

Annual Report 2013

Messe Düsseldorf Group

Annual Report 2013 Messe Düsseldorf Group

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Shareholders and Board of Management

of Messe Düsseldorf GmbH

Shareholders

	€ '000	Proportion of capital held
City of Düsseldorf	8,829	56.50 %
Industrieterrains Düsseldorf-Reisholz AG, Düsseldorf	3,125	20.00 %
The Land of North Rhine-Westphalia via its holding company Beteiligungsverwaltungsgesellschaft des Landes Nordrhein-Westfalen mbH, Düsseldorf	3,125	20.00 %
The Düsseldorf Chamber of Industry and Commerce	273	1.75 %
The Düsseldorf Chamber of Handicrafts	273	1.75 %
Nominal capital	15,625	100.00 %

Managing Board

Dipl.-Betriebswirt Werner M. Dornscheidt	CEO, Chairman of the Managing Board	Düsseldorf
Joachim Schäfer, MICS, MCP		Düsseldorf
Dipl.-Kaufmann Bernhard J. Stempfle, MBA		Düsseldorf
Dipl.-Kaufmann Hans Werner Reinhard	Deputy Managing Director	Düsseldorf

Supervisory Board

of Messe Düsseldorf GmbH

Supervisory Board of Messe Düsseldorf GmbH in 2013

In the business year under review, the Company's Supervisory Board was made up as follows:

Chairman

Dirk Elbers, Mayor of Düsseldorf, capital of the Land of North Rhine-Westphalia

Vice-Chairpersons

Dipl.-Volkswirtin Gudrun Hock, Deputy Mayor of Düsseldorf

Dipl.-Kaufmann Hartmut Haubrich, Honorary member of the general meeting of Düsseldorf Chamber of Industry and Commerce – up to 07.05.2013

Prof. Dr. h.c. Wolfgang Schulhoff, President of the Düsseldorf Chamber of Handicrafts – as from 07.05.2013

Christina Hertrich, Commercial employee (retired), Messe Düsseldorf GmbH

Members

Uwe Balzer, Facility manager, Messe Düsseldorf GmbH

Dr.-Ing. E.h. Wolfgang R. Bays, Vice-President of Düsseldorf Chamber of Industry and Commerce – as from 07.05.2013

Dr. Jens-Jürgen Böckel, Member of the Board of Management of the Tengelmann Group holding company

Bernd Bresgen, Qualified bank clerk, Messe Düsseldorf GmbH

Karl-Uwe Bütof, Chief of Division in the Land of North Rhine-Westphalia's Ministry of Economics, Energy, Industry, Small to Medium-Sized Enterprises and Craft Industries

Friedrich G. Conzen, Businessman, Deputy Mayor of Düsseldorf

Ulrich Dreckmann, Commercial employee, Messe Düsseldorf GmbH

Andreas Hartnigk, Lawyer, Member of Düsseldorf City Council

Volker Höhfeld, Lawyer

Ursula Holtmann-Schnieder, Member of Düsseldorf City Council

Dr. Günther Horzetzky, Undersecretary in the Land of North Rhine-Westphalia's Ministry of Economics, Energy, Industry, Small to Medium-Sized Enterprises and Craft Industries

Dipl.-Sozialarbeiter Günter Karen-Jungen, Member of Düsseldorf City Council

Dipl.-Kauffrau Claudia Laskowski, Commercial employee, Messe Düsseldorf GmbH

Klaus-Heiner Lehne, Lawyer, MEP

Dr. Steffen Neumann, Chief of Division in the Land of North Rhine-Westphalia's Ministry of Finance

Gabriele Schafer, Commercial employee, Messe Düsseldorf GmbH

Dr. Marie-Agnes Strack-Zimmermann, Deputy Mayor of Düsseldorf

Facts and Figures on the Performance

of Messe Düsseldorf GmbH

		2009	2010	2011	2012	2013
Total capacity*	sq. m.	305,700	305,700	305,700	305,700	305,400
Available hall space	sq. m.	262,700	262,700	262,700	262,700	262,400
Available open-air space	sq. m.	43,000	43,000	43,000	43,000	43,000
Space utilization*	sq. m. (gross)	1,751,900	2,168,700	2,152,500	2,101,300	1,737,287
Space rented out**	sq. m. (net)	975,215	1,158,327	1,204,648	1,219,626	979,346
Fairs and exhibitions**	total	32	40	38	37	29
Own events**		14	24	21	23	18
Partner/guest events		18	16	17	14	11
Total consolidated sales	€ million	255.5	335.0	372.7	380.5	322.9
Consolidated sales (Germany)	€ million	150.9	228.0	270.2	265.8	210.0
Consolidated sales (foreign)	€ million	104.6	107.0	102.5	114.7	112.9
Consolidated annual profit	€ million	19.1	13.3	39.4	40.6	14.0
Group workforce		1,411	1,286	1,253	1,250	1,212
Exhibitors**	total	21,961	27,935	28,000	27,988	25,126
Exhibitors (German-based)**		9,884	12,115	11,722	11,380	9,662
Exhibitors (foreign-based)**		12,077	15,820	16,278	16,608	15,464
Visitors**	total	1,124,704	1,445,247	1,406,436	1,452,077	1,194,674
Visitors from Germany**		853,511	1,010,221	969,433	958,024	837,852
Visitors from abroad**		271,193	435,026	436,993	494,053	356,822
Düsseldorf Congress Sport & Event GmbH						
Event days		344	317	322	309	330
Events		2,471	2,410	2,816	3,041	3,189
Participants		2,419,000	1,816,749	1,971,506	2,121,426	2,025,498

* Düsseldorf site – Due to the differing numbers of events, the annual figures are only partly comparable.

** 2013 – Including Energy Storage and INTERNATIONAL THERMPROCESS SUMMIT (ITPS)

Events Organized

by Messe Düsseldorf GmbH in 2013

	Exhibitors German-based	Exhibitors foreign-based	Exhibitors total	Net exhibition space in sq.m., not counting special areas	Visitors total	Visitors Of which foreign visitors
A+A	519	1,088	1,607	60,696	63,493	26 %
BEAUTY DÜSSELDORF	493	101	594	22,097	61,177	7 %
boot-Düsseldorf	895	783	1,678	86,712	219,186	17 %
CARAVAN SALON DÜSSELDORF	369	162	531	86,629	176,120	12 %
COMPAMED*	243	442	685	11,964	0	0 %
EuroCIS	163	72	235	6,912	7,059	37 %
GDS**	553	1,123	1,676	71,093	37,610	44 %
GLOBAL SHOES**	2	635	637	18,655	10,496	75 %
K	1,061	2,159	3,220	171,245	217,423	59 %
MEDICA***	1,078	3,604	4,682	116,092	132,226	56 %
ProWein	858	3,934	4,792	51,919	45,168	43 %
REHACARE INTERNATIONAL	423	331	754	23,067	39,821	12 %
TOP HAIR INTERNATIONAL	144	36	180	6,373	31,797	10 %
TourNatur	176	55	231	3,920	33,476	2 %
Other events****	2,685	939	3,624	241,972	119,622	
Sum total	9,662	15,464	25,126	979,346	1,194,674	

* Included in MEDICA visitor total ** Biannual event

*** Including visitors to COMPAMED **** Including Energy Storage and ITPS

Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2013

Assets	31.12.2013	31.12.2012
	€'000	€'000
Fixed assets		
Intangible assets		
Concessions, industrial and similar rights and assets, and licences in such rights and assets	7,628	8,325
Advance payments made	141	185
	7,769	8,510
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	279,850	262,711
Other equipment, factory and office equipment	9,725	10,108
Advance payments made and assets under construction	8,362	17,791
	298,937	290,610
Financial assets		
Shares in affiliated enterprises	3,868	3,868
Loans to affiliated enterprises	13,724	14,162
Participations	286	286
Other loans	32	50
	17,910	18,366
	324,616	317,486
Current assets		
Inventories		
Raw materials, auxiliary materials and supplies	73	95
Receivables and other assets		
Trade receivables	9,209	5,987
Receivables from affiliated enterprises	912	3,549
Receivables from shareholders	2	0
Receivables from enterprises in which participations are held	1,755	990
Other assets	6,725	5,706
	18,603	16,232
Cash-in-hand, bank balances and cheques	138,417	98,725
	157,093	115,052
Prepaid expenses	6,814	6,019
	488,523	438,557

Equity and liabilities	31.12.2013	31.12.2012
	€'000	€'000
Equity		
Subscribed capital	15,625	15,625
Capital reserves	111,398	111,398
Revenue reserves	83,939	83,939
Distributable profit	45,928	49,921
	256,890	260,883
Accruals		
Accruals for pensions and similar obligations	16,149	15,714
Tax accruals	9,793	12,572
Other accruals	48,168	44,427
	74,110	72,713
Liabilities		
Liabilities to banks	30,128	45,285
Advance payments received in respect of orders	88,082	17,088
Trade payables	23,218	13,542
Payables to shareholders	14	18,031
Payables to affiliated enterprises	10,147	8,375
Other liabilities	5,934	2,640
(of which taxes: € 766k; previous year € 630k)		
(of which relating to social security and similar obligations: € 0k; previous year € 2k)		
	157,523	104,961
	488,523	438,557

Income Statement

of Messe Düsseldorf GmbH for the Period from 1 January to 31 December 2013

	31.12.2013	31.12.2012
	€'000	€'000
Sales	257,759	308,602
Own work capitalized	171	52
Other operating income		
(including € 8k due to currency conversion; previous year: € 2k)	7,592	8,900
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	-9,722	-8,650
b) Cost of purchased services	-133,585	-147,300
	-143,307	-155,950
Human resources expenses		
a) Wages and salaries	-38,613	-37,964
b) Social security charges and costs of retirement pensions and other welfare benefits	-10,054	-9,456
(including € 3,976k for retirement pensions; previous year: € 3,518k)		
	-48,667	-47,420
Depreciation on intangible and tangible fixed assets	-17,216	-26,444
Other operating expenses	-41,559	-44,622
(including other taxes: € 1,717k; previous year: € 1,824k)		
(including € 6k due to currency conversion; previous year: € 35k)		
Income from participations	3,450	3,630
(including € 3,450k from affiliated enterprises; previous year: € 3,630k)		
Income from long-term loans	664	668
(including € 662k from affiliated enterprises; previous year: € 666k)		
Other interest and similar income	837	1,510
(including € 3k from affiliated enterprises; previous year: € 23k)		
Interest and similar expenses	-2,741	-4,200
(including € 3k paid to affiliated enterprises; previous year: € 63k)		
(including € 857k impact on interest due to the valuation of accruals; previous year: € 859k)		
Net income from ordinary activities	16,983	44,726
Taxes on income and profits	-6,049	-16,482
Net income for the year	10,934	28,244
Profit brought forward from the previous year	34,994	21,677
Distributable profit	45,928	49,921

Movements in the Fixed Assets

of Messe Düsseldorf GmbH in the 2013 Business Year

	Cost of acquisition/manufacture				Status at 31.12.2013 €'000
	Status at 1.1.2013 €'000	Additions €'000	Reclassi- fications €'000	Retire- ments €'000	
Intangible assets					
Concessions, industrial and similar rights and assets, and licences in such rights and assets	37,084	974	187	212	38,033
Advance payments made	185	140	-184	0	141
	37,269	1,114	3	212	38,174
Tangible assets					
Land, land rights and buildings including buildings on third-party land	723,968	13,705	16,033	23	753,683
Other equipment, factory and office equipment	50,270	2,152	260	1,025	51,657
Advance payments made and assets under construction	17,791	7,867	-16,296	0	9,362
	792,029	23,724	-3	1,048	814,702
Financial assets					
Shares in affiliated enterprises	62,023	0	0	0	62,023
Loans to affiliated enterprises	14,162	0	0	438	13,724
Participations	12,244	0	0	0	12,244
Loans to enterprises in which participations are held	0	0	0	0	0
Other loans	50	0	0	18	32
	88,479	0	0	456	88,023
Total	917,777	24,838	0	1,716	940,899

Depreciation				Book values		
Status at 1.1.2013 €'000	Additions €'000	Reclasi- fications €'000	Retire- ments €'000	Status at 31.12.2013 €'000	Status at 31.12.2013 €'000	Status at 31.12.2012 €'000
28,759	1,859	0	213	30,405	628	8,325
0	0	0	0	0	141	185
28,759	1,859	0	213	30,405	7,769	8,510
461,257	12,581	0	5	473,833	279,850	262,711
40,162	2,776	0	1,006	41,932	9,725	10,108
0	0	0	0	0	9,362	17,791
501,419	15,357	0	1,011	515,765	298,937	290,610
58,155	0	0	0	58,155	3,868	3,868
0	0	0	0	0	13,724	14,162
11,958	0	0	0	11,958	286	286
0	0	0	0	0	0	0
0	0	0	0	0	32	50
70,113	0	0	0	70,113	17,910	18,366
600,291	17,216	0	1,224	616,283	324,616	317,486

Notes to the Balance Sheet and Income Statement

of Messe Düsseldorf GmbH

I. General principles

The annual financial statements of Messe Düsseldorf GmbH have been prepared in compliance with the mercantile law provisions relating to large joint-stock companies.

For the Income Statement, the total costs (type of expenditure) method has been opted for. The peculiarities of trade fair business have been taken into account.

II. Accounting and valuation policies

Purchased intangible assets are reported at their acquisition cost less the scheduled depreciation charge. Depreciation is based on the straight-line method, taking the normally-applicable useful life of the asset into account.

Tangible assets are valued at acquisition or manufacturing costs and, provided their useful life is limited in time, scheduled depreciation is deducted. If necessary, additional depreciation is applied based on the value appropriate for the assets on the balance-sheet date.

Buildings are depreciated mainly on a straight-line basis, but in one case the double declining-balance method is used. Investments in extensions to buildings are depreciated in accordance with an elevated assessment basis or so as to match the whole building's remaining useful life.

Since 1.1. 2001, the straight-line method has been used for depreciation on additions to movable assets. Straight-line depreciation is calculated pro rata temporis.

Low-value assets with a maximum value of between EUR 52 and EUR 410 are written off fully in the year of acquisition and are simultaneously reported as a retirement in the fixed assets movements schedule. Additions to low-value assets with a value of between EUR 150 and EUR 1,000 in the 2008 and 2009 business years were capitalized in an aggregate item and written off over a period of five years.

Shares in affiliated companies and participations are carried at cost of acquisition or at such lower value as may be appropriate.

Shares in foreign subsidiaries are valued on the basis of a currency conversion at the appropriate historical rates of exchange or at such lower value as may be appropriate.

Loans are shown at their nominal value less any principal repaid. Write-downs are made to the extent required to reflect any identifiable risks. Inventories are shown at fixed values. In the year under review, the fixed values were reduced.

Receivables and other assets are shown at their nominal value. Appropriate individual write-downs have been applied to trade receivables in order to cover the overall risk of non-payment. Interest-free receivables with a remaining term of more than one year are discounted as from the balance-sheet date.

Following a recommendation of the Supervisory Board, in the general meeting held on 7.5.2013 the shareholders passed a resolution to the effect that an amount of EUR 14,927k from the net income deriving from 2012 be distributed with effect from 1.9.2013. The remaining net income for the year, amounting to EUR 13,317k, was carried forward to new account. The 2013 distributable profit figure includes an amount totalling EUR 34,995k consisting of profit brought forward from previous years.

The asset-value of accruals for pensions is established on the basis of actuarial principles following the projected unit credit method (PUC method), and also applying the 2005 G standard tables of Dr. Klaus Heubeck. Accruals for pensions are discounted at a flat rate, this being the average market interest rate of the last seven years, applicable to an assumed remaining term of 15 years, as published by the Deutsche Bundesbank (German Federal Bank) for the month of December 2013. This interest rate amounts to 4.89 (previous year 5.04) percent. The calculation following the PUC method is based on the following assumptions regarding trends:

- Trend in wages and salaries: 2.7 percent (previous year: 2.7 percent)
- Trend in the earnings ceiling for social security contributions: 2.7 percent (previous year: 2.7 percent)
- Trend in pensions: 1.7 percent (previous year: 1.7 percent)
- Fluctuation: 1.0 percent (previous year: 1.0 percent)

All other accruals have been set up at a required payment level that takes account of all identifiable risks on the basis of a prudent business assessment. Accruals with a remaining term of more than one year are discounted on the basis of the actuarial interest rates published by the Deutsche Bundesbank.

Liabilities are stated at the amounts repayable. The advance payments received mainly relate to trade fairs and events scheduled for subsequent years.

Receivables and liabilities in foreign currencies are entered in the accounts at the rate of exchange applicable at the time, and are then valued at year-end at the rate applicable on the closing date. As regards receivables and liabilities with a remaining term of more than one year, the principle of lowest value or highest value is applied, as the case may be.

When deferred taxes are accounted for, deferred tax assets exceed liabilities. This is due in particular to differences between tax-law and commercial-law valuations of shares in affiliated enterprises, participations and accruals, based on a tax rate of 31.23 percent. The option provided for in § 274 subsection 1 sentence 2 HGB (Commercial Code) of capitalizing the surplus in deferred tax assets was waived when the pertinent right of option was exercised.

III. Explanatory notes on the Balance Sheet

Fixed assets

Apart from purchased software, the intangible assets mainly consist of rights to the use of a public highway, rights to the use of the power supply grid of Stadtwerke Düsseldorf AG, and rights to the use of trade fair themes. The additions to this item mainly relate to purchased software. The additions to tangible assets are primarily attributable to the renovation of Hall 12. The payments made on account and assets under construction mainly concern the Hall 10 conversion project.

The retirements in the sphere of intangible assets relate primarily to software that is no longer used. As regards tangible assets, retirements mainly result from the retirement of hard-

ware and kitchen equipment. The retirements from loans to affiliated enterprises relate to the Veletrhy Brno a.s. (VB) proprietors' loan.

For further details, the reader is referred to the fixed assets movements schedule attached to the Notes to the Financial Statements as Annex I.

The list of subsidiaries and other holdings is attached to the Notes as Annex II.

Receivables and other assets

Trade receivables have a remaining term amounting to less than one year.

In the receivables from affiliated enterprises and receivables from enterprises in which participations are held, trade receivables have been set off against trade payables. Furthermore, the receivables from affiliated enterprises include other assets amounting to EUR 784k.

Accruals

The Company's pension obligations to former managerial staff and two current managers are fully covered by pension accruals. In the year under review, these obligations led to a EUR 1,496k increase in pension accruals with a net impact on results. For employees who have been given no pension benefits promise an additional pension scheme is provided by the Rhenish Supplementary Pension Fund, Cologne.

The tax accruals mainly cover trade tax and corporation tax relating to the year under review and also accruals designed to cover tax audits.

The other accruals cover all identifiable risks and have been calculated on the basis of prudent commercial principles.

Accruals exhibited the following movements:

	1.1.2013	Amount utilized	Amount written back	Additions	31.12.2013
	€'000	€'000	€'000	€'000	€'000
1. Accruals for pensions and similar obligations	15,714	1,061	0	1,496	16,149
2. Tax accruals	12,572	8,650	440	6,311	9,793
3. Other accruals					
<i>Risks associated with order processing</i>					
Maintenance and repairs	2,004	1,864	140	1,323	1,323
Outstanding invoices	8,343	7,481	862	10,400	10,400
Accruals for event-related losses	0	0	0	795	795
Accrual for risks deriving from a subordination agreement	14,162	0	439	0	13,723
	24,509	9,345	1,441	12,518	26,241
<i>Human resources and the social sphere</i>					
Semiretirement scheme obligations	75	22	0	85	138
Accruals for vacations	1,520	1,520	0	1,668	1,668
Accruals for jubilee events	1,853	121	0	227	1,959
Accruals for bonuses	533	532	1	542	542
Miscellaneous accruals	284	186	0	0	98
	4,265	2,381	1	2,522	4,405
<i>Other accruals</i>					
Fiscal risks in foreign countries	14,750	0	0	1,900	16,650
Annual financial statements costs	327	320	7	296	296
Miscellaneous accruals	576	100	0	100	576
	15,653	420	7	2,296	17,522
	44,427	12,146	1,449	17,336	48,168
	72,713	21,857	1,889	25,143	74,110

Liabilities

Of total liabilities to banks, EUR 30,000k (previous year: EUR 45,000k) consisting of liabilities in the form of loans were secured by means of charges on real estate.

In the payables to affiliated enterprises and payables to enterprises in which participations are held, trade receivables have been set off against trade payables. Furthermore, the payables to affiliated enterprises include other liabilities deriving from a cash pool with IGEDO amounting to EUR 8,053k (previous year: EUR 9,673k).

The Company's liabilities at 31.12.2013 were classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term of		
		up to 1 year	up to 5 years	more than 5 years
	€'000	€'000	€'000	€'000
Liabilities to banks	30,128	128	30,000	0
Payments received on account	88,082	88,082	0	0
Trade payables	23,218	23,218	0	0
Payables to shareholders	14	14	0	0
Payables to affiliated enterprises	10,147	10,147	0	0
Other liabilities	5,934	5,443	383	108
	157,523	127,032	30,383	108

The liabilities at 31.12.2012 were classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term of		
		up to 1 year	up to 5 years	more than 5 years
	€'000	€'000	€'000	€'000
Liabilities to banks	45,285	15,285	30,000	0
Payments received on account	17,088	17,088	0	0
Trade payables	13,542	13,542	0	0
Payables to shareholders	18,031	7,422	8,487	2,122
Payables to affiliated enterprises	8,375	8,375	0	0
Other liabilities	2,639	2,150	389	100
	104,960	63,862	38,876	2,222

IV. Explanatory notes on the Income Statement

Sales

Business segment	2013	2012
	€'000	€'000
Domestic events	203,971	259,539
Foreign events	45,932	41,557
Other sales revenue	7,856	7,506
	257,759	308,602

The sales revenue from abroad stems mainly from events in Russia, the People's Republic of China, India, Brazil, and the United Arab Emirates (UAE).

Other operating income

Other operating income mainly consists of income deriving from write-backs of accruals and from the passing on of charges to affiliated enterprises and enterprises in which participations are held. In addition, in the year under review, a EUR 2,230k depreciation reserve with regard to an affiliated enterprise was written back. Furthermore, the item contains an amount of EUR 72k (previous year: EUR 270k) in the form of income not relating to the accounting period.

Event-related expenses

The differentiation between event-related expenditure and other operating expenses was effected via an assessment of the individual costs. The event-related expenditure consists of costs that are directly allocable to a cost unit. Deliveries of fabricated goods are recorded under "cost of raw materials, auxiliary materials and supplies, and of purchased merchandise". Construction work and other services are included in "cost of purchased services". It is mainly energy costs, costs of consumables and supplies, and expenditure on advertising materials that are shown under "cost of raw materials, auxiliary materials and supplies, and of purchased merchandise", whereas the "cost of purchased services" item mainly covers expenditure on commissions, stand construction services purchased, rental charges, and advertising expenditure.

Other operating expenses

In addition to exhibition site maintenance costs, the other operating expenses mainly consist of rental charges for premises, legal and consultancy expenses, expenditure on advertising and IT expenses, insurance policies, site security and cleaning services, and additions to accruals. The item contains EUR 3,904k (previous year: EUR 456k) in the form of expenditure not relating to the accounting period. The other taxes shown as part of this item amount to EUR 1,717k (previous year: EUR 1,824k).

Income from participations

Dividends paid by Messeturm Düsseldorf Verwaltungsgesellschaft mbH and GEC-German Exposition Corp. Int. GmbH are included under this heading.

Income from long-term loans

This item mainly covers interest from loans to Veletrhy Brno a. s. and from loans to staff.

Interest and similar expenditure

In addition to interest on loans and interest rate swap transactions, the item covers expenditure deriving from the discounting of accruals in the amount of EUR 857k (previous year: EUR 859k).

Taxes on income and profits

The item shows expenditure on corporation tax and trade tax for the business year under review, amounting to EUR 3,107k (previous year: EUR 7,793k) and EUR 2,750k (previous year: EUR 7,268k), respectively. Amounts totalling EUR 192k (previous year: refunds of EUR 1,421k) are shown in respect of expenditure on corporation tax and trade tax in previous years.

Appropriation of profits

The management proposes that a EUR 5.467k portion of the total distributable profit of EUR 10,934k should be paid out as a dividend, the remaining sum amounting to EUR 5,467k being carried forward to new account.

V. Other disclosures

Consolidated financial statements

In its capacity as the parent company, Messe Düsseldorf GmbH includes the following subsidiaries, in which it has either a direct or an indirect majority holding, fully in its consolidated financial statements:

- Veletrhy Brno a.s., Brno/Czech Republic
- Brno INN a.s., Brno/Czech Republic
- 000 Messe Düsseldorf Moscow, Moscow/Russia
- IGEDO Company GmbH & Co. KG, Düsseldorf
- Messe Düsseldorf China Ltd., Hong Kong/China
- Messe Düsseldorf (Shanghai) Co., Ltd., Shanghai/China
- Messe Düsseldorf North America Inc., Chicago/USA
- Messe Düsseldorf ASIA Pte. Ltd., Singapore
- Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf
- FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach

Furthermore, the Company's holding in Düsseldorf Congress Sport & Event GmbH, Düsseldorf, an associated company, is also included in the consolidated financial statements.

Human resources

In addition to the management, on average 638 (previous year: 632) wage-earners and salaried staff were employed during the business year. This number corresponds to a staff of 583 (previous year: 579) calculated on a full-time basis. In addition, the casual staff and apprentices employed numbered 152 (previous year: 200) and 19 (previous year: 17), respectively.

Transactions not included in the Balance Sheet

For financial reasons, in the business years from 1999 to 2003 two sale and lease-back transactions were carried out with FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach (abbreviated to FIXXUS), regarding real estate items hitherto owned by Messe Düsseldorf GmbH.

In 1999, Exhibition Hall 6 (multi-purpose hall) was sold to FIXXUS for a purchase price of EUR 87,520k and leased back at an annual leasing rate of EUR 6,549k. The leasing agreement runs till 30.09.2022. Furthermore, a right of purchase agreement was concluded with FIXXUS. In accordance with the latter, the right of purchase can be exercised by Messe Düsseldorf GmbH when the 22.5th rental year has elapsed since the beginning of the term of the leasing agreement. The agreement states that, if the right of purchase is exercised, an appropriate purchase price is to be paid, but at least the fiscal residual book value amounting to EUR 8,779k at the end of the 22.5th rental year.

In a contract dated 15.12.2003, Messe Düsseldorf GmbH sold FIXXUS part ownership rights relating to Messeturm B for a purchase price of EUR 12,000k. The annual rental payments amount to EUR 779k. The leasing agreement runs till 29.12.2023. The right of purchase agreement concluded under this contract gives Messe Düsseldorf GmbH a repurchase right when the 20th rental year has elapsed. An appropriate purchase price is to be paid, but at least the fiscal residual book value amounting to EUR 5,100k.

The leasing rates payable in future under the above leasing agreements amount to EUR 65,815k (previous year: EUR 73,184k).

Other financial obligations and contingent liabilities

On the balance-sheet date, the Company's purchase commitments totalled EUR 28,266k (previous year: EUR 20,496k).

Further obligations amounting to EUR 106k (previous year: EUR 46k) stemmed from the leasing rates payable in future based on leasing agreements; in addition, there were commitments totalling EUR 7,406k (previous year: EUR 10,182k) based on rental agreements and leases. Other financial obligations thus totalled EUR 73,327k (previous year: EUR 83,412k) on the balance-sheet date.

On the balance-sheet date, guarantees amounting, as in the past, to EUR 750k had been issued in favour of employees to cover employees' investment loans and to safeguard employee semiretirement schemes in the event of insolvency.

Messe Düsseldorf GmbH grants its employees benefits under the occupational pension scheme; for this purpose, employees have been insured with the Rhenish Supplementary Pension Funds, Cologne. To the best of our current knowledge, the institutional assets of the public supplementary pension funds and the contributions system in its existing structure do not adequately or completely cover the existing pension commitments of the employers participating in the scheme. The ensuing cover shortage comes to a substantial sum - a financial obligation that will hit public employers hard in future. The Supplementary Pension Fund (ZVK) contribution shown on the Income Statement under personnel expenses amounts to EUR 3,107k for the year under review (previous year: EUR 2,998k). The contribution amounts to 4.25 percent of the remuneration on which contributions are payable. In addition, a 3.5 percent financial reorganization charge is also imposed. The contribution rate can be regarded as remaining constant. The level of the financial reorganization charge is likely to increase even further pending the establishment of definitive capital cover for the supplementary pension system.

The possibility of claims being lodged on the basis of contingent liabilities is viewed as being relatively small.

Hedging policy and financial derivatives

Due to its being an internationally-operating company, the business operations and financial transactions of Messe Düsseldorf GmbH are exposed to financial risks. The risks involved may arise in particular as a result of interest rate changes and exchange rate fluctuations.

In accordance with the Company's risk management system, action is taken to limit these risks not only by identifying, analyzing and assessing them but also by using financial derivative instruments. Pursuant to a management directive, it is not permissible to use such derivatives for speculative purposes.

At 31.12.2013, Messe Düsseldorf GmbH had concluded a total of three (previous year: four) interest rate swap transactions designed to hedge against interest rate-related payment flow risks relating to variable-interest liabilities to banks - entered into for the purpose of financing capital projects - by establishing valuation units covering total borrowings of EUR 30,000k.

The valuation units set up relate to micro-hedge linkups in which the individual commitments to be hedged against the risk of interest-rate changes (base transactions) and the interest rate swaps belonging to each of the latter (hedging transactions) coincide in respect of the contractual components that determine their value (currency, nominal amount, term, interest payment dates, reference interest rate), thus establishing total compensation for the risk of interest-rate changes for each of the hedged liabilities over the remaining terms of the individual loans (extending from March 2013 to May 2017). The level of risk safeguarded depends on the future movements in the variable interest rates hedged against by the interest rate swaps.

The market value of the interest rate swaps not includable in the Balance Sheet on account of the valuation units established (loan-related transactions concluded) totalled EUR -3,252k (previous year: EUR -4,542k) at 31.12.2013.

Auditors' fees

In accordance with § 285 item 17 HGB (Commercial Code), the disclosure of auditors' fees has been waived, as the latter are included in the Company's consolidated financial statements.

Transactions contrary to market principles

No transactions contrary to market principles involving companies or persons close to the Company have been performed.

Disclosures regarding the Company's bodies

The remuneration paid to the Managing Board of Messe Düsseldorf GmbH in the business year totalled EUR 1,621k (previous year: EUR 1,608k). The remuneration paid to former members of the Managing Board and their surviving dependants amounted to EUR 1,061k (previous year: EUR 929k).

	Fixed salary	Variable annual emoluments	Other emoluments
	€'000	€'000	€'000
Dipl.-Betriebswirt Werner M. Dornscheidt, CEO, Chairman of the Managing Board	353.9	138.0	22.8
Joachim Schäfer, MICS, MCP, Executive Director	247.2	96.4	11.6
Dipl.-Kaufmann Bernhard J. Stempfle, Executive Director	247.2	96.4	12.0
Dipl.-Kaufmann Hans Werner Reinhard, Deputy Executive Director	195.0	76.1	11.3

For Mr Stempfle, expenditure amounting to EUR 99k was incurred for insurance policies; for Mr Reinhard, expenditure amounting to EUR 15k was incurred for an occupational retirement pension scheme.

In addition, expenditure amounting to EUR 398k was incurred for Messrs Dornscheidt and Schäfer based on allocations to pension accruals.

An accrual amounting to EUR 13,169k (previous year: EUR 13,132k) has been set aside to cover pension obligations to former members of the Managing Board and their surviving dependants.

Messe Düsseldorf GmbH Group Management Report

for the Business Year 2013

Business model

The present-day Messe Düsseldorf GmbH was founded on 7.1.1947 under the name of Nordwestdeutsche Ausstellungsgesellschaft mbH – NOWEA. Today, Messe Düsseldorf's product portfolio includes roughly 120 events encompassing a wide variety of sectors both at home and abroad and the Company employs a workforce of more than 1,200 worldwide. In terms of both sales and of floor space rented out, the Company ranks among the world's largest trade fair organizers.

Economic boundary conditions

Macroeconomic and sector-specific boundary conditions

In 2013, the world economy manifested some weakness in growth. The outlook for business activity in the leading industrial nations brightened up somewhat in the course of the calendar year, this trend being confirmed by figures in the real economy. Nevertheless, the Asian growth markets seem to have lost some of their momentum. Economic growth slackened especially in the most densely-populated countries of Asia – in China and India. The business trend in the USA was characterized by incertitude in the field of fiscal policy. The Russian economy looks back on a year of falling public expenditure, accompanied by a declining demand for consumer goods.

In Europe, the economic climate brightened up, with the crisis-prone economies building up some dynamism. Spain and Portugal are now on a course of expansion. In the fourth quarter of 2013, Italy again saw some growth compared with the previous quarter for the first time in over two years. Even Greece generated a current account surplus for the first time in 2013.

In 2013, weak global business trends acted as a brake on the German economy. Thanks to strong domestic consumption, after adjustment for inflation last year's gross domestic product was 0.4 percent up on the previous year's figure. Against this backdrop, Germany's supra-regional trade fairs enjoyed stable growth, with numbers of exhibitors increasing by almost 1 percent compared to those of the preceding events. At a figure of 2%, participation by foreign-based exhibitors expanded somewhat more. This increase reflects people's confidence in the climate for consumption and investment prevailing in Germany.

The Messe Düsseldorf Group's business performance

Sales and profits situation

In the 2013 business year, group sales decreased from EUR 380,536k to EUR 322,923k. This EUR 57,613k decrease in sales results from the fact that Messe Düsseldorf GmbH's business year was a relatively weak one due to trade fair cycles.

78 percent of consolidated sales, totalling EUR 322,923k, were generated by Messe Düsseldorf. The portion of sales accounted for by the other companies included in the consolidated financial statements was EUR 5,290k down on the previous year, at a figure of EUR 71,940k. On the whole, the foreign portion of consolidated sales was roughly 35 percent. The bulk of this was generated in the Czech Republic, Russia, and China.

The Group's net earnings for the year after tax amounted to EUR 14,033k (previous year: EUR 40,583k).

Net asset position and financial situation

Compared with the previous year, the Messe Düsseldorf Group's total assets increased by 4.6 percent to EUR 675,944k (previous year: EUR 645,628k). As in the past, the Group's asset position was predominantly characterized by its fixed assets, constituting 71.5 percent of total assets. Assets tied down in the long term are covered at a rate of 88.2 percent by funds available over the long term.

On the equity and liabilities side, Group equity fell from EUR 382,788k to EUR 374,696k. This corresponds to an equity ratio of 55.4 percent (previous year: 59.3 percent). Accruals rose by EUR 59k, to EUR 63,678k, compared to the previous year. In addition to accruals for pensions and tax accruals they mainly comprise accruals for impending losses, outstanding invoices, maintenance work, other human resources costs, and tax risks relating to foreign business. Liabilities to banks and payables to shareholders fell by EUR 38,775k. Major factors here were the unscheduled repayment of the shareholders' loans and the repayment of a bank loan amounting to EUR 15,000k. Overall, a EUR 43,100k change was recorded in cash and cash equivalents at 31.12.2013.

Messe Düsseldorf GmbH's business performance

2013 proved to be a fairly weak business year for Messe Düsseldorf GmbH due to trade fair cycles. In the 2013 business year, the Company organized 29 events of its own plus guest events on a total of roughly 1.0 million square metres of net hall space rented out, these events being attended by 25,126 exhibitors and roughly 1.2 million visitors.

Various key international trade fairs drove the trend in sales. Alongside the annual No. 1 MEDICA, ProWein, CARAVAN SALON and boot events, A+A and K were the major sales boosters and highlights, which gave the future performance of their respective sectors a major impetus. The biggest events were K with its 3,220 exhibitors and approximately 217,423 visitors, and also MEDICA with 4,682 exhibitors and roughly 132,226 visitors.

The following events - shown in comparison with the previous year - were staged at the Düsseldorf site:

	2013	2012
Fairs and exhibitions		
Own events	18	23
Guest events	11	14
Net floor space rented out	979,346 m ²	1,219,626 m ²
Number of exhibitors	25,126	27,988
Number of visitors	1,194,674	1,452,077

Due to the reduced trade fair activity, attendance by visitors was, as expected, down on the previous year's figure. The same applied to net floor space rented out and the numbers of exhibitors. But, compared to the predecessor events, the numbers of exhibitors were 3.9 percent higher than those of the previous years. The figures for net floor space rented out and the numbers of visitors were practically on a par with those of the predecessor events.

Without exception, the guest events registered gratifying increases in attendance compared to their predecessor events, with the number of exhibitors increasing by 7.6 percent, that of visitors by 5.8 percent, and net floor space rented out exhibiting a rise of 3.2 percent. Last year too,

the international flair of the various events, one of Messe Düsseldorf's quality characteristics, was extremely perceptible at the Düsseldorf exhibition site. The percentage of foreign exhibitors rose to 61.5 (previous events: 59.4 percent), with self-organized events even registering a 67.4 percent ratio of foreign exhibitors; the percentage of foreign visitors was around 31.5 (predecessor events: 30.9 percent). The highest ratio of foreign exhibitors was registered by the ProWein trade fair (82.1 percent), followed by MEDICA (77.0 percent), A+A (67.7 percent) and K (67.0 percent). The largest percentages of foreign visitors were registered by K (59.0 percent) and MEDICA (56.0 percent).

As regards international trade fair business, Messe Düsseldorf GmbH can look back on a successful business year, organizing 35 events on commission and 18 self-sponsored events and participations. The bulk of these events were staged in Russia, China, the United Arab Emirates (UAE) and Brazil.

Business performance of the Group's international subsidiaries and affiliates

Messe Düsseldorf GmbH has a 61 percent stake in Veletrhy Brno a.s. As in the past, other shareholders are the City of Brno, holding 34 percent, and several minority shareholders holding 5 percent of the shares. The business objective of Veletrhy Brno is essentially to arrange participations in trade fairs and exhibitions and to organize fairs and trade fair participations at the company's own exhibition site in Brno. In the 2013 business year, the company returned a net profit for the year of EUR 1,761k (previous year: EUR 5,241k), while generating sales of EUR 36,043k (previous year: EUR 43,614k). The trade fair market in the Czech Republic has so far not recovered from the worldwide business and financial crisis. As a result, demand at the events of Veletrhy Brno a.s. remains at a considerably weak level. In the year under review, the company's result was considerably affected by the reimbursement of service charges by Messe Düsseldorf. In the previous year, the sale of Exhibition Hall D and that of the TUZEX building in Brno had had a considerable impact on the company's result. Without these effects, the result would have been a net loss for the year in each case.

Brno INN, in which Veletrhy Brno holds a majority of the shares, operates the Holiday Inn Hotel situated on the Brno exhibition site, thus contributing to the quality of service to exhibitors and visitors at the Brno site. As a result of the slackened demand at the Brno exhibition site, sales dropped from the previous year's figure of EUR 4,357k to EUR 3,833k. In the year under review, the company reported a net profit for the year of EUR 34k (previous year: EUR 108k).

The main task of Messe Düsseldorf North America Inc., a 100-percent subsidiary of Messe Düsseldorf GmbH, is to obtain business, in terms of exhibitors and visitors from the USA, for trade fairs at the Düsseldorf site. The successive establishment of a number of events in the USA has increasingly made sales less dependent on the rotation of events in Düsseldorf. For 2013, the company returned a net profit for the year of EUR 480k (previous year: EUR 617k).

The Singapore-based Messe Düsseldorf ASIA Pte. Ltd., a 100-percent subsidiary of Messe Düsseldorf GmbH, organizes its own trade fairs in the Asian region while also obtaining business in terms of exhibitors and visitors for events in Düsseldorf. The 2013 business year saw sales increase to EUR 6,136k (previous year: EUR 2,920k), while net profit for the year rose to EUR 713k (previous year: EUR 290k).

In the year under review, the sales revenue of 000 Messe Düsseldorf Moscow dropped slightly to EUR 8,747k (previous year: EUR 9,089k). Nevertheless, the company returned an improved net profit for the year, amounting to EUR 418k (previous year: EUR 288k). The object of the company is to organize and stage trade fairs, exhibitions and similar events in Russia.

Messe Düsseldorf China, in which Messe Düsseldorf holds a 100 stake, is responsible together with their 100-percent subsidiary Messe Düsseldorf Shanghai for obtaining business in the form of exhibitors and visitors for events in Düsseldorf as well as organizing their own events in China. Compared to the previous year, the group's sales were successfully boosted by 2.2 percent, to a figure of EUR 6,499k (previous year: EUR 6,361k). However, net profit for the year was EUR 2,022k down on the previous year's figure, taking it to EUR 2,086k (previous year: EUR 4,108k).

Business performance of the Group's national subsidiaries

In the 2013 business year, IGEDO Company GmbH & Co. KG generated sales totalling EUR 18,140k (previous year: EUR 20,211k), while returning a net profit for the year of EUR 1,563k (previous year: EUR 2,239k). The decline in sales was predominantly attributable to the definitive discontinuation of the cpd signatures events in the year under review.

Düsseldorf Congress Sport & Event GmbH – previously called Düsseldorf Congress Veranstaltungsgesellschaft mbH provides services for congresses and other events, including events held in the CCD Congress Center Düsseldorf, the Mitsubishi Electric HALLE, the CASTELLO, the Museum Kunstpalast, the Airport Station at Düsseldorf Airport, the ESPRIT arena and the ISS DOME at Rath. Sales amounted to EUR 26,641k (previous year: EUR 22,588k). The company's result for the year was successfully boosted by EUR 160k to a level of EUR 251k due to the greater-than-anticipated profitability of marketing the various exhibition halls and the impact, less than budgeted for, of depreciation and operating expenses.

Messeturm Düsseldorf Verwaltungsgesellschaft mbH is a 50-percent subsidiary of Messe Düsseldorf GmbH. The company rents out Messeturm A, of which it is the owner. In the business year just ended, revenues from rental income dropped by EUR 19k to a level of EUR 2,721k. At EUR 649k (previous year: EUR 650k), the company's annual result remained practically on a par with that of the previous year.

With a 94 percent stake in the company, Messe Düsseldorf is a limited partner of FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG. Under a sale-and-lease-back scheme, the company has purchased Exhibition Hall 6 together with part ownership of Messeturm B from Messe Düsseldorf GmbH and leased these buildings back to the latter on a long-term basis. FIXXUS returned a net profit for the year of EUR 1k (previous year's loss: EUR -4k), while generating sales of EUR 4,670k (previous year: EUR 4,667k).

Financial and non-financial performance indicators

Financial performance indicators

Major control parameters applicable to Messe Düsseldorf are sales, earnings before tax (EBT), and capital expenditure on fixed assets, including expenditure on repairs and maintenance. A comparison between results and forecasts is made in the section entitled forecast report.

Non-financial performance indicators

Messe Düsseldorf's business performance is not only manifested in business indicators. To maintain its top position among the leading trade fair companies at both the national and the international level, Messe Düsseldorf GmbH has, for years, been continually improving its standards of service and quality. Furthermore, the Group is determinedly pursuing the strategic course that it has set for itself. The aims of this course are to safeguard and develop the trade fair programme at the Düsseldorf site and to expand international business by means of the Group's own activities or in joint ventures with partners. To this end, with the exception of a few fairs for high-quality consumer goods, Messe Düsseldorf GmbH is concentrating its activities on exhibitions covering capital goods. The goal is to become the number one company as regards the organization of capital goods trade fairs. A prerequisite for this is highly capable staff – which is why Messe Düsseldorf invests in good training and advanced training schemes and a high standard of occupational safety.

On average, throughout the 2013 business year, Messe Düsseldorf employed a staff of 1,212 worldwide (previous year: 1,250). To train its staff, Messe Düsseldorf offers advanced training courses in foreign languages and IT applications, as well as highly-specialized schemes in individual cases. Furthermore, employees have an opportunity to acquire experience of foreign countries with partners in Finland, Sweden, Great Britain and the USA under an international exchange programme.

Reports on risks, forecasts and opportunities

Risk report

The Group has a risk management system into which all the divisions of Messe Düsseldorf GmbH and those of its subsidiaries are integrated. The task of the risk management system is to identify, assess, and communicate/report any possible risks so as to enable countermeasures or remedial action to be initiated in good time.

What Messe Düsseldorf defines as a risk is an exposure to losses, ensuing from events or actions, that may have a negative impact on the Company's net worth, financial situation and profitability.

Individual risk categories are defined on the basis of this overall risk definition. The various risk categories express the degree of severity to which the Company's net worth, financial situation and profitability will be exposed if a risk materializes. In this classification, the following risk categories were laid down:

- Operating risks
- Ad hoc risks

Operating risks are risks whose expected level of loss would not have the effect of jeopardizing the Company's existence, but which, viewed separately or in their interaction with other operating risks, would have a more than negligible impact on the Company's net worth, financial situation and profitability.

Ad hoc risks are risks whose expected level of loss and probability of materialization would trigger an immediate report to the Board of Management and from the Board of Management to the Supervisory Board.

Individual risks are assessed on the basis of the anticipated level of loss and the probability of the risk actually materializing.

Risks identified at 31.12.2013:

Probability of materialization	Level of loss		
	Low	Critical	Jeopardizing MD's existence
High (75%–100%)	4	-	-
Medium a (50%–75%)	7	1	-
Medium b (25%–50%)	7	-	-
Low (0%–25%)	7	-	-

The only risk identified as being critical ensues from the high degree of dependency of a Moscow-based Collection Première Moscow subsidiary. The risks associated with a low level of loss consist of sales and human resources risks. The sales risks are mainly associated with reductions in the exhibition space rented out and in the numbers of exhibitors and visitors. The after-effects of the economic and financial crisis and the political incertitude in some regions of the world could trigger an equally surprising negative impact on demand for our trade fair products as concentration processes or structural changes in individual sectors. Thus, it cannot be ruled out in future that individual events might be affected by declines in sales and earnings.

As regards the human resources risks identified, medium-term solutions have been prepared and their implementation has been initiated.

At 31.12.2013, Messe Düsseldorf had concluded a total of four (previous year: five) interest rate swap transactions, designed to hedge against interest rate-related payment flow risks relating to variable-interest liabilities to banks, by establishing valuation units covering total capital project-related borrowings of EUR 31,200k.

In the business year under review, no risks were established that, either individually or cumulatively, might be susceptible to jeopardizing Messe Düsseldorf's existence.

Forecast report

Due to the recovery of European economies in the second half of 2013, the business year now ended took a more successful course than had been expected. This is reflected in the improvement in the way both domestic and foreign events went off. The positive impact on earnings was intensified by reductions in overheads and expenditure on repairs and maintenance.

	Forecast for 2013	Results in 2013	Forecast for 2014
Sales (€ '000)	315,000	322,923	400,000
Pre-tax net income for the year (€ '000)	13,584	19,867	41,604
Expenditure on fixed assets* (€ '000)	45,606	38,174	52,946

*) Including repairs and maintenance

In the 2014 trade fair year with its high event frequency, involving a scheduled number of 38 events in Düsseldorf alone, Messe Düsseldorf is anticipating consolidated sales of EUR 400,000k and a net pre-tax profit for the year of approximately EUR 41,604k. It is above all the international key trade fairs - interpack, wire & Tube, EuroShop and MEDICA - that will be of crucial significance in this respect. By comparison, due to trade fair rotations, the year 2015 that follows is set to be one with a low event frequency.

In 2013, almost the entire operating cash flow was reinvested in the optimization of the halls on the Düsseldorf exhibition site. In 2014, in Düsseldorf alone EUR 36,978k is to be invested in the Company's business assets by means of its own resources. By 2030 at the latest, the complete renovation of all the halls and customer rooms - a project involving total capital investment of EUR 600,000k - is to be concluded.

Opportunity report

Together with other collaborating partners, Messe Düsseldorf has submitted an application to operate the new exhibition site in India, New Delhi, via German Exhibition Corporation. Working jointly with a Chinese partner, the Corporation's members already run Shanghai New International Expo Centre (SNIEC). In Turkey's high-growth market, 2014 will see Messe Düsseldorf setting up a new trade fair for occupational safety and industrial medicine, TOS+H EXPO, an offshoot of A+A in Düsseldorf. Furthermore, there are plans to stage, for the first time, an offshoot of World of MEDICA in the USA, the MEDICAL WORLD AMERICAS, Houston, Texas, in 2014.

At the end of July 2014, running concurrently with the newly-launched GDS – global destination for shoes & accessories – the "tag it" event, staged as a new trade fair concept, will be celebrating its premiere too. This twosome will replace the previous GLOBAL SHOES event.

Statement regarding compliance with the Company's public objective and the attainment of the goal set in accordance with § 108 subsection 3 item 2 GO NW (Local Authorities Code for the Land of North Rhine-Westphalia)

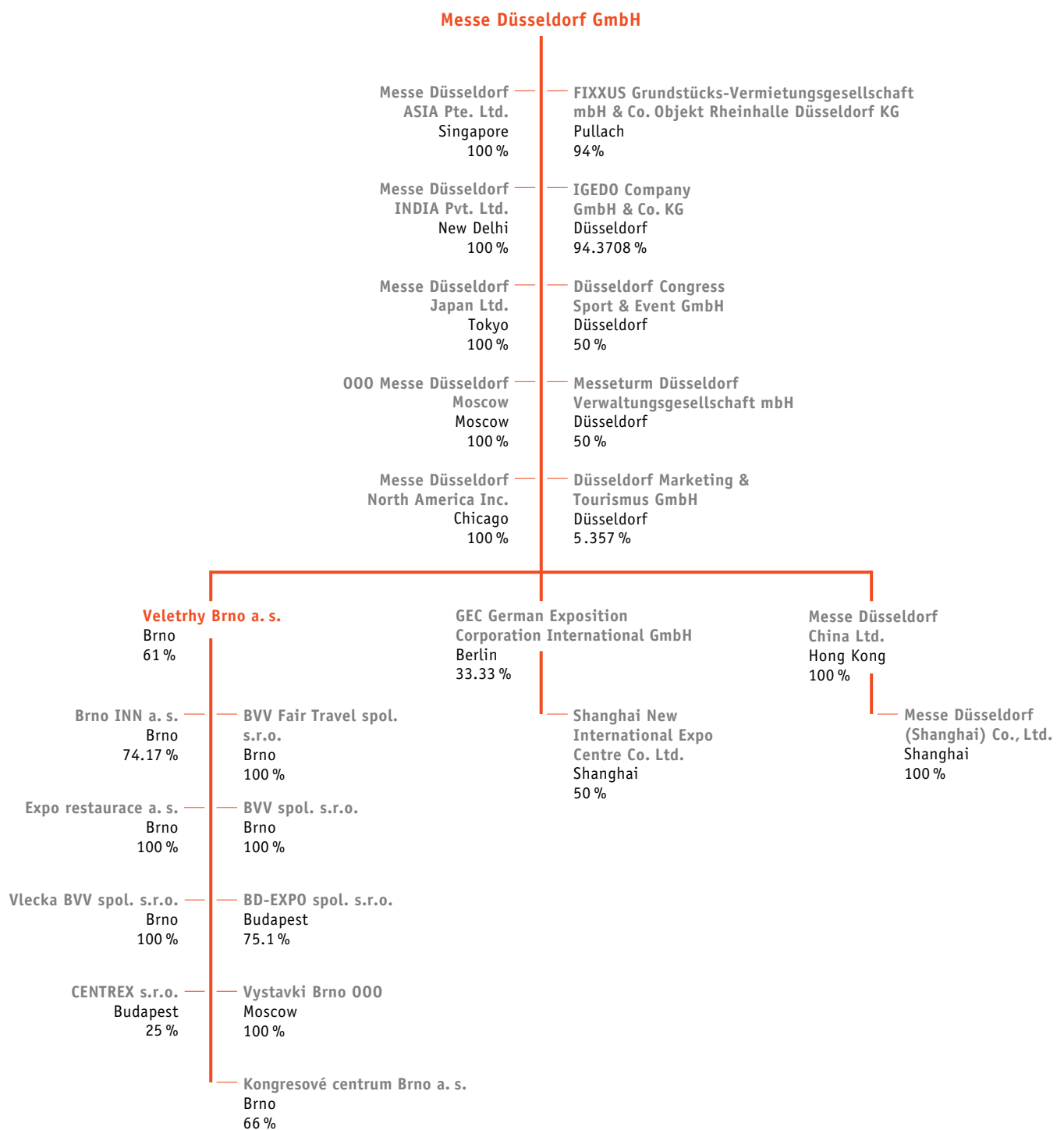
In accordance with the articles of association of Messe Düsseldorf GmbH, the object of the Company is to organize and stage fairs, exhibitions and other events that serve to promote industry, craft industries, trade and services, and to provide the counselling, project development and order placement services necessary for this purpose.

We are absolutely convinced of the fact that we have oriented the business policy and strategic position of Messe Düsseldorf GmbH in a suitable fashion.

Report on post-Balance Sheet date events

No transactions of particular significance have occurred since the end of the business year under review.

The Messe Düsseldorf GmbH Group



Consolidated Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2013

Assets	31.12.2013	31.12.2012
	€'000	€'000
Fixed assets		
Intangible assets		
Concessions, industrial and similar rights and assets, and licences in such rights and assets	12,567	15,284
Advance payments made	294	287
	12,861	15,571
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	445,526	445,446
Technical equipment and machines	578	766
Other equipment, factory and office equipment	12,345	12,263
Advance payments made and assets under construction	9,468	17,826
	467,917	476,301
Financial assets		
Shares in affiliated enterprises	202	216
Shares in associated enterprises	736	610
Participations	1	1
Other loans	1,910	1,882
	2,849	2,709
	483,627	494,581
Current assets		
Inventories		
Raw materials, auxiliary materials and supplies	132	169
Finished products and merchandise	424	337
	556	506
Receivables and other assets		
Trade receivables	11,019	9,299
Receivables from affiliated enterprises	75	136
Receivables from shareholders	2	0
Receivables from associated enterprises	1,755	990
Other assets	9,268	8,586
	22,119	19,011
Cash-in-hand, bank balances and cheques	161,673	123,310
	184,348	142,827
Prepaid expenses	7,788	7,504
Deferred tax assets	181	716
	675,944	645,628

Equity and liabilities	31.12.2013	31.12.2012
	€'000	€'000
Equity		
Subscribed capital	15,625	15,625
Capital reserves	79,718	79,718
Revenue reserves	85,270	85,270
Difference in equity due to currency translation	2,892	7,629
Adjusting item for minority interests	29,589	31,041
Consolidated distributable profit	161,602	163,505
	374,696	382,788
Adjusting item resulting from capital consolidation	561	561
Accruals		
Accruals for pensions and similar obligations	16,450	16,011
Tax accruals	10,313	15,112
Other accruals	36,914	32,496
	63,677	63,619
Liabilities		
Liabilities to banks	67,169	87,928
Advance payments received in respect of orders	95,425	25,310
Trade payables	26,977	17,801
Payables to shareholders	14	18,031
Payables to affiliated enterprises	449	360
Other liabilities	45,670	46,703
(of which taxes: € 1,191k; previous year: € 1,619k)		
(of which relating to social security and similar obligations: € 184k; previous year: € 221k)		
	235,704	196,133
Deferred tax liabilities	1,306	2,527
	675,944	645,628

Consolidated Income Statement

of Messe Düsseldorf GmbH for the Period from 1 January to 31 December 2013

	31.12.2013	31.12.2012
	€'000	€'000
Sales	322,923	380,536
Own work capitalized	253	114
Other operating income	4,957	14,481
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	14,510	-13,853
b) Cost of purchased services	151,182	-164,151
	165,692	-178,004
Human resources expenses		
a) Wages and salaries	51,484	-50,815
b) Social security charges and costs of retirement pensions and other welfare benefits (including € 4,047k for retirement pensions; previous year: € 3,527k)	13,269	-13,275
	64,753	-64,090
Depreciation on intangible and tangible fixed assets	29,754	-39,159
Other operating expenses	44,062	-51,375
Net income from participations	3,000	3,200
Net income from shareholdings in associated enterprises	125	46
Income from long-term loans	2	2
Other interest and similar income	1,019	1,714
Interest and similar expenses	8,151	-10,259
Results from ordinary activities	19,867	57,206
Taxes on income and profits	-5,834	-16,623
Consolidated net profit for the year	14,033	40,583
Portion of loss/profit accruing to minority interests	-1,008	-2,755
Profit brought forward from the previous year	148,577	125,677
Allocation to revenue reserves		
Consolidated distributable profit	161,602	163,505

Statement of Movements in the Consolidated Fixed Assets

of Messe Düsseldorf GmbH in the Business Year 2013

	Cost of acquisition/manufacture				
	Status at 1.1.2013 €'000	Currency translation €'000	Additions €'000	Reclassi- fications €'000	Retire- ments €'000
Intangible assets					
Concessions, industrial and similar rights and assets, and licences in such rights and assets	53,956	-787	1,318	272	783
Goodwill	20,178	0	0	0	0
Payments made on account	287	-9	285	-269	0
	74,421	-796	1,603	3	783
Tangible assets					
Land, land rights and buildings, including buildings on third-party land	1,029,919	-14,479	14,025	16,047	23
Technical equipment and machines	2,386	-198	3	0	19
Other equipment, factory and office equipment	82,014	-2,178	3,418	326	2,357
Payments made on account and assets under construction	17,826	-4	8,022	-16,376	0
	1,132,145	-16,859	25,468	-3	2,399
Financial assets					
Shares in affiliated enterprises	1,523	-15	1	0	0
Shares in associated enterprises	610	0	126	0	0
Participations	13,375	-117	0	0	0
Loans to affiliated enterprises	255	-21	0	0	0
Other loans	1,882	-150	196	0	18
	17,645	-303	323	0	18
Total	1,224,211	-17,958	27,394	0	3,200

Status at 31.12.2013 €'000	Depreciation					Book values	
	Status at 1.1.2013 €'000	Currency translation €'000	Additions €'000	Retire- ments €'000	Status at 31.12.2013 €'000	Status at 31.12.2013 €'000	Status at 31.12.2012 €'000
53,976	38,672	-688	4,189	764	41,409	12,567	15,284
20,178	20,178	0	0	0	20,178	0	0
294	0	0	0	0	0	294	287
74,448	58,850	-688	4,189	764	61,587	12,861	15,571
1,045,489	584,473	-6,499	21,994	5	599,963	445,526	445,446
2,172	1,620	-141	134	19	1,594	578	766
81,223	69,751	-2,048	3,437	2,262	68,878	12,345	12,263
9,468	0	0	0	0	0	9,468	17,826
1,138,352	655,844	-8,688	25,565	2,286	670,435	467,917	476,301
1,509	1,307	0	0	0	1,307	202	216
736	0	0	0	0	0	736	610
13,258	13,374	-117	0	0	13,257	1	1
234	255	-21	0	0	234	0	0
1,910	0	0	0	0	0	1,910	1,882
17,647	14,936	-138	0	0	14,798	2,849	2,709
1,230,447	729,630	-9,514	29,754	3,050	746,820	483,627	494,581

Notes to the Consolidated Financial Statements

of Messe Düsseldorf GmbH

I. General principles

According to the criteria of § 267 HGB (Commercial Code) regarding size, Messe Düsseldorf GmbH is a large joint-stock company. Pursuant to § 290 HGB, the Company is obligated to prepare consolidated financial statements. The consolidated financial statements of Messe Düsseldorf GmbH have been prepared in compliance with the provisions of the GmbH Act (Act concerning limited-liability companies).

For the Income Statement, the total costs (type of expenditure) method has been opted for. The peculiarities of trade fair business have been taken into account.

II. Scope and principles of consolidation

In addition to Messe Düsseldorf GmbH, the consolidated financial statements also fully include the following subsidiaries in which Messe Düsseldorf GmbH has a direct or indirect majority holding:

- Messe Düsseldorf North America Inc., Chicago/USA
- Messe Düsseldorf ASIA Pte. Ltd., Singapore
- Brno INN a. s., Brno/Czech Republic
- Veletřhy Brno a. s., Brno/Czech Republic
- 000 Messe Düsseldorf Moscow, Moscow/Russia
- Messe Düsseldorf China Ltd., Hong Kong/China
- Messe Düsseldorf (Shanghai) Co., Ltd., Shanghai/China
- IGEDO Company GmbH & Co. KG, Düsseldorf
- Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf
- FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach

Pursuant to § 296 subsection 2 HGB (Commercial Code), the inclusion in the consolidated financial statements of Messe Düsseldorf Japan Ltd., Tokyo/Japan, Messe Düsseldorf INDIA Pvt. Ltd., New Delhi/India, and other affiliates or subsidiaries of Veletřhy Brno a. s. has been waived.

Pursuant to § 312 HGB, the shareholding in Düsseldorf Congress Sport & Event GmbH, Düsseldorf, has been included in the consolidated financial statements at equity.

German Exposition Corporation International GmbH, Berlin, 33.33% of whose shares are held by Messe Düsseldorf GmbH, is not included as an associated company as Messe Düsseldorf does not exercise a significant influence over it.

Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf and FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach, have been included in the consolidated financial statements pursuant to § 290 subsection 2, item 4 HGB (special-purpose entities).

The capital consolidation of the companies included in the consolidated financial statements was based on book values in the case of first-time consolidation up to 31.12.2008. Pursuant to § 301 subsection 1 sentence 2 HGB, the revaluation method has been applied for consolidation as from 1.1.2009.

The positive differences arising from capital consolidation are partly allocated to the assets of the subsidiary concerned and depreciated on the basis of their useful life. Any positive differences remaining have been posted as goodwill and depreciated over a four-year period in all cases. Unscheduled write-downs are applied whenever necessary. At 31.12.2013, all items of goodwill had been written off completely.

Pursuant to § 309 HGB, the amounts of negative goodwill arising from the capital consolidation of 000 Messe Düsseldorf Moscow (EUR 1,448k) and Messeturm Düsseldorf Verwaltungsgesellschaft mbH (EUR 3,987k) have been posted to capital reserves.

The negative goodwill arising from the initial consolidation of Messe Düsseldorf China Ltd. is shown in the adjusting item set up during capital consolidation.

In an agreement dated 29.10.2012, Messe Düsseldorf acquired the remaining shares in Messe Düsseldorf China Ltd., amounting to 20% of the total, for a purchase price of EUR 3,500k. As part of the initial consolidation of the shares acquired, the group acquired an intangible right to a trade fair for a sum of EUR 3,138k, which is to be written off over a five-year

period. Furthermore, deferred tax liabilities amounting to EUR 549k were to be taken into account. On the closing date, EUR 421k of these were still shown.

The EUR 21k negative goodwill arising from the initial consolidation of Messe Düsseldorf (Shanghai) Co., Ltd., Shanghai, was set off against consolidated profit brought forward. The inclusion process was carried out via consolidation of the Messe Düsseldorf China Ltd., Hong Kong, sub-group as the latter company is the sole shareholder of Messe Düsseldorf (Shanghai).

Any reciprocal receivables and liabilities between the fully-consolidated companies are set off against each other. In the Consolidated Income Statement, intragroup sales revenues and other intragroup income items are set off against the corresponding expenditure. No intragroup interim profits had to be eliminated in the year under review.

Pursuant to § 308a HGB, foreign currency amounts on the balance sheets of the foreign subsidiaries included in the consolidation are translated on the basis of the spot exchange middle rates applicable on the balance-sheet date. This does not apply to equity, which has been translated at the appropriate historical rates. The income statements have been translated at the average rates applicable to the accounting period. Any currency translation differences ensuing have been posted to the adjusting items set up for this purpose, and thus have no effect on earnings.

III. Accounting and valuation policies

The individual companies' financial statements on which full consolidation is based are uniformly prepared in accordance with the accounting and valuation guidelines laid down by the parent company. Uniform valuation policies have not been applied to the associated companies.

Purchased intangible assets are reported at their acquisition cost less the scheduled depreciation charge. Depreciation is based on the straight-line method, taking the normally-applicable useful life of the asset into account.

Tangible assets are valued at acquisition or manufacturing costs and, provided their useful life is limited in time, sched-

uled depreciation is deducted. If necessary, additional depreciation is applied based on the value appropriate for the assets on the balance-sheet date.

Buildings are depreciated mainly on a straight-line basis, but in one case the double declining-balance method is used. Investments in extensions to buildings are depreciated to correspond with the whole building's remaining useful life. Since 1.1.2001, the straight-line method has been used for depreciation on additions to movable assets. Straight-line depreciation is calculated pro rata temporis.

Low-value assets with a maximum value of between EUR 52 and EUR 410 are written off fully in the year of acquisition and are simultaneously reported as a retirement in the fixed assets movements schedule. Additions to low-value assets with a value of between EUR 150 and EUR 1,000 in the 2008 and 2009 business years were capitalized in an aggregate item and written off over a period of five years.

Shares in affiliated companies and participations are carried at cost of acquisition or at such lower value as may be appropriate, while the participations in associated enterprises that are reported are adjusted to reflect changes in the equity valuation of the companies concerned.

Loans are shown at their nominal value less any principal repaid. Write-downs are made to the extent required to reflect any identifiable risks.

Inventories are valued, in some cases, at fixed amounts, in other cases at their average prices or at cost price, if this is lower. If inventories are subject to risks arising from periods of storage or reduced merchantability, write-downs are made.

Receivables and other assets are shown at their nominal value. Appropriate individual write-downs have been made to cover any individual risks that are identifiable. Interest-free receivables with a remaining term of more than one year are discounted as from the balance-sheet date.

The asset-value of accruals for pensions is established on the basis of actuarial principles following the projected unit credit method (PUC method), and also applying the 2005 G stand-

ard tables of Dr. Klaus Heubeck. Accruals for pensions are discounted at a flat rate, this being the average market interest rate of the last seven years, applicable to an assumed remaining term of 15 years, as published by the Deutsche Bundesbank (German Federal Bank) for the month of December 2013.

This interest rate amounts to 4.89 (previous year: 5.04) percent. Its calculation following the PUC method is based on the following assumptions regarding trends:

- Trend in wages and salaries: 2.7 percent (previous year: 2.7 percent)
- Trend in the earnings ceiling for social security contributions: 2.7 percent (previous year: 2.7 percent)
- Trend in pensions: 1.7 percent (previous year: 1.7 percent)
- Fluctuation: 1.0 percent (previous year: 1.0 percent)

All other accruals have been set up at a required payment level that takes account of all identifiable risks on the basis of a prudent business assessment. Accruals with a remaining term of more than one year are discounted on the basis of the actuarial interest rates published by the Deutsche Bundesbank.

Liabilities are stated at the amounts repayable. The payments received on account mainly relate to trade fairs and events scheduled for subsequent years.

Receivables and liabilities in foreign currencies are entered in the accounts at the rate of exchange applicable at the time, and are then valued at year-end at the rate applicable on the closing date. As regards receivables and liabilities with a remaining term of more than one year, the principle of lowest value or highest value is applied, as the case may be.

IV. Explanatory notes on the Consolidated Balance Sheet

Fixed assets

Apart from purchased software, the intangible assets mainly consist of rights to the use of a public highway, rights to the use of the power supply grid of Stadtwerke Düsseldorf AG, and rights to the use of trade fair themes. The additions to tangible assets are primarily attributable to the renovation of Hall 12. The payments made on account and assets under construction mainly relate to the alterations to Hall 10.

The retirements in the sphere of intangible assets relate primarily to software that is no longer used. As regards tangible assets, retirements mainly result from the retirement of operating and office equipment.

For further details, the reader is referred to the fixed assets movements schedule attached to the Notes to the Financial Statements as Annex I.

The list of subsidiaries and other holdings is attached to the Notes as Annex 2.

IGEDO Company GmbH & Co. KG and FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG avail themselves of the exemption stated in § 264b HGB and waive the disclosure of their annual financial statements.

Receivables and other assets

Trade receivables include receivables in the amount of EUR 83k (previous year: EUR 89k) with a remaining term of more than one year.

Other assets include receivables in the amount of EUR 133k (previous year: EUR 144k) with a remaining term of more than one year.

The receivables from affiliated enterprises relate to trade receivables from the subsidiaries that, pursuant to § 296 subsection 2 HGB (Commercial Code), have not been included in the consolidated financial statements.

The receivables from associated enterprises relate to trade receivables from the affiliates that have been included in the consolidated financial statements at equity. These receivables have a remaining term of less than one year.

Deferred tax assets

The EUR 181k (previous year: EUR 716k) shown as deferred tax assets concern the deferred taxes included in a subsidiary's consolidation entries pursuant to § 306 HGB. As provided for by § 274 HGB, in the amount shown deferred tax liabilities belonging to the same subsidiary and amounting to EUR 820k

Notes to the Consolidated Balance Sheet and Income Statement of Messe Düsseldorf GmbH

(previous year: EUR 572k) were set off against the tax assets. The 19 percent tax rate applied is the rate generally applicable to the Group member company concerned.

have been given no pension benefits promise an additional pension scheme is provided by the Rhenish Supplementary Pension Funds, Cologne.

Accruals

The Company's pension obligations to former managerial staff and two current managers are fully covered by pension accruals. In the year under review, these obligations led to a EUR 1,514k increase in pension accruals with a net impact on results. For employees of Messe Düsseldorf GmbH who

The tax accruals mainly cover taxes on business profits relating to the year under review and also accruals designed to cover tax audits.

The other accruals cover all identifiable risks and have been calculated on the basis of prudent commercial principles.

Accruals exhibited the following movements:

	1.1.2013	Amounts utilized	Amounts written back	Additions	31.12.2013
	€'000	€'000	€'000	€'000	€'000
1. Accruals for pensions and similar obligations	16,011	1,062	13	1,514	16,450
2. Tax accruals	15,112	10,441	690	6,332	10,313
3. Other accruals					
Risks associated with order processing					
Repairs and maintenance	2,004	1,864	140	1,323	1,323
Outstanding invoices	8,690	7,807	874	10,806	10,815
Impending losses	65	47	14	795	799
	10,759	9,718	1,028	12,924	12,937
Human resources and the social sphere					
Semiretirement scheme obligations	75	22	0	85	138
Accruals for vacations	1,685	1,672	0	1,819	1,832
Accruals for jubilee events	1,854	122	0	227	1,959
Accruals for bonuses	695	664	2	651	680
Miscellaneous accruals	711	573	1	775	912
	5,020	3,053	3	3,557	5,521
Other accruals					
Fiscal risks in foreign countries	14,750	0	0	1,900	16,650
Annual financial statements costs	525	518	7	483	483
Miscellaneous accruals	1,442	461	2	344	1,323
	16,717	979	9	2,727	18,456
	32,496	13,750	1,040	19,208	36,914
	63,619	25,253	1,743	27,054	63,677

Liabilities

The liabilities of the Messe Düsseldorf Group at 31.12.2013 were classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term of		
		up to 1 year	up to 5 years	more than 5 years
	€'000	€'000	€'000	€'000
Liabilities to banks	67,169	5,116	44,232	17,821
Payments received on account	95,425	95,370	55	0
Trade payables	26,977	26,960	17	0
Payables to shareholders	14	14	0	0
Payables to affiliated enterprises	449	449	0	0
Other liabilities	45,670	11,107	17,030	17,533
	235,704	139,016	61,334	35,354

The liabilities of the Messe Düsseldorf Group at 31.12.2012 were classified as follows on the basis of their remaining terms:

	Total amount	With a remaining term of		
		up to 1 year	up to 5 years	more than 5 years
	€'000	€'000	€'000	€'000
Liabilities to banks	87,928	18,485	46,011	23,432
Payments received on account	25,310	25,255	55	0
Trade payables	17,801	16,246	1,555	0
Payables to shareholders	18,031	7,422	8,487	2,122
Payables to affiliated enterprises	360	319	41	0
Other liabilities	46,703	8,332	16,812	21,559
	196,133	76,059	72,961	47,113

Of total liabilities to banks, EUR 40,226k (previous year: EUR 55,226k) consisting of liabilities in the form of loans was secured by means of charges on real estate.

The payables to shareholders mainly related to trade payables; payables to affiliated and associated enterprises also included trade payables.

Deferred tax liabilities

There were deferred tax liabilities totalling EUR 9,270k (previous year: EUR 9,769k) based on consolidation entries pursuant to § 306 HGB having an impact on the result and concerning the parent company in particular. In accordance with § 274 HGB, this sum was set off against deferred tax assets of the parent company's amounting to EUR 8,079k (previous year: EUR 7,351k). The latter ensue from differences between the commercial-law and fiscal balance-sheet valuations of shares in affiliated enterprises, participations and accruals. Furthermore, EUR 115k (previous year: EUR 110k) of the deferred tax liabilities shown are due to deferred taxes pursuant to § 274 HGB (tax rate: 19 percent). As in the previous year, a tax rate of 31.23 percent is applied.

V. Explanatory notes on the Income Statement

Sales

Consolidated sales in the business year under review can be broken down according to the following business segments and regions:

Business segment	2013 €'000	2012 €'000
Trade fair business	319,192	376,179
Hotel management	3,731	4,357
	322,923	380,536
Region	2013 €'000	2012 €'000
Germany	210,030	265,801
Russia	49,520	47,316
Czech Republic	34,606	42,436
China	11,290	9,931
Singapore	6,305	3,022
USA	3,452	2,924
India	1,558	5,667
Other countries	6,162	3,439
Total foreign sales	112,893	114,735
	322,923	380,536

Other operating income

Other operating income mainly consists of income deriving from write-backs of accruals, from the passing on of charges to associated enterprises, from write-backs of adjustments to the value of individual assets and from the retirement of fixed assets. The item contains non-operating revenue amounting to EUR 118k (previous year: EUR 7,969k) and income of EUR 440k (previous year: EUR 162k) deriving from currency translation. The non-operating revenue mainly results from income deriving from the retirement of fixed assets.

Event-related expenses

The differentiation between event-related expenditure and other operating expenses was effected via an assessment of the individual costs. The event-related expenditure consists of costs that are directly allocable to a cost unit. Deliveries of fabricated goods are recorded under "cost of raw materials, auxiliary materials and supplies, and of purchased merchandise". Construction work and other services are included in "cost of purchased services".

It is mainly energy costs, costs of consumables and supplies, and expenditure on advertising materials that are shown under "cost of raw materials, auxiliary materials and supplies, and of purchased merchandise", whereas the "cost of purchased services" item mainly covers expenditure on commissions, stand construction services purchased, rental charges, and advertising expenditure.

Other operating expenses

In addition to exhibition site maintenance costs, the other operating expenses mainly consist of rental charges for premises, legal and consultancy expenses, expenditure on advertising and IT expenses, insurance policies, site security and cleaning services, expenditure on valuation adjustments and cancellations of claims, losses due to the retirement of fixed assets, and additions to accruals. The item contains non-operating expenditure amounting to EUR 3k (previous year: EUR 437k) and expenditure of EUR 87k (previous year: EUR 251k) on currency translation. Furthermore,

other taxes, amounting to EUR 2,207k (previous year: EUR 2,576k), are also shown under this heading.

Interest and similar expenditure

In addition to interest on loans and interest rate swap transactions, the item covers expenditure totalling EUR 872k (previous year: EUR 879k) deriving from the discounting of accruals.

Taxes on income and profits

The item contains the tax on business profits for the business year and deferred taxation due to valuation adjustments. Changes in deferred taxes have given rise to income amounting to EUR 1,222k (previous year: EUR 2,026k) and expenditure amounting to EUR 535k (previous year: EUR 472k).

VI. Other disclosures

Human resources

In addition to the management, on average 1,212 (previous year: 1,250) wage-earners and salaried staff were employed during the business year. In addition, 19 (previous year: 17) apprentices were employed.

Other financial obligations and contingent liabilities

On the balance-sheet date, the Group's purchase commitments totalled EUR 28,266k (previous year: EUR 20,496k).

Further obligations amounting to EUR 5,562k (previous year: EUR 6,574k) stemmed from commitments deriving from long-term rental agreements and leases.

As in the previous year, on the balance-sheet date guarantees totalling EUR 750k had been issued in favour of employees to cover investments based on employees' loans and to safeguard employee semiretirement schemes in the event of insolvency.

Messe Düsseldorf GmbH grants its employees benefits under the occupational pension scheme; for this purpose, employees have been insured with the Rheinische Zusatzversorgungskassen (Rhenish Supplementary Pension Funds), Cologne. To the best of our current knowledge, the institutional assets of the public supplementary pension funds and the contributions system in its existing structure do not adequately or completely cover the existing pension commitments of the employers participating in the scheme. The ensuing cover shortage comes to a substantial sum - a financial obligation that will hit public employers hard in future. The Supplementary Pension Fund (ZVK) contribution shown on the Income Statement under personnel expenses amounts to EUR 3,107k (previous year: EUR 2,998k). The contribution amounts to 4.25 percent of the remuneration on which contributions are payable. In addition, a 3.5 percent financial reorganization charge is also imposed. The contribution rate can be regarded as remaining constant. The level of the financial reorganization charge is likely to increase even further pending the establishment of definitive capital cover for the supplementary pension system.

The possibility of claims being lodged on the basis of contingent liabilities is viewed as being relatively small.

Hedging policy and financial derivatives

Due to its being an internationally-operating company, the business operations and financial transactions of Messe Düsseldorf GmbH are exposed to financial risks. The risks involved may arise in particular as a result of interest rate changes and exchange rate fluctuations.

In accordance with the Company's risk management system, action is taken to limit these risks not only by identifying, analyzing and assessing them but also by using financial derivative instruments. Pursuant to a management directive, it is not permissible to use such derivatives for speculative purposes.

At 31.12.2013, Messe Düsseldorf GmbH had concluded a total of four (previous year: five) interest rate swap transactions designed to hedge against interest rate-related payment flow risks relating to variable-interest liabilities to banks - entered into for the purpose of financing capital projects - by establishing valuation units covering total borrowings of EUR 31,200k.

The valuation units set up relate to micro-hedge linkups in which the individual commitments to be hedged against the risk of interest-rate changes (base transactions) and the interest rate swaps belonging to each of the latter (hedging transactions) coincide in respect of the contractual components that determine their value (currency, nominal amount, term, interest payment dates, reference interest rate), thus establishing total compensation for the risk of interest-rate changes for each of the hedged liabilities over the remaining terms of the individual loans (extending from December 2015 to May 2017). The level of risk safeguarded depends on the future movements in the variable interest rates hedged against by the interest rate swaps.

The market value of the interest rate swaps not includable in the Balance Sheet on account of the valuation units established (loan-related transactions concluded) totalled EUR -3,290k (previous year: EUR -4,628k) at 31.12.2013.

Auditors' fees

A sum of EUR 155k (previous year: EUR 156k) was recorded as an expense for the auditing of Messe Düsseldorf GmbH's annual and consolidated financial statements by the auditors appointed in the business year under review.

Transactions contrary to market principles

No transactions contrary to market principles involving companies or persons close to the Company have been performed.

Statement of Changes in Messe Düsseldorf GmbH Group Equity

in the Business Year 2013

	Parent company			
	Subscribed capital	Capital reserves	Revenue reserves	Currency translation differences
	€'000	€'000	€'000	€'000
Balance at 31.12.2011	15,625	79,718	85,270	6,312
Carried forward to new account	-	-	-	-
Consolidated net profit for the year	-	-	-	-
Acquisition of shares from minority shareholders	-	-	-	-
Distribution of dividends	-	-	-	-
Currency translation differences	-	-	-	1,317
Balance at 31.12.2012	15,625	79,718	85,270	7,629
Carried forward to new account	-	-	-	-
Consolidated net profit for the year	-	-	-	-
Distribution of dividends	-	-	-	-
Currency translation differences	-	-	-	-4,737
Balance at 31.12.2013	15,625	79,718	85,270	2,892

Except for the amount posted to deferred tax assets, the Group equity generated is fully available for distribution to the shareholders.

Parent company			Minority interests			Total
Consolidated profit brought forward	Consolidated net profit/loss for the year	Equity	Minority interests in capital	Minority interests in net profit/loss	Minority interests in equity	Group equity
€'000	€'000	€'000	€'000	€'000	€'000	€'000
87,513	38,181	312,619	27,807	1,209	29,016	341,635
38,181	-38,181	-	1,209	-1,209	-	-
-	37,828	37,828	-	2,755	2,755	40,583
-	-	-	-911	-	-911	-911
-	-	-	-430	-	-430	-430
-17	-	1,300	611	-	611	1,911
125,677	37,828	351,747	28,286	2,755	31,041	382,788
37,828	-37,828	-	2,755	-2,755	-	-
-	13,024	13,024	-	1,008	1,008	14,032
-14,927	-	-14,927	-449	-	-449	-15,376
-	-	-4,737	-2,011	-	-2,011	-6,748
148,578	13,024	345,107	28,581	1,008	29,589	374,696

Consolidated Cash Flow Statement

of Messe Düsseldorf GmbH for the Business Year 2013

	2013	2012
	€'000	€'000
Consolidated net profit/loss for the year	14,033	40,853
Portions of profit/loss accruing to minority interests	-1,008	-2,755
Depreciation on tangible and intangible fixed assets	29,754	39,159
Increase in accruals for pensions	439	158
Cash flow	43,218	77,415
Profits (-)/losses (+) due to the retirement of fixed assets items	-60	-6,855
Increase (-)/decrease (+) in trade receivables, other assets, and miscellaneous assets	-2,907	6,159
Increase (+)/decrease (-) in payments received on account	70,115	-35,352
Increase (+)/decrease (-) in short-term liabilities, other accruals, and in the adjusting item resulting from capital consolidation	10,654	-23,290
Inflow of funds due to regular business operations	121,200	18,077
Inflows due to retirements of tangible and intangible assets	191	10,710
Inflows due to retirements of financial assets	18	141
Outflows for capital expenditure on intangible assets	-1,603	-4,478
Outflows for capital expenditure on tangible assets	-25,467	-31,150
Outflows for capital investment in financial assets	-323	-248
Changes in the scope of consolidation	0	-362
Currency-induced changes in fixed assets	8,444	-3,160
Outflow of funds due to capital investment	-18,740	-28,547
Dividend payments to shareholders	-15,376	-430
Changes in minority interests	-1,003	2,456
Changes in liabilities to banks	-20,758	-28,706
Changes in payables to shareholders	-18,017	4,065
Changes in other long-term liabilities	-4,026	337
Outflow of funds due to financing activities	-59,180	-22,278
Changes in cash and cash equivalents	43,100	-32,748
Cash and cash equivalents at the beginning of the accounting period	123,310	155,029
Changes in liquid assets due to the scope of consolidation and currency translation	-4,737	1,029
Cash and cash equivalents at the end of the accounting period	161,673	123,310

Shareholdings

of Messe Düsseldorf GmbH

Company	Percentage of capital held in %	Equity at 31.12.2013 €'000	Result in 2013 €'000
Messe Düsseldorf North America Inc., Chicago/USA	100.00	3,416	480
Messe Düsseldorf Japan Ltd., Tokyo/Japan	100.00	734	181
000 Messe Düsseldorf Moscow, Moscow/Russia	100.00	1,360	418
Messe Düsseldorf ASIA Pte. Ltd., Singapore	100.00	1,445	713
Messe Düsseldorf India Pvt. Ltd., New Delhi/India*	100.00	613	289
FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co.			
Objekt Rheinhalle Düsseldorf KG, Pullach	94.00	14	1
IGEDO Company GmbH & Co. KG, Düsseldorf	94.37	7,279	1,563
Messe Düsseldorf China Ltd., Hong Kong	100.00	11,554	2,477
Messe Düsseldorf (Shanghai) Co. Ltd., Shanghai/China	100.00 indirectly	2,674	-400
Veletřy Brno a. s., Brno/Czech Republic	61.00	54,399	1,761
Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf	50.00	3,119	649
Düsseldorf Congress Sport & Event GmbH, Düsseldorf	50.00	1,472	251
Brno INN a. s., Brno/Czech Republic	74.17 indirectly	8,556	34
German Exposition Corporation International GmbH, Berlin **	33.33	46,661	11,050
Düsseldorf Marketing & Tourismus GmbH, Düsseldorf **	5.4	1,277	329

* Closing date: 31.3.2013 ** Closing date: 31.12.2012

Dialogue

You would like detailed information?

You still have a few questions?

You would like further information on the Messe Düsseldorf Group?

Or on specific topics?

Kindly contact > www.messe-duesseldorf.de/messe/service-12.php

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Basis for
Business

