

Annual Report 2015

Messe Düsseldorf Group



Messe
Düsseldorf

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Shareholders and Board of Management

of Messe Düsseldorf GmbH

Shareholders

	€ '000	Proportion of capital held
The 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 %

The Management

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

Supervisory Board

of Messe Düsseldorf GmbH

Supervisory Board of Messe Düsseldorf GmbH in 2015

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

Chairman

Thomas Geisel, Lord Mayor of Düsseldorf, capital of North Rhine-Westphalia

Vice-Chairpersons

Dr.-Ing. h. c. Wolfgang R. Bays, Vice-President of Düsseldorf Chamber of Industry and Commerce – since 23.5.2015

Andreas Hartnigk, Lawyer, Member of Düsseldorf City Council

Gabriele Schafer, Chair of the Employees' Council, Messe Düsseldorf GmbH Employees' Representative

Members

Uwe Balzer, Operating Engineer, Messe Düsseldorf GmbH Employees' Representative

Bernd Bresgen, Bank Officer, Messe Düsseldorf GmbH Employees' Representative

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, IT Systems Management Assistant, Messe Düsseldorf GmbH Employees' Representative

Andreas Ehlert, President of the Düsseldorf Chamber of Handicrafts, Vice-Chairperson – up to 23.5.2015

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.-Ing. Ian Hume, Head of Department, Messe Düsseldorf GmbH Employees' Representative

Dipl.-Sozialarbeiter Günter Karen-Jungen, Deputy Mayor of Düsseldorf

Dipl.-Kffr. Claudia Laskowski, Head of Department, Messe Düsseldorf GmbH Employees' Representative

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

Angelika Penack-Bielor, Member of Düsseldorf City Council

Dipl.-Kfm. Denis Rauhut, Member of the Managing Board of Industrieterreinen Düsseldorf-Reisholz AG

Dipl.-Ing. Stefanie Rübsamen, Head of Department, Messe Düsseldorf GmbH Employees' Representative

Frank Spielmann, Member of Düsseldorf City Council

Dr. Marie-Agnes Strack-Zimmermann, Member of Düsseldorf City Council

Facts and Figures on the Performance

of Messe Düsseldorf GmbH

		2011	2012	2013	2014	2015
Total capacity*	m ²	305,700	305,700	305,400	305,400	304,800
Available hall space	m ²	262,700	262,700	262,400	262,400	261,800
Available open-air space	m ²	43,000	43,000	43,000	43,000	43,000
Space utilization*	m ² (gross)	2,152,500	2,101,300	1,737,287	2,294,836	1,624,789
Space rented out*	m ² (net)	1,204,648	1,219,626	979,346	1,315,625	891,438
Fairs and exhibitions*	total	38	37	29	36	29
Self-organized events*		21	23	18	21	18
Partner/guest events*		17	14	11	15	11
Total consolidated sales	€ million	372.7	380.5	322.9	411.5	302.0
Consolidated sales (Germany)	€ million	270.2	265.8	210.0	299.7	202.1
Consolidated sales (foreign)	€ million	102.5	114.7	112.9	111.8	99.9
Consolidated annual profit	€ million	39.4	40.6	14.0	57.7	10.3
Group workforce		1,253	1,250	1,212	1,200	1,207
Exhibitors*	total	28,000	27,988	25,126	31,269	25,819
Exhibitors (German-based)		11,722	11,380	9,662	11,363	9,189
Exhibitors (foreign-based)		16,278	16,608	15,464	19,906	16,630
Visitors*	total	1,406,426	1,452,077	1,194,674	1,399,024	1,084,121
Visitors from Germany		969,433	958,024	837,852	904,076	802,291
Visitors from abroad		436,993	494,053	356,822	494,948	281,830
Düsseldorf Congress Sport & Event GmbH						
Event days		322	309	330	331	314
Events		2,816	3,041	3,189	4,335	3,463
Participants		1,971,506	2,121,426	2,025,498	2,379,560	2,355,149

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

For reasons relating to calculation, rounding differences amounting to +/- one unit (€, %, etc.) may occur in the tables.

Events Organized

by Messe Düsseldorf GmbH in 2015

	Exhibitors (German-based)	Exhibitors (foreign-based)	Exhibitors total	Net exhibition space in m ² , not counting special exhibition areas	Visitors total	Visitors of which foreign visitors (in %)
A+A	574	1,322	1,896	68,245	65,244	32
BEAUTY DÜSSELDORF	519	129	648	22,139	67,086	7
boot Düsseldorf	863	918	1,781	90,254	236,790	17
CARAVAN SALON DÜSSELDORF	368	176	544	94,660	203,116	13
COMPAMED*	255	518	773	12,966		
ENERGY STORAGE EUROPE	73	20	93	738	1,813	37
EuroCIS	189	131	320	9,130	8,866	43
GDS Sommer with tag it!	236	695	931	34,849	15,324	44
GDS Winter with tag it!	255	654	909	35,750	16,302	47
GIFA	349	593	942	47,698	48,783	54
MEDICA**	1,056	3,921	4,977	114,738	123,456	61
METEC	183	342	525	21,782	17,746	53
NEWCAST	65	369	434	7,017	3,973	66
ProWein	958	5,023	5,981	67,138	52,393	39
REHACARE INTERNATIONAL	363	395	758	20,044	38,927	14
THERMPROCESS	166	148	314	10,389	7,196	51
TOP HAIR INTERNATIONAL	120	28	148	5,992	30,972	6
TourNatur	177	84	261	4,093	44,989	4
Other events	2,420	1,164	3,584	223,816	101,145	23
Sum total	9,189	16,630	25,819	891,438	1,084,121	26

* Number of visitors included in MEDICA visitor total

** Including visitors to COMPAMED

Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2015

Assets	31.12.2015	31.12.2014
	€ '000	€ '000
Fixed assets		
Intangible assets		
Concessions, industrial and similar rights and assets, and licences in such rights and assets	5,662	6,912
Advance payments made	1,346	315
	7,008	7,227
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	257,991	266,507
Other equipment, factory and office equipment	9,808	9,303
Advance payments made and assets under construction	70,420	33,681
	338,219	309,491
Financial assets		
Shares in affiliated enterprises	12,913	3,868
Loans to affiliated enterprises	13,724	13,724
Participations	286	286
Other loans	43	22
	26,996	17,900
	372,193	334,618
Current assets		
Inventories		
Raw materials, auxiliary materials and supplies	79	79
Receivables and other assets		
Trade receivables	4,650	4,993
Receivables from affiliated enterprises	1,773	1,731
Receivables from enterprises in which participations are held	1,130	1,075
Other assets	9,056	8,316
	16,609	16,115
Securities	9,999	9,999
Cash-in-hand, bank balances and cheques	103,590	99,956
	130,277	126,149
Prepaid expenses	3,119	3,242
Total	505,589	464,009

Equity and liabilities	31.12.2015	31.12.2014
	€ '000	€ '000
Equity		
Subscribed capital	15,625	15,625
Capital reserves	111,398	111,398
Revenue reserves	120,000	83,939
Distributable profit	71,888	91,555
	318,911	302,517
Accruals		
Accruals for pensions and similar obligations	17,949	17,030
Tax accruals	5,843	7,701
Other accruals	37,996	50,946
	61,788	75,677
Liabilities		
Liabilities to banks	30,128	30,130
Advance payments received in respect of orders	59,906	32,384
Trade payables	8,349	9,893
Payables to shareholders	11	13
Payables to affiliated enterprises	15,481	8,551
Other liabilities	11,015	4,844
(of which taxes: € 1,448k; previous year: € 609k)		
(of which relating to social security and similar obligations: € 50k; previous year: € 2k)		
	124,890	85,815
Sum total	505,589	464,009

Income Statement

of Messe Düsseldorf GmbH for the Period from 1 January to 31 December 2015

	31.12.2015	31.12.2014
	€'000	€'000
Sales	242,792	347,543
Own work capitalized	348	47
Other operating income	30,788	5,593
(including € 272k due to currency conversion; previous year: € 176k)		
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	- 6,960	- 9,240
b) Cost of purchased services	- 131,271	- 159,147
	- 138,231	- 168,387
Human resources expenses		
a) Wages and salaries	- 40,952	- 40,013
b) Social security charges and costs of retirement pensions and other welfare benefits	- 11,235	- 10,879
(including € 4,771k for retirement pensions; previous year: € 4,582k)		
	- 52,187	- 50,892
Depreciation on intangible and tangible fixed assets	- 16,626	- 19,107
Other operating expenses	- 38,974	- 43,547
(including other taxes: € 1,709k; previous year: € 1,725k)		
(including € 42k due to currency conversion; previous year: € 22k)		
Income from participations	7,179	5,603
(including € 1,179k from affiliated enterprises; previous year: € 2,103k)		
Income from long-term loans	419	646
(including € 419k from affiliated enterprises; previous year: € 645k)		
Other Interest and similar income	200	433
Interest and similar expenditure	- 2,150	- 2,172
(including € 0k paid to affiliated enterprises; previous year: € 3k)		
(including € 854k impact on interest due to the valuation of accruals; previous year: € 861k)		
Net income from ordinary activities	33,558	75,760
Taxes on income and profits	- 2,338	- 24,666
Net income for the year	31,220	51,094
Profit brought forward from the previous year	40,668	40,461
Distributable profit	71,888	91,555

Movements in the Fixed Assets

of Messe Düsseldorf GmbH in the 2015 Business Year

	Cost of acquisition/manufacture				Status at 31.12.2015 €'000
	Status at 1.1.2015 €'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	39,126	496	315	225	39,712
Advance payments made	315	1,346	-315	0	1,346
	39,441	1,842	0	225	41,058
Tangible assets					
Land, land rights and buildings, including buildings on third-party land	754,849	2,603	917	31,383	726,986
Other equipment, factory and office equipment	36,606	3,185	101	979	38,913
Advance payments made and assets under construction	33,681	37,762	-1,018	5	70,420
	825,136	43,550	0	32,367	836,319
Financial assets					
Shares in affiliated enterprises	62,023	769	0	0	62,792
Loans to affiliated enterprises	13,724	0	0	0	13,724
Participations	12,244	0	0	0	12,244
Other loans	22	25	0	4	43
	88,013	794	0	4	88,803
Sum total	952,590	46,186	0	32,596	966,180

Depreciation				Book values		
Status at 1.1.2015 €'000	Additions €'000	Write-ups €'000	Retire- ments €'000	Status at 31.12.2015 €'000	Status at 31.12.2015 €'000	Status at 31.12.2014 €'000
32,214	2,055	0	219	34,050	5,662	6,912
0	0	0	0	0	1,346	315
32,214	2,055	0	219	34,050	7,008	7,227
488,342	11,813	0	31,160	468,995	257,991	266,507
27,303	2,758	0	956	29,105	9,808	9,303
0	0	0	0	0	70,420	33,681
515,645	14,571	0	32,116	498,100	338,219	309,491
58,155	0	-8,276	0	49,879	12,913	3,868
0	0	0	0	0	13,724	13,724
11,958	0	0	0	11,958	286	286
0	0	0	0	0	43	22
70,113	0	-8,276	0	61,837	26,966	17,900
617,972	16,626	-8,276	32,335	593,987	372,193	334,618

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.

Since 2014, buildings have been depreciated solely on a straight-line basis. 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.

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.

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 22.5.2015, the shareholders passed a resolution to the effect that an amount of EUR 14,827k from the net income deriving from 2014 be distributed with effect from 31.8.2015, with the amount of EUR 36,060k being posted to revenue reserves. The remaining net income for the year, amounting to EUR 207k, was carried forward to new account. The 2015 distributable profit figure includes an amount totalling EUR 40,668k 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 2015. This interest rate amounts to 3.89 (previous year 4.58) 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 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.

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.

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 the online order system that is currently being developed as well as to purchased software. The additions to tangible assets are primarily attributable to additions to outdoor facilities, to assets under construction, and to factory and office equipment. The latter items mainly concern the Hall 10 and 11 conversion projects, the construction of emergency stairways in the CCD South Congress Center, and the construction of new buildings for Halls 1 and 2.

The retirements in the sphere of intangible assets relate primarily to software that is no longer used. As regards

tangible assets, the retirements mainly result from partial retirements with regard to Halls 10 and 11, which have been renovated.

The depreciation figures contain unscheduled depreciation amounting to EUR 34k on software that is no longer being used.

The increase in financial assets is largely due to the process involving the sale of the Company's shareholding in Veletrhy Brno a.s. In a contract dated 22.12.2015, Messe Düsseldorf sold 61 percent of its shares in the capital stock of Veletrhy Brno a.s., corresponding to all the bearer shares held by it (76,770,000 in number). The principal suspensory conditions laid down in the contract of sale include both the receipt of the purchase price and that of the nominal amount of the subordinated loan still outstanding, plus interest still owing for the period commencing 1.1.2015. The purchase price of the bearer shares amounts to EUR 22.0 million less the subordinated loan of EUR 13.7 million. The Company anticipates that all the conditions required for execution will be fulfilled in the first quarter of 2016. On the basis of the purchase contract that has been signed, the Company's participation in Veletrhy Brno a.s. has been assigned the contractual purchase price – EUR 8.3 million.

For further details, the reader is referred to the fixed assets movements schedule attached to the Notes to the financial statements as Annex 1.

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

Receivables and other assets

As in the previous year, 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 1,240k.

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 2,002k 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.

The accruals underwent the following movements:

	1.1.2015	Amount utilized	Amount written back	Additions	31.12.2015
	€'000	€'000	€'000	€'000	€'000
1. Accruals for pensions and similar obligations	17,030	1,095	0	2,014	17,949
2. Tax accruals	7,701	3,283	475	1,900	5,843
3. Other accruals					
Risks associated with order processing					
Maintenance and repairs	3,323	1,825	1,498	2,112	2,112
Outstanding invoices	9,761	8,645	804	11,810	12,122
Accruals for event-related losses	595	0	0	0	595
Accrual for risks deriving from a subordination agreement	13,723	0	13,723	0	0
	27,402	10,470	16,025	13,922	14,829
Human resources and the social sphere					
Semiretirement scheme obligations	163	109	0	0	54
Accruals for vacations	1,992	1,965	27	1,965	1,965
Accruals for anniversaries	2,098	144	0	457	2,411
Accruals for bonuses	560	560	0	592	592
Miscellaneous accruals	103	0	0	804	907
	4,916	2,778	27	3,818	5,929
Other accruals					
Fiscal risks in foreign countries	17,800	0	1,400	0	16,400
Annual financial statements costs	302	295	7	312	312
Miscellaneous accruals	526	0	0	0	526
	18,628	295	1,407	312	17,238
	50,946	13,543	17,459	18,052	37,996
	75,677	17,921	17,934	21,966	61,788

Liabilities

Of total liabilities to banks, EUR 30,000k (previous year: EUR 30,000k) 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 cash pools with IGEDO Company amounting to EUR 6,987k (previous year: EUR 8,142k), with Messe Düsseldorf China amounting to EUR 5,004k (previous year: EUR 0k), and with Messe Düsseldorf North America amounting to EUR 2,682k (previous year: EUR 0k).

The Company's liabilities at 31.12.2015 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	59,907	59,907	0	0
Trade payables	8,350	8,350	0	0
Payables to shareholders	11	11	0	0
Payables to affiliated enterprises	15,481	15,481	0	0
Other liabilities	11,014	7,008	2,144	1,862
	124,891	90,885	32,144	1,862

The Company's liabilities at 31.12.2014 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	30,130	130	30,000	0
Payments received on account	32,384	32,384	0	0
Trade payables	9,893	9,893	0	0
Payables to shareholders	13	13	0	0
Payables to affiliated enterprises	8,551	8,551	0	0
Other liabilities	4,844	4,340	391	113
	85,815	55,311	30,391	113

IV. Explanatory notes on the Income Statement

Sales

Business segment	2015	2014
	€'000	€'000
Domestic events	192,822	292,989
Foreign events	39,512	41,979
Other sales revenue	10,458	12,575
	242,792	347,543

The sales revenue from abroad stems mainly from events in Russia, the People's Republic of China, and India. EUR 690k of sales (previous year: EUR 2,937k) are related to events of previous years.

Other operating income

Prior-period income mainly consists of EUR 17,935k (previous year: EUR 1,151k) in the form of income deriving from write-backs of accruals and of EUR 8,277k (previous year: EUR 0k) in the form of income from the write-back of the shareholding in Veletrhy Brno a.s. The sale of the shares and the simultaneous repayment of the subordinated loan in 2016 enabled the accrual amounting to EUR 13,723k (previous year: EUR 0k) for risks relating to a subordination agreement to be written back. Furthermore, the income not relating to the accounting period contains EUR 687k in the form of energy tax refunds for the years 2013 and 2014. In addition, other operating income includes charges passed on to affiliated enterprises and enterprises in which participations are held.

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, operating expenses and auxiliary costs, 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 expenditure not relating to the accounting period, totalling EUR 914k (previous year: EUR 3,706k), is mainly due to a general tax risk being taken into account. The other taxes incurred in the business year concerned and shown as part of other operating expenses amount to EUR 1,709k (previous year: EUR 1,725k).

Income from participations

	2015	2014
	€'000	€'000
GEC German Exposition Corporation International GmbH	6,000	3,500
Messe Düsseldorf ASIA Pte. Ltd.	868	890
Meseturm Düsseldorf Verwaltungsgesellschaft mbH	311	126
IGEDO Company GmbH & Co. KG	0	129
000 Messe Düsseldorf Moscow	0	958
	7,179	5,603

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 854k (previous year: EUR 861k).

Taxes on income and business profits

The item shows expenditure on corporation tax and trade tax for the business year under review, amounting to EUR 1,414k (previous year: EUR 12,108k) and EUR 1,194k (previous year: EUR 11,444k), respectively. As opposed to this, there is an income item due to a EUR 270k trade tax refund for the 2013 business year.

Appropriation of profits

The management proposes that a EUR 6,500k portion of the net income for the year, totalling EUR 31,220k, be paid out as a dividend. The remaining sum amounting to EUR 24,720k should be 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 654 (previous year: 642) wage-earners and salaried staff were employed during the business year. This number corresponds to a staff of 600 (previous year: 586) calculated on a full-time basis. In addition, the casual staff and apprentices employed numbered 240 (previous year: 364) and 15 (previous year: 20), respectively.

Other financial obligations and contingent liabilities

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 6,636k. 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 631k. 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 48,543k (previous year: EUR 58,442k).

Further obligations amounting to EUR 114k (previous year: EUR 97k) stemmed from the leasing rates payable in future; in addition, there were commitments totalling EUR 35,687k (previous year: EUR 4,904k) based on rental agreements and leases. Other financial obligations thus totalled EUR 85,653k (previous year: EUR 63,443k) on the balance-sheet date, EUR 72,602k (previous year: EUR 59,372k) of this sum being obligations vis-a-vis affiliated enterprises.

On the balance-sheet date, the Company's purchase commitments totalled EUR 50,250k (previous year: EUR 53,410k).

On the balance-sheet date, guarantees amounting, as in the past, to EUR 712k had been issued in favour of employees to cover employees' investment loans and to safeguard em-

ployee semiretirement schemes in the event of insolvency. In addition, there were guarantees amounting to EUR 667k relating to trade-related transaction relationships.

Messe Düsseldorf GmbH grants its employees benefits under the occupational pension scheme; for this purpose, employees have been insured with the Rhenish Supplementary Pension Fund, Cologne. The Fund's pension commitment covers old-age pensions, pensions for reduction in earnings capacity, and survivors' pensions for the insured persons' widows, widowers, and orphans. 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 (RZVK) levy shown on the Income Statement under human resources expenses amounts to EUR 3,260k for the year under review (previous year: EUR 3,196k). The contribution levied amounts to 4.25 percent of the remuneration on which contributions are payable - EUR 35,125k (previous year: EUR 34,285k). 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.

Due to the fact that the RZVK's situation is set to improve in future, 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, both the business operations and financing 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 31.12.2015, Messe Düsseldorf GmbH had concluded a total of six (previous year: three) 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 90,000k. Three of these interest rate swap transactions provide a hedge for future loans with a volume of EUR 60,000k; the latter are to be anticipated with a high degree of probability.

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 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 or future transactions) totalled EUR –1,882k (previous year: EUR –2,739k) at 31.12.2015.

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 1,661k (previous year: EUR 1,695k). The remuneration paid to former members of the Managing Board and their surviving dependants amounted to EUR 1,095k (previous year: EUR 1,120k).

An accrual amounting to EUR 13,364k (previous year: EUR 13,268k) has been set aside to cover pension obligations to former members of the Managing Board and their surviving dependants.

In the business year concerned, expenses for the Supervisory Board amounted to EUR 81k (previous year: EUR 82k).

Messe Düsseldorf GmbH Group Management Report

for the Business Year 2015

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 Group employs worldwide a workforce of 1,200 employees. Both in terms of floor space rented out and in terms of sales, the Group ranks among the world's major trade fair organizers. 15 companies in eight different countries belong to the Messe Düsseldorf Group. The Group currently generates its highest foreign sales in Russia, the Czech Republic and China.

Economic Survey

Macroeconomic and sector-specific boundary conditions

In 2015, the world economy saw only about 3.1% growth. According to the International Monetary Fund (IMF), the prospects for the world economy deteriorated in the course of the year. It was, above all, the major emerging economies (the BRIC countries) that were affected by this. The lower raw material prices brought about lower growth in the raw material exporting emerging countries such as Russia and Brazil. Furthermore, the Russian economy continues to suffer from the Western sanctions and the drop in the exchange rate of the rouble. In the interim, the rouble has fallen to an annual low of 53 roubles per euro. In China, the economy is undergoing radical changes in the direction of a sustainable economic model. Last year China's economy saw growth of a mere 6.9%. Only the Indian economy managed to continue to pick up steam. On the other hand, the economic growth of the industrial nations remained relatively stable. After a weak start to the year, the USA gathered momentum in the course of 2015.

The German economy remains on an expansion course. Positive impulses have been provided by both private and state expenditure on consumption, by capital expenditure, and also by foreign trade. The sharp drop in oil prices, the low level of interest, and a euro exchange rate that is favourable to the export industry all tend to support the economy.

For the German trade fair organization companies, the year 2015 was a relatively weak business year due to trade fair cycles. Nevertheless, the companies appear to be satisfied with the course of events. In terms of sales, Messe Düsseldorf is one of the three strongest trade fair locations in Germany. Roughly half of the international trade fairs staged annually are, worldwide, the key fairs in their respective sectors. On the whole, the industry is anticipating a strong and successful 2016 trade fair year.

The Messe Düsseldorf Group's business performance

Sales and profits situation

During the 2015 business year, Group sales dropped from EUR 411,540k to EUR 302,046k. This EUR 109,494k decrease in sales results from the fact that Messe Düsseldorf GmbH's business year was a relatively weak one due to trade fair cycles.

79 percent of consolidated sales, totalling EUR 302,046k, were generated by Messe Düsseldorf. The portion of sales accounted for by the other companies included in the consolidated financial statements was EUR 7,053k down on the previous year, at a figure of EUR 63,504k. On the whole, the foreign portion of consolidated sales was roughly 33.1%. The bulk of this was generated in the Czech Republic, Russia, and China.

Due to trade fair rotation, the event-related expenditure dropped by EUR 27,924k. The 3.5% increase in human resources expenses was mainly due to the pay increases agreed upon.

The Group's net earnings for the year after tax amounted to EUR 10,256k (previous year: EUR 57,681k). This reduction in profits mainly results from the fact that the 2015 trade fair year was a fairly weak one due to trade fair cycles.

Net asset position and financial situation

Compared with the previous year, the Messe Düsseldorf Group's total assets rose 4.0 percent to EUR 669,411k (previous year: EUR 643,568k). As in the past, the Group's net asset position is predominantly characterized by the fixed

assets item, which accounts for 75.2% of total assets. Assets tied down in the long term are covered at a rate of 92.0 percent by funds available over the long term. The increase in tangible assets is primarily due to the conversion of Halls 10 and 11, the installation of emergency stairways in the CCD South Congress Center, preparations for the new construction of Halls 1 and 2, and the purchase of IT hardware.

On the equity and liabilities side, Group equity decreased from EUR 426,895k to EUR 423,914k. This corresponds to an equity ratio of 63.2 percent (previous year: 66.3 percent). Accruals rose by EUR 1,097k, to EUR 65,641k, compared to the previous year. In addition to accruals for pensions and tax accruals they mainly comprise accruals for outstanding invoices, maintenance work, other human resources costs, and tax risks relating to Messe Düsseldorf GmbH's foreign business. Payments received on account increased by EUR 29,253k to EUR 65,797k.

Liquidity

Overall, cash and cash equivalents increased by EUR 7,077k at 31.12.2015, to a level of EUR 132,743k. This was largely due to the 2016 exhibition year being relatively strong for reasons of trade fair rotation. In addition to the three long-term loans totalling EUR 30,000k, Messe Düsseldorf GmbH has a credit line of EUR 7,500k, EUR 1,417k of which was drawn upon.

The Group's net worth, financial situation and profitability give an accurate picture corresponding to the Company's actual circumstances.

Messe Düsseldorf GmbH's business performance

2015 proved to be a fairly quiet exhibition year for Messe Düsseldorf GmbH due to trade fair cycles. In the 2015 business year, the Company organized 29 events of its own, including guest events, on 891,054 square metres of net hall space rented out, these events being attended by 25,819 exhibitors and roughly 1.1 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, GIFA, and METEC were the major sales

boosters and highlights, which gave the future performance of their respective sectors a major impetus. The events with the most sales were MEDICA with its 4,977 exhibitors and 123,456 visitors, and A+A with 1,896 exhibitors and more than 65,000 visitors.

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

	2015	2014
Fairs and exhibitions		
Own events	18	21
Guest events	11	15
Net floor space rented out	891,054 m ²	1,315,625 m ²
Number of exhibitors	25,819	31,269
Number of visitors	1,084,121	1,399,024

As regards the Company's own events, the relatively weak trade fair year meant that attendance by visitors was, as was to be expected, down on the previous year's figure. The same applied to net floor space rented out and the numbers of exhibitors. Compared to the predecessor events, the numbers of exhibitors were 9.0 percent higher than those of the previous years. The figures for net floor space rented out and numbers of visitors also exceeded those of the predecessor events.

In the case of the guest events, the picture was a mixed one. While the numbers of visitors remained on the level of the predecessor events, both the numbers of exhibitors and the areas of floor space rented out were higher than at the predecessor events.

Last year too, the international flair of the various events, one of Messe Düsseldorf's quality characteristics, was significantly perceptible at the Düsseldorf exhibition site. The percentage of foreign exhibitors at the self-organized events came to 69.6 (previous events: 67.5 percent), with that of foreign visitors coming to 26.3 percent (previous events: 27.0 percent). The highest ratios of foreign visitors were registered by the NEWCAST trade fair (66.0 percent) and MEDICA (61.0 percent). The largest percentages of foreign

exhibitors were registered by the NEWCAST trade fair (85.0 percent), followed by ProWein (84.0 percent), MEDICA (78.8 percent), and GDS and tag it! (74.7 percent).

As regards international trade fair business, Messe Düsseldorf GmbH can look back on a successful business year, organizing 36 events on commission and 20 self-sponsored events and participations. The bulk of these events were staged in Russia, China, and India.

Business performance of the Group's international subsidiaries

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. In a contract dated 22.12.2015, Messe Düsseldorf sold 61% of the shares in the capital stock of Veletrhy Brno a.s. to the City of Brno, this corresponding to all the bearer shares held by the former (76,770,000 in number). The principal suspensory conditions laid down in the contract of sale include both the receipt of the purchase price and that of the nominal amount of the subordinated loan still outstanding, plus interest still owing for the period commencing 1.1.2015. The purchase price of the bearer shares amounts to EUR 22.0 million less the subordinated loan of EUR 13.7 million. Messe Düsseldorf anticipates that all the conditions required for execution will be fulfilled in the first quarter of 2016.

The business objective of Veletrhy Brno a.s. 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. Demand remains slack at the Veletrhy Brno a.s. events. 2015, too, saw no sustained recovery in the Czech Republic's trade fair market. In the 2015 business year, the company returned a net loss for the year of – EUR 187k (previous year: a EUR 1,001k profit), while generating sales of EUR 32,988k (previous year: EUR 36,062k). Factors having a positive impact on the result were the revaluation of a financial derivative, a tax refund, and interest savings.

Brno INN a.s., in which Veletrhy Brno a.s. 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. Despite the slackened demand at the Brno exhibition site, sales were successfully boosted from the previous year's figure of EUR 3,833k to EUR 3,908k. In the year under review, the company reported a net profit for the year of EUR 149k (previous year: EUR 146k).

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 events in the USA has increasingly made sales less dependent on the rotation of events in Düsseldorf. Despite the trade fair year under review being a fairly slack one, the company's result was somewhat above the level of the previous year: the company's net profit was successfully boosted by EUR 31k to a figure of EUR 304k.

The Singapore-based Messe Düsseldorf ASIA Pte. Ltd., a 100-percent subsidiary of Messe Düsseldorf, organizes its own trade fairs in the Asian region while also obtaining business in terms of exhibitors and visitors for events in Düsseldorf. The 2015 business year saw sales increase to EUR 6,532k (previous year: EUR 3,885k), whereas net profit dropped to EUR 764k (previous year: EUR 790k) due to the level of marginal income for two of the company's own 2015 events being relatively poor.

In the year under review, the sales revenue of 000 Messe Düsseldorf Moscow decreased to EUR 5,555k (previous year: EUR 7,146k). The company returned a reduced net profit for the year, amounting to EUR 460k (previous year: EUR 577k). The object of the company is to organize and stage trade fairs, exhibitions and similar events in Russia. On the whole, the company is suffering from the repercussions of the business situation in Russia.

Messe Düsseldorf China, in which Messe Düsseldorf holds a 100 stake, is responsible together with its 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. Mainly due to the trade fair year being a relatively slack one, the group's sales saw a decrease from EUR 12,754k to EUR 8,450k. Net profit for the year came to EUR 3,755k (previous year: EUR 5,106k).

Business performance of the Group's national subsidiaries

In the 2015 business year, IGEDO Company GmbH & Co. KG generated sales totalling EUR 10,238k (previous year: EUR 16,021k), while returning a net loss for the year of - EUR 1,613k (previous year: a EUR 341k profit). The decline in sales was attributable to the difficult situation in Russia and the drop in sales ensuing from the latter at the two CPM events in Moscow.

Düsseldorf Congress Sport & Event GmbH provides services for congresses and other events, including events held in the CCD Congress Center Düsseldorf, the Mitsubishi Electric HALLE, the CASTELLO, the Airport Station at Düsseldorf Airport, the ESPRIT arena and the ISS DOME at Rath. Sales amounted to EUR 30,808k (previous year: EUR 28,935k), while the company returned a profit of EUR 110k for the year (previous year: EUR 172k).

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 7k to a level of EUR 2,706k. At EUR 634k, the company's annual result was slightly above the level of the previous year (previous year: EUR 622k).

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 leases these buildings back to the latter on a long-term basis. In the business year under review, FIXXUS returned a net loss for the year of - EUR 1k (previous year: - EUR 2k), while generating sales of EUR 4,674k (previous year: EUR 4,672k).

Financial and non-financial performance indicators

Financial performance indicators

Major control parameters applicable to the Group 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, in an international environment, its top position among the leading trade fair companies at both the national and the international level, Messe Düsseldorf 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 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 2015 business year, the Group employed a staff of 1,207 worldwide (previous year: 1,200). 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

Risk management system

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 Group'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 severity of the repercussions to which the Group's net worth, financial situation and profitability will be exposed if a risk materializes. In this classification, the following risk categories have been laid down:

- Operating risks
- Ad hoc risks

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

Risks

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

Probability of materialization	Level of loss		
	Low	Critical	Jeopardizing MD's existence
High (75 – 100 %)	1	1	–
Medium a (50 – 75 %)	1	2	–
Medium b (25 – 50 %)	–	2	–
Low (0 – 25 %)	1	–	–

The risk identified as being critical, with a high probability of materialization, relates to an exhibition event the conceptual realignment of which was put into effect in 2014. In this connection, there are uncertainties as regards the event's acceptability to the market. Although the summer event carried out in July 2015 saw a decreasing number of visitors at its conclusion, there was, nevertheless, some positive feedback from the exhibitors.

The risks associated with a low level of loss consist of sales, operating, and human resources risks. The sales risks are mainly associated with reductions in the floor space rented out and in the numbers of exhibitors and visitors. The sanctions against Russia and the falling exchange rate of the rouble ensuing from the latter have just as much impact on the situation regarding demand for our trade fair products as the political uncertainty in Ukraine. In addition, there is the risk of our losing a collaborative Chinese partner. 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 risk identified, a medium-term solution has been prepared and its implementation has been initiated.

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

Risk reports relating to the use of financial instruments

At 31.12.2015, Messe Düsseldorf GmbH had concluded a total of six (previous year: four) interest rate swap transactions, designed to hedge against interest rate-induced 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 90,000k. Three of these interest rate swap transactions provide a hedge for future loans with a volume of EUR 60,000k; the latter are to be anticipated with a high degree of probability.

Forecast report

	Forecast for 2015	2015 results	Forecast for 2016
Sales (€ '000)	300,568	302,046	423,085
Net pre-tax profit for the year (€ '000)	- 14,203	13,391	39,978
Capital expenditure on fixed assets* (€ '000)	73,250	60,220	51,826

* Including repairs and maintenance

Due to the good sales figures, sales revenue rose slightly to EUR 302,046k – about 0.5 percent above the forecast for 2015. At the same time, the bulk of this improvement in sales was accomplished in Germany, while foreign business suffered mainly from the repercussions of the Russian economic crisis. On the expenditure side, project budgets were complied with on the basis of cost-conscious action, and this led to a further improvement in results. Especially the fact that overheads were lower than those budgeted for plus the GEC dividend intensified the positive impact on profitability.

In the 2016 trade fair year with its high event frequency, involving a scheduled number of 31 events in Düsseldorf alone, Messe Düsseldorf is anticipating sales of EUR 423 million and a net pre-tax profit for the year of approximately EUR 40 million. It is above all the key trade fairs – drupa,

K, MEDICA, boot, and CARAVAN SALON DÜSSELDORF - that will have a crucial impact on sales. By comparison, due to trade fair rotation, the year 2017 that follows is again set to be one with a relatively low event frequency.

Messe Düsseldorf is continuously pursuing the scheduled modernization of the exhibition site. The entire sum total of the capital investment in the master plan serving as a basis for this will amount to EUR 636 million by the year 2030. A good EUR 200 million of this will have been invested by the end of 2016 in projects involving the conversion of the existing halls. If the buildings newly constructed in recent years are included, by the end of 2016 10 of the 19 halls will come up to a state-of-the-art standard. All these building projects will be carried out without any public subsidies.

Opportunity report

For Messe Düsseldorf, 2016 is set to be an important year for the further development of leading international key fairs at the Düsseldorf site. After 2016, drupa, the key international trade fair for print and cross-media solutions, will be switching over from a four-year cycle to a three-year one, thus taking into account the fact that industry is undergoing radical changes as a result of developments in the digital field. The focus will be increasingly on new applications and innovative technologies such as 3D printing, printed electronics, or functional printing. K - the world's number one trade fair for plastics and rubber - will intensify the dialogue between research bodies and industry even further and will expand the Science Campus, after its 2013 premiere, with an increased number of participating scientific organizations. In India, the new FoodPex India will complement the trade fair duo successfully established in Mumbai, comprising International PackTech India and drink technology. Having successfully expanded into China, in 2016 ProWine will, for the first time, be opening its doors in Singapore as ProWine Asia.

With the implementation of the "Messe Düsseldorf 2030" concept, the Group will be focusing its attention even more on the expansion of its global portfolios and the strengthening of its international marketing activities. Solid annual results will, in future too, lay the groundwork for the pursuit of new

capital investment projects, the enlargement of the Group's offer of events worldwide, and hence the strengthening of its internationally-leading position over the long term.

The bulk of its operating cash flow goes into the modernization of the Düsseldorf trade fair site and into the development of the Group's global portfolios in terms of operations. By 2030, Messe Düsseldorf GmbH will complete the modernization of the exhibition site based on its own resources. The entire capital investment sum relating to the master plan will total roughly EUR 636 million.

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

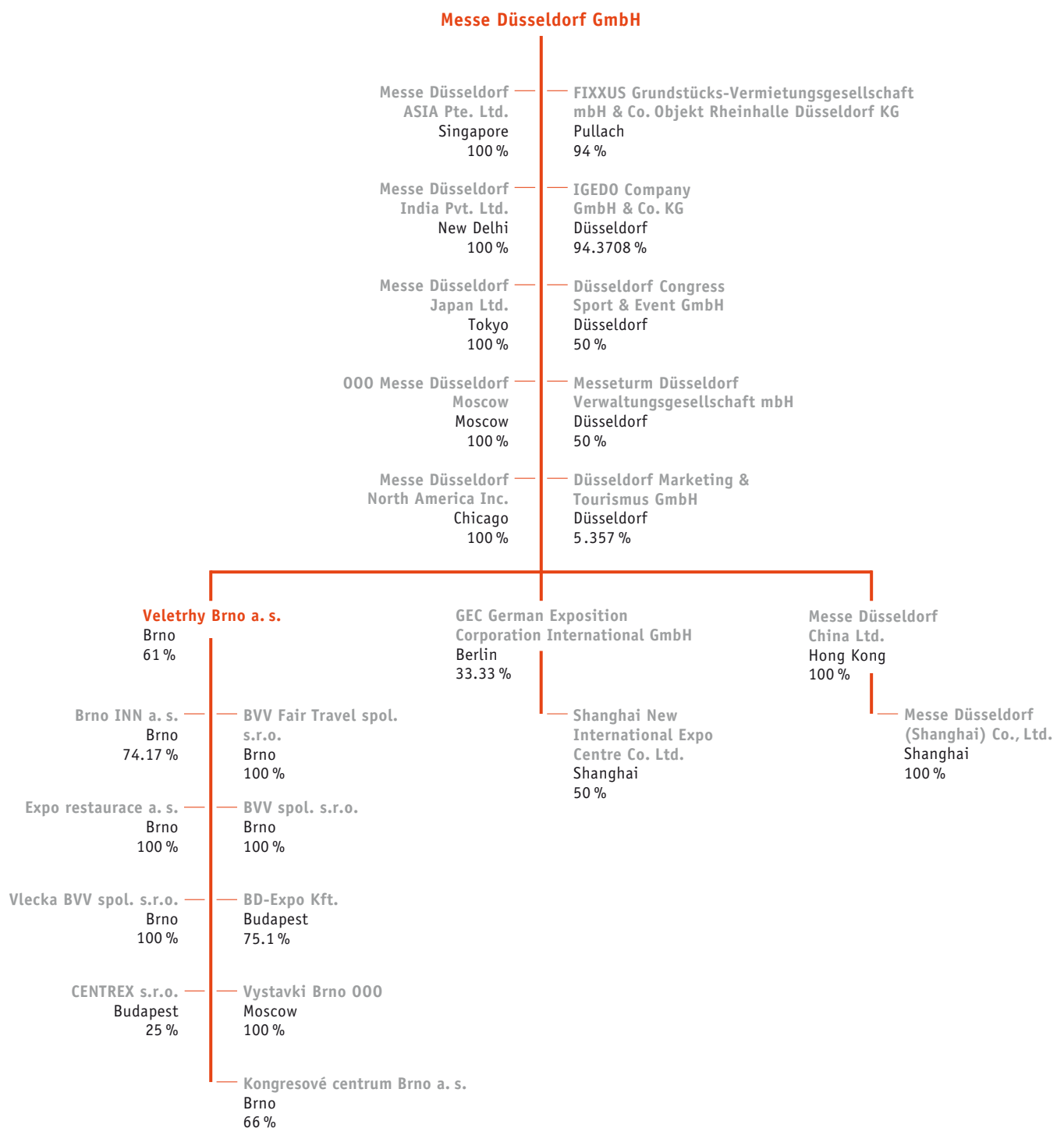
In accordance with the articles of association of Messe Düsseldorf GmbH, the object of the Company is to organize and stage fairs, exhibitions and other events that serve to promote industry, craft industries, trade and services, and to provide the counselling, project development and order placement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

On 28.1.2016, Messe Düsseldorf GmbH concluded a liquidity-related Block Credit Agreement for up to EUR 40 million with Düsseldorf, the capital of the Land of North-Rhine Westphalia. This Agreement with the shareholder will run until 30.11.2016. From a present-day viewpoint, the liquidity-related Block Credit Agreement will not have any major repercussions on the Group's net worth, financial situation or profitability.

The Messe Düsseldorf GmbH Group



Consolidated Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2015

Assets	31.12.2015	31.12.2014
	€'000	€'000
Fixed assets		
Intangible assets		
Concessions, industrial and similar rights and assets, and licences in such rights and assets	7,751	9,972
Advance payments made	1,415	388
	9,166	10,360
Tangible assets		
Land, land rights and buildings, including buildings on third-party land	406,863	422,299
Technical equipment and machines	346	446
Other equipment, factory and office equipment	12,060	11,873
Advance payments made and assets under construction	70,438	33,736
	489,707	468,354
Financial assets		
Shares in affiliated enterprises	903	158
Shares in associated enterprises	877	822
Participations	1	1
Other loans	2,362	2,078
	4,143	3,059
	503,016	481,773
Current assets		
Inventories		
Raw materials, auxiliary materials and supplies	151	146
Finished products and merchandise	399	358
	550	504
Receivables and other assets		
Trade receivables	6,023	6,534
Receivables from affiliated enterprises	13	18
Receivables from associated enterprises	1,130	1,075
Other assets	11,233	10,587
	18,399	18,214
Securities	9,999	9,999
Cash-in-hand, bank balances	132,743	125,666
	161,691	154,383
Prepaid expenses	4,704	7,412
	669,411	643,568

Equity and liabilities	31.12.2015	31.12.2014
	€'000	€'000
Equity		
Subscribed capital	15,625	15,625
Capital reserves	79,718	79,718
Other revenue reserves	121,331	85,270
Difference in equity due to currency translation	4,216	2,585
Adjusting item for minority interests	29,702	30,066
Consolidated distributable profit	173,322	213,631
	423,914	426,895
Accruals		
Accruals for pensions and similar obligations	18,293	17,346
Tax accruals	6,145	8,392
Other accruals	41,202	38,806
	65,640	64,544
Liabilities		
Liabilities to banks	59,474	62,036
Advance payments received in respect of orders	65,797	36,544
Trade payables	10,371	11,880
Payables to shareholders	5	13
Payables to affiliated enterprises	657	118
Other liabilities	42,334	40,275
(of which taxes: € 856k; previous year: € 1,191k)		
(of which relating to social security and similar obligations: € 187k; previous year: € 184k)		
	178,638	150,866
Deferred tax liabilities	1,219	1,263
	669,411	643,568

Consolidated Income Statement

of Messe Düsseldorf GmbH for the Period from 1 January to 31 December 2015

	31.12.2015	31.12.2014
	€'000	€'000
Sales	302,046	411,540
Own work capitalized	559	104
Other operating income	9,014	6,170
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	11,260	13,544
b) Cost of purchased services	146,038	171,678
	157,298	185,222
Human resources expenses		
a) Wages and salaries	52,995	51,337
b) Social security charges and costs of retirement pensions and other welfare benefits (including € 4,867k for retirement pensions; previous year: € 4,663k)	14,336	13,798
	67,331	65,135
Depreciation on intangible and tangible fixed assets	28,051	31,458
Other operating expenses	45,297	49,163
Net income from participations	6,000	3,500
Net income from shareholdings in associated enterprises	54	86
Income from long-term loans	1	1
Other interest and similar income	591	583
Write-downs of financial assets and investments classified as current assets	0	41
Interest and similar expenditure	6,897	7,339
Results from ordinary activities	13,391	83,626
Taxes on income and profits	3,135	-25,945
Consolidated net profit for the year	10,256	57,681
Portion of loss/profit accruing to minority interests	322	-746
Profit brought forward from the previous year	162,744	156,696
Consolidated distributable profit	173,322	213,631

Statement of Movements in the Consolidated Fixed Assets

of Messe Düsseldorf GmbH in the 2015 Business Year

	Cost of acquisition/manufacture				
	Status at 1.1.2015 €'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	54,929	310	779	346	225
Goodwill	20,178	0	0	0	0
Advance payments made	388	2	1,371	-346	0
Sum total - intangible assets	75,495	312	2,150	0	225
Tangible assets					
Land, land rights and buildings, including buildings on third-party land	1,044,920	4,135	2,823	918	31,389
Technical equipment and machines	2,144	56	0	0	2
Other equipment, factory and office equipment	65,344	627	4,103	167	2,346
Advance payments made and assets under construction	33,736	0	37,790	-1,084	4
Sum total - tangible assets	1,146,144	4,818	44,716	1	33,741
Financial assets					
Shares in affiliated enterprises	1,506	3	779	0	37
Shares in associated enterprises	822	0	55	0	0
Participations	13,243	33	0	0	0
Loans to affiliated enterprises	231	6	0	0	0
Other loans	2,078	53	236	0	5
Sum total - financial assets	17,880	95	1,070	0	42
Total fixed assets	1,239,519	5,225	47,936	1	34,008

Status at 31.12.2015 €'000	Status at 1.1.2015 €'000	Currency translation €'000	Depreciation			Status at 31.12.2015 €'000	Book values	
			Additions €'000	Reclassi- fications	Retire- ments €'000		Status at 31.12.2015 €'000	Status at 31.12.2014 €'000
56,139	44,957	299	3,351	0	219	48,388	7,751	9,972
20,178	20,178	0	0	0	0	20,178	0	0
1,415	0	0	0	0	0	0	1,415	388
77,732	65,135	299	3,351	0	219	68,566	9,166	10,360
1,021,407	622,621	2,011	21,077	0	31,165	614,544	406,863	422,299
2,198	1,698	46	110	0	2	1,852	346	446
67,895	53,471	584	3,513	0	1,733	55,835	12,060	11,873
70,438	0	0	0	0	0	0	70,438	33,736
1,161,938	677,790	2,641	24,700	0	32,900	672,231	489,707	468,354
2,251	1,348	0	0	0	0	1,348	903	158
877	0	0	0	0	0	0	877	822
13,276	13,242	33	0	0	0	13,275	1	1
237	231	6	0	0	0	237	0	0
2,362	0	0	0	0	0	0	2,362	2,078
19,003	14,821	39	0	0	0	14,860	4,143	3,059
1,258,673	757,746	2,979	28,051		33,119	755,657	503,016	481,773

Notes to the Consolidated Balance Sheet and Income Statement

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
- Veletrhy 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 Veletrhy 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. At 31.12.2015, the equity of Düsseldorf Congress Sport & Event GmbH

totalled EUR 1,753k (previous year: EUR 1,644k), the company's balance-sheet value amounting to EUR 877k (previous year: EUR 822k).

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 since 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 31.12.2015, 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 2014, the adjusting item was added to the consolidated distributable profit for the year. 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 consolida-

tion of the shares acquired, the Group acquired an intangible right to a trade fair for a sum of EUR 3,138k, which was 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 201k 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 the financial statements 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, scheduled depreciation is deducted. If necessary, additional depreciation is applied based on the value appropriate for the assets on the balance-sheet date.

Since 2014, buildings have been depreciated on a straight-line basis. 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 tangible 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.

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 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 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 2015. This interest rate amounts to 3.89 (previous year: 4.58) 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

intangible assets mainly relate to the online order system that is currently being developed and to purchased software. The additions to tangible assets are primarily attributable to additions to outdoor facilities, assets under construction and to factory and office equipment. The latter items mainly relate to the alterations to Halls 10 and 11, the installation of emergency stairways in the CCD South Congress Center, the construction of new buildings for Halls 1 and 2, and IT hardware.

The retirements in the sphere of intangible assets relate primarily to software that is no longer used. As regards tangible assets, the retirements mainly result from partial retirements of the renovated Halls 10 and 11 and the retirement of equipment installed by tenants.

The depreciation item comprises unscheduled depreciation amounting to EUR 34k on a set of software that is no longer used.

For further details, the reader is referred to the fixed assets movements schedule attached to the Notes to the Financial Statements as Annex 1.

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 59k (previous year: EUR 97k) with a remaining term of more than one year.

Other assets include receivables in the amount of EUR 127k (previous year: EUR 117k) 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.

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 2,043k increase in pension accruals with a net impact on results. For employees of Messe Düsseldorf GmbH 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 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:

	1.1.2015	Amounts utilized	Amounts written back	Additions	31.12.2015
	€ '000	€ '000	€ '000	€ '000	€ '000
1. Accruals for pensions and similar obligations	17,346	1,096	0	2,043	18,293
2. Tax accruals	8,392	3,775	488	2,016	6,145
3. Other accruals					
Risks associated with order processing					
Repairs and maintenance	3,323	1,825	1,498	2,156	2,156
Outstanding invoices	10,222	8,971	818	12,432	12,865
Impending losses	595	0	0	0	595
	14,140	10,796	2,316	14,588	15,616
Human resources and the social sphere					
Semiretirement scheme obligations	163	109	0	0	54
Accruals for vacations	2,087	2,060	27	2,078	2,078
Accruals for anniversaries	2,098	144	0	457	2,411
Accruals for bonuses	671	667	4	703	703
Miscellaneous accruals	697	0	1	1,096	1,792
	5,716	2,980	32	4,334	7,038
Other accruals					
Fiscal risks in foreign countries	17,800	0	1,400	0	16,400
Annual financial statements costs	457	450	7	494	494
Miscellaneous accruals	693	0	0	961	1,654
	18,950	450	1,407	1,455	18,548
	38,806	14,226	3,755	20,377	41,202
	64,544	19,097	4,243	24,436	65,640

Liabilities

The liabilities of the Messe Düsseldorf Group at 31.12.2015 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	59,474	5,932	44,263	9,279
Payments received on account	65,797	65,546	251	0
Trade payables	10,371	10,362	9	0
Payables to shareholders	5	0	0	0
Payables to affiliated enterprises	657	657	0	0
Other liabilities	42,334	12,629	18,568	11,137
	178,638	95,126	63,091	20,416

The liabilities of the Messe Düsseldorf Group at 31.12.2014 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	62,036	3,195	42,241	16,600
Payments received on account	36,544	36,484	60	0
Trade payables	11,880	11,872	8	0
Payables to shareholders	13	13	0	0
Payables to affiliated enterprises	118	118	0	0
Other liabilities	40,275	9,984	16,814	13,477
	150,866	61,666	59,123	30,077

Of total liabilities to banks, EUR 30,000k (previous year: EUR 40,226k) 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 enterprises also included trade payables.

Deferred tax liabilities

There were deferred tax liabilities totalling EUR 8,275k (previous year: EUR 8,773k) 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 7,526k (previous year: EUR 7,802k). The latter ensue from differences between the commercial-law and fiscal balance-sheet valuations of shares in affiliated enterprises, participations and accruals. Furthermore, EUR 470k (previous year: EUR 292k) 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	2015 €'000	2014 €'000
Trade fair business	298,240	407,869
Hotel management	3,806	3,671
	302,046	411,540
Region	2015 €'000	2014 €'000
Germany	202,150	299,747
Czech Republic	31,658	33,337
Russia	31,281	45,908
China	13,719	16,903
Singapore	6,059	3,724
India	3,935	2,787
USA	3,650	3,416
Other countries	9,594	5,718
Total foreign sales	99,896	111,793
	302,046	411,540

Other operating income

Other operating income mainly consists of income deriving from currency translation and from the passing on of charges to associated enterprises.

The income not relating to the accounting period contains income amounting to EUR 4,244k (previous year: EUR 1,226k) deriving from write-backs of accruals, income deriving from write-backs of adjustments for loss of value amounting to EUR 305k (previous year: EUR 90k), and also income in the amount of EUR 116k (previous year: EUR 52k) deriving from sales of plants and systems. Furthermore, in the year under review, EUR 687k was refunded for energy tax relating to the years 2013 and 2014. The income deriving from currency translation amounted to EUR 513k (previous year: EUR 558k).

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 expenditure on currency translation amounted to EUR 43k (previous year: EUR 23k). The item contains non-operating expenditure totalling EUR 914k (previous year: EUR 3,706k). Other taxes, amounting to EUR 2,179k (previous year: EUR 2,194k), 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 878k (previous year: EUR 874k) deriving from the discounting of accruals.

Taxes on income and profits

The item covers 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 310k (previous year: EUR 42k) and expenditure amounting to EUR 3,342k (previous year: EUR 181k).

VI. Other disclosures

Human resources

In addition to the management, on average 1,207 (previous year: 1,200) wage-earners and salaried staff were employed during the business year. In addition, 15 (previous year: 20) apprentices were employed.

Other financial obligations and contingent liabilities

On the balance-sheet date, the Group's purchase commitments totalled EUR 50,571k (previous year: EUR 53,709k).

Further obligations amounting to EUR 13,869k (previous year: EUR 6,910k) stemmed from commitments relating to long-term rental agreements and leases.

On the balance-sheet date guarantees totalling EUR 712k (previous year: EUR 708k) 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. In addition, there were guarantees amounting to EUR 676k relating to trade-related transaction relationships.

Messe Düsseldorf GmbH grants its employees benefits under the occupational pension scheme; for this purpose, employees have been insured with the Rheinische Zusatzversorgungskasse (Rhenish Supplementary Pension Fund), Cologne. The Fund's pension commitment covers old-age pensions, pensions for reduction in earnings capacity, and survivors' pensions for the insured persons' widows, widowers, and orphans. 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 (RZVK) levy shown on the Income Statement under human resources expenses amounts to EUR 3,260k for the year under review (previous year: EUR 3,196k). The contribution levied amounts to 4.25 percent of the remuneration on which contributions are payable - EUR 35,125k (previous year: EUR 34,285k). 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.

Due to the fact that the RZVK's situation is set to improve in future, 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 31.12.2015, Messe Düsseldorf GmbH had concluded a total of six (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 90,000k. Three of these interest rate swap transactions provide a hedge for future loans with a volume of EUR 60,000k; the latter are to be anticipated with a high degree of probability.

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 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 or to be concluded in future) totalled EUR –1,882k (previous year: EUR –2,751k) at 31.12.2015.

Auditors' fees

A sum of EUR 125k (previous year: EUR 160k) 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. Furthermore, an amount of EUR 21k was recorded as consultancy expenditure in the IT field.

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 2015

	Parent company			
	Subscribed capital	Capital reserves	Revenue reserves	Currency translation differences
	€'000	€'000	€'000	€'000
Balance at 31.12.2013	15,625	79,718	85,270	2,892
Carried forward to new account	-	-	-	-
Consolidated net income for the year	-	-	-	-
Distribution of dividends	-	-	-	-
Transfer of the adjusting item ensuing from capital consolidation	-	-	-	-
Currency translation differences	-	-	-	- 307
Balance at 31.12.2014	15,625	79,718	85,270	2,585
Carried forward to new account	-	-	-	-
Amount posted to reserves	-	-	36,061	-
Consolidated net income for the year	-	-	-	-
Distribution of dividends	-	-	-	-
Currency translation differences	-	-	-	1,631
Balance at 31.12.2015	15,625	79,718	121,331	4,216

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 income for the year	Equity	Minority interests in capital	Minority interests in profit/loss	Minority interests in equity	Group equity
€'000	€'000	€'000	€'000	€'000	€'000	€'000
148,577	13,024	345,107	28,581	1,008	29,589	374,696
13,025	- 13,025	-	1,008	-1,008	-	-
-	56,935	56,935	-	746	746	57,681
-5,467	-	-5,467	-	-	-	-5,467
561	-	561	-	-	-	561
-	-	-307	-269	-	-269	-576
156,696	56,935	396,829	29,320	746	30,066	426,895
20,875	- 56,935	- 36,060	746	- 746	-	- 36,060
-	-	36,061	-	-	-	36,061
-	10,578	10,578	-	- 322	- 322	10,256
-14,827	-	- 14,827	- 633	-	- 633	- 15,460
-	-	1,631	591	-	591	2,222
162,744	10,578	394,212	30,024	-322	29,702	423,914

Consolidated Cash Flow Statement

of Messe Düsseldorf GmbH for the Business Year 2015

	2015	2014
	€'000	€'000
Consolidated net profit/loss for the year	10,256	57,681
Portions of profit/loss accruing to minority interests	322	-746
Depreciation on tangible and intangible fixed assets	28,051	31,458
Write-downs on financial assets items	0	41
Increase (+)/decrease (-) in accruals for pensions	947	896
Cash flow	39,576	89,330
Profits (-)/losses (+) due to the retirement of fixed assets items	6	-44
Expenditure on/income from interest	-6,305	-6,756
Other income from participations	6,000	3,500
Expenditure on/income from tax on business profits	3,135	25,945
Tax on business profits paid	-4,994	-9,850
Increase (-)/decrease (+) in trade receivables, other assets, and miscellaneous assets	-4,115	431
Increase (+)/decrease (-) in payments received on account	29,253	-58,881
Increase (+)/decrease (-) in short-term liabilities, other accruals, and in the adjusting item resulting from capital consolidation	18,264	-19,087
Inflow of funds due to regular business operations	80,820	24,588
Inflows due to retirements of tangible and intangible assets	843	538
Inflows due to retirements of financial assets	43	15
Outflows for capital expenditure on intangible assets	-2,150	-1,688
Outflows for capital expenditure on tangible assets	-44,717	-29,236
Outflows for capital expenditure on financial assets	-1,070	-289
Currency-induced changes in fixed assets	-2,248	1,059
Outflow of funds due to financial investments made as part of short-term cash management	0	-9,999
Outflow of funds due to capital investment	-49,299	-39,600
Dividend payments to shareholders	-14,827	-5,467
Changes in minority interests	-364	477
Changes in liabilities to banks	-2,562	-5,133
Changes in payables to shareholders	-8	-1
Interest payments made	-5,975	-6,508
Changes in other long-term liabilities	-2,340	-4,056
Outflow of funds due to financing activities	-26,076	-20,688
Changes in cash and cash equivalents	5,445	-35,700
Cash and cash equivalents at the beginning of the accounting period	125,666	161,673
Changes in liquid assets due to the scope of consolidation and currency translation	1,632	-307
Cash and cash equivalents at the end of the accounting period	132,743	125,666

Shareholdings

of Messe Düsseldorf GmbH

Company	Percentage of capital held in %	Equity at 31.12.2015 €'000	Result in 2015 €'000
Messe Düsseldorf North America Inc., Chicago/USA	100.00	4,963	304
Messe Düsseldorf Japan Ltd., Tokyo/Japan	100.00	907	- 59
000 Messe Düsseldorf Moscow, Moscow/Russia	100.00	902	460
Messe Düsseldorf ASIA Pte. Ltd., Singapore	100.00	2,145	764
Messe Düsseldorf India Pvt. Ltd., New Delhi/India*	100.00	467	- 234
FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co.			
Objekt Rheinhalle Düsseldorf KG, Pullach	94.00	22	- 1
IGEDO Company GmbH & Co. KG, Düsseldorf	94.37	5,941	- 1,613
Messe Düsseldorf China Ltd., Hong Kong/China	100.00	19,051	3,973
Messe Düsseldorf (Shanghai) Co., Ltd., Shanghai/China	100.00 indirectly	4,621	- 216
Veletrhy Brno a. s., Brno/Czech Republic	61.00	55,756	- 187
Messeturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf	50.00	3,104	634
Düsseldorf Congress Sport & Event GmbH, Düsseldorf	50.00	1,753	110
Brno INN a. s., Brno/Czech Republic	74.17 indirectly	8,974	144
GEC German Exposition Corporation International GmbH, Berlin **	33.33	50,060	12,373
Düsseldorf Marketing & Tourismus GmbH, Düsseldorf **	5.4	2,026	191

* Closing date 31.3.2015 ** Closing date 31.12.2014

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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