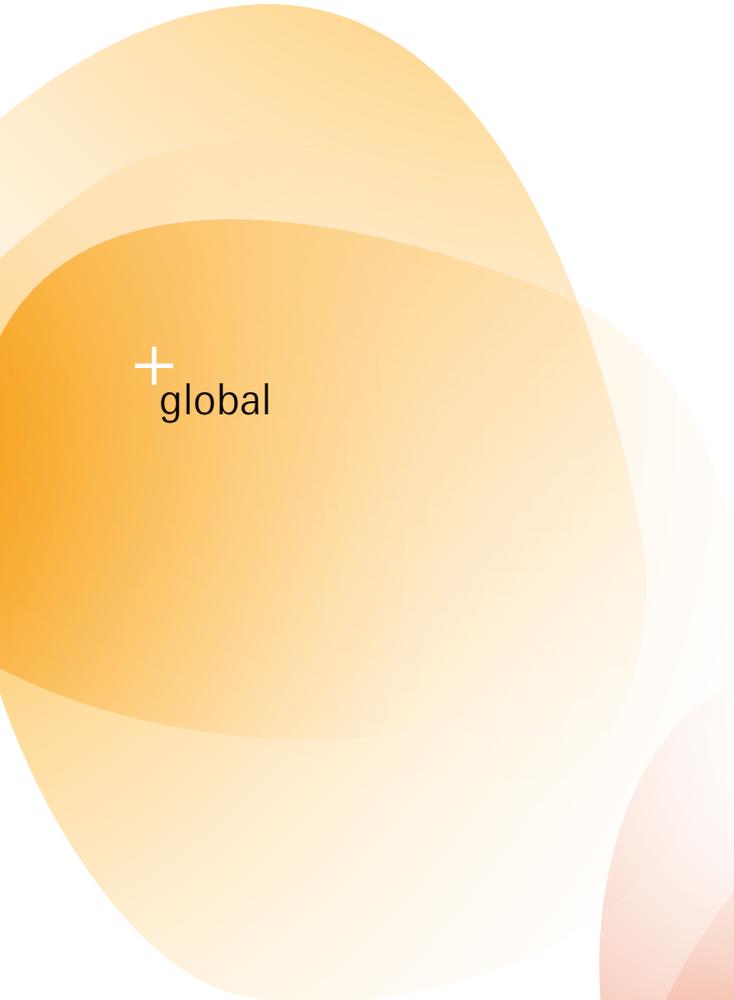
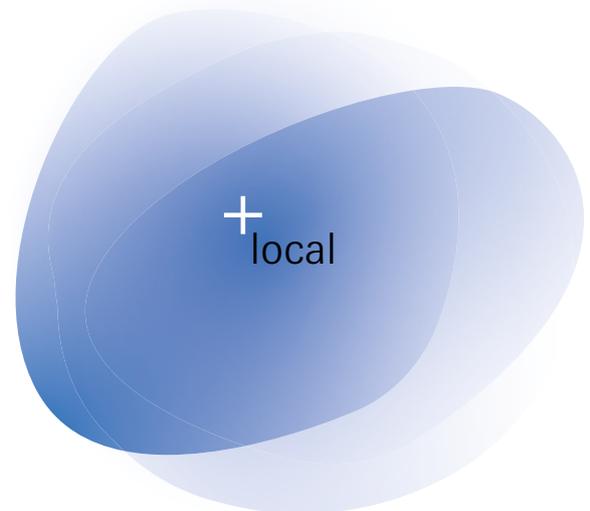


2011

Annual Report

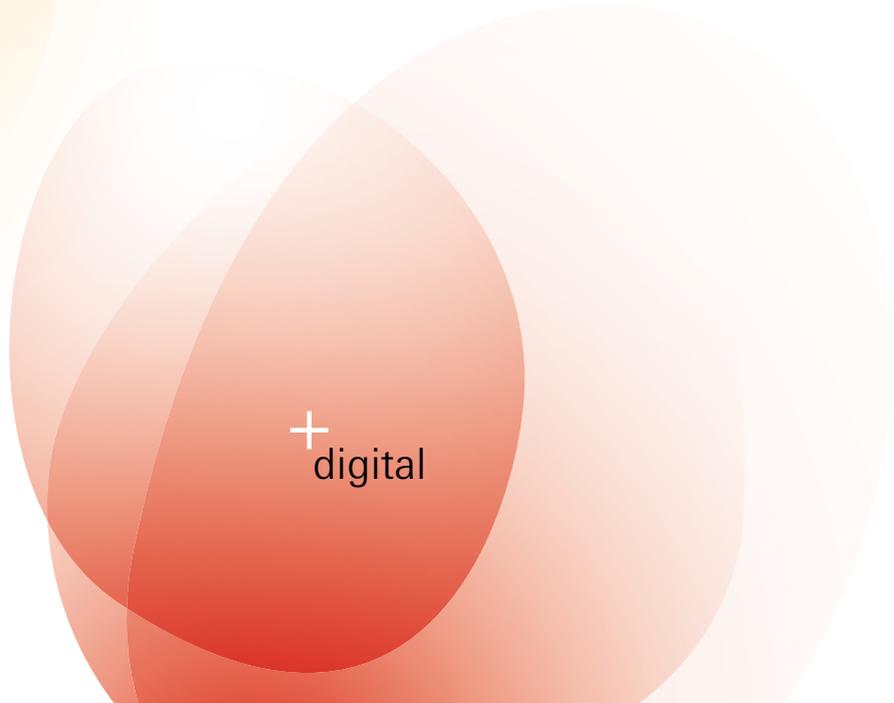


+
global



+
local

On the spot



+
digital

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*	2007	2008	2009	2010	2011
Sales	424	440	424	448	467
Personnel expenses	84	91	94	102	106
Depreciation, amortisation and write-downs	48	47	53	59	59
Earnings before taxes on income	44	52	37	42	34
Pre-tax return on sales in %	10	12	9	9	7
Net income for the year	28	36	23	24	22
Cash flow (simplified)	72	79	73	80	76
Additions to fixed assets	105	115	118	20	22
Equity	340	377	384	397	404
Total assets	778	876	869	875	832
Employees (at 31.12. respectively)	1,395	1,463	1,589	1,629	1,725

* 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	2007	2008	2009	2010	2011
Total area (m ²)	578,000	578,000	578,000	578,000	578,000
Available hall space (m ²)	321,754	321,754	345,697	355,678	355,678
Available open space (m ²)	83,698	96,078	95,721	96,078	96,078
Number of halls	9	9	10	10	10
Events in Germany					
Number of trade fairs and exhibitions	44	42	37	36	37
Exhibitors	41,135	43,682	41,097	42,386	38,184
Exhibitors (Germany)	17,669	16,739	17,534	17,434	14,686
Exhibitors (other countries)	23,466	26,943	23,563	24,952	23,498
Net area (m ²)	1,514,597	1,422,605	1,438,709	1,281,215	1,366,756
Visitors	2,575,899	1,678,677	2,325,565	1,474,301	2,307,067
Events outside Germany					
Number of trade fairs	68	60	54	51	63
Exhibitors	22,955	25,148	22,320	26,196	30,643
Net area (m ²)	515,853	551,535	483,217	572,538	713,636
Visitors	981,070	884,312	837,317	921,183	1,063,369
Total					
Number of trade fairs	112	102	91	87	100
Exhibitors	64,090	68,830	63,417	68,582	68,827
Net area (m ²)	2,030,450	1,974,140	1,921,926	1,853,753	2,080,392
Visitors	3,556,969	2,562,989	3,162,882	2,395,484	3,370,436

Trading centres



Trade fairs are and always will be the most important marketing instrument for the global economy. They offer all sectors of the economy a neutral platform and the opportunity to meet, exchange and do business with one another.

We provide these platforms at our exhibition grounds in Frankfurt, through our events world-wide and with our Internet offerings. This way, we support our partners and customers not only in establishing, but additionally in nurturing lasting and reliable business relationships in a constantly changing world. Because their success is also our success.

Therefore Messe Frankfurt is always present wherever our customers need us:
Locally. Globally. And digitally.

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Acting and transacting on the spot

Places where actions meet transactions, platforms for the real economy: for over 750 years, exhibitors and visitors have taken advantage of our events as a basis for doing business. Our success in what we do was confirmed once more last year by our end-of-year earnings result. At €467.5 million, this was the most profitable “trading year” yet in the history of Messe Frankfurt and proved to be a very special year in more ways than one.

Our customers find trading places not only at our home venue in Frankfurt am Main. Whether in India, Dubai or Russia – we are present in all markets with economic relevance for our customers. As trade fair organisers our job is to offer them platforms for supply and demand in the world’s growth-relevant markets. Our strategic decisions and investments help to strengthen international trade venues worldwide.

This also impacts the respective region, with local companies and service providers sharing in the success of our trade fairs – whether in terms of taxi rides, hotel overnight stays or restaurant bookings. But of course, the greatest added value is created at our home venue in Frankfurt. A study conducted by the independent ifo Institute reveals that in the Federal Republic of Germany Messe Frankfurt events trigger such ripple-effect sales to the tune of € 3.1 billion annually. These bring the City of Frankfurt, the State of Hesse and the federal government altogether € 567 million in additional revenues. Messe Frankfurt’s activities create 32,500 jobs across

Germany. Conclusion: Messe Frankfurt brings benefits – for its customers, as well as for the economy as a whole.

In 2011, Messe Frankfurt continued to pursue its path of growth. Our own and guest events around the globe brought together some 69,000 exhibitors and over 3.8 million visitors; close to half a million of these alone came to our many concerts, sporting and cultural events held at the exhibition grounds in Frankfurt. Messe Frankfurt is among the world’s leaders in our industry in terms of all relevant performance indicators. In Germany we are also far and away the most profitable exhibition company with its own exhibition grounds.

This is the merit of all our employees worldwide, whom we would like to take this opportunity to thank for their personal commitment and dedication. They are the ones who are present locally for our customers all over the world. And they are the ones who have made this year a very special one.



► | The Executive Board on the terrace of Hall 11
◄ | View of Hall 11



We believe we are well-positioned to tackle the challenges of the future: We have sustainably expanded our portfolio through growth of our established trade fairs, long-term contracts with major partners and many new trade fairs. This on the one hand increases capacity utilisation at our exhibition grounds, as well as our market shares in fast-growing markets. Furthermore, a strong regional structure enables us to implement the service standards our exhibitors and visitors have come to expect of us – worldwide. With the ground-breaking ceremony for a new congress centre, Kap Europa, Frankfurt will also be promoted to the champions’ league for congress and conference business. Last but not least: We are delighted to be involved as an exhibition company in the preparations for Germany’s participation at the World Expo in Milan in 2015, where we will run the German pavilion. Messe Frankfurt’s expertise

and competence convinced the national government decision-makers. So once again we will as usual be on the spot when our customers require our services.

In this annual report you will discover places that at first glance appear to have nothing to do with Messe Frankfurt. Or perhaps they do? In the following stories we report about these very different venues, places or meeting points and hope we can show you how the Messe Frankfurt corporate group is relevant beyond its own exhibition grounds – locally, globally and digitally.

We do hope you will join us!

Wolfgang Marzin

Detlef Braun

Uwe Behm

Making room for the pasta connection

At tables laid with white cloths, between antipasti and espresso, ideas for new projects are born, industry sectors network and finalise the fine points of contracts. At Cucina Mediterraneo it's easy to tell when events are being held at the exhibition grounds – because the reservations book is full to bursting.



“Messe Frankfurt has made me what I am today.”

Giovanni Maragliano



Il pragmatico – the pragmatist
Giovanni Maragliano

How do you become a restaurant owner? Simply by seizing the opportunity – “facile così” – when it presents itself. Giovanni used to be a tram driver. His job regularly took the native Italian past the Messe Frankfurt stop. These hundreds of people on their way to the exhibition grounds – he wanted to cook for them. In January 2000, he was ready to open his Cucina Mediterraneo close to the Messe City entrance. “I am very happy when there’s a trade fair on, because then I get to see them all again,” says Giovanni, referring to the countless German and foreign guests, many of whom have become regulars, some even friends. And for friends he will even clear his office to make space for another dining room. “Facile così” – it’s as simple as that!

“Benvenuti al ristorante!” – For over a decade, people have been cultivating business relations after a long day at the trade fair over a generous portion of pasta à la casa and a glass of dry Chianti at Cucina Mediterraneo. Incidentally, the fact that this is so in no small measure has something to do with the tramway.

According to a study carried out by the Federal Ministry of Transport, Building and Urban Development, the average person in Germany walks 1.4 kilometres a day.

Giovanni Maragliano, family man and owner of Cucina Mediterraneo, laughs. When his guests come to his restaurant in the evening after visiting Ambiente, Heimtextil or Light+Building, they have many more kilometres under their belts, or rather in their legs, he says. Meetings, press conferences and product presentations – Giovanni Maragliano firmly believes that first you should sit down, relax and above all enjoy good food and drink.

The discussions will then take care of themselves. In this way, more than one business deal has been finally sealed at his restaurant. But irrespective of whether at Cucina Mediterraneo in Frankfurt, the Kevin Rathbun Steakhouse in Atlanta or at the Sushiyankansei sushi restaurant in Tokyo – the epicurean delights exhibitors and visitors enjoy around the world after the trade fair has closed its doors have their roots at Messe Frankfurt events.



“At the end of the trade fair, global expertise diffuses with local knowledge and blends into the urban environment.”

Stephan Kurzawski

Member of the Executive Board of Messe Frankfurt Exhibition GmbH

Stephan Kurzawski has been Senior Vice President with responsibility for Consumer Goods & Sales since mid-2010. Prior to that he was in charge of Automechanika, Business Development and Independent Brands at Messe Frankfurt.

Messe Frankfurt: contact initiator

Organising trade fairs not only means bringing together products, but above all people – for direct talks, for an exchange of ideas and experience: in brief, for professional networking. Discussions during trade fairs strengthen interpersonal relations and foster the (industry) community. Like this, casual acquaintanceships can become real contacts and relationships. What was previously just a name on a business card, a virtual contact on XING or LinkedIn, a voice at the end of the phone, acquires a face and a character. No email correspondence, no telephone or video conference is a substitute for direct contact. Personal relationships create trust – the best possible foundation for viable and lasting business relations.

After the fair is before the fair

Valuable contacts bring companies higher volumes, more sales and more profit. This is what prompted Messe Frankfurt back in 2006 to develop its Productpilot.com business-to-business platform, which creates a link between the real-time trade fair and the online world. In the meantime, over 20,000 companies are listed in the database. For trade visitors and buyers from all over the world it is the ideal tool for the efficient and selective search for products, services and providers. What's more, the modern, semantic business matching technology on Productpilot.com automatically provides international business contacts to users with similar interests and objectives.

Where decision-makers meet

Personal contacts are high-quality and sustainable. This is also confirmed by the results of regular visitor surveys conducted by Messe Frankfurt during its events. These show that 55 percent of visitors belong to the top management. A high number of decision-makers from owner-run specialist retailers and handicraft companies increase this proportion at consumer goods fairs to as much as over 60 percent.

€ 200 m

This figure represents the total expenditure of all companies exhibiting in Frankfurt for overnight accommodation and catering in one year. Average expenditure per visitor for trade fairs in Frankfurt is € 450.

Where beautiful things originate

When the first sketches for a new product emerge, the designer's drawing board is a creative blank canvas. Consumer goods require passion; the development process is characterised by the desire for innovation, an appreciation of shapes and colours and the challenge of creating something with a practical application.



The Ambiente brand – an established trend platform

Every year, five events under the Ambiente umbrella brand are held worldwide. Ambiente and its affiliated events in Shanghai and Tokyo together represent the global marketplace and meeting point for the consumer goods sector.

Before the onset of the industrial revolution the labour market for designers was virtually non-existent. Everyday objects above all had to be practical and were produced in very small quantities. It wasn't until the introduction of mass production that a prototype became necessary – and with it people who combine functionality and creativity and at the same time were capable of abstracting for anonymous buyers. Nowadays all consumer products start with the idea, which then finds its way onto retailers' shelves via prototypes and production. Messe Frankfurt is an important link in this chain because in its Consumer Goods & Leisure segment it combines several of the leading trade fair formats in the international consumer goods industry and in doing so brings together all the key decision-makers from the corporate, design, retail and training segments.



ambiente

The wishing table

Ambiente is the world's leading trade fair for products revolving around the table, kitchen, household, gifts, decorative articles as well as living and home accessories. 4,442 exhibitors and 144,991 visitors – up ten percent on the previous year – make Ambiente the world's most important event in the consumer goods sector.

€ 27^{bn}**Pretty generous**

Within the scope of a study carried out by the Nuremberg consumer research association (GfK), every German spent on average roughly €400 on gifts in 2011. Positive outlook for 2012: according to a recent Forsa survey, today 69 percent of those interviewed have more or at least a similar amount available to spend.



m-es.se/t6N2

tendence**Tendence: on a stable course**

Tendence is traditionally the largest and most important ordering and trend platform in the second half of the year. In the two product sections, "Giving" for creative gift ideas and "Living" for home, decorating and furnishing, Tendence showed the latest trends for the 2011/12 autumn/winter season and gave an outlook for the 2012 spring and summer novelties.

**paperworld****The global office**

With an international share of 80 percent on the exhibitor and 62 percent on the visitor side, Paperworld was one of the most international events held at the Frankfurt venue in 2011. The B2B fairs for paper, office supplies and stationery are held in Dubai, Hong Kong, Moscow and Shanghai.

creativeworld**Creative energy for maximum inspiration**

Since 2011, Creativeworld has been the new centre for hobby, craft and art supplies. It is held in tandem with Paperworld and Christmasworld with an independent event brand and extended trade fair concept.

**beautyworld hair&beauty****In the eye of the beholder**

Beauty is at home all over the world: Beautyworld Japan is considered the main platform for beauty products in Asia's key cosmetics market; Beautyworld Middle East is also gaining in importance. At the home venue in Frankfurt the wheel of development is not standing still either: in 2014, OMC Hairworld, the world championship of hair stylists, will be held parallel to Hair and Beauty.

**interiorlifestyle**

TOKYO

With style and class

In cooperation with Heimtextil Japan and Homedesign Japan, more than 520 exhibitors turned Interior Lifestyle Tokyo into the leading platform for up-market Japanese interiors and furnishings.

**maintier****monstrously appealing****A beastly good premiere**

There's miaowing, barking and chirping coming from Hall 1: at the "monstrously appealing" consumer trade fair for the whole family, 86 exhibitors presented everything to do with pet food, welfare, training, equipment and ... fashion. A popular accompanying programme including exhibitions of live animals, demonstrations, lectures and show events completed the first Maintier.

christmasworld**Christmas magic**

Whether candles, baubles, floristry supplies or festive lights: there is constant demand for festive articles and seasonal decorations. Scheduled at the end of January, Christmasworld is the ordering platform for wholesalers and retailers. Some 1,000 exhibitors present inspiring trends alongside classic favourites for perfectly decorated festive occasions all year round – and not only at Yuletide.

**interiorlifestyle**

CHINA

+16%
more trade visitors

House beautiful

Interior Lifestyle China is the only professional business platform in China and the neighbouring regions serving the mid- and upper market segment in the lifestyle sector. 14,500 trade visitors, up 16 percent on last year, attended in 2011 and checked out the latest developments and innovations of the 225 exhibiting companies.

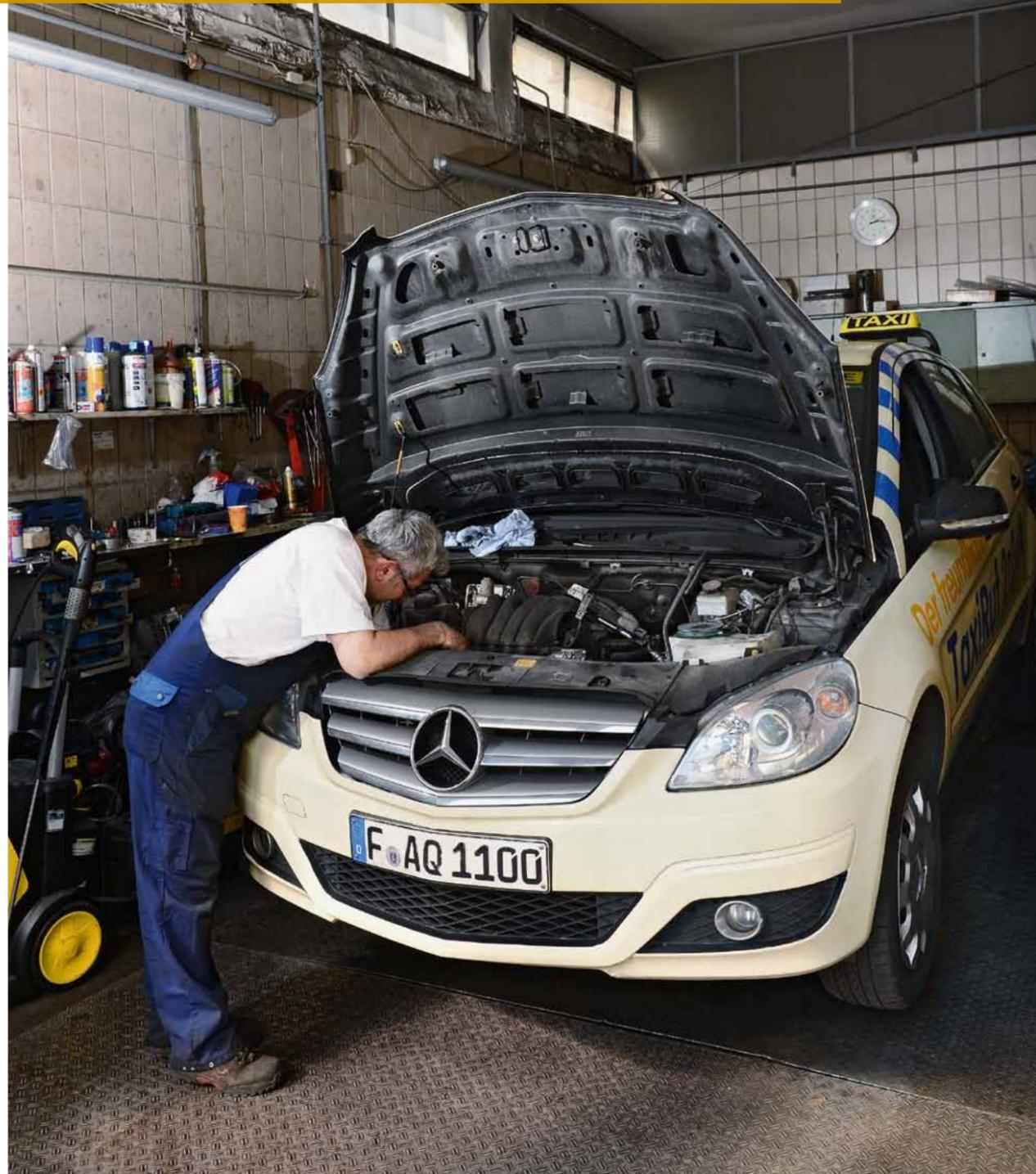
IFFT interiorlifestyle living**Furniture display**

Since 2008, two of the most prominent trade fairs in Japan have joined forces: the International Furniture Fair Tokyo – Japan's biggest furniture fair – and Interior Lifestyle Living – the leading design-oriented interior lifestyle fair.



In the pit stop

During trade fairs things also get pretty busy for A.M.M. Taxi: "If necessary, our taxis are on the road 24 hours a day!" It goes without saying that under these circumstances vehicle and engine have to deliver maximum performance. Therefore the taxis' roadworthiness is regularly checked at the in-house vehicle workshop.



+ Frankfurt am Main
248,3 km² area
695,624 inhabitants

1,712 taxis

It's hot in the room; the smell of engine oil lingers in the air. Every corner – however small – is utilised to the max.: screwdrivers, oil pans, tyre stands ... everything has its place. In the midst of it all: one of nine company-owned natural gas vehicles from Ronny Wächter's fleet.

The A.M.M. family taxi enterprise is among Germany's pioneers in being able to offer its customers an eco-fleet certified by Germany's ADAC automobile association. As well as nine company-owned natural gas vehicles, a total of 20 such eco-friendly cars are on call via the company's central taxi service – and this trend is on the rise. The entire staff is proud of this achievement. The working atmosphere is in general characterised by a great sense of community. "Here, everyone pulls their weight," says Ronny Wächter deftly manoeuvring one of his natural gas taxis into a parking slot in the yard of the building at Bornheimer Landwehr 36. The idyllic green courtyard is misleading, however: time here is not standing still. Ronny Wächter is well aware that in the regional competition over passengers you have to be "on the ball" if you want to stay ahead of the game. That's why he has recently gone one step further in the interests of sustainability. True to the motto "Don't just



look forward, drive forward", the family entrepreneur's taxis can of late now write "climate neutral" on their wing alongside "eco-friendly". Via Arktik → www.arktik.de, an independent company working to combat climate change and certified by the TÜV technical inspection agency, 100 percent of CO₂ emissions produced by the taxi rides are offset.

- ◀ | Workshop of A.M.M.'s central taxi service
- ▲ | Useful helpers
- ▶ | On the way to work



Man of action

Ronny Wächter

Since taking over the small-scale taxi company from his father-in-law in 2004 the business administration graduate and banking specialist born in 1975 in Gera/Thuringia has consistently expanded the business. Today, in cooperation with other companies, he runs a central taxi service called "TaxiRuf 20304" with 85 vehicles, 20 of which are powered by natural gas. A.M.M. Taxi Frankfurt GmbH's own fleet is composed of 17 taxis, nine of which are gas-driven. During trade fairs, the core team of 34 full-time drivers is increased significantly to transport up to 40 percent more passengers. This drives up the company's sales volumes by around 25 percent. → www.amm-taxi.de

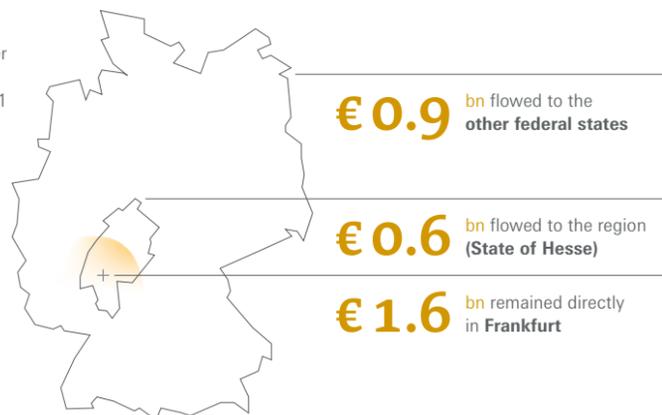
City, state, indirect profitability

That Ronny Wächter can sustainably upgrade his business and place it on a sure footing for the long term is in no small measure thanks to Messe Frankfurt. Indirect profitability is the catchword – and as inelegant as the term sounds, the impact on the city and its environs is significant. A survey conducted by the independent ifo Institute for Economic Research based at Munich University reveals the central importance of Messe Frankfurt, which according to the study should be ranked alongside Frankfurt Airport. Trade fair, congressional and event business is a strong economic factor and a creator of jobs for the whole region. Numerous businesses, be they taxi companies, men's outfitters, bakers or translation agencies, benefit from events taking place at the exhibition grounds. Ronny Wächter sums it up in a nutshell: "Messe Frankfurt is important for the city." It strengthens the city's image, secures jobs, is a kind of lighthouse and above all "an important guarantor of sales and earnings". The taxi operator should know, after all he is one of the around 18,700 people in the Main metropolis whose job is not least secured partly through Messe Frankfurt events.

€ 3.1

bn in purchasing power was generated by Messe Frankfurt in 2011

No other trade fair venue can boast such impressive economic effects.



"We not only bring people and products together, we bring Messe Frankfurt and the region together."

Klaus Münster-Müller

Chief of Finance, Member of the Extended Board of Management Messe Frankfurt GmbH

The business administration graduate has worked in the controlling and financial field at Messe Frankfurt since 1988. Since mid-2010 he has been responsible as Chief of Finance for corporate finances.



Messe Frankfurt is everywhere

The people of Frankfurt are not the only ones who have reason to be happy: the entire Rhine-Main region and even the whole of Germany benefit from this indirect earning power. Some 32,500 jobs across the country can be directly linked to Messe Frankfurt. In fact, over the past decade its activities have created around 3,000 new jobs, 1,900 of these in Frankfurt. In concrete terms this means that every Messe Frankfurt employee, at home and abroad, secures 20 jobs in Germany.

Compared to a 1999 study, this number of jobs all over Germany has risen by ten percent, and in Frankfurt even by 11 percent. Messe Frankfurt and each of its employees therefore make a vital contribution towards promoting the economy in the city, the region and the country.

Always ready to provide service

Messe Frankfurt sees itself as a full-service provider offering its exhibitors and visitors a qualitatively high and reliable standard. In order to assure this, the group depends in many fields on modern, flexible and service-oriented companies in its local area. These include the hotel and catering industry as well as food and stand construction suppliers. A large network of partners and service providers outside the exhibition grounds make it possible to keep up as well as enhance the high standards.

Welcome to Utopia

Under clouds of oversized balloons a field of small white windmills is gently set in motion by ventilators. The Utopia becomes an idea, the idea becomes reality.



40

textiles fairs in eight countries –
14,100 exhibitors and 400,000 visitors worldwide

What if we were only to produce products whose manufacture did not involve exploitation of people, depletion of the earth's natural resources and the addition of harmful substances?

The exhibition designed by the Stijlinstituut Amsterdam on show during Heimtextil 2011 thus demonstrated the clearly growing consumer interest in sustainable products and related topics. In the textiles sector especially, ecological awareness and responsible action have in the meantime become a powerful economic factor – for Messe Frankfurt reason enough to focus more strongly on sustainably manufactured products at its international textiles fairs.

USP: concentrated textiles expertise!

Messe Frankfurt presents the entire textiles value chain with the world's largest portfolio of textiles fairs in the "Home and Contract Textiles", "Apparel Fabrics and Fashion", "Technical Textiles" and "Textiles Processing and Care" segments. In Frankfurt, Shanghai, Paris or Moscow – in all of the industry's major production and sales markets and growth regions worldwide, Messe Frankfurt's events offer companies from the textiles industry an ideal platform to present themselves, new products and services, establish and maintain contacts, enter the market or generate export orders.

Texpertise Network

As well as providing an overview of the extensive portfolio of events, the cross-event website also consolidates the world's biggest network of trade fair and industry experts. → www.texpertise-network.com

heimtextil

Trend-aware? But sustainable please!

Published for the first time in 2011, the "Green Directory" lists exhibitors with product ranges of outstandingly high ecological quality or manufactured in a sustainable way. Sustainability was also the overriding topic of talks, presentations and special shows. It went down well: trade visitors from all over the world in particular rated the increased conceptual quality of the fair as being very good. Heimtextil goes City: for the seventh time the trade fair opened its doors in downtown Frankfurt. The latest trends and novelties from Heimtextil were presented at select specialist and home furnishing retailers in the city.



Sobriety – Mix Mash – Utility – Wilderness
Under the motto "Reconnect", international designers formulated the Heimtextil trends for the 2011/2012 season under four leitmotifs.



Through a combination of zeitgeist and design with environmentally-friendly methods GREENshowroom shows great potential in the high-end lifestyle segment.



Green Fashion Victim

With the GREENshowroom in July 2011, Messe Frankfurt for the first time organised the established eco fashion show during the Mercedes Benz Fashion Week Berlin. At the Hotel Adlon Kempinski, 40 labels presented a mix of exclusive, international and sustainable avantgarde fashion, accessories and lifestyle products.

→ www.green-showroom.net



m-es.se/Zw97

techtexsil texprocess materialvision

All good things come in threes

The Techtexsil flagship fair, the world's premium date for technical textiles and non-wovens, and the Material Vision trade exhibition and conference held in parallel have received illustrious support: Texprocess, the leading international fair for processing technologies for textile and flexible materials and the top event in the apparel and textiles processing industry, was held in Frankfurt for the first time. Conceptual promoter is the industry association VDMA. The interrelated trade fair themes of these three industry events produced numerous synergies for exhibitors and visitors.

1,561

manufacturers

from 60 nations presented their world premières in Frankfurt am Main in the fields of technical textiles and non-wovens as well as the manufacture and processing of textiles and flexible materials to 35,378 trade visitors from 107 countries.

In Pushkin's footsteps

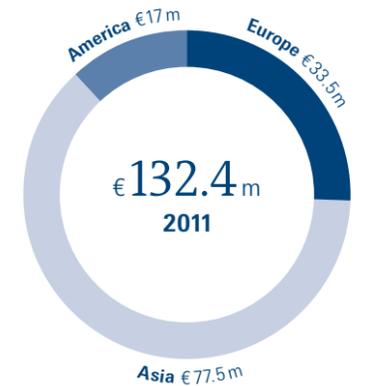
The Nevsky Prospect is one of the most famous and most beautiful streets in the world. Over 200 ornate palaces, prestigious villas, splendid Art Nouveau department stores and opulent churches provide an insight into the colourful history of St. Petersburg and its inhabitants.



+18.6

€ m

Sales volume increase of all foreign companies in the Messe Frankfurt group in 2011. This corresponds to a rise of 16 percent.



Only a few steps away from Nevsky Prospect stands the last residence of one of St. Petersburg's most famous sons: Alexander Sergeyevitsch Pushkin, Russian national poet and founder of modern Russian literature. He lived there with his wife Natalya and their four children in a ground floor apartment located directly on the Moyka Canal. Today the building houses a so-called "Muzei Kvartira", an "apartment museum".

Nothing fascinates Dimitri Rutz more than the history of St. Petersburg and its inhabitants. The 28-year-old merchant in wholesale and foreign trade, who is fluent in Russian, works for the German company Flennor GmbH from Düsseldorf and is in charge of the company's trade presentation at Automechanika in St. Petersburg. As soon as he has a moment to spare, he likes to wander through the city's streets. "Here, history comes alive on every street corner," he enthuses. "Authors, artists, aristocrats – everyone who was anyone came here and left their traces." On his wanderings he likes to visit the Moyka Promenade, where Alexander Pushkin died a premature death in house number 12 following a duel. At the young age of just 37 he bled to death after receiving a shot to the stomach.



• | Nevsky Prospect – St. Petersburg's main artery
 • | Dimitri Rutz (left) from Flennor at Automechanika

+20

new trade fairs worldwide are being organised by Messe Frankfurt in 2011 and 2012.

Trade fair routine in St. Petersburg

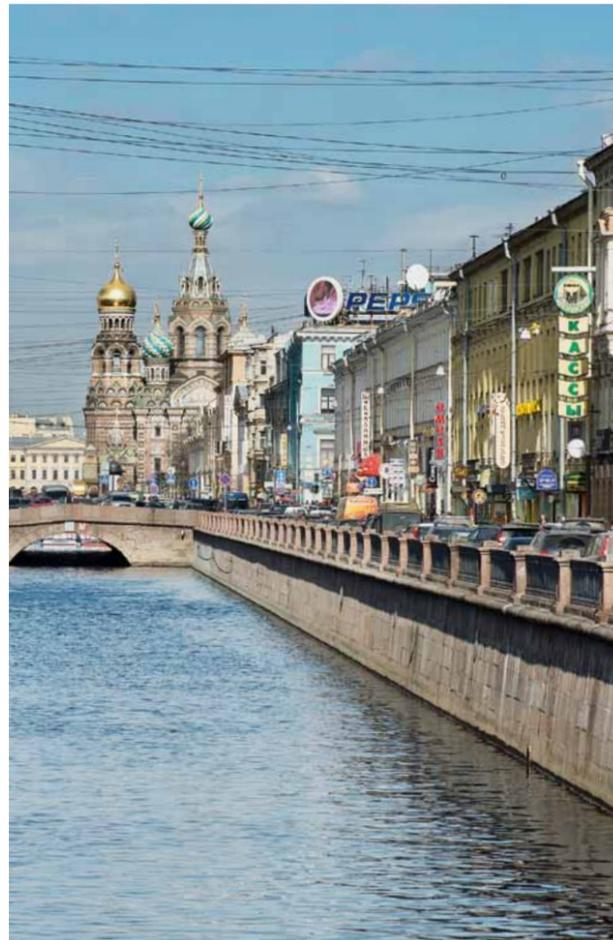
Dimitri Rutz enjoys his short forays into the historic quarters, although he does not have much time. The rest of the time his full concentration is on the trade fair. For Dimitri Rutz each day starts the same: after his travel alarm clock has rung, the alarm function on his mobile phone also goes off "just to be on the safe side". Because "the worst thing of all would be to oversleep". In the meantime this has become something of a ritual that he observes whenever he is working at a foreign trade fair. After a fortifying breakfast, he travels to the Lenexpo exhibition grounds, approximately 25 kilometres from Pulkovo International Airport. The exhibition grounds lie directly on the Gulf of Finland, near the port, from where ferries depart to Stockholm. Even in late April, the harbour basin is still frozen over in places. In Pavilion 8, Dimitri Rutz's Lithuanian colleague Saulius Liesis, with whom he occupies the Flennor stand, is already waiting for him.

Internationality is one of the hallmarks of Messe Frankfurt.

Messe Frankfurt goes East

Russia is a prospering market whose current modernisation and investment activities are demanding vast amounts of resources, products and new technologies. However, the country is only partly able to meet this demand itself, making it a promising growth and investment market for foreign companies. "At the moment above all the automotive sector and its supplier industries are booming," Dimitri Rutz says. "That's why we definitely want to be present in this market." By strategically and systematically expanding its global presence in this economic region, Messe Frankfurt offers the appropriate presentation possibilities. New events such as Interlight Moscow, NAMM Musikmesse Russia, Prolight + Sound NAMM Russia, Paperworld Russia, Creativeworld Salon Russia and ISH Moscow are intended to effectively strengthen Messe Frankfurt's position in Russia.

◀ | View of the Church of the Redeemer



"The global presence of Messe Frankfurt is impressive. Events 'made by Messe Frankfurt' are held at over 30 venues worldwide. Our sales network extends across 150 countries around the globe. As many as 28 subsidiaries and 52 Sales Partners all over the world are active for us at international level."

Stephan Buurma

Managing Director Asia, Member of the Extended Board of Management
Messe Frankfurt GmbH

As managing director of Messe Frankfurt Asia Holding Ltd., Stephan Buurma has been responsible for events in the Asian region since 2003. The qualified financial accountant, economist and historian has been a member of the group Extended Board of Management since mid-2010.



Growth impulses

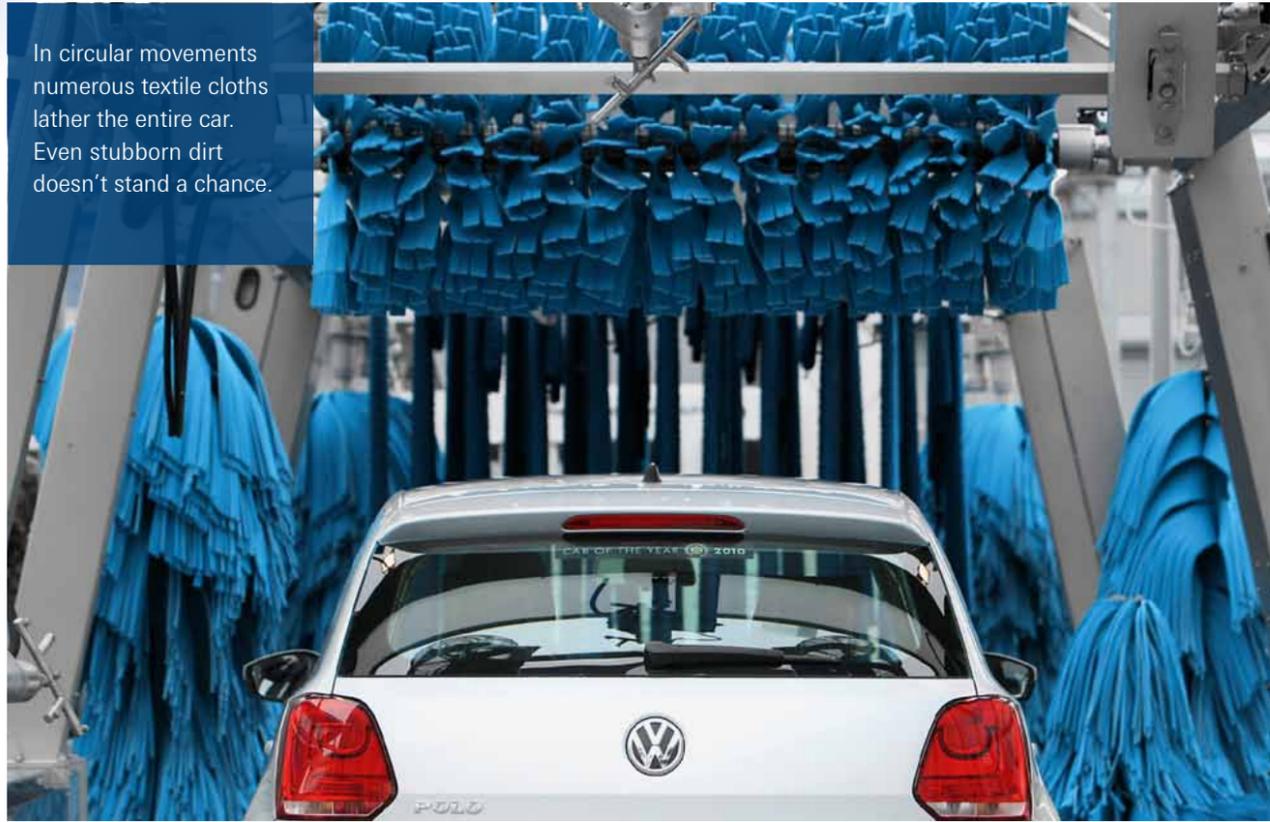
With a surface area of 17 million square kilometres, Russia is not only one of the biggest countries in the world; it is also one of the biggest growth markets after India and China. While Frankfurt with its established trade fairs continues to be the home venue and basis for the group's core activities, the example of Russia – along with China and India – is nevertheless representative of Messe Frankfurt's expansion into promising world market regions. In 2011 and 2012 alone, Messe Frankfurt will stage 20 new trade fairs worldwide within the scope of its brand and globalisation strategy.

EXPOrt hit Messe Frankfurt

However, Messe Frankfurt's competence extends far beyond organising trade fairs: Messe Frankfurt has been commissioned by the Federal Ministry of Economics with organising and running the German pavilion at the World EXPO in Milan in 2015. Germany's market leader was awarded the contract for this prestige project in November 2011 and was thus able to assert itself against numerous competitors in an open bidding procedure. Much to the delight of Messe Frankfurt's shareholders: not only is Milan twinned with Frankfurt, the entire north Italian region is also an important economic partner of the State of Hesse. The theme of the World Expo, which following 1906 is being held in Milan for the second time, is: "Feeding the planet, energy for life".

Carwash city

In circular movements numerous textile cloths lather the entire car. Even stubborn dirt doesn't stand a chance.



Flowering trees in spring, bird droppings in summer and road salt in winter are the bane of all car owners.

Just as well there are in the meantime plenty of state-of-the-art textile roll-over car wash facilities and conveyor wash systems to deal with the problem. Speedy, full-programme and eco-friendly into the bargain: 1,000 programmes ranging from normal, basic, intensive or brilliant shine care combined with all manner of additional services such as manual polishing and antistatic interior care ensure a polished and shiny exterior and squeaky clean interior. Manufacturers and car wash operators display the biggest portfolio of new and advanced developments in conveyor and roll-over car washes every two years at the outdoor exhibition area during Automechanika in Frankfurt – fully operational of course.

The way to a man's heart is through his car engine
 With 12 events around the globe, Automechanika is the globally leading trade fair brand in the automotive sector as well as the biggest and most international business platform for original equipment manufacturers and the automobile aftermarket. Whether in Kuala Lumpur, Buenos Aires, Shanghai or Dubai – Automechanika events are seen as crowd-pullers with excellent visitor quality. They offer SMEs in the automotive sector a fast track to future markets and act as a gateway to the world market for local firms. The range of topics presented at Automechanika is wide; the product mix at the individual trade fairs is especially targeted at the respective market. This way, original and spare parts, repair shop and service station equipment, accessories, as well as passenger and commercial vehicles find their way around the world.



Internationally renowned: Automechanika Innovation Award

automechanika

Charismatic showpiece

The flagship fair in Frankfurt is the showpiece of all global Automechanika events. Since 1971, the city on the River Main has been the meeting place for decision-makers from industry, retail, repair shops and research, who every two years present innovations and developments in the automotive components and accessories industry. In its Green Directory visitor guide, Automechanika additionally highlights exhibitors whose products and concepts give special consideration to eco-friendliness, underscoring the growing shift in values in the automotive industry towards environmental sustainability. The Directory lists only those exhibitors whose innovations and services address this issue and translate it into action.

automechanika SHANGHAI

Record-breaking industry event

Asia's leading trade fair for automotive components, equipment and service once again drew record numbers of exhibitors and visitors. 3,619 exhibitors from 36 countries and 61,178 trade visitors testified to the enormous interest and needs of the industry to present its solutions to the Asian market. World-famous brands showcased the latest developments, products and technologies in the Parts & Components, Repair & Maintenance and Accessories & Tuning categories. In 2011, Automechanika Shanghai for the first time presented a new hall for the accessories segment, a remanufacturing pavilion and an "energy zone" dedicated to new energy sources.

61,178
trade visitors

3,619
trade exhibitors



automechanika MIDDLE EAST

Jubilee in the Middle East

Automechanika Middle East is the biggest international trade fair for the automotive accessories market in the region targeting the Middle East, the Indian subcontinent and Africa. In 2012, the leading trade fair celebrates its ten-year jubilee as the first trade exhibition of its kind in the region, which is one of the world's most dynamic and most promising growth markets. In 2011, Automechanika Middle East received the Award of Trade Show Executive's Fastest 50 in the category "Fastest Growing Show in the Middle East".

Trade in automotive components in Dubai came to in excess of 9 billion US dollars in 2011, 41 percent of which was accounted for by export and re-export.

At home in the future

Intelligently networked buildings that decentrally produce, store and release energy as needed are currently a hot topic. Messe Frankfurt events offer the best platform for presenting these innovative developments.

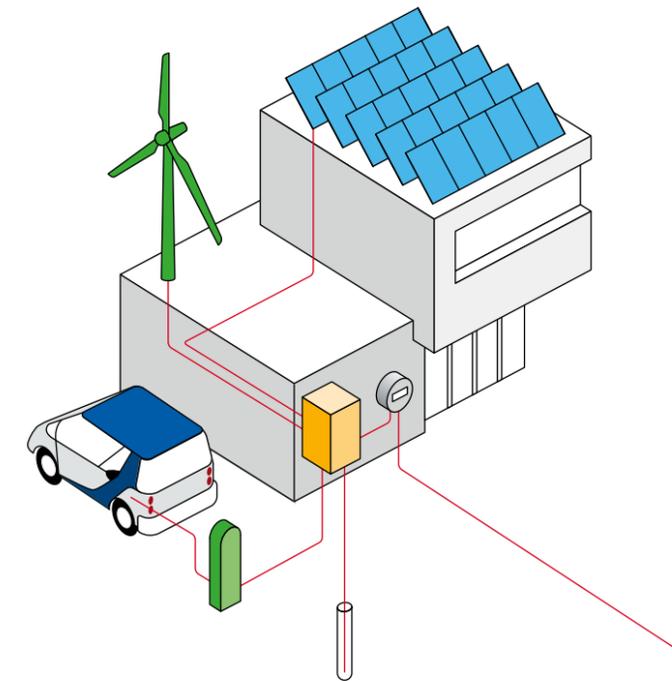


Sun, wind, water – what sounds like holiday, sand and surf is in fact much more: fuel for the intelligent green building power plant – with integrated e-service station for your car of course.

Solar energy, wind and hydropower, as well as biomass such as wood pellets, are the energy suppliers of the future, because the phasing out of nuclear power can only be compensated by regenerative power generation.

Since sun, water and wind are, however, not continuously available, developments go beyond the simple utilisation of renewable energy sources. The priority is to secure the energy supply in a comprehensive manner and guarantee efficiency and sustainability. One answer is so-called smart grids. The goal: area-wide networked buildings that are designed to intelligently utilise, store and distribute energy. The challenge: a decentralised and stable supply of energy.

To achieve this it is not sufficient simply to meaningfully combine and systematically integrate photovoltaic systems and wind turbines, cogeneration plants, fuel cell and storage technology. The power grid also needs to be modified and updated. Another important component is the software. This calculates and monitors when electricity is at its cheapest to use and where generated energy should be distributed. Smart grids are one of the top ten most influential high-tech trends in 2012, because energy efficiency is considered the most important bridging technology in the move towards alternative energy sources.



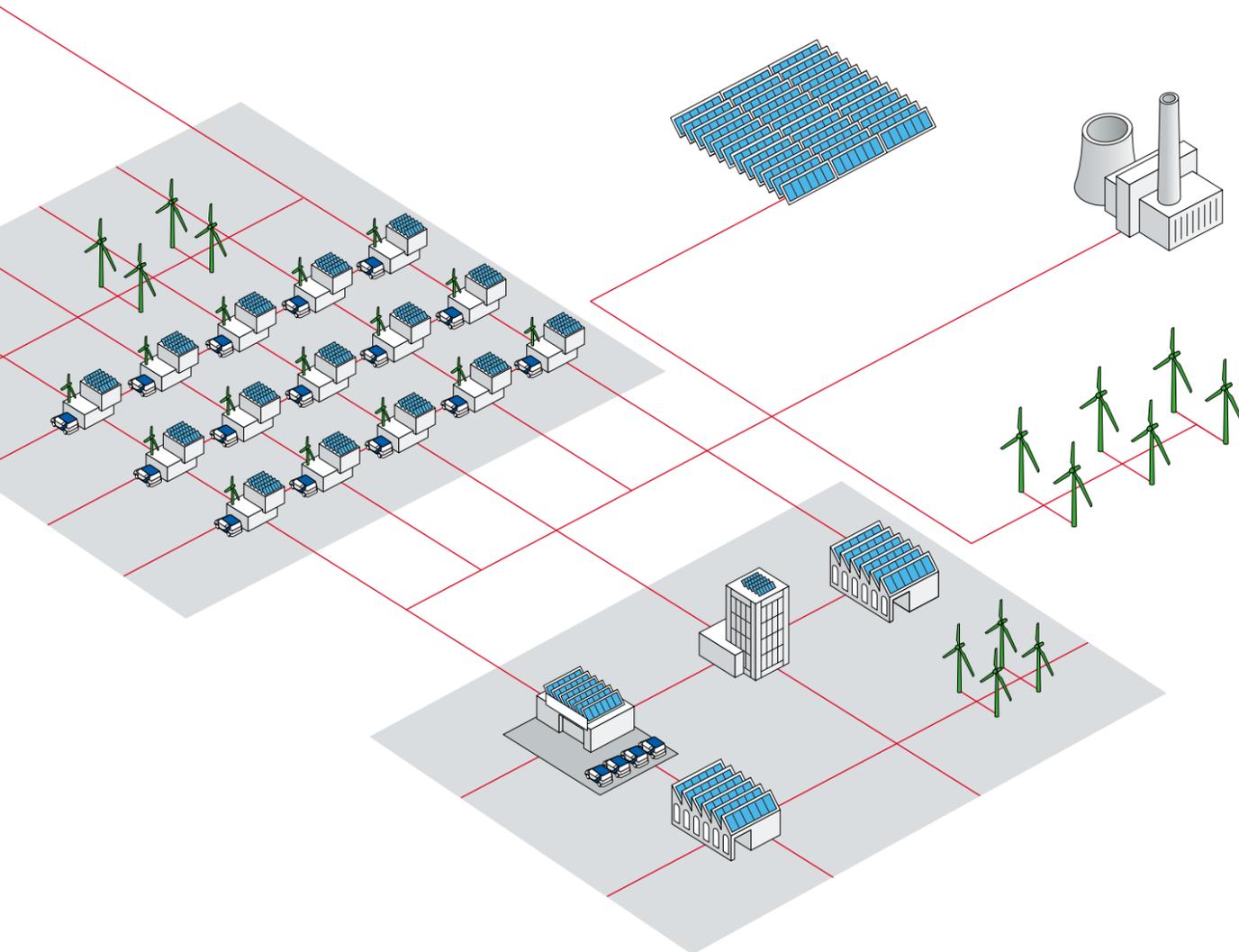
- ◀ | Fill her up, please!
- ▲ | The car as an energy storage device and hence as a component of energy management.

€ -50 m

In 2010, electricity from renewable energy sources **to the tune of € 50 million** was lost because it could not be stored or utilised.
→ Source: ESWE Versorgungs AG

The green revolution not only applies to new buildings; the modernisation of existing systems is an important measure and also part of the process. The Renewable Energy Sources Act (EEG) and the Renewable Energy Sources Act for Heat (Wärme-EEG) promote decentral-

ised energy production in Germany. In model cities like Mannheim, Düsseldorf and Berlin first modules on the way to extensive networking are already being tested.
→ www.effiziente-energiesysteme.de



“Innovations are the driving force of a strong economy. Messe Frankfurt events offer the ideal presentation platform.”

Iris Jeglitza-Moshage

Member of the Extended Board of Management Messe Frankfurt Exhibition GmbH

Iris Jeglitza-Moshage has been with Messe Frankfurt since 1999. Since mid-2010, the historian, communications and political scientist has been in charge of the Technology & Production business segment and is a member of the Extended Board of Management of Messe Frankfurt Exhibition GmbH.



Innovation as the driving force of the future

Innovative developments are the basis for economic success. Growth areas such as intelligent building technology, e-mobility, wind power and photovoltaics, as well as energy supply, still harbour plenty of scope for visionary ideas and new concepts. Messe Frankfurt events offer the ideal platform for presenting innovations to a wide international audience of industry professionals and launching them onto the markets. With its extensive portfolio of events, Messe Frankfurt covers major growth segments in all economic regions of the world. Companies, research institutes and trade associations take advantage of international blue chip fairs such

as Light + Building, ISH, Texcare, Techtexsil or Automechanika to meet with all industry-relevant decision-makers and purchasers.

But it is not only the high level of innovation shown by exhibitors that is a guarantor of success for Messe Frankfurt. The company itself is also continuously developing innovative ideas and progressive approaches to event concepts, as well as for its internal corporate culture. Without losing anything of its tradition, Messe Frankfurt adapts its strategy to a continuously changing world and in doing so sets new trends and occupies a pioneering role in the global trade fair industry.

Future-oriented responsibility

Social responsibility has always played an important role for the Messe Frankfurt group. Corporate social responsibility is therefore an integral part of the corporate strategy. At Messe Frankfurt, CSR commitment focuses on four areas in particular: “Environment/Sustainability”, “Work/Social Responsibility”, “Education/Science” and “Culture/Design”.

Dancing lights on high-rise building walls

Mouse-grey concrete by day – but when darkness falls, squares, houses and bridges mutate into a stage for a very special spectacle of light.



At the “Hauptwache”, in the grounds of the former wholesale market hall or on the banks of the River Main – it’s the same picture everywhere: open-mouthed people marvel at their city in a fascinating new light.

≈ 50

events around the globe, including the world’s leading trade fairs in their respective sectors, demonstrate the enormous international growth potential of the technology fairs hosted under the Messe Frankfurt umbrella brand. Altogether some 17,000 exhibitors and one million visitors take advantage of Messe Frankfurt’s high-tech events.

Initiated 10 years ago by Messe Frankfurt and exhibitors at Light + Building, “Luminale – Lighting Culture Biennial” invites visitors to Frankfurt every two years. Parallel to Light + Building, streets and squares, high-rise blocks and churches, museums and galleries are presented in a completely new light. Over 170 different projects and installations light up the night skyline in unexpected radiance and all the colours of the rainbow. People come from all over the world to experience the night-time buzz in the squares and the light installations created by architects, artists and designers. Under the umbrella of the Luminale, low-budget student projects meet sophisticated professional productions and each in their own way give a new interpretation to the medium of light.

Innovative character

Luminale’s innovative event format is another example of how Messe Frankfurt is constantly reinventing itself, taking unexplored paths and developing new concepts. In the field of technology especially, progress is essential in order to remain competitive in the market over the long term. This is also one reason why Messe Frankfurt intends to further expand its Technology & Production business segment on a sustained basis.



Technology in focus

The Mesago Messe Frankfurt subsidiary organises highly specialised, internationally leading trade fairs and congresses such as SPS IPC Drives and PCIM with its focus on technology. In total, Mesago offers 14 business-to-business events worldwide for more than 2,500 exhibitors and well in excess of 100,000 trade visitors and congress participants.

ISH light+building

Designing buildings for the future

With 13 trade fairs on three continents, ISH and Light + Building are the world’s blue chip trade fair brands for building services technology. From modern, intelligent building technology through to high-end design, these two events showcase everything the industry has to offer in terms of sustainability, energy efficiency, networking, comfort and security in buildings.



intersec



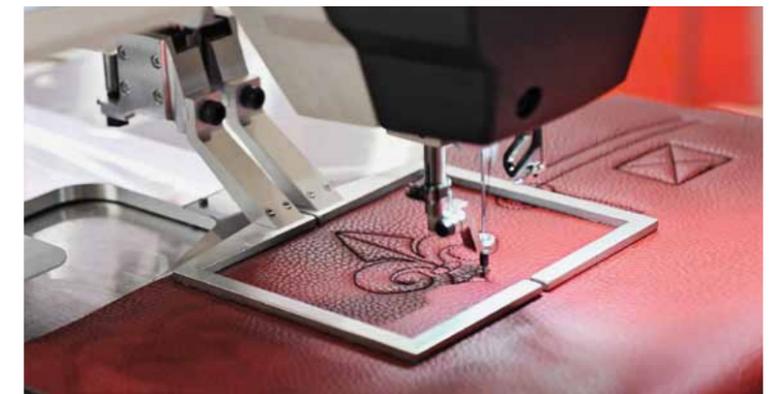
A secure thing

Demand for security technologies is growing. With a total of seven trade fairs in the Intersec event family, Messe Frankfurt is global market leader in this sector.

IFFA texcare texprocess

Man and machine

The international flagship fairs IFFA, Texcare and Texprocess provide the mechanical and plant engineering sector with ideal presentation platforms for innovations. The industry segments focus on technologies for meat processing (IFFA), for the processing of textiles and other flexible materials (Texprocess) and for textiles care (Texcare).



Where reality sees digital

"The world's biggest exhibition corporation with its own exhibition grounds, employees worldwide: 1,725, sales in 2011: € 467.5 million." The live video image displays all manner of interesting "digital subtitles" relating to Messe Frankfurt.



"The market for augmented reality is currently very limited, accounting for a sales volume of a mere **21 million US dollars** in 2010. However, if the market continues to develop as we are expecting, this volume will exceed far more than **three billion US dollars** by 2016."

Mark Beccue, Senior Analyst
ABI Research February 2011

Smartphones with cameras, GPS and Internet are all we need in order to see things that are not actually there. Modern technologies make it possible. Even as a traditional trading platform, Messe Frankfurt also offers its customers the added value of the online world along with digital networking opportunities.

"Augmented reality" is a technology that helps us to see more by superimposing additional digital information over a live view of a physical environment – filmed with the camera in a mobile phone and localised with the help of integrated GPS. The user's view is given an additional new dimension as a result of different layers of information.

Even though it still remains to be seen whether and in what areas of application augmented reality will in future gain what degree of acceptance, the technology nevertheless shows that the world can no longer be viewed purely digitally or purely in real world terms. Instead we are increasingly seeing a combination of both. Therefore it is only logical that over time a digital marketplace has become established alongside the "real-world" exhibition trading venue as a valuable complement in virtual space.



Trade fairs as a marketing instrument

According to a survey carried out by the Association of the German Trade Fair Industry (AUMA), digital networking and interchange possibilities are by no means replacing trade fairs as an analogue marketing instrument. Trade fairs will continue to play an important role for exhibiting companies.

Interactive advertising with fun factor

The Productpilot.com web special makes the benefits of B2B communication tangible in an entertaining way. → www.productpilot.com

Messe Frankfurt recognised the importance of this sector early on and built up and developed its expertise accordingly. Today, a number of readily available and matching products, online media, digital services and useful tools support the real-world core business of the trade fairs, congresses and events, and enable industries to network.

Digital marketplace – modern advantages for traditional trade fair business

In technical terms, nearly every individual element of a trade fair can nowadays also be represented digitally. The job of the trade fair organiser is therefore increasingly to offer those digital services and information that create genuine added value for the customer. In high demand, for example, is information about individual products, but also smartphone apps such as a buddy finder. Incidentally: in spring 2012 the Global Association of the Exhibition Industry, UFI, rated Messe Frankfurt's smartphone apps the best in the world.



“Customers need the right information at the right time in the right place. That's why we target our customers where they start their search – on the Internet. Messe Frankfurt's website is the gateway to our events, to digital business and to networking.”

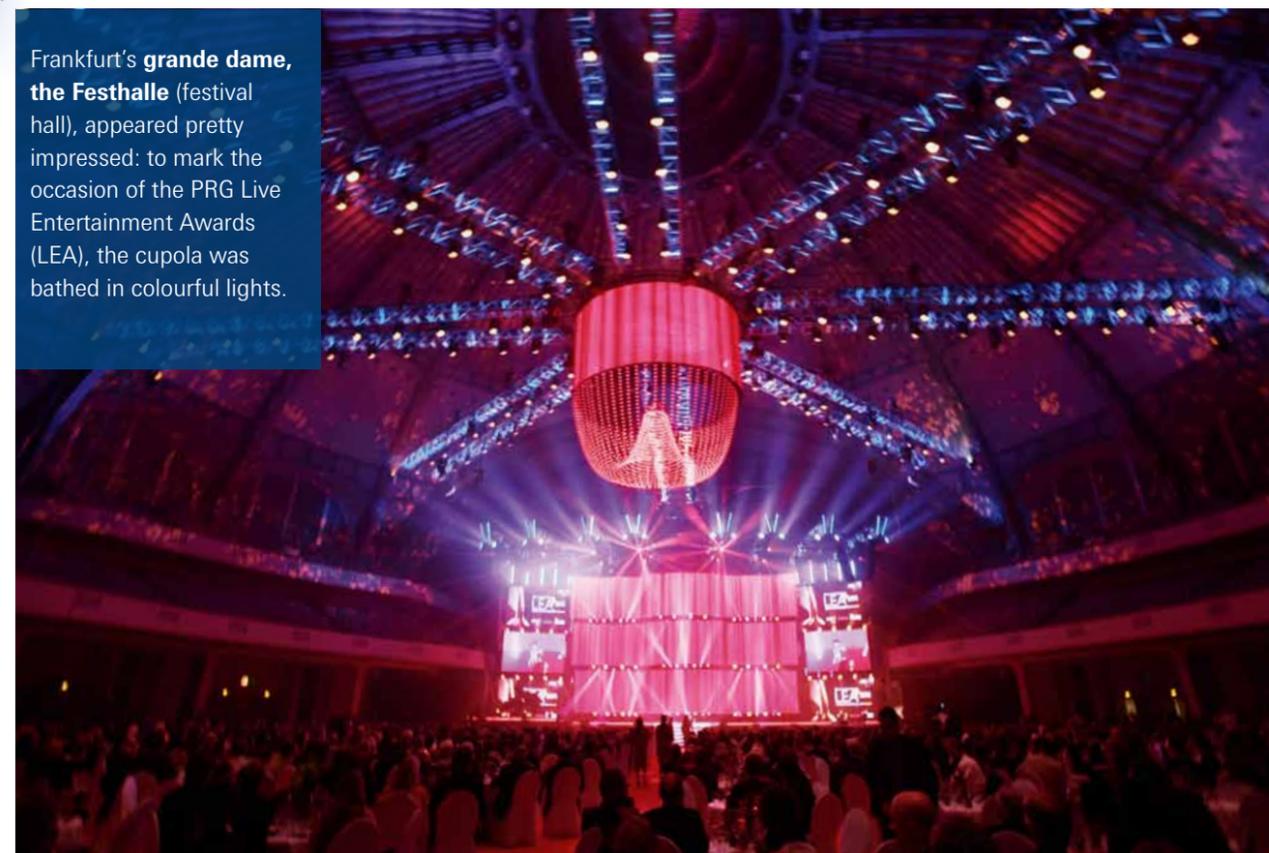
Klaus Reinke

Member of the Extended Board of Management Messe Frankfurt Exhibition GmbH

The chemical and industrial engineer has been with Messe Frankfurt since 2000 and was a co-founder of Productpilot.com. Since mid-2010 he has been responsible for the New Business segment and also a Member of the Extended Board of Management.

Music in the Air

Frankfurt's **grande dame**, the **Festhalle** (festival hall), appeared pretty impressed: to mark the occasion of the PRG Live Entertainment Awards (LEA), the cupola was bathed in colourful lights.



It was a tight squeeze in front of the advertising hoarding of the PRG LEA Gala in the flurry of photographers' flashlights: singers, comedians and actors gathered; however, this time they weren't celebrating themselves.

55

No, this time the spotlight was on those who are normally responsible behind the scenes for making sure the show runs smoothly. The outstanding performances of concert organisers, agents, artists' managers and venue operators were honoured with a splendid gala that did the entertainment business proud. The PRG LEA, guesting in Frankfurt for the first time, was at the same time the official opening event for Musikmesse (International Music Fair) and Prolight+Sound. Each year in spring, the exhibition grounds are transformed for four days into one of the biggest and most vibrant sonic spaces in the world. From violin, via guitar to drum machine ... here there is something to make the heart of every musician beat faster.

countries – With 2,380 exhibitors in total Musikmesse and Prolight+Sound achieved an international exhibitor record. Over 109,000 visitors attended the two events.



musikmesse

The best four days of the year

Showcasing over 30,000 products and with more than 1,000 concerts, workshops and countless product presentations, Musikmesse is the biggest and most important event of its kind. In 2011, the German Pianist Award was conferred for the first time – parallel to Musikmesse. There was no shortage of fun for the younger generation either: at “Music4Kids” in Hall 6 they were able to let off steam at an acoustic playground of superlatives under the guidance of expert staff.

prolight+sound

Pulsating lights, fully automatic conference technology and crystal clear sound

Whether theatre and festival stages, rock concerts or large-scale corporate and product events – the success of many shows depends on the right sound, perfect lighting or the right multimedia technology. In the outdoor exhibition area of Prolight+Sound, for example, visitors were able to experience these systems in use under real conditions. At the Media Systems Congress international experts gave presentations on new technologies, products and services from the fields of media technology and systems integration. The tenth German Stage Prize – OPUS – honoured the productions of British director Katie Mitchell. And the Systems Integration Award (Sinus) was presented to Goethe University Frankfurt and its media technology service providers.



music

CHINA

Anniversary: ten years of Musikmesse in China

In its tenth anniversary year, Music China not only defended its position as an influential event in the musical instrument industry. On the exhibitor as well as the visitor side, it also broke all previous records. 1,419 companies showcased themselves to the rapidly growing Chinese and Asian market. On the visitor side, Music China recorded an increase of nine percent with a total of 52,186 visitors. In the meantime Music China is the industry's third largest international trade fair worldwide.



m-es.se/y6FE

274

exhibitors in 2002

1,419

exhibitors in 2011

Digital makes the world go round

Digitalisation has changed business models, processes and workflows across all sectors and industries. This concerns all fields of activity and trades, from production and communication to technology and infrastructure. Digital has become part of everyday life and brings with it new demands. Messe Frankfurt hosts a whole series of congress fairs and events related to this theme. Distributed through the year, these events showcase digitalisation from different perspectives.

m-days

+50%

more participants in 2011 with 94 companies on three times the amount of space compared to 2010.

Booming mobile industry

The sixth M-Days – “The home of mobile” – celebrated a highly successful debut in Messe Frankfurt's portfolio in 2011. The congress fair, a successful combination of trade congress, trade fair presentations, the “Show your App” award and a podium for developers, not only reinforced its position as Germany's leading congress fair for the mobile industry; it also proved itself as one of the biggest of its kind in Europe.

email-expo search-expo ux-expo

Hot topic: social media and email in the marketing mix

The trade fair trio Email-Expo, Search-Expo and UX-Expo represent the three areas emailing, search engine marketing and user experience. Marketing managers were offered practical solutions and an overview of the top trends in online customer communication. Highlights included the email clinic, in which experts gave trade visitors valuable tips on how to optimise their email marketing.

The industry event for email and Internet marketing in Frankfurt



digitaltouch voice+ip be.connected.

Customer interaction: digital and successful

In autumn, the combination of the Digital Touch, Voice+IP and Be Connected events presented visions, solutions and technological implementations in the segments digital customer interaction, customer dialogue and the latest communication technologies. In 2011 all three events were held together for the first time under the auspices of Messe Frankfurt. While Voice+IP is already entering its seventh year, Digital Touch took place for the first and Be Connected for the second time.

Where tailor-made connections are created

Fabric samples, yarn samples and patterns – Marko Cesar's Munich office immediately gives away what he does for a profession. The native Slovenian has specialised in corporate fashion collections that through the use of colour, pattern and form create corporate identity and communicate it to the outside world.



+

≈ 100

items make up the fashionable and yet functional Messe Frankfurt collection.

One of the most striking items in the Messe Frankfurt collection is the dark blue raincoat. With its reflecting silver safety strips, it reaches almost to the ground. This way, it offers protection from wind and weather for staff working in the exterior grounds during events directing traffic, carrying out entry gate controls and ensuring security within the grounds.

The coat, which is absolutely water- and wind-proof, is not available in shops anywhere – just like many of the other items in the collection. They have been designed exclusively as a visual and unmistakable expression of the corporate identity and – if necessary – are individually tailored. This individuality is at the same time the challenge – especially in the case of the above-mentioned raincoat: Marko Cesar had to find a company that on the one hand was capable of processing the special material and on the other also prepared to manufacture in comparatively small quantities. He came up trumps in Bavaria. Altogether the fashionable and yet functional corporate collection includes around 100 items, all of which are manufactured in Germany or the EU. The range comprises blazers, skirts, trousers, jackets, waistcoats, shirts, blouses, coats and parkas, as well as belts, caps, scarves, turtlenecks, gloves and ties.

Before being awarded a contract, all potential manufacturers and sewing workshops are visited in order to ensure that they follow sustainable production methods. Marko Cesar does this personally: “Our company is ISO-9001-certified. This means we are subject to quality management regimes with a strong customer orientation. Giving careful consideration to sustainability in production is part of this process. This is why the fabric producers, all of whom are also located in Germany or the EU, supply directly to the contracted sewing workshops in order to avoid long transport distances.”



“Messe Frankfurt stands for continuity in a changing world, for dependability coupled with maximum flexibility, but above all for the courage to embrace change while remaining firmly grounded.”

Uwe Behm

Member of the Executive Board Messe Frankfurt Venue GmbH

Uwe Behm has been a member of the Executive Board of Messe Frankfurt GmbH and a member of the Executive Board of Messe Frankfurt Venue GmbH since November 2006. Prior to that, the machine and industrial engineering graduate was a member of the Extended Board of Management of Messe Frankfurt GmbH from 2002.

Mark of confidence

Messe Frankfurt also sees itself as a service provider and full-service agency that acts promptly, flexibly and in a customer-friendly manner. From registration, via power or water connections, through to stand construction – the company supports its customers in all matters. Any service that is supplied can be requested and contracted individually. Stand catering and event catering, accompanying press and marketing measures, logistics and technical services, personnel recruitment, as well as trade fair-related seminars and training at our in-house Academy, demonstrate the wide range

of services Messe Frankfurt offers its customers. This service expertise receives a positive echo – not only from exhibitors and visitors. In 2011, Messe Frankfurt was able to extend and further intensify its so far highly successful cooperation with guest organisers such as the German Association of the Automotive Industry, VDA (IAA). Messe Frankfurt will also work together closely in future with Demat GmbH as the organiser of EuroMold. Another highlight in 2011 was the hosting of the BMW dealer weeks at the Frankfurt exhibition grounds in advance of IAA Cars.

CR Corporate Fashion

Marko Cesar learned his craft from the bottom up: first he completed an apprenticeship in tailoring in Slovenia, followed in 1972 by a master's certificate in Germany. Before taking over CR Corporate Fashion in 1992, he spent eight years as production manager with Etienne Aigner. His career is his advantage: he knows every step of the dressmaking business from personal experience, which stands him in good stead when it comes to advising his clients. Active in the field of high-end corporate apparel for over 20 years, CR Corporate Fashion offers everything from a single source: from design, via production and logistics, through to a modern online ordering system, the company views itself as a full-service provider.

Services



accenteservices

Extremely yummy

With over 200 full-time employees, more than 3,000 freelance staff and annual sales in the region of € 35 million, Accente Gastronomie Service GmbH is among Germany's top caterers in the exhibition business. This does not go unrecognised: in 2011 for the fourth time in sequence, the full-service provider among other things received the “Night of the Proms Gastro Award” in the “Premium Banquet” category. The annually conferred award assesses the services of caterers at the “Night of the Proms” venues.

fairconstruction

Building contractor

Fairconstruction accompanies its customers from the initial development of the concept idea through to organisation and realisation of the architecture. In 2011, a total of 2,751 projects were supervised as modular or custom-built stands at the Frankfurt venue and 83,498 square metres of stand space utilised. Internationally, too, Fairconstruction realised numerous stands, including around 31,000 square metres at the two Texworld trade fairs in Paris.

Texworld in Paris: in addition to the exhibitor stands and the special “Fabric Experiences” show, the trend forum was conceived and constructed for the first time in spring.



akademie

Flying high

The Messe Frankfurt Academy has a new domicile: since the beginning of 2012 all seminars and courses have been held in the Frankfurt Messeturm. Affording an impressive view over the city and exhibition grounds, the Academy offers hands-on training designed to make Messe Frankfurt customers and staff fit in the fields of trade fair and event management, management and leadership, human resources, marketing and sales.

Hospitable

As well as the company's own events, the many guest shows are additional proof that the Frankfurt exhibition centre is ideally suited for staging events of all kinds. Many of them are already long-time regulars. 18 guest shows were staged in the reporting year – led by IAA Cars, which is organised by the German Association of the Automotive Industry (VDA). Hosted in Frankfurt for the past 50 years, in 2011 IAA renewed its partnership

with Messe Frankfurt until 2019. The Frankfurt Book Fair, IMEX and CPhI also recorded stable or rising exhibitor and visitor numbers. A renewed long-term contract was also signed with trade fair organiser DEMAT, which among others stages EuroMold in Frankfurt. Similarly, Messe Frankfurt entered a cooperation agreement with UBM Live, within the scope of which new top international fairs are to be held in Frankfurt.

**Thirsty for knowledge**

2011 was one of the strongest congress years ever for Messe Frankfurt. Over 103,000 participants attended the 85 events. The highlights of the year – in some cases with more than 5,000 attendees – included the ADC Creative Summit, the CIRED International Electricity Conference and Exhibition, the German Equity Forum, the Annual General Meeting of Deutsche Bank, the German Dentists' Conference and Euro Finance Week.

Event expert

More than half a million guests were drawn to the 69 events at the exhibition grounds – including events held by Deutsche Vermögensberatung AG (DVAG), AEG, carmakers KIA and VW, Union Investment and FTI Touristik. It was a very special honour to play host to the German Soccer Association press centre for the FIFA Women's World Cup in football.

**Favourite venue? Frankfurt's "Gud Stubb"**

The tradition-rich but eternally young Festhalle (festival hall) provided an impressive backdrop for over 370,000 guests at concerts, sporting events, shows and company events. Sporting attractions included the BMW Frankfurt Marathon with the finishing line in the Festhalle and the

International Festhalle Riding Tournament. Among the musical highlights were performances by Shakira, the Red Hot Chili Peppers, Rihanna, George Michael and Coldplay. In the show segment, classic events like Holiday on Ice, the equestrian gala Apassionata as well as Cirque du Soleil topped the bill.

Overall activities of Messe Frankfurt in 2011

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2011

	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ Airtec ¹⁾		84	146	230	5,300	1,754	1,434	3,188
■ Ambiente		1,203	3,239	4,442	187,625	77,483	67,508	144,991
■ Buchmesse ¹⁾		3,124	4,260	7,384	100,000	280,194	0	280,194
■ Christmasworld		265	699	964	55,238	15,177	16,316	31,493
■ CPhI ¹⁾		228	1,700	1,928	64,947	6,060	23,860	29,920
■ Creativeworld		77	154	231	9,352	2,599	2,773	5,372
■ DiKOM Süd ¹⁾		106	0	106	3,500	2,040	0	2,040
■ EuroMold ¹⁾		818	536	1,354	30,000	37,092	20,863	57,955
■ Hair & Beauty		134	35	169	6,753	17,732	1,370	19,102
■ Heimtextil		342	2,230	2,572	119,471	25,252	47,819	73,071
■ IAA Pkw ¹⁾		752	260	1,012	178,068	807,360	120,640	928,000
■ IMEX ¹⁾		471	3,019	3,490	21,477	4,101	4,843	8,944
■ ISH		1,063	1,319	2,382	169,204	132,667	70,743	203,410
■ Musikmesse		556	948	1,504	46,086	50,533	24,688	75,221
■ Paperworld		373	1,485	1,858	57,402	19,450	31,588	51,038
■ Prolight + Sound		361	515	876	34,173	17,255	16,526	33,781
■ Techtextil incl. Material Vision		444	782	1,226	27,072	11,136	13,779	24,915
■ Tendence		848	1,215	2,063	71,114	40,647	11,515	52,162
■ Texprocess		120	206	326	14,542	4,808	5,655	10,463
International trade fairs	19	11,369	22,748	34,117	1,201,324	1,553,340	481,920	2,035,260

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

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



The members of the Supervisory Board during the Supervisory Board meeting at the Portalhaus in the exhibition grounds on 8 December 2011

► | Dr h. c. Petra Roth – City of Frankfurt am Main (left)
Olaf Cunitz – City of Frankfurt am Main (right)



	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ Facility Management		151	6	157	2,573	4,227	120	4,347
■ Other trade exhibitions	2	350	0	350	16,200	6,000	0	6,000
Trade exhibitions	3	501	6	507	18,773	10,227	120	10,347
■ Maintier		84	2	86	3,453	12,288	12	12,300
■ Sales marts and exhibitions	8	1,000	0	1,000	55,470	159,400	0	159,400
Exhibitions open to the public	9	1,084	2	1,086	58,923	171,688	12	171,700

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2011

	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ International trade fairs	19	11,369	22,748	34,117	1,201,324	1,553,340	481,920	2,035,260
■ Trade exhibitions	3	501	6	507	18,773	10,227	120	10,347
■ Exhibitions open to the public	9	1,084	2	1,086	58,923	171,688	12	171,700
	31	12,954	22,756	35,710	1,279,019	1,735,255	482,052	2,217,307

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

- ▶ | Jutta Ebeling – City of Frankfurt am Main
- ▶ | Alexander Neumann – Messe Frankfurt
- ▶ | Bernd Ehinger – Rhine-Main Chamber of Crafts
- ▶ | Wolfgang Dimmer – Messe Frankfurt
- ▶ | Hamid Yazdtschi – Gilde-Handwerk Macrander (left)
- ▶ | Dr Lutz Raettig – Morgan Stanley Bank (centre)



Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue in 2011

	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ EMV		56	18	74	1,313	2,110	432	2,542
■ GREENshowroom		23	17	40	637	750	0	750
■ Parken		92	4	96	1,380	1,023	90	1,113
■ PCIM Europe (trade fair/congress)		153	145	298	6,941	4,391	2,262	6,653
■ SMT Hybrid Packaging		367	170	537	14,189	16,562	5,819	22,381
■ SPS IPC Drives		1,041	388	1,429	63,277	44,457	11,864	56,321
	6	1,732	742	2,474	87,737	69,293	20,467	89,760

Trade fairs and exhibitions in Germany in 2011

	Exhibitors			Net area (in m ²) incl. special show space	Visitors			
	Number of events	Germany	Other countries		Germany	Other countries	Total	
■ International trade fairs	25	13,101	23,490	36,591	1,289,061	1,622,633	502,387	2,125,020
■ Trade exhibitions	3	501	6	507	18,773	10,227	120	10,347
■ Exhibitions open to the public	9	1,084	2	1,086	58,923	171,688	12	171,700
	37	14,686	23,498	38,184	1,366,756	1,804,548	502,519	2,307,067

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

Events outside Germany in 2011

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		312	43	355	4,964	19,266	503	19,769
Interior Lifestyle China		132	93	225	4,417	14,087	421	14,508
Interior Lifestyle Tokyo		452	69	521	8,858	23,902	183	24,085
	3	896	205	1,101	18,239	57,255	1,107	58,362
Beautyworld								
Beautyworld Japan		320	42	362	8,456	43,002	216	43,218
Beautyworld Japan West		172	3	175	3,632	13,228	80	13,308
Beautyworld Middle East		120	635	755	12,318	10,484	7,726	18,210
	3	612	680	1,292	24,406	66,714	8,022	74,736
Christmasworld								
Festivalworld Russia		14	4	18	318	900	81	981
	1	14	4	18	318	900	81	981
Paperworld								
Hong Kong International Stationery Fair		53	185	238	2,337	6,741	8,307	15,048
Paperworld China		408	108	516	9,069	16,184	2,978	19,162
Paperworld Middle East		25	178	203	3,456	2,381	2,039	4,420
Paperworld Russia		38	47	85	1,445	2,982	259	3,241
Playworld Middle East		17	28	45	967	1,219	680	1,899
	5	541	546	1,087	17,274	29,507	14,263	43,770
Independent Brands Consumer Goods & Leisure								
Interpets		189	21	210	2,014	39,137	344	39,481
Outdoor China		53	15	68	788	5,907	111	6,018
	2	242	36	278	2,802	45,044	455	45,499
Total Consumer Goods & Leisure	14	2,305	1,471	3,776	63,039	199,420	23,928	223,348

- ▶ | Dr h. c. Petra Roth – City of Frankfurt am Main (centre)
- Edwin Schwarz – City of Frankfurt am Main (left)
- ▶ | Peter Thomaschewski – Messe Frankfurt (right)
- ▶ | Peter Saalmüller (right)
- ▶ | Uwe Becker – City of Frankfurt am Main (left)



Textiles & Textile Technologies	Exhibitors			Net area (in m ²)	Visitors			
	Number of events	Host country	Other countries		Total	incl. special show space	Host country	Other countries
Apparel Sourcing								
International Apparel Sourcing Show		13	95	108	1,221	828	86	914
	1	13	95	108	1,221	828	86	914
Ethical Fashion Show								
Ethical Fashion Show Autumn		20	66	86	777	2,317	400	2,717
	1	20	66	86	777	2,317	400	2,717
Heimtextil								
Heimtextil Russia		115	141	256	7,408	13,953	285	14,238
	1	115	141	256	7,408	13,953	285	14,238
Home Textiles Sourcing								
Home Textiles Sourcing New York		1	131	132	1,689	611	63	674
	1	1	131	132	1,689	611	63	674
Interstoff								
Interstoff Asia Essential – Autumn		38	169	207	1,812	4,590	2,138	6,728
Interstoff Asia Essential – Spring		34	175	209	2,474	4,599	2,463	7,062
	2	72	344	416	4,286	9,189	4,601	13,790
Intertextile Apparel								
Intertextile Beijing Apparel Fabrics		974	228	1,202	22,524	25,014	2,625	27,639
Intertextile Shanghai Apparel Fabrics		2,369	737	3,106	69,004	46,902	15,581	62,483
	2	3,343	965	4,308	91,528	71,916	18,206	90,122
Intertextile Home Textiles								
Intertextile Guangzhou Home Textiles		182	8	190	7,073	15,762	4,581	20,343
Intertextile Shanghai Home Textiles – Autumn Edition		945	214	1,159	61,850	34,874	6,144	41,018
Intertextile Shanghai Home Textiles – Spring Edition		210	9	219	15,304	9,381	374	9,755
	3	1,337	231	1,568	84,227	60,017	11,099	71,116
Techtextil								
Techtextil India		54	66	120	2,334	3,684	130	3,814
Techtextil North America		69	25	94	1,137	930	184	1,114
	2	123	91	214	3,471	4,614	314	4,928
Texworld								
Texworld (Autumn)		5	956	961	16,778	2,321	13,029	15,350
Texworld (Spring)		5	632	637	12,647	2,103	11,616	13,719
Texworld USA (Summer)		24	299	323	3,699	3,160	296	3,456
Texworld USA (Winter)		21	126	147	1,677	2,539	202	2,741
	4	55	2,013	2,068	34,801	10,123	25,143	35,266
Yarn Expo								
Yarn Expo Shanghai Autumn		36	21	57	705	3,393	552	3,945
Yarn Expo Beijing Spring		75	22	97	1,427	3,577	526	4,103
	2	111	43	154	2,132	6,970	1,078	8,048
Total Textiles & Textile Technologies	19	5,190	4,120	9,310	231,540	180,538	61,275	241,813



Technology & Production	Exhibitors			Net area (in m ²)	Visitors			
	Number of events	Host country	Other countries		Total	incl. special show space	Host country	Other countries
Intersec								
Intersec		136	671	807	15,431	9,171	12,455	21,626
Secutech		393	158	551	13,455	21,244	2,538	23,782
Secutech Thailand		33	73	106	1,575	3,606	323	3,929
Secutech Vietnam		36	67	103	1,550	4,185	344	4,529
Seguriexpo Buenos Aires		89	17	106	1,860	7,540	316	7,856
	5	687	986	1,673	33,871	45,746	15,976	61,722
ISH								
ISH China & CIHE		617	95	712	23,521	26,681	1,571	28,252
	1	617	95	712	23,521	26,681	1,571	28,252
Light + Building								
BIEL Light + Building Buenos Aires		237	107	344	11,282	31,865	1,879	33,744
Guangzhou International Lighting Exhibition		2,682	196	2,878	98,715	80,510	19,955	100,465
Light Middle East		24	126	150	2,439	3,261	1,456	4,717
	3	2,943	429	3,372	112,436	115,636	23,290	138,926
SPS								
SIAF Guangzhou		230	124	354	6,948	18,500	800	19,300
SPS IPC Drives Italia		272	30	302	10,905	10,844	0	10,844
	2	502	154	656	17,853	29,344	800	30,144
Texcare								
Texcare Asia		83	52	135	4,898	6,259	780	7,039
	1	83	52	135	4,898	6,259	780	7,039
Independent Brands Technology & Production								
AsiaMold		190	37	227	4,604	13,424	1,838	15,262
Exhibition Micromachine/MEMS		234	19	253	3,873	12,743	118	12,861
Expo Ferretera		229	24	253	5,585	15,932	283	16,215
Hardware + Tools Middle East		30	184	214	3,159	3,519	797	4,316
	4	683	264	947	17,221	45,618	3,036	48,654
Total Technology & Production	16	5,515	1,980	7,495	209,800	269,284	45,453	314,737

- ▶ | Dr h. c. Petra Roth – City of Frankfurt am Main
- ▶ | Ute Schuchardt – Messe Frankfurt (left)
Jürgen Engel – Messe Frankfurt (right)
- ▶ | Hamid Yazdtschi – Gilde-Handwerk Macrander
- ▶ | Jörn Apfelstädt – Accente Services Messe Frankfurt



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 Istanbul		615	484	1,099	24,851	28,504	7,622	36,126
Automechanika Malaysia		56	110	166	1,978	3,645	713	4,358
Automechanika Middle East		113	989	1,102	16,833	8,362	9,059	17,421
MIMS powered by Automechanika Moscow		315	536	851	14,393	17,467	1,941	19,408
Automechanika Shanghai		3,279	340	3,619	76,040	44,048	17,130	61,178
Automechanika St. Petersburg		52	5	57	661	1,758	131	1,889
PAACE Automechanika Mexico		132	342	474	6,357	20,074	537	20,611
	7	4,562	2,806	7,368	141,113	123,858	37,133	160,991
Independent Brands Mobility & Infrastructure								
Canadian Waste & Recycling Expo		117	65	182	3,686	1,268	122	1,390
Eco Expo Asia		122	147	269	3,311	4,715	3,748	8,463
Korea Railways & Logistics Fair		144	14	158	6,138	19,977	523	20,500
Materials Handling Middle East		55	46	101	2,830	2,202	739	2,941
Water Expo China		117	29	146	3,419	18,200	278	18,478
	5	555	301	856	19,384	46,362	5,410	51,772
Total Mobility & Infrastructure	12	5,117	3,107	8,224	160,497	170,220	42,543	212,763

Entertainment Media & Creation	Exhibitors				Net area (in m ²) incl. special show space	Visitors		
	Number of events	Host country	Other countries	Total		Host country	Other countries	Total
Musikmesse								
Music China		1,139	280	1,419	36,579	48,601	3,585	52,186
	1	1,139	280	1,419	36,579	48,601	3,585	52,186
Prolight + Sound								
Prolight + Sound Shanghai		384	35	419	12,181	17,083	1,439	18,522
	1	384	35	419	12,181	17,083	1,439	18,522
Total Entertainment Media & Creation	2	1,523	315	1,838	48,760	65,684	5,024	70,708
Overall activities of Messe Frankfurt outside Germany	63	19,650	10,993	30,643	713,636	885,146	178,223	1,063,369



Congresses, conventions and other activities in 2011

	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	85					103,000		103,000
Conventions (concerts, sporting, religious, political and other events)	69					382,270		382,270
German pavilions (planning and implementation of show participations)	16					0		0
Akademie Messe Frankfurt	205					1,460		1,460
	375					486,730		486,730

Overall activities of Messe Frankfurt in 2011

	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	12,954	22,756	35,710	1,279,019	1,735,255	482,052	2,217,307
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue	6	1,732	742	2,474	87,737	69,293	20,467	89,760
Events outside Germany	63	19,650	10,993	30,643	713,636	885,146	178,223	1,063,369
Congresses, conventions and other activities	375	0	0	0	0	486,730	0	486,730
	475	34,336	34,491	68,827	2,080,392	3,176,424	680,742	3,857,166

2011 Group management report of Messe Frankfurt GmbH

I. Report on economic position

General economic trend

The sovereign debt crisis in a number of eurozone countries, the uncertainty this generates and the global economic slowdown characterise the economic landscape in the trade fair industry. While Messe Frankfurt was able to build on positive economic data in the 2010 financial year, from summer 2011 the prospects for global economic development deteriorated significantly. Companies and governments in Europe and the USA have since been looking increasingly pessimistically to the future. In Europe the sovereign debt crisis is threatening to develop into a banking crisis, since the banks are holding large volumes of debt instruments issued by the countries most severely affected by the crisis. A possible escalation of the crisis in the eurozone is at the end of the reporting period the main risk to the economy and hence to the development of trade fair business not only in Europe, but also worldwide.

Although the world economy grew in the reporting year by 3.8 percent¹ overall, individual economic areas showed a highly heterogeneous development – albeit generally less positive across the board than in the previous year. The industrialised nations – including the European Union, USA, Canada and Japan – recorded a rise of 1.4 percent (after 2.7 percent in the previous year). As expected, growth in the emerging economies with a total increase of 6.6 percent (+8.4 percent in the previous year) was considerably more dynamic in 2011. Encouraging growth rates were once again posted above all in China with Hong Kong (+9.1 percent) and India (+7.5 percent). World trade – an important indicator for the trade fair industry – rose by 6.2 percent over the previous reporting period – following growth of 12.2 percent in 2010.

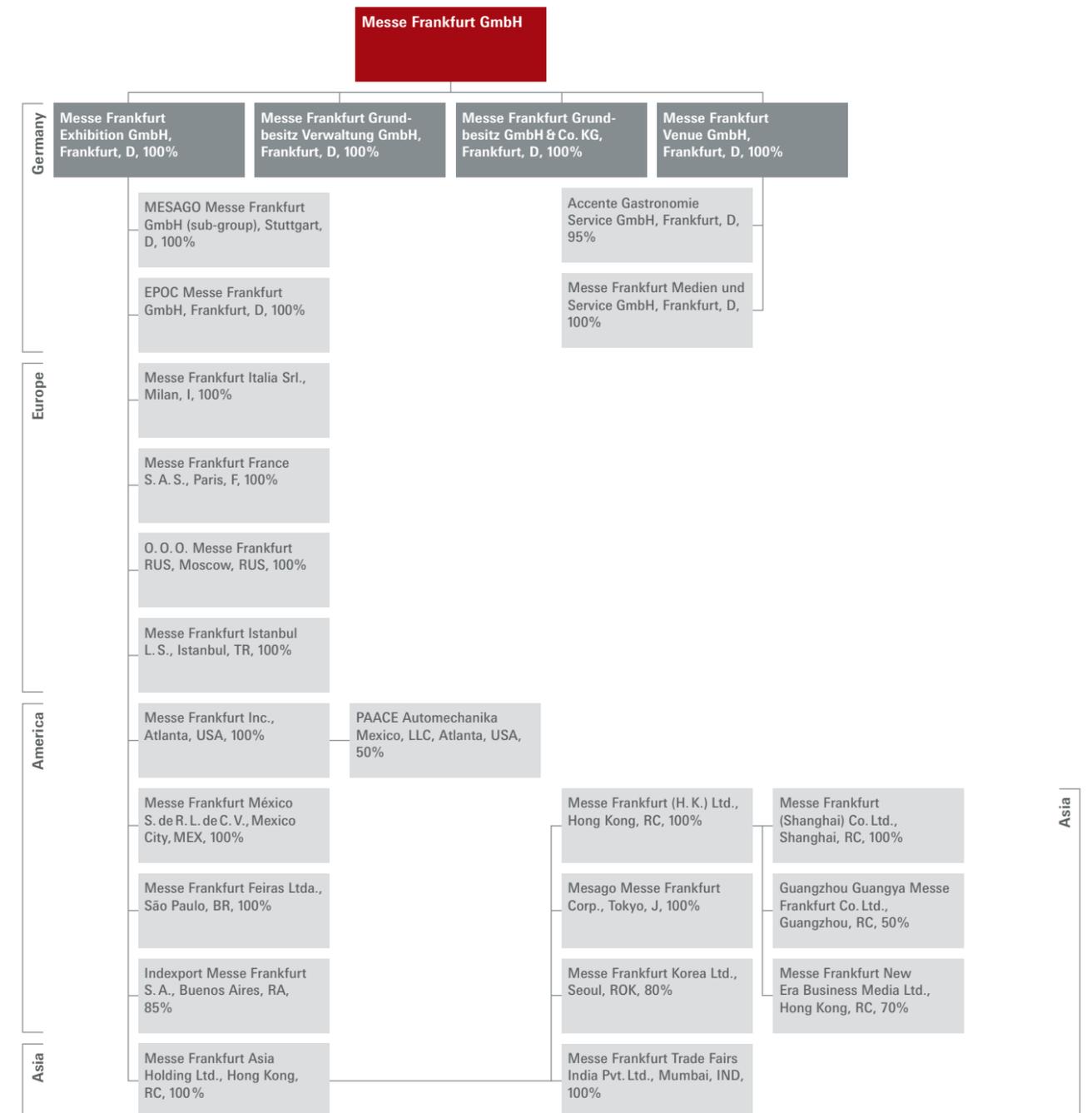
Development of the trade fair sector

The key players in the trade fair sector operate just as globally as those in the primary market sectors for whom they provide international marketing platforms. At these trade fairs, internationally operating exhibitors encounter regional demand. Therefore it is only logical that the trade fair industry – in the same way as the sectors it not only represents, but also structurally helps to shape – should record the highest growth rates above all in the dynamic markets of Asia. This is also mirrored in the amount of available hall space in this economic region. Between 2000 and 2010 some three million square metres of hall space was built in Asia. This corresponds to growth of over 180 percent. During the same period, Europe's exhibition venue operators invested in an additional 4.1 million square metres of hall space, equivalent to an increase of 55 percent. However, Europe with its exhibition halls (2010: 11.7 million square metres) still has in total more than 2.5 times the amount of exhibition space and thus underscores its dominant position in global terms.

This importance is confirmed by the development in the number of events in Europe, America and Asia. Although it is difficult to obtain current overseas statistics for the event industry, the m+a database² nevertheless shows a clear trend: according to m+a, around four times as many events are staged in Europe than in the boom region Asia. However, the dynamism with which events are being launched onto the market is almost twice as high in Asia as in Europe. Between 2000 and 2010 the number of trade fairs in Europe rose by 28.3 percent to 7,700. During the same period, the number of trade fairs and exhibitions in Asia increased by 46 percent to 1,900. Greater market movement is also to be expected here in the future.

1) Source: Ifo Economic Report 4/2011 for Messe Frankfurt
2) Source: m+a ExpoDatabase; expodatabase.de

Messe Frankfurt corporate group



According to preliminary figures published by the Ausstellungs- und Messeausschuss der deutschen Wirtschaft (AUMA e. V.), Berlin (Association of the German Trade Fair Industry)¹, Germany as a trade fair venue counted 135 supra-regional trade fairs with around 159,000 exhibitors in the reporting period. This corresponds to a rise of 3 percent over the comparable prior events and is accounted for above all by the disproportionate increase in the number of foreign providers (+4 percent). The amount of leased space was up by 2 percent compared to the prior events (to 6.1 million square metres). Visitor numbers grew by 4 percent (to 9.5 million). This compensated the decline in the number visitors recorded at German trade fair venues in the past two years and reaffirmed the previously strong position of trade fairs.

Goals and strategies of the Messe Frankfurt group

Inconsistent economic developments of the past few years, a tougher competitive environment 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 in 2010 caused Messe Frankfurt to review its strategic orientation. 2010 was a year of new beginnings, the reporting year 2011 a year of consolidation, of shaping the "house of Messe Frankfurt" on various levels. The framework defined in 2010 proved to be resilient in terms of product and organisational development, the development of the trade fair venue and the infrastructure, as well as with respect to the partial need to adapt management and IT systems. Processes of change were initiated on all of these various levels. Some of the projects will extend over a number of years. The diverse alignments also impacted the values practised within the company as well as the corporate culture. Every two years, Messe Frankfurt conducts an employee survey ("culture barometer") on this topic, the results of which are implemented in a series of measures.

Product development: The core business of the Messe Frankfurt group is to host trade fairs and exhibitions in Frankfurt am Main and worldwide. The areas of core competence, i.e. the sectors in which Messe Frankfurt aims to offer its marketing platforms, were more clearly defined. The product portfolio is to become more diverse in future. As part of the strategic reorganisation, the markets were identified in which the company intends to step up future investment activities: first and foremost the home venue Frankfurt am Main, followed by the defined key markets China, Russia, India and Dubai. The brand strategy remains the predominant strategy, with trade fairs based on a flagship event being held in all relevant economic regions around the world. These are oriented towards the flagship event, which as a rule takes place in Frankfurt am Main, in terms of name, nomenclature and services offered.

Organisational development: In order to streamline the administrative effort for customers, as well as internal organisational processes, the core processes were reviewed within the scope of a large-scale project. "More sales – less administration", "high customer satisfaction" – increasing customer satisfaction through a high level of process quality and professional customer orientation as well as "learning from the best" are the decisive strategic directions. Following the analysis phase, the potential for improvement is now being implemented in concrete measures in a next step.

Productpilot is the name of Messe Frankfurt's cross-sector B2B Internet portal that consolidates all provider and product information relating to exhibitors at own events in Frankfurt on a single platform. With the incorporation of productpilot GmbH into Messe Frankfurt Exhibition GmbH the content-related proximity to Messe Frankfurt's own events was also mirrored organisationally. Thus, in addition to a catalogue entry, Messe Frankfurt Exhibition GmbH exhibitors are also offered registration in Productpilot from a single source.

¹) Source: homepage auma.de, here: key industry figures, international trade fairs, development

The same goes for the Academy, which for many years has offered training programmes above all for exhibitors at Messe Frankfurt's own events as part of Messe Frankfurt Medien und Service GmbH. Since congresses and congress fairs are also increasingly being developed within the Academy's scope of business, the transition of Messe Frankfurt Academy to Messe Frankfurt Exhibition GmbH was completed at the beginning of the reporting period.

Furthermore, in the reporting year Messe Frankfurt Venue GmbH & Co. KG was converted into a limited liability company (GmbH) under the provisions of Sections 190 ff., 214 ff. of the German Companies' Reorganisation Act, while maintaining its legal identity. Thus Messe Frankfurt Venue GmbH was included in the fiscal unity of Messe Frankfurt GmbH for VAT purposes to ensure that the amendments to the German law on VAT agreed on in 2011 with respect to the invoicing of trade fair service packages vis-à-vis foreign customers can also be applied to services provided by this company.

Development of the trade fair venue and the infrastructure: Messe Frankfurt is to become the owner and operator of the congress centre in the Europaviertel district. This was the outstanding news in terms of location development in the reporting year. The way was paved by the contract concluded between CA Immo Deutschland GmbH, the project development company ECE and Messe Frankfurt at the end of the reporting period. Thus the existing Congress Center at the exhibition grounds will be supplemented by a congress building featuring smaller, partitionable rooms for 100 or 150 participants. This will give Messe Frankfurt more flexibility in terms of available space. The new congress centre has been named Kap Europa and is scheduled for completion together with the Skyline Plaza shopping centre in autumn 2013. The building will comply with stringent standards for sustainability.

Systems adaptation: By harmonising systems, including the management systems, it is aimed to improve corporate governance. The internationalisation of the group, and the increased demands on all systems that this implies, present particular challenges.

Not least, environmental protection and sustainable management have high priority in all areas in which Messe Frankfurt operates. Corporate Social Responsibility (CSR) as an underlying principle of corporate sustainability therefore forms an enduring part of company policy. Messe Frankfurt is synonymous with profitable management, conservation of resources and secure jobs. The company views the safeguarding of this high reputation as its entrepreneurial provision for the future.

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 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 am Main venue.

The focus of the events held at the Frankfurt am Main venue is the international industry flagship shows. They bring together the relevant international range of goods and services on offer with the respective 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 in addition to marketing events hosted by Messe Frankfurt Exhibition GmbH worldwide. The trade fairs are mostly brand fairs of Messe Frankfurt Exhibition GmbH. 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 can be 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 am Main venue to provide their target groups with unique marketing platforms. The Frankfurt am Main location also offers ideal premises for holding conventions and other special events.

Performance ratios – trade fairs and exhibitions

The Messe Frankfurt group staged 100 trade fairs and exhibitions worldwide in the reporting year, which by virtue of the rotation of events was strong in terms of the number of events. Altogether, around 68,800 exhibitors and 3.4 million visitors were registered; the total net leased area was around 2.1 million square metres. These were complemented by 375 congresses, shows and other events at the Frankfurt am Main venue which attracted almost 487,000 visitors. Thus, all Messe Frankfurt group events taken together drew around 3.9 million attendees in 2011.

The group's exhibition centre in Frankfurt am Main was the venue for 31 fairs, sales marts and trade exhibitions, including 13 events organised by Messe Frankfurt Exhibition GmbH and one organised by MESAGO Messe Frankfurt GmbH, Stuttgart. These 14 own group trade fairs in Frankfurt am Main recorded around 18,900 exhibitors and 741,700 visitors. Some 804,100 square metres of exhibition space was booked for these events. The quality of these events is reflected in their level of internationality on both the exhibitor and visitor side. 68.6 percent foreign participation among exhibitors and 42.1 percent among visitors at Messe Frankfurt's international own group events at its home venue are indicators of maximum market transparency and customer

benefit on both the supply and demand side. They represent peak values in the competitive environment. By way of comparison: AUMA puts the average internationality rates for Germany as a trade fair venue at 55.4 percent for exhibitors and (provisionally) 26 percent for visitors.

17 guest fairs, including sales marts and trade exhibitions completed the events portfolio at the Frankfurt exhibition venue.

Overall activities of Messe Frankfurt in 2011

	Number	Exhibitors	Net area* (in '000 m ²)	Visitors (in '000)
Trade fairs and exhibitions				
– at the Frankfurt am Main venue	31	35,710	1,279	2,217
– at other venues in Germany	6	2,474	88	90
Total Germany	37	38,184	1,367	2,307
Other countries	63	30,643	714	1,063
Total trade fairs and exhibitions	100	68,827	2,081	3,370
Other events	375			487
Total activities	475	68,827	2,081	3,857

* including special show space

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, the reporting year was strong in terms of the number of events, since major own events as well as major guest events took place. Own events held in uneven years include the ISH (the world's leading trade fair for The Bathroom Experience, Building, Energy, Air Conditioning Technology, Renewable Energies) with around 2,400 exhibitors and Techtextil with over 1,200 exhibitors. For the first time Texprocess was held in tandem with Techtextil featuring 326 exhibitors. This will in future continue to be staged every two years in the same rhythm as Techtextil. Guest events organised in uneven years first and foremost included the International Motor Show (IAA Cars). In 2011, this event again reaffirmed its high level of attractiveness both for trade visitors and the general public. The organiser of IAA, the German Association of the Automotive Industry (VDA), counted around 928,000 visitors in total, up 10 percent on the preceding event. Further successes recorded by the guest shows business segment were once again the stable or increased exhibitor and visitor numbers at the Frankfurt Book Fair, IMEX and CPhI, among others. Long-term contracts were concluded with the organisers UBM and DEMAT on the continuation of major guest events in Frankfurt am Main.

At other trade fair venues in Germany, six events were hosted by Messe Frankfurt Exhibition GmbH and one of its subsidiaries. Five of these were organised by MESAGO Messe Frankfurt GmbH, Stuttgart. The sixth, the GREENshowroom, was staged for the first time in Berlin by Messe Frankfurt Exhibition GmbH. These events in Germany outside Frankfurt drew around 2,500 exhibitors and around 89,800 visitors. The total net leased area came to around 87,700 square metres.

Foreign operations again contributed significantly to Messe Frankfurt's successful operating result in the reporting year: at 63 events, some 30,650 exhibitors showcased their product and services portfolios to over a million visitors on around 714,000 square metres of exhibition space. Thus the group's own trade fairs held outside Germany once again demonstrated their relevance in 2011. Asia remained the focus of overseas business with 35 events in the reporting year, 23 of which were held in China alone. Another attractive exhibition region for Messe Frankfurt was the

EMEA (Europe, Middle East, Africa) economic area. 18 trade fairs were held in this region. From Canada to Argentina, the American subsidiaries of Messe Frankfurt organised ten 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 2011. A total of nine new events opened their doors for the first time in 2011. Of these, four debuted in Asia and five in the EMEA region, including Paperworld Russia, Paperworld Middle East and Secutech Thailand.

In addition to designing and staging its own events, Messe Frankfurt organised 16 German pavilions at foreign trade fairs. These involved 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

Apart from guest shows and exhibitions, Messe Frankfurt Venue GmbH hosted 85 congresses and conventions as well as 69 events. With over 103,000 participants, 2011 was again one of the most profitable congress years ever for Messe Frankfurt. The highlights of the year – in some cases with more than 5,000 attendees – were the ADC Creative Summit, the CIRED International Electricity Conference and Exhibition, the German Equity Forum, the Annual General Meeting of Deutsche Bank, the German Dentists' Conference and Euro Finance Week.

More than half a million guests were drawn to the 69 events at the exhibition grounds – including major events held by Deutsche Vermögensberatung AG (DVAG), AEG, carmakers KIA and VW, Union Investment and FTI Touristik, as well as the German Soccer Association press centre for the FIFA Women's World Cup in football. The tradition-rich Festhalle provided an impressive backdrop for over 370,000 guests at concerts, sporting events, shows and company events. Sporting attractions included the BMW Frankfurt Marathon with the finishing line in the Festhalle and the International Festhalle Riding Tournament. Among the musical highlights were performances by Shakira, the Red Hot Chili Peppers, Rihanna, George Michael and Coldplay. In the show segment, classic events like Holiday on Ice, the equestrian gala Apassionata as well as Cirque du Soleil topped the bill.

Service management

Messe Frankfurt and its subsidiaries in Frankfurt am Main provide a wide range of services for exhibitors and visitors as well as trade fair organisers. The showroom that was opened in the previous year together with the subsidiary Messe Frankfurt Medien und Service GmbH, where interested exhibitors can gain an overview of the many stand construction options, stand furnishing details and technical services, was well received on an area of over 3,000 square metres.

"Heartaffairs" is a customer friendliness campaign initiated by Messe Frankfurt a few years ago. The objective of this initiative is to reinforce a strong awareness for a customer-friendly attitude in day-to-day dealings with customers. In this context, hand in hand with Messe Frankfurt's service partners, improvements are realised in all areas.

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 €467.5 million, sales in 2011 reached a new record high that was 4.3 percent, or €19.2 million up on the previous year. Compared to 2009, which by virtue of its home venue event structure lends itself better to comparison, earnings increased by €43.7 million. The growth of the group is accounted for principally by the foreign subsidiaries, which at €132.4 million generated a total of €18.6 million, or 16.3 percent, more than in the previous year. Compared to 2009, earnings were surpassed by as much as €42.8 million, or 47.8 percent.

Sales development (consolidated) 2009–2011

	2009 € m	2010 € m	2011 € m	Change compared to 2010 in % ⁴⁾	2009 in % ⁴⁾
Germany					
Messe Frankfurt Exhibition GmbH, Frankfurt	173.9	202.3	173.6	-14.2	-0.2
Messe Frankfurt Venue GmbH, Frankfurt	104.0	69.6	96.6	38.8	-7.1
Messe Frankfurt Ausstellungen GmbH, Wiesbaden	3.7	0.0	0.0	0.0	--
MESAGO Messe Frankfurt GmbH, Stuttgart ¹⁾	19.2	20.7	24.2	16.9	26.0
Messe Frankfurt Medien und Service GmbH, Frankfurt	12.4	18.0	14.4	-20.0	16.1
Accente Gastronomie Service GmbH, Frankfurt	21.0	23.9	26.3	10.0	25.2
Total Germany	334.2	334.5	335.1	0.2	0.3
Other countries					
Messe Frankfurt France S.A.S., Paris	13.3	13.6	14.6	7.4	9.8
Messe Frankfurt Italia Srl., Milan	2.7	1.5	3.1	++	14.8
Messe Frankfurt Istanbul L. S., Istanbul	0.6	0.0	1.1	++	83.3
O. O. O. Messe Frankfurt RUS, Moscow	1.8	2.7	3.1	14.8	72.2
EPOC Messe Frankfurt GmbH, Frankfurt/Dubai	8.5	8.7	11.6	33.3	36.5
Messe Frankfurt Asia Holding Ltd., Hong Kong ²⁾	52.6	77.5	81.9	5.8	55.7
Messe Frankfurt Inc., Atlanta ³⁾	2.5	4.2	3.3	-21.4	32.0
Messe Frankfurt México S. de R. L. de C. V., Mexico City	0.1	0.1	0.1	0.0	0.0
Indexport Messe Frankfurt S. A., Buenos Aires	7.5	5.5	13.6	++	81.3
Total other countries	89.6	113.8	132.4	16.3	47.8
Group sales	423.8	448.3	467.5	4.3	10.3

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

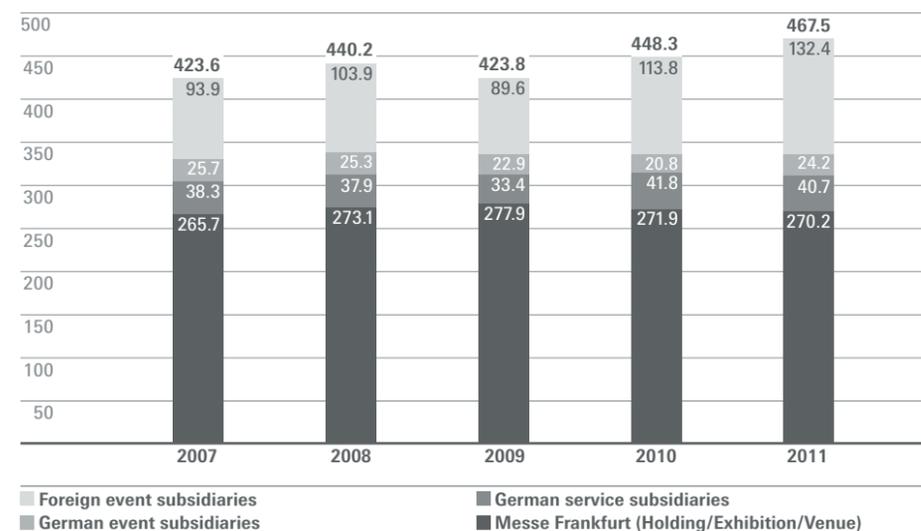
4) deviations of more than 100% are shown with ++ or --

On the home front, by contrast with expectations, sales remained constant, with the opposing effects at Messe Frankfurt Exhibition GmbH (€-28.7 million) and Messe Frankfurt Venue GmbH (€+27.0 million) caused by the rotation of events almost balancing each other out. Measured against 2009, the German companies generated a slight increase of €0.9 million. Totalling 37.1 percent and 20.7 percent respectively, Messe Frankfurt Exhibition GmbH and Messe Frankfurt Venue GmbH account for the largest share of group sales.

Messe Frankfurt Exhibition GmbH with its key international flagship fairs is again the mainstay of group sales and generated consolidated sales of €173.6 million compared to €202.3 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. The three-yearly IFFA event was also held in the previous year. Measured against 2009, which has a more readily comparable trade fair portfolio, earnings were down by around €0.3 million. The reason for this was the developments at the Tendence and Beautyworld consumer goods fairs.

By contrast, the rotation of events in particular meant that Messe Frankfurt Venue GmbH posted sales of €96.6 million, which was €27.0 million above the previous year's level. This figure was €7.4 million below the 2009 record year (€104.0 million). The reason for this is that in 2009 the guest show IAA Cars, which is held every two years, and AICHEMA, which has a three-year rhythm, both took place. This combination only occurs every six years. Furthermore, the German Gymnastics Festival was held as a one-time event.

Group sales development (consolidated) in € m



Together with the sales developments of the service subsidiaries Accente Gastronomie Service GmbH and Messe Frankfurt Medien und Service GmbH, consolidated sales of €310.9 million were generated at the Frankfurt am Main venue, which is slightly lower than in the previous years and corresponds to around 67 percent of group sales (year on year: 2010 €313.8 million, 2009 €311.3 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 SPS IPC Drives, International Exhibition & Conference on Electric Automation, sales rose by €3.5 million to €24.2 million and thus surpassed the previous peak sales record of 2008.

Developments outside Germany were especially encouraging. Following €113.8 million in the previous year, foreign sales totalled €132.4 million in the reporting year and accounted for 28.3 percent of group sales (previous year 25.4 percent). In particular sales increases generated in Argentina (€+8.1 million) as well as by the Asian companies combined in the Messe Frankfurt Asia Holding Ltd. sub-group (€+4.4 million) made a consolidated contribution to this amount of €81.9 million compared to €77.5 million in the previous year. The EMEA companies also showed a highly positive development. With an increase in sales of €2.9 million to €11.6 million a new record sales level was reached in Dubai. The companies in France, Italy and Turkey each also raised sales by over €1 million and the Russian subsidiary increased sales to €3.1 million (€+0.4 million). A decline in sales compared to the previous year was only recorded in the USA (€-0.9 million), due to the rotation of events.

Profits fell slightly short of the previous year's level for the group. With a figure of €34.4 million prior to taxes on income, earnings were down by €7.3 million, or 17.5 percent, on the previous year (€41.7 million). Compared to 2009, earnings were €2.1 million lower.

Profit development 2009–2011

	2009 €'000	2010 €'000	2011 €'000	Change compared to	
				2010 in%	2009 in%
Earnings before taxes on income	36,601	41,763	34,461	-17.5	-5.8
Taxes on income	13,235	17,495	12,765	-27.0	-3.6
Consolidated net income for the financial year	23,366	24,268	21,696	-10.6	-7.1

This earnings development compared to the previous year can be attributed to increased costs arising from the increase in sales, as well as additional expenses above all for improvements to the quality of the exhibition grounds in Frankfurt am Main.

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 (€12.7 million) principally includes the reversal of provisions (€4.8 million; previous year €4.4 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 €3.0 million.

Income stands vis-à-vis operating expenses totalling €436.1 million, which is €26.9 million higher than in the prior period. Event-related expenses are the biggest expense item with €221.4 million, after €199.6 million in 2010. This corresponds to a cost/income ratio of 47.4 percent, which is 2.9 percentage points higher than the previous year's level. Event-related expenses include all expenses directly related to events. They are in general variable costs and therefore develop by analogy with sales. As well as costs for visitor advertising, press relations, sales commissions and marketing, they also include all costs for services (e.g. hostess services), as well as rental of external halls and maintenance of the Frankfurt am Main exhibition grounds. The latter showed a marked increase of €4.5 million over the previous year due to necessary expenditure on buildings and technical equipment.

Personnel expenses developed rather disproportionately. The approximately €3.8 million, or 3.7 percent, increase in personnel 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 an improvement in the personnel costs ratio from 22.8 percent in the previous year to 22.7 percent in the reporting year. Depreciation, amortisation and write-downs on the other hand showed a decrease of €0.5 million to €58.8 million due in particular to the discontinuation of depreciation on external facilities and operating equipment. Other operating expenses were recognised in the amount of €49.8 million, an increase of €1.8 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.

At €-5.6 million, the financial result/net interest income is significantly better than in the previous year (€-7.5 million). As well as lower interest expenses amounting to €8.0 million (2010 €9.4 million), higher interest income of €2.4 million was realised from securities and investments (previous year €1.9 million). Interest expenses 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 to finance the building of Hall 3 and Hall 11. Interest expenses have declined in line with scheduled repayments totalling €33.3 million.

Taking into account the very low extraordinary result (€-28,000), and net of taxes on income (€12.8 million) as well as other taxes (€3.9 million), the group recognised consolidated net income for the year of €21.7 million, around €2.6 million lower than in the previous year (€24.3 million). This produces a return on sales after taxes of 4.6 percent (previous year 5.4 per-cent) and a return on equity of 5.4 percent (previous year 6.1 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.

While at €98.8 million earnings fell short of the record result of the previous year (€108.5 million), nevertheless compared to 2009 they were €3.1 million higher. As a percentage of sales, the EBITDA margin for the financial year is 21.1 percent, after 24.2 percent in the previous year.

EBITDA development 2009–2011

	2009 € '000	2010 € '000	2011 € '000	Change compared to	
				2010 in € '000	2009 in € '000
Consolidated net income for the financial year	23,366	24,268	21,696	-2,572	-1,670
Taxes on income	13,235	17,495	12,765	-4,730	-470
plus financial result	6,145	7,494	5,559	-1,935	-586
Depreciation, amortisation and write-downs	52,950	59,286	58,779	-507	5,829
Group EBITDA	95,696	108,543	98,799	-9,744	3,103
EBITDA margin	22.6%	24.2%	21.1%		

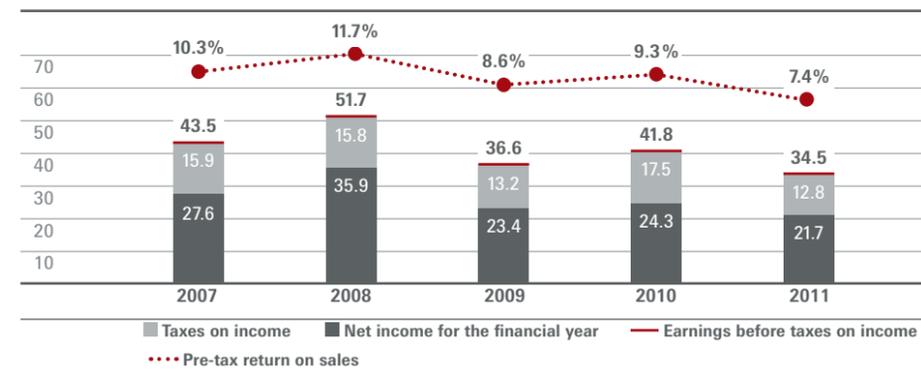
The following presents the results before consolidation of the companies and sub-groups included in the consolidated financial statements.

Messe Frankfurt GmbH as parent disclosed a net income for the financial year of €10.4 million, after €10.6 million in the previous year. This development can for the most part be attributed to higher taxes on income (€+0.9 million) resulting from the rise in the result from ordinary activities from €10.7 million in the previous year to €11.4 million. In addition to higher proceeds from administrative charges (€+3.9 million), other operating income increased by €1.6 million and personnel expenses decreased by €0.5 million. These positive impacts on the result were set against higher expenses in particular for consulting, auditing and legal costs, personnel recruitment as well as for leased office space. Moreover, as a result of lower net interest income (€-0.7 million) and reduced investment income from Messe Frankfurt Exhibition GmbH (€13.0 million; previous year €14.0 million), the financial result declined to €13.2 million. Messe Frankfurt Exhibition GmbH reported earnings before taxes on income of €14.5 million (previous year €25.5 million) and a net income for the financial year of €13.7 million (previous

year €18.4 million). The decrease compared to the previous year is mainly explained by the fact that – due to the two-yearly rhythm of Automechanika and Light + Building – even-numbered years produce higher profits. Added to this is a financial result of €14.0 million that despite higher investment income declined by €0.2 million due to lower net interest income.

For Messe Frankfurt Venue GmbH uneven years are generally stronger due to the rotation of events. However, in the reporting year higher expenses for maintenance had a negative impact on earnings. This was compensated by improved net interest income. As investment income from the Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH subsidiaries almost totalled the same amount as in the previous year, the company posted a result from ordinary activities of €5.8 million, after €5.6 million in the previous year. However, at €2.4 million, net income for the financial year fell slightly short of the previous year's level (€2.6 million) as a result of higher income tax expenditure.

Earnings before taxes on income and pre-tax return on sales 2007–2011 (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 €18.3 million, after €15.1 million in the previous year. The Asian sub-group contributed €7.6 million of this amount in the reporting year, after €6.9 million in 2010. This increase is explained in particular by the development of the subsidiary in Guangzhou, 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 €6.1 million, also improved on the previous year's performance (€5.0 million). EPOC Messe Frankfurt GmbH with its branch office in Dubai, as well as the French subsidiary with €2.1 million (previous year €1.7 million) and €1.0 million (previous year €1.1 million) respectively also made notable contributions to the overall profit. While the subsidiaries in the USA and Mexico 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 €22.4 million (previous year €20.0 million). Most of the investment amount was apportioned to tangible assets (€18.3 million), with €1.2 million of this amount being accounted for by the residual purchase of land within the context of the expansion to the south-west. An investment amount of €5.0 million was recognised for other infrastructure measures, in particular the change in use of Hall 10 as well as the upgrading of Halls 6 and 9. The remaining

additions to fixed assets were posted for smaller infrastructure measures and operating facilities in the halls, as well as for operating equipment and office supplies. An additional €4.1 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 €58.8 million and disposals of fixed assets, fixed assets totalling €651.5 million (previous year €689.9 million) are shown in the balance sheet at year's end 2011, which corresponds to a share of around 78 percent of total assets (€831.9 million).

Current assets decreased by €5.2 million to €179.0 million. Although other assets increased by €21.7 million, trade receivables by €4.0 million and securities by €5.8 million, this development can be explained by the lower amount of cash-in-hand and bank balances (€-36.7 million).

On the equity and liabilities side, €404.2 million is shown in the balance sheet under equity on the basis of the earned net income for the 2011 financial year (€21.7 million), profit distributions (€15.0 million) and the change in the adjustment item for foreign currency translation (€0.8 million) – which is €7.5 million higher than the previous year's figure (€396.7 million). This corresponds to an equity ratio of around 48.6 percent and leads to a tier 1 equity / fixed assets ratio of around 62 percent. Together with the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€29.7 million) and deferred income, which for the most part is also available over the long term, of €32.3 million, as well as medium- and long-term provisions (€21.4 million) and the long-term bank loans (€111.6 million), the tier 2 equity / fixed assets ratio increases to 92 percent.

Provisions decreased by €2.4 million compared to the previous year to €74.1 million. Apart from the separately disclosed provisions for pensions and taxes (€-0.2 million and €+1.0 million) respectively, 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 €46.8 million (€-3.2 million compared to the previous year) in total.

Group liabilities amount to €289.7 million (previous year €334.8 million). This corresponds to around 35 percent of total equity and liabilities, and leads to a debt/equity gearing ratio of around 72 percent compared to around 84 percent in the previous year. In the course of 2011, Messe Frankfurt Venue GmbH and Messe Frankfurt Grundbesitz GmbH & Co. KG made scheduled repayments on their respective loans in the amount totalling €33.3 million. On the other hand, payments on account received from exhibitors for the trade fairs in Q1 2012 decreased by €14.3 million compared to the prior period. This decline can be attributed particularly to the biennial rhythm of the ISH trade fair, which by virtue of the rotation of events is not held in 2012. Furthermore, trade payables declined by €3.0 million to €13.3 million. Other liabilities increased by €5.9 million as a result of reimbursement claims on the part of exhibitors.

Financing

Corresponding to the statement of cash flow, the cash flows from investment activities (€26.1 million) as well as from financing activities (€48.6 million) was financed through the available net current assets as well as the positive cash flows from operating activities (€38.0 million). This resulted in a decrease in cash funds of €36.7 million to around €76.4 million. This produces the following abstracted values and changes in the cash funds:

Development of cash funds 2009–2011

	2009 € '000	2010 € '000	2011 € '000
Cash flows from operating activities	40,023	105,299	37,974
Cash flows from investing activities	-101,410	-42,771	-26,061
Cash flows from financing activities	15,609	-46,985	-48,604
Net change in cash funds	-45,778	15,543	-36,691
Cash funds at beginning of period	143,292	97,514	113,057
Cash funds at end of period	97,514	113,057	76,366

Human resources

At 31 December 2011 the Messe Frankfurt corporate group employed 1,725 active people worldwide, 96 more than at the end of 2010.

Employee development at the reporting dates¹⁾

(at 31 December respectively)	2009	2010	2011
Messe Frankfurt GmbH, Frankfurt, Germany	236	252	261
productpilot GmbH, Frankfurt, Germany	8	8	0
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	255	263	289
Messe Frankfurt Venue GmbH, Frankfurt, Germany	240	240	235
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	70	79	69
MESAGO Messe Frankfurt GmbH, Stuttgart ²⁾ , Germany	62	68	78
Messe Frankfurt Ausstellungen GmbH, Wiesbaden, Germany	25	0	0
Accente Gastronomie Service GmbH, Frankfurt, Germany	196	194	207
Germany	1,092	1,104	1,139
Messe Frankfurt France S. A. S., Paris, France	16	20	20
Messe Frankfurt Italia Srl., Milan, Italy	25	18	22
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	15	14	13
O. O. O. Messe Frankfurt RUS, Moscow, Russia	20	23	32
EPOC Messe Frankfurt GmbH, Frankfurt, Germany/Dubai, UAE	38	46	64
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	2	3	3
Messe Frankfurt (H. K.) Ltd., Hong Kong, China ²⁾	260	283	302
Mesago Messe Frankfurt Corp., Tokyo, Japan	30	28	27
Messe Frankfurt Korea Ltd., Seoul, South Korea	8	8	8
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	16	16	28
Messe Frankfurt Inc., Atlanta, USA	26	27	28
Messe Frankfurt México S. de R. L. de C. V., Mexico City, Mexico	10	7	7
Messe Frankfurt Feiras Ltda., São Paulo, Brazil	0	0	0
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	31	32	32
Other countries	497	525	586
Messe Frankfurt group	1,589	1,629	1,725
Increase in number of employees		40	96

1) incl. trainees and management executives
2) sub-group

Selective investments required to implement the corporate strategy necessitated an increase in the level of staff both at the group companies in Germany and many of those outside Germany. Messe Frankfurt Exhibition GmbH took on 26 new employees, mainly to cover the incorporation of the Academy and Productpilot business segments as well as the further expansion of the New Business segment. The expansion of operations at MESAGO Messe Frankfurt GmbH in Stuttgart led to the appointment of 10 employees. Outside Germany investments in personnel were made above all at the Moscow and Dubai subsidiaries. Furthermore, the dynamism in Asia was an influencing factor in the overall increase of 61 new staff appointments outside Germany.

At the Frankfurt am Main venue wage negotiations were conducted in 2011 as part of the transition to a new collective wage agreement (TV-V). This necessitated extensive measures for communicative preparation and operational implementation with effect from 1 January 2012.

In spring 2011 the fifth employee survey was carried out; the participation rate was considerably higher than for the last survey in 2009. Additionally, a new system for dealing with the survey's findings was introduced.

Messe Frankfurt considers the continuous investment in its employees to be a vital factor of success for the company's future development. Staff qualification measures will continue to be developed in close cooperation with the Messe Frankfurt Academy. The new staff transfer policy will also make it easier to send staff members from Frankfurt am Main on secondments in the subsidiaries. This will enable staff from Frankfurt to accompany and support the introduction of group-wide development measures in a targeted manner from Frankfurt.

In 2011, Messe Frankfurt GmbH trained a total of 36 young people in five different professions. A number of training courses were also offered for the training instructors. The cooperation with the city of Frankfurt and the Lernwerkstatt Offenbach in the field of training was continued.

In the second half of 2011 a number of workshops on the understanding of values and management were initiated; change processes were supported by team workshops, feedback rounds and other measures. Furthermore, new initiatives were launched in the field of occupational health management.

With a high level of motivation as well as unswerving and flexible efforts, the employees of the Messe Frankfurt corporate group once again achieved remarkable successes in 2011. 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. It attempts to secure the loyalty of event organisers, exhibitors and visitors through long-term customer retention strategies. The broad spectrum of products and services enables Messe Frankfurt and its subsidiaries to offer its customers attractive package solutions. 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 resulting opportunities, for example for growth through acquisitions or cooperation agreements. These projects and their associated risks were 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 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 decline in exhibitor or visitor numbers has a direct impact on the demand for the services provided by Messe Frankfurt Venue GmbH. 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, AICHEM 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 GmbH 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.

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 Paperworld, 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 situation of Tendence still has to be viewed critically, however, and is one of the major challenges facing the company.

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.

The subsidiary in Japan continues to face particular challenges as a result of the natural and nuclear catastrophe that began in March of the reporting year. If trade fair participations abroad are no longer subsidised by some 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.

Even in boom regions like China, small and medium-sized companies are increasingly merging, which can lead to declining exhibitor numbers in the affected sectors.

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. The severely tightened security requirements that trade fair organisers have to meet also harbour risks.

Further risks arise in the case of events organised or marketed together with a partner. Despite extensive checks at the outset of cooperations, unforeseeable errors of judgement cannot be ruled out.

Some subsidiaries have a relatively small event portfolio that is often focused on just a few themes. 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 am Main 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 accidents, pandemics, natural catastrophes or terrorist attacks 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 the activities of the Operation and Security Center.

Administrative risks

Messe Frankfurt GmbH and Messe Frankfurt Venue GmbH 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 year-end financial accounts, the current S&P rating and the Moody's rating for the participating insurance company are both still two tiers 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 ratings 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. They 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. 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

The development of the world economy will slow down noticeably. This is the most likely scenario predicted by the ifo economic report 4/2011, which is prepared for Messe Frankfurt. The uncertainty can be expected to worsen financing conditions for banks and enterprises worldwide and additionally lead to the deferment of many consumption and investment expenditures. Ultimately, fiscal policy in Europe and the USA will be restrictive as a result of the high level of sovereign debt. The negative fiscal impulse is likely to be disproportionately strong in those eurozone countries particularly at risk from the debt crisis, whose economic output is expected to shrink in the coming year. Overall, the forecast for total global economic output is only a moderate 3.3 percent. Accordingly, growth in world trade will decline in 2012 to 3.9 percent (2011 6.2 percent).

The results of the AUMA_MesseTrend 2012 survey augur well, however. The survey asked German exhibitors about the importance of B2B events in their marketing mix. The findings reveal that the position of trade fairs as a marketing instrument has continued to improve over the past few years: 85 percent of exhibitors consider trade fair participations important or very important today. Five years ago 79 percent expressed this view. In general, AUMA is anticipating a slight increase in trade fair participations both on the exhibitor and the visitor side in the region of around 2 percent. Here, too, interest from outside Germany in the international marketing platforms will above all generate international transparency in the markets. The survey also reveals that larger-scale enterprises with sales in excess of €50 million are spending more on trade fair participations than in the past: they have earmarked 39 percent of their 2012 marketing budget for trade fair participations – five years ago this figure was only 31 percent. Companies with sales below €50 million invest 41 percent. The previously relatively wide gap between the expenditure for trade fairs of larger- and smaller-scale companies is narrowing. The average trade fair budget per company for 2012 and 2013 totals €377,000. Here again interest from outside Germany in the international marketing platforms will above all generate international transparency in the markets.

Under these circumstances, the Executive Board is optimistic concerning the 2012 financial year. Within the corporate group, Messe Frankfurt'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.

This includes the internationalisation of event business, which is further 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. Thus at the end of 2011 a contract was signed sealing the acquisition of the "Interlight powered by Light + Building" trade fair for decorative and technical lighting staged in Moscow. Messe Frankfurt's corporate mission is also to continuously further develop established products. This includes enhancing customer satisfaction at these events. As part of this mission the existing trade fair portfolio is continuously reviewed. Thus group-wide as many as 11 new events are planned in the upcoming business year. Seven of these events will debut in EMEA, three in China and one in America.

Apart from the ongoing development of the product portfolio, optimisation of the internal organisation within the framework of an established process of continuous improvement is still on Messe Frankfurt's agenda. In order to enhance efficiency, it is planned to orient the concepts and services and the corresponding processes and structures more closely towards customer needs.

Against this background, the Messe Frankfurt group is again anticipating a positive exhibition year in 2012. This optimism is fuelled by the keen interest and stable demand experienced at the major springtime fairs in 2012 and the corresponding demand for space. Furthermore, Messe Frankfurt Exhibition GmbH has a strong event rhythm with the multi-year events Light + Building and Automechanika. In 2012, the major three-yearly AACHEM guest show is again being staged at the Messe Frankfurt Venue GmbH exhibition grounds.

For the ongoing business year, the Messe Frankfurt group anticipates significantly higher sales than in the previous year of around €500 million and a continued positive operating result. A major contribution to this will come from the investment income of the subsidiaries in Asia and MESAGO Messe Frankfurt GmbH in Stuttgart. For fiscal 2013 the company is aiming for an increased sales target exceeding €520 million.

VI. Report on post-balance sheet date events

In respect of the cross-border lease transaction, negotiations with the investor as well as the participating banks and insurer were conducted in Q1 2012 with the aim of terminating the contracts prematurely. The Executive Board rates the chances of successfully concluding these negotiations in the first half of 2012 as very high, whereby over half of the net present-value benefit accrued in the year 2000 (€28.9 million) is to remain with Messe Frankfurt.

Further to this, after completion of fiscal 2011 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, 30 March 2012

Wolfgang Marzin Detlef Braun Uwe Behm

Annual financial statements

Consolidated balance sheet of Messe Frankfurt GmbH for the year ending 31 December 2011

Assets	Notes	At 31.12.2010 € '000	At 31.12.2011 €	€
A. Fixed Assets	(1)			
I. Intangible fixed assets		43,802	39,053,420.62	
II. Tangible fixed assets		641,090	607,466,115.82	
III. Long-term financial assets		5,020	5,020,451.68	
		689,912		651,539,988.12
B. Current assets				
I. Inventories	(2)	681		730,717.98
II. Receivables and other assets				
1. Trade receivables	(3)	16,154	20,121,955.22	
2. Other receivables and other assets	(4)	30,109	51,812,609.80	
		46,263		71,934,565.02
III. Securities	(5)	24,200		29,971,856.00
IV. Cash-in-hand, bank balances and cheques	(6)	113,057		76,366,035.07
		184,201		179,003,174.07
C. Prepaid expenses		825		801,255.42
D. Deferred tax assets	(7)	169		512,577.74
		875,107		831,856,995.35

Equity and liabilities	Notes	At 31.12.2010 € '000	At 31.12.2011 €	€
A. Equity	(8)			
I. Subscribed capital		180,000	180,000,000.00	
II. Capital reserves		85,219	85,219,009.35	
III. Revenue reserves				
Other revenue reserves		91,745	91,991,998.65	
IV. Foreign currency translation differences		-2,211	-1,387,588.78	
V. Net retained profits		39,393	45,046,862.51	
VI. Minority interests		2,513	3,345,166.97	
		396,659		404,215,448.70
B. Equity-similar special reserve for subsidies/grants for the acquisition of fixed assets	(9)	31,853		29,705,600.00
C. Provisions				
1. Provisions for pensions and similar obligations	(10)	10,857	10,655,662.24	
2. Provisions for taxes		15,674	16,661,113.90	
3. Other provisions	(11)	50,031	46,810,739.00	
		76,562		74,127,515.14
D. Liabilities	(12)			
1. Liabilities to banks		178,961	145,320,742.56	
2. Payments received on account of orders		121,970	107,643,031.27	
3. Trade payables		16,264	13,285,829.47	
4. Other liabilities		17,574	23,447,721.53	
– of which taxes: € 4,611,592.41 (previous year € 15.638 m)				
– of which social security: € 311,794.42 (previous year: € 251,000)				
		334,769		289,697,324.83
E. Deferred income	(13)	34,415		32,295,500.00
F. Deferred tax liabilities	(14)	849		1,815,606.68
		875,107		831,856,995.35

Consolidated income statement of Messe Frankfurt GmbH for the 2011 financial year

	Notes	2010 € '000	€ '000	2011 €	€
1. Sales	(17)	448,326		467,482,933.22	
2. Other operating income	(18)	14,325		12,659,525.81	
			462,651		480,142,459.03
3. Event-related expenses	(19)	199,634		221,445,336.14	
4. Personnel expenses	(20)	102,311		106,144,673.27	
5. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	(21)	59,286		58,778,555.62	
6. Other operating expenses	(22)	48,019		49,777,413.31	
			409,250		436,145,978.34
7. Financial result	(23)		-7,494		-5,559,432.49
8. Result from ordinary activities			45,907		38,437,048.20
9. Extraordinary result	(24)		-307		-27,904.00
10. Taxes	(25)		21,332		16,712,770.86
11. Consolidated net income for the year			24,268		21,696,373.34
12. Profit attributable to minority interests			-1,434		-2,795,028.75
13. Consolidated retained profits carried forward			29,896		39,392,709.13
14. Appropriation of net profit			-13,000		-13,000,000.00
15. Withdrawals from revenue reserves			0		73,354.47
16. Appropriation to revenue reserves			-337		-320,545.68
Consolidated net retained profits			39,393		45,046,862.51

Explanatory notes to the 2011 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
Messe Frankfurt Venue GmbH, Frankfurt am Main/Germany
(formerly 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, Georgia/USA is managed jointly by Messe Frankfurt Inc., Atlanta/USA and three companies not included in the consolidated financial statements and is therefore included in the consolidated financial statements with 50 percent in proportion to the shares in its capital held (Section 310 HGB).

An adjustment item is disclosed in group equity as "Minority interests" to indicate shares held by minority shareholders in the equity capital carried in the balance sheet.

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 2011.

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; from 2010 the revaluation method has been used.

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 carried at historical rates, 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 Foreign currency translation reserves.

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 as not affecting income in Equity under Foreign currency translation differences.

Accounting and measurement policies

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

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 according to unchanged principles. New additions are depreciated on a pro rata temporis basis.

Tangible fixed assets are recognised at cost, less depreciation for use and, where applicable, write-downs. Depreciation for use is calculated on a straight-line basis according to unchanged principles. 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, assets with purchase costs above € 150 to € 410 net per item 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 valued at the lower of cost or market value on the balance sheet date.

Receivables are disclosed at nominal value on the balance sheet date. Identified individual risks are recognised through valuation allowances.

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

Securities are stated at the lower of cost or fair value. Liquid assets are disclosed at nominal value.

Provisions are in principle recognised in the payable amount determined by applying sound commercial judgement (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 are discounted.

Pension provisions and similar obligations are disclosed in accordance with the Projected Unit Credit Method (PUC method) based on the "2005 G actuarial tables". For discounting purposes, the average market interest rate of 5.14 percent (previous year 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 5.14 percent with a residual term of 15 years was applied across the board. Anticipated pay rises of 2.5 percent and a rate of pension progression of 2 percent were assumed. Fluctuation was given consideration with a flat rate of 1.8 percent.

By drawing on the option provided under Section 67 (1), Sentence 1 EGHGB (Act Introducing the German Commercial Code), the transfer amount arising from the changes in provisions accounting pursuant to Sections 249 (1), Sentence 1 and 253 (1), Sentence 2, Sub-section 2 HGB as a result of the German Accounting Law Modernisation Act (BilMoG) with effect from 1 January 2010 for this entity 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.

Some employees of the Messe Frankfurt group have concluded deferred compensation agreements pursuant to Section 1a (2) BetrAVG (German Company Pensions Act). The level of benefits is calculated pursuant to Section 253 (2), Sentence 3 HGB on the basis of the fair value of the reinsurance cover taken out. The market value of the reinsurance with a market value (amortised cost) of €36,000 was netted against the provisioning requirement.

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), and on the basis of the German Accounting Law Modernisation Act (BilMoG) based on an interest rate of 5.14 percent (previous year 5.15 percent). Anticipated pay rises were taken into account by applying a salary trend 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 5.14 percent (previous year 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.

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 Semi-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. The balance sheet amounts of the underlying and hedging transactions remain unchanged as long as the hedging relationship exists.

For the recognition of deferred taxes under Section 274 (1) HGB resulting from temporary differences between the carrying amounts of assets, liabilities and prepaid expenses/deferred income shown in the consolidated balance sheet and their respective tax bases, or resulting from tax losses carried forward, the amounts of the resulting tax assets and liabilities are determined using the individual tax rates for the companies concerned at the time of the expected reduction of the differences and are not discounted. Deferred tax assets and liabilities are netted. The remaining deferred taxes after netting are not capitalised based on the existing recognition option.

Deferred taxes determined under Section 306 HGB as a result of consolidation measures are disclosed in the balanced sheet at their respective amounts; the underlying tax rate is 31.925 percent.

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 2011 is attached to these notes. Additions to tangible fixed assets result primarily from additions to land and buildings, operating facilities as well as other inventories.

The average useful life per asset class is classified as follows:

Asset item	Useful life
Intangible fixed assets	3–15 years
Land, land rights and buildings	25–40 years
Technical equipment and machinery	5–10 years
Other equipment, operating and office equipment	3–13 years

(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	30,768	279	0
Prepayments	4,686	0	0
Other	15,741	323	15
Total 2011	51,195	602	15
Total 2010	26,725	3,379	5

Taxes are principally VAT receivables in the amount of €13.670 million (previous year €2,000) and Receivables from taxes on income amounting to €7.136 million (previous year €5,238). Receivables from trade tax vis-à-vis the city of Frankfurt am Main exist in the amount of €3.609 million (previous year €721,000).

(5) Securities

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

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

	2011	2010
Cash-in-hand and cheques	923	378
Bank balances	75,443	112,679
	76,366	113,057

(7) Deferred tax assets

Deferred tax assets were formed due to consolidation procedures pursuant to Section 306 HGB and include deferred taxes from the future amortisation of concessions.

(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 writeback of the special reserve is recognised in income, corresponding to depreciation of the car park over a useful life of 25 years.

(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 would otherwise require the amount to be reversed to be added back to provisions by 31 December 2024. The excess amount on the balance sheet date is € 369,000.

The deficit that will accrue to Accente Gastronomie Service GmbH in future periods pursuant to Section 67 (2) EGHGB amounts to € 362,000. The annual minimum appropriation is € 28,000.

(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 (3) EGHGB was exercised for a provision for general business risks.

(12) Liabilities

	due within one year	due between one and five years	due after more than 5 years
Liabilities to banks ¹⁾	33,739	64,582	47,000
Payments received on account of orders	107,633	10	0
Trade payables ²⁾	13,105	181	0
Other liabilities	23,447	0	0
– of which taxes	(4,612)	(0)	(0)
– of which social security	(312)	(0)	(0)
Total 2011	177,924	64,773	47,000
Total 2010	189,377	87,749	57,642

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 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 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 liabilities include liabilities to the city of Frankfurt am Main in the amount of € 220,000 (previous year € 1,000).

(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 were formed pursuant to Section 306 HGB and include deferred taxes from consolidation entries pursuant to Section 298 (1) HGB.

(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 prematurely 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 the former 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 debt crisis, sliding ratings for participating banks and insurance companies might necessitate a change of contracting partners or the provision of additional security on the part of Messe Frankfurt GmbH and Messe Frankfurt Venue GmbH. 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 – 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 € 152.972 million. These are primarily made up of commitments from open purchase orders related to investments, commitments arising from rent contracts, commitments relating to the acquisition of additional company shares as well as ground rents for three building lease contracts.

The entities participating in the cash pool 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 insofar 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.

In connection with the conclusion of an additional cash pool agreement with subsidiaries of Messe Frankfurt GmbH, the latter has assumed a joint and several liability towards Commerzbank AG, Frankfurt am Main (formerly Dresdner Bank AG), for all liabilities on the part of the other participating group entities arising from the cash pool.

Within the scope of the US cross-border lease transaction, Messe Frankfurt GmbH 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 GmbH 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 € 543,000.

(16) Derivative financial instruments

Derivative financial instruments are used exclusively as security for the amortisable loan in the amount of up to €100 million (€ 50 million per 31.12.2011) 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	2	2	Prepaid expenses

The "cap" is an interest-hedging instrument that limits the interest rate risk of 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 risk for the amortisable loan 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 of the respective amortisable loan), plus a margin of 0.3 percent.

Since the derivative financial instruments and the underlying transactions (amortisable loan) are closed items, the negative values of the "swaps" (€ -1.085 million) at the balance sheet date of 31 December 2011 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 on the balance sheet date	Hedged risk
(1) 50% Financing/payer swap 4.075%	Interest risk/micro hedge	25,000	100%
(2) 50% Financing/payer swap 1.977%	Interest risk/micro hedge	25,000	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 lower 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), plus a margin of 0.3 percent. 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	2011	2010
Stand rents	265,748	269,007
Halls, site and other rents	36,735	24,502
Admission fees and participation fees	10,878	11,065
Services and other income	154,122	143,752
	467,483	448,326

according to region	2011	2010
Germany	335,143	334,545
Europe excl. Germany	21,897	17,846
Asia	93,473	86,102
America	16,970	9,833
	467,483	448,326

(18) Other operating income

This account mainly includes prior-period income from the reversal of provisions (€ 4.773 million) and income from recoveries on receivables written off in prior periods (€ 874,000), as well as income from foreign currency translation differences (€ 2.981 million) and income from the pro rata temporis reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€ 2.147 million).

(19) Event-related expenses

	2011	2010
Cost of consumables and supplies and of purchased merchandise	17,353	17,382
Cost of purchased services	204,092	182,252
	221,445	199,634

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.

(20) Personnel expenses/employees

	2011	2010
Wages and salaries	87,646	84,877
Social security, post-employment and other employee benefit costs	18,498	17,434
– of which in respect of old-age pensions	(4,773)	(4,331)
	106,144	102,311

Employees (annual average)	2011	2010
Vice presidents	38	31
Salaried employees	1,558	1,432
Wage-earning employees	146	124
	1,742	1,587

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

Amortisation and write-downs of intangible fixed assets result from rights and licences as well as goodwill.

(22) Other operating expenses

Other operating expenses amounting to €49.777 million principally include rental and lease expenses and office costs, legal, consulting and auditing costs, expenses for promotional activities and allowances for bad debts. Exchange rate differences affect €4.074 million.

(23) Financial result

	2011	2010
Interest and similar income	2,404	1,898
Interest and similar expenses	7,963	9,392
	–5,559	–7,494

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 expense in the amount of €28,000 as a result of applying Sections 66 and 67 (1)–(5) EGHGB (transitional provisions of BilMoG) relating to Accente Gastronomie Service GmbH.

(25) Taxes

	2011	2010
Deferred taxes	623	795
Taxes on income	12,142	16,700
Other taxes	3,948	3,837
	16,713	21,332

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, the reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets amounting to €2.147 million, the reversal of deferred income for deferred revenue of Messe Frankfurt Istanbul L.S., as well as from the extraordinary result. Furthermore, the equity capital difference arising from currency translation in the amount of €823,000 was recognised under this item. Recognition in the previous year's cash flow statement has been adjusted accordingly. In the previous year the differences arising from currency translation (€1.544 million) were recognised within the Change in cash funds.

In fiscal 2011, interest amounting to €2.563 million and income tax refunds in the amount of €2.458 million were recognised. Interest payments of €7.901 million and income tax payments in the amount of €15.310 million were also made.

In the financial year an amount of €13 million was distributed to the shareholders and €1.964 million 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 of 31 December 2011.

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

Cost						
Amounts in € '000	At 01.01.2011	Additions	Disposals	Transfers	Currency trans- lation differences	At 31.12.2011
I. Intangible fixed assets						
1. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	77,557	4,101	2,849	104	464	79,377
2. Goodwill from acquisition accounting	64,929	0	0	0	309	65,238
	142,486	4,101	2,849	104	773	144,615
II. Tangible fixed assets						
1. Land, land rights and buildings, incl. buildings on third-party land	1,197,690	4,837	300	180	26	1,202,433
2. Technical equipment and machinery	94,139	4,539	215	788	0	99,251
3. Other equipment, operating and office equipment	95,517	4,517	3,209	53	60	96,938
4. Prepayments and assets under construction	3,102	4,372	804	-1,125	0	5,545
	1,390,448	18,265	4,528	-104	86	1,404,167
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
	1,537,954	22,366	7,377	0	859	1,553,802

Depreciation, amortisation and write-downs (cumulative)						Carrying amounts		
At 01.01.2011	Additions	Disposals	Transfers	Currency trans- lation differences	At 31.12.2011	At 31.12.2011	At 31.12.2010	
63,996	4,695	1,686	-2	410	67,413	11,964	13,561	
34,688	3,360	0	0	100	38,148	27,090	30,241	
98,684	8,055	1,686	-2	510	105,561	39,054	43,802	
606,412	39,237	187	0	20	645,482	556,951	591,278	
70,075	3,898	215	0	0	73,758	25,493	24,064	
72,871	7,589	3,052	2	51	77,461	19,477	22,646	
0	0	0	0	0	0	5,545	3,102	
749,358	50,724	3,454	2	71	796,701	607,466	641,090	
0	0	0	0	0	0	20	20	
0	0	0	0	0	0	5,000	5,000	
0	0	0	0	0	0	5,020	5,020	
848,042	58,779	5,140	0	581	902,262	651,540	689,912	

Supervisory Board of Messe Frankfurt GmbH

Dr h. c. 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

Uwe Becker

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

Olaf Cunitz

Councillor of the City
of Frankfurt am Main,
Frankfurt am Main
(from 25 October 2011)

Wolfgang Dimmer

Project manager at Messe
Frankfurt Venue GmbH,
Frankfurt am Main

Jutta Ebeling

Mayoress, City of Frankfurt am
Main, Frankfurt am Main

Bernd Ehinger

President of the Rhine-Main
Chamber of Crafts,
Frankfurt am Main

Jürgen Engel

Director at Messe Frankfurt
Venue GmbH,
Frankfurt am Main

Professor Dr

Gottfried Honnefelder

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

Alexander Neumann

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

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, Wiesbaden

Peter Saalmüller

Idstein

Dr Thomas Schäfer

Minister for Finance for the State
of Hesse, Wiesbaden

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
(until 5 January 2011)

Peter Thomaschewski

Director at Messe Frankfurt GmbH,
Frankfurt am Main

Dr Martin Viessmann

CEO of Viessmann Werke
GmbH & Co. KG, Allendorf

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 2011, the members of the Executive Board received total remunerations of € 1.619 million, taking into account all amounts subject to disclosure. Furthermore, provisions amounting to € 430,000 for variable benefits were recognised in 2011, bringing total remunerations for 2011 to € 2.049 million (previous year € 1.813 million). Superannuation benefits and retirement annuities, as well as interim payments and indemnifications, of € 1.241 million (previous year € 960,000) 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 2011. 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 for the financial year amounted to € 589,000 for the annual audit, of which € 358,000 is apportionable to BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main and Stuttgart.

Executive Board

The following were appointed to the Executive Board:

Wolfgang Marzin, Diplom-Betriebswirt HWF (President and Chief Executive Officer)
(Graduate in Business Administration (University of Applied Sciences)),

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

Uwe Behm, Diplom-Ingenieur/Diplom-Wirtschaftsingenieur (FH)

(Graduate in Engineering/Graduate in Industrial Engineering (University of Applied Sciences)).

Frankfurt am Main, 30 March 2012



Wolfgang Marzin



Detlef Braun



Uwe Behm

Consolidated cash flow statement of the Messe Frankfurt GmbH group

in € '000	2010	2011
Consolidated net income for the year before extraordinary result	24,575	21,724
Depreciation, amortisation and write-downs (+) of fixed assets	59,286	58,779
Decrease (-)/increase (+) in provisions	-6,164	-2,435
Other non-cash income	-3,010	-3,748
Proceeds (-)/expense (+) from disposal of fixed assets	164	159
Increase (-)/decrease (+) in inventories	-68	-50
Increase (-)/decrease (+) in trade receivables and other assets not attributable to investing or financing activities	-6,223	-25,991
Decrease (-)/increase (+) in trade payables and other liabilities not attributable to investing or financing activities	36,739	-10,464
Cash flows from operating activities	105,299	37,974
Intangible fixed assets/tangible fixed assets		
- Capital expenditures	-19,992	-22,366
- Proceeds from disposal of fixed assets	1,160	2,077
Payments for cash investments (securities)	-23,939	-5,772
Cash flows from investing activities	-42,771	-26,061
Cash payments (-) to the owners of Messe Frankfurt GmbH and minority shareholders	-14,433	-14,964
Cash repayments (-) of bank loans	-32,581	-33,640
Cash proceeds (+) from the issuance of bank loans	29	0
Cash flows from financing activities	-46,985	-48,604
Net change in cash funds	15,543	-36,691
Cash funds at beginning of period	97,514	113,057
Cash funds at end of period	113,057	76,366

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

in € '000	Parent				Minority interests			Group	
	Subscribed capital	Capital reserves	Group revenue reserves	Adjustment item for foreign currency translation	Equity	Minority interests	Adjustment item for foreign currency translation	Equity	Equity
At 31.12.2009	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
Dividends paid			-13,000		-13,000	-1,964		-1,964	-14,964
Other changes				824	824			0	824
Consolidated net income for the financial year			18,901		18,901	2,795		2,795	21,696
At 31.12.2011	180,000	85,219	137,038	-1,387	400,870	3,327	18	3,345	404,215

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 2011 to 31 December 2011. 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.

Frankfurt am Main, 9 May 2012

BDO AG
Auditors

Dr Rosien pp Goldner
Auditor Auditor

Report of the Supervisory Board

The Supervisory Board of Messe Frankfurt GmbH regularly informed itself of the development and position of the company through written and oral reports furnished by the Executive Board and satisfied itself of the due and proper conduct of business by the Executive Board.

Meetings of the Supervisory Board

The Supervisory Board convened two regular meetings and one extraordinary meeting in fiscal 2011.

Activities of the Supervisory Board

The Supervisory Board was concerned with the current business development, transactions requiring Supervisory Board approval and corporate planning. The focus of discussions and decisions taken were the corporate strategy, current national and international business developments, the company's overall economic position as well as the risk situation, including the risk management policy.

In addition to regular reporting, the following issues were discussed in detail and – where necessary – appropriate decisions were taken:

- The Supervisory Board had extensive involvement in the acquisition of the "Kap Europa" congress centre, including the relevant content of the purchase and developer's contract as well as the economic indicators.
- The transfer of the legal form of the Messe Frankfurt Venue GmbH & Co. KG subsidiary into a GmbH was discussed in detail.
- The Supervisory Board extensively discussed the acquisition of a lighting trade fair in Moscow. Approval of the acquisition was granted by written procedure.
- Another focus of consultations was the networking of the IT strategy with the corporate strategy.
- Within the scope of reporting on the corporate strategy, the Supervisory Board closely examined the national and international economic conditions, the product strategy and key markets, the harmonisation of core processes at the Frankfurt venue and the infrastructure development.

Work of the Committees

The activity of the Supervisory Board was facilitated by the preparation and support of the Committees. The Committee Chairpersons regularly reported to the Supervisory Board on the work of the respective Committees. The Committees make recommendations to the Supervisory Board on resolutions relating to decisions of considerable financial relevance.

The Investment Committee met twice during fiscal 2011. At its meetings it gave detailed attention to business transactions and the economic situation, as well as the financial statements of the subsidiaries and investments in associates of Messe Frankfurt Venue GmbH and Messe Frankfurt Exhibition GmbH.

The Financial Committee met four times in fiscal 2011 and at its meetings discussed the aforementioned acquisition of the "Kap Europa" congress centre and the lighting fair in Moscow. Furthermore, the Financial Committee discussed transactions and the economic development of the sub-groups Messe Frankfurt Venue GmbH and its subsidiaries, Messe Frankfurt Exhibition GmbH, the holding companies, Messe Frankfurt GmbH as well as the Messe Frankfurt group. With respect to the aforementioned companies, the Financial Committee also examined in detail the financial statements and consolidated financial statements as well as the management reports of the individual entities and of the group.

The Building Committee did not convene in fiscal 2011.

Conflicts of interest

The Supervisory Board is not aware of any conflicts of interest on the part of individual members of the Supervisory Board during the financial year.

Annual financial statements and consolidated financial statements

The financial statements of Messe Frankfurt GmbH and the consolidated financial statements for the year ended 31 December 2011 have been examined and issued an unqualified audit opinion by BDO Wirtschaftsprüfungsgesellschaft. The audit contract was awarded by the Chairwoman of the Supervisory Board in accordance with the resolution passed by the shareholders, the City of Frankfurt and State of Hesse, of 7 and 25 October 2011.

The financial statements, consolidated financial statements and management reports have been prepared in accordance with the provisions set forth in the German Commercial Code (HGB) applicable to large companies limited by shares and examined by the auditors. The Financial Committee discussed the annual financial statements of Messe Frankfurt GmbH and the consolidated financial statements, the management reports as well as the audit reports in detail at its meeting of 18 June 2012 in the presence of the auditors and recommended to the Supervisory Board that it should approve the results of the financial statements. The Chairperson of the Financial Committee reported on this to the Supervisory Board at the meeting convened to adopt the annual financial statements on 29 June 2012 and commented on the recommendation of the Financial Committee. At the meeting convened to adopt the annual financial statements on 29 June 2012, the Supervisory Board for its part extensively reviewed the single-entity financial statements, the consolidated financial statements and the management reports in the presence of the auditor, who reported on the key audit findings.

Furthermore, the Financial Committee and the Supervisory Board read and took note of the reports of the auditor, BDO Wirtschaftsprüfungsgesellschaft, on its review of the adequacy of the management and the economic situation pursuant to Section 53 of the German Law on Budgetary Principles (HGrG). The auditor concluded that the Executive Board has established a risk management system according to the statutory provisions that allows developments which could place the continued existence of the company at risk to be identified at an early stage.

The Financial Committee and the Supervisory Board convinced themselves of the effectiveness of the risk management systems in place.

As recommended by the Financial Committee, the Supervisory Board has approved the findings of the audit of the financial statements and adopted the annual financial statements of Messe Frankfurt GmbH for the year ended 31 December 2011 and the consolidated financial statements for the year ended 31 December 2011. The report of the Executive Board on the position of Messe Frankfurt GmbH and the group management report for the 2011 financial year were approved and accepted.

Personnel matters

At the beginning of January 2011, our long-standing Supervisory Board member Councillor Lutz Sikorski passed away. Mr Sikorski had been a member of the Supervisory Board since 1989 and had always supported the Board's work with commitment and competence. We will honour his memory.

With the shareholders' resolution of 24 and 25 October 2011 Mayor Olaf Cunitz was appointed to the Supervisory Board.

The Supervisory Board would like to thank the Executive Board for the trust-based cooperation and all employees for the good work done and their contribution to a successful 2011 financial year.

Frankfurt am Main, 29 June 2012

The Supervisory Board

Dr h. c. Petra Roth
Chairwoman

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Klaus Münster-Müller

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