pacesetters in their respective industry. On one condition: as well as an exchange with partners and customers, they must also foster teamwork within the company.

To ensure close integration of all segments and responsibilities at Messe Frankfurt, the chairmen Wolfgang Marzin, Uwe Behm and Detlef Braun have reinforced the senior management by appointing an Extended Executive Board. “Our aim is to be a pioneer for innovative event and communication platforms – even more so than in the past. To achieve this, we need to respond even faster and more flexibly to market changes,” Wolfgang Marzin says, explaining this decision. As part of the strategic reorganisation in summer 2010, the group-wide circle of management was extended to include Stephan Buurma as Managing Director of Messe Frankfurt Asia Holding and Klaus Münster-Müller as Chief of Finance.

Furthermore, a new Extended Executive Board has also been set up within the Messe Frankfurt Exhibition sub-group, composed of Iris Jeglitza-Moshage, Stephan Kurzawski and Klaus Reinke. This trio will be responsible for promoting strategic trade fair themes even more dynamically than in the past. As well as stabilising and further developing the product portfolio both in Germany and abroad, this includes standardising processes and structures within the group and continuing to develop central competences, for example in Sales. It is hoped that this close cooperation will enable ideas and growth prospects to be more rapidly identified and translated into success.

Chief of Finance Klaus Münster-Müller consolidates the group’s entire financial expertise on the Extended Executive Board. The core administrative functions Controlling and Finances are thus also positioned within the Executive Board. This is essential in order to meet the ever more complex requirements of corporate governance in the global marketplace.

Investments – be they to finance a new event or a company acquisition – are an important element of Messe Frankfurt’s growth strategy. Analysing and managing the financial aspects of such transactions plays a decisive role in their success. On the Group Executive Board the Chief of Finance ensures transparency and the best possible financial results with the lowest possible risk.



Klaus Münster-Müller | As Chief of Finance he keeps a careful eye on Messe Frankfurt’s finances.



Stephan Buurma | He brings his experience in international business to the Extended Executive Board.

International business plays an important role at Messe Frankfurt, with over a quarter of group sales generated outside Germany. The company is taking account of this by becoming the first German exhibition corporation to appoint a top manager from outside Germany to its management board. Stephan Buurma, Managing Director Messe Frankfurt Asia Holding, brings his valuable wealth of experience and expert appraisal of the Asian market to the Extended Executive Board.

His task is to create synergies between the strategies of the Frankfurt events and the strategies of the regional subsidiaries outside Germany. Stephan Buurma also sees to it that by working closely with the managing directors of all subsidiaries, the demands of the relevant foreign markets are given even greater consideration in the strategic decisions of the group.

“Our aim is even more than before to be a pioneer for innovative event and communication platforms. To achieve this, we need to respond faster and more flexibly to market changes.”

Wolfgang Marzin

Messe Frankfurt’s strength traditionally lies in its consumer goods fairs such as Ambiente, Tendence and Christmasworld. Stephan Kurzawski will lead this key field of expertise with its numerous trade fair brands to a secure future above all at the Frankfurt home venue and continue to develop it in step with the market.

At the same time, he is responsible for optimising sales management and enhancing sales expertise. In a group that is represented in more than 150 countries and organises trade fairs at over 30 venues around the globe, this is of vital strategic importance in order to successfully keep up with global competition.



Stephan Kurzawski | His remit focuses on strengthening consumer goods competence and optimising sales management.

Frankfurt is a top location for technology fairs. The leading ISH, Light + Building, IFFA and Texcare blue chip fairs are representative of this. Energy efficiency, automation and security are key issues and decisive growth drivers in the capital goods industry.

In her position as a member of the Extended Executive Board, Iris Jeglitza-Moshage is leveraging her know-how in these areas to further develop the Technology & Production field. This involves establishing new events in Frankfurt for the capital goods industry, such as Texprocess (new in 2011), as well as developing existing events such as Intersec internationally. The portfolio of security trade fairs in the meantime comprises six events in Dubai, Asia and South America.



Iris Jeglitza-Moshage | Her know-how is being leveraged to further develop the Technology & Production field.

Extended Executive Board of Messe Frankfurt Exhibition



Klaus Reinke | His task is to expand Messe Frankfurt’s business with new event formats as well as digital services and products.

Messe Frankfurt will continue to offer new events in strong growth sectors at its Frankfurt home venue. In this field, Klaus Reinke consolidates all activities related to Messe Frankfurt’s new business. He is responsible for systematically identifying and implementing trade fair themes in unoccupied fields of expertise, allowing the company to strategically pursue growth prospects by investing in new sectors.

At the same time, it is planned to underpin the successful portfolio development with innovative digital media and platforms by further enhancing Messe Frankfurt’s online business above and beyond the existing messefrankfurt.com and productpilot.com portals.

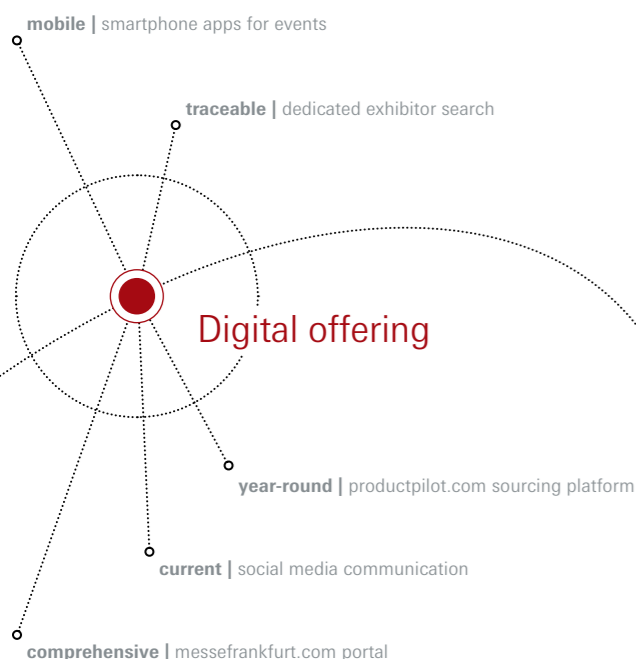


How do we prolong
a five-day trade fair
to a whole year?

Networked | Digital interaction

For Alexandra d'Archangelo, marketing manager of Texworld USA, on Tuesdays textiles trends have centre stage – via social media. Via the online campaign #textiletuesday, she posts the latest news from the textiles sector on Facebook and Twitter – and like this networks exhibitors and visitors in a targeted way beyond their actual visit to the trade show in New York, Paris, Shanghai or Frankfurt.

Engaging in interactive exchange: Alexandra d'Archangelo and François Decaux (picture this page) as well as Stefanie Stapper, Henric Uherek, Matthias Freihaut and Dr Ulrich Thieme (from l. to r. picture right) extend trade fairs onto the Web.



Messe Frankfurt's cooperation in the field of e-business is as international and networked as the Internet medium itself. Digital information and services as well as digital communication prolong the real trade fair experience to the Web and create a strong link to exhibitors and visitors.

Bringing the right exhibitors and visitors together is the key to a successful trade fair visit. Digital technologies and communication media help to network people more intensively than ever. "We aim to leverage the best the digital possibilities offer in order to make B2B communication even more effective and enhance our customers' business success. And not just while the event is running", says Klaus Reinke, who is responsible for New Business as a member of the Executive Board of Messe Frankfurt Exhibition.

Which exhibitors are coming to the fair and where exactly is their stand? Where can buyers find the product providers they are interested in? And what conference programme is currently on? Updated on a daily basis, the event-based exhibitor and product search as well as interactive hall plans and event overviews are useful tools when preparing a trade fair visit. The messefrankfurt.com corporate portal provides all the necessary information at a glance.

Yesterday's innovations are today's standard

Since 2010, Messe Frankfurt has offered smartphone apps, small add-on programs for iPhone and co., for all its trade fairs in Frankfurt, which ensure direct navigation to the right market partners. "The app provides quick orientation on the visitor's own mobile phone, including a map of the exhibition grounds, exhibitor search and buddy finder – in other words more service all-round," says Henric Uherek, digital business project manager and co-developer of the app family.

A variety of communication platforms inform visitors and exhibitors of what trend topics are currently at the heart of the industry. Online marketing manager Matthias Freihaut: "With the help of social media offerings such as Facebook, Twitter or Xing, we are intensifying our exchanges with and among our customers". For the past two years or so, he has among other things supervised the Musikmesse (International Music Fair) Facebook fan page, which in April 2011 posted more than 16,000 fans.

Networked through real and digital platforms

"In some sectors, the new dialogue media are simply a matter of course," confirms Alexandra d'Archangelo, marketing manager at Messe Frankfurt Inc., USA. Via the #textiletuesday online campaign on Twitter and Facebook she above all reaches fashion designers and creative minds in the textiles industry. Her French colleague François Decaux from Messe Frankfurt France, by contrast, addresses exhibitors and visitors at Texworld Paris with YouTube videos.

With the help of digital interaction, Messe Frankfurt prolongs trade fairs beyond their real event timeframe. Productpilot.com, Messe Frankfurt's cross-sector and cross-event sourcing platform, offers targeted business matching on the Internet all year round. "Here, buyers can find the manufacturers and service providers they are looking for. With the help of productpilot.com and other online offerings, we have closely linked the potential of the Internet with trade fair business," says platform director Dr Ulrich Thieme. Like this Messe Frankfurt becomes networked, enabling its customers to also become even better networked.



How can we assume
responsibility
within our region?

Neighbourly | Citizen-owned solar power plant
When the sun shines over Frankfurt Mario Steurer, Technical Building Services, is happy. Because then the two citizen-owned solar power plants on the exhibition grounds generate electricity for around 330 Frankfurt households. Mario Steurer implemented the project together with the Sonneninitiative association and with the financial support of the new owners of the plant – citizens of Frankfurt and employees of Messe Frankfurt.



Partnership basis: Mario Steurer, Messe Frankfurt (picture bottom) and Volker Klös, chairman of the Sonneninitiative association (right), have implemented two citizen-owned solar power plants on the rooftops of Messe Frankfurt.

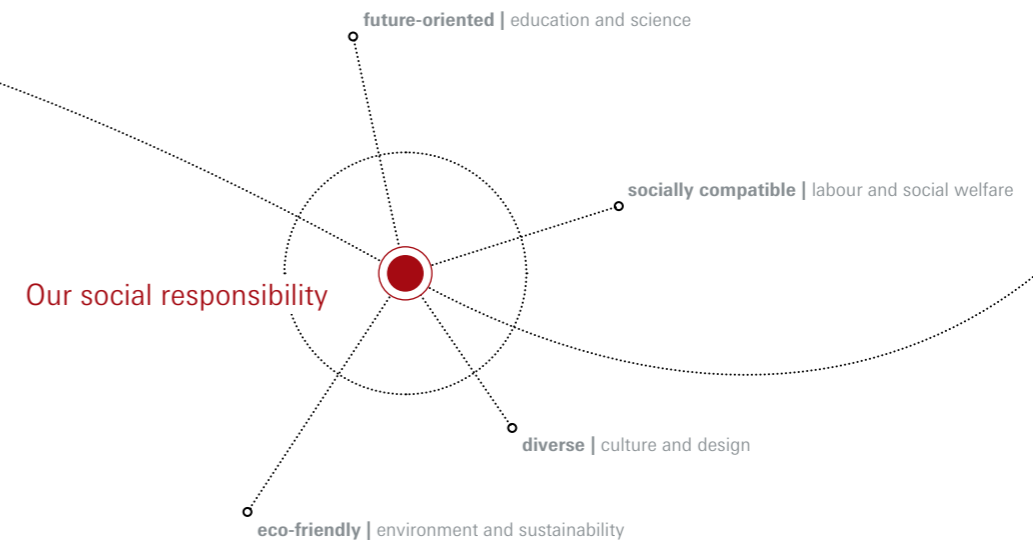


Covering a surface area of 578,000 square metres and counting ten halls and a congress centre, the Frankfurt exhibition complex is one of the largest in the world. As the operator of this venue, Messe Frankfurt shoulders a huge responsibility. Sustainable management and environmental protection therefore come high up on the agenda.

Technical solutions for resource-saving building technology are plentiful. They can be seen every year at the industry flagship fairs ISH or Light + Building. This is also where Mario Steurer discovered the latest trends. Responsible for energy management at Messe Frankfurt, he looks into the use of efficient technology and renewable energy sources for the company and drives their implementation forward.

From citizens for citizens

“Photovoltaics aroused our interest early on, for example,” Mario Steurer says. The only thing missing was a concept for financing such a plant. Messe Frankfurt found a partner in the region with a visionary idea: the Sonneninitiative association based in Marburg/Hesse sponsors the construction of photovoltaic systems as solar power plants with citizens’ participation.



In 2009, in cooperation with the association, the roof of Hall 10 was converted into such a citizen-owned solar power plant with 2,097 photovoltaic modules. “Since October 2009, it has provided solar power for around 130 private households in Frankfurt and at the same time a respectable reimbursement for Messe Frankfurt employees and citizens of the region,” Mario Steurer says with satisfaction. For they have acquired shares in the plant and thus helped to finance it.

Pointing the way

A second solar power plant with citizen participation was planned and installed in 2010. This time with an innovative character: Messe Frankfurt’s “Am Rebstock” car park features the world’s first photovoltaic plant installed on solar carports on the roof. The carports provide shade for parking cars and electric vehicles can in future be recharged on the spot. The solar energy, produced on a module surface of 6,172 square metres, meets the electricity requirement of some 200 homes in the region.

Once the plants are installed, the Sonneninitiative association assumes responsibility for their technical operation. Mario Steurer on the other hand continues to optimise the hall technology on the trade fair grounds with a view to more efficient and needs-based energy use. Environmentally sound practices can be found everywhere at Messe Frankfurt: for example in a regulated waste management system that recycles up to 90 percent of all waste. A special logistics concept also helps to ease traffic congestion in the region.

Responsibility has many aspects

Responsible corporate governance at Messe Frankfurt goes far beyond ecological sustainability. Thanks to flexible working time models, back-up child care and a range of health programmes, the company also assumes responsibility towards its staff. Education and science is for example promoted through an endowed chair at the Johann Wolfgang Goethe University in Frankfurt. Around the world, Messe Frankfurt supports cultural and social causes linked to its trade fairs. This also includes conferring prizes for outstanding achievements in music, architecture and design. This partnership-based contribution is documented since 2010 through Messe Frankfurt’s adherence to the United Nations Global Compact, the world’s largest voluntary corporate sustainability initiative.



How do we bring
people, products and
ideas together?



International | Our trade fairs worldwide

At over 30 venues worldwide, Messe Frankfurt creates platforms for new ideas and networks supply and demand in a wide range of sectors. We do this by maintaining a global network for our customers in over 150 countries. Just like Rikke Lacoppidan. As sales partner to Messe Frankfurt in the second generation, she has been supporting exhibitors and visitors from Denmark and Iceland for 15 years.

Consumer Goods & Leisure

Tastes differ. They make the world colourful and varied. Presenting the widest product offering and latest trends across the industry, Messe Frankfurt's international consumer goods fairs provide the right ingredients – in an exciting new recipe.



Marketplace

The return to its original date at the end of August had a stabilising effect on Tendence in 2010. The balance: full order books.

Tendence is and remains the most important international date for the consumer goods industry in the second half of the year. This was underscored in 2010 by a nine-percent rise in visitor numbers. Just short of 57,000 buyers and retailers came to Frankfurt to see the latest trends for living, decorating and giving and fill the order books.

For retailers, the strong Christmas trading period is especially crucial for success. To score points with customers, their range needs to reflect the right products and seasonal trends. Tendence provides orientation in a sea of international choice – not only with a new site occupation plan and clearly structured individual product categories. Projects like “Talents” and “Next” give the new generation of creative young designers and start-up companies the chance to show trade visitors what the future holds in store. Tendence thus combines international business, lifestyle, creativity and the latest design trends.

tendence

Home of beautiful objects

At home in Frankfurt: trendsetters, market leaders, retailers and buyers from all over the world come together at Ambiente, the world's most important event in the consumer goods sector.

The figures speak for themselves: more than 4,300 exhibitors from over 80 countries are represented at Ambiente in Frankfurt every year. Some 73 percent of these come from outside Germany. They present what will be on retailers' shelves in the coming season and in our homes soon afterwards: the latest trends in tableware and kitchenware, lifestyle, giving and decorating articles, home accessories and furnishings.

In 2010 the unique breadth and depth of products on offer attracted over 132,000 buyers from 160 countries. “Ambiente is not only a platform where Germany does business with the rest of the world,” says Nicolette Naumann, Vice President Ambiente/Tendence. “International buyers come to Frankfurt to order from foreign exhibitors.” For example, there has been a rise in the number of Chinese buyers in the high-end segment.

Demand on the Chinese market for high-quality consumer goods is not only being felt in Frankfurt. Interior Lifestyle China has grown continuously since its premiere in 2007 – reflected both in increased exhibitor and visitor numbers as well as the superior quality of the products on offer. “At Ambiente 2011 as many as three products offered by Chinese exhibitors were awarded the Design Plus prize,” Nicolette Naumann notes, underscoring this development.

ambiente



Shining star

Christmasworld has been writing a success story as the world's number one platform for Christmas and festive decorations for many years. Steady growth makes it the secret star in Messe Frankfurt's consumer goods portfolio. With plenty of festive occasions to celebrate throughout the year, this comes as no surprise. Every year almost 1,000 exhibitors rise to the occasion and present party and festive articles, decorative lighting and fireworks and plenty of decoration ideas. This success is also being carried to the international stage with Festivalworld in Moscow in 2011.

christmasworld

Trend-setting

New demands on the "green office" are creating growth potential for Paperworld in Frankfurt and worldwide. The world's flagship fair in this sector also scores points for creativity.

Simply using recycled paper is not enough to turn the workplace into a "green office". Conserving all resources is just as much a part of this as using sustainable office supplies. At Paperworld, manufacturers and retailers from the paper, office supplies and stationery sector present a comprehensive range of products for environmentally friendly office design.

Remax with its focus on sustainability is perfectly integrated into the Paperworld portfolio. Messe Frankfurt acquired Europe's biggest trade fair for the remanufacturing and recycling of printer materials and accessories in 2011 after already successfully staging the fair in Frankfurt in 2010. The new complementary Remanexpo product portfolio offers enormous potential for future activities outside Germany, for example at Paperworld Middle East, Paperworld China and Paperworld Russia.

Messe Frankfurt is also supporting the dynamic development of the creative sector by developing the Paperworld Creative product field into an independent trade fair for hobby, craft and art supplies in 2011. Creativeworld will in future be held in tandem with Paperworld Frankfurt.

paperworld

Mirror, mirror

Beauty has many faces at Messe Frankfurt. Hair and Beauty in Frankfurt is the meeting place for the German hairdressing trade – from juniors to top professionals. Here they can find the latest trend hairstyles, new hair care and cosmetic products, make-up and nail designs as well as all the latest salon accessories. As market leader, Beautyworld Japan is the main platform for beauty products in Asia's key cosmetics market. In Dubai, Beautyworld Middle East opens the door to the Arab world for the beauty industry.

hair&beauty beautyworld



Perfect symbiosis

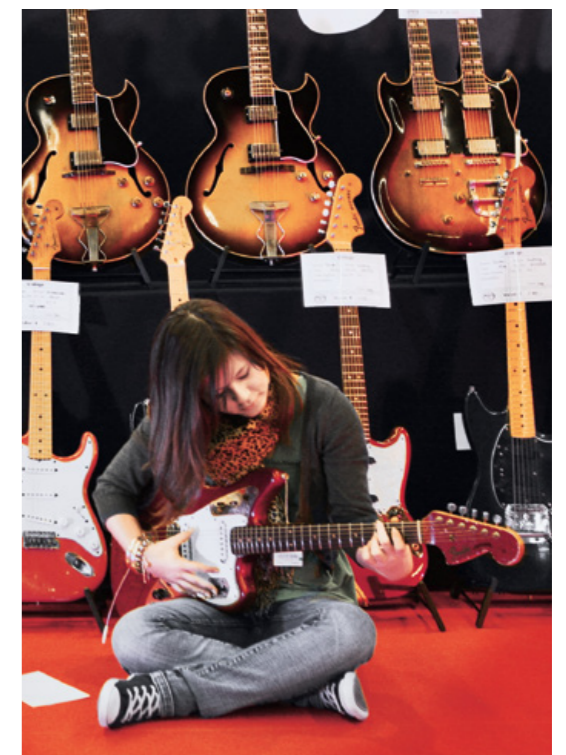
The networking of trades in the music and entertainment industry is decisive for success in showbiz. Just like an orchestra, sound, lighting effects, stage equipment and musical instruments all have to be in tune with each other.

Each year, Musikmesse (International Music Fair) and Prolight + Sound together mirror the international market: in 2010, 77,609 visitors at Musikmesse in Frankfurt experienced more than 30,000 musical instruments, sheet music, software and accessories, as well as 1,000 events and concerts. At the same time, 825 exhibitors at Prolight + Sound provided an overview of the latest trends in sound, lighting, theatre and stage engineering as well as media technology and networking.

This perfect symbiosis is reflected in the PRG LEA (Live Entertainment Award), a prize awarded by artists to those who work behind the scenes in the entertainment business – in 2011 for the first time in Frankfurt's Festhalle (festival hall).

The networking of different crafts is just as successful in Asia: together with Prolight + Sound Shanghai, Music China has over the past ten years developed into the world's second-largest music and entertainment trade fair. Since its debut in 2002, the number of exhibitors at Music China has more than quadrupled to 1,274 in 2010. This goes hand in hand with a growing number of enthusiastic visitors.

musikmesse proligh+sound



Textiles & Textile Technologies

The textiles industry is at home all over the world and is continuing to consolidate thanks to state-of-the-art production and logistics chains. With its international textiles fairs, Messe Frankfurt weaves an important web between the world's major textiles centres, bringing together stakeholders from all segments.

Tailor-made

Messe Frankfurt's textiles network sets trends and makes the textiles industry buzz.

Messe Frankfurt is the world's leading organiser of textile technology and textiles fairs. The international textiles industry meets up at the Frankfurt venue, as well as in Atlanta, Moscow, Mumbai, New York, Paris, Shanghai or Tokyo. "With our trade fair concept, we offer companies in all of the industry's major production and sales regions important contacts, market insights and presentation possibilities," says Olaf Schmidt, Vice President Textiles & Textile Technologies.

30 events present the entire textiles value and process chain from apparel fabrics and fashion, home and contract textiles, to technical textiles, textiles processing and care. These network over 12,000 exhibitors and around 360,000 visitors in seven countries and stimulate the pace of the entire industry. "We identify our customers' requirements at an early stage and can adapt our portfolio accordingly. This experience makes us the partner of choice across the entire textiles industry," Olaf Schmidt is keen to point out.

Major acquisitions in the past year have additionally strengthened the portfolio: from 2010, with the Ethical Fashion Show, Messe Frankfurt is also providing a platform for the fashion industry. Texprocess by contrast, is from 2011 presenting a varied programme relating to the processing of textile and flexible materials. Olaf Schmidt is confident: "Like this, our network covers a comprehensive and future-pointing product range."



Green light for the future

Sustainably managed raw materials, processes and products determine the agenda of the textiles industry. Heimtextil reflects and motivates this dynamism.

The home textiles industry has undergone profound changes over the past few years. Today, it is back in force at Heimtextil. In 2010 and 2011 the world's showcase fair for home and contract textiles has continuously attracted growing numbers of visitors. In 2011, it also recorded a rise in the number of exhibitors and raised the level of exhibitor internationality to 86 percent.

Dynamic impulses for the industry come from the social megatrend, sustainability. The criteria for ecological and socially compatible management are becoming more important across the entire process chain. There is an increasing call for this product quality within the market, as the demand for bathroom textiles and bed linen as well as floor coverings illustrates. The prospect of an above-average positive development in the segment for sustainable textiles is a clear innovation driver.

Heimtextil supports this trend in a number of important ways: a green directory lists qualified exhibitors with eco-friendly materials or sustainable production and provides an ideal orientation and buying guide for visitors. The lecture and special show programme also takes account of this development.

heimtextil



High-tech textiles industry

Technical textiles have enormous development potential and application possibilities. New materials and processing technologies are in high demand.

Carbon and ceramic fibres are a highly innovative field of research within the technical textiles segment. Properties such as extreme strength, exceptional lightness and high elasticity make these fibres an important component in lightweight materials of the future.

The results of textiles research are presented every two years at Techtextil in Frankfurt, the leading international trade fair for technical textiles and non-wovens. Here, visitors not only find fibres, yarns, woven or coated fabrics, but also surface and joining techniques as well as machines and technologies for manufacturing and processing technical textiles – in other words an overview of the entire process chain.

Since 2009, Material Vision has been held parallel to Techtextil, showcasing materials for product development, design and architecture. From 2011, Texprocess will also present processing technologies for textile and flexible materials. The interrelated trade fair themes create even stronger networking for the entire sector.

techtextil **material**vision

Ecological and chic

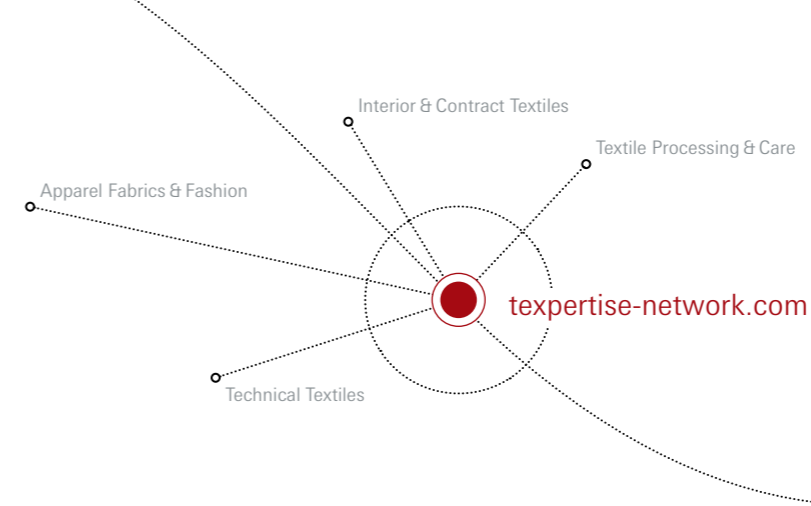
The Ethical Fashion Show in Paris presents fashion and accessories produced with ecological and socially responsible aspects in mind and is the ideal complement to Messe Frankfurt's textiles portfolio.

In the past, "eco-fashion" used to be synonymous with scratchy socks and sack-like dresses. Today it stands for top-fashion apparel, as the Ethical Fashion Show in Paris proves. Since 2004, this is the platform where designers and textiles producers showcase their eco-friendly and socially-responsible collections.

Those whose most recent fashion creations can be admired on the catwalk are committed to sustainable, resource-conserving production and fair working conditions. In 2010, over 2,100 buyers and fashion-loving visitors came to see haute couture, sports- and streetwear, lingerie, footwear, bags and jewellery that are both ethically sound and attractive.

With its eco-friendly off-the-peg fashions, the Ethical Fashion Show is a fitting addition to Messe Frankfurt's textiles portfolio. Acquiring the show has enabled the company to further expand its competence in 2010 and now round off the textiles value chain with the fashion segment.

Since 2007, Messe Frankfurt has consistently promoted textiles produced using ecological and socially responsible processes. In particular the major apparel textiles shows Texworld and Interstoff Asia Essential have established special forums for these products and organise their visitor guidance system so that these manufacturers are quickly found. With their product ranges, they also provide an excellent interface and source of inspiration for apparel manufacturers.



Technology & Production

The key to smooth-functioning process chains is the perfect interplay of all individual technical elements. The networking of technical components into a functioning system gives rise to innovations for global challenges: to be seen first at Messe Frankfurt's global flagship fairs for Technology & Production.

Innovation forum

Innovation is the source of progress. Messe Frankfurt's technical trade fairs offer the best possible platform for new and sustainable technologies.

The Technology & Production field subsumes all of Messe Frankfurt's capital goods trade fairs. Currently, more than ten trade fairs a year around the world – as it were almost every four weeks – present innovations, ranging from building and energy technology, via architecture and design, to food or textiles processing technologies.

The international blue-chip fairs in this segment are ISH, Light + Building, IFFA, Texcare, Texprocess and Intersec. They are the global meeting point for high-tech and high-end design. Energy efficiency, sustainability, automation and security are the dominant themes in the capital goods industry and at the same time the key drivers of growth. When it comes to effectively translating the high level of innovative strength into exploitable technology, the leading fairs in the respective sectors play a decisive role as innovation forums, knowledge platforms and exchanges for establishing new customer contacts.

Integrated systems efficiency

The energy savings potential in buildings is immense, but can only be fully exploited through integrated architecture and technology concepts. Light + Building brings together solutions from the fields of lighting, electrical engineering, home and building automation.

The choice of illuminants is without a doubt the first step towards actively reducing power consumption. Whether compact fluorescent lamps or luminaires based on halogen or LED technologies – these alternatives promise energy savings of up to 85 percent compared to a normal light bulb. These new illuminants are above all establishing themselves in technical lighting solutions, having a positive effect on future developments in terms of service life, efficiency and potential applications.

Energy-saving bulbs alone are not enough, however, to make buildings as one of the biggest energy guzzlers – compared to the industry and transport sectors – more efficient. Every two years, Light + Building shows how buildings can be run in an efficient and eco-friendly way, without sacrificing comfort, security and wellbeing. Intelligent building technologies and building automation showcase sustainable solutions that can be achieved through coordinating integrated, holistic building design between all trades involved.

In 2010, 2,154 exhibitors showed their products and systems in the fields of lighting, electrical engineering, home and building automation under the “energy efficiency in buildings” leitmotif. 183,111 trade visitors – 43 percent of whom came from outside Germany – discovered products and solutions with which it is possible to directly reduce energy consumption in buildings by half. The next Light + Building takes place in Frankfurt from 15 to 20 April 2012.

light+building



Responsibility for water and energy

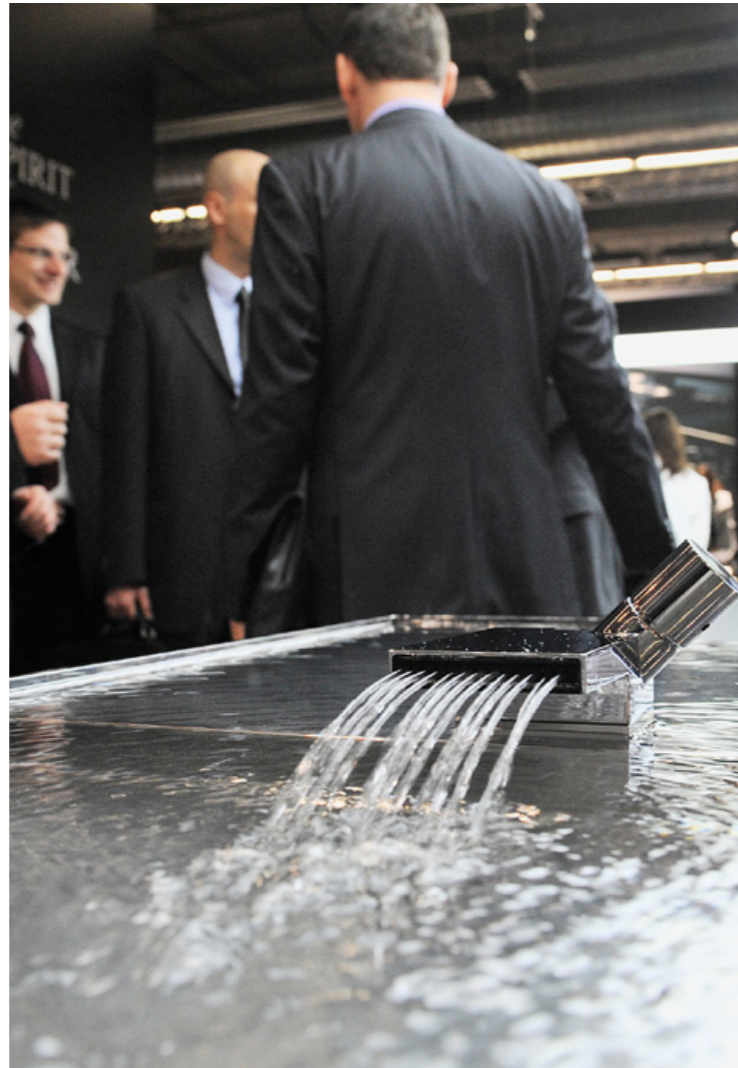
The ISH is one of the world's ten biggest trade fairs and the international industry meeting place for sanitary-ware, heating and air conditioning technology.

Every two years, the industry showcases the latest global developments in innovative bathroom design and environmentally friendly building technology in the two supply sectors ISH Water and ISH Energy. In March 2011, manufacturers from the ISH Water sector present the three hottest trends for the coming years: Bathroom Interior, Green Bathroom and Easy Bathroom. These are all about space concepts, sustainable bathroom design and comfortable bathrooms that make life more pleasurable for every generation.

In the ISH Energy sector, visitors can find efficient heating and air conditioning technologies hand in hand with renewable energies such as biomass, solar and geothermal energy or heat pumps for heating and cooling, as well as solar air conditioning or heat recovery systems. In sum, the ISH Energy sector offers the world's most extensive spectrum of eco-friendly building technology solutions – not just visions or concepts, but ready-to-go technologies.

The world of installation technology is the linking element at the ISH between the ISH Water and ISH Energy sectors. The next ISH event will be held from 12 to 16 March 2013.

ISH



Textiles technologies Higher security

Messe Frankfurt is further building on its competence in technologies for textiles processing and care.

Texcare International scheduled for May 2012 in Frankfurt will already be the 13th event of its kind. The world's biggest capital goods fair for the textiles care sector focuses on the latest developments in energy-efficient machinery as well as fabric- and eco-friendly laundry and care products. In 2010 the Russian offshoot – Texcare Russia – celebrated its premiere as a fully-fledged trade fair in Moscow.

Another new addition to Messe Frankfurt's portfolio is Texprocess. The leading fair for the processing of textiles and flexible materials is being launched in Frankfurt from 24 to 27 May 2011, parallel to Techtex. 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.

texcare **texprocess**
international

With the Intersec and Secutech trade fairs, Messe Frankfurt is expanding its portfolio in the field of security and is present in the industry's growth markets.

Security is a global topic that harbours enormous potential for growth. The increasingly important role of this sector in Messe Frankfurt's event portfolio underscores this trend. This is reflected in the steadily growing number of trade fairs specialising in security. Currently offering six events, Messe Frankfurt is out in front in this sector worldwide, with trade fairs being held in the growth markets of Asia, the Middle East and South America.

The portfolio includes the Intersec trade fair in Dubai, Intersec Buenos Aires – held every two years alternating with Seguriexpo Buenos Aires – as well as Secutech Taiwan, Secutech Vietnam and Secutech Thailand. The spectrum of products and solutions covered reflects the varied demands on everything to do with the global topic of security. Innovative fields within the security sector include IT security and data protection, biometrics and HD surveillance technologies.

intersec

More international than ever

IFFA has reaffirmed its role as the leading international trade fair for the entire meat processing industry. In 2010 the event drew a total of 58,245 visitors to Frankfurt to check out and order innovations in the process chain of the meat processing industry. 59 percent of the visitors came from outside Germany, thus increasing the level of internationality at the event by 11 percentage points compared to the previous event in 2007. Focal themes included advances in the degree of automation, safety and traceability as well as hygiene. Additives, seasonings and aromas, together with packaging, are also becoming more important in meat and sausage production.

IFFA



Mobility & Infrastructure

Mobility and a functioning infrastructure are key elements for economic prosperity. Environmental technology has also become a major economic factor. Messe Frankfurt offers these growth sectors innovative events around the globe, and is thus a linking element in a mobile world.



Automechanika goes green – worldwide

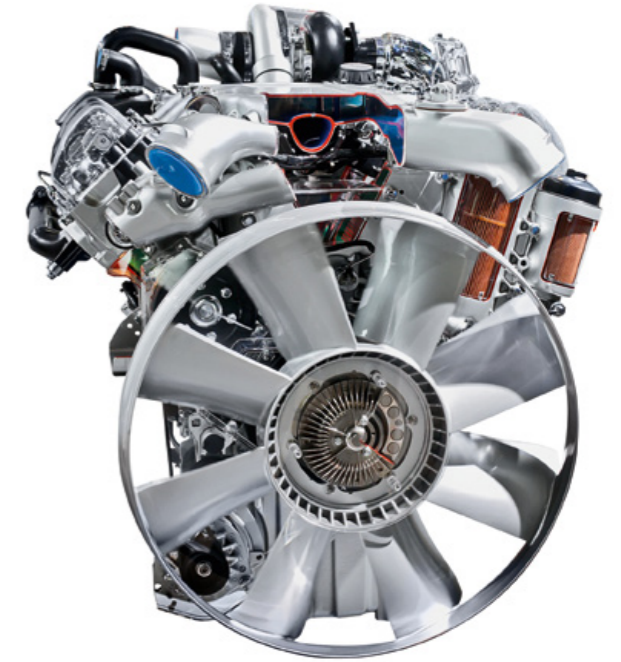
The changing values in the automotive industry are also reflected by the range of products and services offered at Automechanika, the leading international trade fair in the automotive sector. Sustainable and low-emission solutions are gaining importance – irrespective of whether at the events in Frankfurt, Johannesburg or Shanghai.

The demand for new concepts and products as well as alternative drive systems is challenging the automotive industry as a whole. In its Green Directory visitor guide introduced in 2008, Automechanika Frankfurt highlights exhibitors whose products and concepts give special consideration to eco-friendliness. Since 2010, electric mobility and its integration into the automobile aftermarket have been focal points at Automechanika and will in future be a standard feature in the “Parts & Systems”, “Service Station & Car Wash” and “Accessories & Tuning” product categories. At the Automechanika trade fairs around the world, exhibitors also present sustainable solutions and technologies for reducing fuel consumption and emissions.

Many companies are using the 12 Automechanika trade fairs currently held outside Germany as an opportunity to familiarise themselves with regional markets and build up their own sales networks in these regions. One such example is Automechanika Shanghai as the biggest trade fair of its kind across Asia. In 2010 it again broke all records with a 30 percent increase in the number of exhibitors and visitors respectively. A similar positive development was recorded by the Automechanika trade fairs in Buenos Aires, Mexico City, Johannesburg, Dubai and Istanbul. A new addition to the portfolio is Motortec Automechanika Ibérica, which celebrates its successful launch in March 2011 in Madrid.

The world's leading business platform for the supplier and components industry, repair shop and retail segment, however, remains Automechanika Frankfurt. In September 2010, it attracted as many as 153,837 visitors from 181 countries – more than ever before – to the metropolis on the River Main. 4,471 exhibitors, 3,645 from outside Germany, presented the latest trends and developments in the automotive aftermarket. The next Automechanika is scheduled for 11 to 16 September 2012.

automechanika



Environmental stage

Appropriate management of natural resources such as water or air has a positive effect on a country's competitive ability and enhances the quality of life of the people living there. Innovative technologies and infrastructure concepts are not only in demand in western societies: with Eco Expo Asia in Hong Kong and Water Expo China in Beijing Messe Frankfurt is also positioning itself in high-development regional markets. The growing interest in the Canadian Waste & Recycling Expo 2010 is a further indicator of the growing environmental awareness within the public infrastructure.

canadian
waste & recycling expo

ECO Expo Asia
International Trade Fair on Environmental Protection

Water Expo China
中国水博览会

Media & Creation

Information and communication technologies impact all areas of the economy. The creative and media sector in particular is experiencing change as a result of new digital media and technologies, as well as new communication channels. Messe Frankfurt is expanding its event portfolio in this high-growth market of the future.

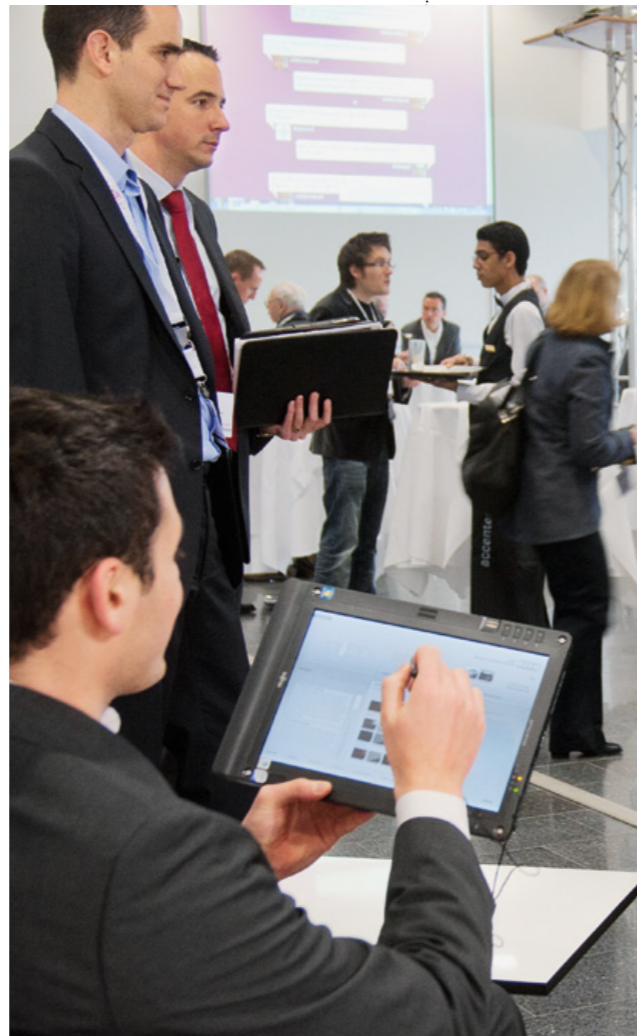
A growing network

Digital media enhance the possibilities for customer communication and online business. Messe Frankfurt provides orientation with a network of specifically targeted events.

Email-Expo specialises exclusively in email marketing. This is precisely why the premiere of the trade fair in 2010 was such a success. Integrating the lectures into the trade fair ensures an effective mix of knowledge and communication and creates an ideal interface between technology providers and individual needs of users.

Also new and just as successful in 2010 was the innovation convention Digital Touch. In their lectures, top experts and visionaries focused on trends in efficient digital customer interaction such as intelligent touch-point management, mobile business, e-commerce and e-payment.

Messe Frankfurt further reinforced its network of IT and Internet-related events in 2010 with the acquisition of M-Days, one of the most important events for mobile communication, sales and content solutions in the European marketplace. Other new additions to the portfolio are Be Connected with its focus on customer dialogue and Voice+IP, which highlights ITC technologies.



Guest shows, congresses and events

The right choice for every idea: excellent infrastructure, modern premises and perfect service from a single source make Messe Frankfurt the ideal partner for event organisers looking to successfully implement their individual trade fair, congress, conference and event concepts.

Strong performance

Over the past decades, the congress sector has firmly established itself as a dependable as well as an important sector of the economy – and Frankfurt is no exception.

Congresses and conferences belong to Messe Frankfurt's bread-and-butter business with potential for future growth. Hosting 105 congresses and conventions independently of trade fairs with 129,400 attendees, Messe Frankfurt recorded its strongest congress year ever in 2010.

The concentration of events was enormous: for the first time the ADC summit, the biggest convention in the creative industry staged by the Art Directors Club for Germany was held in Frankfurt, drawing 10,000 visitors. Other major events included the Deutsche Stiftungstag (German Foundation Day), the Frankfurt Global Business Week, the HP Technology@Work convention and the SAP congress SAPPHIRE NOW with over 5,600 participants. SAP also staged for two additional congresses in the summer and autumn of 2010.

Congress Frankfurt plays host to numerous congress and convention organisers from the finance sector, IT and telecommunications, as well as the pharmaceuticals and medical industries. These include long-standing customers such as Deutsche Bank AG, which held its AGM at the Festhalle for the 13th time. Euro Finance Week and the Deutsche Schmerz- und Palliativtag (German Pain and Palliative Medicine Day) similarly guested for the 13th time in 2010.



The right chemistry

If an event idea and the perfectly choreographed framework conditions develop into a successful trade fair, then as a full-service provider Messe Frankfurt has correctly recognised and satisfied the needs of its organisers and customers.

Guest shows have been regularly staged at the Frankfurt exhibition venue since 1949. These include world-famous crowd-pullers such as IAA Cars (International Motor Show) and the Frankfurt Book Fair, as well as leading international industry shows such as ACHEMA, the flagship event for the chemical industry, EuroMold for the tool and mould-making industries, IMEX for the MICE industry and CPhi Worldwide for the pharmaceuticals industry.

These shows reflect both the diversity of topics and the varying demands on the organisation of trade fairs. As a full-service provider, Messe Frankfurt offers individually tailored solutions, the flexible infrastructure of the Frankfurt exhibition grounds and extensive services from a single source. Drawing on its extensive expertise, Messe Frankfurt offers organisers as well as their exhibitors and visitors advice and hands-on support. Long-standing and trust-based partnerships and successful events in Frankfurt are the result of these customer relationships.

Glamorous

2010 was a firework of stars: Joe Cocker, Simply Red, Alicia Keys, Die Fantastischen Vier, Rihanna, the Scorpions, Sting, Michael Bublé, Mark Knopfler, Supertramp and many other national and international artists invited the public to their concerts in Frankfurt's Festhalle (festival hall).

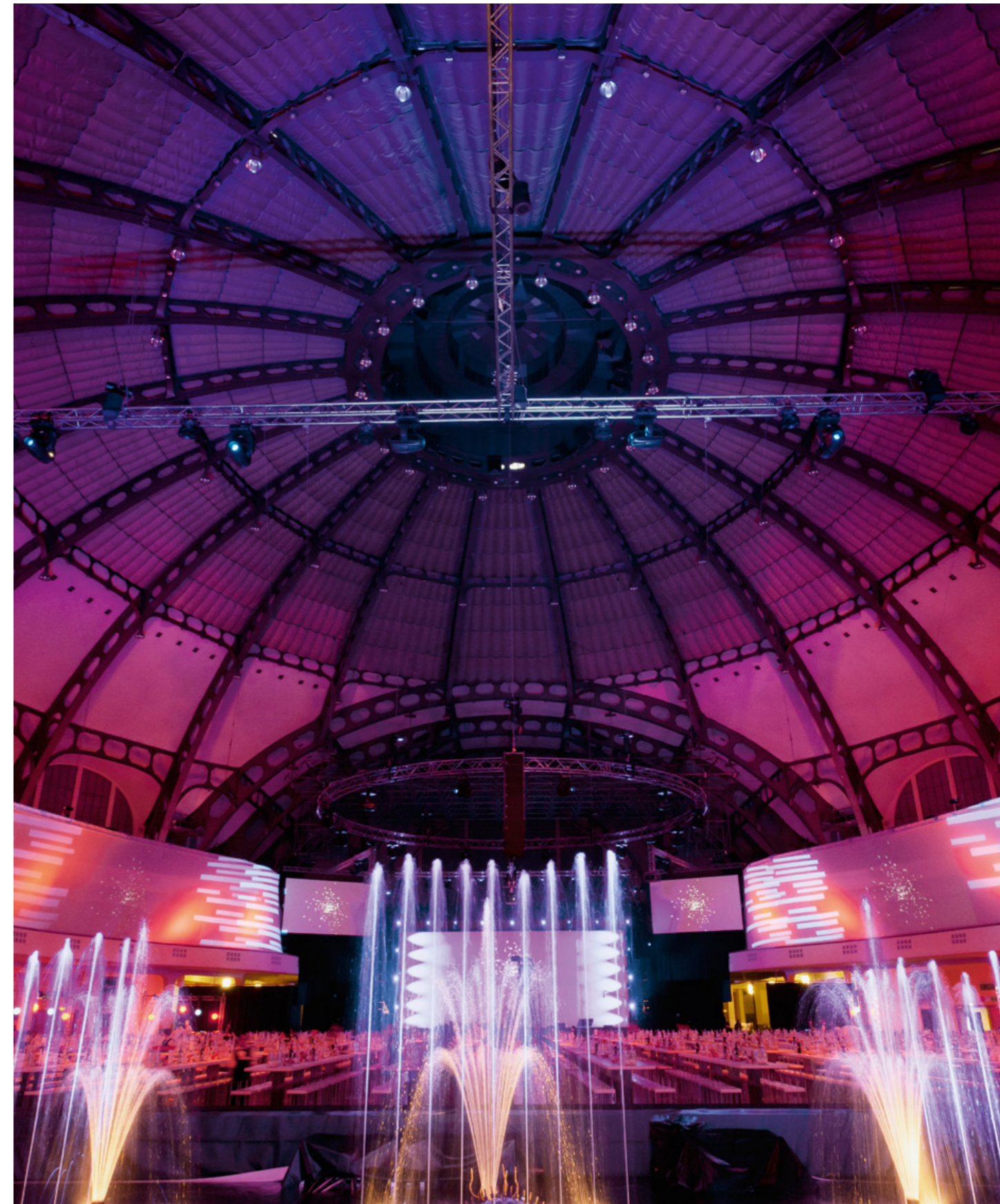
More than half a million guests took part in a total of 76 events held at the exhibition grounds – alongside classics like the International Festhalle Riding Tournament, the Frankfurt Marathon and Holiday on Ice, these also included unique company events for such prestigious names as Audi, REWE, ING-DiBa and BMW Mini.

The Frankfurt Festhalle is a venue with an exceptional atmosphere as well as being a veritable master of metamorphosis for grand festive occasions, sporting and cultural events, company events, conferences, exhibitions and gala dinners – for more than 100 years.

Trusted partners

The International Motor Show (IAA Cars) is one of the biggest and most prestigious trade fairs for mobility and transport worldwide. Every two years, the international automotive world comes together at the Frankfurt exhibition venue, admires the latest car models and is inspired by visions of the future of mobility. And this has been the case for the past 60 years.

The successful collaboration between the organiser of IAA Cars, the German Association of the Automotive Industry (VDA), and Messe Frankfurt is set to continue in the future. Until at least 2019, the crowd-puller will draw hundreds of thousands of visitors to Frankfurt every two years. “We would like to continue down this successful path with our partners from Messe Frankfurt and the city of Frankfurt. Our agreement guarantees our exhibitors – manufacturers and suppliers from across the globe – consistency and planning security,” says Matthias Wissmann, President of the VDA. To strengthen the positioning of logistics in Frankfurt, the VDA Logistics Congress will be held at the Frankfurt exhibition grounds in 2014, 2016 and 2018.



Overall activities of Messe Frankfurt in 2010

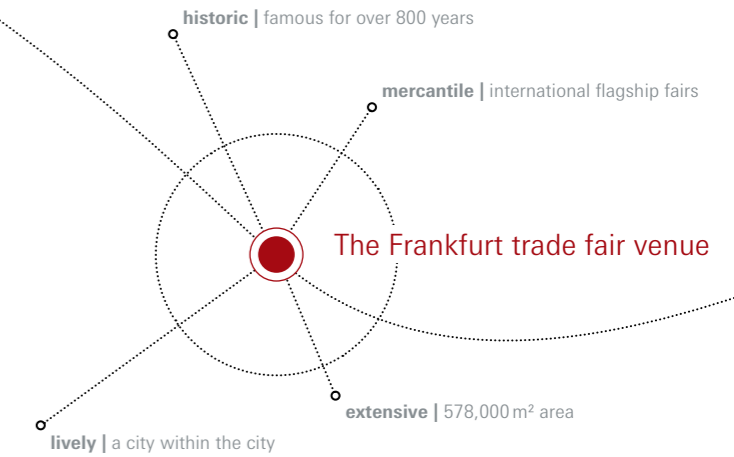
Trade fairs and exhibitions at the Frankfurt exhibition venue in 2010

	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ Airtec ¹⁾		257	110	367	5,000	2,158	890	3,048
■ Ambiente		1,169	3,167	4,336	185,229	71,716	60,380	132,096
■ Automechanika		826	3,645	4,471	170,950	69,676	84,161	153,837
■ Beautyworld		97	123	220	6,065	6,148	3,101	9,249
■ Buchmesse ¹⁾		3,315	4,224	7,539	100,000	279,325	0	279,325
■ Christmasworld		277	691	968	54,211	13,731	16,426	30,157
■ EuroMold ¹⁾		833	551	1,384	28,000	32,668	22,633	55,301
■ Hair & Beauty		92	21	113	5,911	15,628	2,633	18,261
■ Heimtextil		344	2,125	2,469	118,200	25,442	45,344	70,786
■ IFFA		421	521	942	62,525	24,180	34,065	58,245
■ Imex		465	3,007	3,472	21,495	4,082	4,823	8,905
■ Light + Building incl. ACS		841	1,313	2,154	134,009	104,547	78,564	183,111
■ Musikmesse		542	954	1,496	44,926	51,947	25,662	77,609
■ Optatec		278	253	531	8,188	3,444	1,773	5,217
■ Paperworld		437	1,668	2,105	65,344	18,422	27,099	45,521
■ Prolight + Sound		331	494	825	33,597	17,023	13,793	30,816
■ Tendence		808	1,241	2,049	72,654	43,600	13,368	56,968
■ viscom frankfurt		202	83	285	9,724	10,321	1,755	12,076
International trade fairs	18	11,535	24,191	35,726	1,126,028	794,058	436,470	1,230,528

1) Messe Frankfurt estimate, unconfirmed figures provided by the organiser

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

Attracting: The Frankfurt exhibition grounds drew more than 39,900 exhibitors and over 2 million visitors in 2010. Ten halls and a congress centre provide 355,678 square metres of hall space, making Frankfurt the second-largest exhibition complex worldwide.



	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ Facility Management		133	2	135	2,513	4,366	101	4,467
■ FI-Forum ²⁾		112	4	116	7,816	8,700	0	8,700
■ Other trade exhibitions	2	118	0	118	2,400	3,200	0	3,200
Trade exhibitions	4	363	6	369	12,729	16,266	101	16,367

2) Messe Frankfurt estimate, unconfirmed figures provided by the organiser

■ Marathon Mall ³⁾		107	6	113	2,017	46,000	0	46,000
■ Sales marts and exhibitions	8	3,743	0	3,743	54,315	87,400	0	87,400
Exhibitions open to the public	9	3,850	6	3,856	56,332	133,400	0	133,400

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

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2010

	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ International trade fairs	18	11,535	24,191	35,726	1,126,028	794,058	436,470	1,230,528
■ Trade exhibitions	4	363	6	369	12,729	16,266	101	16,367
■ Exhibitions open to the public	9	3,850	6	3,856	56,332	133,400	0	133,400
	31	15,748	24,203	39,951	1,195,089	943,724	436,571	1,380,295

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

International: Messe Frankfurt's global success story began in 1987 in Hong Kong. Since then the company has expanded its network of subsidiaries and sales partners worldwide and is meanwhile represented at over 30 exhibition venues.

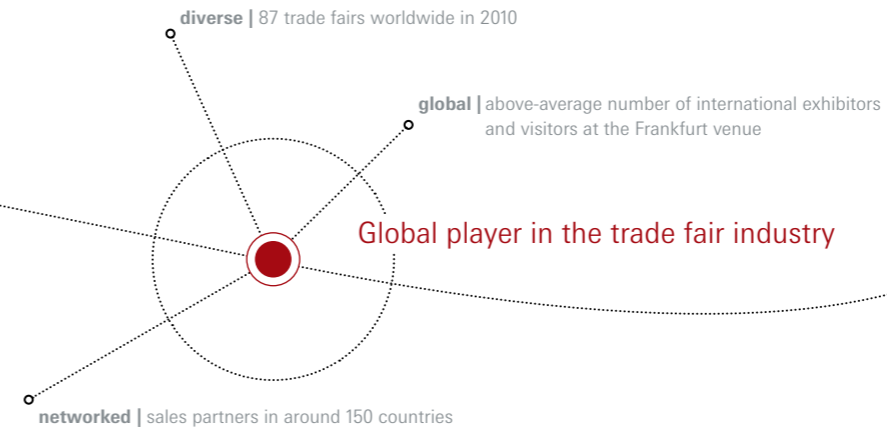
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue in 2010

	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ EMV		51	20	71	1,036	2,774	651	3,425
■ Handarbeit & Hobby		107	125	232	8,633	7,272	2,721	9,993
■ PCIM Europe (trade fair/congress)		126	128	254	5,827	3,981	2,338	6,319
■ SMT/Hybrid/Packaging		394	161	555	13,273	16,637	5,604	22,241
■ SPS/IPC/Drives		1,008	315	1,323	57,357	41,881	10,147	52,028
	5	1,686	749	2,435	86,126	72,545	21,461	94,006

Trade fairs and exhibitions in Germany in 2010

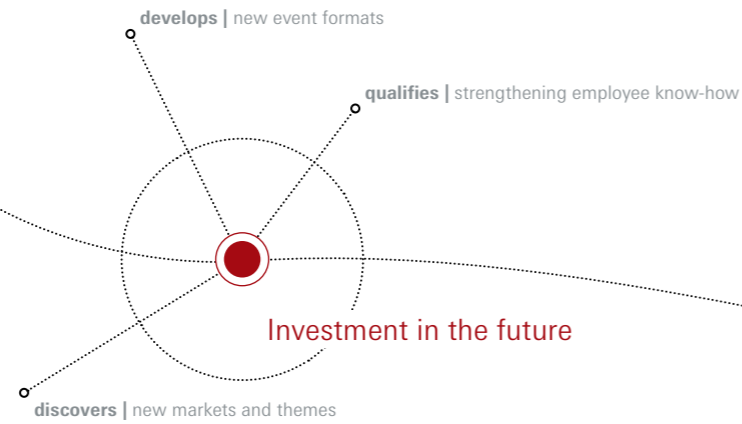
	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ International trade fairs	23	13,221	24,940	38,161	1,212,154	866,603	457,931	1,324,534
■ Trade exhibitions	4	363	6	369	12,729	16,266	101	16,367
■ Exhibitions open to the public	9	3,850	6	3,856	56,332	133,400	0	133,400
	36	17,434	24,952	42,386	1,281,215	1,016,269	458,032	1,474,301

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



Events outside Germany in 2010

Consumer Goods & Leisure	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Host country	Other countries		Host country	Other countries	Total	
Ambiente								
IFFT/Interior Lifestyle Living		271	43	314	5,634	19,281	477	19,758
Interior Lifestyle China		105	95	200	4,741	11,968	502	12,470
Interior Lifestyle Tokyo		447	172	619	10,456	25,378	443	25,821
	3	823	310	1,133	20,831	56,627	1,422	58,049
Beautyworld								
Beautyworld Japan		445	194	639	11,901	52,930	1,750	54,680
Beautyworld Japan West		118	12	130	2,786	11,254	195	11,449
Beautyworld Middle East		117	592	709	11,234	8,707	7,417	16,124
Cosmesur/Beautyworld Buenos Aires		110	10	120	3,046	23,902	622	24,524
	4	790	808	1,598	28,967	96,793	9,984	106,777
Musikmesse								
Music China		1,009	265	1,274	32,622	44,469	3,578	48,047
	1	1,009	265	1,274	32,622	44,469	3,578	48,047
Paperworld								
Hong Kong International Stationery Fair		63	180	243	2,558	6,790	7,729	14,519
Paperworld China		447	119	566	10,776	14,713	4,028	18,741
	2	510	299	809	13,334	21,503	11,757	33,260
Prolight + Sound								
Prolight + Sound Shanghai		370	33	403	11,169	13,872	1,328	15,200
	1	370	33	403	11,169	13,872	1,328	15,200
Total Consumer Goods & Leisure	11	3,502	1,715	5,217	106,923	233,264	28,069	261,333



Textiles & Textile Technologies	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries	Total		Host country	Other countries	Total
Fashion								
Ethical Fashion Show		31	46	77	1,486	1,851	258	2,109
	1	31	46	77	1,486	1,851	258	2,109
Heimtextil								
Heimtextil Russia		133	139	272	7,277	13,811	261	14,072
Intertextile Guangzhou Home Textiles		170	11	181	6,245	14,329	4,166	18,495
Intertextile Shanghai Home Textiles		846	180	1,026	54,086	34,066	4,630	38,696
	3	1,149	330	1,479	67,608	62,206	9,057	71,263
Interstoff								
Interstoff Asia Essential Autumn		63	185	248	2,879	5,260	1,600	6,860
Interstoff Asia Essential Spring		66	205	271	3,072	4,883	1,915	6,798
Intertextile Beijing Apparel Fabrics		922	202	1,124	21,487	21,448	2,925	24,373
Intertextile Shanghai Apparel Fabrics		1,872	599	2,471	56,395	41,357	15,288	56,645
Texworld (Autumn)		0	876	876	15,679	2,157	12,485	14,642
Texworld (Spring)		1	636	637	12,189	2,082	11,868	13,950
Texworld USA (Summer)		27	421	448	5,250	4,545	468	5,013
Texworld USA (Winter)		19	119	138	1,662	2,306	159	2,465
Yarn Expo Autumn		81	13	94	1,278	3,142	511	3,653
Yarn Expo Spring		76	14	90	1,263	4,099	457	4,556
	10	3,127	3,270	6,397	121,154	91,279	47,676	138,955
Techtextil								
Cinte Techtextil China		206	114	320	5,537	16,245	1,813	18,058
Techtextil North America		98	135	233	3,283	2,181	672	2,853
Techtextil Russia		32	80	112	1,243	2,696	201	2,897
	3	336	329	665	10,063	21,122	2,686	23,808
Total Textiles & Textile Technologies	17	4,643	3,975	8,618	200,311	176,458	59,677	236,135

Innovative: In order to strengthen its leading role in the international trade fair industry, Messe Frankfurt is investing in the future. Exchanges with customers and partners continuously open up new perspectives.

Technology & Production	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries	Total		Host country	Other countries	Total
IFFA								
Tecno Fidta		222	10	232	7,199	13,889	651	14,540
	1	222	10	232	7,199	13,889	651	14,540
Intersec								
Intersec		123	594	717	11,954	11,639	7,520	19,159
Intersec Buenos Aires		155	25	180	4,628	11,308	390	11,698
Secutech Taiwan		394	159	553	13,023	20,274	2,416	22,690
Secutech Vietnam		23	75	98	1,521	3,690	148	3,838
	4	695	853	1,548	31,126	46,911	10,474	57,385
ISH								
ISH China & CIHE		216	116	332	8,725	13,575	1,227	14,802
	1	216	116	332	8,725	13,575	1,227	14,802
Light + Building								
Guangzhou International Lighting Exhibition		1,884	128	2,012	68,883	56,005	15,796	71,801
Light Middle East		36	143	179	2,630	3,069	891	3,960
	2	1,920	271	2,191	71,513	59,074	16,687	75,761
SPS								
SPS/Industrial Automation Expo Guangzhou		209	27	236	5,499	16,228	487	16,715
	1	209	27	236	5,499	16,228	487	16,715
Texcare								
Texcare Russia		19	8	27	381	1,489	42	1,531
	1	19	8	27	381	1,489	42	1,531
Independent Brands Energy, Building & Architecture								
Garden + Landscaping Middle East		24	34	58	964	1,359	395	1,754
	1	24	34	58	964	1,359	395	1,754
Independent Brands Production Technology & Science								
Asiamold		179	77	256	5,023	11,000	1,500	12,500
Exhibition Micromachine/MEMS		324	24	348	4,343	13,696	344	14,040
Hardware + Tools Middle East		24	295	319	3,775	3,142	1,159	4,301
	3	527	396	923	13,141	27,838	3,003	30,841
Total Technology & Production	14	3,832	1,715	5,547	138,548	180,363	32,966	213,329

Strong: Messe Frankfurt continued on its path of growth in 2010 and with €448.3 million generated the highest sales in the company's history to date. International sales also grew to a record high of €113.8 million.

Mobility & Infrastructure	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries	Total		Host country	Other countries	Total
Automechanika								
Automechanika Argentina		316	224	540	13,759	36,531	3,365	39,896
Automechanika Middle East		102	905	1,007	14,113	8,189	7,869	16,058
MIMS powered by Automechanika Moscow		289	461	750	12,415	50,870	3,953	54,823
Automechanika Roma		111	27	138	5,419	17,850	3,150	21,000
Automechanika Shanghai		2,842	273	3,115	62,064	37,415	13,146	50,561
PAACE Automechanika Mexico		140	507	647	8,286	11,878	276	12,154
	6	3,800	2,397	6,197	116,056	162,733	31,759	194,492
Independent Brands Facility & Environment								
Canadian Waste & Recycling Expo		149	57	206	3,406	1,609	81	1,690
Eco Expo Asia		130	136	266	3,750	5,236	2,775	8,011
Water Expo China		117	28	145	3,544	6,024	169	6,193
	3	396	221	617	10,700	12,869	3,025	15,894
Total Mobility & Infrastructure	9	4,196	2,618	6,814	126,756	175,602	34,784	210,386
Overall activities of Messe Frankfurt outside Germany	51	16,173	10,023	26,196	572,538	765,687	155,496	921,183



Congresses, conventions and other activities in 2010

	Exhibitors				Net area (in m ²) 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	105					129,400		129,400
Conventions (supervised by "Conventure")	8					2,600		2,600
Conventions (concerts, sporting, religious, political and other events)	76					551,814		551,814
German pavilions (planning and implementation of show participations)	19					0		0
Akademie Messe Frankfurt	194					1,761		1,761
	402					685,575		685,575

Overall activities of Messe Frankfurt in 2010

	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Germany	Other countries	Total		Germany	Other countries	Total
Trade fairs and exhibitions at the Frankfurt exhibition venue	31	15,748	24,203	39,951	1,195,089	943,724	436,571	1,380,295
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue	5	1,686	749	2,435	86,126	72,545	21,461	94,006
Events outside Germany	51	16,173	10,023	26,196	572,538	765,687	155,496	921,183
Congresses, conventions and other activities	402	0	0	0	0	685,575	0	685,575
	489	33,607	34,975	68,582	1,853,753	2,467,531	613,528	3,081,059

2010 Group management report of Messe Frankfurt GmbH

I. Report on economic position

General economic trend

Despite the fears to the contrary expressed one year ago, the 2010 financial year turned out to be better than expected. Just twelve months ago, the economic situation in Germany, Europe and the world was characterised by a great deal of uncertainty. Negative headlines about the worst financial and economic crisis since 1929 dominated the daily news. Safety nets were put in place in order to prevent entire national economies from foundering.

Nevertheless the world economy grew in the reporting year by an impressive 4.7 percent overall.¹ However, individual economic areas showed a highly heterogeneous development. The industrialised nations – including the European Union, the USA, Canada, Japan – recorded a rise of 2.6 percent. Germany's economic power grew by 3.7 percent. Greece and Spain were the anomalies, recording negative growth. An especially positive development was posted in the emerging economies with a total increase of 7.9 percent. Above average positive growth rates were again posted most notably in China with Hong Kong (+9.7 percent) and India (+9.3 percent).

World trade – an important indicator for the international trade fair industry as a provider of international marketing platforms – rose by 11.8 percent in the period under review, after plummeting by 11 percent in the previous year. After experiencing a tremendous upsurge in the spring and summer months, world trade gradually lost momentum in the further course of the year. This makes it more difficult to make predictions for the coming year. However, the ifo Institute is reckoning with relatively weak economic dynamism in the more advanced national economies.

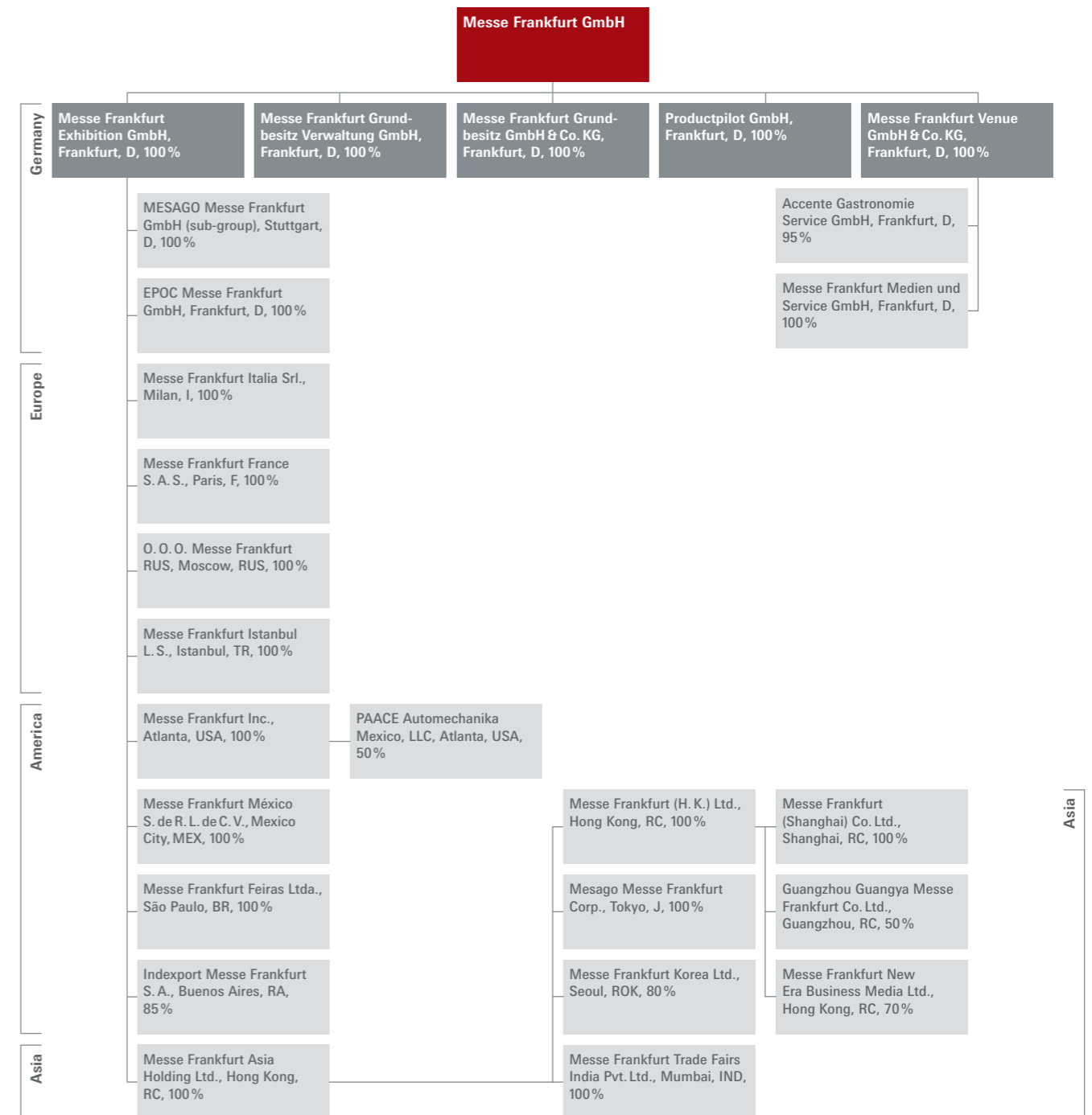
Development of the trade fair sector

Following the crisis years of 2008/2009, the trade fair industry recovered only slowly in the 2010 reporting year. Given the uncertain economic development, exhibiting companies thought twice before incurring the costs of trade fair participation. In many cases this meant restricting their participation to the flagship fairs in the respective sector. Especially these major international events have generally proved the most effective for participating companies, which explains their relative stability and at the same time reduces the risk for exhibitors to a manageable level. The advisability of participating at smaller "me-too events" on the other hand was called into question more strongly. Consequently, despite a slight increase in the number of exhibitors the Ausstellungs- und Messeausschuss der deutschen Wirtschaft (AUMA e.V.), Berlin (Association of the German Trade Fair Industry) recorded a decline in the amount of leased space for Germany as a trade fair location.

According to preliminary figures published by AUMA, German exhibition corporations counted 1 percent more exhibitors at supra-regional trade fairs in Germany, following a drop of 4 percent in 2009. While participation from outside Germany in 2010 recovered slightly on an overall average (+2 percent compared to -5 percent in the prior period), participation on the domestic front again fell slightly by 1 percent (2009: -3.5 percent). The amount of leased space at supra-regional events was down by 3 percent for the same period, clearly as a result of the continued impact of cuts introduced by exhibiting companies in 2009. However, this downward trend was slower than in the previous year, which recorded a minus of 6 percent for this performance indicator. Nevertheless AUMA stresses that these trends are not uniformly consistent, but depend on conditions in the respective sectors of the economy.

¹) Source: Ifo Economic Report 4/2010 for Messe Frankfurt

Messe Frankfurt corporate group



Asia

The development within the trade fair industry around the world mostly mirrored the development of the primary markets. Growth markets for the trade fair sector were to be found especially in southern, eastern and central Asia. The second most important region was the non-EU European states, first and foremost Russia, followed by the Middle East and Latin America.

Goals and strategies of the Messe Frankfurt group

The crisis-ridden world economic development of the past two years, more difficult competitive conditions in the trade fair sector and the challenging market conditions in one of Messe Frankfurt's core areas of competence, the consumer goods markets, were motivations that caused Messe Frankfurt to review its strategic orientation. Another reason lay in the partial change in the Executive Board, which was also reduced from four to three members. This meant the Executive Board had to redefine itself as a team and reallocate its tasks, areas of responsibility and goals.

The entire management – in Germany as well as in all of Messe Frankfurt's subsidiaries around the world – was involved in defining and adopting the strategy. Together a joint concept was developed and strategic goals were defined.

The baseline of the concept was the business purpose of the company as defined by the shareholders of Messe Frankfurt, which remains unchanged: to promote the economy by hosting trade fairs and exhibitions in Germany and abroad. Based on this business purpose, a description of the company's mission was undertaken. This attaches particular importance to the aspect of sustainability in fulfilling its role as business leader in the trade fair sector. This vision forms the basis for the corporate identity of the organisation as well as the desired organisational culture. It describes the future image of the Messe Frankfurt corporate personality that it is aimed to create over the medium to long term. Essentially, Messe Frankfurt aims to position itself as a preferred market partner for its various relevant target groups over the long term, while at the same time having a high level of investments and profitability.

This vision has been translated into concrete group objectives, which in the context of developing core business activities focus on growth and continuing to promote internationalisation.

II. Presentation of development of business

The core activities of the Messe Frankfurt group consist on the one hand in hosting trade fairs and exhibitions. These are staged 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 and congress organisers and provides the related infrastructure and services. Both operating companies are organised under the shared umbrella of the holding company, Messe Frankfurt GmbH, which in addition to group management provides administrative services for the companies at the Frankfurt venue.

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. What they all have in common is that they have a high degree of relevance for their respective customer target groups.

The operating activities of the foreign subsidiaries are based above all on organising their own trade fairs as well as marketing events hosted by Messe Frankfurt Exhibition GmbH worldwide. Own events are mostly brand fairs organised by Messe Frankfurt Exhibition GmbH. 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 fixed definitions of the overall market share reached.

Apart from staging their own events in Germany and abroad, many guest organisers take advantage of the central location, the good infrastructure and the professional range of services offered by the Frankfurt venue to provide their target groups with unique marketing platforms. The Frankfurt location is also ideal for holding conventions and other special events.

Performance ratios – trade fairs and exhibitions

The Messe Frankfurt group staged 87 trade fairs and exhibitions worldwide in the reporting year. Altogether, around 68,600 exhibitors and 2.4 million visitors were counted; the total net leased area was around 1.9 million square metres. These were complemented by 402 congresses, conventions and other events at the Frankfurt venue which attracted around 686,000 visitors. Thus, all Messe Frankfurt group events taken together drew around 3.1 million visitors in 2010.

Overall activities of Messe Frankfurt in 2010

	Number	Exhibitors	Net area* (in '000 m ²)	Visitors (in '000)
Trade fairs and exhibitions				
– at the Frankfurt venue	31	39,951	1,195	1,380
– at other venues in Germany	5	2,435	86	94
Total Germany	36	42,386	1,281	1,474
Other countries	51	26,196	573	921
Total trade fairs and exhibitions	87	68,582	1,854	2,395
Other events	402			686
Total activities	489	68,582	1,854	3,081

* including special show space

The group's exhibition centre in Frankfurt was the venue for 31 fairs, sales marts and trade exhibitions, including 12 events organised by Messe Frankfurt Exhibition GmbH. An additional two events were organised in Frankfurt by the German subsidiary of Messe Frankfurt Exhibition, MESAGO Messe Frankfurt GmbH, Stuttgart, and Messe Frankfurt Venue GmbH & Co. KG. These 14 own group events in Frankfurt recorded around 22,400 exhibitors and over 917,000 visitors. Some 958,000 square metres of exhibition space was booked for these own group events in Frankfurt. As a result of Messe Frankfurt's internationalisation strategy, around 72 percent of the exhibitors and approximately 47 percent of visitors from outside Germany were welcomed at the Messe Frankfurt Exhibition events held at the Frankfurt venue. 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.

17 guest fairs, including eight sales marts and two trade exhibitions completed the events portfolio at the Frankfurt exhibition venue. The annual Book Fair closed its doors with a significant rise on the exhibitor side and very satisfied visitors.

One specificity of the trade fair sector is that individual business years are not directly comparable to the year before because – by virtue of the different event rhythms – the same events are not always held every year. Due to the rotation of events, fewer events took place in the reporting year, since both the International Motor Show (IAA Cars) crowd-puller and AICHEM were missing from the event calendar.

Five events were hosted at other trade fair venues in Germany. Four of these were organised by MESAGO Messe Frankfurt GmbH. The fifth was staged by Messe Frankfurt Ausstellungen GmbH, which was merged with Messe Frankfurt Exhibition GmbH in the reporting year.

Foreign operations again contributed significantly to Messe Frankfurt's successful operating result in the reporting year: at 51 events, some 26,200 exhibitors showcased their product and services portfolios to more than 921,100 visitors on around 572,500 square metres of exhibition space. This means more exhibitors once again attended the group's own trade fairs outside Germany than in Germany in 2010.

Asia remains the regional focus of overseas business with 28 events in the reporting year, 21 of which were held in China alone. Another attractive exhibition region for Messe Frankfurt was the EMEA (Europe, Middle East, Africa) economic area. In 2010, 14 trade fairs were held in this region. From Canada to Argentina, the American subsidiaries of Messe Frankfurt organised nine trade fairs in the year under review.

As part of the optimisation of its product spectrum, Messe Frankfurt Exhibition GmbH also expanded its portfolio outside Germany in fiscal 2010. The Ethical Fashion Show was acquired in Paris, which has been running since 2004 and was staged for the first time in 2010 under the direction of Messe Frankfurt France S. A. S., Paris. This event ideally complements the growing commitment to sustainable textiles at the other textiles shows Interstoff Asia Essential, Texworld and Texworld USA. As Messe Frankfurt's first fashion trade fair the Ethical Fashion Show thus completes Messe Frankfurt Exhibition GmbH's textiles portfolio. Another new event, Texcare Russia, debuted in Moscow within the scope of the brand strategy.

The Intersec brand strategy was further expanded through Secutech in Thailand and Secutech in Vietnam. In China, SPS Guangzhou was held for the first time in 2010 in cooperation with two Chinese partners, thus marking the successful rollout of SPS, the international industry meeting place for electrical automation organised by MESAGO Messe Frankfurt GmbH.

In America a number of textiles events were newly positioned. These included the Home Textiles Sourcing Expo, the International Apparel Sourcing Show and the summer edition of Texworld in New York, which were launched independently for the first time. In Argentina, enhancing the image and renaming Seguriexpo as Intersec further promoted the brand strategy in this segment.

In addition to designing and staging 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. 105 congresses and conferences independently of trade fairs, attracting a total of some 129,400 participants, made 2010 the most successful congress year in Messe Frankfurt's history to date. Highlights of the year in some cases recording well over 3,000 conference-goers were the ADC creative summit, as well as Interpharm, HP Technology@Work, the SAP SAPPHIRE NOW congress, the Deutsche Bank AGM, the Deutscher Zahnärztetag (German Dental Day) and Euro Finance Week.

The cultural, social and sporting events, above all in the Festhalle, predominantly appeal to interested inhabitants of Frankfurt and the Rhine-Main region. Messe Frankfurt again offered the right location for these 76 events, whose diverse themes drew over 550,000 visitors. The sporting highlights included the Commerzbank Frankfurt Marathon, the International Festhalle Riding Tournament and the final draw of the FIFA Women's World Cup 2011, which was broadcast around the world cheered on by millions of football fans.

In addition to the well-established public fairs TrauDich! (wedding fair), azubi- & studentage (Trainee & Study Days), Tattoo Convention, NUMISMATA and VIVA Touristika & Caravaning travel fair, it was possible to win a new public recruiting event, EINSTIEG Abi, for the Frankfurt venue. Corporate highlights included automotive presentations by BMW and Audi.

Infrastructure development – site management

After completion of the recent major new builds – Hall 11 and Portalhaus – in 2009, only minor investments and maintenance measures were on the programme for 2010.

Service management

Messe Frankfurt and its subsidiaries in Frankfurt provide a wide range of services for exhibitors and visitors as well as trade fair organisers. In the reporting year, a 3,000-square-metre showroom was opened that gives interested exhibitors an overview of the many stand construction options offered by Fairconstruction. The service division presented its entire range of products at an exhibition within the scope of a large-scale event.

However, customer service also means uncomplicated and expedient management of the wide range of services surrounding a trade fair participation. With this in mind, a programmatic goal was formulated in the reporting year within the context of the "Take 5" project, which is to be realised in 2011: namely that exhibitors are to receive their service invoices within five days of the end of a trade fair. This, too, is part of customer friendliness. Expedient, IT-assisted administrative processing enables customers to promptly wrap up their own "trade fair participation in Frankfurt" project. A high degree of flexibility, commitment and customer friendliness are the basic prerequisites for the successful running of all trade fairs at the exhibition grounds.

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 €448.3 million, sales in 2010 reached a new record high that was 5.8 percent, or €24.5 million, up on the previous year. Compared to the boom year 2008 (€440.2 million), earnings increased by €8.1 million. The rise is accounted for principally by the foreign subsidiaries, which at €113.8 million generated a total of €24.2 million, or 27 percent, more than in the previous year.

On the home front, by contrast with expectations, sales remained constant, with the opposing effects at Messe Frankfurt Exhibition GmbH (€+28.4 million) and Messe Frankfurt Venue GmbH & Co. KG (€-34.4 million) caused by the rotation of events almost balancing each other out. Measured against 2008, which by virtue of its home venue event structure lends itself better to comparison, a slight sales decrease of €1.8 million was generated overall. Outside Germany, by contrast, the 2008 levels were surpassed by €9.9 million or 9.5 percent.

Messe Frankfurt Exhibition GmbH with its key international flagship fairs is the mainstay of group sales and generated consolidated sales of €202.3 million compared to €173.9 million in the previous year. This can be explained by the two-yearly rhythm of Automechanika and Light + Building, which are both held in even years. Additionally, the three-yearly IFFA event was also held in 2010. Measured against 2008, which has a more readily comparable trade fair portfolio, earnings were down by €3.3 million, or 1.6 percent. The reason for this, apart from the developments at the Tendance and Beautyworld consumer goods fairs, is that in 2008 the four-yearly Texcare event also took place.

By contrast, the rotation of events meant that Messe Frankfurt Venue GmbH & Co. KG posted sales of €69.6 million, which was €34.4 million below the previous 2009 record year (€104.0 million).

Sales development (consolidated) 2008–2010

	2008 € m	2009 € m	2010 € m	Change compared to 2009 in % ⁴⁾	
Germany					
Messe Frankfurt GmbH, Frankfurt	0.1	0.0	0.0	0.0	-100.0
Messe Frankfurt Exhibition GmbH, Frankfurt	205.6	173.9	202.3	16.3	-1.6
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt	67.4	104.0	69.6	-33.1	3.3
Messe Frankfurt Ausstellungen GmbH, Wiesbaden	4.3	3.7	0.0	-100.0	-100.0
MESAGO Messe Frankfurt GmbH, Stuttgart ¹⁾	21.0	19.2	20.7	7.8	-1.4
Messe Frankfurt Medien und Service GmbH, Frankfurt	17.2	12.4	18.0	45.2	4.7
Accente Gastronomie Service GmbH, Frankfurt	20.7	21.0	23.9	13.8	15.5
Total Germany	336.3	334.2	334.5	0.1	-0.5
Other countries					
Messe Frankfurt France S. A. S., Paris	15.3	13.3	13.6	2.3	-11.1
Messe Frankfurt Italia Srl., Milan	2.1	2.7	1.5	-44.4	-28.6
Messe Frankfurt Istanbul L. S., Istanbul	0.0	0.6	0.0	-100.0	-
O. O. O. Messe Frankfurt RUS, Moscow	2.8	1.8	2.7	50.0	-3.6
EPOC Messe Frankfurt GmbH, Frankfurt/Dubai	11.2	8.5	8.7	2.4	-22.3
Messe Frankfurt Asia Holding Ltd., Hong Kong ²⁾	59.7	52.6	77.5	47.3	29.8
Messe Frankfurt Inc., Atlanta ³⁾	6.1	2.5	4.2	68.0	-31.1
Messe Frankfurt México S. de R. L. de C. V., Mexico City	2.4	0.1	0.1	0.0	-95.8
Messe Frankfurt Feiras Ltda., São Paulo	0.1	0.0	0.0	-	-100.0
Indexport Messe Frankfurt S. A., Buenos Aires	4.2	7.5	5.5	-26.7	31.0
Total other countries	103.9	89.6	113.8	27.0	9.5
Group sales	440.2	423.8	448.3	5.8	1.8

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 --

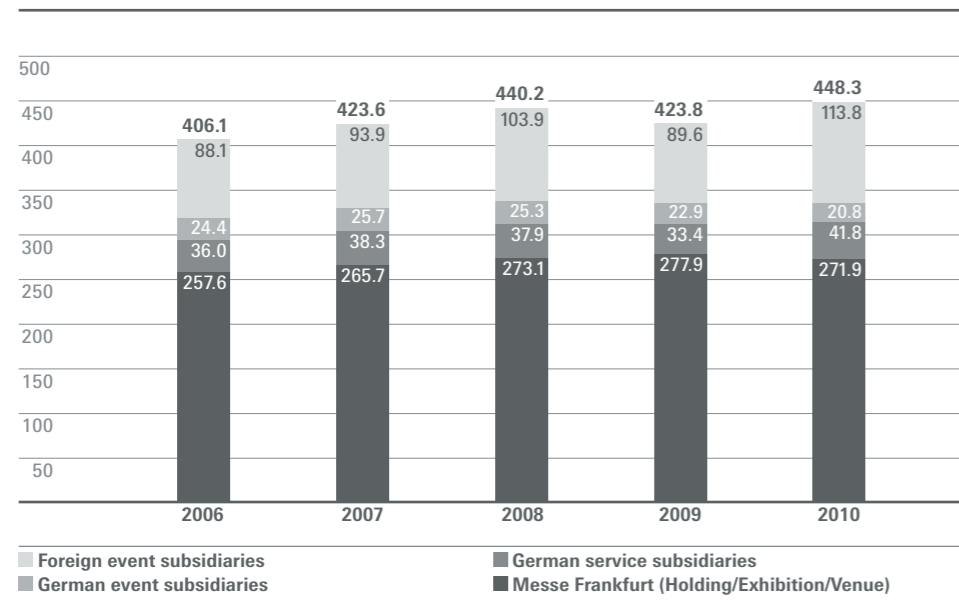
The reason for this is that in 2009 the guest show IAA Cars, which is held every two years, and AACHEMA, which has a three-yearly rhythm, both took place. This combination only occurs every six years. Furthermore, the German Gymnastics Festival was held as a one-time event. Compared to 2008, the company increased earnings by €2.2 million or 3.3 percent.

Totalling 45.1 percent and 15.5 percent respectively, Messe Frankfurt Exhibition GmbH and Messe Frankfurt Venue GmbH & Co. KG account for the largest share of group sales.

Together with the positive sales developments of the service subsidiaries Accente Gastronomie Service GmbH and Messe Frankfurt Medien und Service GmbH, consolidated sales of €313.8 million were generated at the Frankfurt venue, which is slightly higher than in the previous years and corresponds to around 70 percent of group sales (year for year: 2009: €311.3 million, 2008: €310.9 million).

MESAGO Messe Frankfurt GmbH in Stuttgart was again able to significantly improve on the sales level of the previous year. Due to the strong development of SPS/IPC/Drives, International Exhibition & Conference on Electric Automation, sales rose by €1.5 million to €20.7 million, once

Group sales development (consolidated) in € m



again almost drawing equal with the previous peak sales record of 2008. No sales are recognised in the reporting year for Messe Frankfurt Ausstellungen GmbH, Wiesbaden, which was merged with the parent Messe Frankfurt Exhibition GmbH retroactively from 1 January 2010.

Developments outside Germany were especially encouraging. Following €89.6 million in the previous year, foreign sales totalled €113.8 million in the reporting year and accounted for 25.4 percent of group sales (previous year 21.1 percent). In particular, sales increases generated by the Asian companies combined in the Messe Frankfurt Asia Holding Ltd. sub-group made a consolidated contribution to this amount of €77.5 million compared to €52.6 million in the previous year. Some €6.9 million can be credited to Messe Frankfurt New Era Business Media Ltd. in Hong Kong, which was set up at the end of 2009.

These are followed by Messe Frankfurt France with €13.6 million and EPOC Messe Frankfurt GmbH with its branch office in Dubai with €8.7 million. However, the companies in Russia (€+0.9 million) and the USA (€+1.7 million) also showed a positive sales development in the reporting year. This can be explained by the successful Heimtextil and Automechanika trade fairs in Moscow and the redesigned textiles fairs in the USA. A decline in sales was on the other hand recorded in Argentina, Italy and Turkey, largely as a result of the rotation of events.

Profits also exceeded the previous year's result for the group. With a figure of €41.8 million prior to taxes on income, earnings were up by €5.2 million, or 14.1 percent on the previous year (€36.6 million). Compared to 2008 – the best year so far (€51.7 million) – earnings were €9.9 million lower.

Profit development 2008–2010

	2008 €'000	2009 €'000	2010 €'000	Change compared to	
				2009 in %	2008 in %
Earnings before taxes on income	51,659	36,601	41,763	14.1	-19.2
Taxes on income	15,757	13,235	17,495	32.2	11.0
Consolidated net income for the financial year	35,902	23,366	24,268	3.9	-32.4

Besides the rise in sales (€+24.5 million, or +5.8 percent), this earnings development compared to the previous year can be attributed to a disproportionately low rise in costs of 4.2 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 (€14.3 million) principally includes the reversal of provisions (€4.4 million; previous year €8.6 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 €2.6 million.

Income stands vis-à-vis operating expenses totalling €409.3 million, which is €16.6 million higher than in the prior period. Event-related expenses are the biggest expense item with €199.6 million, after €197.2 million in 2009. This corresponds to a cost/income ratio of 44.5 percent, which is 2.0 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. 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 stronger development. The approximately €8.8 million, or 9.4 percent, increase in expenses was due to the rise in the average number of group employees and to salary adjustments, as well as higher personnel-related provisions at the Frankfurt venue. This results in a rise in the personnel costs ratio from 22.1 percent in the previous year to 22.8 percent in the reporting year. Depreciation, amortisation and write-downs showed an increase of €6.3 million to €59.3 million due in particular to depreciation on Hall 11, which was completed in 2009 and recognised for the first time over the full fiscal year. Furthermore, other operating expenses were posted in the amount of €48.0 million, a decrease of €0.9 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 €-7.5 million (2009: €-6.2 million). As well as interest income from securities and investments (€1.9 million; 2009: €2.8 million), this includes interest expenses amounting to €9.4 million (2009: €9.0 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.

Taking the extraordinary result with a net amount of €-0.3 million into consideration, and net of taxes on income (€17.5 million) as well as other taxes (€3.8 million) the group recognised consolidated net income for the financial year of €24.3 million, around €0.9 million higher than in the previous year (€23.4 million). This produces a return on sales after taxes of 5.4 percent (previous year 5.5 percent) and a return on equity of 6.3 percent (previous year 6.2 percent).

Taking a look at the EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) earnings ratio, it becomes clear how strong the development of operations actually was.

EBITDA development 2008–2010

	2008	2009	2010	Change compared to	
	€ '000	€ '000	€ '000	2009 in € '000	2008 in € '000
Consolidated net income for the financial year	35,902	23,366	24,268	902	-11,634
Taxes on income	15,757	13,235	17,495	4,260	1,738
plus financial result	3,032	6,145	7,494	1,349	4,462
Depreciation, amortisation and write-downs	47,153	52,950	59,286	6,336	12,133
Group EBITDA	101,844	95,696	108,543	12,847	6,699
EBITDA margin	23.1%	22.6%	24.2%		

At €108.5 million, Messe Frankfurt achieved a new record result that is €12.8 million higher than in the previous year (€95.7 million). This result even exceeds the very good 2008 performance by €6.7 million. As a percentage of sales, the EBITDA margin for the financial year is 24.2 percent, after 22.6 percent in the previous year.

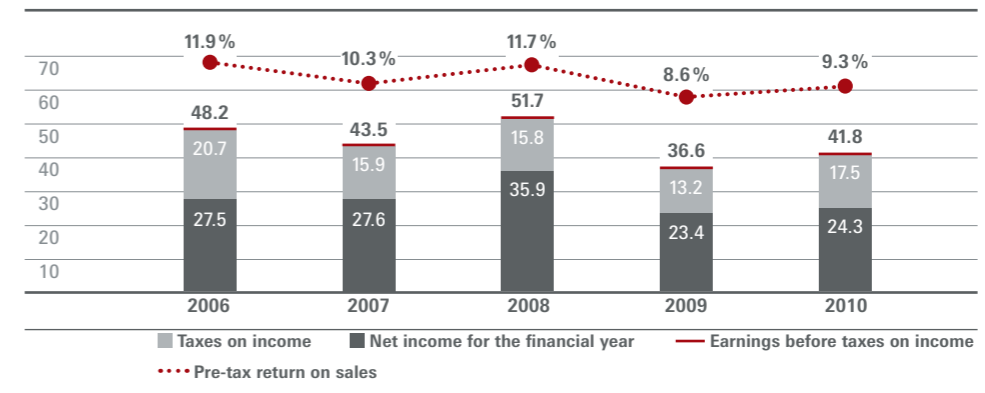
The following presents the results before consolidation of the companies and sub-groups included in the consolidated financial statements.

Messe Frankfurt GmbH as parent disclosed a net income for the financial year of €10.6 million, after €11.5 million in the previous year. This can for the most part be attributed to lower other operating income (€-2.6 million) as well as higher personnel expenses (€+2.9 million), which were set against reduced other operating expenses (€-1.8 million) and an improved financial result (€+1.9 million), as well as a reduction in tax expenses of €1.7 million.

Messe Frankfurt Exhibition GmbH reported earnings before taxes on income of €25.5 million (previous year €14.4 million) and a net income for the financial year of €18.4 million (previous year €11.5 million). The increase 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 better financial result that despite lower investment income improved by €1.4 million mainly as a result of lower write-downs on financial assets.

For Messe Frankfurt Venue GmbH & Co. KG, the reporting year was not so strong due to the rotation of events. Higher depreciation expense as well as higher interest expense had a negative impact on earnings. Although investment income from the Messe Frankfurt Medien und Services GmbH and Accente Gastronomie Service GmbH subsidiaries was significantly higher, the company showed a net income for the financial year of €2.6 million, after €10.0 million in the previous year.

Earnings before taxes on income and pre-tax return on sales 2006–2010 (in € m)



The operating results of the German and foreign subsidiaries of Messe Frankfurt Exhibition GmbH showed a differentiated development, which produced a bottom-line net retained profit in the reporting year of €15.1 million, after €12.0 million in the previous year. The Asian sub-group contributed €6.9 million of this amount in the reporting year, after €6.1 million in 2009. This increase is explained in particular by developments in the Shanghai and Guangzhou subsidiaries, since the other Asian companies showed a steady or slightly negative earnings development compared to the previous year. MESAGO Messe Frankfurt GmbH in Stuttgart, with a net income for the financial year of €5.0 million (previous year €4.3 million), also improved on the previous year's performance. EPOC Messe Frankfurt GmbH with its branch office in Dubai, as well as the French subsidiary with €1.7 million (previous year €0.3 million) and €1.1 million (previous year €1.4 million) also made notable contributions to the overall profit. While the subsidiaries in Mexico and Italy posted net losses, all other event and marketing companies recognised positive results for the year.

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 €20.0 million (previous year €117.7 million). Most of the investment amount was apportioned to tangible fixed assets (€16.0 million), with €3.0 million of this amount in residual payments for the construction of Hall 11 and the Portalhaus 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 €4.0 million was apportioned to intangible fixed assets, and was made up principally of additions within Messe Frankfurt GmbH for software and Messe Frankfurt Exhibition GmbH for the acquisition of event rights. Net of depreciation, amortisation and write-downs amounting to €59.3 million and disposals of fixed assets, fixed assets totalling €689.9 million (previous year €729.4 million) are shown in the balance sheet at year's end 2010, which corresponds to a share of around 78 percent of total assets (€875.1 million).

Current assets increased by €45.8 million to €184.2 million. This development results in particular from a higher level of securities (€+23.9 million), cash-in-hand and bank balances (€15.5 million). Other assets increased by €5.1 million to €30.1 million in particular as a result of the acquisition of a promissory note loan of €5.0 million.

On the equity and liabilities side, €396.7 million is shown in the balance sheet under equity on the basis of the earned net income for the 2010 financial year (€24.3 million), profit distributions (€14.4 million) and the change in the adjustment item for foreign currency translation (€2.6 million) – which is €12.5 million higher than the previous year's figure (€384.2 million). This corresponds to an equity ratio of around 45 percent and leads to a tier 1 equity/fixed assets ratio of around 58 percent. Together with the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€31.9 million) and deferred income, which for the most part is also available over the long term, of €34.4 million, as well as medium- and long-term provisions (€21.0 million) and the long-term bank loans (€145.0 million), the tier 2 equity/fixed assets ratio increases to 91 percent.

Provisions decreased by €6.2 million compared to the previous year to €76.6 million. Apart from the separately disclosed provisions for pensions and taxes (€–0.8 million and €–1.1 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 around €50.0 million (€–4.3 million compared to the previous year) in total.

Group liabilities amount to €334.8 million (previous year €331.4 million). This corresponds to around 38 percent of total equity and liabilities, and leads to a debt/equity gearing ratio of around 84 percent compared to around 86 percent in the previous year. In the course of 2010, Messe Frankfurt Venue & Co. KG and Messe Frankfurt Grundbesitz GmbH & Co. KG made scheduled repayments on their respective loans in the amount totalling €32.6 million. On the other hand, payments on account received from exhibitors for the trade fairs in Q1 2011 increased by €29.8 million compared to the prior period. This rise can be attributed particularly to the biennial rhythm of the ISH trade fair, which by virtue of the rotation of events is held again in 2011. Furthermore, trade payables grew by €3.2 million and other liabilities by €2.9 million.

Financing

Corresponding to the statement of cash flow, the cash flow from investment activities (€42.8 million) as well as from financing activities (€47.0 million) was financed through the available net current assets as well as the positive cash flows from operating activities (€103.8 million). This resulted in an increase in cash funds of €15.6 million to around €113.1 million. This produces the following abstracted values and changes in the cash funds:

Development of cash funds 2008–2010

	2008 € '000	2009 € '000	2010 € '000
Cash flows from operating activities	96,519	43,658	103,756
Cash flows from investing activities	–112,194	–101,410	–42,771
Cash flows from financing activities	54,198	15,609	–46,985
Net change in cash funds	38,523	–42,143	14,000
Effect on cash funds of exchange rate movements	797	–3,635	1,544
Cash funds at beginning of period	103,972	143,292	97,514
Cash funds at end of period	143,292	97,514	113,058

Human resources

At 31 December 2010 the Messe Frankfurt corporate group employed 1,629 people worldwide, 40 more than at the end of 2009.

Employee development at the reporting dates¹⁾

(at 31 December respectively)	2008	2009	2010
Messe Frankfurt GmbH, Frankfurt, Germany	236	236	252
Productpilot GmbH, Frankfurt, Germany	7	8	8
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	260	255	263
Messe Frankfurt Venue GmbH & Co. KG, Frankfurt, Germany	240	240	240
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	62	70	79
MESAGO Messe Frankfurt GmbH, Stuttgart ²⁾ , Germany	61	62	68
Messe Frankfurt Ausstellungen GmbH, Wiesbaden, Germany	27	25	0
Accente Gastronomie Service GmbH, Frankfurt, Germany	160	196	194
Germany	1,053	1,092	1,104
Messe Frankfurt France S. A. S., Paris, France	16	16	20
Messe Frankfurt Italia Srl., Milan, Italy	23	25	18
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	16	15	14
Messe Frankfurt RUS O. O. O., Moscow, Russia	22	20	23
EPOC Messe Frankfurt GmbH, Frankfurt, Germany/Dubai, UAE	43	38	46
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	2	2	3
Messe Frankfurt (H. K.) Limited, Hong Kong, China ²⁾	167	260	283
Mesago Messe Frankfurt Corp., Tokyo, Japan	25	30	28
Messe Frankfurt Korea Ltd., Seoul, South Korea	8	8	8
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	18	16	16
Messe Frankfurt Inc., Atlanta, USA	26	26	27
Messe Frankfurt México S. de R. L. de C. V., Mexico City, Mexico	11	10	7
Messe Frankfurt Feiras Ltda., São Paulo, Brazil	1	0	0
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	32	31	32
Other countries	410	497	525
Messe Frankfurt group	1,463	1,589	1,629
Increase in number of employees		126	40

1) incl. trainees and management executives

2) sub-group

In mid-2010 the Messe Frankfurt Ausstellungen GmbH (MFA) subsidiary was merged as planned with Messe Frankfurt Exhibition GmbH. The staff from MFA were integrated into the group companies based at the Frankfurt location.

Based on the new business concept presented in June 2010, extensive structural changes were introduced at the Frankfurt venue within the scope of the "Change 2010" project, the majority of which were implemented in early September 2010. This resulted in an increase year-on-year of 12 additional employees in Germany. Outside Germany, further expansion of operations above all in China, as well as in Dubai and France, led to a total of 28 new staff appointments. The rapid growth of trade fairs in China necessitated investments in the event teams to accompany this encouraging development.

In order to promote integration within the Messe Frankfurt group, the central human resources management services on offer for the foreign subsidiaries was further extended. In this context, a number of training and education measures of group interest were implemented. Several staff members were also sent on short- and medium-term staff assignments.

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 a total of 34 young people in seven different professions in 2010. 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.

A new training programme for junior executives was offered as part of the development of executive manager potential at the Frankfurt venue. Demand-driven staff qualification measures were systematically and consistently continued in cooperation with the Messe Frankfurt Medien und Service GmbH Academy. On this basis it has been possible to meaningfully develop in-house human resources development measures through existing capacities.

Human resources development work also focused more intensively on accompanying change processes within the company. This support has proved especially valuable for the planning, implementation and accompaniment of the regular employee survey ("culture barometer"), among other things in the form of team workshops, feedback rounds and various coaching sessions.

With a great deal of motivation as well as unswerving and flexible efforts, the employees of the Messe Frankfurt corporate group once again in 2010 achieved successes everyone can justifiably be proud of. The Executive Board would like to take this opportunity to thank all employees for the excellent work done.

IV. Opportunities and risks of future development

Market, industry and event risks

The Messe Frankfurt group is as a whole reliant on the general economic situation and developments in the sectors in which events are either already established or new events planned. Messe Frankfurt attempts to secure the loyalty of event organisers, exhibitors and visitors 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. Ongoing globalisation and the growing importance of foreign operations are also demanding optimised globally coordinated customer approach and customer care systems.

Apart from the general risk resulting from cyclical fluctuations, Messe Frankfurt at the same time seeks to identify opportunities for growth, for example through acquisitions or cooperation agreements. These projects and their associated risks are managed by introducing corresponding personnel and organisational measures to ensure a successful implementation of the new events and business segments in Germany and abroad.

The development of Messe Frankfurt Venue GmbH & Co. KG with its subsidiaries Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH depends to a large extent on the success of the events organised by Messe Frankfurt Exhibition GmbH as well as guest events hosted at the Frankfurt venue. A rise or decline in exhibitor or visitor numbers has a direct impact on the demand for the services provided by Messe Frankfurt Venue GmbH & Co. KG. The wide range of high-quality services enables these companies to offer exhibitors and visitors attractive packages, which in addition to supplementary services and flexible cost management are designed to compensate negative attendance trends.

Contractual negotiations with the organisers of the major guest fairs, the Frankfurt Book Fair, AACHEM and IAA Cars in principle always harbour the risk that the contracts will not be renewed or the terms of the contract are less favourable. Messe Frankfurt Venue counters this risk with its extensive know-how in the optimum implementation of guest events and targeted service offering.

Congress and convention business, as well as special events in the Festhalle, are similarly affected by general industry and economic trends. Messe Frankfurt Venue is also exposed to risks resulting from the increased activities of regional competitors, whose price competitiveness it compensates with higher quality.

The economic problems being experienced in major event sectors worldwide, combined with structural difficulties such as ongoing concentrations in the retail sector, represent a serious challenge across the globe for brands such as 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.

The repositioning of Tendence has so far proved successful, but continues to involve the risk that the new concept and date might not establish themselves with some exhibitors and visitors. However, it also offers the opportunity to reposition the event in the market and win back both exhibitors and visitors.

The successful Ambiente event is also up against growing competitive pressure from trade fairs in Europe.

The newly acquired Texprocess event still has to establish itself at the Frankfurt venue. This involves the risk that some exhibitors and visitors may not support the change of venue. However, the opportunities presented by this new event for Frankfurt are significantly higher.

The economic recovery in Germany coupled with the rising rate of inflation may lead to risks as a result of service providers and suppliers increasing their prices.

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. Due among other things to the political developments in North Africa, the subsidiary in Dubai is experiencing increasing difficulties in winning exhibitors and visitors for its events.

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 also affected the subsidiaries around the globe. The situation in some industries has still not recovered, bringing with it the risk that the events concerned could continue to lose market shares.

This situation is exacerbated by local rival exhibition organisers, who are in some cases financially sponsored by their governments. Messe Frankfurt and its subsidiaries counter this with their quality standards and an international sales network, making it possible despite this competition 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. 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. Challenges lie in finding suitable timeslots and in the quality of sufficient hall facilities. Further risks arise as a result of the severely tightened security requirements that trade fair organisers have to meet.

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

Site/construction risks

The ongoing modernisation of the exhibition centre in Frankfurt 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, pandemics or crises jeopardising individual events or the exhibition centre is countered by corresponding insurance policies and security measures, such as coordinated group-wide emergency plans and communication measures, as well as with the help of the Operation and Security Center.

Financial and foreign currency risks

Messe Frankfurt GmbH and Messe Frankfurt Venue GmbH & Co. KG are contracting parties in a so-called US cross-border lease transaction. As a result of the 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. At the time of preparing the present year-end financial accounts, the current S&P rating for the participating insurance company is still two tiers and Moody's rating one tier above the contractually required minimum rating. If the rating falls below the minimum rating, additional costs could be incurred to the company. A further reduction in the rating is currently not anticipated.

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.

Banks affected by the financial crisis could lead to partial defaults on individual financial investments of Messe Frankfurt.

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.

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 binding budget assumptions. Foreign-currency risks are currently selectively hedged. Foreign-currency risks exist primarily in the case of distribution payouts by foreign subsidiaries.

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.

Increasing exigencies in the fields of governance and data privacy, above all when accompanied by growing internationalisation, may lead to higher expenditure in order to fulfil legal requirements and regulations.

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

For 2011, the ifo economic report is forecasting very mixed market trends in the different economic areas. It anticipates fairly sluggish economic momentum in the highly developed economies in the course of the year. However, a renewed recession is not expected. Ifo is expecting Asian economies in particular to benefit from a high pace of growth

The ifo Institute predicts that the declining momentum of the recovery process will cause international trade to grow at a somewhat slower rate in future. While 2010 recorded an increase of 11.8 percent, the institute is forecasting a rise of only 5.9 percent for 2011. On the whole, the economic conditions in the trade fair industry – especially for organisers of major and international trade fairs – can be described as positive. This is also confirmed by the AUMA Messe-Trend, a representative survey of German exhibitors, which asked about past and future trade fair participations.

The survey revealed that the impact of the economic crisis has also been felt in the exhibition sector; however, trade fairs have successfully reasserted their prominence as a corporate marketing instrument. Over 80 percent of companies expect that in five years' time trade fair participations will play the same role in their marketing mix as they do today or even become more important. 27 percent of those surveyed anticipated higher budgets for trade fairs in the next two years, while only 16 percent anticipate a decline; the remainder forecast an unchanged development.

Under these circumstances, the Executive Board is optimistic concerning the 2011 financial year. Messe Frankfurt GmbH's 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 and promote further growth – nationally as well as internationally. 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. Messe Frankfurt will specifically strive to further enhance its flagship fairs above all at the Frankfurt venue. As part of this process, the existing trade fair portfolio is continuously reviewed and optimised in order to improve customer satisfaction and profitability. In this, the company's goal is even more than in the past to become a pioneer for innovative event and communication platforms. Efforts are also being made to expand traditional fields of expertise. Thus in 2011 Texprocess, the leading international trade fair for processing textile and flexible materials, is being held for the first time. In addition to Texprocess, three other events will debut in Frankfurt in 2011: M-Days, Creativeworld and Maintier.

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. On the other hand, Messe Frankfurt is also forging ahead with the organisation of events outside Germany.

As many as ten new events will celebrate their premiere outside Germany in the coming year. With the rollout of these successful brands, Messe Frankfurt intends to support the globalisation efforts of its customers by tapping into new regional future markets. Examples of new brand fairs debuting outside Germany in 2011 are Paperworld Middle East and Playworld Middle East in Dubai as well as the ISH China & CIHE.

Despite the growing importance of developing trade fairs outside Germany and the striving for further growth worldwide in clearly defined, market-oriented fields of expertise, when it comes to product development the Frankfurt venue has priority.

In close proximity to the exhibition grounds, a new congress centre with seating capacity for around 2,400 participants is planned as part of a shopping centre development. The centre is being built by the project development companies Vivico and ECE. Messe Frankfurt is currently examining possible options to either take over or operate the congress centre.

Messe Frankfurt is again anticipating a positive exhibition year in 2011. This optimism is fuelled by the keen interest and stable demand experienced at the major springtime fairs in 2011 and the corresponding demand for space. The Frankfurt Book Fair and the International Motor Show (IAA Cars) are also being staged this year.

For the ongoing business year, the Messe Frankfurt group anticipates sales at the previous year's level of around €448 million and a continued positive operating result. For fiscal 2012, the company is aiming for an increased sales target exceeding €490 million.

VI. Report on post-balance sheet date events

The catastrophic events in Japan triggered by the earthquake of 11 March 2011 are likely to produce uncertainty above all among foreign exhibitors and visitors, causing them to stay away from Japanese trade fairs. There is no way of knowing at the current time what impact this will have on the Japanese economy. However, a slump in production and a severe decline in trade in many sectors, with a corresponding drop in sales and earnings of the Japanese subsidiary, are the probable outcome. It is currently impossible to predict whether the disaster will produce a significant decline in the number of Japanese exhibitors and visitors at trade fairs in Frankfurt.

Negotiations with the German Association of the Automotive Industry (VDA) over the future staging of the IAA Cars at the Frankfurt venue were brought to a successful conclusion in March 2011. IAA Cars will continue to be held in Frankfurt in 2013, 2015, 2017 and 2019.

Further to this, after completion of the 2010 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 2011

Wolfgang Marzin Detlef Braun Uwe Behm

Consolidated income statement of Messe Frankfurt GmbH for the 2010 financial year

	Notes	2009 € '000	€ '000	2010 €	€
1. Sales	(17)	423,778		448,325,941.74	
2. Other operating income	(18)	15,110		14,325,403.84	
			438,888		462,651,345.58
3. Event-related expenses	(19)	197,185		199,633,446.36	
4. Personnel expenses	(20)	93,515		102,311,088.93	
5. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	(21)	52,950		59,286,267.56	
6. Other operating expenses	(22)	48,946		48,019,367.19	
			392,596		409,250,170.04
7. Financial result	(23)		-6,145		-7,493,825.23
8. Result from ordinary activities			40,147		45,907,350.31
9. Extraordinary result	(24)		-		-306,789.62
10. Taxes	(25)		16,781		21,332,196.96
11. Consolidated net income for the year			23,366		24,268,363.73
12. Profit attributable to minority interests			-1,186		-1,434,454.52
13. Consolidated retained profits carried forward			20,945		29,895,544.52
14. Appropriation of net profit			-13,000		-13,000,000.00
15. Withdrawals from revenue reserves			11		0.00
16. Appropriation to revenue reserves			-240		-336,744.59
Consolidated net retained profits			29,896		39,392,709.14

Explanatory notes to the 2010 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
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 Messemanagement GmbH, Stuttgart, and Mesago PCIM GmbH, Stuttgart, are also included in the consolidated financial statements on the basis of sub-group consolidated financial 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).

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.

Shares in the capital of subsidiaries belonging to the parent and subsidiaries included in the consolidated financial statements are presented in the appendix to the notes.

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 2010.

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) HGB, 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 Section 308a HGB. 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 reporting 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. The group exercised the simplification option provided for under Section 67 (8) of the Act Introducing the German Commercial Code (EGHGB). No prior year adjustments of comparatives have been made.

Purchased intangible fixed assets and tangible fixed assets are recognised at cost, less (where subject to wear and tear) amortisation and depreciation over their useful life and, where applicable, write-downs. Amortisation/depreciation for use is calculated on a straight line basis on the basis of unchanged principles. New additions are depreciated on a pro rata temporis basis.

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 were written off in full or expensed in the year of acquisition with their immediate disposal being assumed. In the interest of simplification, low-value assets with purchase costs above € 150 to € 1,000 net are recognised in the financial statements as a compound item for tax purposes with a lump-sum depreciation p.a. of 20 percent in the year of acquisition and in the four subsequent years. Additions to tangible fixed assets are otherwise depreciated on a pro rata temporis basis.

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 are disclosed at nominal value on the balance sheet date. These include all identified individual risks, which are recognised through valuation allowances.

Other assets are shown in the balance sheet at nominal value.

Securities were stated at the lower of cost or fair value. Liquid assets are disclosed at market value on the reporting date.

Pension provisions and similar obligations are disclosed in accordance with the Projected Unit Credit Method based on the “2005 G actuarial tables”. For discounting purposes, the average market interest rate of 5.15 percent with a residual term of 15 years was applied across the board in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung) of 18 November 2009. Anticipated pay rises of 4 percent and a rate of pension progression of 2 percent were assumed. No employment fluctuations were taken into account.

For Accente Gastronomie Service GmbH, Frankfurt am Main, pension provisions are recognised in accordance with the modified actuarial cost method on the basis of the “2005 G actuarial tables”. For discounting purposes, the average market interest rate of 5.16 percent with a residual term of 15 years was applied across the board. Expected wage and salary increases of 2.5 percent and

a rate of pension progression of 2.0 percent were assumed. Fluctuation was given consideration within the scope of an actuarial model in the form of a probability of termination based on age and contribution years. By drawing on the option provided under Section 67 (1) Sentence 1 EGHGB, the transfer amount arising from the changes in provisions accounting pursuant to Sections 249 (1) Sentence 1, 253 (1) Sentence 2, Sub-section 2 HGB as a result of the German Accounting Law Modernisation Act (BilMoG) is distributed equally over the maximum period of 15 years.

Provisions for pension obligations arising from deferred compensation were offset against reinsurance receivables pursuant to Section 246 (2) HGB, as they concern congruently reinsured pension commitments.

Provisions for partial retirement recognised in Other provisions as at the balance sheet date were valued in line with the pronouncements of the IDW RS HFA 3 (accounting methods for partial retirement obligations under IAS and HGB) accounting standard provided by the Institute of German Independent Auditors (IDW), and on the basis of the German Accounting Law Modernisation Act (BilMoG), based on an interest rate of 5.15 percent (previous year 5.5 percent). Future wage and salary increases were taken into account by applying a rate of 2 percent.

Jubilee benefits recognised in Other provisions were valued in accordance with the Projected Unit Credit Method. Under this method, the provision amount is defined as the actuarial present value of all pro rata benefits attributed to employee service up to the balance sheet date. The discount rate is 5.15 percent. Employer's contributions to the statutory pension plan accruing on payment of the jubilee benefit were stated at a flat rate of 15 percent of the jubilee payments made.

Provisions are in principle recognised at their settlement amount (i.e. including future costs and price increases). They take account of all identifiable risks and contingent liabilities. Provisions with a residual term of more than one year were discounted.

Liabilities are carried at their repayment amount.

Asset and liability items denominated in foreign currencies were in principle translated at the mid-rate as at the reporting date. For assets and liabilities with a residual term of over one year, the realisation principle (Section 252 (1) No. 4 Clause 2 HGB) and the purchase cost principle (Section 253 (1) Sentence 1 HGB) were applied.

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.

For economic hedging relationships, hedge accounting is applied within the meaning of Section 254 HGB by using the so-called freezing method.

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 2010 is attached to these notes. Additions to tangible fixed assets result primarily from the completion in 2010 of Hall 11 and additions to operating facilities as well as other inventories.

A list of share ownership at 31 December 2010 has also been attached to the financial statements.

(2) Inventories

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

(3) Trade receivables

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

(4) Other assets

	due within one year	due between one and five years	due after more than 5 years
Taxes	11,979	2,819	0
Prepayments	4,416	0	0
Other	10,330	560	5
Total 2010	26,725	3,379	5
Total 2009	21,535	3,511	1

Other assets include business tax receivables from the City of Frankfurt (shareholder of Messe Frankfurt GmbH) amounting to €721,000 (previous year €546 million).

(5) Securities

Securities relate to shares in money market funds and commercial papers.

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

	2010	2009
Cash-in-hand and cheques	379	536
Bank balances	112,679	96,978
	113,058	97,514

(7) Deferred tax assets

Deferred tax assets result from inclusion in the scope of consolidation of the disposal of a trade fair right between MESAGO Messe Frankfurt GmbH as vendor and MESAGO Messemanagement GmbH as buyer, which is recognised in the income statement.

(8) Equity

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

(9) 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.

(10) Pension provisions

Messe Frankfurt exercised the retention option pursuant to Section 67 (1) Sentence 2 EGHGB in cases where first-time application of the measurement principles under Section 253 (1) HGB (new BilMoG update) would otherwise require the amount to be reversed to be added back to provisions by 31 December 2024. The excess amount is € 728,000.

The deficit that will accrue to Accente Gastronomie Service GmbH in future periods pursuant to Section 67 (2) EGHGB amounts to € 391,000.

(11) Other provisions

Other provisions mainly include outstanding purchase invoices, repairs and refurbishment commitments, general business risks, as well as claims from employees.

The retention option pursuant to Section 67 (1) Sentence 2 EGHGB was exercised for refurbishment commitments. The excess amount is € 530,000.

For a repair provision and a provision for general business risks the retention option pursuant to Section 67 (3) EGHGB was exercised.

(12) Liabilities

	due within one year	due between one and five years	due after more than 5 years
Liabilities to banks ¹⁾	33,639	87,679	57,642
Payments received on account of orders	121,970	0	0
Trade payables ²⁾	16,264	0	0
Other liabilities	17,504	70	0
– of which taxes	(15,568)	(70)	(0)
– of which social security	(251)	(0)	(0)
Total 2010	189,377	87,749	57,642
Total 2009	152,755	110,852	67,769

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 Messe Frankfurt GmbH) amounting to € 1,000 (previous year € 207,000).

(13) 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.

(14) Deferred tax liabilities

Deferred tax liabilities result from first-time application of Section 306 HGB and include deferred taxes from the amortisation of concessions as well as provisions not recognised for tax purposes.

(15) 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.

(15a) Other financial commitments and contingent liabilities

Other financial commitments total € 119.767 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 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 and Messe Frankfurt Medien und Service 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. 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 Commerzbank Bank AG (previously 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.

The risk of claims made against the security for liabilities of affiliated companies to banks is assessed as low due to the good net assets, financial position and results of operations of the affiliated companies concerned.

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.

(15b) 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 € 180,000.

(16) Derivative financial instruments

Derivative financial instruments are used exclusively as security for the amortisable loan in the amount of up to €100 million (€75.000 million per 31.12.2010) 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	102	102	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 hedging relationships, the negative fair values of the "swaps" (€-1.580 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.

Hedge accounting disclosures

The following hedging relationships were recognised (disclosures pursuant to HGB Section 285 No. 23 Letters a) and b)):

Underlying transaction/ Hedging instrument	Risk/Type of transaction hedge	Amount covered	Hedged risk
(1) 50 % Financing/payer swap 4.075 %	Interest risk/micro hedge	37,500	100 %
(2) 50 % Financing/payer swap 1.977 %	Interest risk/micro hedge	37,500	100 %

The counter cash flows of the underlying and the hedged transaction balance out fully, since if the variable interest rate rises above the swap rate the bank makes an equalisation payment to the company and, conversely, if interest rates are low an equalisation payment is made to the bank. All in all, the interest charge for full financing has been fixed at 3.026 percent (average of both hedge transactions).

The effectiveness of the hedging relationship is analysed using the "critical-terms-match" method.

Notes to the consolidated income statement

(Amounts in € '000 unless otherwise indicated)

(17) Sales

according to type	2010	2009
Stand rents	269,007	238,383
Halls, site and other rents	24,502	40,846
Admission fees and participation fees	11,065	9,868
Services and other income	143,752	134,682
	448,326	423,779

according to region	2010	2009
Germany	334,545	334,282
Europe excl. Germany	17,846	18,315
Asia	86,102	61,114
America	9,833	10,068
	448,326	423,779

(18) Other operating income

This account mainly includes prior-period income from the reversal of provisions (€ 4.418 million) and income from recoveries on receivables written off in prior periods (€ 1.194 million), as well as income from foreign currency translation differences (€ 2.557 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).

(19) Event-related expenses

	2010	2009
Cost of consumables and supplies and of purchased merchandise	17,382	19,074
Cost of purchased services	182,251	178,111
	199,633	197,185

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.

(20) Personnel expenses/employees

	2010	2009
Wages and salaries	84,877	77,331
Social security, post-employment and other employee benefit costs	17,434	16,184
of which in respect of old-age pensions	(4,331)	(4,792)
	102,311	93,515

Employees (annual average)	2010	2009
Vice presidents	31	31
Salaried employees	1,432	1,341
Wage-earning employees	124	120
	1,587	1,492

(21) 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 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).

(22) Other operating expenses

Other operating expenses amounting to € 48.019 million principally include rental and lease expenses and office costs, legal, consulting and auditing costs, expenses for promotional activities and allowances for bad debts. € 2.958 million of this relates to expenses from exchange rate differences.

(23) Financial result

	2010	2009
Interest and similar income	1,898	2,825
Interest and similar expenses	9,392	8,970
Financial result	-7,494	-6,145

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.

(24) Extraordinary result

The extraordinary result is attributable to extraordinary income in the amount of € 210,000 and extraordinary expense in the amount of € 517,000 as a result of applying Sections 66 and 67 (1)–(5) EGHGB (transitional provisions of BilMoG).

(25) Taxes

	2010	2009
Deferred taxes	795	0
Taxes on income	16,700	13,235
Other taxes	3,837	3,546
	21,332	16,781

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.

Of the total income distribution of € 14.433 million, an amount of € 1.433 million was distributed to minority interests.

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 2010.

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

Cost						
Amounts in € '000	At 01.01.2010	Additions	Disposals	Transfers	Currency trans- lation differences	At 31.12.2010
I. Intangible fixed assets						
1. Concessions, industrial and similar rights and assets and licences in such rights and assets	74,268	3,876	1,400	-17	830	77,557
2. Goodwill from acquisition accounting	64,153	120	0	7	649	64,929
	138,421	3,996	1,400	-10	1,479	142,486
II. Tangible fixed assets						
1. Land, land rights and buildings, incl. buildings on third-party land	1,186,518	5,617	765	6,260	60	1,197,690
2. Technical equipment and machinery	89,555	3,004	0	1,580	0	94,139
3. Other equipment, operating and office equipment	93,529	5,467	3,956	264	213	95,517
4. Prepayments and assets under construction	9,535	1,908	252	-8,094	5	3,102
	1,379,137	15,996	4,973	10	278	1,390,448
III. Long-term financial assets						
1. Long-term equity investments	20	0	0	0	0	20
2. Securities classified as fixed assets	5,000	0	0	0	0	5,000
	5,020	0	0	0	0	5,020
	1,522,578	19,992	6,373	0	1,757	1,537,954

Depreciation, amortisation and write-downs (cumulative)				Carrying amounts		
At 01.01.2010	Additions	Disposals	Currency trans- lation differences	At 31.12.2010	At 31.12.2010	At 31.12.2009
60,036	5,183	1,391	168	63,996	13,561	14,232
31,030	3,390	0	268	34,688	30,241	33,123
91,066	8,573	1,391	436	98,684	43,802	47,355
566,346	40,038	30	58	606,412	591,278	620,172
66,243	3,832	0	0	70,075	24,064	23,312
69,527	6,844	3,630	130	72,871	22,646	24,002
0	0	0	0	0	3,102	9,535
702,116	50,714	3,660	188	749,358	641,090	677,021
0	0	0	0	0	20	20
0	0	0	0	0	5,000	5,000
0	0	0	0	0	5,020	5,020
793,182	59,287	5,051	624	848,042	689,912	729,396

Supervisory Board of Messe Frankfurt GmbH

Petra Roth (Chairwoman)
Mayor, City of Frankfurt am
Main, Frankfurt am Main

**Dieter Posch
(Vice-chairman)**
Minister for Economics,
Transport and State
Development for the State
of Hesse, Wiesbaden

Jörn Apfelstädt
Financial accountant of Accente
Gastronomie Service GmbH,
Frankfurt am Main
(since 30 August 2010)

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 (until 30 August 2010)

Volker Bouffier
Minister of the Interior
and Sport for the State of
Hesse, Wiesbaden (until
16 November 2010)

Wolfgang Dimmer
Project manager at Messe
Frankfurt Venue GmbH & Co. KG,
Frankfurt am Main
(since 30 August 2010)

Bernd Dombek
Project manager at Messe
Frankfurt Venue GmbH & Co. KG,
Frankfurt am Main
(until 30 August 2010)

Jutta Ebeling
Mayoress, City of Frankfurt am
Main, Frankfurt am Main

Bernd Ehinger
President of the Rhine-Main
Chamber of Crafts,
Frankfurt am Main
(since 30 August 2010)

Jürgen Engel
Director at Messe Frankfurt
Venue GmbH & Co. KG,
Kelkheim
(since 30 August 2010)

**Professor Dr
Gottfried Honnefelder**
President of the German
Publishers and Booksellers
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Alexander Neumann
Member of the Works
Council Messe Frankfurt GmbH,
Frankfurt am Main

Peter Pippart
Project manager
Messe Frankfurt
Venue GmbH & Co. KG,
Eppstein (until 30 August 2010)

Franz Porstner
Project manager
Messe Frankfurt GmbH,
Gründau (until 30 August 2010)

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

Boris Rhein
Minister of the Interior and Sport
for the State of Hesse, Wies-
baden (since 17 November 2010)

Christiane Rüdiger
Director Messe Frankfurt GmbH,
Frankfurt am Main
(until 30 August 2010)

Peter Saalmüller
Idstein

Dr Thomas Schäfer
Minister for Finance for the
State of Hesse, Wiesbaden
(since 8 September 2010)

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

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

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

Peter Thomaschewski
Director at Messe Frankfurt
GmbH, Liederbach
(since 30 August 2010)

Dr Martin Viessmann
CEO of Viessmann Werke
GmbH & Co. KG, Allendorf

Karlheinz Weimar
Minister for Finance for the State
of Hesse, Wiesbaden
(until 30 August 2010)

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 2010, the members of the Executive Board received total remunerations of €1.901 million, taking into account all amounts subject to disclosure. This figure includes remunerations for 2009 in the amount of €608,000, for which respective provisions had been recognised in the previous year in the amount of €630,000. Furthermore, provisions amounting to €542,000 for variable benefits were recognised in 2010, bringing total remunerations for 2010 to €1.813 million (previous year €1.931 million). Superannuation benefits and retirement annuities, as well as interim payments and indemnifications, of €960,000 (previous year €528,000) were paid to former members of the Executive Board and surviving dependents. Pension provisions totalling €8.822 million (previous year €8.822 million) were recognised for the latter groups of persons at 31 December 2010. The members of the Supervisory Board do not receive any remuneration. The expenses allowance paid to them amounted to a total of €8,000 (previous year €8,000).

Auditors' fees

The auditors' fees expensed in the financial year amounted to €799,000 for the auditors' report, of which €540,000 is apportionable to Ernst & Young GmbH, Germany.

Executive Board

The following were appointed to the Executive Board:

Wolfgang Marzin, Diplom-Betriebswirt (HWF WirtschaftsFH)
(Graduate in Business Administration (University of Applied Sciences)) (since 1 February 2010,
President and Chief Executive Officer since 1 April 2010),

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

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

Dr Michael Peters, Diplom-Kaufmann (Graduate in Business Studies) (until 30 June 2010),

Michael von Zitzewitz, Diplom-Volkswirt (Graduate in Economics),
President and Chief Executive Officer until 31 March 2010.

Frankfurt am Main, 31 March 2010



Wolfgang Marzin



Uwe Behm



Detlef Braun

Consolidated cash flow statement of the Messe Frankfurt GmbH group

in € '000	2009	2010
Net income/loss for the period before extraordinary items	23,366	24,575
Depreciation, amortisation and write-downs (+) of fixed assets	52,950	59,286
Decrease (-)/increase (+) in provisions	-6,502	-6,164
Other non-cash income	-4,246	-4,553
Proceeds (-)/expense (+) from disposal of fixed assets	5	164
Proceeds (-)/expense (+) from sales of securities classified as current assets	311	0
Increase (-)/decrease (+) in inventories	19	-68
Increase (-)/decrease (+) in trade receivables and other assets not attributable to investing or financing activities	15,240	-6,223
Decrease (-)/increase (+) in trade payables and other liabilities not attributable to investing or financing activities	-37,485	36,738
Cash flows from operating activities	43,658	103,756
Intangible fixed assets/tangible fixed assets		
- Capital expenditures	-101,572	-19,992
- Proceeds from disposal of fixed assets	695	1,160
Purchase (-) of consolidated subsidiaries and other business units	-10,399	0
Payments for cash investments (securities)	9,866	-23,939
Cash flows from investing activities	-101,410	-42,771
Cash payments (-) to the owners of Messe Frankfurt GmbH and minority shareholders	-14,370	-14,433
Cash repayments (-) of bank loans	-7,521	-32,581
Cash proceeds (+) from the issuance of bank loans	37,500	29
Cash flows from financing activities	15,609	-46,985
Net change in cash funds	-42,143	14,000
Effect on cash funds of exchange rate movements	-3,635	1,544
Cash funds at beginning of period	143,292	97,514
Cash funds at end of period	97,514	113,058

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

in € '000	Parent				Minority interests			Group	
	Subscribed capital	Capitel reserves	Group revenue reserves	Adjustment item for foreign currency translation	Equity	Minority interests	Adjustment item for foreign currency translation	Equity	Equity
At 31.12.2008	180,000	85,219	112,198	-1,591	375,826	836	28	864	376,690
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				-3,307	-3,307	-420	-1	-421	-3,728
Consolidated net income for the financial year			22,179		22,179	1,186		1,186	23,366
At 31.12.2009	180,000	85,219	121,377	-4,898	381,699	2,495	27	2,522	384,220
Adjustment to BilMoG			-74		-74				-74
At 01.01.2010	180,000	85,219	121,303	-4,898	381,625	2,495	27	2,522	384,146
Dividends paid			-13,000		-13,000	-1,433		-1,433	-14,433
Other changes				2,687	2,687		-9	-9	2,678
Consolidated net income for the financial year			22,834		22,834	1,434		1,434	24,268
At 31.12.2010	180,000	85,219	131,137	-2,211	394,145	2,496	18	2,514	396,659

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 2010 to 31 December 2010. 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, 9 May 2011

Ernst & Young GmbH
Auditors

Klingelhöfer	Welz
Auditor	Auditor

Report of the Supervisory Board

During the course of the financial year, the Supervisory Board of Messe Frankfurt GmbH regularly informed itself of the position of the group and its subsidiaries through written or oral reports at three meetings respectively of the Supervisory Board, Finance Committee and Investment Committee and one meeting of the Building Committee and discussed important issues with the Executive Board. A particular focus in the reporting year was the strategic reorientation of the group following the change in the management.

The Supervisory Board has examined the annual financial statements and consolidated annual financial statements of Messe Frankfurt at 31 December 2010 for the financial year from 1 January to 31 December 2010, as well as the reports of the Executive Board on the position of the company and the group for the 2010 financial year, which have been audited and issued an unqualified opinion by the auditing company Ernst & Young GmbH, Eschborn/Frankfurt am Main.

Furthermore, the Supervisory Board read and took note of the reports of the auditor, Ernst & Young GmbH, on its review of the adequacy of the management and the economic situation pursuant to Section 53 German Law on Budgetary Principles (HGrG). This also encompassed the audit of the risk management system of Messe Frankfurt GmbH.

The Supervisory Board recommends that the General Meeting should adopt the annual financial statements and consolidated annual financial statements of Messe Frankfurt GmbH as at 31 December 2010 and accept the reports on the position of the company and the group for the financial year from 1 January to 31 December 2010.

Frankfurt am Main, 24 June 2011

The Supervisory Board

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