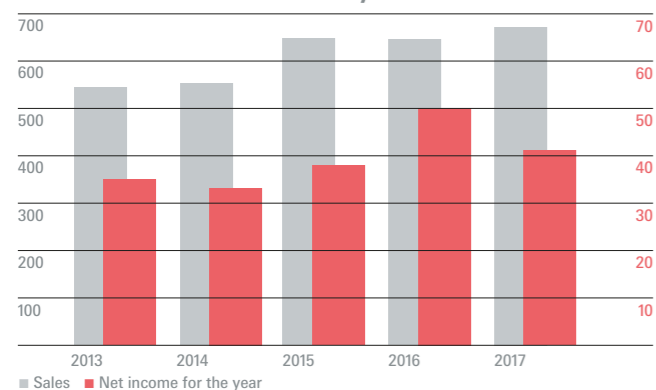


Annual Report 2017

People Markets  
Knowledge Future  
Action Products  
Dialog Change  
thinking ahead

## At a glance

### Sales and net income for the year in € m



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*				
	2013	2014	2015	2016	2017
Sales	545	554	648	647	669
Personnel expenses	123	131	146	152	159
Depreciation, amortisation and write-downs	56	52	56	52	51
Earnings before taxes	53	51	56	74	60
Pre-tax return on sales in %	10	9	9	11	9
<b>Net income for the year</b>	<b>35</b>	<b>33</b>	<b>38</b>	<b>50</b>	<b>41</b>
EBITDA	108	102	109	124	108
Additions to fixed assets	48	56	45	102	125
<b>Equity</b>	<b>427</b>	<b>453</b>	<b>475</b>	<b>506</b>	<b>527</b>
<b>Total assets</b>	<b>820</b>	<b>863</b>	<b>888</b>	<b>888</b>	<b>1,014</b>
<b>Active employees (at 31.12. respectively)</b>	<b>1,999</b>	<b>2,130</b>	<b>2,244</b>	<b>2,307</b>	<b>2,440</b>

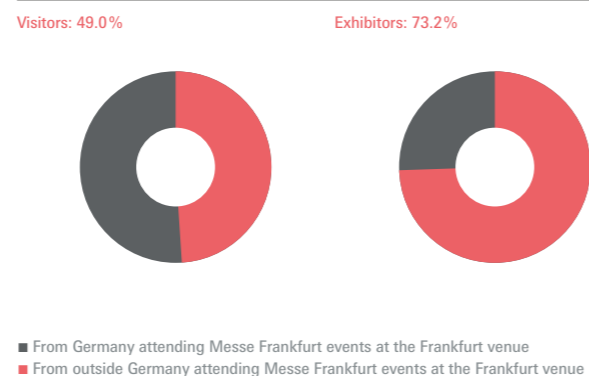
\* Except employees and return on sales

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

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

	2013	2014	2015	2016	2017
<b>Basic data</b>					
Total space (m <sup>2</sup> )	578,000	592,127	592,127	592,127	592,127
Available hall space (m <sup>2</sup> )	355,678	366,637	366,637	366,637	366,637
Available open space (m <sup>2</sup> )	96,078	96,078	96,078	59,506	59,506
Number of halls	10	10	10	10	10
<b>Events in Germany</b>					
Number of trade fairs and exhibitions	43	44	47	50	48
Exhibitors	40,786	41,828	42,167	42,659	41,905
Net space (m <sup>2</sup> )	1,480,779	1,314,277	1,492,035	1,372,728	1,449,374
Visitors	2,268,884	1,557,581	2,440,666	1,565,383	2,213,563
<b>Events outside Germany</b>					
Number of trade fairs	70	77	86	84	98
Exhibitors	38,793	42,880	48,605	48,219	52,987
Net space (m <sup>2</sup> )	935,148	1,060,630	1,240,629	1,267,096	1,424,629
Visitors	1,381,032	1,526,372	1,730,153	1,966,492	2,225,258
<b>Total</b>					
Number of trade fairs	113	121	133	134	146
Exhibitors	79,579	84,708	90,772	90,878	94,892
Net space (m <sup>2</sup> )	2,415,927	2,374,907	2,732,664	2,639,824	2,874,003
Visitors	3,649,916	3,083,953	4,170,819	3,531,875	4,438,821

### Level of internationality



Messe Frankfurt connects – future trends with new technologies, people with markets, and supply with demand.

More than five million people met at Messe Frankfurt's 416 events worldwide in 2017. This diversity creates new, concrete answers to the various questions facing businesses and society today: from artificial intelligence to the energy revolution, new forms of learning, intelligent textiles, personalisation and smart cities.

Where different perspectives and industries are inter-linked, energy and space are created for new collaborations, projects and business models. This makes Messe Frankfurt a place where a piece of the future is built and tomorrow's markets are shaped.

Supply and demand have always been the foundation of the business world. In this tradition, Messe Frankfurt's events offer effective platforms for new business contacts.

The 2017 Annual Report of the Messe Frankfurt Group draws on its international events to illustrate how specific and overarching developments, trends and innovations can change entire industries and how our customers are responding to them. At the same time, we show how Messe Frankfurt is adapting and expanding its own range of products and services to meet the needs of its customers and ensure it is always their number one choice of marketing and service partner.

Wolfgang Marzin  
President and  
Chief Executive Officer



In the trade fair industry, exhibitor and visitor numbers, exhibition space, sales and earnings are among the significant economic performance indicators. In the 2017 financial year, around 95,000 companies presented their products and solutions at Messe Frankfurt's global events. That's more than ever before. The steady increase in the number of exhibitors proves the importance of Messe Frankfurt as a player in the international business community. We welcomed more than five million visitors to the 416 trade fairs, congresses and events in 2017. This success is also reflected in the sales and earnings figures. The corporate group closed the past event year with sales revenue of 669.1 million euros, surpassing the record sales of 647 million euros in the previous year. At 40.5 million euros, consolidated net income is again a very good result.

Organising trade fairs is teamwork. We would therefore like to take this opportunity to thank the shareholders of Messe Frankfurt and the associations involved in our events for their trust and cooperation. We would also like to thank the 2,440 employees worldwide for their unswerving commitment. The event industry demands heart and soul. We are proud and happy that so many colleagues share this passion with us.

Digitalisation and increasing networking are the drivers of the economy. As experts for trade fairs, congresses and events in all sectors, we observe this in all business sectors – from consumer goods, music and entertainment to textiles, energy, buildings and industry 4.0 to logistics, safety/security and mobility. Messe Frankfurt's events are where these and other drivers meet and develop into something new.

Uwe Behm  
Member of the  
Executive Board



With innovative event concepts such as the Hypermotion platform, a mix of exhibition, conferences and tech talks, and by expanding our portfolio, we are responding to the changing needs of our customers. In the field of building technology, we will add elevator and escalator technologies to our expertise in 2018. The E2 Forum Frankfurt (Elevator and Escalator) offers a new technology and content platform as a conference format for the industry in cooperation with VDMA, Germany's Mechanical Engineering Industry Association.

Investments in the home venue also strengthen Messe Frankfurt's position as host. In a second step, we further optimised our digital traffic management for IAA 2017. With 243 guest events, the Frankfurt Exhibition Centre was again heavily booked and is becoming increasingly attractive for organisers. The congress business at the location is growing impressively. The desire for real encounters at trade fairs and congresses remains strong.

As a partner for all services related to a successful trade fair presence, from logistics, stand construction and marketing to the catering trade, we are continuously strengthening our analogue and digital offerings and investing in areas where we see the greatest added value for our customers.

Messe Frankfurt is the common point of reference for all sectors of industry with ideas, innovations and trends. This year's Annual Report not only makes these connections comprehensible, but even tangible: punched holes provide references between the individual pages and between our events. Finger your way through and discover connections!

Enjoy reading!

Wolfgang Marzin

Detlef Braun

Uwe Behm

Detlef Braun  
Member of the  
Executive Board



# Connections



# Overall activities 2017

**38 Overall activities of Messe Frankfurt**  
 39 The corporate group  
 40 Technology  
 41 Consumer Goods  
 42 Textiles & Textile Technologies  
 43 Entertainment, Media & Creative Industries  
 44 Mobility & Logistics  
 45 Guest events, congresses and shows  
 46 Trade fairs and exhibitions in 2017

# Annual Report

**54 Group management report of Messe Frankfurt GmbH, Frankfurt am Main**  
 54 Corporate profile  
 55 Report on economic position  
 61 Description of the position of the company  
 68 Report on expected developments, opportunities and risks

**74 Consolidated financial statements of Messe Frankfurt GmbH, Frankfurt am Main**  
 74 Consolidated balance sheet  
 75 Consolidated income statement  
 76 Explanatory notes to the 2017 consolidated annual financial statements  
 90 Appendix I to the notes: Statement of changes in fixed assets  
 92 Appendix II to the notes:  
 Ownership of shares in affiliated companies  
 93 Consolidated cash flow statement of Messe Frankfurt GmbH  
 94 Consolidated statement of changes in equity of Messe Frankfurt GmbH  
 96 Supervisory Board of Messe Frankfurt GmbH

**97 Auditor's report**  
**98 Report of the Supervisory Board**  
**101 Publishing details, contact details**

You can find the digital version of the Messe Frankfurt Annual Report online at: [annualreport.messefrankfurt.com](http://annualreport.messefrankfurt.com)

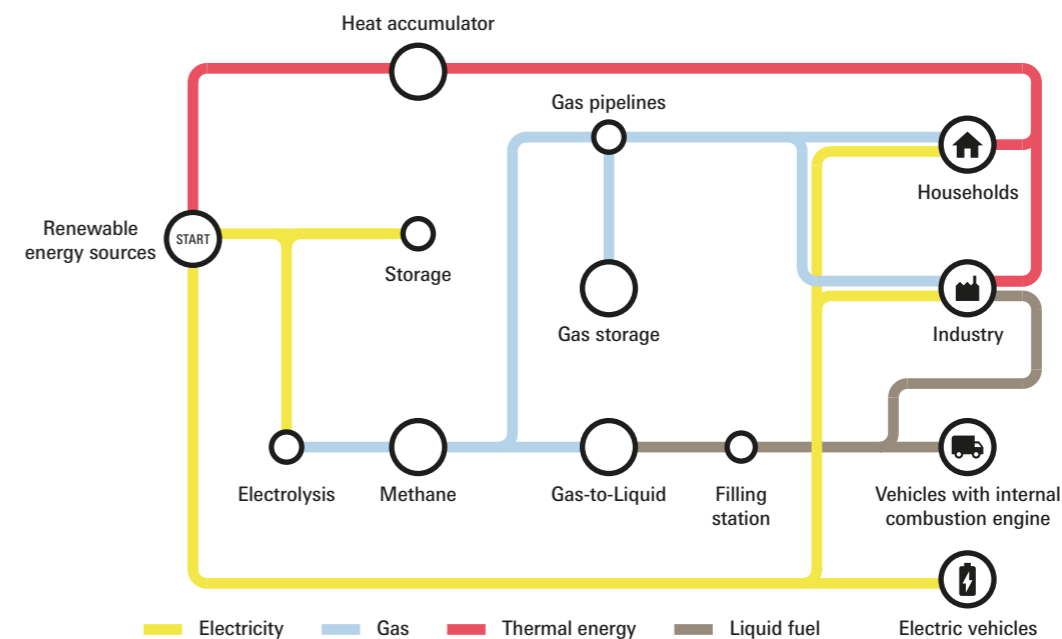


# Energy revolution

## How can clean electricity be stored?

The energy revolution is like an airplane that is already in the air but for which the runway is still under construction. Many countries around the world have got off the ground and have gradually begun to increase the share of renewable energies. Climate researchers have calculated that the switch must be completed by 2040 if global warming is to remain limited to an increase of 1.5 °C. We do not yet know how or even if we can achieve this ambitious goal. All we do know is that we have to build the runway four to five times faster than previously planned.

In this context, energy systems integration plays an important role. Because only by dovetailing energy generation, thermal pathways and mobility can we tap into the efficiency and synergy gains that will help us reach the 2040 climate policy objectives faster.



*Energy systems integration was one of the major topics at ISH 2017, which focused on market-ready technologies to accelerate the energy revolution and achieve the targeted climate policy objectives by 2040.*



## Green electricity in your tank

New technologies for energy systems integration at ISH

Electricity from renewable energy sources is not produced only when it is needed, but when it is possible – i.e. when the sun shines or the wind blows. The big challenge is therefore the question of how green electricity can be “stored” so that it can later be used for different purposes in different places, for example to drive an electric car or to heat a house. Power-to-gas is a chemical-biological process that converts electricity into gas. The gas can then be stored in the pipelines and caverns of Germany’s existing gas network.

The Viessmann Group, manufacturer of heating, industrial and cooling systems, has been investing in this future technology for years. The company put the world’s first bio-power-to-gas plant into operation in Allendorf, Hesse, in 2015 and presented the process at ISH 2017. The special feature is that the gas is produced biologically with the help of bacteria. In this way, existing biogas and sewage-gas plants can be used to store and later utilise green electricity in the form of synthetic methane. For the methane gas produced in Allendorf, Viessmann is cooperating with car manufacturer Audi, which uses the gas as biofuel in order to enable CO<sub>2</sub>-neutral operation of vehicles with gas engines.

# Smart cities

## The city in the cloud

Cities have always been a popular place to settle down. More than half of all people on earth now live in cities. Here they not only find work, education and infrastructure, but also a stimulating productive chaos, which constantly generates new impulses through trade and the convergence of different cultures and lifestyles. Living in cities has become so attractive that it is in the meantime giving rise to completely new challenges.

Cities cover less than two percent of the earth's surface area. Yet they are responsible for 75 percent of energy consumption. Then there is the matter of traffic and traffic jams: 27 percent of all Germans commute from home to work for more than 30 minutes a day (and back again). And the trend is rising. In 2016, there was an average of 1,901 traffic jams per day in Germany over a total length of 1.3 million kilometres.

The more popular city living becomes, the more intelligent, networked and efficient cities must in turn become if they are to remain a model of success in the future.



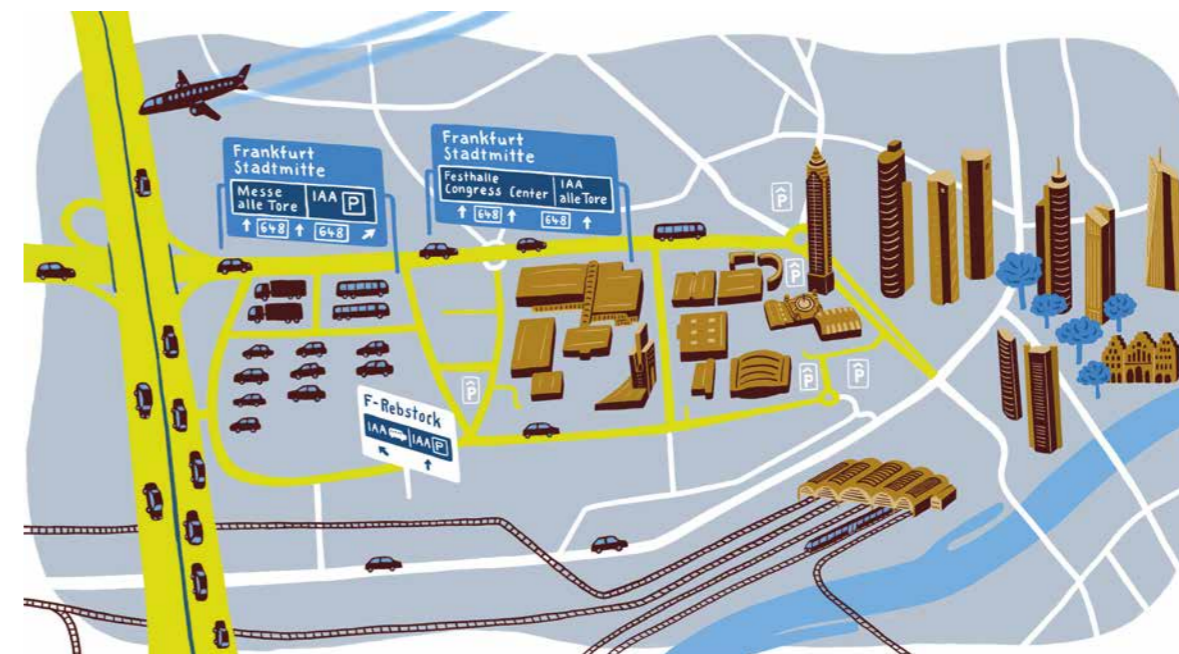
# The big picture

## The City of Frankfurt, the State of Hesse and Messe Frankfurt direct traffic in the region

At Westkreuz, the central motorway junction just outside Frankfurt, long-distance traffic, commuters from the region and trade fair visitors regularly converge. Since IAA 2017, a system of six digital signs has therefore been installed that react to the current traffic situation and direct traffic to the exhibition grounds depending on events currently taking place. During trade fair set-up times, when there is a concert in the Festhalle and on visitor-intensive event days, individually adapted displays are intended to prevent traffic jams as far as possible. But this is just the beginning. In a second step, the system will be extended to the urban area around Messe Frankfurt. With a total of 66 LED signs, traffic is guided as if by an invisible hand. Buses, trucks and cars are guided separately from each other directly to free parking spaces; exhibitors follow different routes than visitors – even when several events are taking place at the same time.

The result is a benefit for everyone – including those who do not even want to visit Messe Frankfurt. For the residents of Frankfurt, better traffic flow means less air pollution, less noise and fewer adverse health effects.

*The integrated traffic management system is a joint project of the State of Hesse, the City of Frankfurt and Messe Frankfurt. It is one of many projects of Messe Frankfurt's home city on the way to becoming a "smart city".*



# Autonomous driving

## Getting a life instead of parking

On average, German drivers spend more than 38,000 hours of their life behind the wheel. Autonomous driving is therefore more than a mere technical challenge: it could change our lives and our cities.

Researchers estimate that the more efficient use of space thanks to autonomous vehicles could free up as much as 45 percent of the traffic areas that are currently occupied by cars in city centres. This would create space for cyclists and pedestrians, cafés or leisure facilities. A minivan could turn into a hotel room that drops travellers off at their destination in the morning. In 38,000 hours, you could write a doctoral thesis, set up a company or learn a musical instrument.

Mobility

Urbanisation

Greening

Demand



*“ioki” was presented by Deutsche Bahn at Hypermotion – Messe Frankfurt’s new platform for intelligent transport systems of the future. Deutsche Bahn took part in the Next Generation Mobility hackathon accompanying the fair with the aim of improving the prediction of arrival times in local transport.*

## A spa resort on autopilot

With “ioki”, Deutsche Bahn opens up a new market segment surrounding the topic of smart city

The future of mobility lies in Bad Birnbach. Here in provincial Bavaria, Deutsche Bahn celebrated the premiere of automated local public transport. Since 25 October 2017, “EZ 10”, the autonomous shuttle bus produced by French manufacturer Ligier, has run through the town, connecting the spa gardens with the town centre. In the past, Ligier owned a Formula 1 racing team. Today, the company has discovered the virtues of slowness. “EZ 10” is part of the new DB brand “ioki”. The automated bus drives at an appropriate speed for a spa resort of 15 km/h and during the test phase is still accompanied by a person who brakes and steers in an emergency.

For Deutsche Bahn, however, there is more at stake than the 700-metre test track in Bad Birnbach. In the Hypermotion 2017 exhibition area, the company presented its plans for the Smart Cities corporate programme, with which the rail company intends to change lanes and make a move from rail to road. With on-demand mobility and autonomous travel, the idea is to close the gap between railway station and ultimate destination. For this reason, in addition to the “EZ 10”, the “ioki” subsidiary has acquired a fleet of Nissan electric vans and electric tuk-tuks which are scheduled to start operating in Hamburg in 2019. With the “ioki” app, all you have to do is book or locate a vehicle in the Hanseatic city and simply jump on board.

hypermotion

Supply

# Mood

## From product to experience

As products become more and more similar, they have to be more than just valuable or useful. They have to fulfil dreams, create memories or promise special experiences. The technology of cars, for example, no longer really serves as a differentiating factor between different brands. That is why the major automotive manufacturers are building entire car cities, staging collection centres and exciting museums that combine buying a new car with a strong (hi)story. The passive consumer becomes an actor.

A new form of consumption is increasingly gaining currency, one in which spectacular events, a product's origin or a certain attitude to life become a status symbol: a hand-made bike, a day out with the family or the limited-edition sneakers of which there are only 500 pairs.



*The Festival of Motoring is a mixture of show, race, interactive car museum and sales exhibition. Nowhere else can you experience the thrill of acceleration as close up as on the legendary Kyalami race course near Johannesburg.*

## Jump in!

Experience the thrill of acceleration  
at the Festival of Motoring in South Africa

The Kyalami Grand Prix Circuit near Johannesburg is the cradle of motorsport on the African continent. Built in 1961, the circuit quickly became an integral part of the Formula 1 Circus and the venue for historic races. South African motorsport legend John Love celebrated his greatest success here in 1967 – with a private racing car. Alain Prost drove a spectacular race at the 1982 South Africa Grand Prix, in which he rolled up the field from behind following a puncture only to win at the end of the day.

The fascination with speed is as old as the engine or the steam engine itself. One of the first speeding tickets in history is said to have been collected by an English “speeder” in 1896 – for driving 13 kilometres per hour, which was outrageous at the time.

At the Festival of Motoring on the Kyalami, you can live out this passion without risking a ticket. Over three days, 57,000 visitors immersed themselves in an atmosphere of howling engines and shimmering heat of the air between aerodynamically designed supercars and vintage race cars. Lovers of the smell of hot tyres could pirouette test cars in the Skid Pan, a round asphalt surface for driving training. Those who wanted to find out for themselves what happens when you tap the accelerator of a 250-hp car took a spin on the race track. On the 5,000 square metre sales area, visitors had the opportunity to cool down to normal temperature again and admire the family-friendly street versions of the supercar manufacturers.



# New Work

## Happy work

Since time immemorial, work has been perceived by the happy few as a fulfilment, and by many as a necessary evil. Those who belonged to the nobility could afford to leave work to others. In the course of industrialisation, people's lives were increasingly determined by the time clock and assembly line, later by the global division of labour. In order to create an antidote to the strenuous demands of the world of work, fixed working hours, holidays and pensions were gradually introduced over the decades.

New Work is a new approach to perceiving work not only as a burden, but to also emphasise the meaningful moments. The demands on work are growing: it should not only generate income, but also satisfy social and personal needs. Keywords such as "lifelong learning" as an engine for personal development and "work-life balance" as a conscious way of managing personal goals show that work can be more than just hard graft.

## "The good, the bad and the healthy"

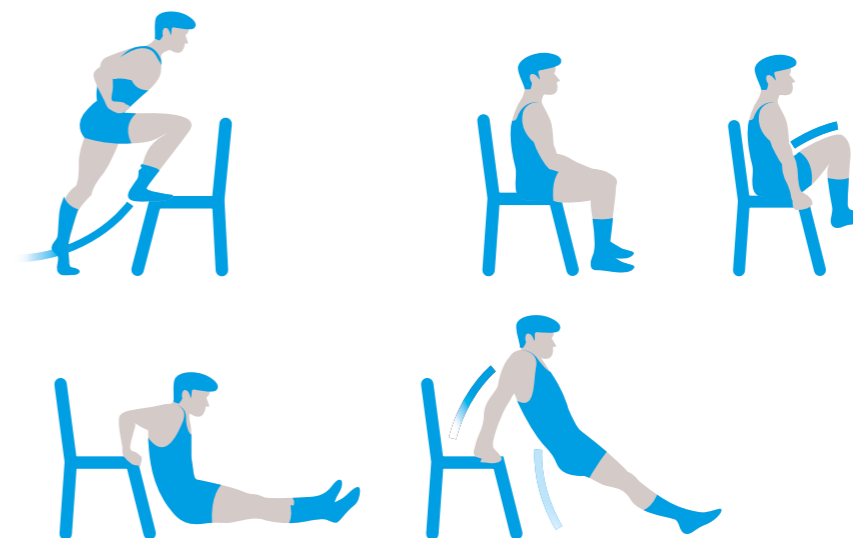
### The special Office of the Future area at Paperworld

What is a "good office" and what is a "healthy office"? This question is far more difficult to answer than its opposite: everyone knows – at least to some extent – what a "bad office" is, with dry air, the lack of spaces for concentrated work, unclearly distributed responsibilities and many other shortcomings of the work environment experienced on a day-to-day basis.

Under the motto "The good, the bad and the healthy", the special Office of the Future show at Paperworld therefore asked what constitutes a good work environment in which people like to work and which translates the change in values of the modern knowledge society into positive impulses. Based on the reality of the "bad office", the team from Berlin-based architect's firm Matter developed an architectural fitness trail. Different elements that are important for the design of a healthy office, such as virtualisation, privacy, soundscapes or ergonomics were transformed into objects that can be experienced in space. Instead of a formula for the one office of tomorrow, a collection of ideas and suggestions for individual models was created. Presentations by renowned architects and product presentations by innovative manufacturers supplemented the area.

According to architect Regine Leibinger, one practical realisation is that there will be fewer offices in the future. This is because work is becoming more and more mobile and the distinction between work and other areas of life is becoming increasingly fluid. It is therefore all the more important to design these spaces in such a way that they promote the exchange and shared development of ideas.

*The special Office of the Future area at Paperworld presented various aspects for the design of healthy workspaces on a fitness course – from "interaction" to "privacy" and "community" to "lunch/coffee break". At each station, visitors were also able to perform short but effective exercises for everyday office life.*



# Influencers

## Profession: being yourself

Tourism is one of the biggest industries worldwide. Yet very few people want to be “a tourist”. One of the reasons platforms like Airbnb are so successful is because they allow the traveller to experience a city for a while like a local. The search for the insider tip, the street market in an unknown city quarter and the restaurant that doesn't feature in any travel guide is an expression of a desire for the real and authentic.

The same applies to the question of choice of destination. Where should you go if you don't want to walk the beaten track to the “20 places you must visit before you die”? The travel catalogue is no help here. Hints from people who have actually visited a place and can share their own experiences first-hand are more trustworthy. Influencers – people with a high-reach social media account – play an increasingly important role for the travel industry: 41 percent of under 20-year-olds in Germany see Internet stars as a credible source of recommendations.

## Opt-out for beginners

Food and travel bloggers Johannes Riffelmacher and Thomas Kosikowski have given up their day jobs to shake up the travel industry

There came a point when they'd had enough. After five years working for a Hamburg agency and as freelance photographers, Johannes Riffelmacher and Thomas Kosikowski quit their jobs and took to the road. There was no fixed plan for the trip, which was to last a year. “We just thought about what we enjoyed doing and the result was: travel, surf, cook.” Thus was born at the same time the title of the book that they intended to write during the journey. From the very beginning there was a desire to transform the fleeting experience into something more lasting. In “Travel, surf, cook”, experiences, photographs and places mix with recipes to create a unique story full of quirky incidents. The book became a bestseller as soon as it was published and thus put paid to the original idea of taking up their old life again after returning to Hamburg. Instead, the two set up their own business under the name “Salt & Silver”. What exactly “Salt & Silver” is, is not easy to describe: something between a catering service, media company and private travel agency.

For the travel industry, bloggers like “Salt & Silver” are a stroke of luck. That is because the tourism sector is changing. Knowing how to travel with the necessary respect for locals, culture and history is becoming increasingly important, especially for younger people. The “Salt & Silver” cooking event at the Thomas Cook TravelConneXion tourism event in Hall 11 underlined the importance of this trend for the tour operator's sales activities. “The authenticity of the influencers among their followers and fans is invaluable,” writes Martin Widenka, Social Media Manager at Thomas Cook, on his own blog.

*In their books and on their “Salt & Silver” blog, Johannes Riffelmacher and Thomas Kosikowski describe their globetrotting adventures, from which they bring back exotic recipes and gripping experiences. At the Thomas Cook “TravelConneXion” sales event, they exchanged information on the latest travel industry trends such as influencer marketing.*



# Personalisation

## If you don't do everything yourself

Hardly any other trend shapes our society as strongly, sustainably and long-lastingly as customisation. In a society that creates more and more freedom, a culture of choice is emerging. Niche markets are flourishing, which offer unique products that match the lifestyle of the potential buyer as closely as possible.

In the past, the status of a product was directly linked to its material value, but today the focus is on personal reference. That's another reason why Do-It-Yourself is making more and more friends: when I've made something myself, I know where it comes from and how it originated – it has a story. Economist Michael I. Norton of Harvard University investigated this connection in his study "When work leads to love". The "Ikea effect", which he proved in experiments, says that the appreciation of a product increased when the owners were directly involved in its creation.

Customisation

Mindfulness

Health/Care

Demand



*Niche fragrances are characterised by a high proportion of precious ingredients. "Quintessence – the art of perfume" is the special area at Beautyworld Middle East for unusual perfumes. This is where the protagonists and lovers of this special, invisible form of luxury meet.*

beautyworld  
MIDDLE EAST

Supply

## It's all in the mix

### DIY perfume with Art of Scent at Beautyworld in Dubai

"He who ruled scent, ruled the hearts of men" is the credo of Jean-Baptiste Grenouille, the protagonist of Patrick Süskind's novel "Perfume". There is hardly anything more personal, individual and subtle than a person's scent. It makes no difference how beautiful, humorous or warm-hearted a person is – if you cannot "smell" them, it is all to no avail.

It comes as no surprise therefore, that customisation does not stop short of the fragrance business. The trend is towards so-called "niche perfumes", as presented within the framework of Quintessence at Beautyworld Middle East in Dubai: eccentric, complex and individual fragrance creations produced in small batches by independent perfume labels. One of these is Brigitte Witschi, who with her label Art of Scent goes one step further: in her perfume boutique in downtown Berne, customers can create a perfume that exists only once in the world. The starting point is memories, images or a certain atmosphere that serve as inspiration for the composition. Using natural ingredients and Brigitte Witschi's many years of experience, individual fragrances are created for individuals, couples or groups.

"The sea smelled like a sail whose billows had caught up water, salt and a cold sun. It had a simple smell, the sea, but at the same time it smelled immense and unique," writes Süskind of Grenouille's first encounter with the sea. The ability to capture and hold on to such fleeting moments is the fascination that connects the perfumers at Quintessence.

# Hygiene

## Fighting germs with standards

Every year, 700,000 people worldwide die from hospital-borne infections (as at 2015). That's more victims than malaria claims. In many cases, this is due to a lack of hygiene, but also to the massive use of antibiotics, which make the germs resistant.

Insufficient hygiene standards are not only a problem in developing and emerging markets. Even in highly developed industrialised countries, there is a high catch-up potential when it comes to developing and implementing suitable measures to improve the safety of patients, visitors and staff in healthcare facilities.

## The virtual laundry basket

How RFID chips in laundries can save lives

Seamless control and monitoring of hospital laundry plays an important role for implementing hygiene standards in the healthcare sector. Because knowing on which ward a laundry item is currently located, when it was last cleaned and how long it has been in circulation can help hospital staff significantly reduce hospital infections. Close cooperation between healthcare institutions and service providers can greatly improve the quality of these processes. The focus is on the further development of RFID chips and the relevant software, as presented by Swiss manufacturer Datamars at Texcare International. Laundries can now not only locate individual textiles, but also determine their condition over the entire life cycle. This information on laundry hygiene can be vital for patients on an intensive care ward or in an operating theatre.

Shanghai Jesse is the largest laundry and rental service company for medical textiles in China. In a pilot project with the Huashan Hospital in Shanghai, the laundry introduced comprehensive textile monitoring via RFID chips. The aim was to improve in-house quality management and to obtain certification from the Joint Commission International (JCI) for infection control. The project also had a number of other positive side effects. By automating the documentation for compliance with standards, it has been possible to significantly reduce the administrative burden in the hospital. The laundry was able to reduce its unit costs and eliminate 100,000 counting errors from the previous manual control. It is now planned to transfer the pilot system to another 14 hospitals in China.

*At Texcare Asia, Shanghai Jesse presented solutions for an integrated service chain that covers all steps from laundry collection, transport and cleaning to delivery, quality management and hygiene control in hospitals.*



# Cybersecurity

## Every 39 seconds, a computer is attacked

According to a study by Maryland University, somewhere in the world, every 39 seconds an Internet-enabled computer is hit by a cyberattack. The damage caused by this is enormous. The consulting firm Ponemon estimates that from 2021 the cost of cybercrime will exceed one trillion US dollars a year. On average, a data breach costs a company 3.43 million dollars.

Phishing and what is known as social engineering are at the forefront of digital fraud methods worldwide. In emails or on websites, the identity of a supposedly known sender is faked in order to trick users into divulging passwords or carrying out bank transfers. The “fake president” scam, for example, specifically targets the financial departments of large companies and triggers substantial bank transfers purportedly on the instructions of the CEO.



According to the German Federal Office for Information Security (BSI), more money is already being turned over on cybercrime than on drug-related crime. At the Cybercrime Forum of the 20th Euro Finance Week 2017, experts at the Congress Center in Frankfurt discussed the need for cross-border defence mechanisms.

## There's a hole in your net

### The Cybercrime Forum at the 20th Euro Finance Week

Digitalisation is changing many business models and encouraging companies to give priority to speed over security. According to a German study by the consulting firm Sopra Steria Consulting, 32 percent of all IT decision-makers surveyed said they were introducing new technologies even if not all security risks are yet known and assessed. But not only companies are at risk, as the discussions about a possible manipulation of the presidential elections in the USA show.

The financial sector is one of the most popular targets of the global hacker mafia. That is why security was high on the agenda at the Cybercrime Forum of Euro Finance Week held at Messe Frankfurt's Congress Center. At Europe's largest industry meeting, IT managers, computer experts, politicians and bank representatives discussed the dangers of cyberattacks, current attack patterns and effective prevention. Linus Neumann, spokesman of the Chaos Computer Club (CCC) and speaker at Euro Finance Week, believes the dangers are still underestimated. "This phenomenon will get worse before it gets better," Neumann says, "because in the long run we will not be able to afford this behaviour."

# Simplicity

## Nothing more complex than that

Moore's law is to blame. This states that the performance of processors doubles every two years. The physicist and founder of Intel, Gordon Moore, made this prediction in 1975 – and has been proved right on countless occasions since. Digital networking has made already complex technology even more complex: the more computing capacity is available, the more functions can be integrated into digital products.

But most people want simplicity. Products should be self-explanatory. User interfaces should be intuitively understood. In a complex world, reduction becomes the key to success. However, achieving this simplicity is anything but easy. For where the possibilities become ever greater, omission becomes the great art.



*Messe Frankfurt's new digital ticket system combines simple and fast access with the greatest possible transparency.*

## Access to the comfort zone

### Digital ticket services for exhibitors and visitors

The success of a market depends on how accessible it is. The more suppliers and potential buyers can take part, the greater the dynamics of supply and demand. As early as the Middle Ages, trade fair freedom prevailed at the Frankfurt spring and autumn fairs at which every citizen, non-citizen and foreigner was permitted to offer and sell goods – free of customs duties and entry barriers.

For Messe Frankfurt, therefore, easy access to the Frankfurt exhibition grounds is not just an organisational question, but first and foremost part of the brand essence. The new Ticket Services for Exhibitors online portal makes the generation of tickets faster, more intuitive and more transparent. Exhibitors at Messe Frankfurt events can use the new online portal not only to create and manage ID cards for themselves and their stand personnel, but also visitor vouchers for their customers. With one click these can be sent – even during the event – individually or in larger numbers.

The portal makes the ticket usage data available and thus enables exhibitors to optimise their invitation management. Invited visitors can register their vouchers online and exchange them for valid tickets that can be used directly for admission to the fair. In the portal, exhibitors have a permanent overview of vouchers that have already been registered and redeemed.

With the new ticket system, Messe Frankfurt is translating the idea of trade fair freedom into the digital age and making access to the market even easier.

# Living in Space

## “Forget the moon. Let’s head to Mars!”

Plans for a manned mission to Mars were already made during NASA’s Apollo programme in the 1960s. Astronaut Buzz Aldrin, who was the second person to set foot on the lunar surface shortly after Neil Armstrong, was one of the first to campaign for a trip to Mars: “Forget the Moon! Let’s head to Mars!” The USA, Europe, Russia, India and China are currently planning a manned flight to our neighbouring planet, which could take place between 2030 and 2050.

Such a project is an undertaking with many unknowns, starting with the question of whether the astronauts should return (Mars to Stay). But also the effects of cosmic radiation or such simple factors as boredom and the associated psychological strain on the crew have never been tested under such extreme conditions. A flight to Mars would take 250 days, and a return would only be possible after more than a year, when the two planets have come closer into line with each other again. Experts expect such a mission to give a huge boost to innovation in the field of drive technologies, the development of new materials as well as medicine and biology.

Digitalisation

Materials

Convenience

Demand

# A suit for Major Tom

Living in Space special show at Techtextil

The Ariane 6 solid fuel boosters are made of carbon yarn. Vegetables can be grown in zero gravity with the help of spacer fabric. Full-body suits for astronauts can transfer movements of the wearer to a 3D model in real time, and robot arms are manufactured from fibre composite structures. So anyone who associates technical textiles in the context of space travel with suits for astronauts is not completely wrong – but does not fully grasp the significance of these materials. To illustrate the many possible uses for these innovative textile materials which are being developed as part of a manned mission to Mars, Techtextil in Frankfurt, with the support of the European Space Agency (ESA) and the German Aerospace Center (DLR), organised the Living in Space special show. The exhibits included an original Mars Rover and designs for a “space apartment” by star architect Ben van Berkel.

A journey to Mars and back takes several years – a long time in which astronauts not only have to stay healthy and fit, but also want to feel comfortable. If an astronaut were to pack a suitcase for Mars, it would probably contain a shimmering raincoat by fashion students Leyla Yalcin and Sena Isikal from Düsseldorf. In cooperation with the silver thread manufacturer Statex from Bremen, the designers have developed a material for Living in Space that reflects light, protects against electromagnetic radiation and stores body heat.

*The European Space Agency (ESA) is testing the possibilities of smart textiles during parabolic flights, in which the effect of weightlessness is created for a few minutes. Such textiles are used in the designs of the students of the AMD Fashion School Düsseldorf, which were presented at the Living in Space special show during Techtextil.*

techtextil

Supply



# Longevity

## Analogue strikes back

The paperless office, the cloud, data as currency, online shopping: as digitalisation progresses, our environment is – allegedly – becoming increasingly virtual and immaterial. For many people, the dissolving of the substantive world triggers a longing for “real” things that can be sensually perceived. While 300,000 vinyl records were sold in Germany in 2006, sales rose to over three million in 2016. Notebooks, roll-film cameras and repair shops are making a comeback. Supposedly ordinary objects are becoming status symbols and luxury items.

Tangible objects are getting a new lease of life as an expression of quality, longevity and attention to detail believed to have been lost. Innovative materials with special finishes or characteristics, such as packaging made from rediscovered natural products, promise tactile experiences. The desire for authenticity and sustainability not least fans a craving for things we understand.

Haptics

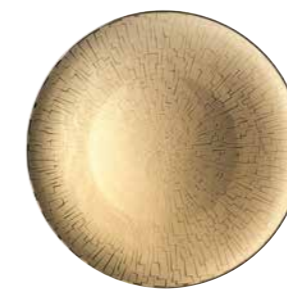
Materials

Convenience

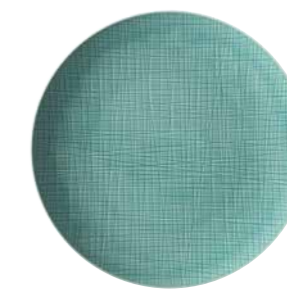
Demand



*The Westin, Elbphilharmonie, Hamburg*



*Hotel and Restaurant Oderberger, Berlin*



*Restaurant Ono by Steffen Henssler, Hamburg*



*TAL1, Holger Stromberg, Munich*



*Restaurant Benu, Museum of Modern Art, San Francisco*



*Palazzo Versace, Dubai*

*The special interest “HoReCa” marking unites manufacturers with extraordinary gastronomy concepts and tailor-made design solutions. The product range offers visitors to Ambiente orientation in the search for the right partner, such as porcelain manufacturer Rosenthal, whose specially manufactured series contribute to the recognisability of many up-market hotels and restaurants.*

## Porcelain as a signature

Of biscuit colours and plate edges

Porcelain and cutlery used to herald a new phase in life. As a typical wedding gift or “dowry”, the initial set of plates, knives, forks, sauce boats, charger plates, cups and bowls often comprised more than 100 individual pieces. The fine porcelain was meant to be so valuable that in an emergency it could be sold to secure the family’s existence. With the change in lifestyles, this tradition has died out. A single household can get by with little, and a good education has proven to be more effective as an insurance against life risks than a well-filled crockery cupboard.

Today, the operators of cruise ships, hotels and restaurants are increasingly the major customers for well-assorted chinaware ranges. With the “HoReCa” (HOTelRESTaurantCAFé) and “contract business” special interest areas, the Ambiente consumer goods fair offers a platform for the growing demand in project business. While for large hotel chains the cost advantage of centralised purchasing plays a major role, for top-end hotels and restaurants the tableware is part of the interior design. All details such as colours and materials must be coordinated in order to create a uniform and recognisable brand image.

The traditional company Rosenthal, exhibitor at Ambiente 2017, provided the chinaware for the restaurant of The Westin Hotel Hamburg at the new Elbphilharmonie. It was important that the porcelain’s hue, known as the biscuit colour, harmonised with the dark and warm base colour of the interior. The choice therefore fell to a series made of fine bone china, a soft, translucent, buff porcelain that has been considered the crowning achievement of porcelain manufacture for centuries.

ambiente

Supply



# Creativity

## Simply child's play

The transition from an industrial to a knowledge society in the 1980s already gave rise to a new economic sector: the cultural and creative industries include authors, film-makers, musicians, visual and performing artists, architects, designers, game developers and many other creative professions. At 3.1 percent (98.8 billion euros) in 2016, the contribution of the creative industry to the overall economic output in Germany surpassed other important sectors such as the chemical industry or financial services providers.

But how do you actually get creative? The simplest answer is: you don't – because you already are. Anyone can be creative and in unaccustomed situations spontaneously come up with new solutions. Newborns learn primarily by touching, feeling and grasping. For children, thinking and doing is one and the same. The key to surprising ideas is to play, try things out and get started without something necessarily having to make sense immediately.

# Music for beginners

## Apps and musical instruments merge into new learning concepts at Music China

"The first step is the hardest...", "Experts are not made in a day", "You can't teach an old dog..." – such well-meaning advice for beginners is abundant. It's true: practice makes perfect. But this also requires a lot of patience and discipline. Learning a musical instrument means constant repetition. The concept of the "raw beginner", who all too often hits his thumb with a hammer for lack of practice, says a lot about the sufferings of the learner.

Combinations of musical instruments and apps such as Chordana Play by Casio, which was presented at Music China, provide a solution and help beginners to overcome the first hurdles. Similar to the computer game Tetris from the 1980s, the player sees the score and keys moving in top down on a tablet screen. At the same time, the corresponding keys on the keyboard light up red to match. The playful element – also called gamification – is used consciously. Without having to decipher notes, the user can quickly learn simple pieces of music and feel like an upcoming rock star or virtuoso within a few hours. Children and adults are offered an easy way to learn musical scores and make music themselves.

*The Chordana Play app makes learning the keyboard fun for beginners and was introduced to the public at Music China. The app forms an integrated system with compatible keyboard models from Casio. Similar to a computer game, the app specifies the chords to be played while illuminated keys on the keyboard make it easier to hit the right note.*



# Knowledge society

## Continuous learning

In the Renaissance, there was still the idea of the universal genius – the “uomo universale”, who was a master in all arts and fields of knowledge. Take Leon Battista Alberti, for example, who in the 15th century was a man of extraordinary talents and an exceptional writer, mathematician, satirist, art historian, sportsman, economist, musician, astronomer and speaker. Only as a painter did critics accuse him of being rather averagely gifted.

Since that time, knowledge has multiplied exponentially at breathtaking speed. The idea of the universal scholar has given way to that of the expert. But what should we be learning when new knowledge is constantly emerging and old knowledge is dispensed with? Flexibility and the ability to learn from a lifelong learning perspective are replacing an entrenched educational canon.

# The surfing classroom

## The world of learning at the Frankfurt Book Fair

“Explore what I tell you is suitable. But you must leave the rest inscrutable,” exclaims the student Johnny Trotz in the play “The Flying Classroom” from Erich Kästner’s novel of the same name. In the play, the students do not learn from books, but fly around the globe with their teacher to get to know the world of the pyramids or the history of ancient Rome first-hand.

Erich Kästner wrote his novel in 1933: What does the world of learning look like today? Twelve percent of all German children between the ages of six and seven own a mobile phone. If we look at the age group of ten- to eleven-year-olds, according to the KIM Study 2016, this figure is already 71 percent for Germany. However, digital media do not replace traditional repositories of knowledge such as books. The proportion of children who read books every day even increased slightly between 1998 and 2013. The forms and possibilities for learning something new have never been as varied as they are today. For children and young people – and for adults, too – this new complexity does not make things any easier. At the Frankfurt Book Fair, education experts, teachers, journalists, students and members of the Chaos Computer Club met to discuss the future of learning and topics such as fake news, coding and adaptive learning in the World of Learning Lab. At the “Ediathon”, visitors were able to meet Wikipedia authors and discuss digital literacy with bloggers from the Berliner Blogfabrik (Berlin Blog Factory) in “Hate Speech Bingo”.

At the end of the film version of “The Flying Classroom”, the students conclude that flying was such a wonderful fantasy, what a shame it won’t become reality. However, Johnny Trotz wasn’t on WhatsApp and didn’t yet know Google Earth, YouTube and Wikipedia. Otherwise his conclusion might have been different.

*The Frankfurt Book Fair 2017 was opened by German Chancellor Angela Merkel together with French President Emmanuel Macron. After the visit to the pavilion of the guest of honour country France, they both printed the first page of the 1948 Declaration of Human Rights on a replica of the historical Gutenberg press.*



# Coopetition

## Win-win instead of elbows

When Charles Darwin used the phrase “Survival of the fittest” in reference to his theory of evolution, he did not mean that the stronger always prevails. Rather, fit relates to the individual who can better adapt to an immediate, local environment. In today’s networked world, this is the one who is smartest at sharing knowledge and skills and good at forging clever collaborations. Economists have coined the term “coopetition” for this – a portmanteau of “cooperation” and “competition” aimed at achieving strategic advantages for both collaboration partners. Google, for example, has co-funded the development of Firefox, its rival browser, to increase the reach of its own search engine.

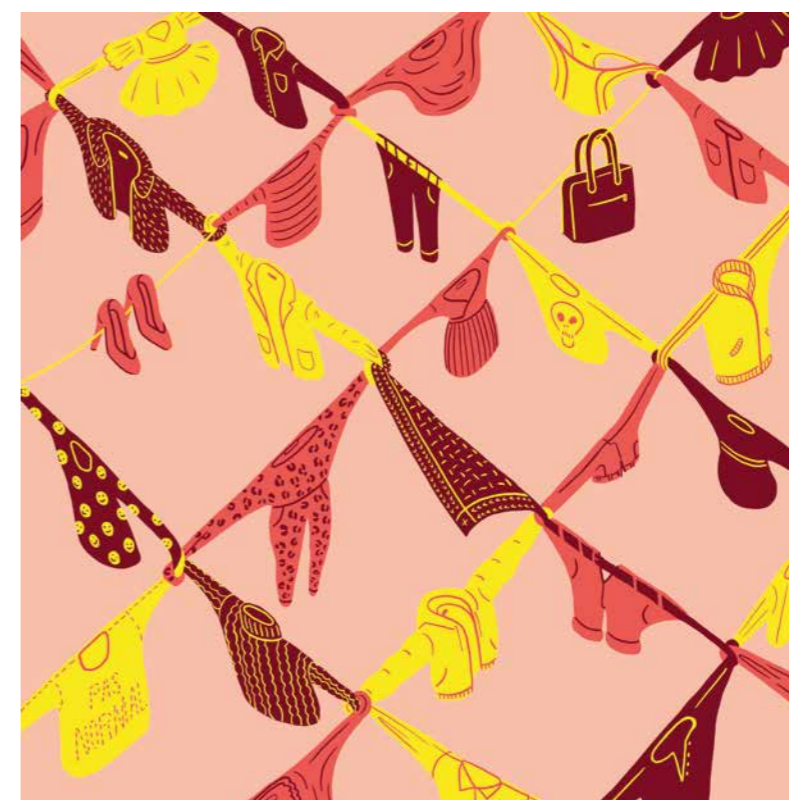
Strategic alliances and collaborations with competitors are an effective way for young companies and start-ups in particular to compensate for a lack of resources and knowledge and avoid failing at the next stage of development.

Networking

Globalisation

Knowledge

Demand



*Promoting young talent is the best investment in the future of an industry. Because anyone who is still designing small collections in their studio today could already turn the fashion world upside down tomorrow. The cooperation between Texworld USA and the online platform startupfashion.com helps young designers and start-ups to establish their first career networks.*

TEXWORLD  
USA

Supply

## “No man is an island”

Texworld USA and StartUpFashion cooperate to promote young designers

The influential VOGUE stylist Isabella Blow is reported to have purchased the entire graduation collection presented by legendary fashion designer Alexander McQueen at the end of his fashion studies at Central Saint Martin’s College of Art & Design in London. Blow thus became the pioneer, muse and mentor of the later chief designer of Givenchy and Dior. Pierre Cardin owed his breakthrough to the famous filmmaker Jean Cocteau, and Paul Smith found his access to the world of fashion through an art student whom he had met by chance during a stay in hospital.

“No man is an island,” wrote the English poet John Donne as early as in the 16th century in one of the most beautiful poems in world literature. A steep career path or a successful company start-up always has many mothers and fathers. But how do you launch such a network when you are at the very beginning? Fashion designer Nicole Giordano founded the business platform startupfashion.com to bring together young talents and small labels with established companies and industry experts. “As organisers, we are aware that our responsibility goes far beyond providing exhibition space for the industry,” says Jennifer Bacon, Show Director of Texworld USA. Together, Giordano and Messe Frankfurt Inc. organise series of lectures and seminars such as the Textile Talks, at which the global textile and procurement landscape including sustainable solutions and fair production are discussed. At such events, contacts are made “in passing” with manufacturers, producers and competitors in the hope of moving one step closer to one’s own breakthrough.

# Artificial intelligence

## Living with machines

In 2016, digital industry giants such as Google, Amazon and Facebook invested 27 billion US dollars in artificial intelligence (AI). In the Partnership for Artificial Intelligence, these companies join forces to explore the possibilities for AI together. The focus is on the question of how AI can make our lives more convenient.

On the other hand, there are fears that we might lose control of artificial intelligence and that the negative social consequences could be greater than the benefits. Prominent thinkers such as linguist Noam Chomsky and entrepreneurs such as Elon Musk warn against overly careless use of these new technologies.

If we assume that it's too late and unrealistic to abandon AI, then it is time for companies and society to think about how we can live with machines in such a way that we all get something out of it.

Networking

Big data

Demand

## On familiar terms with the algorithm

### How Fairconstruction makes artificial intelligence visible

"I didn't understand you. If you want to go to Hamburg, please say 'Hamburg.'" Up to now, human interactions with machines have often been awkward and characterised by mutual incomprehension. This is now about to change. Artificial intelligence ensures that conversations with algorithm-based bots will be more agreeable, productive and human in the future.

But how does it work? The presentation of dtms, a provider of call centre technology, developed by Messe Frankfurt's stand construction company Fairconstruction together with the agency Brömmel+Brömmel, shows how an abstract series of zeros and ones can become a real dialogue. "Our algorithm distinguishes between standard questions and complex topics and forwards the requests accordingly to a bot or an employee trained in customer dialogue, leaving more time for the complex requirements of a personal consultation," says Thomas Lang, CEO of dtms. At CCW, the conference and trade show for customer dialogue in Berlin, the idea was to put this process, which usually takes place invisibly behind the scenes, centre stage. The team from Fairconstruction literally made artificial intelligence tangible. Visitors could place coloured cylinders on an interactive surface and thus, visible to all bystanders, address various questions to the system. On a large screen, the probability was assessed of a suitable answer already being available in the system and which factors are included in this calculation.

Handling customer relationships is becoming increasingly important in today's service society and expectations in the areas of customer support, problem-solving competence and empathy in direct contacts with companies are constantly increasing. As general contractor of CCW, Fairconstruction not only put algorithms in the limelight, but also staged the providers in such a way that a productive and sustained dialogue about dialogues was established.

*At CCW in Berlin, visitors were able to use coloured cylinders to ask questions and follow how people and algorithms work hand in hand to conduct dialogues with customers.*



fairconstruction

Supply

# 2017

2017 was a year of growth for Messe Frankfurt. The group achieved new records in terms of sales as well as exhibitor and visitor numbers. The continuous refinement of event formats through consistent alignment with long-term economic trends made a significant contribution to this positive development.

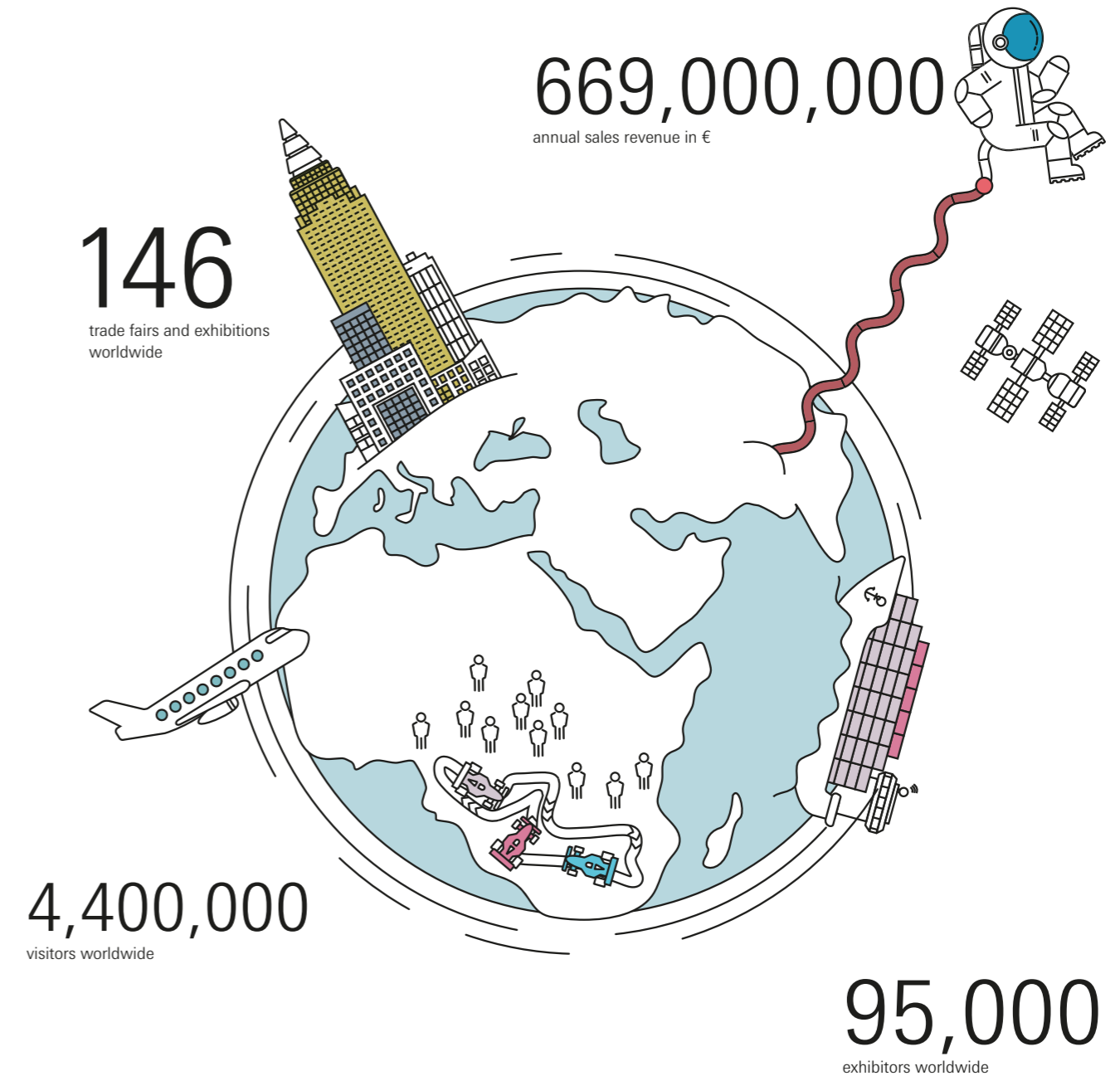
The section "Overall activities of Messe Frankfurt" presents an overview of the business segments and the individual trade fairs, exhibitions, congresses, events and other activities in 2017.

## The corporate group

In the 2017 financial year, Messe Frankfurt consolidated its market position at the forefront of international competition. With continued investments in events and products, in digitalisation, site optimisation and site utilisation, the corporate group is growing sustainably.

The organiser recorded around 95,000 exhibitors and 4.4 million visitors at 146 trade fairs and exhibitions worldwide, setting new records. In addition, 243 congresses, guest fairs and events were held at the Frankfurt exhibition venue.

The performance indicators are a testament to Messe Frankfurt's economic success. Sales revenue grew to around 669 million euros, despite a weak event year due to the rotation of events. The company thus surpassed the previous two peak years and exceeded the 660 million euro mark for the first time.



# Technology

Internationally leading industry and expert forums deal with fundamental areas of our technological future. The approximately 70 Technology events of Messe Frankfurt reach 19,000 exhibitors and 1.1 million visitors.

**Building Technologies:** 25 events worldwide, including the leading international trade fair brands ISH and Light + Building, offer platforms for efficient building management, digitalisation and intelligent networking, convenience, security and design.

**Environmental Technologies:** With three trade fairs and two congress formats with accompanying exhibitions, Messe Frankfurt offers industry global platforms for exchanging ideas in the growing market for environmental technology.

**Safety, Security & Fire:** In the growing segment of civilian safety and security, Messe Frankfurt is one of the world's leading organisers, currently with ten events in Asia, Germany, the Middle East, Russia, South America and East Africa.

**Food Technologies:** With four trade fairs worldwide for the food industry, Messe Frankfurt offers platforms for the safe, efficient and economical production and packaging of food. With IFFA, it organises the leading international trade fair for the meat processing industry and is represented with further trade fairs in Argentina, China and Russia.

**Textile Care:** Messe Frankfurt's textile care events focus on industrial innovations.

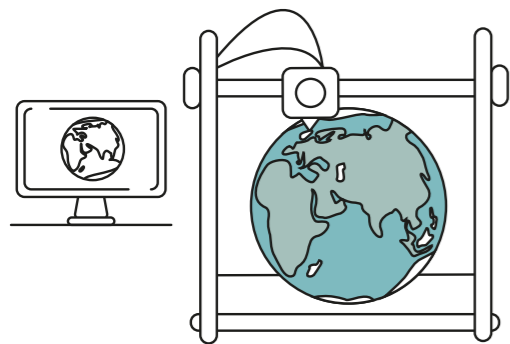
With Texcare International in Frankfurt, Texcare Asia in Shanghai and various conferences, Messe Frankfurt occupies strategically important markets for textile care.

**Electronics & Automation Technologies:** Trade fairs and congresses on industry-related technology topics are the domain of Mesago Messe Frankfurt. SPS IPC Drives, SMT Hybrid Packaging and PCIM Europe are the most important international forums for their industries.

**Manufacturing Technologies & Components:** Mesago and Messe Frankfurt offer eight highly specialised trade fairs and congresses worldwide, such as Formnext, Wire & Cable Guangzhou, Zellcheming-Expo and Thermotec. Hygiene and clean room technologies for production and application are shown at Cleanzone.

17,533

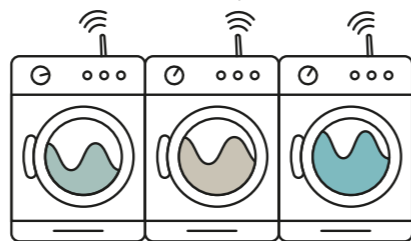
companies represented at the international events of this business segment in 2017



11,163

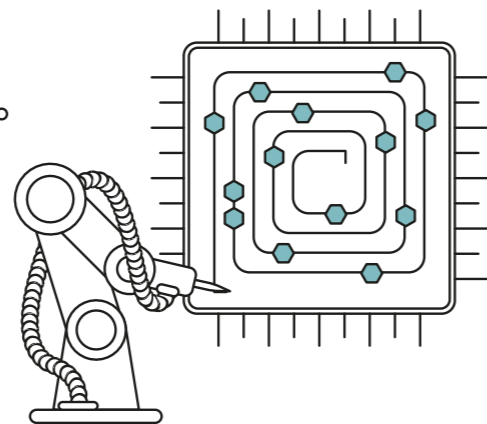
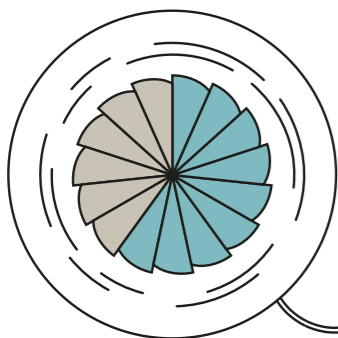
visitors to Texcare Asia 2017

- 2017: 11,163
- 2015: 10,267
- 2013: 8,553



13

new Light + Building brand events worldwide within 18 years



198,810

visitors to ISH 2017 in Frankfurt

- Other countries: 78,304
- Germany: 120,506

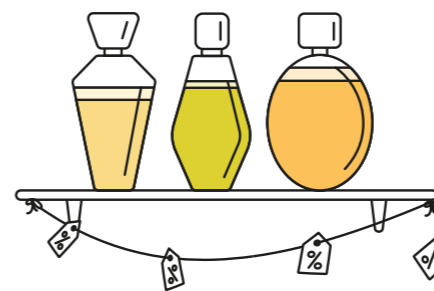
# Consumer Goods

Consumer goods are the heart of Messe Frankfurt. And this has been the case for 778 years. It all began with the first trade fairs around the Römerberg: back then, ceramics, textiles, gifts, stationery, metal and glassware, living accessories and decorative objects were discovered with all the senses. Products that are still successfully traded at the Frankfurt exhibition grounds today. And which create one thing in our daily lives – pure emotion. But even the most stable markets are in constant flux.

Buzzwords like globalisation, digitalisation and Industry 4.0, or the Internet of Things,

are shaping the future of whole sectors of industry along with their global trading structures. With its internationally leading consumer goods trade fair formats, Messe Frankfurt offers the industry precisely the right business platforms from which to address the opportunities and challenges of the coming decades. Besides the Ambiente global flagship fair for consumer goods, which takes place each year in February, and Tendence as the leading European innovation platform for the second half-year, four Ambiente brand events are held each year in Tokyo, Shanghai and New Delhi.

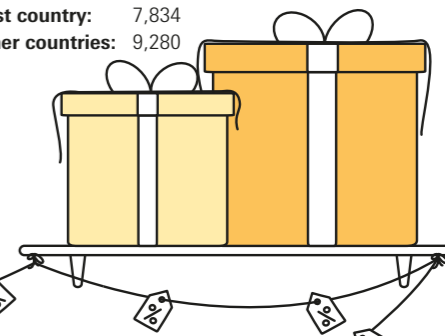
At Nordstil, held in Hamburg twice a year, Messe Frankfurt offers northern German retailers a perfect regional ordering platform. Paperworld, Creativeworld and Christmasworld, the globally leading trade fairs in their respective sectors, bring together the international consumer goods market in Frankfurt and provide new trading stimuli with themes such as the Office of the Future or the Floradecora marketplace with fresh flowers and plants. And Beautyworld, the leading cosmetics trade fair, creates successful trading platforms in the growth regions of Asia and the Middle East.



17,114

exhibitors at the international consumer goods fairs

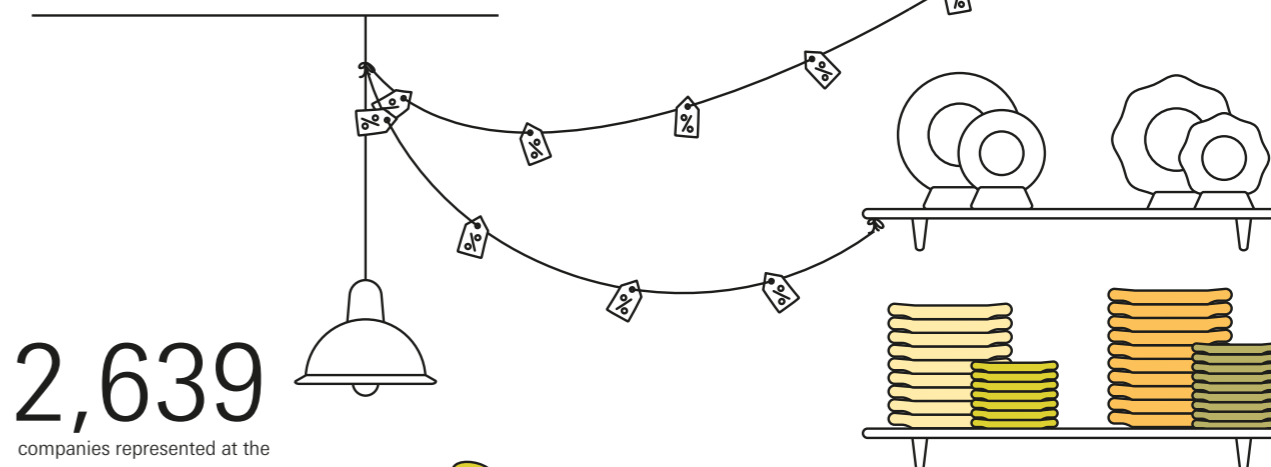
- Host country: 7,834
- Other countries: 9,280



57,563

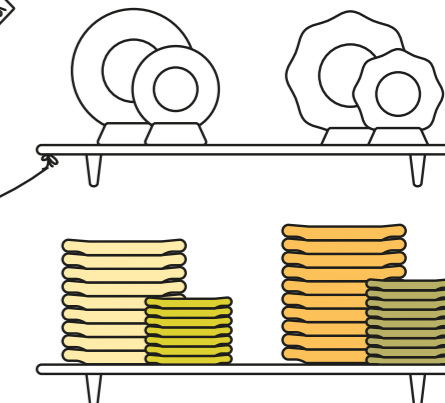
m<sup>2</sup> exhibition space at the international Beautyworld events

- 2017: 57,563 m<sup>2</sup>
- 2016: 51,955 m<sup>2</sup>
- 2015: 48,711 m<sup>2</sup>



2,639

companies represented at the international Paperworld events



140,963

visitors to Ambiente 2017

- 2017: 140,963
  - 2016: 135,988
- visitors from outside Germany
- 2017: 75,613
  - 2016: 72,315

Messe Frankfurt consolidates the world's major textiles fairs with its Texpertise Network. As international market leader, we showcase at over 50 events worldwide what drives the textiles and fashion industry. The latest topics, trends and contacts already attract in excess of 22,000 exhibitors and over 500,000 visitors from all over the world. Be it in Frankfurt, Berlin, Paris, Shanghai, Moscow or New York – we set impulses for the entire textiles value chain.

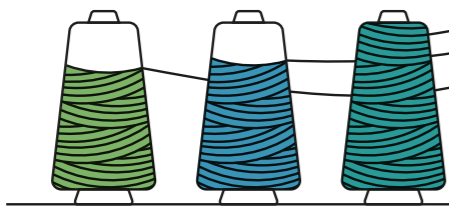
The themes are as varied as the textiles industry itself: starting with Apparel Fabrics & Fashion offering platforms and marketing services for the international apparel and fashion industry, to Interior & Contract Textiles, the international network for home, contract and furnishing textiles, and Technical Textiles & Textile Processing, the advanced forum for technical textiles and textile processing.

The events in the Textiles & Textile Technologies segment position our exhibitors and visitors at the cutting edge of progress. This is where innovative ideas are born and presented – with global reach and a focus on the latest trends, the most creative designs and the most progressive functionalities. Our platforms draw business professionals from all segments of the industry.

1,789

exhibitors at the international Tectextil and Texprocess events

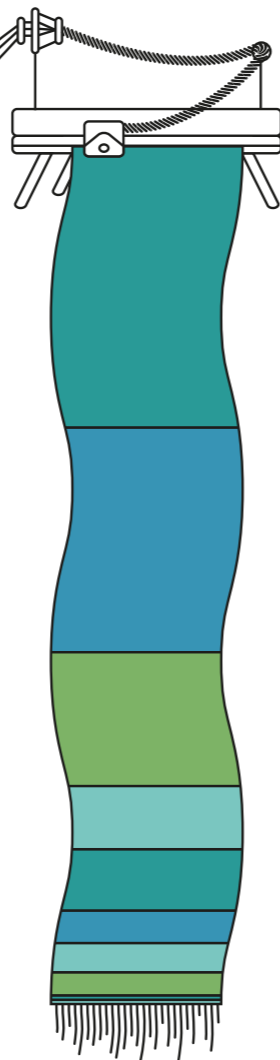
- 2017: 1,789
- 2015: 1,666
- 2013: 1,660



561,765

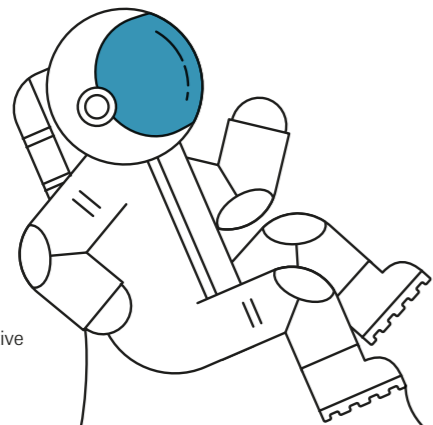
m<sup>2</sup> exhibition space at the international events in this segment

- Intertextile (Apparel) 183,672 m<sup>2</sup>
- Heimtextil 146,231 m<sup>2</sup>
- Intertextile (Home) 87,768 m<sup>2</sup>
- Texworld 41,132 m<sup>2</sup>
- Tectextil 40,286 m<sup>2</sup>
- Yarn Expo 21,673 m<sup>2</sup>
- Texprocess 19,174 m<sup>2</sup>
- Apparel Sourcing 15,670 m<sup>2</sup>
- Greenshowroom and Ethical Fashion Show Winter and Summer 3,369 m<sup>2</sup>
- Home Textiles Sourcing 1,722 m<sup>2</sup>
- Independent 684 m<sup>2</sup>
- Boulevard Prêt-à-Sale 384 m<sup>2</sup>



673

exhibitors from the aerospace and automotive sectors represented at Tectextil



visitors to the international Texworld events

- 2017: 43,620 (+10,780)
- 2016: 32,840

For companies in the live entertainment, music and media industries, Messe Frankfurt offers business platforms and marketing services that are both show-cases for product innovations and places for sharing knowledge, networking and entertainment.

they offer specific attractions for B2B and B2C target groups. Since 2016, the Musikmesse Festival has been held in Frankfurt in parallel, featuring some 60 events at over 30 venues.

The Media Expo in Mumbai and New Delhi also belongs to this business segment. With a product mix ranging from indoor & outdoor advertising to signage concepts for digital advertising screens and visual merchandising, these are the largest trade fairs for advertising solutions in India.

With Musikmesse in Frankfurt and Music China in Shanghai, the portfolio includes two of the three leading international trade fairs for music instruments and equipment, which are increasingly integrating topics such as music marketing, education and therapy. In the context of digitalisation,

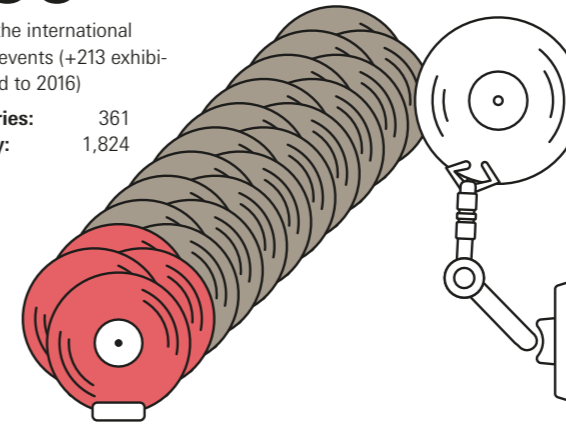
Prolight + Sound is the largest international trade fair for event and media technology, system integration, production and broadcasting, event installations and stage technology. With events in Frankfurt, Moscow, Shanghai, Guangzhou and, since 2016, also in Dubai, it demonstrates the industry's high innovation rhythm in important growth regions.

Overall, Messe Frankfurt's Entertainment, Media & Creative Industries business segment facilitates encounters between more than 6,400 exhibitor presentations and in excess of 345,000 visitors.

2,185

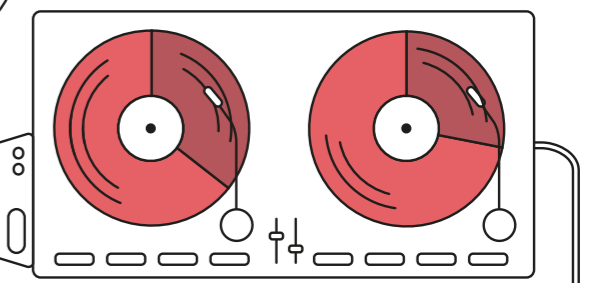
exhibitors at the international Musikmesse events (+213 exhibitors compared to 2016)

- Other countries: 361
- Host country: 1,824



1,794

companies represented at Musikmesse and Prolight + Sound 2017



896

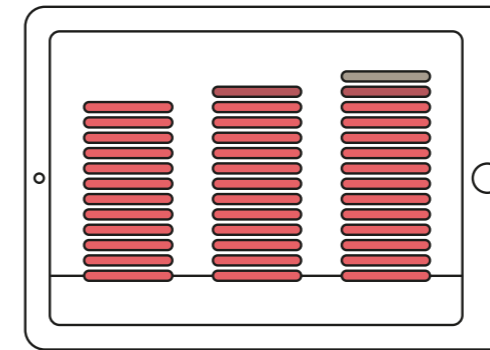
companies represented at Prolight + Sound 2017

- Other countries: 577
- Germany: 319

898

companies represented at Musikmesse 2017

- Other countries: 644
- Germany: 254



138,534

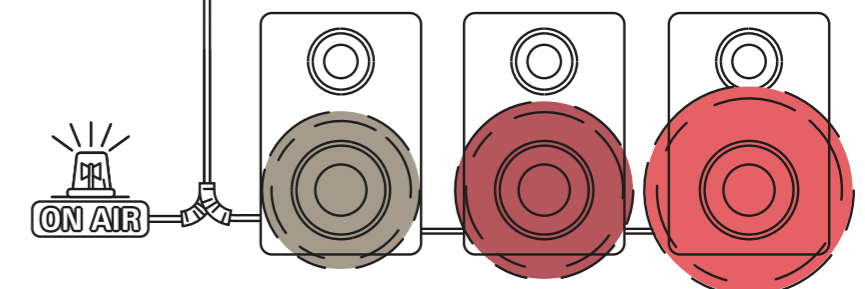
m<sup>2</sup> exhibition space at the international Prolight + Sound events

- 2017: 138,534
- 2016: 130,678
- 2015: 120,601

105,125

visitors to Music China 2017

- 2017: 105,125
- 2016: 90,125
- 2015: 80,468



# Mobility & Logistics

The megatrends of digitalisation and decarbonisation are bringing a sea change in mobility and logistics. With new trade fairs, events and conferences in the Mobility & Logistics business segment, Messe Frankfurt creates exciting platforms for highlighting and discussing these disruptive changes. One example is the Connected Mobility conference on three continents. This initiates dialogue between vehicle manufacturers, suppliers, first movers in the digital business and start-ups.

The first Hypermotion in Frankfurt in November 2017 was all about smart systems and solutions for traffic, logistics and digital infrastructure.

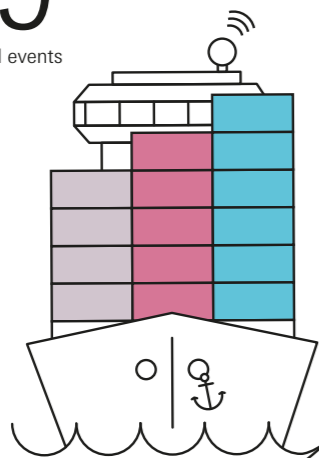
Messe Frankfurt has thus established the first independent platform with digital transformation as an overarching theme. Fun and action for motorsport fans is offered by the Festival of Motoring, a new concept that replaces conventional car shows and takes place at a race track in South Africa.

The core of the Mobility & Logistics business segment is the internationally renowned Automechanika brand, which has been writing a unique success story since 1971 with 17 trade fairs worldwide. Messe Frankfurt is also further expanding its portfolio in the truck, bike, boat segment. A new trade fair for supply chain and logistics was established with Scalex in Kenya and South Africa.

## 15,019

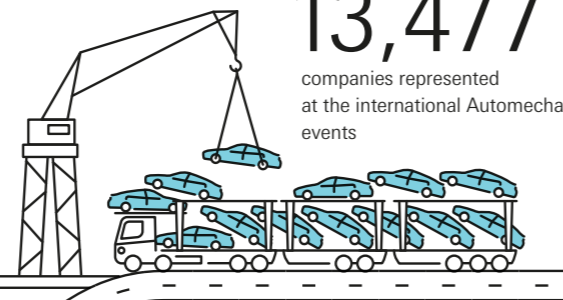
exhibitors at the international events in this business segment

- 2017: 15,019
- 2016: 13,698
- 2015: 12,153



## 13,477

companies represented at the international Automechanika events



## 535,342

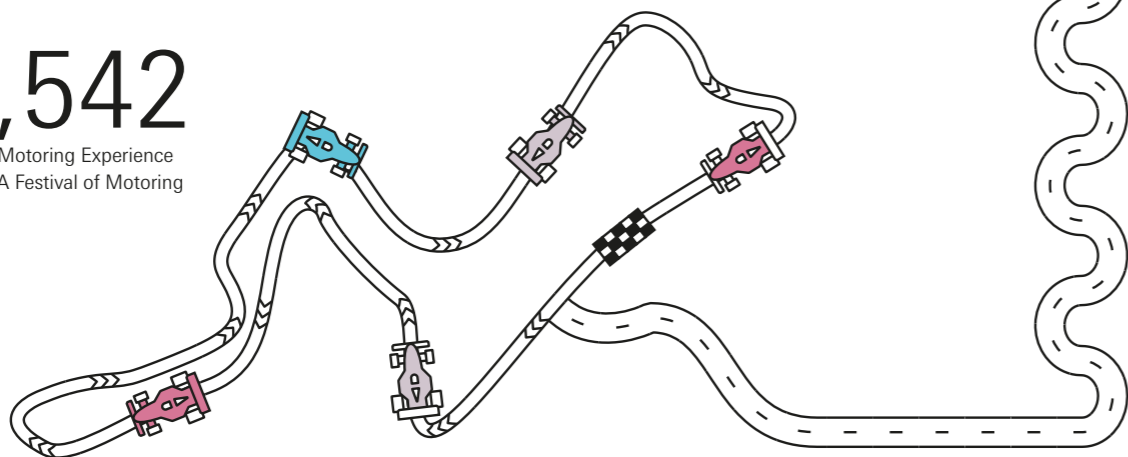
visitors to the international events in this business segment

- 2017: 535,342
- 2016: 482,235
- 2015: 337,640



## 50,542

visitors to SA Motoring Experience powered by SA Festival of Motoring



# Guest events, congresses & shows

With internationally renowned events, innovative themes and a wide range of formats as well as all manner of shows, Messe Frankfurt is a versatile host and service partner every year for well over 200 events from all over the world.

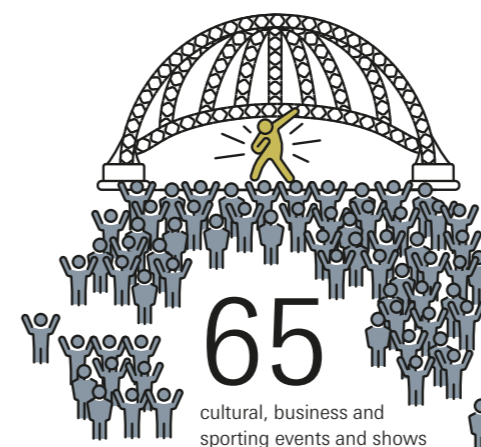
In 2017, the portfolio included traditional trade fair formats such as IAA (Cars) and CPhI Worldwide (international platform for the pharmaceutical industry) as well as theme festivals, e.g. the Final Fantasy Convention.

At the same time, interest in Messe Frankfurt as a congress destination remained strong in 2017. Among the congress and conference highlights were the 25th International Congress of the European Association of Endoscopic Surgery (EAES) with 2,000 participants or the 106th German Librarian Day with 3,800 participants.

The Festhalle, Frankfurt's largest multifunctional hall with space for up to 15,000 visitors, demonstrated its versatility once again in 2017. Mega stars such as Bob Dylan or top-class sporting events such as the

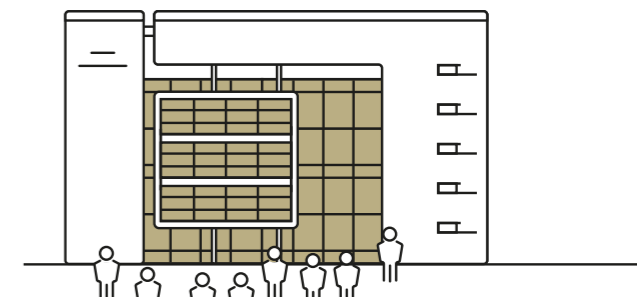
Mainova Frankfurt Marathon again made the Festhalle a focal point of the German event industry in the 2017 event year. The special atmosphere of this traditional building combined with a flexible and ultra-modern range of services was also recognised this year with the PRG Live Entertainment Award in the category "Hall/Arena of the Year".

In 2017, Messe Frankfurt hosted a total of 243 national and international events, including 155 congresses and conferences and 65 shows and concerts.



## 155

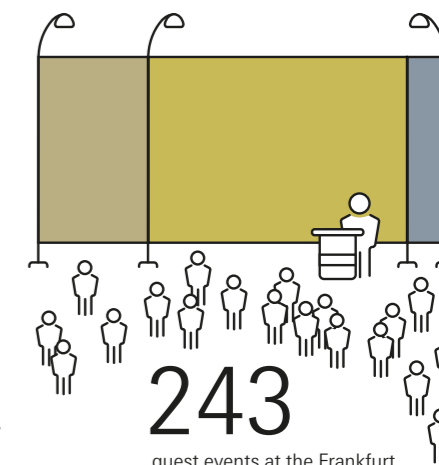
congresses and conferences at the Frankfurt exhibition grounds



## 1,957,390

visitors to guest events at the Frankfurt exhibition grounds

- 2017: 1,957,390
- 2016: 1,196,834



- Congresses and conferences: 155
- Shows: 65
- Guest events: 23



## Overall activities of Messe Frankfurt in 2017

	Number of events	Exhibitors			Net space (in m <sup>2</sup> ) incl. special show space	Visitors		
		Host country	Other countries	Total		Host country	Other countries	Total
Trade fairs and exhibitions at the Frankfurt exhibition venue	39	12,194	24,714	36,908	1,268,005	1,412,473	659,512	2,071,985
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue	9	3,403	1,594	4,997	181,369	109,563	32,015	141,578
Events outside Germany	98	34,526	18,461	52,987	1,424,629	1,935,141	290,117	2,225,258
Congresses, conventions and other activities at the Frankfurt exhibition venue	236	–	–	–	–	569,642	–	569,642
Congresses, conventions and other activities outside Germany	34	–	–	–	–	10,784	–	10,784
<b>Total</b>	<b>416</b>	<b>50,123</b>	<b>44,769</b>	<b>94,892</b>	<b>2,874,003</b>	<b>4,037,603</b>	<b>981,644</b>	<b>5,019,247</b>

## Trade fairs and exhibitions at the Frankfurt exhibition venue in 2017

	Number of events	Exhibitors			Net space (in m <sup>2</sup> ) incl. special show space	Visitors		
		Host country	Other countries	Total		Host country	Other countries	Total
■ Ambiente		915	3,545	4,460	180,923	65,350	75,613	140,963
■ Book Fair <sup>1</sup>		2,419	4,890	7,309	80,000	157,534	128,891	286,425
■ Christmasworld		229	832	1,061	58,119	17,690	25,543	43,233
■ Cleanzone		44	19	63	1,230	557	298	855
■ CPhI		288	2,310	2,598	85,555	7,466	37,408	44,874
■ Creativeworld		68	271	339	14,061	2,891	5,766	8,657
■ Food Ingredients		154	649	803	33,175	4,620	14,632	19,252
■ Formnext powered by TCT		227	243	470	17,373	11,506	9,986	21,492
■ Heimtextil		322	2,627	2,949	135,943	19,748	48,755	68,503
■ IAA		590	404	994	168,955	672,632	137,768	810,400
■ IMEX		392	2,940	3,332	19,283	3,532	5,353	8,885
■ ISH		893	1,592	2,485	173,371	120,506	78,304	198,810
■ Musikmesse		254	644	898	21,999	36,134	11,500	47,634
■ Paperworld		264	1,256	1,520	39,894	11,609	21,949	33,558
■ Prolight + Sound		319	577	896	40,112	20,418	23,970	44,388
■ Techtextil		426	1,061	1,487	34,481	12,876	20,794	33,670
■ Tendence		554	542	1,096	53,064	16,653	3,393	20,046
■ Texprocess		107	204	311	17,232	4,923	8,795	13,718
■ Zellcheming-Expo		90	59	149	2,146	1,392	488	1,880
<b>International trade fairs</b>	<b>19</b>	<b>8,555</b>	<b>24,665</b>	<b>33,220</b>	<b>1,176,916</b>	<b>1,188,037</b>	<b>659,206</b>	<b>1,847,243</b>
■ Cloud Expo <sup>1</sup>		250	–	250	5,730	6,000	–	6,000
■ Cosmetica		195	31	226	6,275	14,312	–	14,312
■ INServFM		119	9	128	3,047	3,975	182	4,157
■ Hypermotion		102	9	111	2,397	2,549	124	2,673
■ Other trade exhibitions	5	945	–	945	22,500	19,400	–	19,400
<b>Trade exhibitions</b>	<b>9</b>	<b>1,611</b>	<b>49</b>	<b>1,660</b>	<b>39,949</b>	<b>46,236</b>	<b>306</b>	<b>46,542</b>
■ Sales marts and exhibitions	11	2,028	–	2,028	51,140	178,200	–	178,200
<b>Exhibitions open to the public</b>	<b>11</b>	<b>2,028</b>	<b>–</b>	<b>2,028</b>	<b>51,140</b>	<b>178,200</b>	<b>–</b>	<b>178,200</b>

<sup>1</sup> Messe Frankfurt estimate, unconfirmed figures provided by the organiser

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

## Trade fairs and exhibitions at the Frankfurt exhibition venue in 2017

	Number of events	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
		Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total	
■ International trade fairs	19	8,555	24,665	33,220	1,176,916	1,188,037	659,206	1,847,243	
■ Trade exhibitions	9	1,611	49	1,660	39,949	46,236	306	46,542	
■ Exhibitions open to the public	11	2,028	–	2,028	51,140	178,200	–	178,200	
	<b>39</b>	<b>12,194</b>	<b>24,714</b>	<b>36,908</b>	<b>1,268,005</b>	<b>1,412,473</b>	<b>659,512</b>	<b>2,071,985</b>	

## Trade fairs and exhibitions in Germany outside the Frankfurt venue in 2017

	Number of events	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
		Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total	
■ EMV		71	47	118	1,820	2,220	555	2,775	
■ Greenshowroom Ethical Fashion Show Berlin Summer		72	100	172	1,683	1,869	439	2,308	
■ Greenshowroom Ethical Fashion Show Berlin Winter		88	91	179	1,686	1,796	770	2,566	
■ Nordstil (Summer Edition)		625	171	796	30,756	13,921	377	14,298	
■ Nordstil (Winter Edition)		811	168	979	36,187	19,634	308	19,942	
■ PARKEN		109	63	172	3,608	1,529	1,366	2,895	
■ PCIM Europe (trade fair/congress)		235	252	487	13,865	6,697	4,677	11,374	
■ SMT Hybrid Packaging		273	146	419	13,104	10,761	4,395	15,156	
■ SPS IPC Drives		1,119	556	1,675	78,660	51,136	19,128	70,264	
	<b>9</b>	<b>3,403</b>	<b>1,594</b>	<b>4,997</b>	<b>181,369</b>	<b>109,563</b>	<b>32,015</b>	<b>141,578</b>	

## Trade fairs and exhibitions in Germany in 2017

	Number of events	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
		Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total	
■ International trade fairs	23	10,253	25,666	35,919	1,284,365	1,258,851	687,961	1,946,812	
■ Regional trade fairs	2	1,436	339	1,775	66,943	33,555	685	34,240	
■ Trade exhibitions	12	1,880	303	2,183	46,926	51,430	2,881	54,311	
■ Exhibitions open to the public	11	2,028	–	2,028	51,140	178,200	–	178,200	
	<b>48</b>	<b>15,597</b>	<b>26,308</b>	<b>41,905</b>	<b>1,449,374</b>	<b>1,522,036</b>	<b>691,527</b>	<b>2,213,563</b>	

## Congresses, events and other activities in 2017

	Number of events	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
		Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total	
Congresses and conferences at the exhibition centre not linked to trade fairs	155	–	–	–	–	125,702	–	125,702	
Conventions (concerts, sporting, religious, political and other events)	65	–	–	–	–	443,940	–	443,940	
German pavilions (planning and implementation of trade fair participations)	16	–	–	–	–	–	–	–	
	<b>236</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>569,642</b>	<b>–</b>	<b>569,642</b>	

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

## Technology

	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total
<b>Bakery</b>								
Modern Bakery		147	58	205	6,071	14,894	1,122	16,016
	<b>1</b>	<b>147</b>	<b>58</b>	<b>205</b>	<b>6,071</b>	<b>14,894</b>	<b>1,122</b>	<b>16,016</b>
<b>Environment</b>								
Eco Expo Asia		171	164	335	4,507	7,050	6,979	14,029
Waste & Recycling Expo Canada		126	61	187	3,943	1,053	130	1,183
	<b>2</b>	<b>297</b>	<b>225</b>	<b>522</b>	<b>8,450</b>	<b>8,103</b>	<b>7,109</b>	<b>15,212</b>
<b>Expo Ferretera</b>								
Expo Ferretera		310	28	338	6,968	16,590	185	16,775
	<b>1</b>	<b>310</b>	<b>28</b>	<b>338</b>	<b>6,968</b>	<b>16,590</b>	<b>185</b>	<b>16,775</b>
<b>Formnext</b>								
Asiamold		166	3	169	3,216	23,046	1,075	24,121
	<b>1</b>	<b>166</b>	<b>3</b>	<b>169</b>	<b>3,216</b>	<b>23,046</b>	<b>1,075</b>	<b>24,121</b>
<b>Hardware + Tools</b>								
Hardware + Tools Middle East		11	153	164	1,839	2,476	768	3,244
	<b>1</b>	<b>11</b>	<b>153</b>	<b>164</b>	<b>1,839</b>	<b>2,476</b>	<b>768</b>	<b>3,244</b>
<b>IFFA</b>								
Meat Expo China		135	6	141	2,715	31,806	946	32,752
	<b>1</b>	<b>135</b>	<b>6</b>	<b>141</b>	<b>2,715</b>	<b>31,806</b>	<b>946</b>	<b>32,752</b>
<b>Intersec</b>								
Intersec		208	1,100	1,308	32,115	15,806	16,944	32,750
Intersec Saudi Arabia		78	50	128	3,048	5,673	248	5,921
Secutech		268	84	352	9,198	20,016	2,039	22,055
Secutech India		149	21	170	6,850	20,080	1,810	21,890
Secutech Thailand		29	78	107	2,111	7,077	1,249	8,326
Secutech Vietnam		65	104	169	4,165	9,478	126	9,604
	<b>6</b>	<b>797</b>	<b>1,437</b>	<b>2,234</b>	<b>57,487</b>	<b>78,130</b>	<b>22,416</b>	<b>100,546</b>
<b>ISH</b>								
ISH China & CIHE		1,093	196	1,289	56,137	58,039	3,573	61,612
ISH India powered by IPA		47	13	60	1,552	6,006	126	6,132
ISH Shanghai & CIHE		163	25	188	5,231	17,103	862	17,965
	<b>3</b>	<b>1,303</b>	<b>234</b>	<b>1,537</b>	<b>62,920</b>	<b>81,148</b>	<b>4,561</b>	<b>85,709</b>
<b>Light + Building</b>								
BIEL Light + Building Buenos Aires		178	88	266	7,371	27,797	1,082	28,879
Guangzhou International Lighting Exhibition		2,377	236	2,613	96,003	128,746	28,152	156,898
Interlight Moscow powered by Light + Building		248	249	497	9,902	25,014	2,175	27,189
LED Expo Delhi		210	162	372	6,313	12,335	189	12,524
LED Expo Mumbai		125	88	213	3,572	9,002	98	9,100
Light Middle East		52	293	345	6,049	4,179	1,439	5,618
Shanghai Intelligent Building Technology		195	21	216	7,620	26,631	644	27,275
Shanghai International Lighting Fair		228	10	238	4,068	12,000	147	12,147
	<b>8</b>	<b>3,613</b>	<b>1,147</b>	<b>4,760</b>	<b>140,898</b>	<b>245,704</b>	<b>33,926</b>	<b>279,630</b>
<b>PCIM</b>								
PCIM Asia		52	32	84	1,528	4,671	950	5,621
	<b>1</b>	<b>52</b>	<b>32</b>	<b>84</b>	<b>1,528</b>	<b>4,671</b>	<b>950</b>	<b>5,621</b>
<b>SPS</b>								
SIAF – SPS Industrial Automation Fair Guangzhou		422	19	441	12,925	47,501	1,900	49,401
SPS Automation India		37	3	40	1,147	2,102	21	2,123
SPS IPC Drives Italia		354	120	474	29,678	32,120	1,074	33,194
	<b>3</b>	<b>813</b>	<b>142</b>	<b>955</b>	<b>43,750</b>	<b>81,723</b>	<b>2,995</b>	<b>84,718</b>
<b>Texcare</b>								
Texcare Asia		129	40	169	9,208	9,318	1,845	11,163
	<b>1</b>	<b>129</b>	<b>40</b>	<b>169</b>	<b>9,208</b>	<b>9,318</b>	<b>1,845</b>	<b>11,163</b>
<b>Thermotec</b>								
Thermotec		164	26	190	3,630	10,400	653	11,053
	<b>1</b>	<b>164</b>	<b>26</b>	<b>190</b>	<b>3,630</b>	<b>10,400</b>	<b>653</b>	<b>11,053</b>
<b>Wire &amp; Cable</b>								
Wire & Cable Guangzhou		220	–	220	4,698	22,642	–	22,642
	<b>1</b>	<b>220</b>	<b>–</b>	<b>220</b>	<b>4,698</b>	<b>22,642</b>	<b>–</b>	<b>22,642</b>
<b>Total Technology</b>	<b>31</b>	<b>8,157</b>	<b>3,531</b>	<b>11,688</b>	<b>353,378</b>	<b>630,651</b>	<b>78,551</b>	<b>709,202</b>

## Consumer Goods

	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total
<b>Ambiente</b>								
Ambiente India <sup>2</sup>		69	2	71	1,017	–	–	–
IFFT / Interior Lifestyle Living		348	124	472	8,365	15,854	800	16,654
Interior Lifestyle China		293	102	395	9,495	22,732	376	23,108
Interior Lifestyle Tokyo		645	142	787	8,706	26,587	986	27,573
	<b>4</b>	<b>1,355</b>	<b>370</b>	<b>1,725</b>	<b>27,583</b>	<b>65,173</b>	<b>2,162</b>	<b>67,335</b>
<b>Beautyworld</b>								
Beautyworld Japan		526	98	624	17,455	69,852	3,182	73,034
Beautyworld Japan Fukuoka		93	–	93	2,107	4,855	31	4,886
Beautyworld Japan West		252	10	262	6,487	20,884	608	21,492
Beautyworld Middle East		201	1,367	1,568	31,514	20,048	21,850	41,898
	<b>4</b>	<b>1,072</b>	<b>1,475</b>	<b>2,547</b>	<b>57,563</b>	<b>115,639</b>	<b>25,671</b>	<b>141,310</b>
<b>Paperworld</b>								
Hong Kong International Stationery Fair		24	231	255	1,785	9,158	11,663	20,821
Paperworld China		508	43	551	7,958	21,295	2,073	23,368
Paperworld Middle East		29	284	313	4,909	3,914	2,529	6,443
	<b>3</b>	<b>561</b>	<b>558</b>	<b>1,119</b>	<b>14,652</b>	<b>34,367</b>	<b>16,265</b>	<b>50,632</b>
<b>Independent – Consumer Goods</b>								
Baby & Stroller China		88	3	91	2,532	4,081	227	4,308
Toy & Hobby China		953	24	977	29,097	46,937	2,611	49,548
	<b>2</b>	<b>1,041</b>	<b>27</b>	<b>1,068</b>	<b>31,629</b>	<b>51,018</b>	<b>2,838</b>	<b>53,856</b>
<b>Independent – Leisure &amp; Entertainment</b>								
Interpets Asia Pacific		339	65	404	6,866	37,425	715	38,140
	<b>1</b>	<b>339</b>	<b>65</b>	<b>404</b>	<b>6,866</b>	<b>37,425</b>	<b>715</b>	<b>38,140</b>
<b>Total Consumer Goods</b>	<b>14</b>	<b>4,368</b>	<b>2,495</b>	<b>6,863</b>	<b>138,293</b>	<b>303,622</b>	<b>47,651</b>	<b>351,273</b>

<sup>2</sup> Ambiente India and Heimtextil India are held in parallel, therefore it is not possible to state how many visitors attended each fair.

## Textiles &amp; Textile Technologies

	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total
<b>Apparel Sourcing</b>								
Apparel Sourcing Paris (Autumn) <sup>3</sup>		–	632	632	8,677	–	–	–
Apparel Sourcing Paris (Spring) <sup>4</sup>		2	268	270	2,925	–	–	–
Apparel Sourcing USA (Summer)		4	248	252	2,889	687	133	820
Apparel Sourcing USA (Winter)		2	107	109	1,179	655	81	736
	<b>4</b>	<b>8</b>	<b>1,255</b>	<b>1,263</b>	<b>15,670</b>	<b>1,342</b>	<b>214</b>	<b>1,556</b>
<b>Boulevard Prêt-à-Sale</b>								
Boulevard Prêt-à-Sale (Spring)		25	4	29	384	125	7	132
	<b>1</b>	<b>25</b>	<b>4</b>	<b>29</b>	<b>384</b>	<b>125</b>	<b>7</b>	<b>132</b>
<b>Heimtextil</b>								
Heimtextil India <sup>2</sup>		107	17	124	4,666	7,374	83	7,457
Heimtextil Russia		96	151	247	5,622	16,247	2,009	18,256
	<b>2</b>	<b>203</b>	<b>168</b>	<b>371</b>	<b>10,288</b>	<b>23,621</b>	<b>2,092</b>	<b>25,713</b>
<b>Home Textiles Sourcing</b>								
Home Textiles Sourcing Expo		2	158	160	1,722	458	54	512
	<b>1</b>	<b>2</b>	<b>158</b>	<b>160</b>	<b>1,722</b>	<b>458</b>	<b>54</b>	<b>512</b>
<b>Intertextile (Apparel)</b>								
Intertextile Shanghai Apparel Fabrics – Autumn Edition		3,796	742	4,538	113,733	63,655	14,228	77,883
Intertextile Shanghai Apparel Fabrics – Spring Edition		2,962	379	3,341	69,939	58,643	12,807	71,450
	<b>2</b>	<b>6,758</b>	<b>1,121</b>	<b>7,879</b>	<b>183,672</b>	<b>122,298</b>	<b>27,035</b>	<b>149,333</b>
<b>Intertextile (Home)</b>								
Intertextile Shanghai Home Textiles – Autumn Edition		938	158	1,096	76,850	34,385	4,579	38,964
Intertextile Shanghai Home Textiles – Spring Edition		193	11	204	10,918	17,360	1,236	18,596
	<b>2</b>	<b>1,131</b>	<b>169</b>	<b>1,300</b>	<b>87,768</b>	<b>51,745</b>	<b>5,815</b>	<b>57,560</b>
<b>Techtextil</b>								
Techtextil India		94	82	176	3,172	5,291	145	5,436
Techtextil North America (Chicago)		92	75	167	2,238	1,610	486	2,096
Techtextil Russia		42	25	67	395	7,209	965	8,174
	<b>3</b>	<b>228</b>	<b>182</b>	<b>410</b>	<b>5,805</b>	<b>14,110</b>	<b>1,596</b>	<b>15,706</b>
<b>Texprocess</b>								
Emitex		75	20	95	1,942	8,045	277	8,322
	<b>1</b>	<b>75</b>	<b>20</b>	<b>95</b>	<b>1,942</b>	<b>8,045</b>	<b>277</b>	<b>8,322</b>
<b>Texworld</b>								
Texworld Paris (Autumn) <sup>3</sup>		1	1,035	1,036	18,161	2,676	15,376	18,052
Texworld Paris (Spring) <sup>4</sup>		1	745	746	13,463	2,613	13,527	16,140
Texworld USA (Summer)		27	491	518	6,653	4,868	1,000	5,868
Texworld USA (Winter)		11	213	224	2,855	3,231	329	3,560
	<b>4</b>	<b>40</b>	<b>2,484</b>	<b>2,524</b>	<b>41,132</b>	<b>13,388</b>	<b>30,232</b>	<b>43,620</b>
<b>Yarn Expo</b>								
Yarn Expo Autumn		395	98	493	11,544	14,304	2,881	17,185
Yarn Expo Spring		311	82	393	10,129	18,208	4,371	22,579
	<b>2</b>	<b>706</b>	<b>180</b>	<b>886</b>	<b>21,673</b>	<b>32,512</b>	<b>7,252</b>	<b>39,764</b>
<b>Independent – Apparel Fabrics &amp; Fashion</b>								
Leatherworld Middle East		8	58	66	684	1,747	533	2,280
	<b>1</b>	<b>8</b>	<b>58</b>	<b>66</b>	<b>684</b>	<b>1,747</b>	<b>533</b>	<b>2,280</b>
<b>Total Textiles &amp; Textile Technologies</b>	<b>23</b>	<b>9,184</b>	<b>5,799</b>	<b>14,983</b>	<b>370,740</b>	<b>269,391</b>	<b>75,107</b>	<b>344,498</b>

<sup>2</sup> Ambiente India and Heimtextil India are held in parallel, therefore it is not possible to state how many visitors attended each fair.

<sup>3</sup> Texworld Paris (Autumn) and Apparel Sourcing Paris (Autumn) are held in parallel, therefore it is not possible to state how many visitors attended each fair.

<sup>4</sup> Texworld Paris (Spring) and Apparel Sourcing Paris (Spring) are held in parallel, therefore it is not possible to state how many visitors attended each fair.

## Entertainment, Media &amp; Creative Industries

	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total
<b>Musikmesse</b>								
Music China		1,768	356	2,124	59,878	100,948	4,177	105,125
NAMM Musikmesse Russia		56	5	61	1,148	34,227	401	34,628
	<b>2</b>	<b>1,824</b>	<b>361</b>	<b>2,185</b>	<b>61,026</b>	<b>135,175</b>	<b>4,578</b>	<b>139,753</b>
<b>Prolight + Sound</b>								
Prolight + Sound Guangzhou		1,210	40	1,250	73,498	70,045	3,941	73,986
Prolight + Sound Middle East		16	13	29	1,302	1,562	594	2,156
Prolight + Sound NAMM Russia		71	18	89	3,196	14,738	1,472	16,210
Prolight + Sound Shanghai		556	18	574	20,426	27,663	1,941	29,604
	<b>4</b>	<b>1,853</b>	<b>89</b>	<b>1,942</b>	<b>98,422</b>	<b>114,008</b>	<b>7,948</b>	<b>121,956</b>
<b>Independent – Creative &amp; Culture</b>								
Media Expo Delhi		155	32	187	5,022	12,578	61	12,639
Media Expo Mumbai		98	22	120	3,066	10,581	14	10,595
	<b>2</b>	<b>253</b>	<b>54</b>	<b>307</b>	<b>8,088</b>	<b>23,159</b>	<b>75</b>	<b>23,234</b>
<b>Total Entertainment, Media &amp; Creative Industries</b>	<b>8</b>	<b>3,930</b>	<b>504</b>	<b>4,434</b>	<b>167,536</b>	<b>272,342</b>	<b>12,601</b>	<b>284,943</b>

## Mobility &amp; Logistics

	Exhibitors			Net space (in m <sup>2</sup> )		Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total
<b>Automechanika</b>								
ACMA Automechanika New Delhi		300	253	553	8,685	14,788	362	15,150
Automechanika Dubai		197	1,758	1,955	36,139	14,528	15,794	30,322
Automechanika Ho Chi Minh City		39	302	341	4,002	6,274	1,745	8,019
Automechanika Istanbul		680	537	1,217	35,587	33,827	10,047	43,874
Automechanika Jeddah		55	80	135	2,953	3,657	328	3,985
Automechanika Johannesburg		160	460	620	10,343	9,462	2,092	11,554
Automechanika Kuala Lumpur		62	184	246	5,467	4,584	1,093	5,677
Automechanika Shanghai		5,258	793	6,051	158,580	96,887	34,041	130,928
INA PAACE Automechanika Mexico City		120	400	520	11,140	20,000	500	20,500
MIMS powered by Automechanika Moscow		334	989	1,323	24,267	22,849	3,116	25,965
Motobike Istanbul		141	8	149	16,939	100,263	3,108	103,371
NACE Automechanika Chicago		241	126	367	9,298	3,235	396	3,631
	<b>12</b>	<b>7,587</b>	<b>5,890</b>	<b>13,477</b>	<b>323,400</b>	<b>330,354</b>	<b>72,622</b>	<b>402,976</b>
<b>Independent Automotive</b>								
Automotive Engineering Show New Delhi		51	3	54	665	3,035	134	3,169
Automotive Engineering Show Chennai		79	–	79	1,419	3,054	15	3,069
CAPAS		501	21	522	10,834	17,074	304	17,378
Comtrans		138	79	217	28,943	19,329	1,210	20,539
Futuroad Expo Johannesburg		15	–	15	5,400	1,227	–	1,227
Johannesburg Boat & Water Show		57	–	57	3,600	7,058	–	7,058
SA Motoring Experience – powered by SA Festival of Motoring		67	–	67	4,700	50,542	–	50,542
	<b>7</b>	<b>908</b>	<b>103</b>	<b>1,011</b>	<b>55,561</b>	<b>101,319</b>	<b>1,663</b>	<b>102,982</b>
<b>Independent – Transport &amp; Logistics</b>								
Arminera		210	51	261	3,639	6,809	557	7,366
Materials Handling Middle East		45	62	107	4,750	2,833	715	3,548
Raillog Korea		137	26	163	7,332	17,820	650	18,470
	<b>3</b>	<b>392</b>	<b>139</b>	<b>531</b>	<b>15,721</b>	<b>27,462</b>	<b>1,922</b>	<b>29,384</b>
<b>Total Mobility &amp; Logistics</b>	<b>22</b>	<b>8,887</b>	<b>6,132</b>	<b>15,019</b>	<b>394,682</b>	<b>459,135</b>	<b>76,207</b>	<b>535,342</b>

# 2017 Group management report of Messe Frankfurt GmbH, Frankfurt am Main

## I. Corporate profile

The core activities of the Messe Frankfurt Group consist in hosting trade fairs and exhibitions worldwide. Over 140 events made by Messe Frankfurt take place at some 50 venues around the world. These are organised by Messe Frankfurt Exhibition GmbH and its subsidiaries in Germany and abroad. Furthermore, via Messe Frankfurt Venue GmbH, the group also markets exhibition space to trade fair, congress and event organisers and, in addition to the related infrastructure, also provides numerous services. The joint umbrella of the group is Messe Frankfurt GmbH, which in its function as a holding company not only provides group management and central support functions but also administrative services, primarily for the companies at the Frankfurt am Main venue.

The main focus of the group's activities is the international industry flagship shows held at the Frankfurt venue. By virtue of their size and internationality, these trade fairs often have a dominant character for the respective industry sector and within the trade fair industry. These leading trade fairs bring together the relevant international range of goods and services on offer with the corresponding demand in Europe and worldwide. They are thus an ideal platform to present innovations, and are therefore deemed to be the leading showcase within their respective industry.

Building on its thematic core competences, Messe Frankfurt has succeeded over the past decades in expanding its trade fair themes on the world stage. In this, the company pursues the goal to be a reliable long-term partner to its customers in the international arena. To support it in achieving this goal, Messe Frankfurt can fall back on 22 foreign subsidiaries/joint ventures and five branch offices, one of the most important of which is in Dubai. Messe Frankfurt also has a very efficient international sales network, which is managed by Messe Frankfurt Exhibition GmbH. In addition to the foreign subsidiaries, this is made up of 66 sales partners who serve and cover 188 countries.

Apart from a sales function for the group's own trade fairs, the operating activities of the foreign subsidiaries consist in the organisation of trade fairs from the group's brand portfolio for own financial account. Additionally, as the economy becomes ever more internationally interdependent, the marketing of media and digital services is also gaining in importance.

In the 2017 reporting period, a new company was acquired in China and in the current year another one in the UK in order to further expand the brand portfolio.

Apart from Messe Frankfurt Exhibition GmbH, many guest and congress organisers take advantage of the Frankfurt exhibition grounds to stage their trade fairs, congresses and events. They appreciate the attractiveness and competitiveness of both the city and Messe Frankfurt thanks to the central location, as well as the continually improving infrastructure and accessibility.

## II. Report on economic position

### General economic trend

The general economic situation in Germany in 2017 was characterised by strong economic growth. According to preliminary estimates of the Federal Statistical Office (Destatis), the price-adjusted gross domestic product (GDP) in 2017 was 2.2 percent higher than in the prior period. The German economy has thus grown for the eighth year in succession. Compared to the previous years, the pace of growth once again increased. In 2016, GDP had already risen significantly by 1.9 percent and in 2015 by 1.7 percent. A longer-term view shows that German economic growth in 2017 was almost one percentage point above the average value of +1.3 percent for the last ten years.<sup>1</sup>

German industry contributed significantly to the development in 2017, expanding at above-average rates compared with the other sectors of the economy. Thus the upswing, which has so far largely been driven by consumption and the construction industry, was placed on a broader foundation. Whereas domestic economic forces with the exception of public sector consumption expanded at a more or less unabated rate, stronger stimuli again came from abroad. This benefited exporting German companies, which were able to expand both employment and their capital stock.<sup>2</sup>

Since 2010, the global economy has been experiencing a recovery that has now spread to most national economies. The pace of expansion increased markedly in the summer half-year of 2017, and compared with the preceding quarter, the world's real gross domestic product increased in the second and third quarters at rates of 0.9 percent respectively. The main driver of the upturn is industrial production both in the advanced economies and in the emerging markets. After an extended phase of weakness in 2015 and 2016, this sector accelerated significantly up to the early summer of 2017 and has since expanded at largely unchanged high growth rates. In the same period, global trade in goods gained momentum. Above all the emerging economies contributed to this revival; but even in the advanced economies, international trade in goods has accelerated until recently. With the recovery of industrial production and world trade, global investment activity also picked up.<sup>2</sup>

A likely contributing factor to the acceleration of economic growth is the fact that a large number of risks lost importance in the course of the year. For example, the long-feared slump in growth in China failed to materialise and domestic demand proved robust. The implementation of far-reaching economic policy measures in the USA has also so far failed for various reasons. Although the Brexit vote led to a slowdown in economic development in the UK, this has not yet triggered a slide into recession or had a ripple effect on important British trading partners. In the parliamentary elections in the Netherlands, France and Germany, the Eurosceptic parties gained fewer votes than feared, so that the political stability of the European Union has remained intact. All this has led to the expectations of companies and households brightening more strongly than originally assumed and to a consolidation of the global economic momentum.<sup>2</sup>

World trade will not quite be able to maintain the very high momentum. This is indicated by the weakening of important leading indicators of international goods trade. Nevertheless, global trade in goods remains an important driver of the international economy. Estimates by the ifo Institute put growth in international trade in goods at 4.4 percent for 2017 and 4.2 percent for 2018. This means that world trade is growing more than twice as fast as in the years from 2012 to 2016.<sup>3</sup>

### Developments in the trade fair sector

Consistent with the good economic growth, the trade fairs in Germany are still very popular with exhibitors and visitors from all over the world. Around 175,000 exhibitors (previous year around 191,000) were counted at the 157 international and national events in 2017 (previous year 186), who booked 6.2 million square metres of stand space (previous year 7.1 million). The number of visitors fell slightly to 9.5 million due to lower visitor numbers at motor shows (previous year 10.5 million). Compared to the respective previous events, there were increases of 2.5 percent and 2.0 percent for exhibitors and square metres, respectively. This is the result of preliminary calculations by AUMA – the Association of the German Trade Fair Industry.<sup>4</sup>

<sup>1</sup> Federal Statistical Office / Destatis: press release dated 11 January 2018 – 11/18, "German economy again records strong growth in 2017"

<sup>2</sup> ifo Institute: ifo economic forecast for 2017–2019, Summary dated 14 December 2017

<sup>3</sup> ifo economic report 4/2017 prepared for Messe Frankfurt GmbH

<sup>4</sup> www.AUMA.de: press release dated 22 January 2018, "German trade fairs 2017: More exhibitors and stand space"

As in previous years, the growth drivers on the exhibitor side were companies from abroad: these recorded a plus of 5 percent. One of the reasons for this was the robust economy in Germany, which also improves the prospects of exporting to Germany. However, one particularly important signal is that the number of German exhibitors has stabilised following a slight decline in participation in recent years. On the visitor side, the number of foreign participants rose by 4 percent – another reflection of the attractiveness of German trade fairs and globalised markets.<sup>5</sup>

#### Development of business

The Messe Frankfurt Group staged 146 trade fairs and exhibitions worldwide in the 2017 reporting year (previous

year 134). A total of 94,892 exhibitors (previous year around 90,900) and 4,438,821 visitors (previous year around 3.5 million) were registered; the total net leased exhibition space was 2,874,003 square metres (previous year 2.6 million square metres). These trade fairs and exhibitions were complemented by 220 congresses, events and other activities (previous year 233) at the Frankfurt am Main venue, which attracted 569,642 visitors (previous year 624,000), as well as 16 German pavilions worldwide. Another 34 congresses, conferences and other activities were held abroad, with 10,784 registered participants in total. Thus, all Messe Frankfurt Group events taken together drew 5,019,247 attendees in the reporting period (previous year 4.2 million).

#### Performance ratios – trade fairs and exhibitions in 2017

	Number	Exhibitors	Net space* (in '000 m <sup>2</sup> )	Visitors (in '000)
<b>Trade fairs and exhibitions</b>				
– at the Frankfurt am Main exhibition centre	39	36,908	1,268	2,072
– at other venues in Germany	9	4,997	181	142
<b>Total Germany</b>	<b>48</b>	<b>41,905</b>	<b>1,449</b>	<b>2,214</b>
<b>Other countries</b>	<b>98</b>	<b>52,987</b>	<b>1,425</b>	<b>2,225</b>
<b>Total trade fairs and exhibitions</b>	<b>146</b>	<b>94,892</b>	<b>2,874</b>	<b>4,439</b>
Other activities	270	0	0	580
<b>Total activities</b>	<b>416</b>	<b>94,892</b>	<b>2,874</b>	<b>5,019</b>

\* including special show space

The group's own exhibition centre in Frankfurt was the venue for 39 trade fairs and exhibitions in 2017, including 13 events organised by Messe Frankfurt Exhibition GmbH and three by MESAGO Messe Frankfurt GmbH, Stuttgart. These 16 own group events in Frankfurt recorded 18,423 exhibitors (previous year 22,505) and 684,237 visitors (previous year 862,923). In total, 795,392 square metres (previous year 978,795) of exhibition space was booked for these own group events in Frankfurt. The sum of the key trade fair figures for the events with a multi-year rhythm held in 2017 (ISH, Techtextil and Texprocess) is lower than the sum of the key figures for Automechanika and Light + Building that took place in 2016.

Compared to the respective prior events, exhibitor figures, visitor figures and the amount of net leased space at the

trade fairs organised by Messe Frankfurt Exhibition GmbH remained consistent.

Furthermore, despite the difficult market situation (new competitor event in Stuttgart from spring 2016 and EuroMold in Munich), MESAGO Messe Frankfurt GmbH succeeded in further consolidating the Formnext event. This event targets the growing market for additive technologies. These range from (rapid) prototyping and modern product development and manufacturing, to integration into tool making and mould making, and establishing 3D printing as an innovative manufacturing technology.

A total of 470 exhibitors (+53 percent) and around 21,500 trade visitors (+60 percent) from around the world

attended the third edition of the event. The 407 conference participants and numerous representatives from the national and international trade press further underscored the positive trend.

The quality of the group's own events was also reflected in their level of internationality: 73.2 percent foreign participation among exhibitors and 49.0 percent among visitors at Messe Frankfurt's international own group events at its home venue are indicators of outstanding market penetration. This guarantees maximum customer benefit on both the supply and demand side. With these internationality values, Messe Frankfurt ranks first in the competitive environment: AUMA puts the average internationality rates for events in Germany provisionally at 60 percent for exhibitors and 30 percent for visitors.<sup>6</sup>

In terms of guest events, 2017 ranks among the stronger years, as the major events IAA Cars and CPHI were both scheduled. A total of 23 guest fairs (previous year 26), including five trade exhibitions and 11 exhibitions open to the public, complemented the event portfolio at the Frankfurt exhibition venue. These events attracted 18,485 exhibitors (previous year 15,421) and 1,387,748 visitors (previous year 572,814). For these events, 773,917 gross square metres (previous year 414,698) of exhibition space was leased. The annual Frankfurt Book Fair occupied a firm place on the Frankfurt calendar of events. The new trade fair concept was reaffirmed by stable exhibitor participation and a slight increase in visitor numbers. CPHI, which was held again in Frankfurt after four years, can also refer to rising key exhibition figures and even achieved a significant increase of 32 percent among visitors. However, the overall increase in visitor numbers is also due in particular to the public appeal of IAA Cars, which registered 810,400 visitors. Last but not least, the annual Cosmetics Frankfurt and the multi-year events Food Ingredients, Cloud Expo and IMEX rounded off the event portfolio in 2017.

At other trade fair venues in Germany, Messe Frankfurt Exhibition GmbH and MESAGO Messe Frankfurt GmbH, Stuttgart, hosted nine (previous year eight) events. In spring and autumn, Messe Frankfurt Exhibition GmbH staged the Greenshowroom and the Ethical Fashion Show in Berlin. In Hamburg, Nordstil was also held in spring and autumn. SPS IPC Drives, PCIM Europe, SMT Hybrid Packaging (all Nuremberg), EMV (Stuttgart) and PARKEN (Wiesbaden) belong to the portfolio of MESAGO Messe

Frankfurt GmbH. These events in Germany outside Frankfurt attracted 4,997 exhibitors (previous year over 4,700) and 141,578 visitors (previous year around 130,000). The total net leased space came to 181,369 square metres (previous year around 176,000 square metres). In addition, a large number of congresses were organised in conjunction with the individual trade fairs.

Foreign operations again contributed significantly to Messe Frankfurt's successful operating result in the 2017 reporting period: at 98 events (previous year 84), 52,987 exhibitors (previous year 48,219) showcased their product and service portfolios to 2,225,258 visitors (previous year 1,966,492) on 1,424,629 square metres of exhibition space (previous year 1,267,096 square metres). Thus, the group's own trade fairs held outside Germany once again demonstrated their relevance for the group in 2017. Asia remained the regional focus of overseas business with 54 events in the reporting year, 29 of which were held in China alone. Another attractive exhibition region for Messe Frankfurt was the EMEA (Europe, Middle East, Africa) economic area, where 30 trade fairs were held. On the American continent, the subsidiaries of Messe Frankfurt Exhibition GmbH organised 14 trade fairs in the year under review.

As part of the optimisation of its product spectrum, Messe Frankfurt Exhibition GmbH expanded its portfolio outside Germany in the reporting year. Ten new events opened their doors for the first time in 2017: one each in the United Arab Emirates (Dubai), Vietnam, Argentina and the USA, and two events each in South Africa, China (Guangzhou) and India. The portfolio is rounded off by 34 congresses, conferences and other activities, which drew a total of 10,784 visitors.

In addition to designing and staging its own events, Messe Frankfurt organised 16 German pavilions at international trade fairs. These relate to trade fair participations organised and held on behalf of the Federal Ministry for Economic Affairs and Energy. They facilitate entry into the market for small and medium-sized enterprises in the respective country.

<sup>5</sup> www.AUMA.de: press release dated 22 January 2018, "German trade fairs 2017: More exhibitors and stand space"

<sup>6</sup> www.AUMA.de: press release dated 22 January 2018, "German trade fairs 2017: More exhibitors and stand space"

### Congresses, conventions and Festhalle events

Apart from trade fairs and exhibitions, Messe Frankfurt Venue GmbH organised 155 congresses and meetings (previous year 163). At 125,702, the number of participants was slightly lower than in the previous year (132,250). 101 (previous year 102) of these congresses and meetings with around 53,300 participants were held at the Kap Europa congress venue.

The 65 show events (previous year 70) held above all in the tradition-steeped Festhalle were attended by 443,940 guests (previous year around 492,000 guests). In addition to corporate events, these included concerts, sporting events and shows. Sporting attractions included the Mainova Frankfurt Marathon with the finishing line in the Festhalle and the International Festhalle Riding Tournament with accompanying exhibition. Musical highlights included concerts by international stars such as Andrea Berg, Iron Maiden, Die Toten Hosen, Depeche Mode, Yello, James Blunt, Tim Bendzko, Xavier Naidoo, Fanta 4 and the Night of the Proms. In the show segment, classic events such as the multi-day Holiday on Ice, Apassionata, Harry Potter and the Philosopher's Stone and 'Feuerwerk der Turnkunst' (Fireworks of Gymnastics) topped the bill.

### Development of the trade fair venue

As part of the implementation of the master plan for the future development of exhibition grounds and infrastructure, construction of Exhibition Hall 12 continued in the reporting period. The shell and the building envelope were largely completed, so that construction work could also be continued during the winter months. The building is scheduled for completion by the New Hall 12 Consortium by mid-2018. The aim here is to further increase the turnover rate of the exhibition grounds and create more flexible utilisation possibilities through parallel occupancy of the halls and outside areas in the eastern and western part of the Frankfurt exhibition grounds. After completion of Hall 12, Hall 5 can be demolished and will be replaced over the next few years. The planning for this is in full swing. To ensure optimum access to Hall 12, the Via Mobile moving walkway is being extended to allow visitors to move unimpeded through the western section of the grounds. The second step, extending the southern foyer of Hall 8 to the planned link to Hall 12 and preparing the connection to the Portalhaus at the West Entrance, was completed during the reporting period.

Medium-term plans furthermore encompass a new South Entrance on Europaallee as well as an office building and a hotel. Messe Frankfurt is currently negotiating this with a project developer.

### Service management

The total renewal of the ticketing and pay system was successfully completed. This means that hardware and software at the approximately 80 cash desks throughout the exhibition grounds in Frankfurt have been modernised. The online systems support visitors and exhibitors with registering, creating and managing their tickets as is nowadays expected of modern Internet applications. With a single login, users can access a wide variety of personalised online applications. Trade fair participants even obtain access to the free WLAN at the exhibition grounds via their personal user account.

### Organisational development

The reporting period saw the continuation of the efficiency programme. The objective is to successively analyse and optimise operating processes in all areas of Messe Frankfurt by reviewing the tasks, responsibilities and required capacities. The efficiency potential identified can be used for other tasks or in the development of new business segments. The documentation and modelling of business processes was systematically continued and serves as an optimisation tool within and across divisions.

In addition, strategic corporate goals were developed based on the corporate vision.

### Personnel

On 31 December 2017, the Messe Frankfurt GmbH corporate group employed 2,440 active members of staff worldwide, 133 more than at the end of 2016. In Germany, the headcount rose by 57 and outside Germany by 76.

The increase in the number of employees in Germany is primarily due to rising sales and marketing activities and the implementation of new events. This resulted among other things in a rise in the number of exhibitors and visitors at most events, along with sales growth.

Outside Germany, the continued gratifying growth in events is creating additional demand for employee capacities in all market-related areas.

However, the labour market situation and demographic trends made it difficult to recruit new employees, so that the company aims to continue limiting the increase in employee numbers by increasing efficiency.

### Change in employee numbers<sup>1</sup>

	2015	2016	2017
Messe Frankfurt GmbH, Frankfurt, Germany	300	300	308
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	304	308	324
Messe Frankfurt Venue GmbH, Frankfurt, Germany	232	233	234
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	83	82	86
MESAGO Messe Frankfurt GmbH, Stuttgart, Germany <sup>2</sup>	121	129	142
Accente Gastronomie Service GmbH, Frankfurt, Germany	259	269	284
<b>Total Germany</b>	<b>1,299</b>	<b>1,321</b>	<b>1,378</b>
Messe Frankfurt France S. A. S., Paris, France	19	21	23
Messe Frankfurt Italia Srl., Milan, Italy	38	39	42
Messe Frankfurt Istanbul L. S., Istanbul, Turkey	16	18	18
O. O. O. Messe Frankfurt RUS, Moscow, Russia <sup>3</sup>	44	46	58
Messe Frankfurt Middle East GmbH, Frankfurt/Dubai, UAE	122	138	145
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	4	4	4
Messe Frankfurt (H. K.) Ltd., Hong Kong, China <sup>2</sup>	474	484	507
Messe Frankfurt Japan Ltd., Tokyo, Japan	34	33	34
Messe Frankfurt Korea Ltd., Seoul, South Korea	11	11	11
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	88	94	114
Messe Frankfurt Inc., Atlanta, USA	36	40	40
Messe Frankfurt México S. de R. L. de. C. V., Mexico City, Mexico	7	8	6
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	39	37	40
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg, South Africa	13	13	20
<b>Total outside Germany</b>	<b>945</b>	<b>986</b>	<b>1,062</b>
	<b>2,244</b>	<b>2,307</b>	<b>2,440</b>
Increase in number of employees		63	133

<sup>1</sup> Incl. trainees and management (as at 31 December respectively)

<sup>2</sup> Sub-group

<sup>3</sup> Incl. O. O. O. ITEMF EXPO, Moscow, proportionately

### Learning & Development

Messe Frankfurt's training management completed a successful first year in the new structure. With a significant increase in in-house training programmes and training topics, which were set up and organised centrally by the Learning & Development department in cooperation with the specialist departments, Messe Frankfurt invested heavily in qualifying the workforce.

A special focus was placed on competence development in IT, system and process topics; sales and marketing communication were also important focal areas of training in 2017.

In the second half of 2017, the Training team presented a strategic concept for training marketing at Messe Frankfurt.

Increased employer branding activities in the Messe Frankfurt training brand are necessary to secure the number of trainees and junior staff and thus contribute to overcoming the generational problem. The first social media activities have already been implemented, and further employer branding elements are being developed.

In 2017, the new department continued to attach great importance to supporting organisational changes, such as the realignment of the Finance division.

#### Thanks to our employees

Overall, the employees of the Messe Frankfurt Group succeeded admirably in keeping up with the increasing demands of growing business activity. Once again in 2017, they demonstrated exemplary flexibility and commitment, coupled with a high level of expertise. The Executive Board would therefore like to thank all employees for their efforts and the positive results achieved.

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

#### Results of operations

The positive business trend is also mirrored in the development of group sales. At €669.1 million, sales reached their highest level yet in 2017, exceeding the previous 2015 record year (€646.7 million) by €22.4 million, or 3.5 percent.

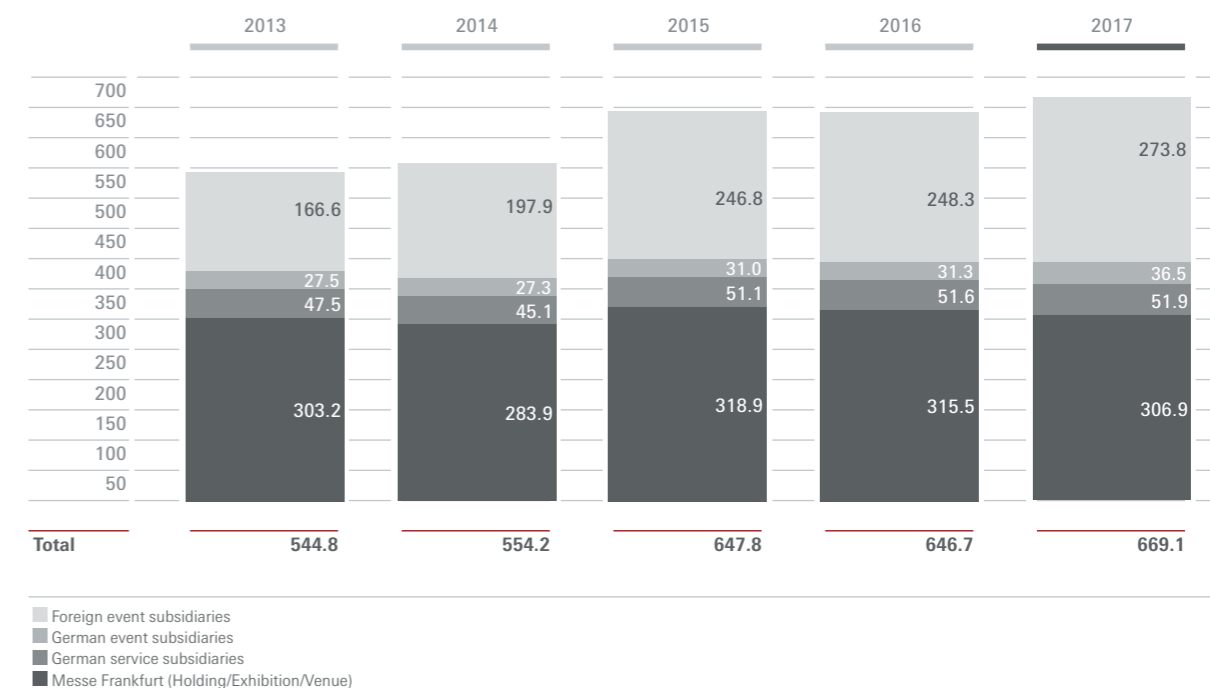
On the domestic front, sales were down by €3.2 million, or 0.8 percent, to €395.2 million (previous year €398.4 million), accounting for 59.1 percent of group sales (previous year 61.6 percent). Messe Frankfurt Exhibition GmbH generated sales of €195.0 million, down on the previous year by €39.1 million. At €20.2 million, Messe Frankfurt Medien und Service GmbH was also €2.6 million down on the previous year. This development can be explained by the rotation of the flagship events with a multi-year rhythm held at the Frankfurt venue. Messe Frankfurt Exhibition GmbH hosted the biennial events ISH, Tectextil and Texprocess in 2017, whose performance figures are below those of the two-yearly events Automechanika and Light + Building held in 2016.

In addition, IFFA and Texcare International, which have a three- and four-year rhythm respectively, were also held in 2016. The higher sales revenue of the other domestic companies was unable to compensate this rotation-related development. Messe Frankfurt Venue GmbH contributed €111.9 million and Accente Gastronomie Service GmbH €31.6 million, a plus of €30.5 million and €2.8 million respectively, due to the rotation of events. In contrast to 2016, Messe Frankfurt Venue GmbH held the IAA Cars (biennial) and CPHI guest events in 2017, which produced strong sales and earnings.

Thus at the Frankfurt am Main venue, consolidated sales of €358.7 million were generated, which corresponds to around 53.6 percent of group sales (2016: €367.1 million; 2015: €370.0 million).

With sales of €36.5 million, MESAGO Messe Frankfurt GmbH in Stuttgart achieved a figure that was €5.2 million up on the previous year. This sales increase is accounted for by the continued positive development of SPS IPC Drives, International Exhibition & Conference for Electric Automation, and especially by Formnext and the two-yearly PARKEN and EPA events.

#### Group sales development in € million





The foreign subsidiaries increased their consolidated sales by €25.6 million, or 10.3 percent, to €273.8 million. Their share of group sales is 40.9 percent (previous year 38.4 percent). This was due in particular to the stronger sales of the subsidiaries in Dubai (€+2.0 million), France (€+3.3 million) and Argentina (€+16.0 million), as well as the Russian companies (€+4.4 million).

Measured against 2015, which has a more readily comparable national event structure, the picture is similar: sales revenue group-wide was up by €21.3 million, or 3.3 percent. Domestic sales were €5.8 million, or 1.4 percent, lower, while sales outside Germany were €271 million, or 10.9 percent, higher.

Group sales exceeded the target of around €653 million forecast for the financial year by €16 million.

#### Group sales development (consolidated)

	in € m			Change in % compared to <sup>4</sup>	
	2015	2016	2017	2016	2015
<b>Germany</b>					
Messe Frankfurt Exhibition GmbH, Frankfurt	199.7	234.1	195.0	-16.7	-2.4
Messe Frankfurt Venue GmbH, Frankfurt	119.2	81.4	111.9	37.5	-6.1
MESAGO Messe Frankfurt GmbH, Stuttgart <sup>1</sup>	31.0	31.3	36.5	16.6	17.7
Messe Frankfurt Medien und Service GmbH, Frankfurt	19.3	22.8	20.2	-11.4	4.7
Accente Gastronomie Service GmbH, Frankfurt	31.8	28.8	31.6	9.7	-0.6
<b>Total Germany</b>	<b>401.0</b>	<b>398.4</b>	<b>395.2</b>	<b>-0.8</b>	<b>-1.4</b>
<b>Other countries</b>					
Messe Frankfurt France S. A. S., Paris	20.6	22.6	25.9	14.6	25.7
Messe Frankfurt Italia Srl., Milan	6.9	6.8	8.5	25.0	23.2
Messe Frankfurt Istanbul L. S., Istanbul	2.4	2.8	2.5	-10.7	4.2
O. O. O. Messe Frankfurt RUS, Moscow <sup>2</sup>	8.1	6.9	11.3	63.8	39.5
Messe Frankfurt Middle East GmbH, Frankfurt/Dubai	33.7	36.4	38.4	5.5	13.9
Messe Frankfurt Asia Holding Ltd., Hong Kong <sup>1</sup>	149.0	154.9	153.5	-0.9	3.0
Messe Frankfurt Inc., Atlanta <sup>3</sup>	9.6	10.2	8.9	-12.7	-7.3
Messe Frankfurt México S. de R. L. de C. V., Mexico City	0.1	0.2	0.2	0.0	++
Indexport Messe Frankfurt S. A., Buenos Aires	15.1	5.9	21.9	++	45.0
South African Shows Messe Frankfurt (Pty) Ltd., Johannesburg	1.3	1.6	2.8	75.0	++
<b>Total other countries</b>	<b>246.8</b>	<b>248.3</b>	<b>273.9</b>	<b>10.3</b>	<b>11.0</b>
<b>Group sales</b>	<b>647.8</b>	<b>646.7</b>	<b>669.1</b>	<b>3.5</b>	<b>3.3</b>

<sup>1</sup> Sub-group

<sup>2</sup> Incl. ITEMF Expo A.O., Moscow

<sup>3</sup> Incl. PAACE Automechanika Mexico LLC, Atlanta

<sup>4</sup> Deviations of more than 100% are shown with ++ or --

A number of developments were responsible for this. First, in particular the awarding of two unplanned implementation contracts (one of them for the World Trade Organisation) to the subsidiary in Argentina led to unplanned additional sales. This is reflected as a one-time special effect in the 2017 reporting period. In addition, there was a positive currency effect of €7.8 million. Furthermore, some foreign companies, for example in France and Italy, achieved higher sales than forecast. Improved congress and show events business also contributed to the overall increase in sales revenue. By contrast, sales in Turkey were lower after adjustment for currency translation effects. Some new and established own events in Frankfurt were also unable to achieve their planned sales figures. Furthermore, the lump-sum sales revenue growth from acquisitions planned for 2017 was not fully recognised.

The group did not succeed in exceeding the previous year's profit figure. With a figure of €59.9 million prior to taxes on income, earnings were down by €-13.7 million,

or -18.6 percent, on the previous year (€73.6 million). Compared to 2015, which is more readily comparable, earnings were €+3.5 million higher.

#### Profit development

	in € '000			Change in % compared to	
	2015	2016	2017	2016	2015
Earnings before taxes on income	56,395	73,552	59,902	-18.6	6.2
Taxes on income	13,599	19,465	15,114	-22.4	11.1
Other taxes	4,566	4,283	4,278	-0.1	-6.3
<b>Consolidated net income for the financial year</b>	<b>38,230</b>	<b>49,804</b>	<b>40,510</b>	<b>-18.7</b>	<b>6.0</b>

Apart from current income from the annual reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€2.2 million), other operating income (€17.4 million; previous year €13.4 million) principally includes income arising from exchange rate fluctuations (€7.7 million; previous year €4.2 million), the reversal of provisions (€3.0 million; previous year €2.8 million) and income from impaired receivables (€1.2 million).

Operating income is offset by operating expenses totalling €624.7 million (previous year €583.8 million). This is €40.9 million, or 7.0 percent, higher than in the prior period. Event-related expenses are the biggest expense item with €342.1 million, after €307.3 million in 2016. This corresponds to a cost/income ratio of 51.1 percent, after 47.5 percent in the prior period. Event-related services are in general variable costs and include all expenses directly related to events. Besides the costs for visitor advertising, press relations, sales commissions and marketing, they also include all costs for services (e.g. hostess services), as well as hall rentals and maintenance of the Frankfurt am Main exhibition grounds. The disproportionate increase compared with the development of sales revenue is due in particular to unplanned additional orders at the subsidiary in Argentina and the expansion of the automotive business segment, as well as expenses for new marketing concepts to stabilise the current events of Messe Frankfurt Exhibition GmbH.

Personnel expenses totalled €158.8 million in 2017. The €6.4 million, or 4.2 percent, increase in personnel expenses was due to the rise in the average number of employees (+70), as well as to salary adjustments and the impacts of

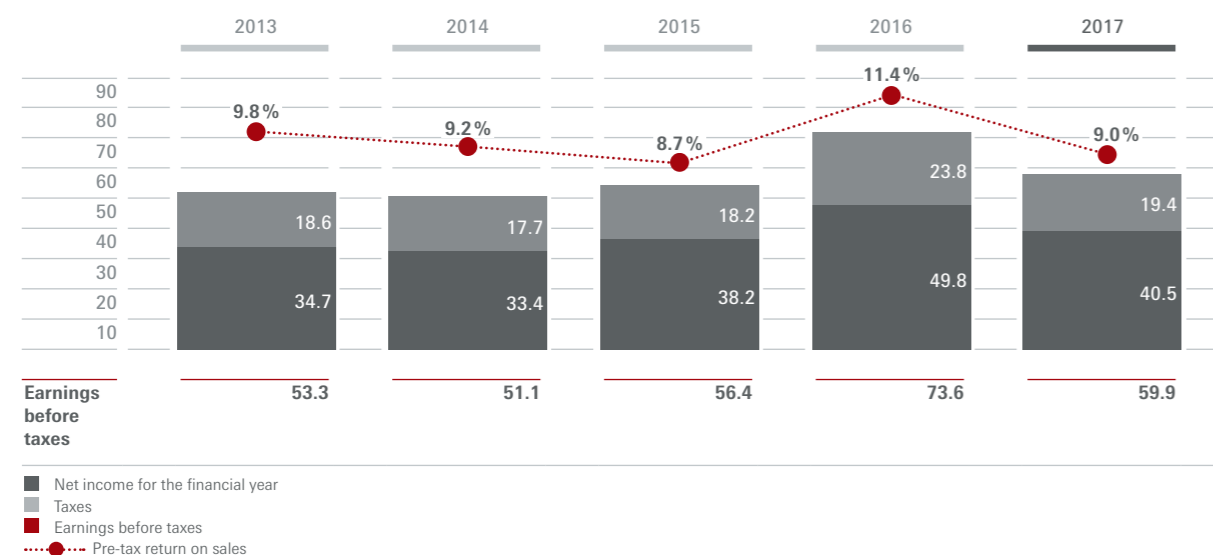
collectively agreed salary increases at the Frankfurt venue. Due to the future expansion of business, the personnel costs ratio increased from 23.6 percent in the previous year to 23.7 percent in the reporting year. Depreciation, amortisation and write-downs, on the other hand, showed a decrease of €1.6 million to €50.6 million. Other operating expenses were recognised in the amount of €73.2 million, an increase of €1.3 million year-on-year. This account includes all expenses that are not directly related to the events, such as office costs, interim agency staff, expenses related to exchange rate differences, as well as consulting and corporate marketing. The increase resulted in particular from higher expenses related to exchange rate differences and higher administrative and office costs.

At €-2.0 million, the financial result/net interest income was above the previous year's level (€-3.0 million). Although interest income decreased by €1.6 million to €1.3 million, lower interest expenses of €3.3 million (previous year €5.9 million) had a positive effect on the financial result/net interest income.

Net of taxes on income (€15.1 million) and other taxes (€4.3 million), consolidated net income for the year amounts to €40.5 million, which is €9.3 million lower than the previous year (€49.8 million) and €2.3 million higher than in 2015 (€38.2 million).

This led to a pre-tax return on sales of 9.0 percent after 11.4 percent in the previous year. In relation to equity at the beginning of the period (€505.8 million), this results in a pre-tax return of 11.8 percent (previous year 15.5 percent).

## Consolidated earnings before taxes on income (in € million) and return on sales



Earnings before income taxes were around €1.4 million lower than forecast. The reason for this was the planned but unrealised partial sale of a plot of land. The missing contribution to earnings was largely compensated for. The unplanned sales from the implementation contracts similarly led to higher event-related expenses. In other operating expenses, by contrast, it was possible to reduce the projected figures. In addition to slightly lower personnel costs, planned expenditure for marketing and IT in particular was undercut. Contrary to planning, it was necessary to make greater provision to compensate for anticipated losses for events in the subsequent year (€+2.0 million), and a negative balance arose from currency translation gains and losses (€-1.0 million).

The financial result also had a negative impact on earnings. The persistently low interest rates led to the need to recognise higher interest cost of €-2.0 million for maintenance and renovation provisions contrary to planning.

Overall, at €40.5 million, net income for the year was €2.8 million lower than originally targeted.

The development in the operating performance is mirrored in the EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) earnings indicator.

This amounted to €108.2 million in the reporting period, after €124.5 million in the previous year. As a percentage of sales, this results in an EBITDA margin for the financial year of 16.2 percent (previous year 19.2 percent).

## EBITDA development

	in €'000			Change in €'000 compared to	
	2015	2016	2017	2016	2015
Consolidated net income for the financial year	38,230	49,804	40,510	-9,294	2,280
Taxes on income	13,599	19,465	15,114	-4,351	1,515
plus financial result	1,926	2,978	2,000	-978	74
Depreciation, amortisation and write-downs	55,516	52,215	50,618	-1,597	-4,898
<b>Group EBITDA</b>	<b>109,271</b>	<b>124,462</b>	<b>108,242</b>	<b>-16,220</b>	<b>-1,029</b>
<b>EBITDA margin</b>	<b>16.9%</b>	<b>19.2%</b>	<b>16.2%</b>		

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

Messe Frankfurt GmbH, as parent, disclosed net income for the financial year of €28.4 million, after €46.9 million in the previous year. Despite lower operating expenses, this development is mainly attributable to a lower financial result (€-24.3 million). The financial result amounts to €34.9 million, after €59.2 million in the previous year. In addition to a €1.5 million reduction in net interest income, income from profit transfers and income tax allocation fell by €22.8 million. This development results from the profit and loss transfer agreements with the subsidiaries Messe Frankfurt Exhibition GmbH and Messe Frankfurt Venue GmbH. At €15.3 million, Messe Frankfurt Exhibition GmbH transferred €20.1 million less in profits in the 2017 financial year (previous year €35.4 million) and Messe Frankfurt Venue GmbH, with €13.1 million (previous year €10.7 million), transferred €2.4 million more to the parent. Accordingly, at €5.4 million (previous year €10.6 million), the allocation of income taxes received in the reporting period was significantly lower.

Messe Frankfurt Exhibition GmbH reported earnings before income taxes and profit transfer of €15.3 million (previous year €41.6 million). The year-on-year decline is mainly explained by the fact that the sales-generating two-yearly events Automechanika and Light + Building, as well as IFFA and Texcare International, which have a three- and four-yearly rhythm respectively, did not take place in 2017. Instead, the multi-year events ISH, Techtexil and Texprocess (all with a two-year rhythm) held in 2017 have a lower sales total.

This led to sales before consolidation of €234.7 million, which is €41.4 million below the previous year's figure.

Despite lower event-related expenses due to the rotation of events (€-18.8 million), lower other operating expenses (€-0.3 million) in conjunction with decreases in depreciation, amortisation and write-downs (€-1.7 million) and higher personnel expenses (€+1.4 million), the operating result was negative at €-11.7 million (previous year €11.8 million). The financial result also decreased by €2.8 million to €27.1 million (previous year €29.9 million), mainly due to lower investment income from the subsidiaries in China, Dubai and Stuttgart.

For Messe Frankfurt Venue GmbH, the 2017 financial year was more profitable due to the rotation of events, since the major guest events IAA Cars and CPhI both took place. With a total of €205.5 million, the second highest sales level in the company's history was achieved after the record sales (before consolidation) of the years 2015 (€210.8 million) and 2013 (€201.5 million). By contrast, sales with the affiliated company, Messe Frankfurt Exhibition GmbH, were significantly lower than in the previous year, also due to the rotation of events. Expenses came to €192.3 million, compared to €187.0 million in the previous year. The main contributors to this development were event-related expenses, which increased by €4.4 million, or 4.6 percent, to €98.5 million. This increase is largely attributable to the different cost structures of the event mix. In addition to the rotation of events, higher provisions for maintenance and building modernisation also had a major impact on expenses.

Personnel expenses rose by €0.4 million, or 2.2 percent, to €20.9 million as a result of collectively agreed wage and salary increases. The same applies to other operating expenses, which primarily include administrative charges of Messe Frankfurt GmbH, incidental office space costs, as well as rental and lease expenses. These amounted to €39.8 million and increased slightly by €0.7 million compared to the previous year. Depreciation, amortisation and write-downs, standing at €33.1 million (previous year €33.4 million), were roughly at the previous year's level.

At €4.4 million, the financial result was €1.3 million lower than in the previous year. This is mainly due to lower investment income of Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH amounting to €8.4 million (previous year €12.1 million). By contrast, net interest expense improved from €-6.4 million to €-4.0 million. This is attributable in particular to lower interest cost for provisions for maintenance and building modernisations and bank interest recognised in the previous year.

This resulted in earnings before income taxes of €21.6 million, compared to €18.1 million in the previous year. Net of income taxes paid in the amount of €5.4 million and other taxes (€3.1 million), earnings before profit transfer amounted to €13.1 million (previous year €10.7 million).

The operating results of the German and foreign subsidiaries of Messe Frankfurt Exhibition GmbH showed a differentiated development. Overall, these produced a bottom-line net retained profit before consolidation of €36.3 million in the reporting period, after €25.0 million in the previous year. The Asian sub-group contributed a major share of this, with €19.8 million in 2017, after €15.1 million in 2016. Other notable contributors to group profit were Messe Frankfurt Middle East GmbH with its branch office in Dubai with €4.6 million (previous year €4.9 million), the subsidiary in Argentina with €1.7 million (previous year €0.4 million), the subsidiary in France with €2.8 million (previous year €2.5 million), the subsidiary in Italy with €1.2 million (previous year €1.1 million) and the Russian companies with €2.9 million (previous year €0.9 million).

However, the domestic subsidiary MESAGO Messe Frankfurt GmbH in Stuttgart with earnings before taxes and profit transfer of €5.5 million (previous year €6.7 million) was also an important contributor to group profit.

#### Net assets and financial position

The fixed assets of the Messe Frankfurt Group are composed primarily of land and buildings as well as trade fair rights and goodwill. In the year under review, investments of around €125.4 million were made (previous year €101.6 million). Of this investment amount, €21.3 million was apportioned to intangible assets, in particular in the form of software licenses and trade fair rights, as well as for the disclosure of hidden reserves in connection with the initial consolidation of the new company in Beijing. A further €103.9 million was invested in tangible assets, mainly in connection with the costs for the new Hall 12 and the extension of the Via Mobile. An investment amount of €7.6 million was recognised for equipment and office supplies. The remaining additions to fixed assets relate to smaller infrastructure measures. The investment volume of €150.0 million forecast in the previous year was not quite reached due to the construction progress of the new Hall 12. Net of depreciation, amortisation and write-downs amounting to €50.6 million and disposals of fixed assets, fixed assets totalling €708.6 million (previous year €636.3 million) were shown in the balance sheet at year's end 2017, which corresponds to a share of around 70 percent of total assets (€1,013.9 million).

Current assets increased by €51.8 million to €300.7 million. In particular, trade receivables increased by €25.5 million, cash-in-hand and bank balances by €23.2 million and securities by €3.2 million.

On the equity and liabilities side, €526.7 million is shown in the balance sheet under equity on the basis of the earned net income for the 2017 financial year (€40.5 million), profit distributions made (€17.8 million, of which €13.0 million to the shareholders of Messe Frankfurt GmbH) and changes in minority interests (€+2.1 million), which is €20.9 million higher than the previous year's figure (€505.8 million). This corresponds to an equity ratio of around 52 percent (previous year around 57 percent) and leads to a tier 1 equity/fixed assets ratio of around 74 percent (previous year around 79 percent). Together with the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€14.7 million), as well as the deferred income items for the most part also available over the long term of €17.6 million, medium- and long-term provisions (€41.3 million) and medium- and long-term liabilities to banks of €79.2 million, the tier 2 equity/fixed assets ratio increases to 95 percent (previous year 90 percent).

Provisions increased by €1.1 million year-on-year to €109.3 million. Apart from the separately disclosed provisions for pensions and taxes (€+0.1 million and €-5.1 million respectively over the previous year), these primarily include deferred maintenance and building modernisation commitments (€+4.5 million year-on-year), outstanding invoices (€-1.7 million year-on-year), claims from employees (€-0.8 million year-on-year), as well as anticipated losses from events in the subsequent year (€+1.1 million year-on-year). Other provisions totalled €77.7 million (€+6.1 million year-on-year).

Group liabilities amount to €333.6 million (previous year €227.8 million). This corresponds to around 33 percent of the balance sheet total and leads to a debt/equity gearing ratio of around 63 percent compared to around 45 percent in the previous year.

In the course of 2017, a bank loan totalling €90.0 million with a fixed interest rate and a term of ten years was taken out to finance the new Hall 12, with a scheduled repayment in the subsequent year of €10.8 million. Furthermore, trade payables were €9.0 million and other liabilities €9.8 million higher as per the balance sheet date. On the other hand, payments on account received from exhibitors for trade fairs in the first quarter of 2018 decreased by €3.0 million compared to the prior period.

#### Financing

The cash outflow from investing activities (€106.2 million) was fully financed from the positive cash flow from operating activities (€64.5 million) and from the cash inflow from financing activities (€72.0 million). These cash flows resulted in cash funds at the end of the period of €169.0 million, an increase of €30.3 million.

#### Net change in cash funds (in € million)

	2015	2016	2017
<b>Cash funds at beginning of period</b>	<b>165.7</b>	<b>164.7</b>	<b>138.7</b>
Cash flows from operating activities	110.3	121.1	64.5
Cash flows from investing activities	-80.6	-68.5	-106.2
Cash flows from financing activities	-30.5	-78.6	72.0
<b>Net change in cash funds</b>	<b>-0.8</b>	<b>-26.0</b>	<b>30.3</b>
Effect on cash funds of changes in the reporting entity structure	-0.2	0.0	0.0
<b>Cash funds at end of period</b>	<b>164.7</b>	<b>138.7</b>	<b>169.0</b>

#### Overall summary of business performance and of the economic position of the company

Due to the very healthy earnings situation and the sound financial position, the Executive Board is highly satisfied with the business performance in 2017.

## IV. Report on expected developments, opportunities and risks

Driven by domestic demand and exports, the upswing in Germany is set to continue in the coming year. The buoyant mood in the German economy is also reflected in the results of the ifo economic test. Private consumption will continue to expand due to rising employment, higher real wages and salaries and increasing transfer income. Conversely, government spending will lose momentum, reflecting the significant reduction in forced migration. In view of the further increase in capacity utilisation, corporate investments will also increase. In addition, the strong global economic momentum is generating significant export growth. An increase of the gross domestic product in Germany of 2.6 percent is forecast for 2018.<sup>7</sup>

The German Chambers of Commerce Abroad also estimate that the accelerating global economy will provide a positive outlook for German companies. The current business situation and expectations of German companies and member firms of the German Chambers of Commerce Abroad remain at a high level. The global upswing rests on many pillars – but the stability is fraught with risk. In many countries, for example, economic growth is sluggish. Political crises and uncertainties about the general economic framework jeopardise or prevent an overall better development.<sup>8</sup> The Deutsche Bank Research team also expects the economic momentum to continue in 2018. In the USA, the emerging tax reform could give a strong boost to investment in particular and accelerate GDP growth despite expected interest rate hikes by the Fed.

The recovery in the emerging markets is likely to continue despite a slowdown in China.<sup>9</sup> Leading economic indicators remain consistently positive for the euro zone. Consumer and business confidence are continuing their upward trend. Improvements in the labour market and lending conditions should further stimulate domestic demand, and the positive outlook for the global economy should ensure rising export demand.<sup>7</sup>

The Brexit negotiations, the fragile situation in the banking sector of individual EU member states and rising long-term interest rates pose potential downside risks, especially for the EU. A 'hard Brexit' would have significant negative economic effects especially for the UK, but also for the EU. The problems in the European and in particular the Italian

banking sector remain, albeit to a lesser extent than six months ago. Another risk for the world economy is the development in China. Debt in the corporate sector has increased massively in recent years and is now at a very high level by international standards. This increases the risk to financial stability in China, and there is a risk of a crisis-scale slump.<sup>7</sup>

Regardless of potential risks in the global economy, the Association of the German Trade Fair Industry (AUMA) is expecting the 178 trade fairs planned for 2018 to once again see slightly growing exhibitor numbers and a renewed increase in visitor numbers compared to the respective prior events. An AUMA survey among trade fair organisers in December 2017 within the scope of the survey conducted by the Institut der deutschen Wirtschaft (Cologne Institute for Economic Research) revealed a trend towards optimism in the industry, with a clear majority of German exhibition companies expecting higher sales in 2018.<sup>10</sup> Some trade fair organisers expect a slightly weaker business result, but the reasons lie exclusively in a rotationally weaker trade fair programme. In general, acceptance of trade fairs as an instrument at home and abroad remains high. Since more than half of exhibitors in Germany come from abroad, German trade fairs benefit to a considerable extent from customers from all over the world.<sup>11</sup> This is also confirmed by the study for the AUMA trade fair trend: over a quarter of German exhibiting companies intend to invest more money in trade fair participations in Germany and abroad in 2018 and 2019. 57 percent plan expenditure at the same level and only 14 percent expect to spend less. On average, companies want to increase their trade fair budgets for the next two years by 4 percent compared to 2016/2017. German exhibiting companies currently invest 48 percent of their B2B marketing budgets in trade fairs, compared to around 40 percent ten years ago.<sup>12</sup>

The international trade fair industry is also continuing the positive development of the past year in 2018. In America, Europe, Asia and the Middle East, a large majority of companies anticipate rising sales. In South Africa the rate is somewhat lower, but here, too, more than half of trade fair companies expect business to be positive. Nevertheless, challenges are also seen. For a quarter of companies, the focus is on the economic situation in their home market, and almost as many devote particular attention to competition within the trade fair sector. However, global economic development also continues to be an issue. The exhibition companies want to counter this not only by generating new business within their existing business segments, but also with new business models such as different event formats, digital business and marketing services. One third of the companies expect new business models to account for 5–10 percent of their sales in five years' time, another third expects this figure to be as high as 10–25 percent. In ten years' time, the share of new business models will play an even more important role and make a significant contribution to sales.<sup>13</sup>

### Market, industry and event risks

Against the backdrop of these economic and industry expectations, the Messe Frankfurt Group in principle sees further opportunities for growth nationally as well as internationally, particularly in the following fields of action:

- increased capacity utilisation at the Frankfurt venue
- further internationalisation of the trade fair brands through rollouts in defined markets
- increased market share for services, both in terms of hardware (stand construction, catering, advertising) and increasingly in the field of digital services

However, Messe Frankfurt's business activities are also reliant on the general economic situation and developments in the respective sectors in which events are either already established or new events are planned. Messe Frankfurt attempts to secure the loyalty of event organisers, exhibitors and visitors to the company through long-term customer retention strategies. 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 seeks to identify resulting opportunities, aimed at further growth and strengthening profitability, for example through acquisitions or cooperation agreements. These projects and their associated risks were managed by introducing corresponding organisational and personnel measures to ensure a successful implementation of the new events and business segments in Germany and abroad.

With a view to further internationalising its event business, Messe Frankfurt is pursuing two directions: on the one hand, enhancing the internationality of its flagship fairs in Frankfurt, and on the other – in addition to continuously developing established products – forging ahead with trade fair business abroad. In fiscal 2018, ten new events are planned outside Germany, five of which will make their debut in the Middle East, three in Asia and two in America.

The economic problems being experienced in major event sectors, combined with structural difficulties such as ongoing concentrations in the retail sector, represent a serious challenge across the globe for brands such as Tendance and Musikmesse. 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. In autumn 2017, Hypermotion, a trade fair congress series for intelligent systems and solutions for transport, mobility, logistics and digital infrastructure, staged its successful debut in Frankfurt. Furthermore, due to its location in Frankfurt am Main, Messe Frankfurt Venue GmbH was able to maintain its position as permanent partner of the CPhI guest event. CPhI, which as part of its 'travel cycle' through Europe would normally not stop in Frankfurt again until four years' time, will open its doors again in Frankfurt as early as 2019.

Changes in individual sectors or relocation of events offer opportunities for own new developments or further development of existing concepts.

<sup>7</sup> ifo Institute: ifo economic report 4/2017 prepared for Messe Frankfurt GmbH

<sup>8</sup> Deutscher Industrie- und Handelskammertag e.V. (Association of German Chambers of Industry and Commerce) (Ed.):

AHK (German Chambers of Commerce Abroad) World Business Outlook, November 2017

<sup>9</sup> Deutsche Bank Research: Ausblick Deutschland (Outlook Germany) dated 14 December 2017

<sup>10</sup> www.AUMA.de: press release dated 22 January 2018, "German trade fairs 2017: More exhibitors and stand space"

<sup>11</sup> Institut der deutschen Wirtschaft Köln (Cologne Institute for Economic Research): further information to press release dated 27 December 2017

<sup>12</sup> www.AUMA.de: press release dated 8 January 2018, "Exhibitors to invest more in the quality of trade fair appearances"

<sup>13</sup> UFI The Global Association of the Exhibition Industry: 20th Global Exhibition Barometer, January 2018

### Risks outside Germany

Although Messe Frankfurt does not host any trade fairs in acutely insecure regions, there is nevertheless a risk of political conflicts or terrorist activities in some regions. Uncertainty over possible political developments in the Middle East could pose difficulties for the subsidiaries in Dubai and Turkey in attracting exhibitors and visitors to their events, as well as new trade fair projects. The situation of the subsidiary in Russia is also still characterised by uncertain political and economic developments there.

Market consolidations and mergers are also taking place in boom regions such as China, which could lead to a decline in exhibitor numbers in the affected sectors.

The exhibition market in Europe is largely saturated. Furthermore, the economic situation in some regions outside Europe remains volatile, also impacting some subsidiaries (Russia, Argentina, Middle East). This implies an inherent risk of losing events and, consequently, market shares in the countries concerned, further exacerbated by difficult-to-plan political decisions with an indirect impact on the exhibition sector in some countries.

The changed political situation in the USA could also negatively affect the activities of the subsidiaries in the USA and Mexico.

Messe Frankfurt and its subsidiaries counter these general political risks with their quality standards and international sales network, making it possible despite these obstacles 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 markets and economic sectors with a change of venue. Challenges lie in finding suitable timeslots and sufficient hall space in the desired quality at acceptable conditions.

In addition, there are risks from increased security requirements for trade fair organisers and imponderables when switching to new venues.

Additional risks arise in the case of events organised or marketed together with a partner. Despite extensive checks at the outset of the cooperation, 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 a greater dependency on individual events and sectors. This risk is countered by the further rollout of brand events, the development of new trade fair themes and provision of additional services.

Subsidiaries with complementary business areas such as website business or publishing contribute to further risk diversification in these segments.

Subsidiaries that depend strongly on the marketing of individual events generally have a higher risk than subsidiaries with a broad event portfolio or subsidiaries with a broad range of supplementary 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 and maintenance measures that only come to light in the course of refurbishment work or unexpectedly become necessary at short notice as a result of security or safety regulations.

Due to their long-term nature, major projects such as the new construction of Hall 12 entail risks due to unforeseeable developments relating to cost structures.

The risk of catastrophes or crises jeopardising individual events of the exhibition centre is countered by corresponding insurance policies and security measures, such as coordinated group-wide contingency plans and communication measures, as well as the activities of the Operation & Security Center.

### Administrative risks

In its financing activities, the company as a matter of principle pursues a conservative strategy with respect to interest rate risks. The aim is to avoid interest rate risks that have a negative impact on earnings as far as possible. However, advantage is taken of opportunities presented by the respective market situation to reduce or minimise interest expenses. Derivatives may only be used if they relate to an underlying transaction.

The company applies hedge accounting in order to reduce earnings fluctuations resulting from foreign currency risks as far as possible. The use of foreign-currency derivatives is tied to underlying transactions or binding budget assumptions. They are above all applied in the case of distribution payouts by foreign subsidiaries and for intercompany financial investments. Five currency hedges were in place across the group at the balance sheet date.

The group as far as possible eliminates liquidity risks and the default risk on receivables by invoicing its services and demanding payment ahead of the events. Furthermore, the group entities also have adequate accounts receivable management and an effective arrears collection system in place. In addition, a collection service for all outstanding receivables from previous events or invoiced but not yet settled services operates during ongoing trade fairs at the Frankfurt venue. Defaults on receivables therefore only occur in exceptional cases.

As a result of the group's increasing globalisation and the growing importance of international operations, establishing and optimising globally coordinated systems and structures presents an ongoing challenge. Ever higher demands in the areas of governance and data protection, especially in conjunction with increasing internationalisation, can make it more difficult to fulfil the statutory guidelines 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, as well as 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 optimised as necessary.

In 2017, a new risk management tool was chosen and implemented in order to more effectively support the risk management process. The tool will be put into productive use from 2018.

### Risk management overview

In view of the underlying economic conditions and the continued high importance of trade fairs and exhibitions in the marketing mix of exhibiting companies, the management of Messe Frankfurt GmbH believes the company is well positioned to leverage opportunities that arise and to adequately manage risk.

### Expected developments

The group is again anticipating a positive exhibition year in 2018. This optimism is fuelled by the keen interest and stable demand experienced at the major springtime trade fairs in Germany and abroad in 2018 and the corresponding demand for space. The rhythm of events at the Frankfurt venue means that although the ongoing financial year will not feature the crowd-puller IAA Cars, the big guest event AACHEMA and other new guest events, as well as the two major own events Automechanika and Light + Building will once again take place. Accordingly, a moderate increase in exhibitor and visitor numbers is expected for Frankfurt. Adjusted for exchange rate effects, positive business development is also expected abroad, partly due to two new locations in China and the UK.

Investments totalling around €95 million are planned for 2018. Of this amount, around €75 million is attributable to Messe Frankfurt Venue GmbH and mainly relates to costs for the ongoing construction of the new Hall 12.

Financing of this measure is to be secured by intragroup loans as well as the cash pool of Messe Frankfurt GmbH. To this end, Messe Frankfurt GmbH has taken out a refinancing loan with the KfW bank (totalling €130 million). As per 31 December 2017, €90 million of the KfW loan had been drawn down.

For 2018, the Messe Frankfurt Group anticipates moderate sales growth of around 2 percent. In terms of earnings and due to the planned partial sale of a plot of land, net income for the year is expected to amount to more than €50 million despite an increase in costs for event-related and other operating expenses.

Frankfurt am Main, 16 April 2018

Wolfgang Marzin   Detlef Braun   Uwe Behm

# Consolidated financial statements 2017

## Consolidated balance sheet of Messe Frankfurt GmbH, Frankfurt am Main, at 31 December 2017

### Assets

	Notes	At 31.12.2016 in € '000	At 31.12.2017 in €	At 31.12.2017 in €
<b>A. Fixed assets</b>	<b>(1)</b>			
I. Intangible fixed assets		41,818	48,604,773.22	
II. Tangible fixed assets		594,481	659,872,691.71	
III. Long-term financial assets		20	92,146.49	
		<b>636,319</b>		<b>708,569,611.42</b>
<b>B. Current assets</b>				
I. Inventories	(2)			
1. Raw materials, consumables and supplies		407	464,392.14	
2. Work in progress – services		419	475,883.10	
3. Goods		621	702,304.65	
4. Prepayments (inventories)		890	180.00	
		2,337		1,642,759.89
II. Receivables and other assets				
1. Trade receivables	(3)	15,280	40,763,952.76	
2. Other receivables and other assets	(4)	40,924	41,559,455.53	
		56,204		82,323,408.29
III. Securities	(5)	26,804		30,003,296.43
IV. Cash-in-hand, bank balances and cheques	(6)	163,543		186,762,631.64
		<b>248,888</b>		<b>300,732,096.25</b>
<b>C. Prepaid expenses</b>	<b>(7)</b>	<b>2,276</b>		<b>4,553,044.18</b>
<b>D. Deferred tax assets</b>	<b>(8)</b>	<b>71</b>		<b>27,056.44</b>
		<b>887,554</b>		<b>1,013,881,808.29</b>

### Equity and liabilities

	Notes	At 31.12.2016 in € '000	At 31.12.2017 in €	At 31.12.2017 in €
<b>A. Group equity</b>	<b>(9)</b>			
I. Subscribed capital		180,000	180,000,000.00	
II. Capital reserves		112,149	112,148,640.00	
III. Revenue reserves				
1. Other revenue reserves		83,596	83,659,913.97	
IV. Foreign currency translation differences		-38	-4,832,699.56	
V. Retained profits carried forward		77,054	110,376,285.08	
VI. Group profit		46,387	36,603,834.27	
VII. Minority interests		6,606	8,733,020.18	
		<b>505,754</b>		<b>526,688,993.94</b>
<b>B. Negative consolidation difference</b>	<b>(10)</b>	<b>1,221</b>		<b>969,224.81</b>
<b>C. Equity-similar special reserve for subsidies/grants for the acquisition of fixed assets</b>	<b>(11)</b>	<b>18,969</b>		<b>16,821,200.00</b>
<b>D. Provisions</b>				
I. Provisions for pensions and similar obligations		10,973	11,075,145.31	
II. Provisions for taxes		25,579	20,490,970.34	
III. Other provisions	(12)	71,648	77,730,507.12	
		<b>108,200</b>		<b>109,296,622.77</b>
<b>E. Liabilities</b>	<b>(13)</b>			
I. Liabilities to banks		0	90,000,000.00	
II. Payments received on account of orders		202,142	199,117,545.72	
III. Trade payables		20,120	29,108,065.05	
IV. Other liabilities		5,575	15,415,769.27	
		<b>227,837</b>		<b>333,641,380.04</b>
<b>F. Deferred income</b>	<b>(14)</b>	<b>21,854</b>		<b>19,740,506.75</b>
<b>G. Deferred tax liabilities</b>	<b>(15)</b>	<b>3,719</b>		<b>6,723,879.98</b>
		<b>887,554</b>		<b>1,013,881,808.29</b>

# Consolidated income statement

## of Messe Frankfurt GmbH for the financial year from 1 January 2017 to 31 December 2017

### Group profit

	Notes	2016 in € '000	2016 in € '000	2017 in €	2017 in €
1. Sales	(18)	646,698		669,131,189.48	
2. Increase or decrease of work in progress	(19)	206		57,098.25	
3. Other operating income	(20)	13,444		17,411,938.94	
			<b>660,347</b>		<b>686,600,226.67</b>
4. Event-related expenses	(21)	307,267		342,071,048.53	
5. Personnel expenses	(22)	152,422		158,833,524.45	
6. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	(23)	52,215		50,618,126.63	
7. Other operating expenses	(24)	71,912		73,175,654.59	
			<b>583,816</b>		<b>624,698,354.20</b>
<b>8. Financial result</b>	<b>(25)</b>		<b>-2,978</b>		<b>-2,000,257.20</b>
9. Taxes on income	(26)		19,465		15,114,377.54
<b>10. Earnings after taxes</b>			<b>54,086</b>		<b>44,787,237.73</b>
11. Other taxes	(27)		4,283		4,277,604.93
<b>12. Consolidated net income for the year</b>			<b>49,803</b>		<b>40,509,632.80</b>
13. Profit attributable to minority interests			-3,603		-3,905,798.53
14. Loss attributable to minority interests			186		0.00
<b>15. Group profit</b>			<b>46,387</b>		<b>36,603,834.27</b>

# Explanatory notes

## to the 2017 consolidated annual financial statements

### General disclosures

The parent company, Messe Frankfurt GmbH, registered office Ludwig-Erhard-Anlage 1, 60327 Frankfurt am Main, Germany, is listed under HRB6640 in the commercial registry at the district court of Frankfurt am Main.

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

Wherever individual items of the balance sheet and income statement have been grouped together in the interests of clarity of presentation, these items are shown and explained separately in the notes. For the same reason, disclosures relating to the inclusion in other items and ‘of which’ information are also included in the notes.

### Group reporting entity

In addition to Messe Frankfurt GmbH as parent, the consolidated financial statements also include the following subsidiaries over which Messe Frankfurt GmbH directly or indirectly has a controlling influence by virtue of the fact that it holds the majority of the voting rights:

- Messe Frankfurt Venue GmbH, Frankfurt am Main, (FFM)/Germany
- Messe Frankfurt Medien und Service GmbH, FFM/Germany
- Accente Gastronomie Service GmbH, FFM/Germany
- Messe Frankfurt Exhibition GmbH, FFM/Germany
- Messe Frankfurt Middle East GmbH, FFM/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
- Guangzhou Li Tong Messe Frankfurt Co. Ltd., Guangzhou/China
- Messe Frankfurt New Era Business Media Ltd., Hong Kong/China
- Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China
- Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China
- Messe Frankfurt Japan Ltd., Tokyo/Japan (formerly Mesago Messe Frankfurt Corp., 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
- South African Shows Messe Frankfurt (Pty) Ltd., Johannesburg/South Africa

With effect from 20 December 2017, Messe Frankfurt (H.K.) Ltd., Hong Kong/China, acquired 70 percent of the shares in Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China.

The companies MESAGO Messemanagement GmbH, Stuttgart/Germany, and Mesago PCIM GmbH, Stuttgart/Germany, were merged with MESAGO Messe Frankfurt GmbH with retroactive effect from 1 January 2017.

In the case of Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China, the controlling interest arises from a decisive voting right with a shareholding of 50 percent.

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. Furthermore, the following companies jointly managed with non-group entities are also included in the consolidated financial statements proportionately to the shares in their capital held:

SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. oHG, Nuremberg/Germany (75 percent)  
 PAACE Automechanika Mexico LLC, Atlanta/USA (50 percent)  
 O.O.O. ITEMF Expo, Moscow/Russia (formerly ITEMF Expo A. O.) (50 percent).

### Consolidation principles and currency translation

The balance sheet date for the consolidated financial statements is 31 December 2017. With the exception of Messe Frankfurt Trade Fairs India Pvt Ltd., Mumbai/India, which prepares its financial statements to 31 March of each year and was included in the consolidated annual accounts of the parent on the basis of interim financial statements drawn up at 31 December 2017, all subsidiaries included in the consolidated financial statements have prepared their financial statements as at the balance sheet date of 31 December 2017.

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, where the acquisition process occurred in a financial year commencing before 1 January 2010. From 2010, the revaluation method has been used.

Acquisitions or disposals of shares that do not affect the controlling influence were accounted for as equity transactions.

In the case of jointly managed undertakings, all consolidation steps were carried out proportionate to the ownership interest pursuant to Section 310 of the German Commercial Code (HGB). In total, this gave rise to €2.079 million in current assets, €1.320 million in non-current assets and €1.514 million in current liabilities, €4.647 million in expenses and €6.009 million in income from shares in joint undertakings. No off-balance-sheet financial obligations were disclosed. Receivables and liabilities as well as expenses and income items between the companies included in the consolidated financial statements were netted. Provisions relating to intragroup transactions as well as gains and losses arising from intragroup deliveries and services were eliminated.

End-of-year financial statements of the foreign subsidiaries included in the consolidated financial statements prepared in a foreign currency were translated in compliance with 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, were translated into euros at the respective middle spot rate at the balance sheet date. Differences arising from the translation of equity as a result of changes in the exchange rate compared to the previous year were recognised directly in Equity under Foreign currency translation differences.

Income and expenses for the financial year were translated at the middle spot rate. The net income for the year shown in the translated income statements was carried over into the consolidated balance sheet and recognised directly in Equity under Foreign currency translation differences.



### Accounting and measurement policies, currency translations

The following accounting and measurement principles were applied in preparing the consolidated financial statements.

Purchased intangible fixed assets were recognised at cost, less (where subject to wear and tear) straight-line amortisation over their useful life. Where a permanent impairment loss appears probable, they are recognised at the lower of cost or fair market value on the balance sheet date. If the reasons for a probable permanent impairment loss no longer apply, the impairment loss is reversed accordingly.

Where acquisition accounting resulted in goodwill, an expected useful life of up to 15 years was assumed at the time of initial recognition, in particular with regard to the continuous development and continued existence of the business and customer relations arising from the acquisition of the goodwill. Goodwill is amortised on a straight-line basis over the useful life. In accordance with Section 301(3) HGB, a negative difference arising on consolidation was included as a separate item on the equity and liabilities side of the balance sheet below shareholders' equity as Negative consolidation difference.

Tangible fixed assets were recognised at cost, less depreciation through use and, where applicable, write-downs. Depreciation through use was calculated on a straight-line basis in accordance with unchanged principles. In the case of technical retrofits of halls already duly depreciated, a useful life of ten years was assumed.

New additions to tangible and intangible fixed assets were depreciated on a pro rata temporis basis in the year of acquisition.

Low-value assets up to a net value of € 150 per item were expensed in the year of acquisition. Assets with purchase costs above € 150 to € 410 net were written down in full in the year of acquisition, with their immediate disposal being assumed.

Under Financial assets, shares and ownership interests were stated at cost or, where a permanent impairment loss is indicated, at their lower fair value. If the reasons that led to a probable permanent impairment no longer apply, the impairment loss is reversed accordingly.

Inventories were carried at the lower of cost or market value at the balance sheet date.

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

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

Securities were stated at the lower of cost or fair value, taking all identifiable risks into account.

Liquid assets were disclosed at their nominal value.

Prepaid expenses relate to advance payments made before the balance sheet date that represent an expense to be incurred in a subsequent period.

The market value of the acquired assets is used to determine the revalued equity. The hidden reserves to be disclosed in this context mainly relate to trade fair rights. In addition, any hidden liabilities to be recognised are deducted from any disclosed hidden reserves. The market value is determined using recognised capitalised earnings methods.

The equity-similar special reserve for subsidies or grants for the acquisition of fixed assets was set up in fiscal 2000 and relates to a grant made by the City of Frankfurt am Main in connection with the construction of the "Rebstock" multi-storey car park. The reversal of the special reserve was recognised in income, corresponding to the depreciation of the related fixed assets over a useful life of 25 years. Advantage was taken of the possibility to exercise the retention option pursuant to Section 67(3) EGHGB (Act Introducing the German Commercial Code). Thus the special tax-allowable reserve in accordance with Sections 247(3) and 273 HGB in the version valid until 28 May 2009 has also been retained for financial statements from 2010.

Provisions are in principle recognised in the amount dictated by prudent business judgement that is required to settle the obligation (i.e. including future cost and price increases). They take into account all identifiable risks and contingent liabilities, as well as anticipated losses from pending transactions. Provisions with a residual term of more than one year are discounted.

Provisions for pensions and similar obligations for former members of the Executive Board and their surviving dependents are calculated using the projected unit credit method (PUC method) based on the "2005 G actuarial tables" compiled by Prof. Klaus Heubeck. For discounting purposes, the average market interest rate of the past ten financial years of 3.68 percent (previous year 3.24 percent) with a residual term of 15 years was applied across the board in accordance with the "Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften" (Act Implementing the Mortgage Credit Directive and Amending Accounting Rules) of 11 March 2016, applying the simplification rule pursuant to Section 253(2), Sentence 2 HGB. The difference within the meaning of Section 253(6), Sentence 1 HGB between the measurement of pension provisions with the 10-year average interest rate and the 7-year average interest rate amounted to € 624,000 (previous year € 552,000) at the balance sheet date. The difference is barred from distribution pursuant to Section 253(6), Sentence 2 HGB. An anticipated rate of pension progression of 2.0 percent (previous year 2.0 percent) was assumed.

For Accente Gastronomie Service GmbH, provisions for pensions are recognised in accordance with the entry age normal method on the basis of the "2005 G actuarial tables" compiled by Prof. Klaus Heubeck. For discounting purposes, the average market interest rate of the past ten financial years of 3.68 percent (previous year 3.24 percent) with a residual term of 15 years was applied across the board in accordance with the "Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften" (Act Implementing the Mortgage Credit Directive and Amending Accounting Rules) of 11 March 2016, applying the simplification rule pursuant to Section 253(2), Sentence 2 HGB. The difference within the meaning of Section 253(6), Sentence 1 HGB between the measurement of pension provisions with the 10-year average interest rate and the 7-year average interest rate amounted to € 176,000 (previous year € 151,000) at the balance sheet date. The difference is barred from distribution pursuant to Section 253(6), Sentence 2 HGB.

Anticipated pay rises of 2.5 percent (previous year 2.5 percent) and a rate of pension progression of 2.0 percent (previous year 2.0 percent) were assumed. Fluctuation was given consideration with a flat rate of 1.8 percent (previous year 1.8 percent).

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 the pension benefit was calculated pursuant to Section 253(1), Sentence 3 HGB on the basis of the fair value of the reinsurance cover taken out. The fair value of the reinsurance with a value (amortised cost) of € 1.236 million (previous year € 1.242 million) was netted against the settlement amount of the debt.

Provisions for taxes comprise outstanding taxes not yet assessed for the financial year.

Provisions for partial retirement were valued in line with the pronouncements of the IDW RS HFA 3 (accounting methods for partial retirement obligations under IAS and HGB) and the provisions of the Handelsgesetzbuch – HGB (German Commercial Code), based on an interest rate pursuant to Section 253(2), Sentence 2 HGB of 2.80 percent (previous year 3.24 percent). Anticipated pay rises were factored in by applying a salary trend of 2.0 percent (previous year 2.0 percent). In respect of social security contributions, taking account of the income thresholds for pension and unemployment insurance (West) and for health and long-term care insurance, a contribution rate of 19.075 percent (previous year 19.125 percent) was assumed. When measuring the provision for partial retirement for potential draw-downs, a probability of occurrence of 50 percent (previous year 100 percent) was applied.

Anniversary benefits recognised in Other provisions were valued in accordance with the projected unit credit method. Under this method, the amount of the provision 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 3.68 percent (previous year 3.24 percent). In addition, the employer's contributions to the statutory pension plan accruing on payment of the anniversary bonus were stated at a flat rate of 14.5 percent (previous year 14.5 percent) of the anniversary bonus payments made.

An inflation rate of 2.0 percent (previous year 2.0 percent) and an average retention period (multiplier) of 4.5 years were assumed. Discounting was performed for a period of 4.5 years at the discount rate of the Deutsche Bundesbank (central bank of the Federal Republic of Germany) of 1.66 percent (previous year 2.06 percent).

Other provisions include, inter alia, possible indemnification claims by commercial agents, taking advantage of the retention option pursuant to Section 67 EGHGB.

Liabilities were carried at their repayment amount.

Within the Messe Frankfurt Group, derivative financial instruments are in principle only used to hedge the risks inherent in an underlying transaction. Underlying transactions may also relate to intragroup transactions. Provided the conditions of Section 254 HGB are met, hedges are applied and, pursuant to Section 254, Sentence 1 HGB, in these cases Sections 249 (1), 252 (1), Nos. 3 and 4, 253 (1), Sentence 1 and 256a HGB are not applied.

Deferred income relates to income received before the balance sheet date that represents earnings generated in a subsequent period.

Assets and liabilities denominated in foreign currencies were in principle translated at the middle spot rate at the balance sheet date. For assets and liabilities with a residual term of more than one year, the imparity and realisation principle (Section 252 (1), No. 4 HGB) and the purchase cost principle (Section 253, Sentence 1 HGB) were applied.

Costs incurred for press, advertising and public relations work for events in subsequent years were posted throughout the group as expenses in the reporting year.

For the recognition of deferred taxes under Section 274 (1) HGB resulting from temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their respective tax bases, or resulting from tax loss carryforwards, the amounts of the resulting tax assets and liabilities were determined as in the previous year using the tax rate at the time of the expected reduction of the differences of an underlying 31.9 percent, and were not discounted.

At 31 December 2017, deferred tax assets were recognised due to higher tax write-downs. Moreover, deferred tax liabilities resulting from accounting and measurement differences were recognised primarily for deferred income, as well as for purchased concessions and industrial property rights. Additional deferred tax liabilities relate to land and buildings as well as liabilities and provisions. Deferred tax assets and liabilities were netted. The remaining deferred taxes per entity after netting were not capitalised based on the existing recognition option.

Deferred taxes determined under Section 306 HGB were not netted out in the balance sheet; where the temporary difference is expected to reverse in Germany, the underlying tax rate is 31.9 percent. Outside Germany, the respective tax rates of the national companies are used as a basis.

#### Changes in accounting and measurement policies

When measuring provisions for partial retirement, a probability of occurrence of 50 percent (previous year 100 percent) was used in the year under review on the basis of empirical values for potential draw-downs. The provision has therefore been reduced by €128,000.

## Notes to the consolidated balance sheet

(Amounts in € '000, unless otherwise stated)

### (1) Fixed assets

The classification of the combined fixed asset headings disclosed in the consolidated balance sheet and their development trend in 2017 are presented in the Statement of changes in fixed assets in Appendix I to these notes. A list of shareholdings as per 31 December 2017 has been attached to the notes to the consolidated financial statements in Appendix II.

Payments on account and assets under construction under Tangible fixed assets relate in particular to Hall 12.

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

In the reporting period, the acquisition of shares in Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Shenzhen/China, resulted in an addition of €15.2 million to the item Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets due to a change in the basis of consolidation.

Asset item	Useful life
Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	3–5 years
Goodwill	up to 15 years
Land, land rights and buildings, incl. buildings on third-party land	10–40 years
Technical equipment and machinery	5–10 years
Other equipment, operating and office equipment	3–15 years

### (2) Inventories

This primarily covers raw materials, consumables and supplies, chargeable input for events in subsequent years, and merchandise.

### (3) Trade receivables

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

**(4) Other assets**

	Total		Due after more than one year	
	31.12.2016	31.12.2017	31.12.2016	31.12.2017
Taxes	17,556	15,547	2,036	685
Prepayments	5,736	15,684	612	514
Other	17,632	10,328	890	326
	<b>40,924</b>	<b>41,559</b>	<b>3,538</b>	<b>1,525</b>

Taxes are principally advance income tax payments and VAT receivables of €6.304 million (previous year €5.036 million).

Other assets include receivables from the shareholder City of Frankfurt am Main in the amount of €402,000 (previous year €875,000).

**(5) Securities**

Securities relate to bonds, registered bonds and commercial papers.

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

	31.12.2016	31.12.2017
Cheques and cash-in-hand	623	1,490
Bank balances	162,920	185,273
	<b>163,543</b>	<b>186,763</b>

Bank balances include recognition of fixed-term deposits in the amount of €68.149 million (previous year €72.289 million).

**(7) Prepaid expenses**

Prepaid expenses include in particular expenses for the assumption of pro rata investments for an integrated traffic guidance system on the federal motorway, which is made available to Messe Frankfurt by the Federal Government over a period of 15 years. The corresponding expenditure is included in the balance sheet on the assets side as prepaid expenses over this period of use.

**(8) Deferred tax assets**

Deferred tax assets are formed due to consolidation procedures pursuant to Section 306 HGB and include, in particular, deferred taxes from the elimination of amortisation of trade fair rights.

**(9) Equity**

The classification of shareholders' equity including minority interests is attached as a component of the consolidated financial statements. The parent company has €248.9 million available for distribution. Of this potential distribution amount, €0.6 million is subject to a bar on distribution.

The acquisition of 70 percent of the shares in Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China, resulted in minority interests of €3.315 million.

**(10) Negative consolidation difference**

Pursuant to Section 301(3) HGB, the negative consolidation difference arising in 2015 from the acquisition of the remaining shares in Messe Frankfurt New Era Business Media Ltd., Hong Kong/China, in the amount of €1.5 million, was included in the consolidated balance sheet on the equity and liabilities side and recognised in line with German Accounting Standard GAS No. 4.41a) as income over the weighted average useful life of five years of the assets acquired, or disclosed by applying the revaluation method.

Pursuant to Section 301(3) HGB, the negative consolidation difference arising from the acquisition of the 70-percent stake in Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China, in the amount of €0.3 million, was included in the consolidated balance sheet on the equity and liabilities side and recognised in line with German Accounting Standard GAS No. 23.145 as income over the weighted average useful life of five years of the assets acquired, or disclosed by applying the revaluation method.

At the balance sheet date, the total negative consolidation difference was €969,000 (previous year €1.221 million).

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

The special reserve relates to a grant made by the City of Frankfurt am Main in connection with the multi-storey car park at the "Rebstock" site. The reversal of the special reserve was recognised in income, corresponding to the depreciation of the car park over a useful life of 25 years.

**(12) Other provisions**

Other provisions primarily include contractual repair and renovation obligations, claims from employees, anticipated losses from pending transactions, outstanding purchase invoices, as well as possible claims from commercial agents.

**(13) Liabilities**

	Due within one year		Due after one year		Due after more than five years	
	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017
Liabilities to banks	0	10,833	0	57,778	0	21,389
Payments received on account of orders	202,115	199,117	27	1	0	0
Trade payables	19,662	29,035	458	73	0	0
Other liabilities	5,357	15,293	218	123	0	0
– of which taxes	(2,490)	(3,671)	(89)	(0)	(0)	(0)
– of which social security	(392)	(497)	(0)	(0)	(0)	(0)
	<b>227,134</b>	<b>254,278</b>	<b>703</b>	<b>57,975</b>	<b>0</b>	<b>21,389</b>

Liabilities to banks relate to a loan of up to a maximum of €130.0 million taken out with underwriting banks in the reporting year, of which €90.0 million had been drawn down as per the balance sheet date. The loan runs until 2027 and is intended for financing the construction of Hall 12 on the Frankfurt exhibition grounds. A scheduled loan repayment of €10,833,000 is to be made in the subsequent year. Liabilities to banks are secured by a first-rank registered land charge and the assignment of rights and claims arising from the property insurance (in particular fire) relating to the mortgaged property.

In addition, there is an ownership clause which requires the consent of the lender in the event of a change in company structure.

Messe Frankfurt Asia Holding Ltd., Hong Kong, deposited two amounts of HKD 7 million and HKD 40 million in July 2017, and in November 2017 an amount of HKD 20 million for short-term investment with Messe Frankfurt GmbH until August 2018, April 2018 and May 2018. In addition, Messe Frankfurt (H.K.) Ltd., Hong Kong, and Messe Frankfurt Middle East GmbH, Dubai branch office,

deposited amounts of USD 6 million and USD 10 million in July and December 2017, respectively, as an investment until January and March 2018. In order to hedge the currency risk arising from these underlying transactions, Messe Frankfurt GmbH contracted foreign exchange swaps in the corresponding months for the respective amounts with maturities matching the financial investments (micro hedge).

Since the opposing changes in the fair value of the cash flows from the underlying transactions and the forward exchange contracts offset each other, Messe Frankfurt GmbH recognised hedging relationships and, pursuant to Section 254 HGB, opted not to apply Section 249 (1), Section 252 (1), Nos. 3 and 4, Section 253 (1), Sentence 1 and Section 256a HGB (net hedge presentation method) in its annual financial statements for the period of the term of the contract. Without these hedges, liabilities to Messe Frankfurt Asia Holding Ltd., Hong Kong, would have been € 3,000, € 147,000 and € 19,000 lower as per the balance sheet date in line with exchange rate developments, to Messe Frankfurt (H.K.) Ltd., Hong Kong, € 96,000 lower and to Messe Frankfurt Middle East GmbH, Dubai branch office, € 55,000 lower. Due to the consolidation of the underlying transactions and the negative market values of the derivative financial instruments (€ 320,000), a provision for anticipated losses was recognised in the same amount at the balance sheet date.

Trade payables include liabilities to the shareholder City of Frankfurt am Main in the amount of € 3,000 (previous year € 16,000).

#### (14) Deferred income

Deferred income primarily includes one-off payments received in advance in the years 1988, 1992 and 1996 for 31, 35 and 99 years respectively for two heritable building leases as well as a payment for a joint usufruct in parts of buildings, which were disclosed under Liabilities as deferred income. The three partial deferred income amounts are reversed on a straight-line basis over the specified terms.

#### (15) Deferred tax liabilities

Deferred tax liabilities primarily arise from the disclosure of hidden reserves in the context of applying the revaluation method in acquisition accounting and due to temporary differences from the measurement of property.

#### (16) Other financial obligations and contingent liabilities

Other financial obligations total € 214.721 million (previous year € 155.091 million). These are primarily made up of open purchase orders related to investments, obligations arising from rent and lease contracts, obligations relating to the acquisition of additional company shares, as well as ground rents for three building lease contracts.

#### (17) Fiduciary relationships

The company administrates fiduciary accounts for events hosted by guest organisers and the Frankfurt Music Prize Foundation. The balance of the fiduciary accounts at the end of the period is € 35,000.

## Notes to the consolidated income statement

(Amounts in € '000, unless otherwise stated)

The consolidated income statement is prepared in accordance with the total cost (nature of expense) method.

#### (18) Sales

According to type	2016	2017
Stand rents	391,685	391,020
Halls, site and other rents	28,849	43,615
Admission fees and participation fees	12,104	11,433
Services and other income	214,060	223,063
	<b>646,698</b>	<b>669,131</b>

According to region	2016	2017
Germany	398,360	395,328
Europe excl. Germany	39,173	48,105
Asia	191,266	191,946
America	16,321	30,919
Africa	1,578	2,833
	<b>646,698</b>	<b>669,131</b>

#### (19) Increase or decrease in work in progress

This item relates to increases in the stock of services for events in 2018 capitalised in the 2017 financial year.

#### (20) Other operating income

This account mainly includes prior-period income from the reversal of provisions (€ 2.995 million; previous year € 2.773 million), income from prior years relating to other accounting periods (€ 1.492 million; previous year € 897,000) and from recoveries on receivables already written-off (€ 1.288 million; previous year € 1.069 million), as well as income from exchange rate differences (€ 7.663 million; previous year € 4.221 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 (as in the previous year € 2.147 million). This item also includes the reversal of a write-down on brand rights of € 714,000.

**(21) Event-related expenses**

	2016	2017
Cost of raw materials, consumables and supplies and of purchased materials	7,330	8,721
Cost of purchased services	299,937	333,350
	<b>307,267</b>	<b>342,071</b>

Cost of purchased services comprises in particular expenses for hall and site rental, hall fitting, maintenance of the exhibition grounds and expenses for event-related communication.

They include prior-period expenses for the maintenance of plant and inventories in the amount of € 904,000.

**(22) Personnel expenses / employees**

	2016	2017
Wages and salaries	126,782	131,315
Social security, post-employment and other employee benefit costs	25,640	27,518
– of which in respect of old-age pensions	(6,656)	(7,441)
	<b>152,422</b>	<b>158,833</b>

	2016	2017
Vice presidents	37	43
Salaried employees	1,950	2,048
Wage-earning employees	219	230
	<b>2,206</b>	<b>2,321</b>

The stated number of employees includes 14 employees at proportionately consolidated entities pursuant to Section 310 HGB (proportionately: seven).

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

Amortisation and write-downs of intangible assets result primarily from rights and licenses as well as goodwill. Write-downs were also recognised in the amount of €1.049 million on brand rights.

**(24) Other operating expenses**

Other operating expenses amounting to €73.176 million principally include rental and lease expenses and office costs, legal, consulting and auditing costs, expenses for promotional activities and allowances for bad debts. Expenses arising from currency translation differences and prior-period expenses are included with €7.033 million (previous year €5.521 million) and €182,000 (previous year €884,000), respectively.

**(25) Financial result**

	2016	2017
Income from long-term equity investments	2	3
Other interest and similar income	2,965	1,322
– of which from discounting	(226)	(0)
Interest and similar expenses	5,945	3,325
– of which from interest cost	(3,160)	(2,903)
	<b>–2,978</b>	<b>–2,000</b>

Interest expenses principally include the interest cost of provisions.

**(26) Taxes on income**

	2016	2017
Taxes on income	20,506	15,668
Deferred taxes	–1,041	–554
	<b>19,465</b>	<b>15,114</b>

**(27) Other taxes**

	2016	2017
Other taxes	4,283	4,278
	<b>4,283</b>	<b>4,278</b>

Other taxes primarily relate to property taxes.

### Reconciliation of expected income tax expense

	2016	2017
<b>Earnings before taxes (financial accounts)</b>	<b>69,270</b>	<b>55,624</b>
<b>Expected income tax expense (group tax rate 31.9%; previous year 31.9%)</b>	<b>22,114</b>	<b>17,758</b>
Effects of changes in tax rates	4	133
Tax-free income / trade tax deductions	-2,340	-2,217
Non-deductible business expenses / trade tax additions, incl. Section 8(1) GewStG (German Trade Tax Act)	2,960	2,170
Taxes attributable to previous years recognised in the reporting period	-3,848	-697
Effects of deviating tax rates	-1,819	-4,006
Effects of consolidation	-463	574
Effects of options under Section 274(1) HGB	2,728	1,452
Other effects	129	-53
<b>Recognised income tax expense</b>	<b>19,465</b>	<b>15,114</b>
<b>Effective group tax rate (%)</b>	<b>28.1</b>	<b>27.2</b>

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

With the exception of the acquisition of a company in the UK, no events having a material impact on the position of the group occurred after completion of fiscal 2017 and up to preparation of the consolidated financial statements and the group management report. The acquisition will have a minor impact on the net assets and financial position of the company.

#### Other disclosures

##### Proposal on the appropriation of net income

The proposal will be put forward to the shareholders that €13 million be proportionately distributed to the shareholders from the annual profit of the parent company for the 2017 financial year and the remaining amount be carried forward to new account.

##### Disclosures relating to the cash flow statement

Cash funds recognised in the cash flow statement comprise cash-in-hand, current bank balances and fixed-term deposits with a maturity of less than three months.

The difference between cash funds and liquid assets recognised in the consolidated balance sheet in the amount of €186.763 million (previous year €163.543 million) is €17.695 million (previous year €24.807 million) and results from time deposits having a residual maturity of more than three months at the time of acquisition.

Cash funds include €1.264 million from proportionately consolidated entities. They are not subject to any restrictions on disposal.

Non-cash income results primarily from the reversal of deferred income for heritable 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, as well as currency translation differences.

Expenditure for the acquisition of the 70-percent stake in Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China totalled €7.199 million.

In the 2017 financial year, an amount of €13 million was distributed to the shareholders and €4.773 million to minority shareholders.

##### Disclosures relating to the consolidated statement wof changes in equity

At 31 December 2017, accumulated retained earnings attributable to group shareholders in the amount of €800,000 were barred from distribution.

##### Auditors' fees

The auditors' fees for the financial year apportionable to Mazars GmbH & Co. KG for the audit of the single-entity and consolidated financial statements amounts to €330,000. An additional amount of €133,000 was invoiced by Mazars GmbH & Co. KG for other services.

### Remuneration of the members of the executive bodies of the parent company

The remuneration of the members of the Executive Board comprises a fixed and a variable component. The fixed remuneration is made up of a fixed annual salary and a guaranteed year-end bonus. For the purposes of pension provision, the company pays contributions to insurances.

In addition, the individual members of the Executive Board receive non-cash benefits that are individually taxed. These primarily include provision of a company car and insurance benefits for business travel at standard market rates. The following table shows the remuneration of the members of the Executive Board in fiscal 2017:

	Fixed remuneration		Variable remuneration	Pension provision	Non-cash benefits	Total
	Fixed annual salary	Guaranteed year-end bonus				
Wolfgang Marzin	308	60	127	70	14	579
Uwe Behm	274	60	129	70	15	548
Detlef Braun	267	60	129	70	11	537
						<b>1,664</b>

Provisions for each Executive Board member amounting to €132,000 for variable bonuses were recognised in 2017. These take into account components with a long-term incentive effect and are derived from socio-economic agendas for the Frankfurt venue, as well as from financial targets of the group.

The members of the Executive Board were promised benefits in the event of premature termination of their term of office by the General Meeting without serious cause. A two-year non-competition covenant was also agreed with the Executive Board members in the case of termination of their service, for which a compensation payment was agreed.

Superannuation benefits and retirement annuities, as well as interim payments and indemnifications of €856,000 (previous year €838,000) were paid to former members of the Executive Board and surviving dependents. Pension provisions totalling €8.468 million (previous year €8.514 million) were recognised for the aforementioned groups of persons at 31 December 2017.

The remuneration and expense allowance paid to members of the Supervisory Board totalled €53,000 (previous year €32,000).

#### Executive Board of the parent

The following were appointed to the Executive Board:

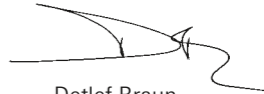
Wolfgang Marzin, Betriebswirt HWF  
(Graduate in Business Administration, University of Applied Sciences)  
President and Chief Executive Officer

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

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

Frankfurt am Main, 16 April 2018

  
Wolfgang Marzin

  
Detlef Braun

  
Uwe Behm

# Appendix I to the notes to the consolidated financial statements

## Statement of changes in fixed assets

	Cost in €'000					At 31.12.2017	Depreciation, amortisation and write-downs (cumulative) in €'000						At 31.12.2017	Carrying amounts in €'000		
	At 1.1.2017	Additions	Disposals	Transfers	Currency translation differences		At 1.1.2017	Changes in basis of con- solidation	Additions	Disposals	Reversals of write- downs	Reclassifi- cations		Currency translation differences	At 31.12.2016	At 31.12.2017
<b>I. Intangible fixed assets</b>																
1. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	139,097	21,341	11,520	224	-3,671	145,471	113,110	0	9,595	11,457	714	5	-2,546	107,983	25,987	37,488
2. Goodwill	74,255	0	0	0	-1,758	72,497	58,423	0	3,968	0	0	0	-1,011	61,380	15,831	11,117
	<b>213,352</b>	<b>21,341</b>	<b>11,520</b>	<b>224</b>	<b>-5,429</b>	<b>217,968</b>	<b>171,533</b>	<b>0</b>	<b>13,563</b>	<b>11,457</b>	<b>714</b>	<b>5</b>	<b>-3,557</b>	<b>169,363</b>	<b>41,818</b>	<b>48,605</b>
<b>II. Tangible fixed assets</b>																
1. Land, land rights and buildings, incl. buildings on third-party land	1,252,130	410	80	0	-235	1,252,225	795,023	0	25,840	22	0	0	-110	820,731	457,108	431,494
2. Technical equipment and machinery	110,319	40	4,345	21	0	106,035	90,297	0	4,238	4,345	0	0	0	90,190	20,022	15,845
3. Other equipment, operating and office equipment	114,446	7,634	4,208	419	-519	117,781	94,247	0	6,977	4,144	0	-5	-378	96,707	20,199	21,074
4. Prepayments and assets under construction	97,152	95,860	888	-664	0	191,460	0	0	0	0	0	0	0	0	97,152	191,460
	<b>1,574,047</b>	<b>103,944</b>	<b>9,521</b>	<b>-224</b>	<b>-754</b>	<b>1,667,501</b>	<b>979,567</b>	<b>0</b>	<b>37,055</b>	<b>8,511</b>	<b>0</b>	<b>-5</b>	<b>-488</b>	<b>1,007,628</b>	<b>594,481</b>	<b>659,873</b>
<b>III. Financial assets</b>																
Investments	20	0	0	0	0	20	0	0	0	0	0	0	0	0	20	20
Prepayments	0	72	0	0	0	72	0	0	0	0	0	0	0	0	0	72
	<b>20</b>	<b>72</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>92</b>
<b>Total</b>	<b>1,787,419</b>	<b>125,357</b>	<b>21,041</b>	<b>0</b>	<b>-6,183</b>	<b>1,885,561</b>	<b>1,151,100</b>	<b>0</b>	<b>50,618</b>	<b>19,968</b>	<b>714</b>	<b>0</b>	<b>-4,045</b>	<b>1,176,991</b>	<b>636,319</b>	<b>708,570</b>

# Appendix II to the notes to the consolidated financial statements

## Ownership of shares in affiliated companies

### Affiliated companies

	Equity in € '000	Earnings in € '000	*)	Share- holding
Messe Frankfurt Venue GmbH, Frankfurt am Main/Germany <sup>1 21</sup>	402,862	13,084	<sup>17 18</sup>	100%
Messe Frankfurt Medien und Service GmbH, Frankfurt am Main/Germany <sup>2 21</sup>	3,503	1,707	<sup>17 18</sup>	100%
Accente Gastronomie Service GmbH, Frankfurt am Main/Germany <sup>2 21</sup>	260	3,990	<sup>17 18</sup>	100%
Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany <sup>1 21</sup>	46,637	15,277	<sup>17 18</sup>	100%
Messe Frankfurt Middle East GmbH, Frankfurt am Main/Germany <sup>3 21</sup>	4,848	4,648		100%
MESAGO Messe Frankfurt GmbH, Stuttgart/Germany <sup>3 19 21</sup>	2,862	2,933	<sup>17 18</sup>	100%
MESAGO Messemanagement GmbH, Stuttgart/Germany <sup>4</sup>	0	0		0%
SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. oHG, Nuremberg/Germany <sup>5 19 21</sup>	113	154	<sup>17</sup>	75%
Mesago PCIM GmbH, Stuttgart/Germany <sup>4</sup>	0	0		0%
Messe Frankfurt France S. A. S., Paris/France <sup>3 20</sup>	2,977	2,766		100%
Messe Frankfurt Italia Srl., Milan/Italy <sup>3 20</sup>	1,331	1,161		100%
Messe Frankfurt Istanbul L. S., Istanbul/Turkey <sup>3 20</sup>	2,176	1,025		100%
O. O. O. Messe Frankfurt RUS, Moscow/Russia <sup>3 20</sup>	4,465	1,664		100%
O. O. O. ITEMF Expo, Moscow/Russia <sup>20 22</sup>	1,309	2,377		50%
Messe Frankfurt Asia Holding Ltd., Hong Kong/China <sup>3 19 20</sup>	79,215	19,383		100%
Messe Frankfurt (H. K.) Ltd., Hong Kong/China <sup>6 19 20</sup>	11,167	8,710		100%
Messe Frankfurt (Shanghai) Co. Ltd., Shanghai/China <sup>7 19 20</sup>	3,492	2,235		100%
Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou/China <sup>8 19 20</sup>	9,120	7,048		50%
Guangzhou Li Tong Messe Frankfurt Co. Ltd., Guangzhou/China <sup>9 19 20</sup>	1,961	1,651		55%
Messe Frankfurt New Era Business Media Ltd., Hong Kong/China <sup>10 19 20</sup>	-678	-1,690		100%
Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China <sup>12 19 20</sup>	848	63		100%
Messe Frankfurt Traders-Link (Beijing) Co. Ltd., Beijing/China <sup>11 19 20</sup>	-320	0		70%
Mesago Messe Frankfurt Corp., Tokyo/Japan <sup>6 19 20</sup>	3,115	2,729		100%
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai/India <sup>6 19 20</sup>	7,877	1,292		100%
Messe Frankfurt Korea Ltd., Seoul/South Korea <sup>13 19 20</sup>	1,317	463		80%
Messe Frankfurt Inc., Atlanta/USA <sup>3 20</sup>	-744	-732		100%
PAACE Automechanika Mexico LLC, Georgia/USA <sup>14 20</sup>	-11	185		50%
Messe Frankfurt México S. de R. L. de C. V., Mexico City/Mexico <sup>3 20</sup>	350	-233		100%
Messe Frankfurt Feiras Ltda., São Paulo/Brazil <sup>3 20</sup>	-370	-29		100%
Indexport Messe Frankfurt S. A., Buenos Aires/Argentina <sup>15 20</sup>	1,733	1,682		85%
Messe Frankfurt South Africa (Pty) Ltd., Johannesburg/South Africa <sup>16 20</sup>	533	137		78%

\*) Equity was translated at historical exchange rates or at the corresponding middle spot rates, depending on the item, and expenses and income were translated at middle spot exchange rates.

- <sup>1</sup> 100% subsidiary of Messe Frankfurt GmbH, Frankfurt am Main/Germany.  
<sup>2</sup> 100% subsidiary of Messe Frankfurt Venue GmbH, Frankfurt am Main/Germany.  
<sup>3</sup> 100% subsidiary of Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany.  
<sup>4</sup> The company was merged with MESAGO Messe Frankfurt GmbH, Stuttgart/Germany as per 1.1.2017.  
<sup>5</sup> 75% subsidiary of MESAGO Messe Frankfurt GmbH, Stuttgart/Germany.  
<sup>6</sup> 100% subsidiary of Messe Frankfurt Asia Holding Ltd., Hong Kong/China.  
<sup>7</sup> 100% subsidiary of Messe Frankfurt (H. K.) Ltd., Hong Kong/China.  
<sup>8</sup> 50% subsidiary of Messe Frankfurt (H. K.) Ltd., Hong Kong/China.  
<sup>9</sup> 55% subsidiary of Messe Frankfurt (H. K.) Ltd., Hong Kong/China.  
<sup>10</sup> 100% subsidiary of Messe Frankfurt (H. K.) Ltd., Hong Kong/China.  
The company has a branch office in Taiwan.  
<sup>11</sup> 70% subsidiary of Messe Frankfurt (H. K.) Ltd., Hong Kong/China.

- <sup>12</sup> 100% subsidiary of Messe Frankfurt New Era Business Media Ltd., Hong Kong/China.  
<sup>13</sup> 80% subsidiary of Messe Frankfurt Asia Holding Ltd., Hong Kong/China.  
<sup>14</sup> The company is a joint venture between Messe Frankfurt Inc., Atlanta/USA, and the American cooperation partners for the purpose of holding PAACE Automechanika Mexico.  
<sup>15</sup> 85% subsidiary of Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany.  
<sup>16</sup> 78% subsidiary of Messe Frankfurt Exhibition GmbH, Frankfurt am Main/Germany.  
<sup>17</sup> Before profit/loss transfer.  
<sup>18</sup> After apportionment of income tax.  
<sup>19</sup> These are the individual companies of the corresponding sub-groups.  
<sup>20</sup> Equity and earnings were derived from the HB II Reporting Package (Intercompany relationships).  
<sup>21</sup> Data gleaned from the audited single-entity financial statements.  
<sup>22</sup> 50% subsidiary of O. O. O. Messe Frankfurt RUS, Moscow/Russia.

## Consolidated cash flow statement of Messe Frankfurt GmbH

	2016 in € '000	2017 in € '000
<b>Consolidated net income for the financial year</b>	49,804	40,510
Depreciation, amortisation and write-downs (+) of fixed assets	52,215	49,904
Increase (+)/decrease (-) in provisions	10,844	-3,101
Other non-cash expenses (+) and income (-)	-5,374	-8,012
Increase (-)/decrease (+) in inventories	-1,174	694
Increase (-)/decrease (+) in trade receivables and other assets not attributable to investing or financing activities	-8,209	-26,815
Increase (+)/decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	14,763	6,553
Proceeds (-)/expense (+) from disposal of fixed assets	293	1,025
Interest expense (+)/interest income (-)	46	2,003
Other investment income (-)	-1	-2
Interest received (+)/paid (-)	1,946	1,093
Income tax expense (+)/income tax income (-)	19,465	15,114
Income taxes paid	-13,478	-14,431
<b>Cash flows from operating activities</b>	<b>121,140</b>	<b>64,535</b>
Intangible fixed assets/tangible fixed assets		
- Capital expenditures	-101,615	-110,199
- Proceeds from disposal of fixed assets	273	47
Payments for acquisition of consolidated companies	-584	0
Balance between cash inflows/outflows from financial investments (securities held as current assets)	32,760	3,913
Interest received (+)	633	9
Dividends received (+)	1	3
<b>Cash flows from investing activities</b>	<b>-68,532</b>	<b>-106,227</b>
Cash payments (-) to the owners of Messe Frankfurt GmbH and minority shareholders	-18,327	-17,773
Cash repayments (-) of bank loans	-57,642	0
Cash proceeds (+) from bank borrowings	0	90,000
Interest paid (-)	-2,625	-202
<b>Cash flows from financing activities</b>	<b>-78,594</b>	<b>72,025</b>
<b>Net change in cash funds</b>	<b>-25,986</b>	<b>30,333</b>
Effect on cash funds of changes in the reporting entity structure		0
Cash funds at beginning of period	164,721	138,735
<b>Cash funds at end of period</b>	<b>138,735</b>	<b>169,068</b>



## Consolidated statement of changes in equity of Messe Frankfurt GmbH

	Equity of the parent in € '000							Minority interests in € '000			Group equity in € '000		
	Subscribed capital	Capital reserves	Revenue reserves	Total	Currency translation differences	Profit brought forward	Consolidated net income for the fi- nancial year (attributable to parent)	Total	Before currency translation differences	Currency translation differences apportionable thereto	Profit apportionable thereto	Total	Total
<b>At 31.12.2016</b>	<b>180,000</b>	<b>112,149</b>	<b>83,596</b>	<b>195,745</b>	<b>-38</b>	<b>123,441</b>	<b>0</b>	<b>499,148</b>	<b>5,751</b>	<b>855</b>	<b>0</b>	<b>6,606</b>	<b>505,754</b>
Redemption of shares	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital increase from company resources	0	0	0	0	0	0	0	0	0	0	0	0	0
Called/cash receipts of previously uncalled contributions	0	0	0	0	0	0	0	0	0	0	0	0	0
Allocation to reserves	0	0	64	64	0	-64	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	-13,000	0	-13,000	-4,773	0	0	-4,773	-17,773
Currency translation	0	0	0	0	-4,796	0	0	-4,796	0	-321	0	-321	-5,117
Other changes	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation reserve minority interests	0	0	0	0	0	0	0	0	3,411	0	0	3,411	3,411
Changes in the basis of consolidation	0	0	0	0	0	0	0	0	-96	0	0	-96	-96
Consolidated net income for the financial year	0	0	0	0	0	0	36,604	36,604	0	0	3,906	3,906	40,510
<b>At 31.12.2017</b>	<b>180,000</b>	<b>112,149</b>	<b>83,660</b>	<b>195,809</b>	<b>-4,834</b>	<b>110,377</b>	<b>36,604</b>	<b>517,956</b>	<b>4,293</b>	<b>534</b>	<b>3,906</b>	<b>8,733</b>	<b>526,689</b>

# Supervisory Board of Messe Frankfurt GmbH

## **Peter Feldmann**

(Chairman)  
Executive Mayor, City of Frankfurt  
am Main, Frankfurt am Main

## **Tarek Al-Wazir**

(1st Vice Chairman)  
Hessian Minister of Economics, Energy,  
Transport and Regional Development,  
Wiesbaden

## **Wolfgang Dimmer**

(2nd Vice Chairman)  
Chairman of the Works Council  
of Messe Frankfurt GmbH,  
Frankfurt am Main

## **Jörn Apfelstädt**

Chairman of the Works Council  
of Accente Gastronomie Service  
GmbH, Frankfurt am Main

## **Uwe Becker**

Mayor and Treasurer of the City of  
Frankfurt am Main, Frankfurt am Main

## **Peter Beuth**

Hessian Minister of the Interior  
and Sport, Wiesbaden

## **Britta Böcher**

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

## **Bernd Ehinger**

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

## **Markus Frank**

Councillor of the City  
of Frankfurt am Main,  
Frankfurt am Main

## **Dr Christine Hohmann- Dennhardt**

(until 31 May 2017)  
Member of the Board of Volkswagen  
AG (until 31 January 2017), Wolfsburg

## **Mike Josef**

Councillor of the City of  
Frankfurt am Main,  
Frankfurt am Main

## **Jetta Katharina Junk**

IT specialist Messe Frankfurt GmbH,  
Frankfurt am Main

## **Alexander Kaiser**

Senior project manager MESAGO  
Messe Frankfurt GmbH, Stuttgart

## **Andreas Pipperek**

Director Project Research  
Messe Frankfurt GmbH,  
Frankfurt am Main

## **Dr Lutz Raettig**

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

## **Heinrich Riethmüller**

President of the Börsenverein  
des Deutschen Buchhandels e.V.  
(German Publishers & Booksellers  
Association), Frankfurt am Main

## **Christiane Rüdiger**

Director Application Management  
Messe Frankfurt GmbH,  
Frankfurt am Main

## **Dr Thomas Schäfer**

Hessian Minister of Finance,  
Wiesbaden

## **Manuel Stock**

Municipal Councillor of the City of  
Frankfurt am Main, Frankfurt am Main

## **Dr Jens Thiemer**

(from 1 June 2017)  
Vice President Marketing  
Mercedes-Benz Cars Daimler AG,  
Frankfurt am Main

## **Prof. Dr Martin Viessmann**

CEO of Viessmann Werke GmbH  
& Co. KG, Allendorf

# Auditors' report

We have audited the consolidated financial statements prepared by Messe Frankfurt GmbH, Frankfurt am Main – comprising the balance sheet, income statement, notes to the consolidated financial statements, cash flow statement and statement of changes in equity – and the group management report for the financial year from 1 January 2017 to 31 December 2017. The preparation of the consolidated financial statements and the group management report in compliance with the provisions set forth under German commercial law is the responsibility of 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 German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW, Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit such that misstatements and violations materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report can be detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the amounts and disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the companies included in consolidation, the determination of entities to be included in the consolidation, the accounting and consolidation principles used and significant estimates made by management, 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 audit opinion.

Our audit has not led to any reservations.

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

Frankfurt am Main, 7 May 2018

Mazars GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft (Auditors)

Jörg Maas  
German Public Auditor

Marco Bergmann  
German Public 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 ordinary meetings in the 2017 financial year.

## Activities of the Supervisory Board

The Supervisory Board was concerned with the current business development and corporate planning. Discussions and resolutions focused on the company strategy, current national and international business developments and the economic position of the company.

In addition to regular reporting, the following issues were the subject of detailed discussions and – where necessary – appropriate resolutions were passed:

- In March 2017, financial accounting irregularities at the Dubai branch office of Messe Frankfurt Middle East GmbH became known. At its meetings, the Supervisory Board dealt in detail with the clarification of the facts and the measures to be taken. In addition, the Supervisory Board also received written reports outside its meetings on the status of the clarification and implementation of the measures taken.
- The Supervisory Board dealt with the project development (development and sale of part of a plot) of land owned by Messe Frankfurt on Europa-Allee, Frankfurt am Main, and tabled its resolution to the shareholders.
- The Supervisory Board discussed the acquisition by Messe Frankfurt (H.K.) Ltd., Hong Kong, of 70 percent of the shares in a company to be newly founded to host the Auto Maintenance & Repair, Beijing event, and the acquisition of 100 percent of the shares in Forest Exhibitions Ltd., Birmingham, by Messe Frankfurt Exhibition GmbH, and tabled its resolution to the shareholders.
- In addition, the Supervisory Board approved the acquisition by Messe Frankfurt of 100 percent of the assets of Middle East Cleaning Technology Week (MECTW) and the conclusion of a contractual joint venture between Messe Frankfurt Middle East GmbH and the original owner.
- The Supervisory Board also dealt with the Act on the Equal Participation of Women and Men in Executive Positions in the Private and Public Service and with the application of the principles under Section 4 of the Hessian Equal Rights Act as it applies to human resources management (Section 2 (3) HGIG).

## Work of the committees

The work of the Supervisory Board was facilitated by the preparation and support of the committees. The committee chairpersons reported regularly 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 significant financial or strategic relevance. The Investment Committee held three meetings during fiscal 2017.

At its meetings, it gave detailed attention to business transactions and the economic situation, as well as to the annual financial statements of the subsidiaries and investments in associates of Messe Frankfurt Exhibition GmbH. Furthermore, the aforementioned irregularities in the financial accounting of Messe Frankfurt Middle East, Dubai branch office, the acquisition of shares in the new company in Beijing and Forest Exhibitions Ltd. and the acquisition of 100 percent of the assets of MECTW and the conclusion of the contractual joint venture were discussed.

The Financial and Audit Committee met for two regular meetings during the 2017 financial year. At its meetings, it discussed the business transactions and economic development of Messe Frankfurt Venue GmbH and its subsidiaries, Messe Frankfurt Exhibition GmbH, Messe Frankfurt GmbH and the Messe Frankfurt Group. With respect to the aforementioned companies, the Finance and Audit Committee also examined in detail the annual financial statements and the consolidated financial statements, as well as the management reports of the individual entities and the group. Furthermore, the Committee also gave consideration to the aforementioned irregularities in the financial accounting of Messe Frankfurt Middle East, Dubai branch office.

The Building Committee convened once in the 2017 financial year. At its meeting, it focused on current building projects relating to the development of the exhibition grounds, in particular the construction of the new Hall 12 and the development of the Plot 42a site.

## 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 annual financial statements

The single-entity annual financial statements of Messe Frankfurt GmbH and the consolidated financial statements for the year ended 31 December 2017 have been examined and issued an unqualified audit opinion by Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft. The audit contract was awarded by the Chairman of the Supervisory Board in accordance with the resolution passed by the shareholders, the City of Frankfurt am Main and the State of Hesse, on 7 and 30 August 2017.

The single-entity and consolidated annual 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 auditor.

The Financial and Audit Committee discussed the single-entity financial statements of Messe Frankfurt GmbH and the consolidated financial statements, the management reports as well as the audit reports at its meeting of 11 June 2018 in the presence of the auditors and recommended that the Supervisory Board approve the financial statements. At the meeting of 18 June 2018, the Chairperson of the Financial and Audit Committee commented on the recommendation and submitted its proposal to the Supervisory Board, which extensively reviewed the single-entity and consolidated financial statements and management reports at its financials meeting on 18 June 2018 in the presence of the auditor, who reported on the key audit findings.

Furthermore, the Financial and Audit Committee and the Supervisory Board read and took note of the reports of the auditor, Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, on its review of the appropriateness of the management and the economic situation pursuant to Section 53 of the German Law on Budgetary Principles (HGrG) for the 2017 reporting period.

The auditor concluded that the Executive Board has established a risk management system according to the statutory provisions which allows developments that could place the continued development of the company at risk to be identified at an early stage.

As recommended by the Financial and Audit Committee, the Supervisory Board has approved the findings of the audit of the financial statements and recommended that the General Meeting adopt the single-entity annual financial statements of Messe Frankfurt GmbH and the consolidated financial statements for the year ended 31 December 2017 and approve and accept the report of the Executive Board on the position of Messe Frankfurt GmbH and the group for the 2017 financial year.

#### Personnel matters

By resolution of the shareholders dated 5 and 12 May 2017, Dr Christine Hohmann-Dennhardt was dismissed from the Supervisory Board of Messe Frankfurt GmbH with effect from 31 May 2017 and Dr Jens Thiemer was appointed to the Supervisory Board with effect from 1 June 2017.

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 the successful 2017 financial year.

Frankfurt am Main, 18 June 2018  
For the Supervisory Board

Peter Feldmann  
Chairman

#### Editors-in-chief

Sarah Stanzel  
Jörg Seyffart

#### Editors

Markus Quint (CvD)  
Julia Gewehr  
Nadine Philipp  
Anne-Kathrin Salajka  
Gabriele Wehrl

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

Iris Jeglitza-Moshage

#### Photographs and illustration

Pietro Sutura Photography (p. 2/3)  
Doro Spiro (p. 9)  
Deutsche Bahn AG (p. 11)  
Crazy J Photography (p. 13)  
Salt & Silver (p. 17)  
Lea Moser Fotografie (p. 19)  
sarahvanbelle.be (p. 21)  
Jens Liebchen (p. 25)  
European Space Agency ESA,  
Lift Off (p. 27)  
Rosenthal GmbH (p. 29)  
Jochen Günther Fotografie (p. 31)  
KEYSTONE/Peter Klaunzer (p. 33)  
Doro Spiro (p. 35)  
dtms GmbH (p. 37)

#### Editorial review

Kirsten Skacel

#### English translation

Jan Wheeler, Saarbrücken  
Simone Conrad, Saarbrücken

#### Concept, design, copy and illustration

one/one Berlin / Bremen / Amsterdam

#### Print production

Messe Frankfurt Medien  
und Service GmbH  
Publishing Services

#### Print

Schleunungdruck GmbH  
Eltertstraße 27  
97828 Marktheidenfeld  
Germany

#### Paper

Cover: Algro Design Duo, 360 g/m<sup>2</sup>  
Inside pages: Arctic the Volume 150 g/m<sup>2</sup>

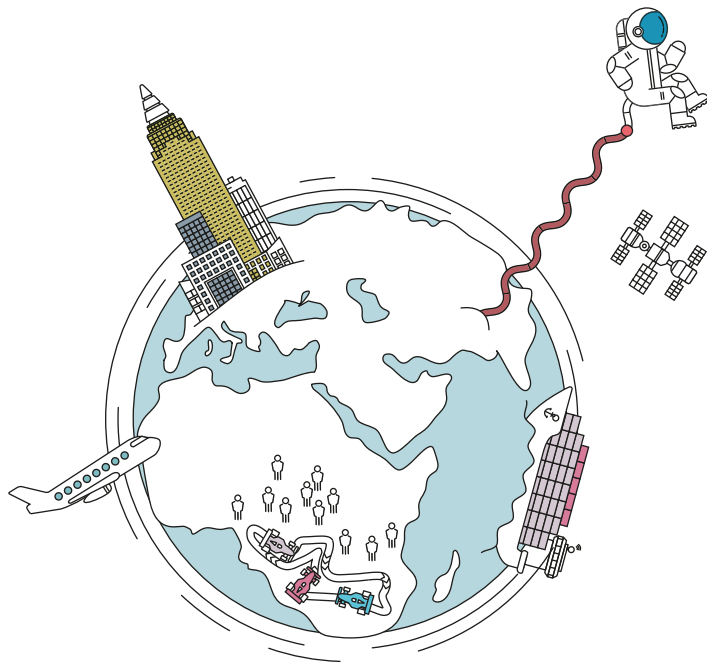
#### Print run

4,000 in two editions  
(German and English)

#### Editorial team address

Messe Frankfurt GmbH  
Corporate Communications  
Ludwig-Erhard-Anlage 1  
60327 Frankfurt am Main  
Germany  
Telephone + 49 69 75 75 - 66 75  
Telefax + 49 69 75 75 - 9 66 75  
corporate.communications@  
messefrankfurt.com





**Messe Frankfurt GmbH**

Ludwig-Erhard-Anlage 1

60327 Frankfurt am Main

Germany

Telephone + 49 69 75 75 - 0

Telefax + 49 69 75 75 - 64 33

[info@messefrankfurt.com](mailto:info@messefrankfurt.com)

[www.messefrankfurt.com](http://www.messefrankfurt.com)